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**THE JUA-KALI CO-OPERATIVES AND THEIR DEVELOPMENT
SUPPORT TO ARTISANS IN THE JUA-KALI SECTOR**

"Case of Gikomba, Kamukunji and Shauri Moyo in Nairobi"

BY

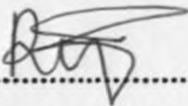
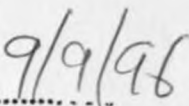
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A Management Research Project submitted in partial fulfillment
of the requirement for the Degree of Master
of Business and Administration;
Faculty of Commerce
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October 1995.

DECLARATION

This Management Research project is my original work and has not been presented for a degree in any other university.

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This Management Research Project has been submitted for examination with my approval as University Supervisor

Signed..........Date.....

ELIUD OMONDI MUDUDA.

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DEDICATION

TO MY FATHER BONUKE

MY MOTHER MORAA

FOR THEIR PARENTAL CARE, LOVE, ADVICE AND FOR ALL

THAT THEY HAVE SACRIFICED FOR ME.

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ABSTRACT

Jua-Kali Co-operatives are a recent development in the Kenyan economy. Their operation in assisting people in the informal sector makes them a very important area of study. However, not much research has been done in this area.

The objectives of this study were to identify the importance of the services offered by Jua-kali co-operatives and to find out whether members are satisfied with the way these services are offered.

The study was carried out in Nairobi where three Jua-kali co-operatives were considered that is Gikomba, Kamukunji and Shauri Moyo. These Co-operatives represent the three types of Jua-Kali co-operatives registered in the Ministry of Co-operative Development, namely Motor Vehicle engineering co-operatives, metal Works co-operatives and Furniture Co-operatives.

The research variables were based on the importance and satisfaction. Five services were considered (1) Marketing of Jua-kali products (2) Credit/Finance (3) Training/Education (4) Procurement of inputs and (5) Buying of plots to put up Jua-kali sheds.

Data was collected by conducting questionnaire survey, in which respondents were asked to rate the importance and satisfaction.

The data was analyzed by cross tabulation and mean scores were calculated. Further analysis to ascertain whether there was a significant differences in the mean scores was done using the t test score decision making.

The major findings were as follows:-

- (1) The services offered by the Jua-kali Co-operatives were considered to be very important. Members valued these services because they assisted in promoting their activities.
- (2) Most of the members of these co-operatives were not satisfied with the way the services were offered as the findings show in table 1.4.
- (3) There was no significant differences in the response of the members of the three co-operatives. In all the co-operatives members valued the services offered by the Jua-Kali co-operatives, but they were not satisfied with the way the services were offered.

Arising from the findings and conclusion, it was recommended that the co-operatives should improve the services they offer to members. There is a need to organize the operations of these co-operatives and proper management systems should be developed.

CHAPTER ONE**INTRODUCTION****1:1 BACKGROUND**

The basic objective of co-operative development is the betterment of the economic and social well-being of the co-operative members. Co-operatives provide the framework for raising the standard of living of the people by way of increasing their wealth (Bayer 1980). In Kenya, the co-operative movement has made significant contribution to its economic development. The movement pervades almost the entire social fabric of Kenyan lives. Co-operatives are the hopes, the bridge from a serious state of want to that of relative ease for many. More than half of Kenya's population of 25 million people derive much of their living either directly or indirectly from the co-operative societies.¹

Since their emergence in modern form, co-operatives have been the social and economic institutions of the disadvantaged or weaker social and economic groups in their bid to either survive or advance themselves in their lives. This assumption on co-operatives is neither accidental nor prejudicial, but history and various other contemporary experiences have undoubtedly proved that co-operative is one of the economic institutions through which people can develop satisfactorily and in an equitable manner. What then is a co-operative?. The term co-operative is used in different ways in different countries, and it covers different types of cooperatives. Most definitions have been built upon certain formal organization characteristics, like open membership, internal membership democracy, voluntary membership and distribution of surplus according to turnover.

¹Republic of Kenya Sessional Paper No. 1 of 1994,pp.2

Hans Munkner (1980) defines a co-operative as:

"an organization formed with primary objective to promote the economic interests of its members by means of a common enterprise"

Ouma (1990) sees cooperative society as made up of a group of people, who join together voluntarily to achieve common social and economic objectives. As used in the cooperative movement, the term cooperative means: the society that has certain fundamental characteristics and which adheres to cooperative regulations, including cooperative principles.

Laidlow in Campbell "Co-operative in the year 2000" defined co-operative as

" a group of people small or large with commitment to joint action on the basis of democracy and self help in order to secure a service or economic management that is once socially desirable".²

This definition will be adopted for the purpose of this study because it encompasses all the major elements of co-operatives discussed by most scholars and researchers.

Having defined what a cooperative society is, it is now perhaps useful to define development in so-far as it is applied in the context of this study. Development generally means changing identify from one form to another or to something else. However, development in the context of this study, means development of people in the Jua-Kali sector. This means that the Jua-Kali artisans need to be placed in an environment where they can be able to manipulate and multiply their wants. For example, they should be able to produce their goods and sell them without any hindrance, they should be able to raise capital or finance from the sale of the products and intermediate

²Campbell.W , Practical co-operation in Asia and Africa, Cambridge,Helper and sow ltd,pp.95.

channels like banks.

Development is therefore the process by which the efforts of the people are united to improve their economic and social conditions. This complex processes is made up of two essential elements; the participation of the people themselves in an effort to improve their activities with as much reliance as possible on their own initiative; and the provision of technical, financial and other services in ways which encourage initiative and makes their activities more effective (Helfer 1982). These are merely tools of development.

Co-operative society is thus, a vehicle which people can use to acquire or to manipulate these tools of development. It is these tools of development that enable people in Jua-Kali sector to acquire inputs, produce and market the finished products. Because of their ideals, and recognition of the need for fair distribution, co-operatives are suitable as a vehicle for the economic and social development (Ouma 1987). What is important and which must be encouraged is participation by people, so that they can be able to identify their needs, and set their priorities accordingly. Co-operatives assist in facilitating the processes of development by raising the level of awareness of the people and by letting them to discuss their own potentialities and capabilities.

The theoretical, economic and technical advantages of cooperatives are several and hypothetically open the way to both improved efficiency and equality (Helm 1968). Co-operatives help members to overcome the financial barriers to innovation through pooling of funds for mutual lending, and by serving as an intermediary between the members and financial institutions or government agencies. Co-operatives make lending to members possible by taking upon

themselves the effort and expenses of administering many small loans and through their commitment of institutional income and assets to the repayment of the sum borrowed (Dulfer 1974).

Helm (1968) suggests that Co-operatives aim at assisting the producer in his effort to dispose off his produce by providing an efficient marketing system in areas, in which suitable marketing facilities do not yet exist or of an alternative marketing outlet to an existing market system which, due to inefficiency or deliberate extortion does not meet the requirements of the producer.

Co-operatives improve the producer's income by assuring a better return for his produce through combined bargaining power, price stabilization and search for better markets. Roy (1981) states that, the main mission of co-operatives is to enable small scale producer to exist while providing them with the economies of large scale buying of inputs, selling of outputs and providing service at low cost. In the market, pooling sales makes it possible for members to achieve a number of commercial gain because the cooperatives have the ability to submit tenders in competition for special supply contracts. Cooperatives provide a framework within which contacts with large groups of members can be efficiently organized.

It is therefore for these many advantages of co-operative movement that the researcher undertook this research to study the role of Jua-kali cooperatives in the development of Jua-Kali sector. The Jua-kali cooperatives in Kenya were started in the mid 1980s through the initiative of the Ministry of Cooperative Development in an effort to support the development and growth of the Jua-kali sector, by promoting cooperatives to operate such Jua Kali

activities like Motor vehicle repair, Metal works and Wood works. The ministry organized members of a given artistry operating in a given geographical area into Jua-Kali cooperatives. These societies are supposed to facilitate a more efficient approach to marketing of Jua-Kali products and extending the necessary services like financial support, training and education among others.³

Jua-Kali cooperatives are affiliated into a union called Jua-kali Co-operative Union (JKCU). JKCU together with other unions like Kenya Union of Savings and Credit cooperatives (KUSCCO), Kenya Agricultural Commodities Cooperative Union (KACCU), National Housing Cooperative Union (NACHU), are further affiliated into Kenya National Federation of Co-operatives (K.N.F.C).

The possible structure of the cooperative movement in Kenya after the implementation of sessional paper number 4 of 1987 is as given below.⁴

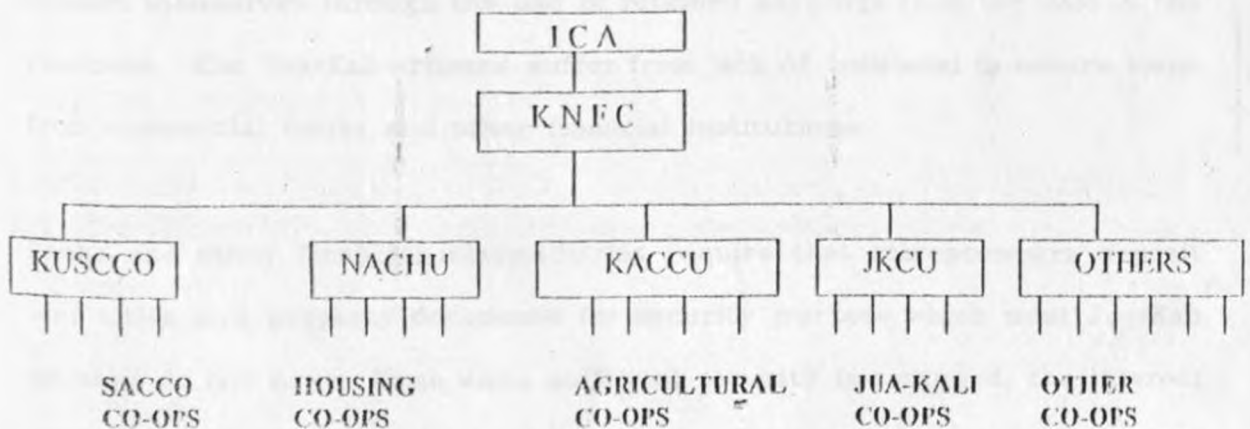


Figure 1: Structure of Co-operative Movement in Kenya:

³ Republic of Kenya, Sessional Paper No.4 of 1987. pp.18.

⁴ Republic of Kenya, Sessional Paper No.1 of 1986 pp.26.

1.1.1 Jua-Kali Co-operatives.

The term Jua-Kali is a Kiswahili word which literally means "hot sun". It can be understood to mean those people who work under the "hot sun", however available definition go a little further to indicate open air. Otieno (1988) defines Jua-Kali sector as consisting of firms comprising of furniture manufacturing, metal work and mechanics. Therefore Jua-kali cooperatives can be said to be a group of people from Jua-Kali sector who have joined together with a common goal, which is economically and socially desirable.

1.1.2 Problems of Jua-Kali Artisans.

Finance is a key component to the expansion of the Jua-kali sector. Finance is required to build permanent premises in which to run the day-to-day business activities. Finance is also required for the acquisition of resources/inputs such as raw-materials, power etc. However, lack of adequate finance has been one of the major constraints the Jua-kali artisans have been facing. Once the initial capital problem has been overcome, then they can sustain themselves through the use of retained earnings from the sale of the products. The Jua-Kali artisans suffer from lack of collateral to secure loans from commercial banks and other financial institutions.

Banks and other financial intermediaries require that entrepreneurs deposit land titles and property documents for security purpose which most Jua-Kali artisans do not have. Even when sufficient security is arranged, the interest rates charged by commercial banks are high. Thus many artisans cannot buy their own plot, and have no alternative but to sub-rent from others. This automatically disqualifies them from access to credit facilities from financial institutions thus perpetuation the vicious cycle or finance problems.

Lack of proper marketing of Jua Kali products has also been the cause of lack of finance after Jua-kali artisans are operational (Kariuki, 1989).

Ndua & Ngethe (1984), suggest the inputs used by Jua-Kali artisan to be the other major obstacle. The inputs include machines and raw materials like scrap metals, timber among others. If these inputs can be made easily available to Jua-kali artisans then a wide range of products can be produced.

Mucee (1987), in his study on the operations of Jua-kali in Nairobi identified a number of constraints which include, lack of technological skills, land for putting up Jua Kali sheds, lack of markets, lack of inputs among others. An article appearing on Daily Nation 8th May 1995 titled "Jua kali artisans at Gikomba" carried an interview from some artisans whereby they discussed land, training, market, inputs in the form of machines and raw materials, technological transfer to be the major obstacles they were facing. So with these problems at hand, the Jua kali cooperatives are supposed to assist members to overcome some of them.

1.1.3 Objectives of Jua-Kali Co-operatives

The Jua kali cooperatives are established with the aim of assisting people in the Jua kali sector. These cooperatives are supposed to provide the following services:

1. **Capital and Credit Facilities to Their Members:** The Jua-Kali cooperatives can help members overcome the financial barriers, by pooling of funds for mutual lending and by serving as an intermediary between members and financial institutions or government agencies. A cooperative makes lending to members possible by taking upon itself the

expenses of administering many small loans and through its commitment of institutional income and assets to the repayment of the sum borrowed.

2. **Marketing of Jua-Kali Products:** The Jua-Kali cooperatives can exploit the potential market by sub-contracting to large scale manufacturing concerns. Cooperatives provide the frame-work within which contact with large groups of members can be efficiently organized.
3. **Buying of inputs for the Jua-Kali artisans:** The inputs are in terms of machines, scrap metal and other forms of raw materials. To increase production and improve the range and quality products, Jua-kali artisan can get the inputs through co-operatives. Cooperatives take the advantages of economies of large scale in procurement. It becomes easy and viable to order and purchase large volume of input and then break the bulk into small units. Members can acquire the input on credit and pay gradually as they get money. This boost their morale as they know there is a debt to pay at a certain period.
4. **Training and Education:** Cooperatives are supposed to coordinate training and education programs for their unskilled members. This is due to the fact that most of those who join Jua Kali are school dropouts, who have not gone under any formal training, though majority are trained under informal apprentice system this does not give them better skills. Competence is judged by the ability to perform specific tasks than wide ranging skills. The majority of these people are ill-trained artisans who acquire a wide variety of skills through their own initiative and without any assistance from the government agencies.

Through co-operatives the Ministry of Research and Technical Training and other agencies willing to train the artisans can co-ordinate training programs for them.

5. **Buying of plots on which to put up Jua Kali sheds:** Availability and secure access to land on which to put up sheds is critical to the success of businesses of Jua Kali artisans. Most businesses are service oriented like mechanic, the success on which depends upon them having a convenient location relative to their customers. Land near commercial section of Kenya's secondary towns and municipalities can be available through the consolidated effort of members. Co-operatives are formed with the responsibilities of identifying suitable urban sites for putting up Jua-kali sheds.

With all these objectives in mind it is important to carry out a study on the role Jua-kali co-operatives in meeting these objectives.

1.2 STATEMENT OF THE PROBLEM

Most people, including researchers and policy makers recognize that the Jua-kali sector has been having problems in its development. Some of the hindrance to this sector are: Lack of market for the products of Jua-kali, lack of credit/finance facilities, problem in acquisition of input, inadequate training for most artisans, lack of land for putting up Jua-kali sheds among others⁵. The Jua-Kali cooperatives are established with the aim of assisting members in this sector. These societies are supposed to provide the following services:

1. Integrate production and exploit potential markets.

⁵Otieno .T, Sources of finance for Nairobi based Jua-kali Business firms, Unpublished MBA Project, university of Nairobi 1988. pp 66.

2. Economies of scale in procurement of inputs.
3. Mobilize funds, provide credit facilities to members.
4. Provide education and training to members.
5. Identify and buy plots on which to put up Jua-Kali sheds. This is discussed in the Sessional Paper No. 4 of 1987 and in the Development Plan 1994-1996.

However, there has been some doubts as to whether the services offered by these Jua-Kali co-operatives are important. An association of Jua-kali artisans argued that the co-operatives can as well be done away with. A question then arises whether services provided by Jua-Kali cooperatives are important. There is a need to study the importance of the services offered by the Jua-kali co-operatives, which in the final end contribute to the development of this important sector.

Also in the recent years there has been an upsurge of interest on the part of research workers in the effectiveness of co-operatives as instruments of development in less developed countries of the world. This awakening of interest should be very much welcomed by most people with faith in the co-operative ideals and who, without doubt, agree that the usefulness of co-operative research can be greatly enhanced by exchange of ideas in academic circles. The present study attempts to make an original contribution in this direction, especially as it examines the Jua-Kali co-operatives of a developing country.

1.3 OBJECTIVES OF THE STUDY

It is therefore the objective of this study

- (i) To determine the importance of services offered by Jua-Kali co-operatives.

- (ii) To determine whether members are satisfied with the Jua-kali co-operative services.

These objectives were accomplished in the study by comparing the statistical differences in the mean scores on the response of three sample groups, by using t test decision making. To use this technique, the following null hypothesis were tested using the t test.

1 a: The null hypothesis (Ho): The mean scores on the importance of services provided by the Jua Kali co-operatives, will not be different.

1 b: Alternative hypothesis (Ha): The mean scores on the importance of services provided by the Jua-kali cooperatives will be different.

2 a: The null hypothesis (Ho): The mean scores on satisfaction of service provided by the Jua-kali co-operatives will not be different.

2 b: Alternative hypothesis (Ha): The mean scores on the satisfaction of services provided by the Jua-kali co-operatives will be different.

1.4 IMPORTANCE OF THE STUDY

- (i) The study will provide useful knowledge on the operation of Jua-kali co-operatives. This is particularly with respect to the current emphasis of Jua-kali sector as the major spring board to Kenya's industrial revolution.
- (ii) The research will help the management of Jua-kali co-operatives to improve their operations and run the societies efficiently.
- (iii) Help the policy makers in the Ministry of co-operative Development and the Ministry of Research and Technical Training in

providing any assistance to Jua-kali co-operative societies.

- (iv) To scholars and researchers, the research would hopefully add to the body of knowledge about Jua-kali co-operatives and it will be a basis for further research.
- (v) To individuals in the Jua-kali sector, it will help non-members to consider the need and importance of joining the co-operative societies.
- (vi) Other similar Jua-Kali co-operatives in the country can benefit from the research.
- (vii) To the Student of co-operative Movement, it will be a useful source of information particularly on the role of Jua-kali co-operatives.

1.5 OVERVIEW OF THE STUDY

This report is organized in five chapters. Chapter one gives an introduction on Jua-kali co-operatives, problems of Jua-Kali artisans and the objectives of Jua-kali co-operatives. The chapter also gives a brief outline of the statement of the problem and the method of study together with the objectives of the study and the importance of the study.

The second chapter reviews the literature on co-operative movement, Jua-kali sector and Jua-kali co-operatives.

The third chapter deals at length on the research design. A discussion of the population of the study, the sampling plan, data collection method and data analysis techniques are given in detail.

The fourth chapter gives a summary of the data analysis and a discussion of the findings. It gives an analysis based on the objectives of the study. The fifth and last chapter gives the summary of the findings, conclusion and the suggestions on how to improve the services of Jua-kali co-operatives and lastly this chapter gives the limitation of the study and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION.

In this chapter the relevant literature is reviewed as far as issues of co-operative movement in general, Jua-kali sector and Jua-kali co-operatives in particular are concerned. The co-operative movement has remained a relatively wide area which has not been explored fully by researchers. Specific studies have been done on the Savings and Credit Co-operatives Societies (Gichara 1980, Karanja 1986, Kuria 1986). In these studies it was established that savings and credit co-operatives mobilize a lot of funds which can be used for useful investment. Also studies have been carried out on the role of Agricultural Co-operatives (Kusero 1983, Minishi & Mutugi 1986). They also established that in Kenya most of Agricultural produce are marketed through co-operatives. Jua-kali co-operatives are the recent type of co-operative organizations which have not been explored in particular. These organizations handle the activities of Jua-Kali artisans. The present research is meant to fill this gap by exploring the services offered by these co-operatives, given the current emphasis on the Jua-kali sector as a key way to industrialization in developing countries like Kenya.

2.1.1 Co-operative Movement

Many countries of the world, particularly developing ones like Kenya, Tanzania, Uganda and Egypt have recognized the many social and economic benefits which can be derived from co-operative activities. In these countries, Cooperative movement has become an important part of the economy. Governments of these countries have thus formulated and carried out policies

under which co-operatives receive aid and encouragement of an economic, financial, technical, legislative or other nature without affecting their own independence (Berger 1985).

Roy (1981) suggests that Governments of developing countries should consider co-operative societies when formulating national economic plans and measures that effect their activities. He further suggests that co-operatives should be associated with the application of plans and measures in so far as these are consistent with their essential characteristics. It is therefore, necessary that people who manage and run cooperative societies should learn and understand co-operative ideals, aims and its philosophy.

Kenya, like many other developing countries, enjoys the tremendous role that the cooperative movement plays, both in its social and economic development (Ouma 1980). It is in this view that the government of Kenya decided to create the Ministry of Co-operative Development in order to reinforce the promotional process and supervision of co-operatives.

Historically, the development of the co-operative movement has focused on economic and material enhancement of the members with their social needs coming as a corollary. The trend has, however, changed with more thought being given to the role co-operatives can play towards the social advancement of their members.

Mutugi and Mwarania (1986) in their paper presented at the seminar on the "role of co-operatives in the development of the economy" held in Kericho pointed out that, Co-operatives make an important contribution by way of mobilizing savings for low income groups which they eventually invest in

other income generating activities. They are helping in transforming members' activities into more complex entities by way of educating members and providing extension services in many fields of social and economic development. They also serve as an effective medium for extending production credit thereby promoting the use of technological innovations to accelerate development in these areas.

Ouma (1980) point out that through co-operatives small scale producers can enjoy economies of scale by way of pooling together their resources and looking for markets which offer better terms, or, the societies buy either producer input in large quantities on better terms and later sell to members at lower than the price would be if members bought either directly or through other middlemen like retail traders.

2.1.2 The Objectives and Principles of Cooperatives

A co-operative society is made up of a group of people who join together voluntarily to achieve common social and economic objectives. As used in the co-operative movement, the term co-operative means the society that has certain fundamental characteristics and adhere to co-operative regulations, including co-operative principles.

In this respect, the objectives for their association is good and that which is acceptable to the community in which the group lives, as well as to the nation generally. Co-operatives have been operating on certain agreed principles which include the following:-

(a). Democratic control

Co-operatives are essentially democratic organizations. This in effect means that persons who wish to become members of a cooperative society, should do so on their own free will. People who want to form co-operatives should feel the need and be convinced that through such organizations, their needs will be fulfilled. The day-to-day functions of management are delegated to the management committee and hired employees. However, it is the members themselves who are the ultimate source of power. The management committee is elected by the members. Further more, all the important policy decisions with regard to borrowing limits, budget, investment etc must be approved by the members before they can be implemented.

Democratic control also means that each member has only one vote regardless of the member of shares he owns in the co-operative.

(b) Open Membership

This principle requires that membership in a co-operative society should be open to any person who can contribute to its enterprises and can derive benefits from its services. This means that there should be no restriction based on any social, political, religion or any socio-economic differences. Membership should be voluntary and without artificial restriction or discrimination. This should be maintained as a fundamental characteristic of the co-operative system of economic organization because, it is essential for the achievement of its immediate and ultimate aims.

(c). Service at Cost

The services of the co-operative are intended to be offered at cost. If the co-operative attempt to sell these services above cost it would be in effect,

making a profit out of the members. This is not the objective of forming it. Since it is virtually impossible for the management to accurately, predict the revenues and expenditure of the society in advance, it is a common practice for management to set prices high enough to avoid operating at a loss. Any surplus that remains after all expenses have been paid and provisions made for contingencies and capital expansion may be distributed to the members in the form of dividends, bonuses and/or interest refunds.

(d). Interest on Capital

Capital invested in a co-operative is merely a means to an end and should be rewarded for its use, but should not be allowed to become a basis for control or a means to supersede the interests of other members consequently. Therefore the rates of dividends are normally set at a very conservative levels.

This contrasts very sharply with ordinary business practices. In a company for example, the amount of control that a shareholder yield is in direct proportion to the size of his investment in the company. His say on how much dividends should be paid is also in direct relation to his investment.

(e). Co-operative education.

This principle aims as ensuring that members of the societies including co-operative officials, employees and the general public are well informed about co-operative affairs. It is therefore important that measures are taken to organize suitable training programs so as to impart the necessary information, in respect of co-operative principles, business methods and general management of co-operatives, to all who are concerned with the promotion, supervision guidance and management of these institutions. It is vital that

those who engage in co-operative activities need to participate in the process of education and reeducation.

(f). Co-operation with other Co-operative Societies.

This principle says "All co-operative organizations in order to best serve the interest of their members and their communities, should actively co-operate in every practical way with other co-operatives at local, national and international".

If the cooperative movement is to rise to its full stature, either within each country, or internationally, several co-operative institutions must unreservedly support one another. They must act as members of a common united effort, to realize the objective and ideas of the movement. As a whole, co-operators the world over should profoundly appreciate that the most important aim of the cooperative movement is the promotion of social and economic rights of the members and that the pursuit and achievement of this high aim, requires active and concerted efforts towards the realization of world peace.

2.1.3 Development of the Co-operative in Movement in Kenya.

The first cooperatives in Kenya were formed by settlers in the "White Highlands" in the beginning of this century. The first cooperative society ordinance was passed in 1931 but it did not allow africans to form cooperatives. It was only after 1945 when a new ordinance was passed that Africans were allowed to form cooperatives (Ouma, 1980): This restrictive policy was primarily a result of fear among the Europeans that African cooperatives could strengthen the economic position of African peasants, which might lead to difficulties for Europeans in getting a sufficient number of workers for their farms. At the same time, economic positions of that kind

could be a political platform for the Africans in their struggle against the racist colonial regime.

Up to mid fifties the development of African cooperatives was slow. The majority of literate Africans did not take the lead in this process, and most cooperatives were in fact more as a result of Government initiatives. But from the mid-fifties and onwards the situation changed radically. Because of the swynnerton plan which emphasized an increased commodity production, particularly coffee and pyrethrum production, new marketing channels therefore had to be established and marketing co-operatives were useful means to fill the gap. Combined with the increased political struggle, this situation led to a marked growth of the number of African marketing cooperatives (Bager 1985).

The change of policy by the colonial Government towards African cooperatives and emphasis on African small-scale peasants must also be seen in the light of increased political tensions. The colonial Government needed a political buffer, and the creation of a class of small-scale peasants could be a means to reach this end. The growing political consciousness among Africans, however, rather led to a reverse effect. The cooperatives were increasingly seen by Africans as a means to inculcate their economic independence. It is therefore not surprising that a tremendous increase in the number of registered African cooperatives, was experienced in the years just before and after independence in 1963.

Some authors among them, Paul Trapper (1974) have discussed the role the traditional African Society might have played for the formation of Agricultural Marketing Co-operatives, communal ownership of land and social security

systems were elements of the traditional African Society. so the solidarity which arose from these might be argued to be a prerequisite for the modern type of cooperative. The marketing cooperative is based on commodity production, and can only be explained in relation to the expansion of capitalist mode of production.

The post-independence governments in Kenya have actively promoted the development of cooperatives. In 1966, however, it was recognized by the government that the rapid growth since independence had led to various problems like mismanagement and inefficiency, and the number of liquidated and dormant societies was alarmingly high (Hyden 1973). In the period 1963 to 1966, 820 new societies were registered of which approximately half proved not to be viable in the long run (Gyllstrom 1985). The formation of societies took place without proper examination of economic conditions, management skills etc. So the great number of inactive societies was in fact not surprising.

In an attempt to solve some of the problems, the government agreed upon a new co-operative societies Act in 1966. The main content of this was increased control of the cooperative movement by the government. Thus, the commissioner for Cooperative Development was given wide powers like the right to dissolve elected committees and appoint new ones and to force societies to amalgamate or form unions.

In Sessional Paper No.8 of 1970 the government defined its cooperative policy, recognizing the problems that the rapid growth had led to such as "lack of integrity on the part of some union and society committee members and employees, misappropriation and misapplication of funds, excessive costs in

handling members produce, and general inefficiency in business operation of the movement".

Hence the government policy was changed to "consolidation rather than expansion", and the paper emphasized the need for a multipurpose and area-based approach to co-operative development. This had already been practised in the settlement schemes where most co-operatives were multipurpose. The policy also involved formation of District Unions in all areas with co-operative activities, to which the primary societies should be affiliated. The Unions were supposed to organize centralized functions like training programs, banking activities, transport etc.

In 1975 the Government again presented its policy on Sessional paper No.14, which was very much in line with the previous paper. It stressed the importance of continued "consolidation rather than expansion" and also continued the multipurpose and area-based approach to co-operative development. But the paper did contain some new aspects. The idea of using the co-operatives as "vital agents for opening up development in less developed areas" was introduced in this paper, and has continued to be part of Government policy in documents like the Co-operative Development plan 1976-1980, and the national development plans, although only a few attempts have been made to implement the idea. Another new element was the integrated approach through co-operatives, thus a chapter on integrated co-operative Development projects was included in the paper, where the Government defined its policy to promote integrated co-operative type of societies to cover the whole country.

In 1974 a new Ministry called Ministry of Co-operative Development was

formed. Previously, a department of Co-operative Development, which had been under a number of different Ministries since independence, had handled co-operative affairs. The actual change was, however, rather limited. Thus, the commissioner of Co-operative Development continues to play a powerful role according to the co-operative societies Act.

Although co-operatives in some cases have been given a monopoly by the Government in certain areas, the basic principle has been that co-operatives should "compete unhindered on an equal basis with other state and private business organizations (Sessional Paper No.8, 1970 P.2). In Sessional paper No.10 of 1965 p 50, Co-operatives were perceived by government as a means to establish "African socialism". In spite of the "African socialism" the government claimed to pursue, government policy in Kenya is thus fundamentally capitalistic. The policy of African socialism therefore appeared to be an ideological statement which had little to do with reality. Co-operatives in Kenya are fundamentally capitalistic enterprises.

Despite the strides already made in the field of co-operative development, challenges still remain. The many challenges also imply forward looking policy frameworks. The Ministry of co-operative Development is in the process of revising co-operative societies Act to make it responsive to the present day Kenyan co-operative needs.

The co-operative movement has and continues to foster good international co-operation between Kenya and other countries. For instance, Nordic countries support the co-operative movement in Kenya with education, training, accountancy and banking services.

The movement has been bestowed with the honour of hosting a number of international conferences and meetings. In the month of May 1990, the movement in Kenya hosted the 3rd Ministerial Co-operative Conference.

Management problems are the major bottlenecks that tend to plague the smooth running of co-operatives in Kenya. Some of the problems have been caused by lack of competent personnel and failure to follow up the laid down policies (Naomi 1986). With guidance and active support from the government, the co-operative sector promises to be a dynamic vehicle for both the rural and urban social economic transformation. Also, it is the sector from which the country's population will increasingly derive its livelihood, both directly and indirectly.

The co-operative movement has witnessed a phenomenal growth since Kenya's attainment of independence in 1963. There are now more than 5,700 registered co-operative societies in the country as compared to only 1,030 at the time of independence. Total membership is about 3 million with an annual turnover of over Ksh.8.5 billion.

The value of shares held with co-operative societies is over Ksh10 billion⁶. According to the economic survey of 1992 the co-operative movement accounts for upto forty thousand jobs in the country.

The movement in Kenya falls into four main categories namely savings and credit societies, Marketing unions and societies, Service societies like transport and Housing, each with a national apex body. Yet another category, the Jua-kali co-operatives in the Jua-Kali sector, is rapidly growing.

The role of the co-operative movement in Kenya's economic development is an impressive one. The co-operatives are one of the largest source for individual member's development activities. Many of the office blocks dotting Kenya's cities and towns are the effort of co-operatives. The role of the co-operatives in the Kenyan economy would be incomplete without mention of the Co-operative Bank of Kenya, the Co-operative Insurance Services, both of which are success stories in their respective domains.

2.2 JUA-KALI SECTOR

Development policies in the first two decades of Kenyan independence were biased toward the development of the formal sector where the budding commerce and industry required middle level skilled personnel (Kariuki 1989).

However, given the current realities, there has now been a shift of policy to favour Jua-kali and other informal activities because of their employment absorption capacity. According to the Sessional Paper No 1 of 1994 it is estimated that the formal sector will generate only 20 percent of the required jobs while the informal sector will shoulder the rest of the burden as the economy moves into 21 st century..

Hitherto, Jua-kali entrepreneurs have largely developed without such formal policy guidelines depending, as it were, on ad hoc apprenticeship. Much of the growth of the sector has been spontaneous mainly as result of deliberate strategies within an overall government policy framework (Kariuki 1989).

The International Labour Organization (ILO) employment mission to Kenya's report of 1972 emphasized the importance of the informal sector in job creation and recommended that the Government constitute policies which would

encourage the growth of the sector to absorb the growing army of the unemployed. However, it took the government over a decade to come up with serious policy guidelines on the sector.

In recent years, the government has awoken to the inevitability of the informal sector in general and Jua-kali sector in particular (Tabitha 1988). The government recognized that the sector can contribute significantly to the country's economic growth particularly in the provision of employment and development of entrepreneurial skills. So official support has began to be targeted toward the uplifting of the economic status of those who are in the Jua-kali sector.

The importance that the government attaches to Jua-Kali sector is evidenced by the prominence accorded to the sector in the sessional paper No.1 of 1986 and in the fifth 1984-1988 and sixth 1989-1993 development plans.

According to the sessional paper No.1 of 1986, which is a blue print for 1989-1993 development plan, Jua-Kali sector has an enormous potential for job creation in both urban and rural areas. This is because its mixed capital outlay is relatively manageable and it is highly labour intensive unlike the formal sector which is capital intensive and does not therefore generate employment as it expands.

The government's commitment to the development of Jua-kali sector is also reflected in the financial and technical support it gives the sector. The Kenya Commercial Bank has a special credit line to the Jua-Kali sector. The interest shown by various organizations for instance, Kenya Industrial Estate, Industrial Development Bank, Industrial and Commercial Development

Corporation, United Nations Development Programme, British American Tobacco Kenya Ltd among others, through sponsoring seminars, workshops, projects and exhibitions to promote and revitalize Jua-Kali sector is still a further testimony of the prominence that Jua-Kali sector is currently enjoying in the Kenyan economy (Kariuki 1989).

From the foregoing discussion it is clear that the Jua-Kali sector is now no longer simply a valve through which to channel school dropouts, but has in the recent past assumed a central position with regard to socio-economic development of Kenya.

This recognition of the importance of the informal sector in general and Jua-Kali in particular makes it imperative that all those concerned with the development and promotion of the sector through co-operative activities should take it seriously. This study is in particular concerned with the role Jua-Kali co-operatives can play in the successful development of the sector.

2.2.1 Definition of Jua-Kali Sector

The term Jua-Kali literally means "hot sun", hence Jua-Kali sector may be understood to include those enterprises where people work under hot sun. The researchers who have taken interest in Jua-Kali sector give their definition in different approaches. Tabitha (1988) defined Jua-Kali in terms of volume of labor, amount of capital employed, working conditions or functional characteristics. Otieno (1989) defined Jua-Kali sector as consisting of "firms comprising furniture manufacturing, welders, mechanics, panel beaters and other fabricated works, He continues to say that Jua-Kali industries are established firms operating in fixed location and whose workshops are either permanent, semi permanent or temporary and owners

must have one or more employees controlled by the owner.

According to Ndua (1986), there are distinctive characteristics that distinguish Jua-Kali informal from the formal sector. Some of these characteristics include ease of entry and exit to the sector, low capital requirements, labor intensive which is predominantly manual, dependence on local resources and recycling of waste, use of innovation skills, low cost of skill acquisition or training and working under unfavourable condition.

The diversity of the sector makes it difficult to develop a fully encompassing definition. For purpose of this study "Jua-Kali" is defined as a technical craft manufacturing or servicing firm, managed by self employed entrepreneur and operates in open air without roof, except for those that have benefitted from the recently government built "Nyayo Jua-Kali sheds at Gikomba and Kamukunji in Nairobi" or in temporary structures with or a few employees.

2.2.2 Significance of the Jua-Kali sector

The most important contribution of the Jua-Kali sector in the Kenyan economy and indeed to the economies of developing countries is employment creation (Tabitha 1988, Kariuki 1989, Otieno 1987). The employment potential of Jua-Kali sector is unquestionably recognized in Kenya, although little statistical data is available, which at any rate often embraces the entire informal sector.

Based on a survey by the Ministry of planning and National Development, it is estimated that there are approximately 600,000 persons employed in the informal sector enterprises.⁶

The informal sector covers many different types of productive activities that

⁶Government of Kenya, Centre Project pp. 6.

respond to a wide range of market opportunities. This makes it difficult to establish any universal categorization or ready comparison of employment potential between informal sub-sectors. Analyzing the employment ability of the Jua-Kali sector in Kenya is further complicated by differences and ambiguities in the technology used (Kariuki 1989).

The importance of Jua-Kali sector in employment creation was also echoed in a centre project sponsored by the government of Kenya in 1988 in Nairobi. In the centre project report, it was reiterated that the Jua-Kali sector will have to make a major contribution if the anticipated six million new jobs by the year 2000 will be created. The urban informal sector is expected to create 1.267 million of the six million jobs.¹

The Challenge of creating millions of new jobs by the year 2000 and beyond is however, imposing heavy reliance on Jua-Kali sector. To create these jobs may be unrealistic unless the government and other concerned parties further promote Jua-Kali co-operatives.

In addition to employment creation, other reasons for focusing on the Jua-Kali sector are as follows:-

- 1 It fosters a more equitable distribution of income by creating jobs at relatively low income cost (Otieno 1989). The sector thus leads to wider democratization of the economy and greater participation of low income groups in sharing the benefits of economic growth.
2. The Jua-Kali sector conserves foreign exchange since it does not depend on imported or even on the formal sector (Kariuki 1989).

¹Government of Kenya, Centre Project pp.5

3. The sector exhibits imagination and creativeness by making use of resources that may otherwise not be drawn into the development process. The sector generally employs workers with limited formal training who learn their trade on the job and who perhaps could not be absorbed elsewhere. It also uses waste scrap which could probably not be put to any other use.
4. The Jua-Kali enterprises tend to use less capital per worker than formal sector enterprises. Their labor intensive character is consistent with the relative abundance of labor and the shortage of capital and foreign exchange in Kenya.
5. The sector provides "cheap" goods and services for the low income and to some extent middle income people. Although the sector apparently has its own market with specific clientele their goods and services are now gaining popularity in the The local and preferential Trade Area (PTA) market (Tabitha 1988).
6. The sector acts as a "breeding ground" for new and future African entrepreneurs, hence promotes indigenisation of the economy. This is a major contribution since the critical shortage of entrepreneurial and management talents is often a great handicap to the economic development.

Clearly, while the Jua-Kali sector entrepreneurs appear to operate under shoddy conditions, they, nonetheless provide legitimate goods and services and contribute significantly in socio-economic development of the country. The awareness of the significance of this sector has inspired the government of

Kenya to consider implementing new strategies and programs for Jua-Kali sector development. Information should therefore be sought to establish further understanding of the sector and the Jua-Kali co-operatives. The government of Kenya hails the Jua-Kali sector as a major spring board for its industrial revolution. The government has always made appeals to the private sector to support Jua-Kali sector in the sub contracting, accessing raw materials, sponsoring the sector's operators in local and international trade fairs and exhibitions, helping the artisans to standardize their products and assisting them to achieve higher quality standards.

2.2.3 JUA-KALI CO-OPERATIVES.

The present study will establish the services offered by Jua- kali co-operatives and describe the importance and satisfaction of these services to members.

Recent researches have been done on the saving and credit co-operatives (Gichara 1980, Karanja 1986) whereby they found out that saving and credit co-operative societies mobilize alot of funds which can be used for more useful investment.

Other studies have been done on the role of Agricultural co-operatives (Kusero 1983, Minishi 1986), who concluded that most of agricultural produce are marketed through co-operatives societies.

However, no study has been done specifically on Jua-Kali co-operatives. The present study is therefore meant to fill this gap.

As mentioned earlier Jua-Kali covers a wide range of technical craft areas, but

this study primarily deals with Jua-Kali co-operatives in carpentry, metal works and automotive crafts. So far these are the three major activities in which members have formed co-operatives.

The Jua-Kali co-operatives were initially planned, by the Ministry of Co-operative Development. Artisans operating in a certain geographical area were encouraged to form co-operatives. Members were registered according to the type of artistry they were involved in. To accomplish their goals, the co-operatives were structured as follows:

1. General membership from a given geographical area and artistry activities.
2. Management committee elected to manage the co-operative.
3. Management staff employed to manage the operations.

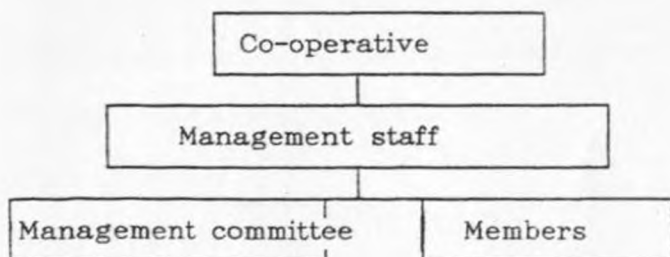


Figure 2: Structure of Jua-Kali Co-operatives

These co-operatives have moved a fairly well, however, there is need for them to be more properly organized and their operations streamlined. There is need to organize Marketing Systems and channels for the products, both for local and overseas markets, organize the system for purchase of the inputs needed and storage of finished and unfinished goods.

The Jua-kali co-operatives need to be strengthened so that they can be in

position to spearhead arrangements for effective management of these co-operatives. They should be able to arrange for adequate financial requirements, credit and overdraft facilities. The accounting system and financial control should also be streamlined.

CHAPTER THREE

RESEARCH DESIGN

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3.1 INTRODUCTION

This chapter defines the population of interest, the sampling procedure used to select the sample elements, the research instruments and the methods used to analyze the data.

3.1.1 Research Setting.

This study was carried out in three major Jua-Kali co-operatives operating in the Eastland of Nairobi. The co-operatives which were considered are Kamukunji metal works co-operative, Gikomba engineering co-operative and Shauri Moyo Furniture co-operative. The three co-operative represent the three categories of Jua-Kali co-operatives registered in the Ministry of Co-operative development for the following Jua-Kali groups:

1. Motor Vehicle and Mechanic artisans.
2. Carpentry artisans.
3. Metal work artisans.

Motor vehicle and Mechanic artisans are normally involved in the automobile engine repairs, panel beating and painting. Metal work artisans are usually engaged in tinsmithing and blacksmithing works. They make metal products such as cooking pans, rain gutters, charcoal stoves, steel window frames, metal furniture or anything that can be fabricated from metal. Carpentry artisans on the other hand, produce wood furniture such as chairs, tables, cardboard beds among other items. These Jua-Kali co-operatives are found in Eastlands because this is where most of Jua-Kali activities are found. A

pilot survey carried by the researcher revealed that Gikomba had 302 members, Kamukunji 234 and Shauri Moyo 214 members respectively.

Table 1.1 Membership in the three co-operatives:

Co-operatives	Members
Kamukunji	234
Gikomba	302
Shauri Moyo	214
Totals	750

Source: Interviews

3:1:2 Description of the Study Area

Gikomba is the area bounded by Racecourse road, Quarry Road, Digo road and Nairobi River. It stretches for about one kilometer along the river from the bridge on Racecourse road. Most of the motor vehicle mechanics in Gikomba operate in the enclosed area with a big gate marked "Nyayo engineering works" leading from quarry road only a few members operate outside the enclosed area.

Kamukunji is found in the area bounded by Sakwa road and lorian road, about half a kilometer from the Country bus station (Machakos) along Landies road. The metal works members in this area who number about 300 operate under the shelter of Jua-Kali sheds which was built in 1986. This location has the highest concentration of metal work fabrication technologies. Any kind of metal fabrication products is therefore likely to be found in this location. Since members are found in a common place the researcher didn't have much problems.

Shauri Moyo is situated opposite city stadium. This section stretches along River Bank and Jogoo road. Unlike the other Jua-Kali co-operatives, the members of Shauri Moyo are scattered but easily located.

3.2 POPULATION OF THE STUDY

The target population for the study was all members of the three co-operatives, Kamukunji, Gikomba and Shauri Moyo. So in this case the total population was 750 members.

Also top management of the three co-operatives were interviewed to give general information concerning the operations of the co-operatives.

3.3 SAMPLING DESIGN PLAN

Because of the different type of Jua-Kali co-operatives, stratified Random sampling technique was used. 30 members were selected from each co-operative using a simple random selection method. So a total sample of 90 was drawn from these co-operatives. A sample of 90 was chosen because of limitation of time and financial resources. The sample was considered large and manageable for analysis.

3.4 DATA COLLECTION PROCEDURE

Primary data was collected by administering a structured questionnaire of multiple choice and an open ended item. Two forms of questionnaires were used, one to collect information from top management of the three co-operatives. The other one was used to get information from members of the co-operatives (see appendices 1 and 2). Appendix 1 is a questionnaire which was used to get information from the management. Appendix 2 is a questionnaire which was administered to the members to gather pertinent data concerning their

views on the particular services offered to them by the Jua-Kali co-operative. The interviews were administered by the researcher personally. Peter (1992), indicates that personal interview has the potential of yielding the highest quality and quantity of data compared to telephone and mail interviews. Personal interviews also tends to be flexible and versatile. So considering the nature of the study, personal interview was used. Kiswahili language was used because most of the Jua-Kali artisans were unable to understand and communicate in English. Majority of the artisans could not read and write.

The five point likert scale was used to measure/score in questionnaire. This was used to solicit information and address the issues raised in my two main objectives of the study.

3.4.1 Research Variable

Dependent Variables

This study has two dependent variables.

- (a) The importance of services provided by Jua-Kali co-operatives.
- (b) Satisfaction of members with the service, offered by Jua-Kali cooperatives.

The importance and satisfaction of services provided by the Jua-Kali co-operatives to their members were rated against a likert type of scale, ranging from maximum 5 (very important) to a minimum of 1 (not important). This is a very popular scale used for attitude studies. It has been used by Karanja (1986) in his studies on Importance of KUSCCO services. High rating indicate importance and satisfaction and low rating indicate dissatisfaction and unimportance of services provided by Jua-Kali co-operative.

Independent Variables

This study has five importance services offered by Jua-Kali co-operatives viz:

- (1) Marketing of Jua-Kali products.
- (2) Procurement of inputs by Jua-Kali co-operative.
- (3) Credit/Finance facilities from Jua-Kali co-operatives.
- (4) Education /Training by Jua-Kali co-operatives.
- (5) Identification and Buying of Jua Kali plots by Jua-Kali co-operatives.

3.5 DATA ANALYSIS TECHNIQUES

Given the nature of the study the data collected was analyzed by using descriptive statistics. Descriptive study presupposes much prior knowledge about the phenomena being studied (Churchill 1983) and as Peterson 1982 indicated, it varies from simple data gathering to investigating possible relationships between two or more variables. A summary statistics like tables, percentage and mean scores, were particularly useful in summarizing the response towards the importance and satisfaction of the services offered by the co-operatives.

To achieve the two objectives of the study, mean scores of respondents on the importance and satisfaction were computed. A mean score of 5 indicated the highest possible response while a mean score of 1 indicated the lowest response. Further analysis to measure if there was significant differences on the mean score on importance and satisfaction among the three co-operatives was done using student t. This test was considered the most suitable because the number of respondents interviewed from the three sample group were small being less than 30 each.

Formula

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$$t = \frac{x_1 - x_2}{\sqrt{\frac{sd_1^2}{n_1} + \frac{sd_2^2}{n_2}}}$$

Where

- X_1 = Mean score of sample size of the first co-operative.
- X_2 = Mean score of sample size of the second co-operative.
- Sd_1 = Standard deviation of the scores of sample size of the first co-operative.
- Sd_2 = Standard deviation of the scores of sample size of second co-operative.
- N_1 = number of respondents of the first co-operative.
- N_2 = number of respondents of the second co-operative.

TABLE 4.1: Distribution of respondents

Age Group	15-20 years	21-30 years	31-40 years	Total
Male	10	10	10	30
Female	11	11	11	33
Total	21	21	21	63

CHAPTER FOUR

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DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION:

This chapter presents a summary of the findings of the research project as regards the two main objectives of the study. The first section discusses the importance and satisfaction of the services of Jua-Kali co-operatives. The results are presented in the tables.

Certain critical variables such as Marketing, Financial/Credit, Buying of inputs, Training/Education and plots for Jua-kali sheds have also been further considered.

TABLE 1.2 Duration of membership:

co-operative	less than one year	1-5 years	more than 5 years	Total
Gikomba	8	10	12	30
Kamukunji	7	11	11	29
Shauri Moyo	7	12	8	27
	22	33	31	86

Source: Interview

From table 1.2 it can be seen that, out of the sample of 90 targeted for the study, only 86 respondents were available. This was 95.5 percent of the total sample size of 90. In total thirty respondents from Gikomba were interviewed, while for Kamukunji and Shauri Moyo, 29 and 27 respondents were interviewed

respectively. So it is only four respondents who were not interviewed. This was a small number which could not affect the study. When the respondents were asked about the time they joined, the co-operatives 31 indicated 5 years and above 33 indicated between 1 and 5 years and 22 indicated less one year. This shows that the co-operatives were valued by non members given number which kept on joining them.

4.2: THE IMPORTANCE AND SATISFACTION OF THE SERVICES.

This section reports the findings on the two dependent variables that is importance and satisfaction of the services offered by Jua-Kali co-operatives.

4.2.1. Importance of the Services of Jua-kali co-operatives.

The study set out to determine the importance of the services offered by the Jua-Kali co-operatives. The respondents were therefore asked to rate the services according to their perceived importance. Mean scores were calculated from data collected by administering the questionnaires. As mentioned earlier in chapter three on Data analysis a mean score of '5' indicated the highest possible a member could rate a service while a mean score of '1' indicated the lowest possible score of member could rate a service. The test question that was used was as follows.

7. How important to you, are the following services provided by your co-operative?.

	(1) Totally Unimportant	(2) Unimpor tant	(3) Fairly important	(4) Important	(5) Very Important
Marketing	[]	[]	[]	[]	[]
Credit/Finance	[]	[]	[]	[]	[]
Procurement of inputs	[]	[]	[]	[]	[]
Education/ Training	[]	[]	[]	[]	[]
Buying plot for Jua-Kali sheds	[]	[]	[]	[]	[]

The result from this question was cross tabulated with the following findings

Table 1.3: Importance of Jua-Kali Co-operatives:

Service	GEKOMBA		SHAURI MOYO		KAMUKU NJI	
	Total Score	Mean Score	Total Score	Mean Score	Total Score	Mean score
Marketing	136	4.5	132	4.55	126	4.6
Procurement	131	4.36	126	4.34	119	4.6
Credit/ Finance	139	4.63	131	4.5	119	4.4
Education/ Training	130	4.3	122	4.2	118	4.3
Buying of Plots	134	4.46	128	4.3	116	4.29
Mean		4.45		4.38		4.44

N = 30

N = 29

N = 27

Source: Interview

Note: N = number of respondents in each co-operative

The mean scores were obtained by totalling the scores of each service and dividing by the number of respondents in each co-operative. Then the mean scores were totalled and divided by 5 to arrive at a mean score for each co-operative.

As can be seen in table 1.3 members attach great value to the services offered by the Jua-Kali co-operatives. The 86 members interviewed indicated that they liked the services. This was evidenced by the high rating or scoring in all the three co-operatives. The three sample groups of respondents scored at least a mean score of '4' on a likert scale of '1' (least score) to '5' (Highest response) for the services offered by the co-operatives. The mean

score for Gikomba was 4.45, Kamukunji 4.45 and Shauri Moyo 4.44. The result of this high rating is a clear indication that Jua-kali artisans need these services.

Further analysis to check whether there was as significant difference between the mean scores of the sample groups was done using t-test. The t-test is a test which serves to test the significance differences of the means of the sample groups drawn from the population and in particular the null hypothesis $X_1 = X_2$, against the alternative hypothesis that the means are not equal. It requires that the population has a normal distribution.

formula

$$t = \frac{x_1 - x_2}{\sqrt{\frac{sd_1^2}{n_1} + \frac{sd_2^2}{n_2}}}$$

X_1, X_2, \dots, X_k are the means calculated from the data collected, sd_1, sd_2, \dots, sd_k are the standard deviations also calculated from the data n_1, n_2, \dots, n_k are the sample size. At 5 percent the critical value of $t = 1.65$. If the value of t calculated is less than that of the critical value of $t = 1.65$, the null hypothesis is accepted since it is within the critical region and the mean scores are not significantly different. Consequently, we reject the null hypothesis when the value obtained for t exceeds the t -critical value.

Therefore

$$H_A: X_1 = X_2$$

$$\text{or } X_1 - X_2 = 0$$

$$= .0.5$$

Reject the null hypothesis if $t > 1.65$

Gikomba

Mean score	(X-X)	(X-X) ²
4.5	0.05	0.0025
4.36	0.09	0.0081
4.63	0.18	0.0324
4.33	0.12	0.0144
4.46	0.01	0.0001
Mean = 4.45	$\Sigma(X-X)^2$	0.0575

$Sd_1 = 0.23979$

Shauri Moyo

Mean Score	(x-x)	(X-X) ²
4.55	0.17	0.0289
4.34	-0.04	0.0016
4.50	0.12	0.0144
4.20	-0.18	0.0324
4.30	-0.08	0.0064
Mean = 4.38	$\Sigma (x-x)^2$	0.0837

$sd^2 = 0.2893$

Kamukunji.

Mean score	(X-X)	(X-X) ²
4.6	0.16	0.0256
4.6	0.16	0.0256
4.4	0.04	0.0016
4.3	-0.14	0.0195
4.29	-0.15	0.0225
Mean=4.44	$\Sigma(x-x)^2$	0.0949

$$sd_j = 0.30805$$

To check whether the mean score at Gikomba was significantly different from the mean score at Shauri Moyo. t was calculated as follows

$$t = \frac{4.45 - 4.38}{\sqrt{\frac{2.40}{30} + \frac{.290}{27}}}$$

$$= \frac{.07}{.13616}$$

$$= .51133$$

At 5% level of significance, t calculated = 0.51133 this is less than the t critical = 1.65. Therefore X_1 is not significantly greater than X_2 at 0.05 significant level i.e mean score at Gikomba is not significantly greater than mean score at Shauri Moyo. The null hypothesis $X_1 = X_2$ is accepted. It can therefore be concluded that, the response of the two sample groups were not significantly different as far as the assessment of the importance of services is concerned.

To check whether the mean score at Gikomba was significantly different from

the mean score at Kamukunji

$$t = \frac{4.45 - 4.44}{\sqrt{\frac{.240}{30} + \frac{.310}{29}}}$$

$$= \frac{.01}{\sqrt{.008 + .011}} = \frac{.01}{\sqrt{.019}} = \frac{.01}{.137} = .073$$

At 5% level of significance, t calculated = 0.043 this is less than the t critical = 1.65. Therefore X_1 is not significantly greater than X_3 at 0.05 significant level i.e mean score at Gikomba is not significantly greater than mean score at Kamukunji the null hypothesis $X_1 = X_3$ is accepted. It can therefore be concluded that, the response of the two sample groups were not significantly different as far as the assessment of the importance of services is concerned.

To check whether mean score at Shauri Moyo was different from mean score at Kamukunji.

$$t = \frac{4.38 - 4.44}{\sqrt{\frac{.290}{27} + \frac{.310}{29}}}$$

$$= \frac{-.06}{\sqrt{.011 + .011}} = \frac{-.06}{\sqrt{.022}} = \frac{-.06}{.146} = -.4098$$

At 5% level of significance, t calculated = 0.4098 this is less than the t critical = 1.65. Therefore X_2 is not significantly greater than X_3 at 0.05 significant level i.e mean score at Shauri Moyo is not significantly greater than mean

score at Kamukunji. The null hypothesis

$X_2 = X_3$ is accepted. It can therefore be concluded that, the response of the two sample groups were not significantly different as far as the assessment of the importance of services is concerned.

4.2.2 Satisfaction with the Services

The question asked which was intended to test this variable was as follows

(8) How satisfied are you with the way the co-operative provide the services listed below?.

	1 Totally Unsatisfied	2 not satisfied	3 fairly satisfied	4 satisfied	5 very satisfied	
Marketing	[]	[]	[]	[]	[]	2.065
Credit/finance	[]	[]	[]	[]	[]	2.045
Education/ Training	[]	[]	[]	[]	[]	
Buying plot for Jua-kali sheds	[]	[]	[]	[]	[]	

The result from this question was cross tabulated with the following findings

Table 1.4 Satisfaction of members with the services:

Service	GIKOMBA		SHAURI MOYO		KAMUKUNJI	
	Total Score	Mean Score	Total Score	Mean Score	Total Score	Mean Score
Marketing	60	2.06	61	2.25	65	2.17
Procurement of inputs	84	2.85	61	2.26	60	2
Credit finance	62	2.14	51	1.8	61	2.033
Education Training	58	2	61	2.29	59	1.96
Buying of Plots	86	2.9	59	2.2	62	2.066
Grand Total		2.39		2.16		2.045

N= 30

N = 29

N = 27

From table 1.4, It is clear that of the 86 members interviewed most of them indicated that they were not satisfied with the way the services were offered. This can be seen from the low scoring or rating; Gikomba had a Mean score of 2.39, Shauri Moyo 2.16 and Kamukunji 2.045. The highest possible mean score a member could rate the service was 5 but the three sample groups of respondents rated an average of 2.3 at most on a likert scale of 1 (least) to '5' (Highest response). Despite the importance attached to these services, members were not getting them the way they expected.

To check whether the mean scores were significantly different in the three co-operatives. table 1.4 was used

formula

$$t = \frac{X_1 - X_2}{\sqrt{\frac{sd_1^2}{n_1} + \frac{sd_2^2}{n_2}}}$$

$$\sqrt{\frac{sd_1^2}{n_1} + \frac{sd_2^2}{n_2}}$$

$$n_1 \quad n_2$$

Gikomba

Mean score	(X-X)	(X-X) ²
2.06	-0.33	0.1089
2.85	0.46	0.2116
2.14	-0.25	0.0625
2.00	-0.39	0.1521
2.90	0.51	0.2601
Mean = 2.39	(X-X) ²	0.7952
	sd ₁ =	.8917

Shauri Moyo

Mean Score	(X-X)	(X-X) ²
2.25	0.15	0.0225
2.26	0.16	0.0256
1.8	0.3	0.09
2.29	0.19	0.0361
2.2	0.1	0.0100
Mean=2.16	(x-x) ²	0.1842
	sd ₂ =	0.429

Kamukunji.

Mean Score	(X-X)	(X-X) ²
2.17	0.125	0.015625
2.00	0.045	0.002025
2.033	-	0.000144
1.96	-	0.007225
2.00	-	0.002025
Mean=2.045	Σ (X-X) ²	0.227044
	sd ₃ =	0.1645

To check whether the mean score in Gikomba was different from the mean score of Shauri Moyo.

$$t = \frac{2.34 - 2.10}{\sqrt{\frac{0.8917}{30} + \frac{0.429}{27}}}$$

$$= \frac{0.24}{\sqrt{0.0297 + 0.0159}}$$

.29

$$0.2738 = 1.058$$

At 5% level of significance, t calculated = 1.058 this is less than the t critical

= 1.65. Therefore X_1 is not significantly greater than X_2 at 0.05 significant level i.e mean score at Gikomba is not significantly greater than mean score at Shauri Moyo. The null hypothesis $X_1 = X_2$ is accepted. It can therefore be concluded that, the response of the two sample groups were not significantly different as far as the satisfaction of services is concerned.

To check whether mean score at Gikomba was different from the mean score in Kamukunji

$$t = \frac{2.39 - 2.045}{\sqrt{\frac{0.8917}{30} + \frac{.1645}{29}}}$$

$$= .345$$

$$.28925$$

$$= 1.1927$$

At 5% level of significance, t calculated = 1.1927 this is less than the t critical = 1.65. Therefore X_1 is not significantly greater than X_2 at 0.05 significant level i.e mean score at Gikomba is not significantly greater than mean score at Kamukunji. The null hypothesis $X_1 = X_2$ is accepted. It can therefore be concluded that, the response of the two sample groups were not significantly different as far as the satisfaction of services is concerned.

To check whether mean score at Shauri Moyo was different from the mean score at Kamukunji

$$t = \frac{2.16 - 2.045}{\sqrt{\frac{.429}{27} + \frac{.1645}{29}}}$$

$$0.115$$

.1468

= 0.783

At 5% level of significance, t calculated = 0.783 this is less than the t critical = 1.65. Therefore X_2 is not significantly greater than X_3 at 0.05 significant level i.e mean score at Shauri Moyo is not significantly greater than the mean score at Kamukunji. The null hypothesis $X_2 = X_3$ is accepted. It can therefore be concluded that, the response of the two sample groups were not significantly different as far as the satisfaction of services is concerned.

4.3 SOME CRITICAL VARIABLES CONSIDERED

This Section reports the findings on the five independent variables that is:- Marketing, Finance/Credit, Procurement of Inputs, Education/Training and plots to put up Jua-kali sheds

(a) Marketing

The variable was intended to clarify whether members use Jua-Kali co-operative to market their products. It was also intended to evaluate members attitude towards marketing services offered by the co-operatives.

The questions asked which were intended to test this variable are as follows.

(a) Does your society organize the marketing of your products?.

Tick one

- (a) Yes ()
 (b) No ()

(10) What is your view about marketing programmes organized your co-operative?

- (a) Very good ()
 (b) Good ()
 (c) fairly good ()
 (d) poor ()
 (e) very poor ()

The results from these questions were cross tabulated with the following results.

Table 1.5 Marketing of Jua-Kali Products

Marketing		Very good	good	Fairly good	poor	Very poor	Total
	Yes	-	2	9	7	2	20
Gikomba	No	-	3	4	4	-	10
	Yes	-	4	10	8	1	23
Kamukunji	No	-	1	3	2	-	6
	Yes		-	11	3	1	15
Shauri Moyo	No	-	-	10	2	-	12
			10	46	26	4	86

Source: Interview

One of the most important services the co-operative provides is the financing of the Marketing of Jua-Kali products. As seen in table 1.5 of the respondents interviewed at Gikomba 20 out of 30 indicated that they had marketed their services through the co-operative. Further investigation revealed that most of the Motor Vehicle repairers got the jobs through the co-operative which sub contracted with some companies to keep serving and repairing their vehicles. Two rated the marketing service as good, nine rated as fairly good, seven rated as poor and two as very poor. However, ten of the respondents said that they had never marketed their services through the co-operative because most of them were new members who had just joined the co-operative when others were already assigned the jobs. When these new members were asked to rate the service, four rated as good, three rated as fairly good and poor.

Of the respondents interviewed at Kamukunji, 29 out of 30 were available. Out of these, 23 indicated that they had marketed their products through the co-operative. The reason for this high response of yes was because artisans

at Kamukunji produced similar goods together and sold them as a co-operative. Six members indicated not to have sold their products through co-operative. These are members who were far from the rest. Despite being members they were not within Kamukunji Jua-Kali sheds.

At Shauri Moyo, 27 out of 30 responded. Fifteen said that they had marketed their products through the co-operative. Further inquiry also revealed that this was done when construction companies sub contracted for furniture fittings, hence the co-operative assigned members some jobs. Twelve respondents, however indicated that they had never marketed their products through co-operative. Some of the reasons given were being occupied with other contracts. Ten respondents indicated the marketing service as good, 46 indicated as fairly good, 26 as poor and 4 as very poor.

B. Finance/Credit

The questions asked which were intended to test this variable are as follows

(11) Have you, ever been advanced a loan by or through your co-operative?. Tick one

- (a) Yes ()
(b) No ()

(12) What can you comment about the amount of loan given?

- Extremely not ()
enough
Not enough ()
Slightly enough ()
Enough ()
Extremely enough ()

The results from these questions were cross tabulated with the following findings.

Table 1.6 Finance/Credit Facilities

Finance/Credit		Extremel y not Enough	Not enough	Slightly 'enough	Enough	Extrem ely enough	Totals
Gikomba	Yes	-	8	16	4	-	28
	No	-	2				2
Kamuku nji	Yes		6	16	2	-	24
	No			2	3		5
Shauri Moyo	Yes		12	13	1		26
	No	-	-	-	1	-	1
Total		0	28	47	11	0	86

As seen in table 1.6, at Gikomba 28 members indicated that they had received loan and financial assistance from the co-operative. Gikomba co-operative has a Savings and Credit Society, where members contribute monthly and later apply for a loan based on total share they had contributed. The rate of interest was 12%. There is little doubt that cheap rate was the reason why most members applied for the loan. When asked to comment on the loan, four indicated enough, sixteen indicated slightly enough and eight not enough. Further investigation revealed that some non governmental agencies like Nordic-project co-operation had been advancing some financial assistance to Jua-kali artisans through the co-operative.

At Kamukunji 24 respondents said that they had been given loans by their saving and credit society. Only 5 indicated that they had not applied for the loan, six members said that the amount of loan was not enough, 16 indicated slightly enough and two enough.

At Shauri Moyo 26 respondents said they had been given some loans. It is only one respondent who had not been given the loan, the reason was that he was new in the co-operative. In total 28 respondents said that the loan was not enough, 47 indicated as slightly enough and one as enough.

It was clear from the responses gained by these interviews that co-operatives play a significant role in financing the Jua-Kali artisans. Lack of suitable collateral to guarantee loans was the major reason why many members had their activities funded from family savings and co-operatives. However the members were not getting enough funds as indicated in table 1.6.

(c) Procurement of Inputs

Another outstanding service provided by the co-operatives to the Jua-kali artisans was the supply of basic requisites. Previously, members had purchased their necessary inputs from middlemen who charged high prices. Pressure came from these Jua-Kali co-operatives to enter this supply trade, and the present arrangements are that the co-operatives enter contracts with individual producers for the supply of their principle production inputs; the co-operatives then contracts to supply the members' requirements acting as a wholesaler. Tenders are put forward to obtain supplies both at home and overseas. This system has resulted in considerable savings. Prices are lower than those of other middle traders.

The questions asked which were intended to test this variable are as follows.

- (15) Does your society acquire inputs you use in your work?
Yes ()
No ()
- (16) How reliable is the supply of the inputs/raw materials acquired through the co-operative?.
- (a) Not reliable
 - (b) slightly reliable
 - (c) Reliable
 - (d) Very reliable
 - (e) Extremely reliable
- (17) What can you say about the price of the inputs the co-operative procures?. Tick one
- Very low ()
 - Low ()
 - Medium ()
 - High ()
 - Very high ()

Table 1.7 Procurement of inputs

Procurement of inputs		Not reliable	Slightly reliable	Reliable	Very reliable	Extremely Reliable	Totals
Gikomba	Yes	1	20	3	1	-	25
	No	-	2	3	-	-	5
Kamukunji	Yes	-	1	22	1	-	24
	No	-	2	2	1	-	5
Shauri Moyo	Yes	-	-	21	-	-	21
	No	-	3	3	-	-	6
Total		1	28	54	3	-	86

Table 1.8 Prices of inputs

Co-operative	Very Low	low	medium	high	very high	Total
Gikomba	-	14	16	-	-	30
Kamukunji	-	16	12	1	-	29
Shauri Moyo	-	17	9	1	-	27
Total	-	47	37	2	-	86

From table 1.7, it can be clearly seen that at Gikomba 25 members indicated to have acquired tools they use at the workshops through the co-operative. This is as a result of low prices when buying large volume and then break the bulk. It is only five respondents who indicated that they had not acquired tools through the co-operative, this is because they were new members who had just joined the co-operative.

At Kamukunji 24 of the 29 respondents said, yes they bought inputs through co-operatives. Usually the co-operative buys the scrap metals in large volume and then distributes to members. It is only five who indicated that they had

never acquired their inputs through the co-operative.

At Shauri Moyo 21 indicated they bought the machines they use through the co-operative while 6 acquired from trade retailers. Asked to comment about the prices of the inputs they got through the co-operatives, majority of respondents indicated the prices to be medium and low. As can be seen from table 1.8, 47 indicated the prices to be low, 37 indicated as medium and two as high. The cost of acquiring are low as compared to acquiring directly from traders. So in total one respondent indicated as not reliable, 28 as slightly reliable, 59 as reliable and 3 as very reliable. So for this service the members were satisfied with the way the service was provided vis-a-vis the other services.

d. Training/Education

The questions asked which were intended to test this variable were as follows.

(13) Have you ever participated in any training seminar organized by or through your co-operative? Tick one

Yes ()
 No ()

(14) How good was the seminar?

Very good ()
 Good ()
 Fairly ()
 Poor ()
 Very poor ()

Table 1.9 Training/Education

Training		Very good	Good	Fairly good	Poor	Very poor	Totals
Gikomba	Yes	1	1	12	9	-	23
	No		-	5	3	-	8
Kamukunji	Yes	1	1	14	3	-	19
	No	3	-	1	4	-	8
Shauri Moyo	Yes		-	2	20	-	22
	No		-		5	-	5
Totals		5	2	34	44	-	86

From table 1.9, Twenty three respondents from Gikomba indicated that they had attended some training programmes organized through the co-operative by the Ministry of research and technical training in conjunction with co-operative college. The workshop drew participants from Gikomba and other Jua-kali association. In this workshop the artisans were educated on how to manage their businesses and how to apply new technology both software and hardware. The respondents also said that, they had been attending training and education programmes organized by Baclays bank, Nordic project co-operation, BAT Kenya Ltd among others.

At Kamukunji 19 respondents indicated to have attended training workshops organized by Ministry of research and technical training and other agencies like Nordic project co-operation.

However, at Shauri Moyo respondents indicated that it was only Nordic project co-operation which organized a workshop in conjunction with their co-operative of which 22 of the respondents attended. The high attendance in

each case is a clear indication that the training service was important. However most respondents were not satisfied with the way the training was conducted. As evidenced in table 1.9 where 5 respondents indicated as very good, 2 as good, 34 as fairly good and 44 as poor. It is clear that training was not well coordinated otherwise we could expect a large number to indicate as good or very good.

e. Plots for Jua-Kali Sheds

The questions asked which were intended to test this variable were as follows.

18) Has your society every acquired a Jua-kali plot?. Tick

- (a) Yes
- (b) No

19) How did your society acquire the plot?

- (a) Purchasing by members fund
- (b) Government allocation
- (c) Non government agencies
- (d) Others mention

20) Are you satisfied with the way the plot is utilized?

- (a) very satisfied
- (b) satisfied
- (c) slightly satisfied
- (d) Dissatisfied
- (e) Very dissatisfied

Table 2.0 shows that the artisans at Gikomba and Kamukunji were allocated plots by the government. The Nyayo Jua-kali sheds were constructed and handed over to those artisans who were operating in this area by then. When carrying this study, it was revealed that they are managed by the co-operatives. The respondents indicated that they were not satisfied with the way sheds were utilized. This can be seen clearly from Table 2.1 where 1 respondent indicated as satisfied, 38 as slightly satisfied and 47 as dissatisfied. The reason for this poor rating was because most members were harassed by some official from the Jua-kali Association who wanted these

sheds to be returned to the Ministry of Research and Technical Training so that they can be re-allocated to Jua-Kali Association.

At Shauri Moyo however, the co-operative bought the plot on which they have put up temporary structures and most respondents were also not satisfied with the way the plot is utilized.

Table 10. Satisfaction with the way the plot is utilized.

	Very satisfied	Satisfied	Slightly satisfied	Dissatisfied	Very dissatisfied
Shauri Moyo	0	3	21	18	0
Jua-Kali Association	0	0	11	18	0
Total	0	3	32	36	0

Table 2.0 Acquisition of Plots

	Gikomba	Shauri Moyo	Kamukunji
Purchasing by members funds	-	27	-
Government Allocation	30	-	29
Non Governmental Organisations	-	-	-
Others	-	-	-

Table 2.1 Utilization of Plots

Plots		Very satisfied	Satisfied	Slightly satisfied	Dissatisfied	Very Dissatisfied
Gikomba	-	-	1	15	14	-
Kamukunji	-	-	-	11	18	-
Shauri Moyo	-	-	-	12	15	-
Totals			1	38	47	

Total 86

Source: Interview

CHAPTER FIVE

SUMMARY AND CONCLUSION

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5.1 INTRODUCTION

This chapter presents a summary of the findings of the research project as regards the two main objectives of the study. Based on these findings, the chapter gives some suggestions on the improvement of services of Jua-Kali co-operatives. The limitations of the study are then discussed and the chapter ends with a discussion of the areas for further research.

5.1.1 Summary

The main objectives of this study were:-

- (i) To determine the importance of the services provided by the Jua-kali co-operatives.
- (ii) To determine whether members are satisfied with the way these services are provided.

These objectives were satisfied by collecting and analyzing pertinent data using a questionnaire administered personally. Once collected, the data were analyzed by use of descriptive statistics. A t-test model was also used to test whether there was a significant difference between the mean scores of the sample groups. The conclusions are discussed below.

Findings:-

(1) From the responses obtained by interviewing 86 members, it was clear that the importance attached to Jua-Kali co-operative services is high. This is given by high scoring of a least "4" on a likert scale of 1 to 5. In all the five services namely Marketing, Finance/Credit, Procurement of Inputs, Education/Training and Acquisition of plots to put up Jua-Kali sheds. Hence, there is a need for the co-operatives to improve the services in order to attract more members and increase their capital and assets. Capital can be improved by asking members to contribute more in terms of shares. To exploit this potential, the co-operative must be assisted by both the management and members.

(2). The data suggest that the majority of the members are not satisfied by the services offered by their co-operatives. This was established by low rating with a mean score of an average of 2.4 in all the three co-operatives. Further analysis on the five independent variables revealed that majority of the members were not satisfied with the way the services were offered. Some members indicated that the co-operatives were not run efficiently. So the management in conjunction with the Ministry of Co-operative development should formulate policies which should guide the operations of the co-operatives so that mismanagement can be done away with. The study indicates that Jua-Kali co-operatives had some management weakness which led to members not being satisfied.

5.2 RECOMMENDATIONS AND CONCLUSION

This section will focus on suggested guidelines which could promote and facilitate the growth of the Jua-Kali co-operatives in Kenya. The successful development of co-operatives demands a co-ordinated process of planning,

decision making, financing, implementation and administering a wide variety of services. The main development agencies responsible for these functions include the Ministry of Research and Technical Training, Ministry of Co-operative Development and the management of the Jua-kali co-operatives and individual members. The management of Jua-kali co-operatives should play a major role in decision formulation, as well as in co-ordination of members activities. But the initiative for Jua-Kali artisan sector must come from individuals.

Improve Market System.

The management of Jua-Kali co-operatives should formulate policies which should be oriented towards overcoming the isolation of artisans from the wide markets and towards strengthening the market system for a wide range of products. The marketing system can be improved by expanding to a wider market region like preferential Trade area (PTA) because the artisans have been selling their products within the country, and by also selling their products to rural areas where they have never penetrated. As the market services provision is improved, the goods and services of the artisans can reach more people. Other improvements should include participation in exhibitions in the local towns and organizing trade fairs. there should be a well co-ordinated and integrated marketing system in the country to minimize local competition between members.

The co-operatives especially metal works and furniture should organize some marketing days in small towns so that customers can have an opportunity to view and buy the Jua-Kali products. Promotion activities like advertisement should be organized by the co-operatives. One of the most important strategy for market development is the installation of warehousing facilities for Jua-kali

goods. A common public market shed should be built at a convenient central place which is accessible to most customers. such facilities should be designed appropriately to meet the needs of the customers and the Jua-kali artisans in a particular market place. Once a decision has been made to set a market facility, it is important to ensure that, the design of the market promotes greater participation of the local residents.

Improve Education/Training

The intensification of production of goods and services for local and export to the PTA will depend on the education given to entrepreneurs in the Jua-kali sector. The jua-kali co-operatives should co-ordinate the extension services offered by the technicians from the ministry of Research and Technical Training so that the Jua-kali artisans can be taught better methods of production and efficient ways of doing a production job.

Technical and vocational training should be organized by the co-operatives. Both short term training and follow-up courses should be co-ordinated with the objective of helping artisans develop more skills on how to improve the quality of their products. The study revealed that there is little assistance given by the government to train the artisans. Private artisans in the informal sector are training under the supervision of older and skilled craftsmen. Apprentices in Jua-kali sector are required to pay substantial fees for their training. For example, one of the now skilled mechanical of Jua-kali group interviewed at Gikomba had to pay Ksh 500 per month while undergoing his training as a spanner boy.

After completion of training, he began his own business in the same area. Another carpenter at Shauri Moyo was fortune because he did not pay a

specific fee for his training. He nevertheless, had to train on the job for no salary except free lunches for the period of six months. although he later passed the Government trade test in carpentry he chose to remain self-employed because, with patience, he felt he could earn more than an employee of his calibre in the formal sector. To improve the quality of their products co-operatives should approach the ministry of research and Technical Training for the researches. ,

Procurement of Inputs

As seen from the data analysis, members value this service however, they are not satisfied with the way the co-operatives handle it. Co-operatives should improve this service by arranging to provide members with the inputs on credit and allow them to pay gradually as they get money from their operations. Co-operatives should also acquire quality inputs so that member cannot think of an alternative.

Credit/Finance.

Co-operatives should strengthen their saving and credit units, by asking members to contribute more, at the same the same time the management should administer loans to members efficiently. To further increase finance resources co-operatives should approach financial institutions like banks for more loan which they can lend to members. Non governmental organizations like National Church council of Kenya (NCKK) should also be approached to assist the co-operatives with funds or plots to put up Jua-Kali sheds

Plots

Co-operative societies should approach the government for allocation of land on which to put up Jua-Kali sheds. Since the government has set aside plots in all major and small towns for Jua-Kali artisans, Jua-Kali co-operatives should take up this opportunity and be allocated plots.

CONCLUSION

The aim of the Jua-Kali co-operative should be to establish an environment in which members can get honest services and contribute to their development. To promote this environment, co-operatives should improve their services.-

In order to be able to render economic gain to their members, the Jua-Kali co-operative societies have to be very efficient in their management process. Once they are efficient, the loyalty of their members will be manifested in the increasing number of artisans joining the co-operatives.

The lesson, therefore is that unless a society offers a better service, loyal support for members can scarcely be secured. To be able to offer better services and prices to their member, societies must have successful management. Loyal support is perhaps the single most salient factor that determines the success of a co-operative. If a society does not offer any economic advantage to the member, the degree of co-operation will be low, and since a co-operative usually depends upon the active participation of its members to use its service, the members' interest must be aroused and maintained if success is to be assured. The members ideas should therefore be incorporated in their decision making.

5.3 LIMITATION OF THE STUDY

Resource constraints were a major limitation of the study. This study was carried out on three Jua-Kali co-operatives in Nairobi. Their setting is rather different from those found in the small towns in upcountry the research is therefore shallowly done.

It is unfortunate that the researcher was unable to interview more sample groups from other Jua-Kali co-operatives. A coverage of more respondents from other Jua-kali co-operatives would definitely have increased our confidence of findings of this study.

5.4 SUGGESTION FOR FURTHER RESEARCH

This study can also be replicated by taking samples from more Jua-Kali co-operatives so as to reflect more characteristics of respondents of various Jua-Kali co-operatives.

The study dealt with the Jua-Kali co-operative and their development support of artisan, another study can be done on the problems facing the Jua-Kali co-operatives and how they can be solved.

The services offered by the Jua-Kali co-operatives can be separated and a study taken on each service in detail.

Speciment letter to the Respondents

Dear Sir/Madam

I am a post graduate student in the Faculty of Commerce at the University of Nairobi. I am currently engaged in a management research project on "The Jua-Kali co-operative and their Development support to artisan in the Jua-Kali sector" This is in fulfillment of the degree of Masters in Business and Administration.

You have been selected to form part of the study. I therefore request you kindly to assist me in filling the questionnaire to the best of your knowledge. The information you give will be used for research purpose only and in no way will your name appear in the final report.

Your co-operation will be greatly appreciated.

Yours faithfully

Nyagaka Ronald Bonuke

MBA student

Supervisor ELIUD OMONDI MUDUDA

Lecturer University of Nairobi.

APPENDIX 1

Questions for Management

1. Fill in the names of the co-operative

.....
.....

The location of the co-operative

.....

Date of Registration

.....
.....

2. What are the occupation of your members?. Tick one

- Furniture ()
- Motor vehicle ()
- Metal work ()
- Others mention

3. How many members, have so far registered with this society?

.....

Would you say the number is increasing. What reasons would you attach to the increase/decrease?

.....

4. Do you provide the following five services to your members?.

Tick the one you offer.

- Marketing ()

Credit/loans ()

Procurement of input ()

Buying of plot for Jua-Kali sheds ()

Education and Training ()

What other service does your co-operative offer to the members?

.....

How successful do you feel, you have been able to render these services?.

Please tick one.

5	4	3	2	1
Very	successful	Fairly	Not	Totally
successful		successful	successful	successful

Marketing () () () () ()

Credit/loans () () () () ()

procurement () () () () ()

of inputs

Education/Training() () () () ()

Buying of plots for

sheds () () () () ()

6. What obstacle have you encountered in providing these services?

1.....

2.....

3.....

7. How do you intend to overcome these obstacles?

.....

.....

APPENDIX II

Members:

1. Fill in your Names

2. Describe the main activities of your business.

Automotive repair ()

metal works ()

furniture ()

3. When did you start your business?-----

4. Give the names of your co-operative.-----

5. How long have you been a member?

less than 1 year []

1 - 5 year []

5 - above []

6. How important to you, are the following service, provided by your co-operative?.

	1	2	3	4	5
	Totally unimportant	unimportant	fairly important	important	Very important
Marketing	[]	[]	[]	[]	[]
Credit/finance	[]	[]	[]	[]	[]
Procurement of inputs	[]	[]	[]	[]	[]
Education/Training	[]	[]	[]	[]	[]
Buying plot for Jua-Kali sheds	[]	[]	[]	[]	[]

7. How satisfied are you with the way the co-operative provide the services listed below?

	Totally Satisfied	not satisfied	Fairly satisfied	Very satisfied	
Marketing	[]	[]	[]	[]	[]
Credit/finance	[]	[]	[]	[]	[]
Procurement of inputs	[]	[]	[]	[]	[]
Education/ Training	[]	[]	[]	[]	[]
Buying plot for Jua-Kali sheds	[]	[]	[]	[]	[]

8. Does your society organize the marketing of your products?.

Tick one

(a) Yes ()

(b) No ()

9. What is your view about marketing programmes organized your co-operatives?

(a) Very good ()

(b) Good ()

(c) fairly good ()

(d) poor ()

(e) Very good ()

10. Have you, ever been advanced a loan by or through your co-operative?.

Tick one

(a) Yes ()

(b) No ()

11. What can you comment about the amount of loan given?
- Extremely not
 enough ()
 Not enough ()
 Slightly enough ()
 Enough ()
 Extremely enough ()
12. Have you participated in any training seminar organized by or through your co-operative? Tick one
- Yes ()
 No ()
13. How good was the seminar?
- Very good ()
 Good ()
 fairly good ()
 poor ()
 Very good ()
14. Does your society acquire inputs you use in your work?
- Yes ()
 No ()
15. How reliable is the supply of the inputs/raw materials acquired through co-operatives?.
- (a) Not reliable
 (b) Slightly reliable
 (c) Reliable
 (d) Very reliable
 (e) Extremely reliable

16. What can you say about the price of the input the co-operative procures?. Tick one
- Very low ()
- low ()
- Medium ()
- High ()
- Very high ()
17. Has your society ever acquired a Jua-Kali plot? Tick
- (a) Yes ()
- (b) No ()
18. How did your society acquire the plot?
- (a) Purchasing by members fund
- (b) Government allocation
- (c) Non government agencies
- (d) Others mention
19. Are you satisfied with the way the plot is utilized?
- (a) Very satisfied
- (b) Satisfied
- (c) Slightly satisfied
- (d) Dissatisfied
- (e) Very dissatisfied
20. Which services do you feel the co-operative should do away with?
- Marketing ()
- Credit/loan ()
- Procurement in input ()
- Education/training ()
- Buying of plots for

Jua-Kali shed ()

21. Which services do you feel the co-operative should strongly improve?

Marketing ()

Credit/loan ()

Procurement in input ()

Education/training ()

Buying of plots for

Jua-Kali shed ()

22. What other services do you feel the co-operatives should introduce?.

.....
.....

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