CHALLENGES AFFECTING WOMEN IN THE INFORMAL SECTOR
DEVELOPING THEIR BUSINESSES IN ZANZIBAR: A STUDY OF WOMEN IN
THE COSMETIC INDUSTRY

BY

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A dissertation submitted in partial fulfilment of the requirements of the
Masters Degree in Women’s Law, Southern and Eastern African Regional
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ABSTRACT

This dissertation provides a detailed study of the challenges affecting women in the informal sector in developing their businesses; particularly in cosmetic industry in Zanzibar. Several methodologies and data collection methods were utilized to present the ‘lived realities’ of these vulnerable and marginalized women. Methodologies such as Women’s Law Approach, Human Rights and Grounded theory which seek to reveal a true understanding of the ‘position’ of these women were used. The research proposes solutions to the problems that are legislative, socio-economic and administrative.
DECLARATION

I, MIZA HAJI HAJI, do hereby declare that this is an original work presented towards the award of the Masters’ in Women’s Law, University of Zimbabwe, not previously presented for any degree or other award in any academic institution.

Signed………………………………………… Date…………………………………

This work is approved for submission towards fulfilment of the degree of Masters in Women’s Law by the Supervisor.

Signed………………………………………… Date…………………………………

Professor Julie Stewart (Director)
Southern and Eastern African Regional Centre for Women’s Law
University of Zimbabwe
DEDICATION
This work is dedicated to my beloved husband Vuai Ali, who has at all times been very supportive and has always been looking after our children for the duration of my course in Zimbabwe.

And

To my beloved daughters Fatma and Fadya

And

To my beloved little boy Ally

ALLAH BLESS YOU ALL.
ACKNOWLEDGEMENTS
My foremost gratitude is to Almighty Allah for His utmost blessing and guidance that always lead to my success. The production of this dissertation would not have been possible without His ability.

My sincere gratitude goes to the Norwegian Agency for International Development (NORAD) who invested in my academic life and enabled me to pursue this course.

My appreciation and special gratitude goes to my supervisor Prof. Julie Stewart for her invaluable knowledge, patience and guidance throughout the research period, as well as a pleasant character and a motherly heart. Special gratitude is also extended to Ms Lesly for editing my work. Ms Rosalie Katsande, Prof. Anika Rudman, the late Elize Delport, Dr. Ngeyi Kanyongolo and Gwisai Munyaradzi whose input and advice I have to my level best incorporated in writing this piece. And to all the SEARCWL staff and all my colleagues who contributed both directly and indirectly, emotionally and otherwise.

I would like to express my sincere gratitude to all respondents for their time, knowledge and cooperation. Without them this study would not have been possible and successful.

Also my appreciation goes to my employer; Ministry of Justice and Constitutional Affairs for giving me permission to pursue this programme.

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Lastly, I would like to convey my special gratitude to my husband Mr. Vuai Ali Haji who remained passionate for the whole period out of my home and for a moral assistance. I am particular grateful to my love daughters Fatma and Fadya and a little son Ally who have been passionately waiting for my home coming.

TO THEM I SAY “THANK YOU”

AHSANTE, SHUKRAN
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<th>Full Form</th>
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>AK</td>
<td>Amani Karume</td>
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<td>BRAC</td>
<td>Bangladesh Rural Advancement Committee</td>
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<td>BDGs</td>
<td>Business Development Gateways</td>
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<td>BPFA</td>
<td>Beijing Platform For Action</td>
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<tr>
<td>BPRA</td>
<td>Business and Property Registration Agency</td>
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<tr>
<td>CEDAW</td>
<td>Convention on Elimination of All Forms of Discrimination against Women</td>
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<tr>
<td>DoC</td>
<td>Department of Credit</td>
</tr>
<tr>
<td>DoCO</td>
<td>Department of Cooperatives</td>
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<tr>
<td>DoEE</td>
<td>Department of Economic Empowerment</td>
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<tr>
<td>DoISMED</td>
<td>Department of Industry and Small and Medium Enterprises Development</td>
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<tr>
<td>DoTMD</td>
<td>Department of Trade and Marketing Development</td>
</tr>
<tr>
<td>DoWCD</td>
<td>Department of Women and Children Development</td>
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<tr>
<td>GDP</td>
<td>Growth Domestic Product</td>
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<tr>
<td>ICESCR</td>
<td>International Covenant on Economic Social and Cultural Rights</td>
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<td>ICTs</td>
<td>Information and Communication Technologies</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>JK</td>
<td>Jakaya Kikwete</td>
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<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MOHSW</td>
<td>Ministry of Health and Social Welfare</td>
</tr>
<tr>
<td>MSWYWCD</td>
<td>Ministry of Social Welfare, Youth, Women and Children Development</td>
</tr>
<tr>
<td>MTIM</td>
<td>Ministry of Trade, Industry and Marketing</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>PRIDE</td>
<td>Promotion of Rural Initiatives and Development Enterprises</td>
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<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
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<tr>
<td>SEARCWL</td>
<td>Southern and Easter African Regional Centre for Women’s Law</td>
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<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>TANTRADE</td>
<td>Tanzania Trade Development Authority</td>
</tr>
<tr>
<td>Tshs</td>
<td>Tanzanian shillings</td>
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<tr>
<td>UDHR</td>
<td>Universal Declaration of Human Rights</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nation Programme Development</td>
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<tr>
<td>Acronym</td>
<td>Definition</td>
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<tr>
<td>URT</td>
<td>United Republic of Tanzania</td>
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<tr>
<td>US</td>
<td>United States</td>
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<tr>
<td>VET</td>
<td>Vocational Education and Training</td>
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<tr>
<td>WDR</td>
<td>World Development Report</td>
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<tr>
<td>WEDTF</td>
<td>Women Entrepreneurship Development Trust Fund Women</td>
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<tr>
<td>ZAFELA</td>
<td>Zanzibar Female Lawyers Association</td>
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<tr>
<td>ZNCCIA</td>
<td>Zanzibar National Chamber of Commerce, Industry and Agriculture</td>
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<tr>
<td>ZSGPR</td>
<td>Zanzibar Strategy for Growth and Poverty Reduction</td>
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2. Beijing Platform for Action 2005
5. Millennium Development Goals
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EXECUTIVE SUMMARY

This research focused on the challenges affecting women in the cosmetic industry in the informal sector developing their businesses in Zanzibar. The informal sector represents a significant share of the urban informal economy. Poverty and high levels of unemployment in Zanzibar have seen the increasing numbers of women entering the cosmetic industry who take up this business as a means of survival and a livelihood strategy.

Various methodologies and methods were used in this study. The research data was collected, analysed and presented using several methodologies, especially the Women’s Law approach, Human Rights Approach, Grounded theory and sex and gender analysis all of which acted together to develop the reliability of the findings and critically examine the real situation of women in the industry. Of particular concern are the ‘lived realities’ of exploited, marginalized and vulnerable women. Also an assessment was made of their rights in terms of their standards enshrined in relevant domestic, international and regional human rights instruments. Data was collected from key informants, such as government officers, NGO officers and banks/microfinance officers who were purposively selected. Individual interviews using semi-structured interview guide took place with business women and men from different areas and group discussions were had with women at the Sunday Market in who were selected both randomly and purposively. Moreover, desk research was used to review relevant documents which include Human Rights instruments, laws and policies and various literature.

The study showed that women in the cosmetic manufacturing industry face many challenges that affect them in developing their businesses. They do not access adequate training which leads to their lack of technical skills and knowledge about accessing their markets, using ICTs, and IP protection. Also the findings revealed that women in the industry lack access to financial resources from banks and microfinance institutions and this is a violation of their human rights. Lack of support from the government is largely responsible for their failure to access capital. Banks do not usually lend to the informal sector who finds the costs of accessing bank loans far too onerous. In addition, microfinance institutions do not cater for women’s specific demands in that they provide little funding, demand quick repayment at high interest rates and involve complex conditions and procedures. It is in accessing capital that the government has a duty to help these women. But the failure of the government to
have a special Fund for women in the informal sector is among the factors which prevent them from accessing adequate financial resources. The multiple roles of women together with all these other obstacles have led to their inability to run their businesses successfully.

The study also revealed that there is no coordination and harmonization between government institutions and NGOs with regard to the development of the informal sector. This situation has prevented local women from competing with foreigners in the same industry.

The study finally suggests interventions which the government should implement in order to alleviate these problems. These are: awareness raising of the public (women in particular, should learn about their rights and gain more knowledge about their industry). Increase gender sensitive budgetary allocations in their annual budgets to mainstream SMEs development and put in place affirmative action measures to take on board women’s voices in laws, policy and programmes formulation. Also the government should find a permanent market in a suitable place to ensure the availability of markets. Microfinance institutions should design financial resources programmes that are more appropriate to the needs of businesswomen by simplifying the conditions, reducing interest rates, extend loan repayment periods and increase the amount of the loans depending on the needs of the specific businesses. Moreover, there is a need to establish a special fund for women within the government institutions. Last but not least, the government should incorporate human rights to national laws and policies and ensure the implementation of these rights using innovative multi-sectoral approaches with all relevant stakeholders ie. businesswomen, governments, NGOs and other relevant institutions.
CHAPTER ONE

1.0 INTRODUCTION

Zanzibar is part of the United Republic of Tanzania which is among the developing countries of Sub-Sahara Africa. Zanzibar has its own Executive, Judiciary and Legislature whose jurisdictions are limited to non-union matters. These organs are established by the Zanzibar Constitution 1984 and recognized by the Constitution of the United Republic of Tanzania 1977 (MOHSW ZANZIBAR: 2009).

In this period of globalization of world trade, an increasing role is being assigned to the private sector in many developing countries. Of part of this shift, there has been the emergence of the small and medium enterprises (SMEs) as a significant component in economic development and employment. In many countries, and Zanzibar is no exception, this sector with both its informal and formal components has increasingly been seen as a means of generating meaningful and sustainable employment opportunities, particularly for those at the margins of the economy that is women, the poor and people with disabilities (ILO, 1998). Around the world, 1.3 billion people, 70 percent of whom are women, live on less than one dollar per day (UN 2009; Dhital 2011). This figure is almost 33 percent of the total population of the less Developed Countries (LDCs). In 2011, Tanzania ranked 151 out of the 187 countries on the human development index (ILO: 2013). In the third quarter of 2011, the estimated GDP growth was 6.4 percent,¹ which is closer to the pre-crisis level (ILO: 2013)

Zanzibar’s long term vision is to become a middle income country by 2020. The Long-Term Development Vision 2020 for Zanzibar has been translated into the Zanzibar Strategy for Growth and Poverty Reduction (ZSGPR), (MKUZA).² The first generation MKUZA (2006-2010) strategies assumed that high growth rate with adequate increases in the social sector would reduce poverty from 38.6 per cent to 27 per cent and unemployment from 13 per cent to 6.9 per cent by 2010. The poverty reduction target has clearly not been achieved. (ILO: 2013). The situation is worse for women due to social attitudes which give men first priority in most social, economic and even political issues. These people are poor and face considerable difficulties finding employment. For this reason women began to enter the

¹ National Bureau of Statistics (NBS), National Accounts Update
² MKUZA is Swahili acronym which referred to ZSGPR
informal sector as a means of generating incomes. Many women are operating in the informal sector but their businesses are not developing (Aspaas, 1998; Daniels, 1994, 1998; Daniels, Mead, and Musinga, 1995). In order to expand their businesses, they need access to resources, which is said to be a difficult task for the poor.

Today, the informal sector stands out as the most important labour sponge in Africa’s labour markets. The UN says that it is women who constitute the principal labour force in the informal sector and that their presence is widespread in Africa (UN 1996:11). The informal sector contributes about 55 percent of Sub-Saharan Africa’s GDP and 80 percent of the total labour force. Nine in ten rural and urban workers have informal jobs in Africa and most of them are women who have no other choice but the informal economy for their survival and livelihood (AfDB; 2013). In 2006 in sub Saharan Africa, 84 percent of women non-agricultural workers were informally employed compared with 63 percent of male non-agricultural workers. In Tanzania, 95 percent of women work in the informal sector compared to 90 percent of men (ILO; 2006).

Many women are engaged in small businesses which constitute half of all production in the informal economy of which 32 percent is involved in manufacturing. Based on this one could say that businesswomen in the cosmetic manufacturing industry are among the 32 percent that constitute economic production in Zanzibar. According to Macharia (1997), women dominate in the informal sector because they lack capital necessary to enter fields demanding a high start up capital. Because women are usually located in the trade and services subsectors, which are less profitable, their lack of capital produces other inequities such as their reduced access to important information and longer working hours despite their home responsibilities (Snyder, M, 2000: 6).

1.1 Background of the Research
I have observed some women who are active in the informal sector for a long time and I have noticed that, they face particular problems and challenges in developing their businesses. It is commonly asserted that women frequently face gender bias in the socio-economic environment in which they operate. They also face the problem of different social, cultural, educational and more technological challenges than men when it comes to establishing and
developing their own enterprises, and accessing economic resources (Mayoux, 2001). This is evident at my work place and in the experiences of members of my own family.

Our office, Business and Property Registration Agency (BPRA) deals with the registration of business and property, Intellectual Property (IP) is inclusively, training/awareness is among of office programmes, but even this programme is not being implemented. Since I started work in that office I have never see any business woman in the informal sector come and register her products. But during this time I did not realize that women needed training which could enable them to protect their products in order to expand their businesses.

In case of my family’s experience; it was, 2012 when my sister (a tailor) and my cousin (a carpenter) applied for a grant from the ZNCCIA financed by BDGs. Both filled in forms with my assistance. The list of successful names came out and, surprisingly, my sister did not get a grant while my cousin got Tshs 4.4 million (US$ 2,750), I did not see the reason why this happened or my sister may have been denied the grant because of her gender.

However, I realized the possibility that my sister may have been a victim of gender discrimination after I learnt about it in my studies in the Masters in Women’s Law programme at SEARCWL especially in the courses on Women Commerce and Law in Africa and Women, Labour and the Law for which I opted. In the class I learnt that, women in the informal sector face many challenges prevent their businesses from expanding. These courses opened my eyes to the various difficulties they face, especially gender discrimination, and convinced me to do this research.

This piece of work will be useful and will contribute to the scholarship in this area. The study will provide useful information about the status of women in the cosmetic industry and how they can utilize their rights to acquire skills and knowledge and to access credit from formal and quasi-formal credit facilities. This research is vital for policy makers in taking appropriate action towards supporting the establishment of comprehensive and sustainable financial institutions for the development of women in businesses. The results of this study will also benefit development partners and civil society organisations involved in the provision of credit facilities to women in the informal sector by modifying their lending procedures and conditions to better serve the specific credit and savings needs of their clients. Moreover, it is
also hoped that the study will highlight the possible link between credit use and increase in income generation and its positive contribution to poverty alleviation.

1.2 Statement of the problem
Women’s participation in the business sector is driven by survival, the need to take care of their families and the desire to achieve financial independence. However, despite their participation and contribution to the economies of their individual countries in particular and the continent in general, women in the informal sector face many obstacles and challenges in their attempts to establish and operate their businesses. The purpose of carrying out this study is to explore ways of improving women’s businesses in order to ensure their effective participation in the advancement of their economic life.

1.3 Objectives of the Research
The main objective is to explore ways of improving women’s access to adequate supports in order to ensure their effective participation in the informal sector.
Specific objectives are:
1. To identify the factors that affect women in the cosmetics industry developing their businesses
2. To identify the obligations of the government towards businesswomen running their own businesses
3. To analyse the laws relating to the informal sector that provide for gender equity and equality
4. To propose recommendations aimed at improving the business of women in the cosmetics industry so that they may realize their rights to participate in the advancement of the country’s economy.

1.4 Research Assumptions
The research assumptions which emanated from the above objectives were the followings:
1. Women in the cosmetic manufacturing industry lack skills and knowledge to develop their businesses due to low levels of education.
   (a) Women lack skills on how to access their markets and marketing strategies for their products
(b) Women lack skills in using Information and Communication Technology (ICT) to expand their businesses
(c) Women lack knowledge about using Intellectual Property Rights to protect their products
2. Women dealing in the cosmetic manufacturing industry require adequate financial support to develop their businesses.
3. There are difficulties that women in the cosmetic manufacturing face in accessing finance that will enable them to run their businesses.
4. Women in the cosmetic manufacturing industry do not take loans from microfinance institutions due to the high rates of interest which they charge and which restrict them from developing their businesses.
5. Women in the cosmetic manufacturing industry do not receive information from government institutions which are relevant to their businesses.
6. Microfinance institutions do not cater adequately for the needs of women in the cosmetic manufacturing industry to enhance their access to finance by, for example, extending the period of their loans repayment.
7. The Legal framework relating to SMEs does not take into account gender equity and equality.

1.5 Research questions
Based on the above stated assumptions, this study sought to address the following questions:

1. Do women in the cosmetic manufacturing industry lack the skills and knowledge necessary to develop their businesses due to their low level of education?
   (a) Do women lack skills on how to access their markets and marketing strategies for their products?
   (b) Do women have skills in using Information and Communication Technology to expand their businesses?
   (c) Do women have knowledge about using Intellectual Property Rights to protect their products?

2. Do women dealing in the cosmetic manufacturing industry require adequate microfinance support to develop their businesses?

3. Are there difficulties that women dealing in the cosmetic manufacturing industry face in accessing finance that will enable them to run their businesses?
4. Do women in the cosmetic manufacturing industry fail to take loans from microfinance institutions due to the high interest rates which restrict them in developing their businesses?
5. Do women in the cosmetic manufacturing industry receive information from government institutions which are relevant to their businesses?
6. Do microfinance institutions cater adequately for women’s needs for enhancing their businesses, such as extending the periods required for them to repay their loans?
7. Does the legal framework relating to SMEs take into account gender equity and equality?

1.6 Demarcation of study

The research was undertaken among women in the cosmetic manufacturing industry in the Urban West Region of Unguja. The region is a high density urban area and centre for business activities. The region is home to a mixture of different people from different walks of life and who are from the various districts within Zanzibar’s islands (Unguja and Pemba) as well as the Tanzanian Mainland (see the map below).

According to the National Census carried out in 2012 the Urban West Region has a population of 0.59 million which is equal to 46 percent (of the total Zanzibar population) of 1.3 million. Females constitute 51 percent and males 49 percent, (NBS and OCGS: 2013). The informal sector comprises a large number of women of the population who make up 51 percent of it. I chose this area to conduct my research because:

(1) It was easy to locate businesswomen in the cosmetic manufacturing industry, especially on a Sunday when they come to the Sunday Market to all their products;

(2) The area contains many offices of key informants in the industry for that region which made it possible for me to access material and relevant data without any complications;

(3) Financial constraints limited me to concentrate only on this region which is also where I live.
Figure 1.1: Showing location of Urban West Region and other areas of Zanzibar
CHAPTER TWO

2.0 EMPOWERMENT AND LEGAL FRAMEWORKS

2.1 Introduction

This chapter presents an overview of literature on the empowerment of women and the legal framework relevant to the informal sector. Under empowerment section, issues like the concept and importance of the informal sector, government’s obligation towards women’s empowerment and business development are discussed. The legal framework discusses international human rights, constitutional, legal and policy perspectives.

2.1.1 The Concept and importance of the informal sector

The informal sector is an important source of employment and income generation for women around the world. The African economy is largely characterized by the presence of great numbers of people engaging in the informal sector. The concept of the informal sector was first coined by Keith Hart in his study of the economic activities of the urban economy of Accra, Ghana in 1973. He used the term to describe the low income activities of the urban poor who could not find wage employment. Also it distinguished between wage and self employment as the essential difference between the formal and informal sectors.³ Later the ILO (1991) broadened the definition of ‘the informal sector’ as follows;

The term “informal sector” refers to very small scale units producing and distributing goods and services, and consisting largely of independent, self employed producers in urban areas of developing countries, some of whom also employ family labour and/or few hired workers or apprentices; which operate with very little capital, or none at all; which utilize a low level of technology and skills; and which generally provide very low irregular incomes and highly unstable employment to those who work in it.

According to the ILO definition the concept of the informal sector can be stated as informal activities, typically characterized by: ease of entry; reliance on indigenous resources; family ownership of enterprises; small scale labour intensive operations using adaptive technology; skills acquired outside the formal schooling system and unregulated and competitive markets.

In 1993 the International Conference of Labour Statisticians (ICLS)⁴ came up with a new comprehensive and broader definition of informal sector as

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“the informal sector” is regarded as a group of household enterprises or unincorporated enterprises owned by households that include: informal own account enterprises, which may employ contributing family workers and employees on an occasional basis and enterprises of informal employers, which employ one or more employees on a continuous basis. It comprised non uniformity in the nature, characteristics and conditions of jobs.

This definition expands and captures the large number of employees working within formal enterprises on an informal basis. The new definition focuses on the nature of employment in addition to the characteristics of enterprises and includes all types of informal employment both inside and outside informal enterprises. Also it extends the focus from enterprises that are not legally regulated to include employment relationships that are not legally regulated or socially protected. Therefore, the informal sector consists of regular workers and casual labour, self employed and those working for other, illiterate to semi educated, in all age groups (Gupta, A; et al. 2011).

The informal sector has grown rapidly, especially in urban areas, due to high unemployment rates, an erosion of real wages, government retrenchments and a formal private sector that cannot absorb the growing labour force. The advent of trade liberalization has stimulated migration into urban areas as a means to earn incomes that are capable of supporting households. Recent estimates of the size of the informal economy in the country indicate its extremely rapid growth, with a growing proportion of urban households engaged in informal activities. The dominance of informal employment is generally found in less developed countries which is said to be a larger source of employment for women than for men in the developing world. It has been said over 80 per cent of new jobs created in Africa is in the informal economy (Chen, M. Et al; 2002).

Self employment plays a vital role in the informal economy. As far as this sector is concerned, self employment can be divided into main three categories namely; trade, production and services. The main activities undertaken by women’s self employment in Sub Sahara Africa include petty trading (retail, trading, cross border trading, street vending etc), production/manufacturing (food processing, weaving, handicrafts, soap making etc) and services (cooking, hair plaiting, laundry, informal lending etc) (Research and Analysis Working Group, 2002). In Tanzania including Zanzibar, the informal sector is an uncertain sector overwhelmed by a lack of capital, lack of premises, lack of skills and frequent
harassment by city officials. Most of those involved in the informal sector are women who do not own lands and use simple tools (Research and Analysis Working Group, 2002). In Tanzania the majority of those in the informal sector have little formal training as it is estimated that 69 per cent of males and 85 per cent of females have had no training at all (National Bureau of Statistics, et al; 2002).

2.1.2 The Characteristics of women in SMEs
Many women around the world engage in small and medium enterprises especially entrepreneurship out of economic necessity and lack of options for choosing other employment opportunities. In Africa there are gender disparities of employment. In the informal sector many women are involved in food processing, basket making, cloth dying, soap making, weaving, etc, while men are concentrated on wood work, transport, metal processing, and related occupations. Women are concentrated in certain occupations because of their lack of marketable skills other those they have acquired at home and also it is easy to enter into these occupations. This gender differentiated segregation of employment has resulted in the growth of the economy and incomes (DAI; 2005).

Another characteristic is that women engage in the informal sector because of its low capital requirements for starting up and growth of business. Many women start their businesses with personal savings or traditional collective savings or support from their family. This is due to the fact that women lack ownership of the kind of property necessary to start a business. For instance, in Ghana over 70 percent of women start up their businesses with capital of less than US$ 100, and 45 percent with less than US$ 20 (IFAD). In Zimbabwe a World Bank survey of female entrepreneurs showed that only 5 percent of respondents had received formal credit, while 75 percent of them got finance for their capital needs from personal savings and family grants (Saito; 1991). Women also are more likely to redirect earnings from their businesses toward the consumption of the household rather than reinvest them in their businesses.

Moreover, limited growth potential of their business is another characteristic of women entrepreneurship. There are differences in growth between women’s and men’s enterprises even if they operate in the same kind of business. This gender imbalance in employment and income earning opportunities has been attributed to a number of factors. These include occupational segregation due to the culturally determined sexual division of labour, social attitudes towards women, low levels of education and training amongst women and the lack of explicit gender sensitive policies and approaches to improve women’s representation in
decision making bodies, especially in the allocation of economic resources (Kashonda, M. et. al.; 2000).

2.1.3 Government’s obligation towards women empowerment and businesses development

The government of Zanzibar has an obligation to ensure that women develop their businesses in order to enjoy sustainable and economic improvement and hence, to reduce their level of poverty, as indicated in International Human Rights Instruments. Women operating within the cosmetic industry should be empowered economically to appreciate and utilize their human rights. The government, as the actor, is obliged to respect, protect and comply with these rights. However, it seems to be falling short of meeting its responsibilities. Over the last few years the Zanzibar government has made some progress towards SMEs development. There are some initiatives that government of Zanzibar established to ensure the realization of those rights towards SMEs development. These includes, the establishment of the Department of Economic Empowerment in 2010, the Department of Credit in 2011, Presidential Funds (funds like AK/JK, Zanzibar Economic Empowerment Fund inaugurated on 21st of December, 2013), the establishment of the Sunday Market; the introduction of new exhibitions in 2013 to facilitate the provision of markets, eg Eid and Revolution exhibition and Trade Fair, the coordination of outside exhibitions such as Jua Kali, the establishment of Vocational Training Centres and Alternative Educational Centres.

Despite these initiatives, however, the participation of women in developing their businesses is still limited and inadequate. These initiatives are inappropriate in their support of women as much is promised but very little is actually delivered. The government initiatives should develop capacities that are needed to realise development that gives priority to the poor, advances women, sustains the environment and creates much needed opportunities for employment and other livelihoods (UNDP; 1994)

It is obvious that encouraging business women in the informal sector to develop their businesses is an essential obligation of any government in order to sustain the future economic development of the country. The following are key important areas where the government can contribute towards empowering women in the informal sector.
2.1.3.1 Education and training

Education is a deciding factor in shaping the life and advancing the values of people, as well as safeguarding and maintaining the success of an economy. Access to education and training are keys to nurturing SMEs. It should be noted that for women entrepreneurs to remain constantly innovative, independent and creative thinking, they should be supported through easy access to education and training (Entrepreneurship; 2006). In order for the government to meet the needs of these women, the following are the key factors to bring about changes: draw up educational curricula for all levels of schooling that offer equal opportunities for boys and girls in selected fields of study, particularly in technology field and in entrepreneurship. Also one needs to develop training programs that are flexible, inexpensive and not excessively time consuming to accommodate people’s multiple responsibilities and varied schedules, to encourage training programs focused on business planning, marketing, packaging, management, negotiating contracts, etc. Further it is important for the government to encourage and support financial literacy programs and encourage the private and public sectors to establish mentor programs for citizens to introduce them to the details and challenges of starting and running business to equip them with skills to solve problems and also to play an ongoing advisory role.

2.1.3.2 Access to technology

Advancement in technology, particularly in information and communication technologies (ICTs), have introduced new opportunities allowing business to be conducted globally. ICTs can improve access to markets and increase participation in markets by reducing transaction costs associated with time and mobility constraints. They facilitate the gathering and transmission of price and other information and increase the flexibility as to where and when economic activities can occur (WDR; 2012). Mobile phones, the internet and more traditional communication technologies, such as radio, are providing new platforms to disseminate information and increase access to services.

In developing countries, women face serious obstacles in accessing new ICTs, i.e internet and cell phones, because women often face more restrictions than men in their mobility and available time. Culture and religion led to inequalities in education and training that often cause gender imbalances within different industries. According to WDR (2012), a woman is 21 percent less likely than a man to own a mobile phone. This figure increases to 23 percent in Africa, 24 percent in the Middle East and 37 percent in South Asia. In contrast, gender
differences in internet access and use between men and women still exist in some countries, especially in developing countries. In Africa women are less likely to own and use cell phones than men. In Tanzania only 20 percent of women and men 25 percent use cell phones (WDR (2012).

The government should: support access to internet technology for SMEs; provide access and encourage business women to use ICTs to improve their technical skills and knowledge; and support the informal sector’s best use of internet to enhance e-commerce potential while reducing sales, marketing and purchasing expenses. If these suggestions could be implemented by the government, businesswomen will develop potential markets for their businesses between locally and internationally.

2.1.3.3 Access to markets
Access to markets is very important to the creation and growth of SMEs. This access can be obtained by influencing the collective power of consumers. In order to do this, women must be able to identify what their respective markets are, who makes up their consumer base and then create a demand for their products and services (Vargas, J; 2010). The government of Zanzibar, through DoTMD in cooperation with TANTRED, organize various exhibitions inside and outside Zanzibar and trade fairs to foster entrepreneurs to access market. In 2013 they also introduced new exhibitions such as Eid and Revolution Exhibition as well as Trade fair. However, it is noted that despite these initiatives, women still face challenges in accessing markets especially within the region and internationally.

In 2011, the government, also through DoEE, established a market for entrepreneurs known as the Sunday Market. It was a strategy to empower entrepreneurs by providing them access to a market, but it turned out to be unsuccessful as the premises are not conducive to business, also the government did not plan it well. The government just seemed to hope that the area could be a good market for entrepreneurs but it failed to carry out research to investigate whether the place would be a fit place for a market. The government did not ask itself questions such as: “Will it be easy to reach the market and available customers?” “What kinds of services are required in the market (eg ablutions ie. safe water and sanitation) and are they easily available?” Such questions should have been asked and answered by the government before opening the market in order to give entrepreneurs necessary support.
Businesses cannot expand or compete without an equal opportunity to access both national and international market. Also the government should ensure that they identify potential strategic alliances between government, business and academia and enhance and support entrepreneurship (Vargas, J; 2010). Moreover, it should ensure that women owned business have equal access training to bidding for government contracts and to establish government goals for women businesses in the award of these contracts and promote exhibitions inside and outside the country for SMEs as a means to gain broader access to the marketplace. The government also should make sure that it supports business women in making good quality products which can compete in the international market.

2.1.3.4 Financial support

Access to financial resources is very important to women in running their businesses. Financial resources can be loans, capital, credit and savings. Accessing appropriate forms and levels of finance is seen as a major issue for women and critical for the start up and growth of their enterprises. Many women entrepreneurs use personal savings, loans from friends and family, and informal lending schemes to fund their businesses (Parker; 1996 and Hadiya; 1998). This need arises as a result of explicit and tacit gender issues relating to various factors such as a lack of awareness of financial possibilities and gender discrimination on the part of financial intermediaries and institutions. Women’s businesses tend to be seen as “too small”, require small amounts of money and are in sectors that do not attract funding (World Bank; 2009). There are however, several key issues linked to women’s ability or inability to unlock formal financial support, such as women are less likely to own land or premises, and, hence, they lack the necessary collateral required by formal financial institutions, particularly banks (Pheko; 1998). It is particularly important to consider the availability of private sources of funding and additional services when assessing the appropriate role of government in the provision of debt and equity capital (Vargas, J; 2010).

To ensure the availability of finance the government established various initiatives such as the JK/AK Fund (Presidential Trust Fund) in 2009. Another Fund was established by former President of Zanzibar hon. Salmin Amour Juma in 1991. However, all these funds failed to provide finance to relevant entrepreneurs, especially women, because their operations were subject to political intervention. On 21st December, 2013 the President of Zanzibar launched a new fund called the Zanzibar Empowerment Fund which brought together all previous funds. This Fund is falls under the control of the DoC which is responsible for supervising and
providing credit to SMEs by means of soft loans with simple conditions. But the same problem that dogged the previous funds may also hobble the present fund, as a result of which women would continue not to benefit due to the difficulties of the complying with conditions and procedures of the Fund as laid down under its Credit Guidelines.

The government has, through the National Microfinance Policy, allowed Banks, Microfinance and NGOs to operate in Zanzibar to ensure SMEs access finance from organizations such as NMB, ZNCCIA, BRAC, PRIDE, WEDTF etc. However, women are prevented from easily accessing finance from these institutions because most of them only assist formal businesses which in most cases are run by men, and they all have cumbersome conditions and procedures, high interest rates, short repayment periods and only offer small loans. Only ZNCCIA seems to support SMEs in accessing finance because it provided grants and not loans. These programmes were under the control of MACEMP and BDG projects which also suffer from gender disparities in providing finance.

In order to cure these obstacles the government should improve sources of funding and remove any barrier/s related to gender disparities that limit women in accessing funds such as bank regulations and lending that could take into consideration specific women’s needs, establish government policies and programs and support organizations that offer funding and other resources for women owned SMEs. Further, the establishment of new and the strengthening of existing financial institutions and their mechanisms should be improved so that the outreach of credit is enhanced (Vargas, J; 2010). Another important strategy is to ensure the adequate flow of credit through existing financial institutions and banks. Other supportive measures should also be taken into consideration, so that all businesswomen are able to access credit easily.

2.1.3.5 Policy and legal infrastructure

In this era of globalization, coordination must exist between those who undertake policy formulation and the subordinate agencies and departments charged with the day-to-day activities of execution of that policy. Apart from that, women also should be given opportunities to participate in making laws and policy so that they can represent and respond to their areas of problems. Legal mechanisms must also be put in place to enforce policies that discourage gender discrimination and that protect women’s ability to establish and develop their businesses. Vargas, J (2010) provides important features that government should take
into consideration in order to encourage women to develop their businesses. The government should pass laws that eliminate gender discrimination and promote gender equity and equality between men and women, develop a regulatory and legal framework that enhances women’s access to financing, technology, information and markets. Also there is a need for government to ensure that there is policy tailored for SMEs and that encourages the establishment and strengthening of NGOs that serve as intermediaries between business and government.

The government of Zanzibar does not adopt comprehensive laws specific to women in the informal sector. It has enacted only the Vocational Education and Training Act. However, many policies and plans relating to SMEs have been formulated such as the SMEs Development Policy which was passed in 2006 with the object of developing SMEs in different areas such as Education Policy and Vocational Education and Training Policy and Microfinance policy, to mention a few. Despite the existence of these laws, they are poorly implemented by both government and private institutions.

In the development of SMEs, the role of the government to empower women is really vital so actors should apply such strategies that foster entrepreneurship abilities and talents among people in society so that they can take the lead in the economic development of the society.

2.1.4 The role of Microfinance in empowering women in the informal sector

Microfinance is a type of banking service that gives (financial services for start up and growth of businesses) to low income individuals or unemployed or groups who would otherwise have no other means of earning. Microfinance assists in empowering women from poor households to create a contribution to the economic growth and sustainable livelihood of their families and societies at large. Microfinance plays a significant role in empowering women that helps bring a newfound respect, independence and participation of women in their household and in societies as observed by Juan Samovia (ILO Director-General). Microfinance provides financial services to the poor in a sustainable way and the use of credit, saving and other products such as micro insurance help families take advantage of income generating activities and better cope with risk (ILO report). Microfinance brings credit, savings and other critical financial services within the reach of millions of people around the world who are very poor, in particular women, who are unable to offer sufficient collateral.
Microfinance services result in women’s empowerment by enhancing their socio-economic status in general and influencing women’s decision making power positively. By the end of 2006, microfinance services had reached over 70 million of the poorest women in the world (Daley-Harris, 2007). That is to say, the majority of the world’s poorest women now have access to financial services through specialized microfinance institutions (MFIs), banks, NGOs, and other nonbank financial institutions. As such, microfinance is likely to promote sustainable livelihoods and better working conditions for women. By increasing women’s access to financial services, microfinance eventually adds to the core value of greater gender equality and non discrimination.

In Africa, various microfinance institutions meet the need of giving financial resources to micro and small enterprises such as Amhara Credit and Savings Institution (ACSI) in Ethiopia (288,000 clients), the Farmers Development Union (FADU) in Nigeria (135,000 clients), Credit Rural in Guinea (110,000 clients) and PADME in Benin (45,000 clients) (Care, 2009). Also microfinance institutions play a critical role in Southern and Eastern Africa as table 2.1 (below) shows.
Table 2:1 Estimated Microfinance in Eastern and Southern Africa in 2007

<table>
<thead>
<tr>
<th>Country</th>
<th>Names of MFIs</th>
<th>Total number of borrowers</th>
<th>Women (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KENYA</td>
<td>KENYA PO SAVINGS, K-Rep, MAL, MDSL, OI-WEDCO, RAFOD, SMEP, Yehu, BIMAS, Equity Bank, Faulu-Ken, KWFT (12)</td>
<td>857,953</td>
<td>67%</td>
</tr>
<tr>
<td>TANZANIA</td>
<td>Akiba, BRAC TZA, Faulu-TZA, FINCA TZA, PRIDE, SEDA, SELFINA (7)</td>
<td>238,613</td>
<td>75%</td>
</tr>
<tr>
<td>UGANDA</td>
<td>BRAC UGA, Centenary, Faulu-UGA, FINCA UGA, MED-Net, TBS, UGAFODE, UML (8)</td>
<td>207,200</td>
<td>56%</td>
</tr>
<tr>
<td>MALAWI</td>
<td>CUMO, FINCA MWI, Microloan Found, OIBM (4)</td>
<td>60,536</td>
<td>79%</td>
</tr>
<tr>
<td>MOZAMBIQUE</td>
<td>BOM, FCC, FDM, NovoBanco, Tchuma (5)</td>
<td>49,327</td>
<td>39%</td>
</tr>
<tr>
<td>SOUTH AFRICA</td>
<td>Capitec Bank, Opportunity Finance, SEF (3)</td>
<td>36,387</td>
<td>65%</td>
</tr>
<tr>
<td>SWAZILAND</td>
<td>FINCORP (1)</td>
<td>14,340</td>
<td>35%</td>
</tr>
<tr>
<td>ZAMBIA</td>
<td>CETZAM, FINCA ZMB (2)</td>
<td>14,352</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Care Report

There are only three active microfinance institutions (NGO’s) operated in Zanzibar namely; PRIDE -Tanzania, BRAC-Tanzania and WEDTF. Also, there are other NGO which play a crucial role in providing finance to entrepreneurs that is ZNCCIA.

Microfinance often targets women, in some cases, exclusively (Microcredit Summit Campaign Report 2007). However, apart from the development of financial resources from MFIs in Africa, still Zanzibar being a small area in which expected women to benefit more from these institutions, access to finance is limited. Women in cosmetic manufacturing industry have been disadvantaged in accessing financial resources. While commercial banks often focus on men and formal businesses, they neglect women, which leads to their disproportionate share of the informal economy. As Gert van Maanen (2004) suggests “banks are for people with money, not for people without money.”
2.2 Human rights perspectives

2.2.3 International and African Regional Human Rights Instruments

Human rights standards and principles provide the context within which the protection of individual’s rights can be measured and demanded. The government of Tanzania is a signatory to a number of Human Rights Instruments which specifically call for the treatment of women’s rights as human rights, such as the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), the Protocol to the African Charter on Human and Peoples Rights on the Rights of Women in Africa (Women’s Protocol), the SADC Protocol on Gender and Development (SADC Protocol), the African Charter on Human and People’s Rights (African Charter), the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic Social and Cultural Rights in (ICESCR), the Millennium Development Goals (MDG’s) and the Beijing Platform for Action 1995 (BPFA).

The government has an obligation to provide training in different fields relating to business to women in the informal sector so as to have skills and knowledge on marketing, technology etc. Also it is obliged to provide economic resources such as credit and capital which can be done through affirmative action as a way to empower these marginalized people (women).

In its advancement of women economically, Article 2(1)(c) of the Women’s Protocol provides that the state integrate a gender perspective into their policy decisions, legislation development plans, programmes and activities and in all spheres of life. Also Article 13(e) obliges the state to adopt, enforce and take other measures to guarantee women equal opportunities in respect of creating conditions to promote and support the occupations and economic activities of women, in particular within the informal sector.

Lack of access to resources is identified as preventing women in the informal sector from developing their businesses. Article 19(d) of the Women’s Protocol and Article 18(a) of the SADC Protocol and Objective 1 and 2 of the Beijing Platform provide for the state to take all appropriate measures to promote women’s access to credit, training, market trade, skill development and extension services at rural and urban levels in order to provide women with a higher quality of life and reduce the level of poverty among women. Women engaged in the cosmetic manufacturing industry are entitled to access these rights in order to run and

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5 See also article 13(b) of CEDAW which recognises the State obligations to provide women the right to bank loans, mortgages and other forms of financial credit.
expand their businesses. Therefore, the government of Zanzibar is obliged to abide by these provisions in order to enhance women’s businesses and reduce poverty.

Since women making cosmetics lack the opportunity to access finance from financial institutions (unlike their male counterparts), the government should take reasonable steps to ensure equality and equity between men and women. MDG 3 articulates the necessity of states to promote gender equality and empower women. The SADC Protocol in its objectives insists on the realization of gender equality and equity in Article 3(d) by setting realistic and measurable targets within a reasonable time frame (2015) and indicators. For this situation the Zanzibar government is obliged to provide all necessary steps to extend resources to women who are engaged in the cosmetics business in order to promote gender equality by 2015.

With regard to the low level of education and low skills and knowledge that women have, almost all human rights instruments put an obligation upon state parties to ensure the availability of gender equality in education and training. Article 10 of CEDAW requires State Parties to take all appropriate measures to eliminate discrimination against women in order to ensure that they share equal rights with men in the field of education and in particular to ensure general equality between men and women. The same condition applies in respect of career and vocational guidance, access to studies and the achievement of diplomas in educational establishments of all categories in rural as well as in urban areas; this equality must be observed in pre-school, general, technical, professional and higher technical education, as well as in all types of educational training. This right is also protected under Article 12 of the Women’s Protocol, Article 14 of the SADC Protocol as well as Article

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6 Also see article 4(1) of SADC Protocol which provides that; States Parties shall endeavour, by 2015, to enshrine gender equality and equity in their constitutions and ensure that these rights are not compromised by any provisions, laws or practices.

7 See article 12 which states that; (1) States Parties shall take all appropriate measures to (a) eliminate all forms of discrimination against women and guarantee equal opportunity and access in the sphere of education and training; (2) States Parties shall take specific positive action to (a) promote literacy among women; (b) promote education and training for women at all levels and in all disciplines, particularly in the fields of science and technology

8 See article 14 of SADC Protocol which provides; (1) States Parties shall, by 2015, enact laws that promote equal access to and retention in primary, secondary, tertiary, vocational and non formal education in accordance with the protocol on education training and MDGs. (2) States Parties shall by 2015 adopt and implement gender sensitive educational policies and programmes addressing gender stereotypes in education and gender based violence, amongst others.
26(1) of the UDHR.⁹ Women in the informal sector lack the opportunity to participate in economic policy and decision making activities and, as a result, they are not well represented; hence, they forfeit some of their rights. To ensure that women fully enjoy their right to sustainable development, article 15 of the SADC Protocol and article 19 of the Women’s Protocol both require that State Parties ensure the equal participation of women and men at all levels of policy formulation and in the implementation of economic policies they must also introduce gender sensitive and responsive budgeting⁰ at the micro and macro levels, including tracking, monitoring and evaluation.

Women who must juggle multiple responsibilities in both their homes and businesses naturally lose out on their opportunities for self improvement. For this reason Article 16 of the SADC Protocol obliges State Parties, by 2015, to adopt policy measures to ease the burden of the multiple roles played by women.

With regard to giving women access to information in order to reach potential national, regional and international markets, the SADC Protocol¹¹ imposes an obligation on State Parties to put in place ICT policies and laws to enhance the social, economic and political development opportunities for women’s empowerment, regardless of their race, age, religion, or class. These policies and laws should include specific targets developed through an open participatory processes in order to ensure women’s and girl’s access to ICT.

Since women have fewer opportunities than men to advance the economy in the exercise of their economic, social and cultural rights, the Women’s Protocol,¹² ICESCR¹³ and CEDAW¹⁴ guarantee that women enjoy these rights by obliging the State Parties to take all appropriate measures to eliminate such economic and social discrimination against women. This measure helps to ensure that both men and women share equally in the development and progress of their country’s economy. To ensure women enjoy these rights Article 5 of the SADC Protocol obliges the States to put in place affirmative action measures with particular reference to women in order to eliminate all barriers which prevent them from participating meaningfully

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⁹ Article 26(1) of UDHR provides that; Everyone has the right to education...Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.
¹⁰ See article 33 of SADC Protocol which specifically provides for gender responsive budget
¹¹ See article 31 of SADC Protocol
¹² Article 13
¹³ See article 3
¹⁴ Article 14(b)
in all spheres of life and to create a conducive environment for such participation. Also the SADC Protocol\textsuperscript{15} provides a time frame for the implementation of this right. It also guarantees women the right to equal opportunities in their work and career advancement as well as other economic opportunities.

2.2.4 National Legislation and Policies

Zanzibar has a very comprehensive legislative framework that seeks to deal with the issue of SMEs both directly and indirectly. The laws concerning SMEs development are the Constitution of Zanzibar of 1984 (as amended 2010) which must be read in conjunction with the Constitution of United Republic of Tanzania (URT) of 1977, the Financial Institution Act of 1991, the Bank of Tanzania Act of 1995, the Vocational Education and Training Act of 2006 and the Credit Guidelines of 2013. The relevant policies include SMEs Development Policy of 2006, the Policy on the Protection and Development of Women of 2001, the National Microfinance Policy of 2000, the National ICTs Policy of 2003, the Vocational Education and Training Policy, the Education Policy of 2006, the Zanzibar Strategy for Growth and Poverty Reduction (ZSGPR) and the Zanzibar Vision 2020. A concise overview of these initiatives is highlighted below.

The Constitution of Zanzibar, which is the supreme law of the land, does not deal expressly with the informal sector or women in business but attempts to address some aspects of their rights which relate to SMEs. The Constitution safeguards the right to work, the right to information and the right to education and training. Article 21 of the Zanzibar Constitution read together with Article 23 of URT Constitution, covers the right to work in the sense that everyone has the right to work, to the free choice of employment, to just and favourable conditions of work and to protection against unemployment. Furthermore, Article 11(2)&(3)\textsuperscript{16} of the URT Constitution provides for the right to education and training. The right to

\textsuperscript{15} Article 17(3) states that; States Parties shall, by 2015, and with regard to the affirmative action provisions in art 5, introduce measures to ensure that women benefit equally from economic opportunities, including those created through public procurement processes.

\textsuperscript{16} Article 11(2)&(3) provides that “Every person has the right to access education, and every citizen shall be free to pursue education in a field or his choice up to pursue education of his choice to his merit and ability, the highest level according to his merits and ability. Every person has the right to access of education and every citizen shall be free to pursue education and technique”.

22
information is also guaranteed under Article 18 of both Zanzibar’s Constitution and the URT Constitution. Neither Zanzibar Constitution’s nor the URT Constitution includes many of the rights contained in current Human Rights Instruments because they are old and outdated documents. Many of these new human rights will appear in the country’s new constitution which has already been reviewed and is now pending before the Special Constitutional Parliament for approval after which referendum will take place.

Nevertheless, some of those rights are domesticated already either in particular Acts or Policies. The right to education and training are provided under Vocational Education and Training Act (VET) of 2006, the Vocational Education and Training Policy (VET Policy) and the Education Policy of 2006. The Vocational Education and Training (VET) Act of 2006 established a Vocational Training Authority (VTA) to develop policy guidelines specifying the roles of the public and private sector in the provision of technical and vocational education and training in Zanzibar. The strengthening of the technical and vocational sub-sector will have an important and positive impact in two main areas: one related to the strengthening of the relevant competence in the country and the other is related to the need to reduce the pressure of the growing number of school leavers and of students dropping out of the school system (MOEV; 2007).

The Education and VET Policies are two policies with common aims. However the main emphasis within the Education Policy 2006 is on Technical Education, while the VET Policy has broad statements which focus on providing Vocational Training for those who complete basic education, tertiary education, and even school dropouts. The four broad policy statements in the Education Policy 2006 correspond with the VET Policy statements and strategies, and both of them, in turn, correspond with the ZSGRP operational targets of enhancing entrepreneurial skills among the youth and require that technical and vocational education and training shall be designed in line with labour market demands (ZEDP; 2007).

The VET policy, which is demand focused, has allowed for the designing of programmes required in the market. These programmes provide women with improved skills, which will improve their skills and performance, as well as improve the status or add value to the jobs they undertake in the Small and Medium Enterprises (SMEs) and informal sector.

Economic empowerment is outlined in Vision 2020 and the Zanzibar Strategy for Growth and Poverty Reduction (ZSGPR). The ZSGRP, addresses in particular, three basic aims:
1. Growth and the reduction of income poverty
2. Improving the quality of life and social well being and strengthening governance
3. Accountability.

These aims may be achieved through the economic empowerment of women who are most adversely affected by poverty.

The right to access information and communication technology is guaranteed by the National ICTs Policy. This policy ensures that all citizens, including women, will be empowered to use ICTs in order to develop their businesses to improve their lives. Also the policy has the object of giving special attention to providing new learning and ICT access opportunities for women and the youth, the disabled and disadvantaged, particularly disenfranchised and illiterate people, in order to address social inequities.

The Banking and Financial Institutions Act of 1991 vested powers of licensing, supervising the regulation of banks and financial institutions and deposit taking equity-based microfinance companies in the Bank of Tanzania. NGOs are not subjected to prudential norms but are required to abide by non-prudential guidelines and supervision under the Ministry of Finance. SACCOS are supervised by Registrar of Cooperatives. The Microfinance Policy is part of the wider policy framework of Tanzania. This policy provides for access to financial services that should be available to both men and women. In order to achieve gender equity in the delivery of services, however, it may be necessary to make special efforts to include features that make the services accessible to all. The Government of Zanzibar formulated and adopted a Policy on the Protection and Development of Women of 2001, which provides a framework for promoting gender equality. The Policy places emphasis on the incorporation of gender equality and equality in policies, plans, development strategies and actions in all sectors and at all levels of the development process. The policy also provides for women’s empowerment by giving more opportunities to women in all spheres including politics, leadership positions, management and economic development.

The SMEs Development Policy was put forward as a major policy for the development of the informal sector in Zanzibar and was introduced in 2006. The main objective of this policy is to stimulate the development and growth of SME activities through an improved enabling environment, enhanced service provision and the creation of conducive legal and institutional frameworks to achieve improved growth, sustainability and competitiveness in the SMEs
sector. The policy also stipulates the necessary connectivity between public and private sectors to create the enabling environment for the development and growth of SMEs in order to prevent their marginalization in the globalization process. Further, the SME Policy concentrates on several areas of development for SMEs and these are: improvements of physical infrastructure, ensuring fair competition, promoting business skills, development of entrepreneurship skills and improving financial services.

Last, but not least, the DoC introduced the Credit Guidelines in 2013. These guidelines stipulate the procedures and conditions for providing credit to the informal sector. According to these guidelines in order for a loan to be advanced to individuals only groups of 5 to 7 people may benefit. The group applying for the loan must be registered as a group. A loan is made to an individual within a group and each member of the group acts as his/her guarantor. In other words, several loans may be advanced in several individuals in a group. Also, before a loan can be disbursed to an applicant or applicants the DoC must ensure that: the applicant/s must have a savings account, make/s the loan application by filling in the application forms and submit it/them with a business plan. The Loan Committee must approve the loan application. Further the guidelines provide that the following payments must be made by the applicant before a loan is advanced:

1) Tshs 4,000 (US$ 2.5) being the cost of the application form

2) 1 percent of the loan applied for must be paid before the loan is disbursed (it covers the cost of the loan appraisal).

3) Tshs 10,000 (US$ 6.25) called the loan follow up, must be paid after the loan has been approved by the Loan Committee

4) Tshs 5,000 (US$ 3.2) must be paid for Loan Orientation Training

5) Tshs 1,000 (approximately US$ 1) must be paid for Loan Pass Book

6) Tshs 1,000 (approximately US$ 1) must be paid for preparation of the Loan Agreement

The guidelines also stipulates that the minimum amount of a loan be Tshs 50,000 (US$ 32) and 200,000 (US$ 125) and the maximum amount of Tshs 5 million (US$ 3,125), if the applicant needs more than the maximum amount he/she will be advised to take a loan from a
bank. Short term loans must be repaid over one to three months. Medium term loans must be repaid over 6 months to 2 years. Long term loans must be repaid by 3 years.

2.3 Conclusion
In the light of the above explanations, it is important for this research to be conducted. It is evident that most of the studies examined, deal with informal sector in other jurisdictions. To fill this gap, the present study specifically looked the women in the cosmetic manufacturing industry in the urban area of Zanzibar who require help through government intervention. Many women in urban areas work in the informal sector to earn an income for their livelihood. International Human Rights Instruments oblige state parties to comply with all conventions in order to ensure the protection and realization of people’s rights. In fact, their lack of development in business arises out of the Government’s failure to realize their basic human rights and needs and requires appropriate measures to be taken immediately to rectify this. The study seeks to identify the challenges affecting women in the informal sector developing their businesses specifically in the cosmetic manufacturing industry and to come up with interventions which will improve that situation.
CHAPTER THREE

3 METHODOLOGICAL FRAMEWORK

This chapter presents the research methodologies applied to this study. It further describes the methods applied during the data gathering process and the challenges involved in doing so.

My first point of departure in collecting data was the Women’s Law Approach. This methodology enabled me to take women as a starting point. I went to collect data from women at the Sunday Market who engaged in the cosmetics industry to see their actual lived realities. I used the women’s law approach because it is a legal discipline which explores the reality of women’s lives and, from that perspective, interrogates and investigates the law (Bentzon et al, 1998). In the Sunday Market I had two group discussions and five individual interviews, where the women explained the problems that they had experienced in conducting their business. These methods were important, as it was quick and I could get a lot of information from different people with different roles at the same time. I selected these women randomly. The interviews and discussions were undertaken using semi-structured interview guides which enabled women to interact and talk about their problems freely without any interference. They were helpful because the interviewees were not restricted to certain answers or questions and this enabled a discussion of issues as how and when they arose. However, I faced the challenge that some interviewees were not willing to cooperate and respond to questions.

Since the approach was holistic, it enabled me to see the laws affecting women and their actual lived realities from the women’s point of view. I personally observed many problems in the market in that the environment where they conducted their business is not conducive for marketing. It is just an open piece of ground. There I saw women selling their products in the hot sun or under a tree. There were no important facilities for women such as toilets and clean and safe sanitation. Apart from that, only a few customers came to the market. After obtaining information from the women I looked at the laws to see the gaps between the laws and what was happening on the ground.

From this perspective, the approach allowed me to understand their problems and employ appropriate interventions to address such problems. I did not assume what their problems
were or investigate possible remedies for them without engaging with the women themselves. This could have led to inadequate solutions. The methodology of women’s law is not just concerned with understanding the position of women and their problems: it also allows the researcher to develop multiple strategies to improve the situation of women, and sometimes men, in the process. The women’s law researcher must ensure that any recommendations for change are rooted in reality (Bentzon et al, 1998).

Table 3.1 Number of women interviewed

<table>
<thead>
<tr>
<th>Place</th>
<th>Number of women interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Sunday Market (individuals)</td>
<td>5</td>
</tr>
<tr>
<td>“***” group discussion (2 groups)</td>
<td>1st group 5, 2nd group 7 women =12</td>
</tr>
<tr>
<td>INAYA Zanzibar (Natural and body care)</td>
<td>1</td>
</tr>
<tr>
<td>Stone Town (shops)</td>
<td>3</td>
</tr>
<tr>
<td>Darajabovu</td>
<td>1</td>
</tr>
<tr>
<td>Revolution exhibition at Beit-el Raas</td>
<td>2</td>
</tr>
<tr>
<td>Business Festival at Maisara</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>

I employed the Human Rights Approach to the development of businesses belonging to women in the cosmetics manufacturing industry. This approach helped me to analyze problems in this area from a holistic perspective of human rights and the corresponding obligations of government according to international human rights standards (Gooneskere; 2000). It is a tool that assisted in getting empirical evidence and collecting data.

The human rights approach was used to look at the rights of business women in the informal sector, and cosmetic manufacturers in particular, with reference to the human rights instruments which provide standards for the protection of fundamental human entitlements. The human rights based approach provides standards and principles, by which all individuals should be respected, be they women or men. Since my main assumptions relate to women lacking skills, knowledge and resources which prevent them from developing their businesses, it was important to use this approach in order to be able to suggest both legal and
non-legal interventions. The government, as the main duty bearer has an obligation to make sure that all rights enshrined under international human rights instruments are fully and effectively utilized by business women and that they be respected, protected, promoted and not violated (either directly or in direct) by state actors or private actors.

I used desk research to peruse various human rights conventions and documents in relation to development of women businesses. I successful looked up these instruments on the internet and reviewed them in the SEARCWl library. I was guided by human rights instruments, such as the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), the Protocol to the African Charter on Human and People’s Rights on the Rights of Women in Africa (Women’s Protocol), the SADC protocol on Gender development (SADC Protocol), the African Charter on Human and People’s Rights (African Charter), Universal Declaration of Human Rights (UDHR), the International Covenant on Economic Social and Cultural Rights in (ICESCR), Beijing Platform for Action and Millennium Development Goals (MDG).

Actors and structures is another methodology that I used during the collection of data. This method enabled me to examine how different actors interact with different structures concerning access to training in order for business women in the cosmetics manufacturing industry to gain skills and knowledge, access to resources, information etc, which would enable them to develop their businesses. As far as the methodology was concerned I was able to examine the influence of structures and actors in relation to these women’s rights.

This methodology directed me to interview (using semi-structured interview guides) various actors and structures, including key informants, in order to get comprehensive data. In order to gather information and to ensure that all key respondents were involved in this research, I used the purposive technique to select them. Purposive sampling is a kind of sampling that gives a researcher an opportunity to select the units to be observed on the basis of his/her judgment upon which one will be the most useful or representative (Adam, Jamal & Kamuzora, F (2008). I used the purposive sampling technique to ensure that the data required are feasibly attained in a limited period of time. Hence, I found that it was the most useful method in conducting this study.

Officials from government departments, NGOs, banks and microfinance institutions were selected purposively and interviewed in order to get accurate information. This methodology
was relevant but it had its own limitations as some structures do not deal with urban women. For example, CARE International and Action Aid only deal with rural women. Others do not deal solely with women so their influence could not be effectively measured. I noted that there is no specific fund for women provided by government institutions or NGOs, except one called WEDTF. It proved to be more influential in women’s exercise of their right to access finance than any other structure because of the nature of the relationship that exists between them and the women. But none of the women benefitting from it were from cosmetic manufacturing industry.

Other limitations included the uncooperative attitude of some respondents and the time-consuming nature of bureaucracy, (some offices caused me to wait for two to three weeks to receive permission for me to start my research). Also, I failed to make contact with some key informants (actors and structures) particularly those whose headquarters are on the Tanzania mainland and operate branches in Zanzibar. For example, I failed to get data from two banks (CRDB and NBC) whose head offices are in Dar-es Salaam. I also failed to get data from PRIDE-Tanzania whose head office is in Arusha. Its Branch manager refused to give me information saying she was not allowed to disclose any information to any person without the prior authorization from head office. So, in the case of two banks I was told to write a letter to head office. I did so, but I never receive any response. As far as PRIDE International was concerned, I was told that I should go to its head office in Arusha because the branch in Zanzibar they would not give me such data. However, I found another alternative: I found some PRIDE clients and I interviewed two of them and I got the information I needed from them. Also it was problematic getting statistics from various structures.

Figure 3.1 below shows the various actors interviewed from different structures. These include officers from government departments, NGOs and Banks as well as microfinance institutions. The numbers of actors interviewed are indicated on the table 3.2.
Another methodology that I used was the Grounded Theory Approach. In using this approach, continuous dialogue and interaction is maintained between the research’s initial theoretical assumptions and the empirical data collected and this dynamic process directs the data collection process and analysis of the collected data which in turn, indicates new sources of data (Bentzon et al: 1998). I used this methodology to achieve a holistic understanding of the area of research. It revealed information on emerging issues from various sources. I was able to interact with women in the cosmetic business when it emerged that they lack support from relevant institutions. I was then obliged to follow up with government departments, NGOs, Banks and microfinance where I got the information relating to this problem.
Using the Grounded Theory approach, it emerged during the research that there is a foreigner, in the cosmetics business and she has effectively developed her business within a short period of time. This emerged during an interview with one official from DoTS MED who told me about this and told me how to locate her. Also when I interviewed women at the Sunday Market they said that they have a shop at Stone town which has agreed to sell their products, but it does not help them enough. Based on this information I visited those areas. I went to INAYA and interviewed the owner of that factory where I got detailed information.

I also interviewed two ladies who are shop attendants at shops selling cosmetics among other things. One lady works in a shop owned by a foreigner (I also interviewed the owner of the shop) and the other lady works at a shop owned by locals. At these two places I got information about the differences between locals and foreigners in developing their businesses.

I was also informed by the Director of DoC that there is a specific NGO (WEDTF) which provides finance to women. I went there and interviewed the financial manager of WEDTF and I got information that their support seems insufficient for women trying to develop their cosmetic businesses. This theory enabled me to triangulate and validate the data. With all these sources I used semi structured interview guides to get information where through semi structured enabled interviewees to talk freely and taking necessary precaution to limit them within the study area.
Table 3.2 Showing the Total number of Respondents

<table>
<thead>
<tr>
<th>Area/Institution</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Economic Empowerment (DoEE)</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Department of Credit (DoC)</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Department of Cooperatives (DoCO)</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Department of Women and Children Development (DoWCD)</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Department of Industry and SMEs Development (DoISMED)</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Department of Trade and Marketing Development (DoTMD)</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Zanzibar Chamber of Commerce, Industry and Agriculture</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>(ZNCCIA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CARE International - Tanzania</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Action Aid</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Zanzibar Female Lawyers Association (ZAFELA)</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>People’s Bank of Zanzibar Limited (PBZ Ltd)</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Islamic Bank Division</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Sunday Market</td>
<td>-</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>INAYA Zanzibar (Natural and body care)</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Stone Town shops</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Darajabovu</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Revolution Exhibition</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Trade Fair</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>13</td>
<td>35</td>
<td>48</td>
</tr>
</tbody>
</table>
3.1 Conclusion

Several methods of data gathering were used in this study; however each method used had its strength and weaknesses. Some of them stood out as the most appropriate for this situation. Interviews allowed women to tell their stories in their own words with minimal intrusion by the interviewer. Group discussions helped me to get a lot of information at the same time from different people doing different jobs. However, sometimes it was difficult to get cooperation from respondents. Desk research by reading through different sources and scholars gave me general information about and insights into the informal sector.
CHAPTER FOUR

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the research findings and discussion, and it attempts to answer the research questions in line with the assumptions underlying my study. The research started with the self-employed women selling various cosmetics at the Sunday Market. This is a popular market for entrepreneurs of both genders who trade in various products on an informal basis. Currently the market is made up of women sellers alone. It is an open market situated at Michenzani (its popular name is Kisonge). It is located in town approximately 10 minutes walk from Darajani (business centre). In this market I observed that the women entrepreneurs were sitting under a tree and in the hot sun since no structures for the market have been built. And so the place does not really look like a market. There are only a few women, about fifteen. I observed that there were; also, very few customers. In that market there are women of different ages. There are some old women who are over 60 years of age and young women, married and unmarried, divorcee and widow.

The women make products such as soaps (seaweed soaps, sandal wood soaps, lemongrass soaps, black seeds soaps, clove soaps, garlic soaps etc), body oil, hair oil, scrub, etc and try to sell them at the Sunday Market.

4.2 Women’s participation and empowerment

According to Mayoux (1998) empowerment corresponds with the right to make one’s own choices, to increase one’s autonomy and to take control over economic resources. Empowerment also entails increased participation in decision-making and it is through this process that people feel that they are capable of making decisions and having the right to do so (Kabeer, 2001).

In the world, women are amongst the poorest and the most vulnerable of the underprivileged and, thus, helping them should be a priority. The government should put in place affirmative action measures in order to eliminate all barriers which prevent them from participating meaningfully in all spheres of life and to create a conducive environment for such participation. Therefore, women should be economically empowered through affirmative action measures in order to develop their businesses like their male counterparts. The World
Bank (2001) report alludes to the fact that societies that discriminate on the basis of gender pay the cost of doing so in the form of greater poverty, slower economic growth, weaker governance and a lower living standard for their people. The World Bank also identifies four key elements of empowerment when drafting institutional reforms: access to information; inclusion and participation; accountability; and local organisational capacity (Swain, R; 2007).

In the field however, it was revealed that women are not empowered economically or even socially which is contrary to Article 15 of the SADC Protocol and Article 19 of the Women’s Protocol, both of which provide that State Parties should ensure the equal participation of women and men at all levels. This also amounts to violation of Article 33 of the SADC Protocol which specifically provides for gender responsive budgeting. The government should comply with these articles so as to promote women’s participation in the economic advancement of the country.

4.2.1 Women lack skills and knowledge

During the research, I found that many business women in the cosmetic industry lack skills and knowledge on technical issues that prevent them from developing their businesses. Training is very vital to these women in order to acquire relevant technical skills and knowledge for developing their businesses such as managing, producing, selling and accessing markets, etc. However, the government and NGOs fail to provide proper training for these business women. The majority of the women that I interviewed at the Sunday Market had a very low level of education. In Ukweli ni Njia Safi (The Truth is a Clean Path) group there is only one member who completed compulsory education at school (ie up to Form II). Then she studied at a Vocational Training Centre where they offer various courses in different fields. She learnt how to prepare cosmetics using her own money. Mrs. Safia, who is a chairperson of the group, however, had attended different training courses concerning entrepreneurship and how to make cosmetics. She was sponsored by Marine Science Institute (a branch of the University of Dar es Salaam). After that they spent much time teaching their fellow members in the group who finished primary education and those who did not get an opportunity to attend school. This enabled them to make products for their businesses. Apart from the courses that they had studied, these respondents said that they continued to learn more about entrepreneurship from different institutions at their own cost.
It was revealed that many women in the cosmetics industry have a low level of education. Some of them dropped out of school and some did not have even a primary level education. One of the interviewees during the group discussion said:

We never get training from the government or for free of charge. We failed to attend other trainings because we do not have money to pay as many institutions offers training with payment.

Another woman said that:

I like to participate in training as much as I can but I fail do so because I cannot afford to meet the costs. Many of them that I participated I paid the costs for myself.

All government departments dealing with the informal sector have training programmes for entrepreneurs. They include the DoEE, DoCO, DoC, DoISMED, ToWCD and DoTMD. However, the training given to women is not adequate for them to acquire technical skills due to the short period of training. Two days of learning technical issues are not enough as the trainees cannot absorb all the necessary information required within such a short period of time. Also the training is conducted for a limited number of entrepreneurs. Therefore not all entrepreneurs get the opportunity to attend the training; only a few of them benefit from these programmes and that is why these women lack skills and knowledge to develop their businesses.

The situation was confirmed by the officers from the DoEE. They said they provide training every quarter in a year. To each training course they invite two participants from each group or individuals. Other departments only trained leaders of a group in a training course due to a shortage of resources. The courses covered in all departments include techniques for business development such as business planning, record keeping, marketing (strategies, market analysis and accessing markets), packaging, producing goods of a good standard etc. An official from the DoEE said:

Our aim is to help entrepreneurs to produce quality products, nice shape and design because many international customers look on the quality, shape and design of the products. This includes packaging, labelling, bar code, ingredients, manufacture and expire date.

I also found that all NGOs provide training to entrepreneurs but these are limited to their members such as ZNCCIA, WEDTF, BRAC etc. ZNCCIA provides training in various fields to both men and women. The courses include business planning, management, marketing,
packaging, keeping records, etc. They provide free training at the initial stage before the first grant is given to beneficiaries. They charge attendance fees for any subsequent training. This was also among the problems found because the training is inadequate for women due to the costs required. In this area it was discovered that the attendance is lower for women than men.

In this situation the rights of education and training for women are limited which is contrary to human rights conventions and the country’s laws and policies. Article 10 of CEDAW, Article 12 of the Women’s Protocol, Article 14 of the SADC Protocol and Article 26(1) of the UDHR oblige State Parties to ensure equal rights of women and men in the field of education and training. Therefore the government must respect, promote and implement these rights to enable women to acquire proper skills and knowledge.

4.2.2 Accessing market and marketing strategies

Many women said they do not know how and where to access markets since they lacked strategies to find them. The only markets that they access are immediate neighbouring/the communities in which they live, door to door customers, the Sunday Market and some exhibitions. Some women whom I interviewed revealed that they were taught by ZNCCIA on how to access market but it is difficult for them to implement due to their level of education. They said:

Accessing market is a big problem for us; we do not have permanent market for selling our products. We sale our products almost at our house, door to door and in small amount since this market (Sunday market) is not sufficient enough to sustain our businesses. In fact we cannot develop our business if the same situation will remain as it is.

They cannot have a potential market without having skills on how to find customers. I noted that they depend only on local customers and they failed to compete in the market due to low levels of education. As many of them have primary education level and some of them did not attend any school to further their studies. The result is that they produce low quality products, put their products in unattractive packages, with the result that they would not lure customers. I noted that there are business women who did not put their products in attractive packages because of the costs of buying and transporting them from either Dar es Salaam or Mombasa. Mrs Salma Othman (aged 63 years old) said she started her business on 2008 after retiring from work. She stated:
I have not yet packed some products I just cut into pieces and sell them or I put in plastic bags because it is very cost to buy packages and sometimes I cannot afford to buy.

**Figure 4.1: Showing the products packed in the plastic**

She further said her customers are locals and not foreigners. She seeks customers by going from door to door, visiting at offices and also at the Sunday Market. However there is a problem about that market because it is not conducive for the selling of cosmetics. In connection with this issue another interviewee said:

> There are many problems in this market, in fact the government has not planned well to establish this market. I see that the government is not ready to help us because they did not prepare conducive environment for selling our businesses.

The government through the Ministry responsible for empowerment established the Sunday Market for the purpose of supporting entrepreneurs by ensuring them access to the market. I found that entrepreneurs were allocated an area for selling their products by the government which was administered by the Department of Economic Empowerment (DoEE). During discussions and interviews with women in the market they said that at the beginning of the market they were given tents, chairs and tables by the DoEE. They were required to pay Tshs 2,000 (US$1.25) for each group or individual entrepreneur for bringing those things from the DoEE office to the market area. In addition they were required to pay money to people who fix the tents every day. Over time it became difficult for them to afford to pay for this because they were not selling their products. Some days they sold nothing. Other respondents live far
from the market area so they have to pay for transport to and from the market. As of now the DoEE has stopped providing facilities at the market.

Many entrepreneurs stop coming to sell their products in this area. It was acknowledged by the Director and other officials of the DoEE who said that 110 entrepreneurs (both male and female) who had different businesses were listed to sell their products in the market. However, due to a failure to pay for the costs of the market facilities the Department decided to stop providing those facilities. Thus, due to a shortage of funds, their office was unable to provide such services. The result was that many entrepreneurs stopped selling their products in that market.

Only a few entrepreneurs remain in the market and they are all women because it is their last resort. Therefore, they are obliged to put their products on the ground or on boxes which was really a problem for them because their products got damaged and dirty and could not be solved. However, later on they contributed some amount of money and bought tables and chairs. They now have six tables and ten chairs. I saw them put their products on those tables. I also observed that place is not good for running a business taking into consideration that those who continue to do business are only women and there are no toilets or other facilities which are very necessary facilities for women. Women in the market had this to say:

As you see we are staying under the sun and tree so if it is raining we should move to other area to avoid our products to be destroyed.

*Pia tuna tatizo kubwa la ukosefu wa choo hapa tukitaka kujisaidia tunalazimika kwenda msikiti wa karibu (Rahaleo au Mwembeshauri) au kuomba nyumba za jirani na mara nyingine wenye nyumba wanakataa kutusaidia. (Also we have a big problem of unavailability of toilets here. We obliged to go to the nearest mosque (Rahaleo or Mwembeshauri) or for help from the neighbouring houses whereas sometimes the owners of those houses refused to help us).*

Another woman emphasised the following:

It is a fact that market is still a big problem in Zanzibar, now the government through the department of Empowerment gave us this place to sell our products (Sunday market- Kisonge) but it is not conducive for doing business. We need to have another proper place for business.
Another market that they have is outside Zanzibar on the Tanzanian mainland. This market or exhibition known as 7/7 takes place on the 7th of July every year at Dar es Salaam and cosmetic sellers from Zanzibar attend it. At least some women attend it are supported by private institutions. A leader of Ukweli ni Njia Safi (the Truth is a Clean Path) group, Mrs Safia said that:

Our group is at least sponsored by Marine Science Institute because we plant and use sea weeds in soap making and other products but it is not full sponsorship. They only give us support to hire huts and transport the products to and from the exhibition while costs for transportation, accommodation and other subsistence we are liable to pay ourselves.

Many women whom I interviewed said they only benefited at the 7/7 exhibition where they got more customers than at any other exhibitions. For instance Mrs Salma said she got Tshs 1.5 million (about US$ 938) at the 7/7 exhibition in 2013. The Jua kali exhibition in Nairobi Kenya is worse due to the fact that it attracts no customers at all and, so, many entrepreneurs now days do not attend this exhibition. I witnessed two women entrepreneurs when we visited their homes with my supervisor. They were very busy loading their products into a car. They had many products which had taken with them to the Jua kali exhibition which was held in
Nairobi, Kenya. When they got back I visited them again to get feedback. They looked so sad. They said there was no business and they did not sell their products. Business was very bad for them. Mrs. Rehema had this to say:


(Meaning; I am telling you I regret going to that exhibition because I did not sell my products. Despite of that also I did not even get customers. In fact I just wasted my time and money without gaining anything in return, which money I could use for other things. Likewise I left here with my luggage I came back with it intact. I will not go again to this exhibition this is the last one).

It was acknowledged by the Director of DoEE when I visited in his Office who said that;

Although our entrepreneurs attend these exhibitions they are not successful compared to other countries because their products do not meet international standards and they do not compete with other products from other countries.

Although the government of Tanzania provided these entrepreneurs with training before going to the exhibition, the training was of no use. This is because the government only provided two days of training before the exhibition when it should have trained them for at least three months before they went so as to give them a better chance to prepare appropriately. As a result, they just wasted their time and money, taking into consideration the long distance between Zanzibar and Nairobi which they had to travel by road via Dar es Salaam. I noted also these women failed to get customers at that exhibition due to the low quality of their products which prevents them from competing effectively in the market.

I also found that these women had a shop at Stone Town as Women Cooperative. That shop is partly financed by TANTRADE. However, the shop does not help them to solve the problem of accessing other markets.

4.2.3 Information and Communication Technologies (ICTs)

ICTs can improve access to and increase participation in markets by reducing transaction costs associated with time and mobility constraints (WDR; 2012). More connections and
better information about the ICTs have increased women’s access to markets. I found that women do not have important information about, eg, markets due to their lack of skills and knowledge about using ICTs, such as the internet and cell phones. The problem has occurred because women engaged in the cosmetics industry lack proper training in the use of ICTs. ICTs could help to access markets worldwide through the advertisement of products using social applications such as facebook, whatsapp, viber, twitter etc. I observed that all the women respondents own cell phones, but they use them only for selling their products; they do not use them for researching their market or advertising their products because they do not know the importance of using ICTs to access markets. One woman reaffirmed that:

I do not have knowledge on that kind of new technology because I have never been taught on using ICTs in developing business neither by private institutions nor government institutions.

It was revealed that these women not only failed to use the internet and cell phones to access markets that could grow their businesses, but they also did not even use traditional media, such as the radio, which does not need much knowledge. However, the challenge in this area is finance because they need money for advertisements. I found only one woman used the radio to advertise her business and she got customers. She said that she used Radio Adhana FM to advertise her products where she paid Tshs 75000/= (US$ 47) per month. She had this to say:

Advertisement helped me to sell my products since at the beginning of my business I used this radio and many customers came to buy the products but I stopped to advertise because it is expensive and the customers disappeared. Now I want to revive this plan because it helped me much on accessing market. However, I admit that I do not have knowledge on using Internet to access market in and outside Zanzibar, because I never learnt about ICT.

Tanzania adopted the National ICTs Policy in 2003 as provided under Article 31 of the SADC Protocol which obliges the state parties to put in place ICTs policies and laws in the social, economic and political development arena for women’s empowerment. The National ICTs Policy properly articulates the importance of empowerment to all citizens which include women in the informal sector using ICTs so as to develop their businesses to improve their lives.
It was also acknowledged by a training officer from Department of Cooperatives that currently they do not provide training about ICTs to the informal sector. But she said they plan to do so in the future. However the challenge will be for business women who have a low level of education. She had this to say:

At that time I did not see any woman access or use internet. Also they do not use media to access market because they cannot afford to pay for advertisements because it is too expensive.

It was confirmed by all government and private institutions that they never provide such training. Officials from ZNCCIA, on the other hand, said that now they see the importance of ICTs training and they want to provide such training. Their financial manager even said that they had already bought 20 computers for teaching. They will teach all entrepreneurs, women and men. They will assist entrepreneurs in opening email accounts and have a profile for everyone. She also said that at the first stage they will help them to use the office computers free of charge but later on they will charge Tshs 500 (approximately US$ 0.50) per hour.

I noted that this programme is possible useful and will help entrepreneurs develop their business after acquiring ITCs so long as they are trained properly. It is likely that men will benefit more than women, as there might be difficulties in its application, as we know many women spend more time attending to other activities. Therefore, they will probably fail to go to the ZNCCIA office to use the computers. Another difficulty that might prevent these women from using the computers are the fees that will be charged later. So in my view, apart from teaching them to use computers to access the internet they should also train them to use their cell phones which could be more effective, especially for women.

The fact is that ICTs facilitate the gathering and transmission of prices and other information and increases the flexibility in where and when economic activities can occur (WDR; 2012). However, the government has failed to take into account the situation of its people, especially these poor and marginalized women, which is contrary to their human rights. As they are regarded as ‘others’, women are insignificant and inessential (Simone de Beauvoir’s; 1949). While government policy makes good sounding statements its solutions, the problem is that it fails to implement them.
4.2.4 Intellectual Property (IP) Rights

Accessing and using IP rights properly has the potential to help women to compete in the national, regional and international markets through the acquisition of appropriate technology. Findings on the ground clearly show that there is lack of knowledge on using IP, in particular, collective marks and geographical indications. A geographical indication shows the origin of goods while collective mark is just a trademark of particular goods. These businesswomen in the cosmetics industry could protect their products through such kinds of IP in order to create exclusive rights to them, because they produce some goods that are available only in Zanzibar or are made by particular groups. Women failed to use geographical indications and collective marks to enhance the competitiveness of their marketing strategy because of the unavailability of IPR training. Thus they do not have exclusive rights to their own goods.

During interviews of key informants I noted that there are no institutions which provide IPR training in Zanzibar. But almost all business women are unaware of the meaning of IPR or its importance. They said they have never received IPR training and they do not know about it.

It was confirmed by the IP officer of the BPRA office that they had not provided any training or awareness of their work to the public. The office only registers products to be protected by IPR such as Trademarks, Patents, Industrial Designs and Geographical Indications. She said most registrations are done for large companies. She stated that since she started working in this office, she had not received any applications from women in the informal sector. However, there are a few men in the informal sector who register their goods. She said that one day, two women came to the office to ask for information about registering a trademark and she gave them the information. They did not return. She said:

"Those two women did not came again I think because they do not know the benefits of registration of their goods. So in fact awareness to the public (especially women in the informal sector) is very important."

On the issue of the process of registration she said that it is easy for those who have some knowledge of the IP laws. Almost all companies hire lawyers as agents for processing the registration. If the applicant is a local person he/she may come personally but if the applicant resides outside Zanzibar they must have a Power of Attorney.

After the office conducts a search and confirms the mark they advertise it in the Government Gazette for 3 months; if there is no objection, the trade mark is registered. They issue a certificate of registration for 10 years and it may be renewed for a further seven years. During
this period the applicant has exclusive rights but also he/she need to make follow up to ensure that her/his trade mark has not been counterfeited. She said that:

I have an experience for those who register that have agent (lawyers) who make follow up on the mark every day. They buy Government Gazettes in order to see the mark advertised whether it is or not counterfeited by other person. 

In this situation I noted that there are challenges for these women in protecting their products using IP laws. The fees are too expensive for these ordinary women. Another challenge is the legal and technical language which is incomprehensible to laywomen. For that reason they will need to hire an agent, and to hire a lawyer is very expensive and these women cannot afford to pay for such services. In order to help women in the informal sector, there must be appropriate measures taken by the government to ensure these women also benefit from their production.

4.2.5 Lack of appropriate government support.

Micro and small enterprises constitute the largest, most dynamic and most resilient element of the private sector...supporting them is central in combating poverty, creating employment and achieving broad-based economic growth. (Private Sector Development Programme; 1997)

Although there are some initiatives which have been established by the government to empower Zanzibar entrepreneurs, I still found that these women lacked appropriate support. There are several departments and Funds within the government established specifically to deal with SMEs development, such as the Department of Economic Empowerment. Mr. Ameir Haji who is a Director responsible for the DoEE said that his Department supports not only women entrepreneurs, but men also. This department was established in 2010 for the purpose of building the capacity of entrepreneurs to start and build businesses. They help entrepreneurs by supporting them through free training and giving them a chance to participate in different exhibitions in and outside the country. He also confirmed that at the moment they do not have any laws regulating entrepreneurs, but now they are in the process of making such empowerment policy and legislation.

The Department of Credit was established in January 2011. According to the Director of this department, Mr. Suleiman Ali Haji, the DoC provides soft loans with low interest rates and simple conditions and procedures. The loans are given to all Zanzibaris with low incomes to
enable them raise capital for developing their products for the purpose of earning an income and livelihood in order to reduce the problem of high unemployment and high levels of poverty. Also Credit Funds were established. The first Fund was established in 1991 by the former President of Zanzibar, Hon. Salmin Amour Juma. The fund had Tshs 120 million (about US$ 75,000) provided to 16,656 people, of which 2,584 were in the Urban West region. He said, however, repayment of the loan was not adequate because many who got the money were men. Another fund was AK/JK which was established in 2009 to help entrepreneurs to get finance for their businesses. This fund had about Tshs 3 billion (US$ 1.875) to give entrepreneurs. The total loan was 755 of amount of Tshs 1,553,484,832 (US$ 970,928) were given to entrepreneurs (Data given by the Director). Of this fund a total loan of 307 for amount of Tshs 612,176,256 (US$ 382,610) were given to Urban West region people. On top of that Zanzibar Economic Empowerment Fund was inaugurated on 21/12/2013 by the existing President Hon. Ali Mohammed Shein to replace the JK/AK Fund. However, there are problems in providing funds where they do not reach the needy.

The establishment of the Sunday Market on 1st October, 2012 after the 2nd Vice President initiated during Empowerment week. The proposed place was Kisonge for the market and it still operates. However, the environment is not conducive for marketing. These initiatives are inappropriate for supporting women when much is promised but little is delivered.

Figure 4.3: Showing the market place
Furthermore, the government introduced new exhibitions in 2013 to help women to reach markets. These are the Eid and Revolution exhibitions and Trade Fair. The government coordinates outside exhibitions such as the Jua Kali exhibition. The Revolution Exhibition is held at Beit el Raas, outside Zanzibar Town. This exhibition was organised by the Ministry of Industry, Trade and Marketing in coordination with TANTRADE. Many government and private institutions and various traders, including SMEs, attended that exhibition. I interviewed Mrs Safia of Ukweli ni Njia Safi group and she said that she came to the exhibition free of charge. Their group was sponsored by the Department of Livestock and Fishing because they do seaweed farming and they use them in making cosmetics such as soaps and other uses. On the issue of how much they benefited from that exhibition, she said they thanked God for good business and in her own words she said:

I did not see exhibition made in Zanzibar like this one. All exhibitions that I attended in Zanzibar this one is good many people come because the government planned well and take effort to give out information to the public so people have got awareness.

And she insisted in that;

Kumbe serikali ikitaka inaweza. (Meaning, whatever the government wants to do it can)

I also interviewed Mrs. Chausiku who makes all different products, including cosmetics. She said she did not pay for attending that exhibition as she was sponsored by the Ministry of Trade. She further explained that the business was good compared with other exhibitions held in Zanzibar because people were aware about that exhibition. During that time the government tried their level best to disseminate information about it. She said if that happened all the time they would develop their businesses successfully.

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17 The exhibition was held for the purpose of celebrating the 50 Anniversary of the Revolution of Zanzibar. Zanzibar got its independence after the Revolution on 12/01/1964 and this is celebrated on the 12th day of January of each year.

18 This exhibition is for East African Countries
The trade fair was held at Maisara which was also organised once again by the MoITM in cooperation with TANTRADE. SMEs also participated in this exhibition. I visited this trade fair and I saw once again Mrs Safia and Mrs. Chausiku whom I interviewed. They replied that they paid Tshs 100,000 (US$ 62.50) for one stall. They joined two other entrepreneurs, contributing Tshs 50,000 (US$ 31.25). They also looked happy and they said business was good.

**Figure 4: 5 Showing Mrs. Safia of Ukweli ni Njia Safi Group selling products at Trade Fair at Maisara**
It was revealed that any entrepreneur who wants to participate in the exhibition must be registered with the Cooperatives or BPRA and also must be listed with the DoEE. The participants must fill in a form of participation. The DoEE only organizes the exhibition with other countries and the entrepreneurs have to pay their own travelling and subsistence costs. Zanzibar gets 100 stalls at the Jua Kali exhibition in each year, but few entrepreneurs take the opportunity to participate and most of them are men. Only a very few women participate.

I found that although the government has initiatives to support the development of SMEs, it does not take seriously issues which need more attention than others. For example, the government does not take sufficient reasonable steps to ensure that these initiatives benefit more women. Also when the government does decide to support people working in the informal sector, they must plan and organise these initiatives well before these events take place.

4.3 Lack of access to financial resources

Informal Sector Development in Africa identifies lack of access to credit as the leading constraints for the small scale entrepreneur, particularly acute for women (UN; 1996).

It is obvious that women in the cosmetics making business require adequate finance to develop their businesses. They need money to buy the necessary materials such as caustic soda, oil, seaweed powder which is very expensive (Tshs 10,000 (US$ 6.25) per kilogram) and packaging which is very expensive. One woman indicated that she needs funds to increase her capital and to buy a grinding machine for making seaweed powder. That is because the powder is available on the Mainland. In Zanzibar there is only one such machine in the Northern region which is too far from the Urban area. Another woman reiterated that she requires money to buy a solar machine for drying materials because she is drying her materials using direct sunlight which takes a long time.

The findings show that women failed to access finances due to many reasons. Despite Zanzibar having many banks and financial institutions, women had not benefited from them (Mupedziswa, R and Gumbo, P; 2001: 111). I found from key informants in the banks (PBZ and one Islamic bank) that they do not have a loan programme for the informal sector. They only provide credit for formal businesses. In this situation I noted that Banks are only for
formal businesses and men because most men are in business in the formal sector, while women are in the informal sector. These banks are for rich people and not for the poor (Gert van Maanen: 2004).

Interestingly, on the other hand, I got information from bank officials that PBZ came up with a new policy for SMEs to benefit from accessing loans from PBZ that will be implemented in 2014. They got the idea from the JK/AK and BDG Funds for which PBZ acted as a trustee. From this perspective they saw the importance of giving loans to these SMEs. However, the Marketing Manager said this policy will deal with women as well as men. Their idea is to reduce the interest rates and simplify conditions and procedures for small and medium sized enterprises.

The findings show that some women in the informal sector have never received any support in the form of finance from the Government. Also, there were some women who were aware of JK/AK but they did not know who was responsible for that fund. Some women said that they had heard about this fund and they tried to make a follow up but never succeeded. One woman had this to say:

I do remember only AK/JK Fund that given to entrepreneurs from the government and this is because was announced from various media. However, we did not succeed to get finance form this Fund because Sheha is the one who listed the names of entrepreneurs and he selected his relatives only.

They stated they needed more finance to develop their businesses, but said that it was difficult to access. They never took loans from any bank or microfinance institution because of the high interest rates charged and the periods of repayment which are too short. During discussions one woman reaffirmed that:

I did not take a loan from banks because of their processes which are very complicated prohibit us to take loan. A part from not taking loan from banks I did not take even from micro finance because of high interests, little money and period of repayment are inadequate with the needs of business women like us. For example PRIDE and BRAC which are the most microfinance institutions for supporting women in Zanzibar, you are supposed to pay the loan within six months only and the interests is very high, the starting amount is 200,000/= which is nothing for loan.

Also the problem with banks is that they demand collateral as security for loans and a written business plan. These are difficult conditions for women to meet because of their lack of skill and knowledge. Another woman said in a discussion:
If microfinance and banks will reduce the interests and extend the period to repay I will borrow the money from those institutions. The banks are only for large businesses who have large capitals and not for us.

It was very obvious that microfinance institutions and NGOs were targeting women in general because poor and marginalized women had, in the past, failed to access credit. There are difficulties in getting credit to these women due to the complex conditions applicable to group lending. Also interest rates are high and the repayment period is too short (Mupedziswa, R and Gumbo, P; 2001: 111). At BRAC the minimum amount is Tshs 200,000 (US$ 125) for a women’s group has been increased subsequently by Tshs 150,000 (US$ 93.75). For individuals, the minimum amount is Tshs 3 million (US$ 1,875) that is for formal business and the conditions and procedures are like banks. The interest rate varies depending on how quickly the loan is repaid. He said the repayment period is 40 weeks (a year) with interest at the rate of 25 percent and 20 weeks (6 months) with interest at the rate of 13 percent per annum. In order to be eligible to access a loan, the group must have 15 members. Currently 38 groups have been cancelled because they do not have enough members. I noted however that all who take individual loans are men and they take up to Tshs 9 million (US$ 5,625), while women only took out small loans. Also I found that those women who take loans from BRAC deal in petty businesses, such as selling foods like chapati, maandazi, rice etc. These kinds of businesses do not need large amounts of capital.

At PRIDE I got information from two members (a woman and man). They said to be eligible to get a loan there must be groups of 5 people. Each member has to pay Tshs 1,000 (US$ 0.625) as membership fee. Also a member is supposed to save Tshs 75,000 (US$ 47) as security for loan. Its first amount is Tshs 200,000 (US$ 125) and subsequently increasing for Tshs 200,000 up to 1 million (US$ 625) after this you enter into fahari but I failed to find out this answer. The mode of payment for first loan is 20 or 25 weeks instalments and for subsequent is 40 weeks instalments. The man said the first time he had a loan of Tshs 200,000 (US$ 125) and he repaid Tshs 15,800 (US$ 10) per week. That woman she had a loan of Tshs 1 million (US$ 625) she took with her daughter so they repay Tshs 145,000 (US$ 91) every week which is too high. She complained of the short period of repayment and the high interest rate. She also regretted taking out the loan because sometimes they had no money to make repayments on time.

At WEDTF the minimum amount of a loan is Tshs 100,000 (US$ 62.25) and a maximum is Tshs 2 million (US$ 1,250), the interest is 22 percent and compulsory saving of 20 percent as
security for loan. The period of repayment is six months for an amount of Tshs 10,000 (US$ 6.25) up to Tshs 900,000 (US$ 562.50) and one year for amount of Tshs 1 million (US$ 625) to 2 million (US$ 1,250). The mode of repayment is by weekly instalment.

These financial institutions do not take into consideration the specific needs of women and, as a result, they did not have funds for boosting their trading ventures. Also I found that there is no institution regulating microfinance in the sense that each has its own guidelines in terms of interest rates, number of members in groups and procedures for loans. Although the power is given to the Registrar of Societies there are no measures to control them. Mupedziswa, R and Gumbo, P (2001) referred to the lack of loans as a major hindrance to the success of businesses as this results in their sinking deeper into the quagmire of poverty. One of the women interviewed admitted that she cannot take a loan from PRIDE because the amount is too small, the interest rate is too high and the period to repay is too short. In her own words she said:

I am so worried to take a loan because when I will fail to repay PRIDE will take all my assets.

She continued:

Not only PRIDE where I cannot take loan but also from banks because of high interests and not Islamic laws. All the profits I will send to the bank while my business is small.

Other woman insisted that:

These financial institutions are not for supporting or assisting us but they are for their own benefit and to undermine us.

I also found that there is no specific fund within the government to empower business women economically. That is why they fail to get capital for the start up and growth of the businesses. The government initiated a fund to underpin entrepreneurs financially to develop their businesses. A new big fund called Zanzibar Empowerment Fund was launched in 21st December, 2013 by the President of Zanzibar Hon. Ali Moahammed Shein. However, does not cater for women’s needs and so women also fail to access this finance because it is applicable under the Credit Guidelines which have many complex conditions. Therefore, even in the case of government funds there are difficulties in accessing finance. According to the Credit Guidelines the conditions on the disbursement of credit are very complex. There are fees that the applicant is supposed to pay before even taking a loan. But how can a poor
woman, who needs finance to start up or advance her business, have money before she gets access to the money she is borrowing? Conditions like these prevent many women from asking for loans and this prohibits them from developing their businesses.

There is one NGO which provides finance specifically to women. WEDTF started to operate in 1995. According to its financial manager the Credit Guidelines for that organization show that it provides loan conditions and procedures (as mentioned above). Activities that qualify for loans are agriculture (horticulture), seaweed farming, livestock husbandry, cottage industries and trading including petty trade (shops, kiosk), sales of fruit, firewood and charcoal. Again, this organization could emancipate business women in the cosmetic industry. This is not the case, however, because it has a limitation to businesses that supporting them where exclude women in the cosmetic industry which are now emerged in large extent.

These women dealing with cosmetics told me that they really need microfinance support to develop their businesses. But where they lack this support some of them started to do business with capital from their own savings (Saito; 1991). Others get support from their families and one woman got capital from her retirement payout. I found that they start to do business with a small amount of money (ranging from Tshs 50,000 (US$ 31.25) to 100,000 (US$ 62.50). At the beginning they said they started to make a few pieces of soap without any packaging. After some time they started to put their soap into plastic bags. Fortunately, some of them got access to a grant from ZNCCIA of BDG project. One group got Tshs 2 million (US$ 1,250), another group got Tshs 1.2 million (US$ 750), one woman who had retired got Tshs 4.4 million (US$ 2,750), while the rest they got finance from DoC but the amount was very little. They said they used some money to buy some other materials to increase the production of their businesses. They also had to use money to buy packaging material from Dar es Salaam in order to enter the market because now customers first look at how the products are packed. Their knowledge of packaging was learnt from training by ZNCCIA before it granted them the money. Their business was developed a little. Mrs Safia reaffirmed this:

We thank God in this stage because now we get money for studying ourselves and our children, basic needs and for livelihood in general.

Due to the government’s failure to implement gender sensitive and responsive budgeting for mainstreaming SME development, women lack access to adequate financial support from the government to help them develop their businesses. It was found that in government departments there is a failure to implement women’s right to access finance due to budgetary
limitations. It was revealed that the DIOSMED failed to grant finance to entrepreneurs because there is no specific budgetary allocation for the development of SMEs which is contrary to Article 33 of the SADC Protocol. The Industrial officer stated that only 0.8% of the yearly budget is set aside for entrepreneurs and this had been taken from other activities.

Also, there is no specific fund in the government which supports women entrepreneurs. I noted that the government failed to take into account women’s specific needs, because all conditions applied to all entrepreneurs regardless of their gender. This situation shows that government is failing to meet its obligation to give women easy access to credit or capital to the informal sector as provided under Article 19(d) of the Women’s Protocol, Article 13(b) of CEDAW and Article 18(a) of the SADC Protocol which compel the State to take all appropriate measures to promote women’s access to resources in order to provide them with a higher quality of life and reduce their levels of poverty. Although objectives 1 and 2 of BPFA require the State to provide women access to savings and credits mechanisms and institutions, I realized that women are not in a position to access those resources as provided under the current laws and policies. The rights remain on paper and the realities of women’s lives remain unchanged.

It is very important that the government domesticates the international instruments and implements its obligations in order to make human rights relevant to the lives of women and avoid creating a false sense of achievement (Banda; 2005: 298).
4.4 Implementation

The government of Tanzania, which includes Zanzibar, has ratified many human rights instruments, as discussed in the second chapter, but it still has not domesticated some conventions. These conventions clearly stipulate the government obligations on women’s rights. In the realization of these rights for women to develop their businesses, the government has an obligation to take all appropriate measures to ensure the implementation of these human rights instruments. In this case, the government should comply with its obligations towards these women as indicated in these instruments.
In the implementation of its obligations the government should ensure the participation of women in the formulation of policies and plans at all levels to give them access to proper information in order to access finance, training and education, marketing facilities, appropriate technologies ie ICTs, etc. The government also should ensure gender equity and equality and a reduction of the multiple gender roles that burden them. The policies and programmes have to ensure the full realization of the right and remove obstacles that prohibit the realization of this right in order to comply with human rights standards. Article 13 of the Women’s Protocol, Article 3 of ICESR and Article 14(b) of CEDAW guarantee these rights to women by requiring the State to take all appropriate measures to ensure the right of men and women to enjoy the same rights. To ensure women enjoy these rights Article 5 of the SADC Protocol obliges the State to put in place affirmative action measures to ensure women’s participation in all spheres of life.

4.4.1 Access to Information.

Access to information is very important in business. Accurate and relevant information is required for important decisions to be taken. Information is a critical issue in the development of any business. Accessing proper information leads women to access and understand important things such as marketing, training etc to boost their businesses. I found in the field that women in the cosmetic industry lack important information about helpful institutions. All the women I interviewed said they missed going to some exhibitions because they lacked information about them. One woman said;

I did not go to sell my products in Eid exhibition because I failed to get proper information regarding payment. I heard from women that we were obliged to pay Tsh 100,000 per entrepreneur as payment for participation in that exhibition but the reality was not so as those who attended they said they pay those amounts per stall regardless of numbers so they shared the costs. I was very interested to participate in that exhibition. The Ministry of Trade failed to provide information to us. Those who get information are those who have relatives or friends working for responsible institutions. Otherwise you cannot get anything.

This violated their human right of access to information as enshrined in Article 9 of the African Charter and Article 18 of the URT Constitution and Zanzibar Constitution which provides for the right to access information. Therefore, the Zanzibar government failed to implement its obligations in this respect.
4.4.2 Gender equity and equality

The realization of gender equality and equity are important components in developing the businesses of women in the informal sector. Research done by the UNDP, UNIFEM, and the World Bank, among others, indicates that gender inequalities in developing societies inhibit economic growth and development (Cheston, S and Kuhn, L). For example, a recent World Bank report confirms that societies that discriminate on the basis of gender pay the cost of doing so by suffering greater poverty, slower economic growth, weaker governance and a lower standard living of their people.

The government is obliged to take reasonable measures to ensure that there is gender equity and equality in order to advance socio-economic development and to reduce levels of poverty. As liberal feminists point out, women should have freedom of choice and be able to assert their autonomy. All persons deserve an equal chance to develop their rational and moral capacities so that they can achieve personhood (Tong; 1989: 15). Liberal feminists insist on law reform to bring about equality between men and women. However, the welfare liberal theory states that an ideal state focuses on economic justice rather than civil liberties (Tong, 1989: 12).

It was found that the laws do not take into consideration gender equality and equity. Despite Tanzania having ratified many human rights instruments, the laws are yet to comply with the relevant instruments. The SMEs policy does not adequately cater for these women’s needs. I found that there is no gender equality and equity in providing finance or education and training for women. Although the VET Policy, Education Policy and VET Act guarantee equality on accessing education, there are still gender disparities in this area, especially in technical areas, and it is men who obtain credit, training, etc which enables them, not women, to develop their businesses.

The laws and policies of the country need to cater for gender equality and equity. Gender disparities arose because government does not take the necessary steps to ensure that these women may enjoy equal status with their male counterparts. It is important for the government to make positive interventions for some individuals, in this case women, so that they may enjoy a fair share of the country’s resources. This may be achieving by putting in place affirmative action and economic empowerment programmes.
The findings show that it was mostly men who accessed finance from ZNCCIA and they receive the largest grants. They also receive training, while women least benefited from such resources. A financial manager said ZNCCIA provided grants from Tshs 1.2 million (US$ 750) to 30 million (US$ 18,750). However, the highest grant to a woman was Tshs 4.4 million (US$ 2,750), while men had received grants up to Tshs 30 million (US$ 18,750). She also said they had sent a male entrepreneur to study a short course in China because he had good educational qualifications and his business was well developed.

Gender disparities were also found at the BRAC office where the financial area manager said that many women obtained loans in groups where the loan range from Tshs 200,000 (US$ 125) to 3 million (US$ 1,875). However, none of women who take loans reached the maximum amount. Men, however, take large loans of up to Tshs 9 million (US$ 5,625) in the form of individual loans where the loan ranges from Tshs 3 million (US$ 1,875) to 9 million (US$ 5,625). In order to obtain such loans it looks like the banks require businesses to be formal and to supply collateral as security etc. The dominance of women participants in the informal sector is attributed to low levels of education and poor employable skill levels (Muiruri, P; 2010). Radical feminists would argue that this trend reflects the gender imbalances with women relegated to the informal sector which is inherent in patriarchal societal arrangements that favour males over females in education, skill training and employment.

The above findings show that the government has failed to eliminate gender disparities which is against human rights as provided in Article 2(1)(c) of the Women’s Protocol which provides that member states should integrate a gender perspective into their policy decisions, legislation, development plans, programmes and activities in all spheres of life. Also Article 13(e) obliges the state to adopt, enforce and take other measures to guarantee women equal opportunities, in particular, within the informal sector. MDG 3 articulates the necessity of states to promote gender equality and empower women. In this respect the objectives of the SADC Protocol insist upon the realization of gender equality and equity referred to Article 3(d) and article 4(1) of the SADC Protocol. Thus, it is necessary for the government to implement these articles in order to bring about gender equality and equity.
4.4.3 Time and duties

Around the world, women spend more time doing house chores, caring for families and participating in community activities. The multiple roles that women perform prevent them from achieving their full developmental capacities. I found in the Sunday Market that women have multiple roles to fulfil in the domestic as well as in the business spheres. They do not have much opportunity to attend to selling their goods because of their house hold chores and social activities. This situation leads them to work ineffectively and insufficiently in their businesses. In return, prevents them from developing their businesses.

I observed some women who had their children with them in the market place and had to leave their products with others to sell for them so that they could go back home to do domestic chores. One woman whom I interviewed said that she did not have much time to stay at the market because of other work she had to attend at home. She was in a great hurry and she told me that I should ask my questions very quickly so that she goes home. It was true that once I finished interviewing her she left and asked someone to look after her products and she said she could get home as far as possible. Another woman said sometimes they failed to come to the market because they were committed to performing house hold chores and taking care of their families which take priority in their lives.

The women in the market put their families before themselves. There were a substantial number of statements that were made in relation to children, husbands and relatives and communities in general. Women whom I interviewed tended to be sacrificial and recognised themselves through domestic activities because of their families. Women tend to be relational and they put others first before themselves (Becker; 1999). Miles (2001) alludes to the fact that women’s roles as mothers inspire them to adjust to harsh conditions in the city for the sake of their children and families. It was suggested by Mackinnon (1989) in her critique of relational feminism that motherhood has left women vulnerable and has promulgated inequality.

There is no policy adopted by government to take measures to ease the burden of the multiple roles played by women as required by Article 16 of the SADC Protocol. This article obliges State Parties to conduct time use studies by 2015 and to adopt policy measures to ease the burden of the multiple roles played by women. The required term based study has not been carried out and there are no mitigation measures in place.
This element of sacrifice needs to be taken into consideration on interventions to bridge the gap. Policies need to be family centred and should consult women at the grass roots level in order to be effective.
CHAPTER FIVE

5.0 EMERGING THEMES

5.1 Introduction

This chapter discusses issues that emerged during the collection of the research data.

5.1.1 Microfinance provides little funding

It was found out that in Zanzibar, microfinance provides little funding which is inadequate for cosmetic manufacturers. It emerged that almost all microfinance NGOs and even the Credit Department provides little funding ranged from Tshs 50,000 (US$ 31.25) to 3 million (US$ 1,875) which is repayable within 6 months to 2 years. Women in the cosmetics business need adequate funding due to the costs of buying materials, packaging and for other costs of products processing. Many women responded that they need more funding to increase their capital, but they cannot ameliorate their problem by accessing the amount available through microfinance. One woman said:

Microfinance provides little funding that will not suffice for our needs in developing our businesses. If they provide large amounts the conditions are cumbersome we cannot meet them.

5.1.2 Costs for registration

The costs of protecting the IP of products are very high. Besides women’s lack of knowledge IP, it was found that they cannot afford the excessive cost of registering their products for protection by IP (collective marks & geographical indication) so as to have exclusive rights to them. When I had an interview with the IP officer she indicated that fees for registration nationwide is reasonable so that anyone can afford to pay them. However, if the goods need to be protected internationally the process is more expensive and challenging for women entrepreneurs. The fees for registering a trademark is Tshs 75,000 (US$ 47) for the cost of an application, Tshs 15,000 (US$ 10) for the cost of advertising and Tshs 75,000/= (US$ 47) is for registration. The total is Tshs 165000 (US$ 103). This cost is too high for people working in the informal sector. The fee is fixed for all applicants, regardless of the size of business, whether large companies or small enterprises.

I noted that enforcing a fixed fee structure regardless of the size of the business prevents women from registering the IP of their products, especially those in the informal sector. In my view the registration of IP is only for those who have enough money and have formal
businesses. In order to give the informal sector a chance to protect their products through IP registration, fees should be charged according to the size of their businesses.

5.1.3 Inadequate support from NGOs

There are many NGOs in Zanzibar who help women, such as CARE International-Tanzania, Action Aid, ZAFELA, however, no one provides training or gives financial support to business women in the Urban West Region. The findings revealed that CARE deals only with rural women while Action Aid deals with Northern Region women as their pilot area. In ACTION Aid I interviewed 2 respondents who said that ACTION Aid is an NGO that supports women in developing their economic capacity helps them reduce their levels of poverty. It also helps women understand their rights. The office also provides public awareness concerning the impact of oppression on women and children. Moreover, it supports women to develop their economy through providing training and finance. However, currently it only deals with rural women in its project which is operating in the Northern Regions of both Unguja and Pemba. Mrs. Khadija, a Project Coordinator, said:

Our office does not support women in other regions Urban West inclusive. It only deals with rural women and now in Northern Pemb and Unguja as pilot areas

At CARE International I interviewed Mr. Amour Bakar a Project Coordinator and Head of Zanzibar Office. He said that they have many projects and activities (programmes) which support women in developing economically and socially, especially women working in the informal sector. They provide strategies for these women on how to get money from their savings. They help women save money by giving them training on saving the money as a way to secure income for start up or growth of businesses. But these programmes are implemented only in the rural areas.

Currently ZAFELA addresses the legal and social issues of women and children only. Since ZAFELA was established in 2003, the secretary said they had various programmes to help and support women and children from being oppressed and subordinated. Also ZAFELA helps those groups to understand their human rights through awareness raising and provides training on legal issues. She said that since they had started their work they had not provided training to women entrepreneurs relating to accessing finances and helping them develop their businesses. However, now they have some funds so they want to use them for raising the
awareness of women entrepreneurs. That will include their rights in relation to business and how to access finance and to develop their businesses. She reiterated that:

Apart from assisting women from oppression and many problems we realized that women are still marginalized and subordinated to men. Therefore in order to reduce this problem we need to help them to understand how to do business and to develop their businesses. I am sure this programme will reduce level of subordination of women by men.

She added that that many women are oppressed because they depend on their husband and men in general. She said this activity will continue in other programmes.

Interestingly, there is one NGO established specifically for women entrepreneurs (WEDTF). It provides financial support and training to women. However, there are difficulties in accessing finance because of conditions, especially the high interest rate (ie 22 percent) of the loans. Also women must be in groups of 15 to 50 and the period of repayment of the loans is very short. The minimum loan amount is Tshs 50,000 (US$ 31.25) maximum is Tshs 800,000 (US$ 500). Repayment is over one year and repaid on a weekly basis. As a result, women are generally unable to access credit facilities and so they remain unsupported by NGOs which play a big role in helping people in many countries.

5.1.4 Foreigners are improving their businesses more effectively than locals

It emerged during data collection that there are differences in capacity between foreign and local women in developing their businesses. Foreigners develop their businesses more effectively than locals. One example is INAYA Zanzibar Natural and Body Care owned by a Western Africa woman who has operated her business for only six months but she taking over the market because now she has got 14 clients (hotels) while locals who have been years in the business they failed to get such a market. That is because she put her products in attractive packages as shown below; also she has filing machines of products unlike locals who cut their soaps using unsophisticated tools such as knives Another example is a woman from Germany who also expanded her business; her main customers are tourists. The lack of well shaped products in attractive packages make their goods substandard and unpopular with buyers.
Figure 6:1 Showing various pictures at INAYA Zanzibar Natural and

Picture 1 (packages)                                                Picture 2 (machines for filling products)

Picture 3 (filling process ie packaging)

It is important to note that I am comparing locals and foreign women just to inform the government that it should emulate the techniques of these foreign business women (ie. the best practice) in order to help local business women. The government should implement its
obligation to ensure these women also develop their businesses and compete in the market place. Moreover, the government may arrange a meeting with women who have well developed businesses and expanded market and use these women to provide training for the locals and to see what steps can be taken by the government to enable locals also to have such capacity. This was an emerging issue, in the sense that it was not one of my preliminary assumptions.

The findings also show that local women do not sell their products to tourists at Stone town which is a tourism area where there are many shops selling local goods to tourists. Women entrepreneurs have a cooperative shop. This shop was opened for the purpose of helping women entrepreneurs in accessing the tourists market. I took time to find this out because it is not indicated outside the shop. It was difficult to identify that shop. After asking many people I managed to find it. However, I often found the shop closed. One day I was lucky to find it open. Goods sold in that shop are local garments, handcrafts, cosmetics etc. I saw very few cosmetics for sale in it. Only soaps made with garlic and seaweed were on the shelves hidden away and they could not be easily seen. Also I did not see any customers entering the shop.

The shop keeper said she managed to sell those goods to foreign and local customers. She said the business was very bad especially on cosmetic products. She also stated that she did not sell any soaps to foreigners or local customers. I noted that their price was reasonable; each soap cost Tshs 1,500 (approximately US$ 1). She said a woman who made the soaps decided to them back because they had been on sale for a long time, but not many had been sold.

Besides that, I found one shop owned by a foreigner which sold local garments, handicrafts, cosmetics such as soaps made with lemongrass, seaweed, cloves, turmeric, sandal powder etc, body oil, hair oil etcetera. The products were packed in very nice packages which attracted tourists. I observed that the owner of that shop planned and prepared to sell the goods specifically to tourists. She indicated that business was good. The customers were both local and foreign (ie tourists), but most of them were tourists. The price per soap was Tshs 6,000 or US$ 4.

Based on this I can say that it is possible for women to develop a market with government and NGOs support. So the government in coordination with NGOs, should take reasonable measures to ensure women in the informal sector have access to resources, proper education and training to acquire technical skills on running their businesses.

5.2 Conclusion
All the above are issues that emerged during the data collection stage of the research. Although I was blind to these issues before going into that field, they emerged when I used the Grounded Theory Approach which pointed me in the direction of new sources of data collection where the initial assumption and empirical data were analysed.
CHAPTER SIX

6.0 CONCLUSION AND RECOMMENDATION

This chapter discusses the conclusion of the study and possible recommendations as a result of it.

6.1 Conclusion

It is undisputed that women in the cosmetic industry regard access to training and education, resources and information as important inputs for the growth of their businesses. The informal sector, in particular the cosmetics industry is increasingly becoming an option for many poor urban women in the Urban West region in Zanzibar as an important source of income and employment to minimize level of poverty. Despite the important role of the informal sector, the obstacles that these women face in developing their businesses are not well understood or recognised by the government, its law and policy makers. The findings of this study show that women working in making cosmetics have inadequate training which leads to their lack of technical skill and knowledge about accessing their market, using ICTs and IP protection.

Also the findings revealed that women in the cosmetics industry lack access to financial resources from banks and microfinance institutions and this is a violation of their human rights. They lack all these opportunities due to a failure of support from the government, and led to difficulties of coping with the conditions and procedures of financial institutions, particularly banks which exclude access by the informal sector to their credit facilities. Moreover, microfinance does not cater for the specific women’s demands in that they provide little funding, require quick repayment at high interest rates and involve complex conditions and procedures. The failure of the government to have a special Fund for women in the informal sector is among the factors which prevent them from accessing adequate financial resources.

Furthermore, the findings revealed that there is no proper implementation of a human rights strategy by the government because it has failed to fulfil its obligations as stipulated in the human rights instruments despite it having ratified several relevant conventions. There is a clear lack of women’s participation in law and policy formulation, in socio-economic development and access to information. Women are not economically empowered and
affirmative action measures are not given priority. The multiple roles of women together with all these other obstacles have led to their inability to run and expand their businesses.

The study findings also show that there is no coordination or harmonization between government institutions and NGOs with regard to the development of the informal sector. In other word, there is no successful multi-sectoral usefulness between government and private sectors. This situation leads local women to fail to compete with foreigners who do the same business as foreigners have developed their businesses effectively within a short period of time.

6.2 Recommendations/Interventions

In the light of the above findings and conclusions of the research I wish to give the following possible recommendations/interventions:-

6.2.1 Short term measures

1. Consciousness raising for the public is important. Women in the informal sector are not aware of many issues including their rights provided by different laws and policies. Government and the private sector have an obligation to provide awareness to these women in order for them to understand their rights and to some extent gain knowledge on many matters.

2. The government should also ensure gender sensitive budget allocated in the yearly budget to mainstream SMEs development. Gender-sensitive budgeting requires the allocation of funding in fiscal and monetary policies which target women in the informal sector in various contexts. Such measures could pave the way for women engaged in the cosmetics industry to access finance easily.

3. Also the government should put in place affirmative action measures to take on board women’s views in laws, policies and programmes formulation. Women’s participation in decision making at all levels will result in the sustainability of their businesses. For example, it will be easy for women to access markets, to access important information, to access resources, increase production and improve the quality and standard of their products. All in all, women’s participation will lead women to reduce their level of poverty.
6.2.2 Medium – Long term measures

1. The government in cooperation with private institutions should conduct proper research to find a permanent market in a proper place with a conducive business environment which will ensure the availability of customers and encourage women to sell their goods. They also need to establish a mobile market which moves about daily to increase business for the women.

2. With regard to improving the capacity of women in the informal sector, the government should take appropriate measures to empower these women economically. Economic empowerment becomes a critical role played by government in giving women the means to change and improve their position in life and so that they may enjoy sustainable socio-economic development.

3. The government should establish microfinance institutions and ensure that existing microfinance support is designed to provide financial resource programmes that are more appropriate in meeting the needs of business women. Also steps must be taken to ensure that the resources are given to the right people, particularly women, in the informal sector. Those institutions will facilitate women’s access to resources by reducing interest rates and conditions, extending loan repayment periods and increasing the amount of the loans depending on the needs of the specific businesses.

4. The government should establish a special Fund for women and the supervision should be under the Credit Department and it should operate without political interventions.

6.2.3 Administrative measures

1. The government should take appropriate measures to ensure the harmonization of government department programmes in order to reduce the duplication of activities relating to SMEs development. These include training programmes, organizing exhibitions and markets and providing finance. It is my view, also that training programmes and finance should be done by the MoSWYWCD, while issues of marketing development and exhibitions should remain the responsibility of the MoTIM.

2. Also, there must be coordination between government, NGOs, International Development Partners and CBOs in order to make use of multi sectoral approaches. All these institutions have similar objectives and project programmes which result in multiple activities being conducted on different fronts targeting the same audience.
The end product is poor implementation. Women end up giving only unenthusiastic piecemeal attention to some of the projects.

3. The government should use multi-sectoral approaches to implement appropriate measures to empower women economically in order to boost their businesses in ways that will increase their economic growth and reduce levels of poverty among them and, hence, society in general.

6.2.4 Legal measures

1. The government should incorporate human rights in national laws and policies and ensure the implementation of these rights accordingly. This will lead to respect for and the protection, promotion and realization of women’s rights that will foster the growth of their businesses.

2. The government should also ensure women’s participation in policy formulation and laws to improve their socio-economic development.

3. The government should enact laws and formulate policies with regard to gender equality and equity in order to eliminate gender imbalances between women and men in terms of their participation in economic development.


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