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Abstract: *This article compares microenterprise performance in the United States and Uganda. In-depth interview data and published sources suggest that many of the same factors affect business performance in both countries, although scale and details vary considerably. Micro, mezzo, and macro strategies are proposed to maximize entrepreneurial effort, reduce barriers, and strengthen institutional and policy support in both contexts.*

Keywords: microenterprise, national/international comparison, in-depth interviews, micro, mezzo & macro strategies, institutional support, policy support

With only a high school education, Stephanie Walker worked as a semi-professional manager prior to opening her business in Chicago. She liked her work in management and her job paid well, but she had always thought about starting her own business. With a strong and independent nature, she disliked her working hours and finally "*decided . . . to jump out there and do it.*" Ms. Walker's goals were to spend more time home with her daughter and, over the long term, build a "*large company.*" Her wellness training business in the African American community was doing well, although she did not make much money. Her skills in management did not make up for a lack of skills in sales, but she was learning fast. Although she had a microloan from the microenterprise program, the program was not much help otherwise, and the loan was too small to help pay for advertising. Although she was frustrated by her inability to win more customers, she liked the way the business was growing—slowly but surely (Sherraden, Sanders & Sherraden, 1998).

> For Mr. Esam Namanya, a microenterprise participant in International Care and Relief (ICR)-Uganda, the story was slightly different. *"I was a peasant farmer who was only growing crops for subsistence . . . I reared some few goats, pigs, and chicken from whose sales I was getting some little income."* Mr. Namanya needed a small loan to help him expand his cultivable land and buy improved seeds. The problem was that he did not trust the micro-credit institutions in his district because he believed *"they could not provide what they promised."* However, when he learned of ICR-Uganda, he decided to try it out. With a small loan through his village group, he was able to buy improved seeds and fertilizers. Mr. Namanya describes his days before participating in ICR–Uganda: "*Although I had learnt agriculture in school in which I got to know the benefit of improved seeds . . . the improved seeds were not easily available and were very expensive. [With higher yield] I have been able to send my children to better schools and improve housing and welfare of my family . . .* " His first harvest was five times greater than had previously grown on the same piece of land (adapted from Mwebembezi, 2002).

Ms. Walker and Mr. Namanya are highly motivated and talented individuals, have some business management skills, and promising businesses, but each encountered barriers to business performance. For example, Ms. Walker was frustrated by lack of skills in marketing and adequate finances to market her product. Mr. Namanya lacked capital and technology to increase his agricultural productivity. In this article, we examine the experiences of low-income microentrepreneurs in the United States and compare their experiences to those in Uganda. Specifically, we analyze factors that affect microenterprise performance. Drawing on these comparisons, we suggest policy implications for microenterprise in wealthy and poor nations.

Microenterprise is an example of what Midgley (1995) has called a developmental approach to improving social welfare. Combining social and economic development approaches, microenterprise provides opportunities for the poor to successfully compete in the market economy (Servon, 1999). Microenterprise development programs (MDPs) assist low-income people to develop very small businesses by offering micro-loans, and, depending on the program, training, technical assistance, and other support.

Microenterprise Performance

Theory suggests that microenterprise outcomes are affected by individual, contextual and structural factors. At the individual level, economic perspectives stress the role of human capital, including skills, knowledge, experience, motivation, creativity, health and other individual competencies and attributes (Balkin, 1989; Becker, 1993; Schultz, 1959). Human capital theory suggests that people with these attributes exercise a comparative advantage and will experience greater earnings and productivity in their field.

While human capital plays a role in productivity and earnings, individuals may also choose self-employment for non-financial reasons, such as autonomy, flexibility, time spent with family, and work environment. Compensating differential theory suggests that in some cases non-monetary rewards may compensate for lower wages (Duncan, 1976). This suggests that we should look beyond business performance indicators to measure success.

In addition to individual traits, the extent to which people are economically and socially connected affects business performance (Bairstow, 1999). Social capital may facilitate business performance by providing access to resources such as financial support (Vélez-Ibañez, 1983), customers (Light, 1972), information (Balkin 1989), and labor (Waldinger, 1986). Given lower levels of income and high risks associated with microenterprise, social networks may mean “the difference between survival and pauperization" (Little, 1997, p. 12).

Financial resources and assets also affect the growth or decline of a business. Access to capital is critical for business success (Holtz-Eakin, et al., 1994), especially among low-income and minority entrepreneurs (Bates, 1989). Financial capital may come in the form of microloans, but also takes the form of savings and other financial assets, which may play a significant role in business start-up and serve as insurance against financial shock (Chen & Dunn, 1996).

Light and Rosenstein (1995) emphasize that, to a large extent, social class and ethnic membership define social, human, and financial resources. Gender issues may also impact the growth or decline of a microenterprise. For example, in the United States, gender stereotyping, discrimination against women, and the common perception that women's business is a hobby, rather than a serious undertaking, impede business success (Ehlers & Main, 1998). In poor countries it is common for women to run their own small business, however, women may be discouraged from operating certain types. For example, women might have difficulty running a construction business, engaging in blacksmith work, or driving a taxi (or, in Uganda, a "*boda boda,"* a motorcycle or bicycle that ferries people among villages).

Microenterprise and Microentrepreneurs

This analysis is based on data from two types of sources. Data about United States microenterprise come from in-depth interviews with 86 low-income microentrepreneurs participating in the Self-Employment Learning Project (SELP), a five-year random selection study of microenterprise that began in 1991 (Sherraden, et al., 1998; Clark & Kays, et al., 1999). Trained interviewers conducted two to three hour telephone interviews with each entrepreneur. Analysis involved computer-based coding, inter-rater reliability checks, development of analytic categories and patterns, and examining prevalence, variation, and exceptions (Strauss & Corbin, 1990).

Data about microenterprise in Uganda are drawn from in-depth interviews with 15 Red Cross Heifer Project (HP) participants in urban and rural areas, and all five staff members (Ssewamala, 1994; forthcoming). Purposive selection was used to select informants whose heifers had had a lactation period of at least one year or more. Information obtained from staff was used to corroborate data obtained from the project recipients. Similar to the United States study, analysis followed standard qualitative methods, but was done manually. This source is supplemented with (1) a field report on ICR-Uganda with 103 microentrepreneurs (Mwebembezi, 2002), (2) an in-depth interview with one staff member from ICR-Uganda, and (3) published findings from a study on the Uganda Women's Finance Trust, or UWFT (Wright, et al., 1999).

Both the United States and Ugandan programs focus on poor women. Reducing poverty is a common objective across all the programs. MDPs in both countries provide microloans to entrepreneurs. Despite high costs, United States programs tend to supplement loans with training, technical assistance, and support because of skill requirements in microenterprise, while in Uganda, programs emphasize savings and credit (Schreiner & Morduch, 2002). In developing countries, programs emphasize financial sustainability, whereas United States microenterprise programs view sustainability as a long-term objective. As a result, programs in developing countries tend to serve much larger numbers of people.

The United States microentrepreneurs were under 150 percent of the official poverty line. Median household income was $12,395. Thirty-one percent were African American, 17 percent were Latino of Mexican descent, 2 percent Asian, and the rest were White. On average, United States entrepreneurs had a high school education, with a median education level of 13 years. One-fifth (19 percent) were age 50 or over, including six over the age of 60. Sixty percent were single heads of households and 33 percent had a child under six years of age.

Participants in Uganda were mostly poor women with low levels of education living in rural or urban areas, although characteristics varied in the three different samples. A typical HP participant was a poor woman, 50 years or older, with less than seven years of formal schooling and an average of 10 dependents (Ssewamala, 1994). A typical participant in the ICR-Uganda MDP was a rural woman peasant, living in poverty, with less than seven years of school (Mwebembezi, 2002). A typical participant in UWFT was economically active, married, in her 30s, with some secondary education, and living in a household of seven members (Wright, et al., 1999).

Microenterprise in wealthy and poor countries included small-scale manufacturing and service businesses. In the United States, almost one-fifth of the businesses were semi-professional, and in Uganda, farming and agricultural production dominated, particularly in rural areas.

Factors Affecting Business Performance in the United States and Uganda

What are the factors that contributed to and/or hinder business performance among the entrepreneurs in the United States and Uganda? United States entrepreneurs said that business skills, life events and crises, family and personal issues, social support, business infrastructure, financial capital, economic context, competition, seasonal fluctuations, and natural disasters were factors that affected business performance. In Uganda, entrepreneurs identified many of the same variables, although details and emphasis varied. The following sections describe similarities and differences.

Business skills. As theory suggests, United States entrepreneurs believed that their business skills affected their business profits and losses. "*Good business sense*," as one United States entrepreneur described, was an attribute of successful entrepreneurs. This included an ability to see the "*bigger picture*," produce a quality product in a market with potential for growth, operate a business effectively and efficiently, and have a positive attitude that helped them forge ahead and gain loyal customers.

Schreiner and Morduch (2002) argue that the skills required of a United States microentrepreneur are greater than those required of a microentrepreneur in a poor country. Our study corroborates this argument. United States microentrepreneurs conducted research, completed business plans, purchased supplies and equipment, produced a product or service, marketed their product, complied with business regulations and licensing, kept accounts, and paid taxes. With few exceptions, most believed they lacked certain skills for entrepreneurship. As one entrepreneur said: "*I was prepared to do the work, but not the business*." Many entrepreneurs said they lacked skills in product selection, purchasing, production, financial management, pricing, and marketing. For example, Ms. Walker, introduced earlier, said her management skills helped her business develop, but her lack of marketing skills made it difficult to grow fast enough:

> *I did not know how to sell the business . . . . My management skills allowed me to survive, but I think I would be in a tremendous profit area right now if my selling skills were as good as my management skills*.

However, in developing countries, microentrepreneurs were more likely to have operated or worked in a business in the past and the skill requirements for business were not as great (Schreiner & Morduch, 2002). For example, Mr. Namanya, introduced earlier, said: "*my parents were also peasant farmers and it was through them that I first learnt some farming using traditional skills."* Skills and knowledge were pegged to past experience and what was happening within the community. Thus, the majority of microentrepreneurs in a given community often focused on the same products. As Wright, et al. (1999) observe, this increases competition and drives down profit margins. For example, all 103 participants in the ICR-Uganda's *Cereal Banks* in the Masindi District invested in farming and agricultural-related businesses (e.g., growing and milling maize and coffee, rearing goats) (Mwebembezi, 2002). The majority of the UWFT participants produced similar products, such as selling charcoal and *matooke* (Wright et al., 1999).

Social support and family issues. United States entrepreneurs said that social support from family, friends, and MDP staff (especially at start up), helped their businesses. In the words of one entrepreneur, "*I don't think [a business] is something you can do on your own*." Specifically, support during the start-up period helped make up for low business revenues. Families provided tangible support, such as childcare, but they also provided valuable advice and emotional support. At the same time, United States entrepreneurs described the impact of illness, injury, disability, pregnancy, depression, divorce, accidents, and job loss on their businesses. For poor entrepreneurs, living at a financial edge, there was little cushion for dealing with these contingencies. They caused interruptions and cutbacks in business and drained household and business resources. They relied on government benefits, family and friends, and sometimes MDPs, but the level of financial and in-kind support available was often not enough to protect businesses from negative impacts.

United States entrepreneurs also said that lack of time, family interference, family responsibilities, and personal motivation affected their business performance. Microenterprises often competed with child and elder care demands, part-time or full-time jobs, or school. Levels of personal motivation varied, perhaps in part because United States entrepreneurs had alternative sources of income (e.g., public assistance and jobs) (Schreiner & Morduch, 2002).

Social support was also important in Uganda. For example, several women in the HP reported that their children helped to look for pastures for the heifers, especially during the dry seasons. One woman said that her neighbor "*keeps an eye on [the heifer] Babirye"* whenever her family was not home. Extended families cared for children and elders, and children helped in microenterprises. However, there is no welfare and public assistance in Uganda to help when family resources wane. Time conflicts with jobs were less of an issue, but survival itself took more time (e.g., cooking and walking long distances for firewood and water). HP participants said that looking after the animals required great commitment: *"Sometimes you feel that the work is too much. . ."* but "*you have to do it."* To be sure, those who took better care of their heifers were more likely to receive more milk.

In Uganda, personal and family crises affected microenterprises, especially illness and death. Although people employed a variety of coping strategies, including seeking support from extended family members, some crises were too serious and catastrophic for extended families to assist effectively. For example, Wright, et al. (1999), discuss the negative impact of the HIV/AIDS crisis on families and businesses. ICR-Uganda field reports also report that several participants in the Cereal banks in the Masindi district had sick family members, relatives, or even friends in the village which took a toll on business resources, especially in money and time spent nursing the sick. Moreover, burial ceremonies, which have become more frequent in most Ugandan villages—mainly due to HIV/AIDS—have made it increasingly difficult for most rural microentrepreneurs to concentrate on their businesses. In Uganda when someone dies, the body is taken back to its ancestral village. The traditional respect attached to death dictates that when there is a dead body in the village, it is inappropriate and disrespectful to work. As a result, high mortality rates have had a significant and negative effect on microenterprise.

Business infrastructure. Lack of business infrastructure in the United States often created obstacles to business performance. These included lack of proper facilities and location, transportation, security, parking, equipment, customers, and information on low-cost suppliers, as well as employee difficulties, zoning and licensing regulations, and high overhead. As one entrepreneur said: "*The location where I was at was hurting me. Everything was closing down there . . . It went downhill. I had a lot of break-ins one year*." Operating from home often kept overhead low, but sometimes caused problems with family. Microentrepreneurs had difficulty creating networks with other business people, especially those in the same industry. They often felt uncomfortable or unwelcome in the local business community and believed that this led to lost business opportunities.

Business infrastructure presented problems in Uganda also. As Schreiner & Morduch (2002) suggest, small entrepreneurs in developing countries often gain access to informal market space without the high overhead facing United States entrepreneurs, but transportation, communication, access to lucrative markets and high equipment costs create serious obstacles to business. In rural and sparsely populated areas, entrepreneurs often have difficulty transporting their products for long distances (Schreiner & Colombet, 2001). Business networks are a critical factor in obtaining outside assistance. For example, Mr. Namanya learned about ICR-Uganda through a local Councilman who invited him to translate English into the local language, Kinyolo, for ICR group mobilization meetings. It is unlikely that Mr. Namanya would have expanded his farming operation at the time he did if he had not been introduced to ICR-Uganda. In Uganda the sense of community is strong. NGOs prefer to work with individuals who are active in their communities. In the HP, for example, community members select participants using community involvement as a criterion for selection (Ssewamala, 1994).

Competition. The type of competition in wealthy and poor countries is different. In the United States, for example, small local competitors created problems for some microenterprises, but large corporations, such as Wal-Mart and Home Depot, which sold similar products often at much lower prices, were especially problematic. In Uganda, microentrepreneurs were more likely to encounter problems of competition with other microentrepreneurs living in the same community and competing for the same customers. For example, in plentiful years, maize (*kasooli)* farmers competed against each other, driving down prices. In the same way, HP participants saw their prices decline during the rainy season when there was high milk production.

Financial capital. Most of the United States entrepreneurs found the small loans from the MDPs very useful, but many also used bank loans, loans and gifts from family and friends, credit cards, and savings. Nonetheless, many entrepreneurs said capital was inadequate and unavailable at the time they needed it most (or, in the case of credit cards, cost too much). In the words of one entrepreneur, microloans were only "*a broomstraw in the haystack*," compared to what he needed to build his business. Overall, the entrepreneurs who borrowed as part of a peer group-lending program (where loans and loan payments are group-based) found it inflexible and undesirable and preferred individual lending. Some reported that traditional lenders were biased against women and minorities in their lending practices.

Availability of capital appeared to play an even more important role in Uganda, where entrepreneurs typically received only very small loans from MDPs. According to Wright, et al. (1999), access to small amounts of credit enabled UWFT participants to increase their working capital, which resulted in greater sales and larger profits. Indeed, groups receiving loans from UWFT claimed that their micro-businesses were doing better than those of their colleagues who were not receiving loans from UWFT. One of the focus group participants reported: "*Our capital has expanded and we are doing better than our neighbours in the shop who are not borrowing to expand their capital*" (Wright, et al, p. 25).

Many MDPs have incorporated savings programs that provide emergency back up and long-term investment. Wright, et al. (1999), found that savings in the UWFT program provided financial support when income flows were interrupted or when emergencies occurred. A common strategy was to deposit savings with UWFT for long term investment, while saving separately with the *Munno Mukabi* (Friend in Need) association to pay for life cycle events.

Microentrepreneurs also accumulated other assets to help with business expansion and diversification, and household consumption. For example, several women participating in the HP were able to eventually open up new small businesses, including raising chickens to sell (Ssewamala, 1994, forthcoming). Such businesses generated income "*for emergency*" or as an "*on-side source of income to help in times of need,*" according to participants. Some saved for their children's education. One woman said: "*I am already saving for their college so that when time comes I will be ready*" (Ssewamala, forthcoming).

Global, regional, and local economic context. The economic context was a major factor affecting micro-business performance in both countries. In the United States, thriving local economies provided business opportunities for some entrepreneurs, but more often, global economic changes, policy shifts, and deteriorating local economies were barriers to business performance. A few entrepreneurs said that the North American Free Trade Agreement (NAFTA) caused them to lose business; others said that peso devaluation in Mexico contributed to local economic downturns. Businesses in other areas suffered from factory closings, corporate downsizing, and sub-contracting reductions. Welfare reform led to less purchasing power. In several places, the economic downturn was so extreme that poverty increased and reduced consumption among current and potential customers (Bates, 1989).

In Uganda, economic reform policies, such as structural adjustment programs, have had both positive and negative influences on UWFT participants. On one hand, entrepreneurs praised economic reforms for permitting the private sector to work in areas previously dominated by state-owned enterprises and providing opportunities to win lucrative government contracts (Wright, et al. 1999). On the other hand, structural adjustment hurt microentrepreneurs by aggravating poverty and reducing purchasing power (Wright, et al., 1999). Periodic depreciation of the local currency resulted in higher prices for imported goods (including some of the raw materials needed by microenterprises), increasing production costs and prices, which caused customers to cut spending (Wright, et al., 1999).

Natural disasters. United States entrepreneurs said that hurricanes and flooding caused difficulties for their businesses, but emergency response was relatively swift and financial support was forthcoming. In Uganda, crop pests and diseases, political instability, and inflation were significant challenges facing microentrepreneurs. Other studies, such as Sebstad and Cohen's (2000) study of Bangladesh, Bolivia, Philippines, and Uganda, suggests that the vagaries of weather, flooding, typhoons, drought, pest and disease, war, and inflation pose great risks to microenterprise.

Seasonal fluctuations. Seasonal fluctuations in business, due to factors such as weather or customer flow (e.g., tourist season), challenged some United States microentrepreneurs to plan carefully for irregular work and financial flows. Seasonal fluctuations were even more important in Uganda. Many Ugandan businesses were economically successful in certain months, but struggled in others often in relation to agricultural cycles (Mwebembezi, 2002; Wright et al., 1999). This was particularly difficult for households when periods of high consumption demand (e.g., beginning of school terms when children needed books and uniforms) coincided with periods of low business revenue (Mwebembezi, 2002).

Social policy. Despite the public and non-profit sector safety net, lack of health care influenced business performance in the United States. Moreover, welfare reforms, which forced some entrepreneurs to take labor market jobs, created challenges for businesses. In Uganda, high rates of illness and death, combined with inadequate public health and health care infrastructure, took a toll on micro-businesses. Although NGOs provide rudimentary health services, medical care costs—especially for hospitalization—sometimes cause businesses to close (Sebstad & Cohen, 2000).

Discussion and Policy Implications

Comparing findings from in-depth interviews with 86 United States microentrepreneurs with published findings from studies of Ugandan microentrepreneurs, we find that many of the same factors affect business performance in both countries. Nonetheless, the scale and details vary considerably.

Appropriate business skills and high levels of motivation are required for successful microenterprise in any context, but microentrepreneurs in the United States required a wide range of business and technical skills, whereas in developing countries, microentrepreneurs needed skills for greater product diversification, especially for products with higher profit margins. Life events, crises, and time pressures confronted entrepreneurs in both countries. While the United States provides more public supports for business and household, the costs of supporting a family are high and the availability of informal social supports (e.g., child and elder care by extended family members) is relatively low. In Uganda, family survival requires that women, especially, live with multiple burdens of tending to children, household chores, and working in their enterprise. Time constraints and community responsibilities such as caring for sick neighbors also take a toll on energy and time for business.

Businesses in both countries did well when they had regular access to customers and a business infrastructure that kept overhead expenses low. They did well when they chose businesses that were not in direct competition with large discount businesses or large numbers of other microentrepreneurs. However, microentrepreneurs in both countries lacked knowledge of potentially profitable business products, access to potentially lucrative markets, and ways to purchase low-cost supplies and equipment. In both countries, transportation was a problem, although the challenge was greater in Uganda. Availability of financial capital was an issue in both contexts. In the United States, entrepreneurs said it was difficult to obtain loans at the right time and in the right amount, and that mainstream financial institutions often discriminated against women and minorities. In Uganda, relatively few financial institutions delivered microfinance services, although the capital requirements of businesses were low compared to financial capital requirements in the United States.

United States and Ugandan entrepreneurs suffered the effects of global economic forces. For example, in United States communities, factories and businesses had moved to developing countries, leading to increased unemployment and lower spending among potential microenterprise customers. In Uganda, structural adjustment policies increased private sector activity, but often hurt poor families because of fewer government jobs and reduced expenditure on social programs. Natural disasters were a bigger problem in Uganda than in the United States because of their greater frequency and the lack of adequate disaster response. Taxation and regulations were a greater hindrance to United States microentrepreneurs than to Ugandan entrepreneurs, where microenterprise was more likely to thrive in a large informal sector. While lack of health insurance and affordable childcare created problems for many United States microentrepreneurs and their families, the lack of adequate public health and basic health care services caused problems for microentrepreneurs and their families in Uganda.

In Uganda a far greater proportion of businesses fall into the microenterprise sector and a good deal more poor people subsist on meager earnings from microenterprise. In the United States, where the number of microenterprises is much smaller, they are nonetheless a source of income for some poor families (Sanders, 2002), and also are a potential center of economic activity in poor communities (Schreiner & Morduch, 2002). In both countries, therefore, it is important to think about how policy and programs might contribute to microenterprise performance. It may be helpful to think about a combination of policies that address micro, mezzo, and macro barriers to microenterprise (Table 1) (Sherraden & Sanders, 1997).

Micro level strategies (Bhatt, 2002) focus on maximizing entrepreneurial ability and increasing the "margin for error" as new business owners gain experience and skills. Internships and apprenticeship programs, in addition to ongoing business training and coaching might be helpful. Given transportation and communication challenges in both countries, it may be helpful to use more computer-based training and consultation (Dumas, 2001). Although more challenging in Uganda, computer centers could be modeled on the internet-cafes that have proliferated throughout the country. Moreover, computer centers and marketing groups could facilitate “bulk” transactions, hence reducing transportation and communication costs and helping entrepreneurs diversify their products.

Table 1. Selected Factors Affecting Microenterprise Performance in the United States and Uganda, According to Microentrepreneurs

	United States	Uganda
MICRO level		
Business skills	Product skills and high motivation, but … Inadequate depth and range of skills. Inadequate knowledge of potential high growth and niche businesses.	Experience in business and high motivation, but … Insufficient variety of businesses and associated skills.
Social support and family issues	Family and friend support, but … Illness, injury, disability, and life cycle events often overwhelm. Competing job demands, family responsibilities, and high stress.	Extended family support for childcare and household responsibilities, but … Widespread illness (e.g., HIV/AIDS) and injury. High workload and time demands, especially for women.
MEZZO level		
Business infrastructure	MDPs provide assistance, especially during start up, but… Inadequate access to business information, business networks, and markets. High cost of supplies and equipment. Skilled employees scarce.	Community participation and cohesiveness, but … Inadequate access to business information and business networks. High cost of supplies and equipment.

Table 1. Continued

Physical infrastructure	Good physical infrastructure, but… Some areas are not well served, especially in rural and inner city areas.	Strong sense of community and social support (*bulungi bwansi*), but … Inadequate transportation and communication infrastructure
Competition	Competition with discount retailers.	Competition with other microentrepreneurs.
Financial capital	MDPs provide initial loans, but … Inadequate timing and amount of capital. Gender, ethnic, racial discrimination in lending.	Microfinance institutions provide very small microloans and opportunities for saving, but … Microloans are very small. Other financial services are insecure and inaccessible.
MACRO level		
Global, regional, and local economic context	Reduction in microenterprise opportunity in low-income communities (factory closings, corporate downsizing) Reduction in local consumer demand (welfare reform) Weakened social safety net	Reduction in local consumer demand and weakened social safety net (structural adjustment) Reduction in consumer demand (monetary depreciation)
Natural disasters	Swift disaster response, but … Occasional disruption.	Family and community cohesiveness and aid from NGOs, but … Frequent disruption. Disaster response is inadequate.

Table 1. Continued

Seasonal fluctuations	Seasonal consumer demand.	Agricultural cycles
Social policy	Health and welfare assistance widely available, but …	NGOs and international organizations supplement government's efforts in providing health and welfare services, but…
	Welfare reform measures have reduced access.	Health and social welfare infrastructure and services do not meet the needs.
	Inadequate affordable health insurance and childcare	

Mezzo-level strategies strengthen the web of institutions that support microenterprise and provide intermediary access to information, technical assistance, suppliers, and markets (Edgcomb & Barton, 1998). Traditional business organizations tend not to reach low-income microentrepreneurs, therefore, new structures may be required. More microenterprise incubators could provide a low-cost environment for business start up (Holley, 1995). "Natural" incubators, such as open-air markets, could allow more United States microentrepreneurs entry into business (Balkin, 1989). Flexible business networks could bring together similar businesses to reduce costs and facilitate speedy response to market conditions (Piore & Sabel, 1994). Business centers could reach microentrepreneurs with information on niche markets and marketing opportunities using computer and Internet resources (Kantor, 2000; Dumas, 2001).

Macro-level strategies reduce or remove barriers and increase levels of support for microenterprise. In the United States, policies such as welfare rules, licensing, and taxation should be re-examined with an eye toward changes that open opportunities for legitimate and safe home-based, vendor-based, open-air, and storefront micro-business (Balkin, 1989; Dennis, 1998; Staley, et al., 2001). Facilitating growth of microenterprise is different in the United States and Uganda, although in both contexts policy can nurture and protect micro-businesses. For example, when globalization pressures lead to factory closures and corporate downsizing in the United States, microentrepreneurs could receive re-training, capital, and technical assistance (much as larger businesses often are). Structural adjustment policies could be re-thought so that they do not unfairly squeeze poor entrepreneurs and their families in Uganda. Finally, access to basic social care, including education, public health, health services, and childcare, should provide a foundation for social and economic development policies like microenterprise.

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