

**Accelerating Women's
Employability Through
Social Entrepreneurship:
The Case of Mombasa**

2020 REPORT

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List of Abbreviations

AG	Attorney General
AGPO	Access to Government Procurement and Opportunities
CBO	Community Based Organization
CECM	County Executive Committee Member
EA	East Africa
EPR	Employment to Population Ratio
FBOS	Faith Based Organization
FGD	Focused Group Discussion
GCP	Gross County Product
GDP	Gross Domestic product
GIS	Geographical Information System
ICT	Information and Communication Technologies
KAM	Kenya Association of Manufacturers
KII	Key Informants Interviews
KNCCI	Kenya National Chamber of Commerce and Industries
KRA	Kenya Revenue Authority
KRA-PIN	Kenya Revenue Authority- Personal Identification Number
LLC	Limited Liability Company
LLP	Limited Liability Partnership
MSME	Micro, Small & Medium Enterprises
NCCI	National Chamber of Commerce and Industry
NEET	Not in Education, Employment, or Training
NEMA	The National Environmental Management Authority
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund

NUR	Natural Unemployment Rate
CSO	Civil Society Organization
SE	Social Enterprise/Social Entrepreneur
SGR	Standard Gauge Railway
SHG	Self Help Group
STEP	Student Training in Entrepreneurship Promotion
TVET	Technical and Vocational Education and Training
WARMA	Water Resources Management Authority
WEF	Women Enterprise Fund
YEP	Youth Enterprise Fund

Glossary

Ecosystem: A system or a group of interconnected elements, formed by the interaction of a community of organisations and individuals with their environment.

Employment: Employment in this report refers to the number of persons engaged in Social Enterprises. This includes working owners, full time paid employees, unpaid family workers, part time workers and apprentices.

Entrepreneur: Someone who starts his or her own business, especially when this involves noticing a new opportunity.

Entrepreneurship: The capacity and willingness to develop, organise and manage a business venture along with any of its risks in order to make a profit.

Formal learning: Learning that occurs in an organised and structured environment (e.g. in an educational or training institution or on the job) and is explicitly designated as learning (in terms of objectives, time or resources). Formal learning is intentional from the learner's point of view. It typically leads to validation and certification.

Informal learning: Learning resulting from daily activities related to work, family or leisure. It is not organised or structured in terms of objectives, time or learning support. Informal learning is in most cases unintentional from the learner's perspective.

Learning: A process by which an individual assimilates information, ideas and values and thus acquires knowledge, know-how, skills and/or competences.

Non formal learning: Learning which is embedded in planned activities not explicitly designated as learning (in terms of learning objectives, learning time or learning support). Non-formal learning is intentional from the learner's point of view.

M4P Approach: Also known as Market Systems Development, refers to an approach in aid and development known as "Making Markets Work for the Poor". It seeks to change the way that markets work, so that poor people are included in the benefits of growth and economic development.

Social enterprise: A business that aims to make a profit and reinvests the profit to create positive social or environmental change by addressing societal challenges. Social enterprises can come in many forms of legal structure but must prioritise positive social impact above or alongside profit. There are a broad range of organisational forms which might operate as social enterprise, including voluntary groups, mutual and co-operatives, charities, and 'profit with purpose' businesses.

Social entrepreneurs: Individuals with innovative and business-based solutions to society's most pressing social problems.

Social entrepreneurship: The attempt to draw upon business techniques to find commercially sustainable solutions to social challenges.

Social innovation: Satisfying new needs not provided by the market (even if markets intervene later) or creating new, more satisfactory ways of insertion in terms of giving people a place and a role in production.

Social entrepreneurs in the Arts economy which is an economic as well as a socio-cultural activity based on having a strong passion for the arts, a strategic vision for sustainable business development and understanding well the contemporary context in which arts operate. It includes: -

- *Culturepreneur* is a broader term than artpreneur and refers to entrepreneurs in the cultural sector who operate alone or in organisational settings in a broad range of branches in the arts and culture field.
 - *Artpreneur* is an artist who practices arts, but also does all related functions for placing it on the market, such as: fundraising, contacting clients, promotion, financial management and others.
 - *Creative entrepreneur*: refers to entrepreneurs who work in the creative industry branches. These entrepreneurs start and manage business enterprises with creative elements, non-profit organisations or social enterprises.
 - *Business entrepreneurs in the arts*: founders and owners of business organisations.
 - *Community entrepreneur*: one who stimulates economic activities within a community and contribute to solving problems in a region or a city by providing employment opportunities at a grass root level.
 - *Digital entrepreneur* in the arts: the one who uses the power of new technologies and online tools to find and exploit an international opportunity, to create a new business, to disseminate information, to sell goods and services online and/or to collaborate with clients and partners.
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Acknowledgements

The British Council would like to thank everyone involved in this scoping study for their time and considered contributions. We wish to thank the County Government of Mombasa for the immense support they accorded the study during data collection and for connecting the research team with government agencies and other key stakeholders.

The immense support accorded to the research team by incubation and acceleration centres, business networks and development organisations working in Mombasa County, cannot pass without recognition. These actors were not only crucial in helping identify social enterprises who took part in this study, but also provided critical insights into the study objectives in all phases of this study.

We wish to thank all the social enterprises based in Mombasa County, drawn from a wide spectrum of sectors, who participated in this study by way of providing critical insights and information. We thank you all and appreciate your valuable contribution.

Special thanks to Jill Coates, British Council's Country Director in Kenya commissioning this piece of research and for her visionary leadership in the entire journey of this research. And finally, we thank our British Council colleagues Robert Njoroge, Mukami Kowino, Alice Wekesa, Owen Dowsett and Apollo Edewa, who provided technical input and expert advice during different stages of this report. Thank you for your invaluable support!

Foreword

Women represent 40% of the world's workforce but hold just 1% of the world's wealth.

Globally, salaried women workers earn around 60% of their male counterparts' wages.

Gender inequality is a shared global challenge which the United Nations' Sustainable Development Goal 5 sets out to tackle through the achievement of gender equality and the empowerment of all women and girls. There is still a lot of work to be done to achieve this by 2030 and the British Council has placed women's empowerment at the centre of all its work to accelerate progress on this vital SDG.

Although social enterprise has to date played a relatively small role in women's empowerment, research indicates that the sector shows particularly strong potential for women. According to the OECD the gender gap in social entrepreneurship is considerably smaller than the gender gap in mainstream entrepreneurship, and consistently so across the globe. In addition, when we compare women-led social ventures and their male counterparts, it is remarkable how similar they are in size, profitability and growth.

This 'reduced gender gap' finding suggests two compelling reasons why we should be promoting female led social enterprise. Firstly, promotion of social entrepreneurship can act as a powerful lever towards promoting female entrepreneurship and female labour market participation more generally. Secondly, research consistently shows that women entrepreneurs play a key role in leading their communities towards positive transformative change that fosters more inclusive, green and smart growth

With this in mind, the British Council commissioned research in 2019, to provide market system analysis of the state of social entrepreneurship in Mombasa County. The report provides insights on the specific sectors with potential to create sustainable jobs for women and explores the barriers women

social entrepreneurs face. The report outlines a series of interventions which can support women entrepreneurs to thrive within the growing social enterprise sector in a county in which more women than men are already running social enterprises.

Despite their contribution to the economic and social development of their communities, this report indicates that women-led social enterprises operate in a complex environment and face a myriad of challenges. These include access to finance, regulatory framework, business networks, business support services and tailor-made business training and advice that could enhance their chances of creating successful and sustainable enterprises.

We believe that the answer is to develop an ecosystem in which women-led social enterprises can grow and thrive, supporting prosperous and sustainable local economies. I am delighted to share this report with its diverse set of practical and innovative approaches and recommendations for accelerating women's employability through social entrepreneurship.

It is my hope that these insights will not only stimulate a joint approach by sector players to create an enabling environment for women-led enterprise to thrive but will also challenge each of us to create a more equitable and sustainable future for all. I hope you will join me in pursuing these goals and deepening our collective impact. As the world emerges from the Covid pandemic, this is our moment to support women in building new and innovative businesses to meet our shared global challenges.

Jill Coates,
Director Kenya, British Council.



“

The report provides insights on specific sectors in Mombasa County with potential to create sustainable jobs for women, the barriers women social entrepreneurs face and the support that women social entrepreneurs require to thrive within the social enterprise sector.

Executive Summary

The British Council is implementing Enhancing Employability for Urban Youth Programme which aims to contribute towards an inclusive prosperous economy for youth through social enterprise.

As part of the programme, British Council in Kenya, commissioned a research in 2019, to provide market system analysis and scoping insight on the state of social entrepreneurship in Mombasa County. Given the current paucity of reliable data on the specific sectors in Mombasa County where young women social entrepreneurs are involved in, and the challenges they face, it was imperative to undertake an empirical study that would inform the direction of the programme.

The report provides insights on specific sectors in Mombasa County with potential to create sustainable jobs for women, the barriers women social entrepreneurs face and the support that women social entrepreneurs require to thrive within the social enterprise sector.

Key Findings

The study reveals that the Mombasa County social enterprise ecosystem is dynamic, diverse and is characterised by optimistic social entrepreneurs. There is favourable political goodwill (albeit with an unhelpful regulatory framework), a highly supportive community, and a business leadership ready to offer its competency and support. There are several programmes and initiatives by both state and non-state actors whose programmatic focus areas intersect well with the intrinsic philosophy and theory of change of the Employability for Urban Youth Programme. The social entrepreneurs were also found to be innovative individuals who found solutions to social and environment challenges and were resilient to the turbulent business environment.

Young women social entrepreneurs were found across the manufacturing, trade, services and health sectors. Sub-sectors with low entry barriers but higher potential for accelerating employability and growth of social enterprise for young women in Mombasa City were found to be: fashion design and catering. The solid waste management sector was also observed to be increasingly attracting women due to improved regulations in the sector as was poultry farming. These sub-sectors should provide a good entry point for the Enhancing Employability for Urban Youth Programme. However, the programme should with time, also focus on other sub-sectors in which young women are productively engaged and those sectors that hold growth potential but also present barriers.

Notable barriers to the growth of social enterprise generally included: lack of training in social entrepreneurship; lack of access to funding and inadequate or non-existent support structures; unhelpful and hostile regulations; lack of awareness of social enterprise and social innovation among policy makers, private sector players and social entrepreneurs themselves. However, there is very positive political goodwill to address the policy and regulation gaps.

On their part, young women face several constraints in setting up and growing their social enterprises. The lack of entrepreneurial know-how, largely as a result of not having post-secondary school education, and the difficulties accessing funding opportunities are perceived as the main barriers. Similarly, legal and administrative burdens, lack of business experience and skills, and unsupportive families or friends have been identified as obstacles to young women in starting and running profitable social enterprises. The ICT skills among young women social entrepreneurs were found to be low and as a result there was low uptake of ICT applications and opportunities to create social innovation and impact.

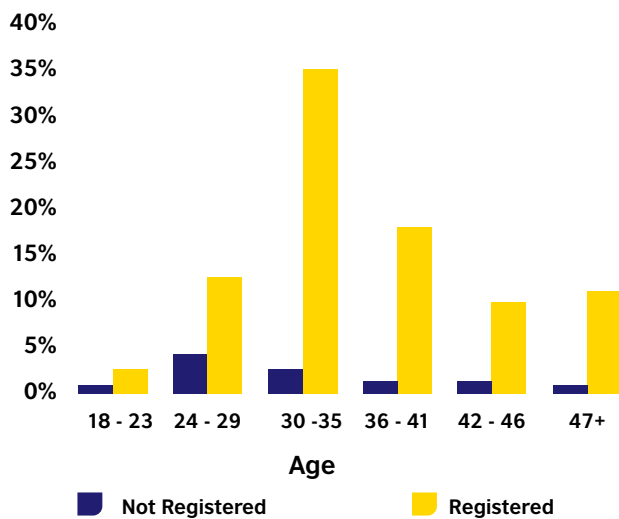
Accelerating Women's Employability through Social Entrepreneurship: The Case of Mombasa.

Introduction:

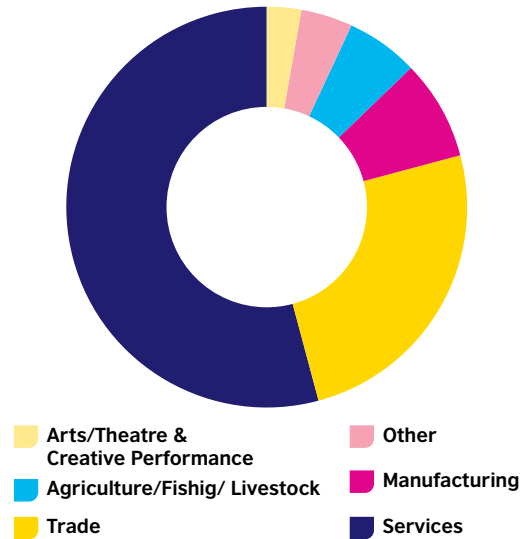
Social entrepreneurship plays a significant role in women's empowerment making it an increasingly important space for women who are often on the side lines of the formal economy. It not only provides an opportunity for women to deliver products and services for social issues affecting

their communities, but also offers flexibility and independence that formal employment may not provide¹. Globally, the social entrepreneurship gender gap appears not to be as wide as with commercial entrepreneurship². In Mombasa, more women than men are running social enterprises, with most of them concentrated in the services and trade sectors, a trend that is consistent with the findings of a study conducted by the British Council on the state of social enterprises in Kenya³.

Proportion of women led business by registration status



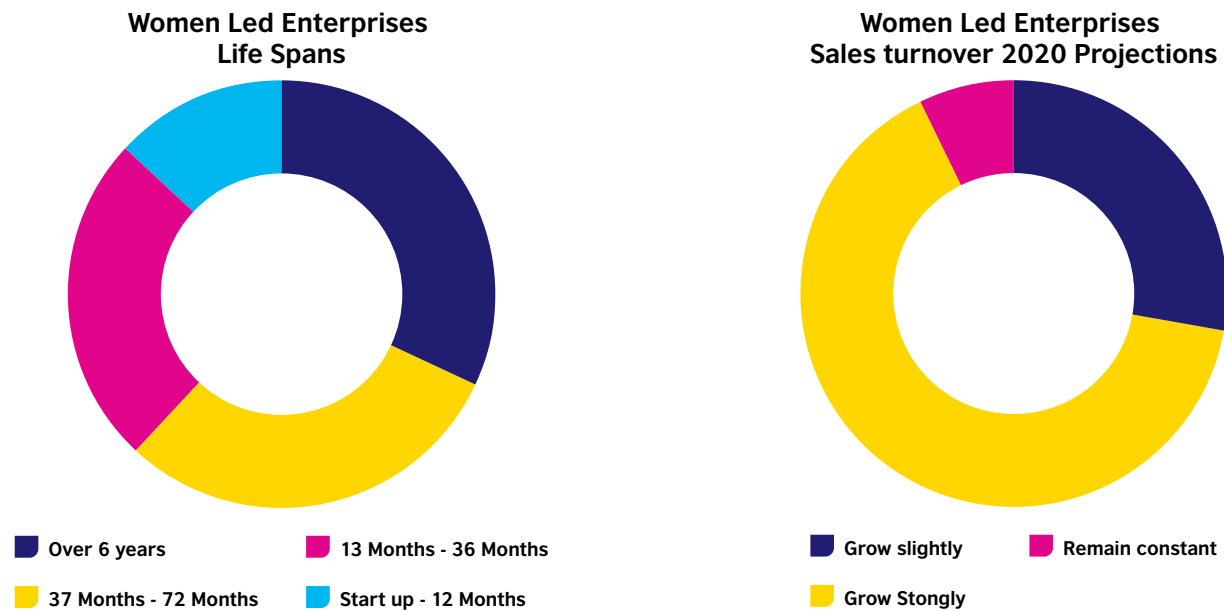
Sector where women led Enterprises operate



¹ British Council (2018): Activist to entrepreneur: the role of social enterprise in supporting women's empowerment in Ghana

² Global Entrepreneurship Monitoring report of xxx

³ British Council (2017): The state of social enterprises in Kenya



Status of Women Social Entrepreneurs in Mombasa

Graphic representation on profile of women social entrepreneurs, sectors they are in and how their businesses are doing.

Barriers Facing Women Social Entrepreneurs in Mombasa:

Women face challenges in accessing lucrative markets

A significant number of women-owned social enterprises are operating in low-end markets that also give limited returns. This is due to a combination of several factors including: their inability to meet high costs of inputs, inadequate access to market intelligence as well as limited marketing and negotiation skills. For instance, women social entrepreneurs engaged in solid waste management commonly reported that they had operated in their local markets for years and had experienced difficulties in their efforts to expand their operations to more lucrative markets as they

had limited marketing skills and lacked the financial muscle to meet the needs of a discerning clientele in high-end residential areas.

Limited access to business capital and credit facilities

Despite the fact that Kenya is the most attractive destination for impact investors in the East Africa sub-region⁴, none of the social entrepreneurs in Mombasa had accessed funding from impact investors. Women reported facing significantly greater challenges than men in gaining credit facilities for their business growth as they often lacked the traditional forms of collateral and credit guarantees. Due to this, most women were unable to borrow as individuals, pushing them to utilise women and youth groups as vehicles for accessing credit from lending schemes that utilise a group approach. It is therefore not surprising that 39% of the social enterprises reached as part of this study accessed funding from government lending schemes and Savings and Credit Cooperatives (SACCOs), that allow credit guarantee from group or SACCO members; a source that was second

⁴ British Council (2017): The State of Social Enterprises in Kenya

to self-financing, which was at 41%. While these schemes provide an important source of financing for the social entrepreneurs, the amounts of funding accessed is often limited and the need for regular repayment meetings by the groups can be time consuming.

Limited access to information and business networks

Many women social entrepreneurs lack adequate access to information and business intelligence, critical information to start and grow successful social enterprises. The report noted the gender gap on access and usage of Information and Communication Technology (ICT); as such women social entrepreneurs missed out on associated potential benefits from ICT that can enhance the competitive edge of their enterprises. More women than men lack requisite skills to secure relationships or contracts for online work assignments, a situation compounded by the limited access to computers and good internet connectivity or sufficient bandwidth. Women's lower educational attainment, low utilisation of business networks and limited ICT skills adversely affect their ability to stay abreast with new developments and opportunities within their contexts and sectors.

Regulatory policies and multiple licenses

Similar to the findings from the state of Social Enterprises in the Kenya study, the Mombasa study also established the lack of government/county policies and regulations specifically aimed at Social Enterprises⁵, necessitating social entrepreneurs to utilise existing legal frameworks also used by other private or third sector organisations. For women-owned social enterprises that often operate in low-end markets and are time constrained, the requirement for multiple licenses absorbed management time and diverted scarce financial resources from productive investment. While it is important to recognise the efforts made by Mombasa County Government in digitising the business permit application processes and enabling

monthly payments, women's limited access to information, low ICT skills and time poverty means that they are more adversely affected than men by the multiple regulations and licenses that they are required to comply with.

Inadequate business management skills

The study established that more women entrepreneurs than men lacked business management training and experience. The typical female owner of a small business often struggled to develop her own method and technique of management through a practice of trial and error. As a result, their management style is likely to be more instinctive, more concerned with day to day operations than long term issues and more opportunistic than planned in how they respond to the business environment.

Double burden of paid work and reproductive work

Despite their relatively better resilience in entrepreneurship as compared to men, women are more likely to prioritise domestic obligations over business pursuits. Women commonly reported that, in addition to contributing to family's income,



Cultural norms also constrain women's mobility, limiting women's opportunities to benefit from business networks as well as support services.

⁵ Ibid

they still have to carry out the bulk of the family's care responsibilities. More often than not, women are under pressure to perform their gender roles as a priority over business related duties as they are the most important definition of "womanhood" pushing women to abandon employment and their enterprises so as to concentrate on domestic duties, a situation which renders them more dependent on their husbands or partners. Cultural norms also constrain women's mobility, limiting women's opportunities to benefit from business networks as well as support services.

Safety and Security concerns:

Women social entrepreneurs face a higher risk of violence than their male counterparts. The study established that women are unlikely to run their businesses until late hours as compared to male entrepreneurs because women are generally more vulnerable to violence and attacks from criminals.

Enabling women to thrive in and through Social Entrepreneurship:

Narrow the skills and confidence gaps for women social entrepreneurs:

It is important that social enterprise incubators and accelerators take into consideration the gendered nature of skills and confidence gaps between men and women and tailor support services that address drivers of the gaps. In addition to providing capacity development on core business skills, incubators and accelerators should design and deliver their services in a way that inbuilds incentives for women social entrepreneurs, provide opportunities to build women's confidence through mentoring and peer support as well as recognise the impact of women's double roles in the productive and reproductive spheres on their abilities to participate and transfer skills gained to their enterprises.



It is important that social enterprise incubators and accelerators take into consideration the gendered nature of skills and confidence gaps between men and women and tailor support services that address drivers of the gaps.

Focus on segmented and sector specific support

The study established that most women-owned social enterprises are in the service sector, specifically: group-based saving and lending (table banking), beauty industry, event management, training and skills development. The study also identified social enterprises in the events management, fashion and design as well as beauty industry sectors as having low-entry barriers but high potential for creating employment for young women, especially in Mombasa. The heterogeneous nature of the social enterprises in these sectors and the different needs of start-up and well-established social enterprises, makes it necessary for incubators, accelerators and government stakeholders to consider a differentiated and

wholistic sector specific approach to providing business and regulatory support to women-owned social enterprises. This will provide opportunities for specialist support from social enterprises in the sectors they are working in.

Creating an enabling environment for women social enterprises through effective regulation:

Regulatory frameworks, licensing and business permits play an important role for social enterprises at all stages of development and can either constrain or facilitate entry, growth and investment for women across various sectors. For instance, this study identified how improved regulation, re-organisation and public-private partnerships in the waste management sector led to an increase in the number of women in the sector. It is therefore critical that policy makers are sensitised to understand and appreciate the social enterprise business models and the social value they present. Social enterprises often address and offer solutions to some of the challenges that local county governments face and are therefore partners in meeting the local government's social goals. The Mombasa County Government should consider the potential benefits of developing policies and licensing regimes that recognise and incentivise the social value from social enterprises. The development of structures that support social entrepreneurs to better navigate the regulatory environment will also go a long way in creating an enabling environment. This includes creating 'one stop shops' for county and national government regulatory information and licensing services.

Enhancing women's access to impact investment:

Access to impact investors beyond the government lending schemes, remains low among social entrepreneurs in Mombasa County, yet they provide capital for social entrepreneurs who advance viable social and environmental solutions. The growing gender lens investment approach amongst impact investors is leading to increased focus on utilising impact investment to improve the lives of women and girls. This creates an opportunity for women-led and owned social enterprises to access financing that is responsive to their needs. It is important for incubators and accelerators to understand the barriers to accessing impact investment for women-owned/led social entrepreneurs and support them to be investor ready.

Access to information and business networks

ICT-based products and services can help women overcome the time and mobility constraints that disproportionately affect women. However, incubators and accelerators need to ensure that any ICT-based services designed need to take into consideration the gender gaps in ICT skills, access and usage and develop women-friendly and cultural sensitive public access points for ICT and create opportunities for women to build skills on how to use mobile phones and computers to develop an online presence for their social enterprises across the relevant sectors.

Social Enterprise Networks also present a platform for efficient dissemination of information on business regulations, market intelligence and suitable financial services while at the same time enable co-ordinating and advocating on behalf of the sector at the local and national levels. For women, such women-focused networks also play a critical role in enhancing access to peer support, mentoring opportunities and collaboration that is specifically geared towards meeting the needs of women social entrepreneurs



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Given the current paucity of reliable data about the specific sectors in Mombasa County that women social entrepreneurs are involved in, it was imperative to undertake an empirical study that would inform the direction of the programme.

SECTION ONE

Introduction and Context Analysis

Background

It is estimated that by 2030, 60% of the global population will live in urban areas.⁶ An analysis of urban and rural populations shows that global populations have been expanding in both rural and urban areas, with large urban populations still living in slums and earning incomes significantly below the international poverty line.⁷

All over the world, women appear to be concentrated in low-productivity jobs.⁸ They work in small farms and run small firms. They are over represented among unpaid family workers and in the informal sector. And they rarely rise to positions of power in the labour market.⁹ There is strong evidence that growing women participation in social enterprise could, not only present a viable solution to unemployment for them and their employees, but also have a far broader impact on society.¹⁰

The aforementioned issues are at the core of British Council's Enhancing Employability for Urban Programme being implemented in Mombasa County, Kenya. The programme aims to support the growth of social enterprises in key sectors of economic priority, particularly focusing on ensuring *young women* have the skills and opportunities to thrive as social enterprise leaders.

⁶ UN-Habitat (2010), State of the World Cities 2010/2011. Bridging the Urban Divide. UN-HABITAT, Earthscan, UK, P.45

⁷ Ibid

⁸ Ibid

⁹ World Bank Report 2012: *Gender differences in employment and why they matter*

¹⁰ UN Women: World Survey on the role of women in Development 2014: *Gender Equality and Sustainable Development*

However, given the current paucity of reliable data about the specific sectors in Mombasa County that women social entrepreneurs are involved in, it was imperative to undertake an empirical study that would inform the direction of the programme. It is on the above basis that British Council commissioned a Market Scoping and Training Needs Analysis of social enterprises in Mombasa County between the months of July and August 2019.

Objectives of the Survey

The overall objective of market scoping and training needs analysis

The overall objective of the survey was to provide insights on social enterprise/entrepreneurship in Mombasa for the British Council's Skills and Enterprise Portfolio (e.g. relevance, trends, capability, suitability, factors, rules, regulations, growth opportunities and impact). The findings will inform the delivery of a social enterprise development programme that responds to the needs and realities of the city's young people, especially women.

The survey was designed to provide evidence for a programme that helps:

- Build the skills of young women social entrepreneurs in Mombasa
- Scale social enterprises with potential to provide more and 'better' jobs
- Support social enterprises that have an employment-related mission.

Specific objectives of the study

The study was geared to clearly and comprehensively respond to the following nine specific objectives:

- Analyse the political economy surrounding youth employability, social enterprise; drivers and pathways of change; geopolitical and social trends.
- Assess the current environment of employability and enterprise development programmes. Identify what is emerging; what changes, if any, are likely to occur in the next 5 years, opportunities for viable interventions, partnerships and collaborations etc.
- Assess some of the initiatives, interventions and approaches under implementation by different actors/stakeholders who are active in social enterprise (i.e. government, private sector, regional bodies & international organisations); particularly focusing on programmes working with young women.
- Identify and analyse economic sectors/ sub-sectors with the highest potential and opportunities for accelerating employability and growth for social entrepreneurship in Mombasa (i.e. a sector analysis, gender gaps and opportunities for young women within the reviewed sectors), sector ranking with strategic priorities and opportunities for social enterprise.
- Explore the approaches, opportunities and constraints (highlighting gender specific constraints affecting female entrepreneurs) for accelerating employability and entrepreneurship in Mombasa.
- Assess technological trends and predispositions accelerating employability and social entrepreneurship in Mombasa.
- Evaluate the effectiveness of interventions and approaches using a Market for Poor Approach (M4P) lens. Which binding constraints are remaining in the market and how to respond?
- Analyse the regulatory, policy and institutional frameworks and outline how they support or constrain enterprise development; highlighting specific constraints and opportunities that the regulatory and policy frameworks present for women entrepreneurs/women-led enterprises in the relevant economic sectors/sub-sectors.
- Assess the training needs for social entrepreneurs, review existing training programmes and courses and develop a training strategy to address the above knowledge gaps.



Estimates from the Kenya Bureau of Statistics put the population estimate at 42.96 million in 2014 of which 37% was aged between 15 - 34 years and 42% aged 0 - 14 years making it a very young nation.

County and Country Context

The Kenya Country Context

Estimates from the Kenya Bureau of Statistics put the population estimate at 42.96 million in 2014 of which 37% was aged between 15 and 34 years and 42% aged between 0 and 14 years¹¹ making it a very young nation.

¹¹ The World Bank, The World Bank in Kenya <http://www.worldbank.org/en/country/kenya/overview> accessed on July 13, 2017

The country promulgated a new Constitution in 2010, which introduced the devolved system of governance thus establishing 47 county-government units while retaining the national level government. The Constitution provides that the two levels are distinct and inter-dependent and shall conduct their mutual relations on the basis of consultation and cooperation.¹²

Kenya is the leading economy in East Africa with a GDP per capita of 1133.46 in 2015.¹³ The country has a diversified economy comprising the following sectors: agriculture, tourism, services, manufacturing, public administration and now budding mining, oil and gas sectors. It is important to note that these sectors mainly create transient low-level jobs and are thus not a panacea to the country's twin challenges of unemployment and economic inequality.

Status of youth employment in Kenya

The youth unemployment rate in Kenya in 2014 stood at 16.9% among young males and 18%¹⁴ among young females (persons between 15 and 24 years¹⁵). Youth account for 60% of all jobless people in Africa. In North Africa, the youth unemployment rate is 25% but is even greater in Botswana, the Republic of the Congo, Senegal, and South Africa, among others.¹⁶ This has had an adverse impact on young people's socio-economic standing and has led to some involving themselves in anti-social and delinquent behaviour, such as substance abuse, politically motivated violence, and crime.

A Status of Equality and Inclusion Report by the National Gender Equality Commission indicates that youth unemployment stood at 22.7% for 15 to 34-year olds, which was larger than the overall unemployment rate for those aged 15 to 64

years (16.4%). The proportion of inactive youths (schooling and homemaking activities, etc) is larger than that of unemployed youths.¹⁷

Although many studies indicate that education attainment is strongly correlated with more productive forms of employment, about 11% of those aged 18-34 years in 2009 had never attended school. About 21% of young people in 2015 were found to be non-utilized, i.e. Not in Education, Employment, or Training (NEET).

Women's employment in Kenya

A slightly larger proportion of females have never attended school compared to males. Although there are as many females as males, women's share of total wage employment was about 37% in both 2013 and 2014 – indicating their relative under-representation in formal and better paid employment. The employment to population ratio (EPR) for females is lower than that of males for all age groups above 15 years. In addition, NEET ratio is higher for females. Females between the ages of 20 and 29 years had NEET ratios of about 33% relative to the male rates of 21 to 23%.

On the sectors of employment, males tend to outnumber females by between 2 to 5 times in the sectors and industries that are deemed to be more lucrative, such as manufacturing and professional, scientific and technical activities. Females also are more likely to be engaged in casual wage jobs relative to the males. Available evidence indicates that the pay gap still exists between females and males even after Kenya ratified the Equal Remuneration Convention in 2001.¹⁸ Women were likely to earn about 67 to 70% of the salary of men in 2005 and 2014 respectively.

There are numerous laws that support youth and women in employment in Kenya. One of the overriding challenges facing some of these

¹²Article 6, The Constitution of Kenya

¹³The World Bank, The World Bank Open Data <http://data.worldbank.org/country/kenya> accessed on July 13, 2017

¹⁴<http://data.worldbank.org/indicator/SL.UEM.1524.FE.ZS?locations=KE>

¹⁵Definition by the The World Bank which is not similar to the definition of the Kenyan constitution which defines youth as people between the age of 18 and 35 (Article 260).

¹⁶<https://www.un.org/africarenewal/magazine/special-edition-youth-2017/africa-jobless-youth-cast-shadow-over-economic-growth>

¹⁷ Status of Equality and Inclusion in Kenya, ©NGEC 2016,

¹⁸Equal Remuneration Convention is a convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value. Its 100th ILO Convention and Principal one aimed at equal remuneration for work of equal value for men and women adopted in 1951 and came to force in 1953.

regulations is weak enforcement. In other cases, establishments, especially informal establishments, may not be able to afford to implement the regulations. A typical example is the provision for the 3-month paid maternity leave, and the 10-day paid paternity leave. Research studies continue to show that only about half of the informal sector firms grant three months paid maternity leave.

Evolution and growth of social enterprise in Kenya

According to the study conducted by British Council dubbed **“State of the Social Enterprises in Kenya”**, Social enterprise is rapidly capturing imaginations across Africa, Asia and around the world. Lately in Kenya, enterprises focusing on social impact are in the spotlight. Anecdotal evidence suggests that there is increasing activity in this field in the form of social start-ups, incubators, accelerators and the emergence of social finance. Social enterprises exist in Kenya. At the same time, NGOs and CSOs seem to be turning to social enterprise as a potential model to ensure the longer-term sustainability of their operations. The question of interest here is how social enterprises can help people with low education backgrounds or otherwise facing barriers (e.g. people from ethnic minorities, disadvantaged backgrounds, vulnerable groups) to find jobs and build sustainable livelihoods. Social enterprise is a vehicle to employment in two ways: firstly, for the social entrepreneurs that set up and lead social enterprise and secondly, for the people they are able to employ if the enterprises prove scalable. The primary objective of a social enterprise is not financial gain to its owners but delivering social and/or environmental value. They set out to address, in innovative ways, problems in society (e.g. lack of financial viability, political cycles) which for various reasons, neither the state nor the private sector are resolving.

Text Box 1:

Social Entrepreneur- Characteristics and objectives

Unlike conventional business entrepreneurs, social entrepreneurs are focused on positive social change, rather than financial gain. They act as the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches, and creating solutions to change society for the better. “They are ambitious and persistent — tackling major issues and offering new ideas for systems-level change.” (Ashoka)

The concept of social enterprise is in the inception phase in the country, hand in hand with corporate-social responsibility and community service work but very distinct from these and Kenyans are increasingly taking it up¹⁹. The British Council survey on Social Entrepreneurship in East Africa revealed that there are approximately 44,000 social enterprises in Kenya (State of social enterprises in Kenya, 2018, British Council). Social enterprises are becoming the new leaders of societal change by instigating creative approaches and larger community involvement while producing various benefits to the community and reducing the strain on public funds, donations and grants by international organizations. As social needs continue to rise while government budgets reduce, social enterprises are emerging as self-sustaining, business-oriented and highly effective vehicles for meeting social needs.

¹⁹<https://www.standardmedia.co.ke/article/2000058607/kenyans-take-up-social-entrepreneurship>

In general, as social enterprise increasingly gains a foothold in Kenya, and in Mombasa, 70% of the Social enterprises are owned by females interviewed in the 2019 British Council Study. The ventures face several challenges to growth, ranging from unfavourable macroeconomic environments to administrative barriers and red tape, to perhaps the biggest obstacle, limited ability to access financial services. Some of the specific constraints they face include: access to information, financial services, land and infrastructure, skills and technology, licensing and other trade and labour laws, forward and backward linkages.

The Mombasa County Context

Demography

Mombasa County is in the South Eastern part of the Coastal region of Kenya. It covers an area of 229.9 Km² excluding 65 Km² of water mass which is 200 nautical miles inside the Indian Ocean. The total population of the county in 2009 was 939,370 persons of whom 486,924 (52%) were male and 452,446 (48%) were female. The total population was projected to be 1,266,358 persons in 2018 and will rise to 1,433,689 persons by 2022.²⁰

The urban and peri-urban population represents 98% of the county's total population and it is projected to be 1,327,008 and 1,412,008 in 2020 and 2022 respectively. The large urban population can be attributed to the fact that Mombasa is an industrial city, a port city and a major gateway to the East and Central African region. As a result, many people come into the city in pursuit of employment, education and investment opportunities. This implies more pressure on infrastructure, housing, transport and other social services, hence the urgent need to invest in these sectors as well as expand economic activities to create more jobs for the rapidly increasing population.

The political economy of Mombasa County

The County contributes 4.7% to Kenya's GDP which ranks it the country's fourth largest contributor



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The main economic activity is tourism which contributes 68% of the wage employment. The county is the centre of tourism in Kenya and hosts various tourist attractions such as Fort Jesus, white sandy beaches, water sports, Mombasa Marine National Park, nature trails, historical and cultural sites and numerous world class Tourist Hotels. The County also boasts the Kilindini Harbour which has been one of the key economic pillars. The Port of Mombasa is the key entry and exit point for cargo belonging to a vast hinterland of East Africa and it provides the base for most of the industrial development, commercial activity and employment in Mombasa.

²⁰ Kenya Population and Housing Census

²¹ County Government of Mombasa, County Treasury, Medium Term Fiscal Strategy Paper, February 2019



Current estimates indicate that 35% of the population in the county is poor. In 2013, the county's economy needed to generate between 59,983 and 49,077 jobs to bring the unemployment level to a Natural Unemployment Rate (NUR) of 6% or 4% respectively.

Other economic activities include fishing, sisal, sugarcane, cashew nuts, coconuts and livestock farming. Various manufacturing firms have set up base in the County including Bamburi Cement Company at Bamburi. Other industries include petroleum refining, food processing, salt and sand harvesting. There is also minimal extraction of coral blocks and on-going prospects of seabed mining.

However, the county faces unique distributional challenges in real Gross County Product (GCP) per capita due to dynamics in real economic activities occasioned by extensive poverty and experiences major inadequacies in provision for water, sanitation, garbage collection, health care, education and housing as well as growth of population which has an implication on public service delivery, including a rise in expenditure to deliver essential services.

Status of youth employment in Mombasa

Youth population of ages 18-35 years of age, in the county is 44% of the county's population and 61% of the county's labour force. Current estimates indicate that 35% of the population in the county is poor. In 2013, the county's economy needed to generate between 59,983 and 49,077 jobs to bring the unemployment level to a Natural Unemployment Rate (NUR) of 6% or 4% respectively.²² Traditionally, women have lagged behind men in terms of entering the labour force, and in many counties, their earnings lag behind male earnings. Although females constitute about 50.1 per cent of the total population, on average, they account for about 30 per cent of the total formal sector wage employment and earn 33 per cent less than their male counterparts (Were and Kiringai 2004). Most women employed in the formal sector (about 58 per cent) work in the service industry (community, social and personal services) in Mombasa County.

A study by the University of Nairobi in 2018²³ revealed that Mombasa County is at "economic decay point" due to massive job losses as a result of the introduction of Standard Gauge Railway (SGR) freight trains and the order by Kenya Ports Authority (KPA) and Kenya Revenue Authority (KRA) that all imported cargo from Mombasa to Nairobi be transported by rail as a result of job losses due to losses of freights stations. The study revealed that 60% of employees working at the Container Freight Stations (CFS) have lost jobs within a period of one year. Consequently, there are increasing cases of "physiological related issues and break-up of societal bonds since the introduction of SGR and recommends the need for a policy to allow the market to operate freely to create a sustainable environment for other sector stakeholders and to militate against the depletion of county revenues".

²² Mombasa County Integrated Development Plan 2013 - 2017

²³ The Sunday Nation, edition of September 15, 2019, page 38: Study shows SGR freight services killing the Coast economy.



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This was a descriptive survey utilizing triangulation of qualitative and quantitative methods to gather data in a bid to establish the profiles, characteristics, knowledge, attitude, perception and capacity of existing social entrepreneurs and enterprises in Mombasa.

SECTION TWO

Survey Methodology

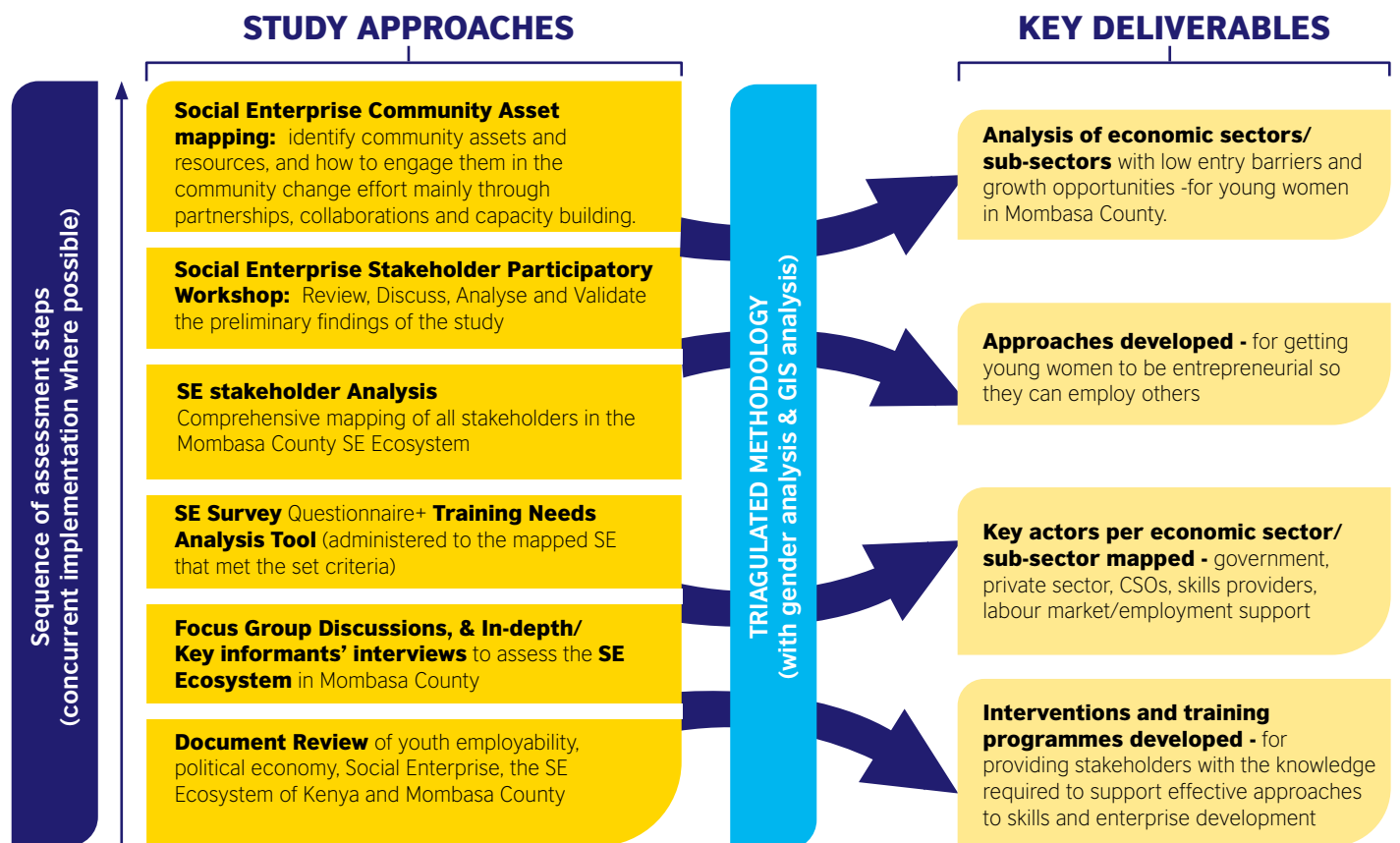
Survey Design

This was a descriptive survey utilizing triangulation of qualitative and quantitative methods to gather data in a bid to establish the profiles, characteristics, knowledge, attitude, perception and capacity of existing social entrepreneurs and enterprises in Mombasa so as to achieve the study objectives more so in building the skills of young women social entrepreneurs in Mombasa County and scale social enterprises potential to provide more and 'better' jobs. The study targeted sectors with low entry barriers and growth opportunities in Kenya

which are able to easily overcome infrastructure deficiencies, skills shortages, supply chain issues, and overall weaknesses in the enabling environment especially the underinvestment and low firm-level productivity while constantly reviewing and improving the regulatory requirements that will be necessary for improving competitiveness, especially in key sectors, and implementing policies that are also needed to reduce the gap between the formal and informal sector.

Data was also collected on training needs, support structures, the policy environment and gender gaps within Mombasa County (see Figure 1)

Figure 1: Triangulated methodology used in Market Scoping and Training Needs Analysis of Social Enterprises in Mombasa County



Social Enterprise Classification

The social enterprise concept, while relatively well established in some parts of the world, such as the United Kingdom, is still taking root in Kenya, especially in Mombasa. Given the lack of a globally agreed definition, the research team sought to map out a clear process for identifying social enterprises within the local context. Survey respondents were asked questions that could be used as inclusion or exclusion criteria and allow for a definition to be applied afterwards based on a combination of these

criteria (see Table 1). The respondents were not informed of a specific definition beforehand as this reduced the risk of their being influenced by the definition before answering.

For the purposes of this report, the research team settled on two criteria which had to be met for a business to be considered a social enterprise, essentially intended to capture organisations with both a focus on positive impact and income-generating activities beyond dependence on grants and donations.²⁴ This inclusion or exclusion criteria is particularly consistent with the criteria adopted by a survey conducted by the British Council in Kenya in 2016.²⁵

Table 1: Eligibility Criteria used for Inclusion of Businesses as Social Enterprises during the Survey

Criteria	Question detail	Response options	Code	Inclusion verdict
Impact – core mission of the organisation	Which of these descriptions best suits your organization's primary purpose for existence?	Purely for profit	1	End interview (exclude) if the primary purpose for existence is "purely for profit"
		Social and environment impact	2	
		Both for profit and social and environment impact	3	
Income source	What proportion of your income comes from grants	0 – 24%	1	End the interview (exclude) if "75 – 100%" of income/ revenue is from grants source
		25 – 49%	2	
		50 – 74%	3	
		75 -100%	4	

²⁴ The researchers do not in any way intend to suggest that these criteria together form a universal definition of social enterprise. It is simply the criteria that the research team found most appropriate for the purposes of this study, based on lessons from a wide range of contexts and other research.

²⁵ State of social enterprises in Kenya - https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_kenya_british_council_final.pdf

Methods of Data Collection

The research used mixed methods by collecting both quantitative and qualitative data including: literature review, individual Social Enterprises Survey, Focused Group Discussions (FGD), Key Informants Interviews (KIIs) with stakeholders that include county government officials of Mombasa County and other local leaders, associations and networks. Stakeholder, Gender and GIS analyses were also carried as appropriate.

Literature/Desk Review

An extensive literature review to ascertain the gaps and inform the objectives of the study was conducted. Mandatory literatures for review were the Project Proposal and other sources of data provided by British Council. Various reports from the Mombasa County Government, independent commissions and organizations were also reviewed to gather the secondary data that responded to survey objectives and questions.



A multi-stage sampling technique was used to sample respondents. Whereas convenience and purposive sampling techniques were used to select the respondents of participatory discussions and key informants

Focused Participatory Discussions

Seven (7) Focused Group Discussions were held with: women, youth, Mombasa Chapter National Chamber of Commerce and Industry (NCCI) leadership, and representatives from CSOs. The information generated from the participatory discussion sessions complemented the result of the other sources.

Key Informant Interviews

Interviews were conducted with 29 key informants comprising: policy makers; officials of business regulation agencies; business leaders; incubators; impact enablers; accelerators; entrepreneurship trainers; officials of Civil Society Organizations, young women social entrepreneurs among other respondents.

SE Survey Questionnaire

This was the principal tool used to survey the mapped Social Enterprises. The tool was developed, reviewed, tested, validated and then coded into the mobile phone enabled Kobo Collect platform. The Android based platform was used to conduct Individual SE interviews exploring the stages of the SEs, i.e. Idea, Testing, Early Stage and Scaling Up of development of ventures run by youth social entrepreneurs and motivations to become a young social entrepreneur.

Study Population and Sampling Methodology

A multi-stage sampling technique was used to sample respondents. Whereas convenience and purposive sampling techniques were used to select the respondents of participatory discussions and key informants, a snowballing technique employing a combination of 'top down' and 'bottom up' snowballing strategies was used to select the Social Enterprises for the 94 surveys completed.

Four hundred and fifty-six (456) potential 'social enterprises' (sample frame) were mapped for survey through "top – bottom" and "bottom – top"

snowballing strategy that was also deliberately inclined towards female-led social enterprises and those that were employing young women. As a result of this non-probability sample design, more female-led social enterprises were selected for the survey as compared to male-led social enterprises. As a guiding rule, in the instances where male-led social enterprises were selected, it was based on the presumption that the particular social enterprises had embraced gender diversity in their workforce-operated by women and or employ more women, hence had the potential to generate employment opportunities for young women.

The sample frame included a list of 133 businesses in the waste management sector which was availed to the research team by the Department of Environment, Mombasa County Government.

Due to time constraint, the research team visited only 147 'social enterprises' (sample size), representing 32% of the entire sample frame. Among those surveyed, 104 (71%) passed the set eligibility criteria, 27 (18%) were either absent or their areas of operation could not be physically located by the survey team, while 16 (11%) failed to meet the set eligibility criteria. 70% of the final sample were women-led social enterprises.

Development of Survey Tools and Training for the Main Data Collection

The questionnaires and manuals were developed through a consultative process. The Questionnaire, KIIs and FGD Guides were developed with the questionnaire being administered to both the licensed and unlicensed businesses. The training of survey personnel took three days, with Research Assistants being trained on both the paper-based questionnaire and the Kobo Collect Application on Android smartphones.

Data Collection

Field data collection took 14 days. At least one Research Assistant out of the pool of 7 Research Assistants was allocated per sub-county and equipped with locator maps and contact details of the pre-mapped Social Enterprises, who were informed in advance while others were paid random visits.

Data Capture and Processing

The survey data was collected digitally using Android smartphones through a program developed using Survey Kobo Collect Application. This enabled collection of GPRS coordinates of each SE surveyed as well as still photos of the core activity they were undertaking to generate revenue for social or environmental purpose. Kobo Collect was considered mainly due to its simplified user interface and controls to ensure collection of high-quality data. In addition, at end of each questionnaire interview, the app allowed export to a central database. The designed program also incorporated inbuilt data skips and check procedures to minimize data collection errors. The tablets were internet-enabled for real time data transmission to a central server. Data cleaning such as checking for duplicates, missing records and outliers was carried out based on the developed editing specifications. Qualitative data through FGDs and KIIs were collected verbatim with the aid of voice recorders, which were later transcribed and analysed using thematic induction approach.

The final phase of processing was data outputs generation guided by a tabulation plan which aided the data processing team to produce outputs which sought to address survey objectives. Data analysis was mainly done by STATA software. The findings of the study were then compiled into a draft report in MS Word format.

Validation of Study Findings

The final phase of the study culminated in a validation workshop convened on September 18, 2019 at Hotel English Point, Mombasa. The workshop was well attended and brought together 49 participants representing diverse ages, genders, sectors, and experiences. The participants were mainly policy makers, impact enablers, social entrepreneurs, incubators, accelerators, civil society organizations, business associations, private sector leaders; as well as representatives from women and youth organizations. The insights and the resolutions of the workshop were refined and incorporated into this final report.



Challenges Experienced During the Survey

- Locating some of the Social Enterprises that were deep in the residential areas and in Mwakirunge Dump site proved a daunting challenge as there are no defined landmarks which could be used as locator reference points. In some cases, the Research Assistants failed to locate some of the Social Enterprises, thereby abandoning the visit altogether. Due to this, 27 social enterprises mapped for survey were not surveyed.
- Definition and awareness of Social Enterprise: A significant number of target respondents, in spite of their focus on social and environmental impact, did not recognise or identify with the term “Social Enterprise” or “Social Entrepreneur”. This trend was not surprising as the concept of Social Enterprise is just taking root in Kenya and there was neither an overarching law nor policy in place in Kenya that formalises social enterprise at the time of the survey. The fact that some of the policy makers do not understand this concept is a concern which should elicit awareness-raising intervention.
- Sixteen (16) businesses in the sample frame did not meet the set eligibility criteria of “Social Enterprises” and in most cases, were not running any enterprise at the time of our visit, and hence were not included in the survey.
- Despite the existence of Social Enterprise Kenya with membership drawn all over the country, there is a lack of a social enterprise network or association in Mombasa and hence no authenticated database (centralized bureau) on social enterprises in the county. Without this, it was difficult to populate the number of social enterprises operating in Mombasa County.



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The study revealed that registered and ‘Organized Youth and Women Groups’ represents the largest proportion of social enterprises at (63%) followed by ‘Sole Proprietor’ at 21%. Social enterprises operating as societies (including FBOS, Trusts and Associations) are the fewest.

SECTION THREE

Market Scoping and Training Needs Analysis Survey Findings

The Demographic Characteristics of the Survey Respondents

Gender of Social Entrepreneurs

The gender representation of the social entrepreneurs surveyed was: females (n=73 representing 70%) and male (n=31 representing 30% of the total respondents) (See table 2.)

Table 2: Gender and Age Bracket of Social Entrepreneurs

Age	Female	Male	Grand Total
18 – 23	2%	1%	3%
24 – 29	12%	8%	20%
30 – 35	26%	12%	38%
36 – 41	14%	4%	18%
41 – 46	8%	4%	12%
47+	8%	2%	10%
Grand Total	70%	30%	100%

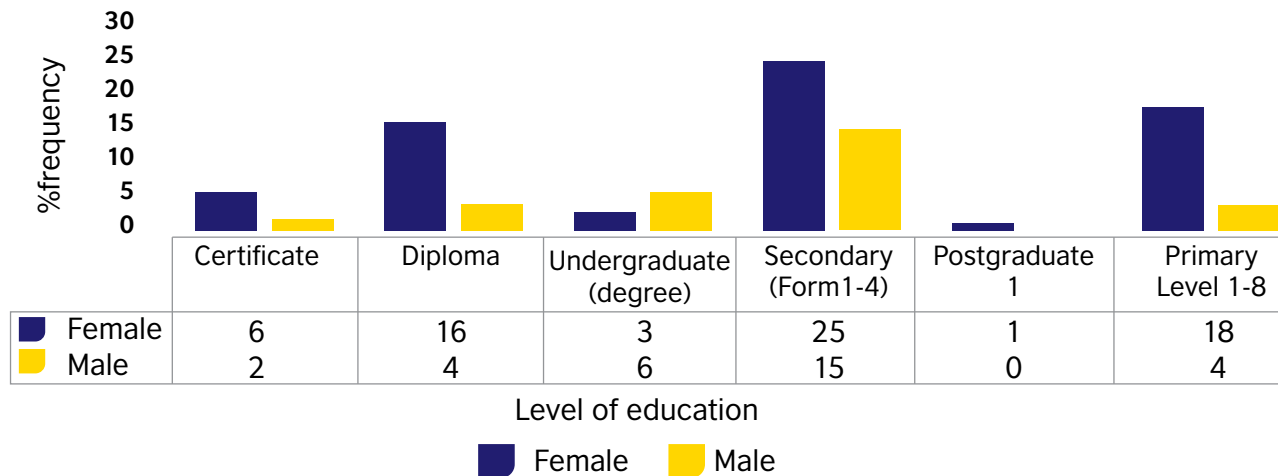
**Totals may not add up to 100% due to round-off effect*

As depicted in table 2, there were more female (70%) than male (30%) respondents with the largest group of each being in the age bracket 30-35 years. Young women aged 18 to 35 years account for 40% of respondents. An additional 21% of respondents are males of this age. Most of the respondents (89%) were founders, owners or officials of the social enterprises, while 11% of the respondents were manager employees.

The study revealed that registered and 'Organized Youth and Women Groups' represents the largest proportion of social enterprises at (63%) followed by 'Sole Proprietor' at 21%. Social enterprises operating as societies (including FBOS, Trusts and Associations) are the fewest.

Level of Education of the Social Entrepreneurs

Figure 2: Level of Education of Social Entrepreneurs by Gender

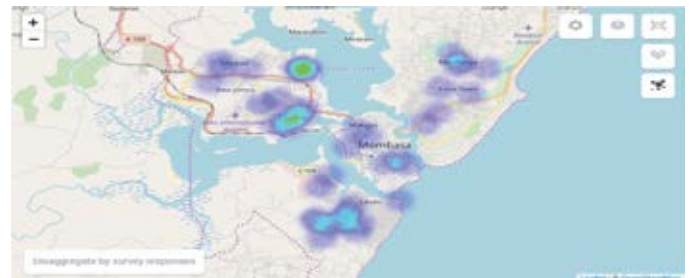


The highest level of education attained by majority of the social entrepreneurs interviewed was secondary school level at 39% followed by primary level at 22%. Only 9% graduated with a bachelor's degree with twice as many males making it to this level compared to the females despite the 70:30 overall sample skew in favour of females. More female respondents graduated at diploma and certificate levels at 22% compared to males at 6% (see figure 2). However, 36% ($\frac{25}{69} * 100$) of females have highest level as secondary and 48% ($\frac{15}{31} * 100$) of males have highest level as secondary. And 26% ($\frac{18}{69} * 100$) of women only have primary school education compared to 13% ($\frac{4}{31} * 100$) of men.

Location of the Social Enterprises

Most of the Social Enterprises are in Mtongwe, Likoni sub-county (26%), followed by Bamburi ward, Kisauni sub-county (19%) and Chaani ward Changamwe sub-county (18%) as shown in Figure 3.

Figure 3: Heat map showing areas of concentration of the SEs surveyed



Age of the Social Enterprises

Table 3: Analysis of the Age of the Social Enterprises by Gender

Years of operation	Gender		
	Female	Male	Grand Total
Start-up - 12 months	9%	4%	13%
13 months - 36 months	18%	10%	28%
37 months - 72 months	20%	8%	28%
Over 6 years	23%	8%	31%
Grand Total	70%	30%	100%

It was imperative for the study to assess how long the social enterprises had been in existence by the time of the survey in order to evaluate their viability. As shown in table 3 above, 31% of the social enterprises had been operational for over 6 years while 56% had been operational for 1 to 6 years. 61% ($\frac{43}{70} * 100$) of women-led enterprises have been in operation for 3+ years compared to 53% of men-led enterprises. Most women-owned SEs have been operational for a much longer time compared to men-owned SEs. Therefore, most of the SEs, 31%, are stable, having endured the complex, and often frustrating challenges that start-ups tend to experience.

Registering Authority

Table 4: Agencies under which the Social Enterprises are registered

Registering authority	Proportion
Social Services	37%
County Government	30%
Business Registration Services of Kenya (e-Citizen)	13%
Other	10%
The Attorney General (Registrar of Companies)	6%
Ministry of Environment (NEMA)	4%
Grand Total	100.00%

The Kenyan constitutional and legal regime have robust frameworks under which social enterprises can legitimately operate. It was important for the study to establish the regulatory/registering agencies under which the social enterprises are registered in order to evaluate the ease and costs of registrations. For example, Social Enterprises registered under Limited Liability companies attracts huge costs though can be passed from one generation to another as compared with sole proprietorships. A majority (37%) of the SEs are registered by social services and 6% by KRA as Limited Liability Companies (LLC) (for tax issues and some as tax agents). The rest are registered by other agencies which include business registration unit at the AG, Kenya Music Copy Rights Board and Ministry of Education.

Social and Economic Performance indicators of the Social Enterprises

Social and environmental impact of the social enterprises

Social performance was defined as the degree to which a social enterprise creates social value, such as community contribution, job creation, and social service provision. It was measured through five parameters: (i) our company receives favourable evaluation from local residents; (ii) our company makes internal investment of revenues for employee pay increase or service/product R&D; (iii) our company makes external investments of revenues for community returns; and (iv) our company contributes towards positive changes in our society.

overall purpose	Proportion
Create employment opportunities	24%
Improve a particular community	23%
Sell a good/product	13%
Support vulnerable people	10%
Address financial exclusion	7%
Promote education and literacy	6%
Protect/conservate the environment	6%
Improve health and well-being	4%
Support other social enterprises/ organisations	3%
Other (please specify)	3%
Support vulnerable children and young people	2%
Address social exclusion	1%
Grand Total	100.00%

Most social enterprises exist to create employment opportunities, improve community welfare, sell a good/product and support vulnerable people. Majority of SEs (93%) reported that their businesses make "very good" or "good" contributions towards positive change in the society while 7% contribute averagely.

Strategies SEs use to create employment

24% of the social enterprises interviewed reported that they exist to create employment opportunities as indicated in the Table below: youth, people living with disability and improving living standards of local communities among others (Table 5).

Figure 4: Main purpose for existence of social enterprises

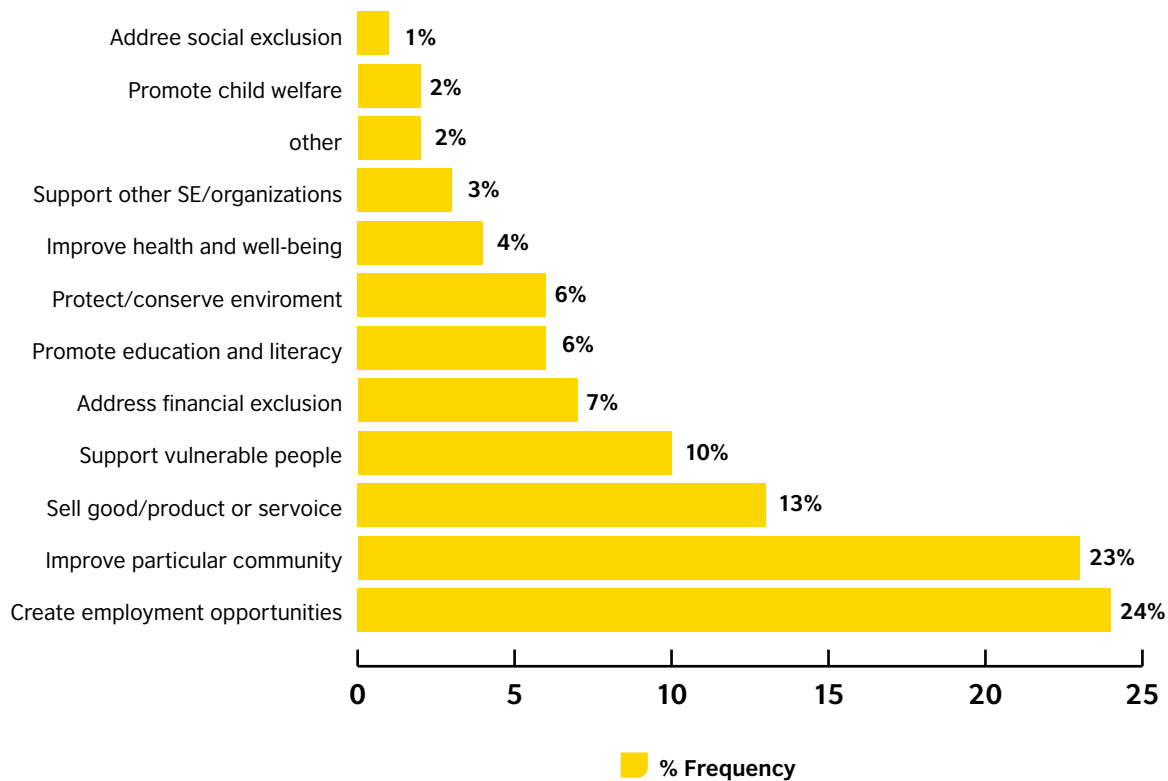


Table 5: Strategies used by social enterprises to create social and environmental impact

On which strategy social enterprises use to create social and environmental impact, 18% reported that creation of income generating ideas and concepts for adoption and replication topped though some reported that they use a combination of the below strategies:

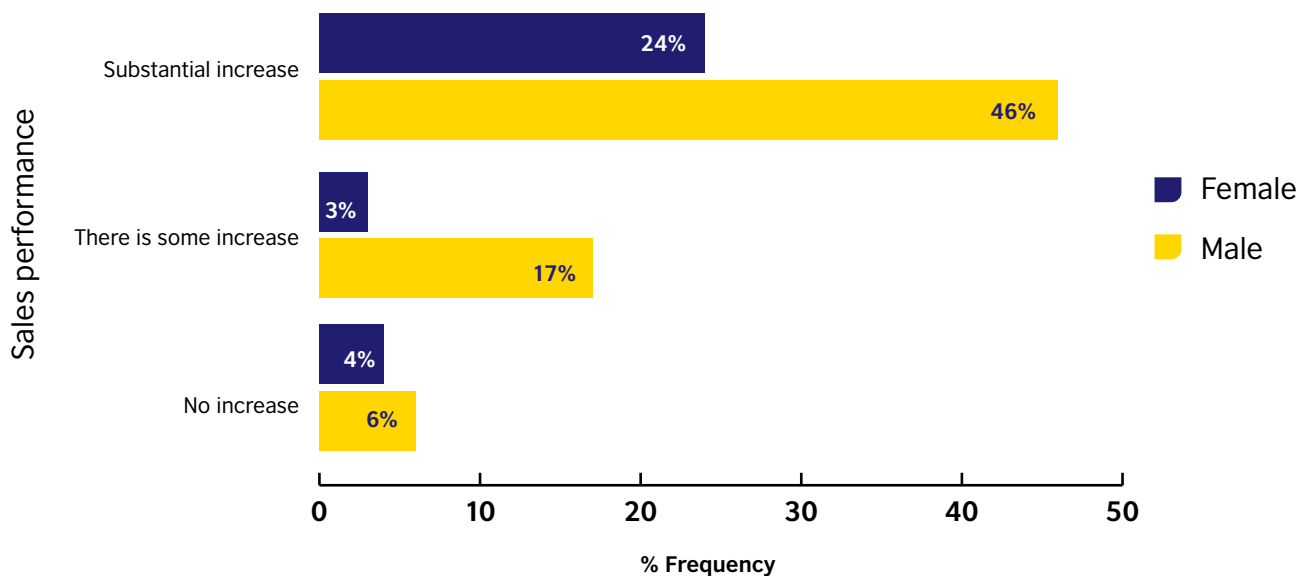
Social and environmental strategies	Proportion of respondents
Creating income generating ideas and concepts for adoption and replication	18%
Women networking, coaching and empowerment	13%
Creating community awareness on environment conservation	13%
Youth empowerment	8%
Economic empowerment of people living with disability	13%
Nurturing talents through arts	5%
Improving living standards	5%
Capacity building through trainings and exhibitions	5%
Improve corporate profitability	5%
A business ideas exchange hub	3%
Economic empowerment	2%
Support to underprivileged children/orphans	2%
Career coaching, networking and linkages	2%
Promoting healthy lifestyle	2%
Improving access to financial services and members' financial security	2%
Provision clean and safe water	2%
Grand Total	100.00%

Economic Impact

Economic performance was defined in terms of financial viability, and it was measured through three parameters: (i) our company's sales are constantly increasing; (ii) our company's operating profit is constantly increasing; and (iii) our company's net profit is constantly increasing. As depicted in Figure 5 below, most of SEs (90%) reported some increase or substantial increase in their business sales. The trend shows a linear growth in sales for social enterprises owned by women.

Figure 5: Business sales are constantly increasing - by gender

Sale performance as self reported by social entrepreneurs

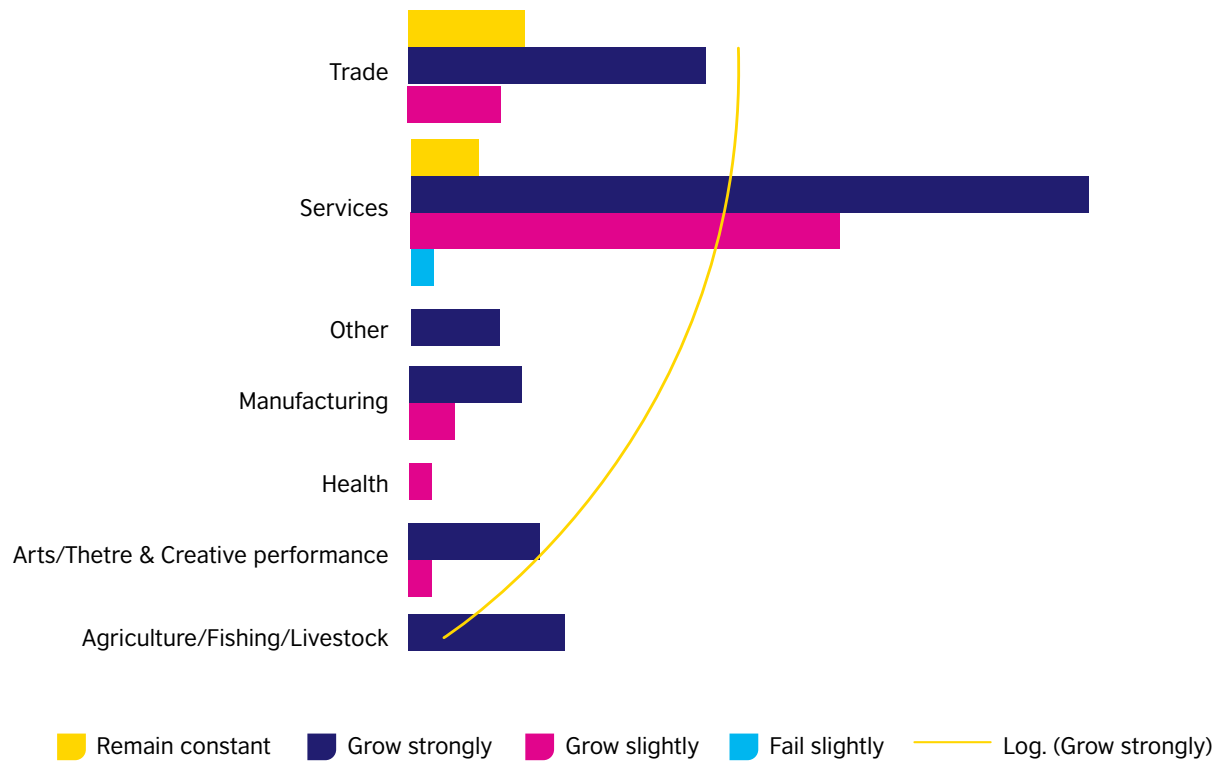


In the context of this study, the service industry was classified as those social enterprises that sell services (except for health services which were classified on their own). Other social enterprises were categorized as those that were selling a good or product.

When analysed by economic sector, the social enterprises' sales turnover is stronger in the service (30%) and trade (13%) sectors than other sectors.

The health sector has the least growth. Generally, SEs operating in all sectors are projected to grow strongly (65% of the respondents) while 8% are expected remain constant and just 1% will fall slightly (Fig 6).

Figure 6: Sales turnover projection in 2020 by sector



Key Economic Sectors and Sub-Sectors in the Social Enterprise Ecosystem

The key economic sectors and sub-sectors of Mombasa County's social enterprise ecosystem

As depicted in Table 6 below, social enterprises operating in Mombasa County commonly fall in the service (53%) and trade (22%) sectors while only a few are in the health sector (1%). Social enterprises in Mombasa County tend to concentrate on the informal economic sectors such as hairdressing, beauty, fashion, catering, and events management.

Table 6: The major economic sectors social enterprises mostly invest

Sector	Proportion
Agriculture/Fishing/Livestock	7%
Arts/Theatre & Creative Performance	6%
Health	1%
Manufacturing	7%
Other	4%
Services	53%
Trade	22%
Grand Total	100%

Sectors and sub-sector analysis by gender

Table 7: Sectors of social enterprises by gender

Sector	Gender		Grand Total
	Female	Male	
Agriculture/Fishing/Livestock	4%	3%	7%
Arts/Theatre & Creative Performance	2%	4%	6%
Health	0%	1%	1%
Manufacturing	6%	1%	7%
Other	3%	1%	4%
Services	37%	16%	53%
Trade	18%	4%	22%
Grand Total	70%	30%	100%

Social entrepreneurs age 18-35 years in Mombasa County are mostly engaged in the services sector (53% total; 37% of women-led enterprises and 16% of men-led enterprises) followed by trade sector (22% total; 18% of women-led enterprises and 4% of men-led enterprises), (Table 7). As in Table 8, sub-sector analysis show that young women social entrepreneurs aged 18 – 35 years are most likely to invest in the low-barrier entry and vibrant subsectors such as: hairdressing, beauty, fashion design, catering, events management, dress/fabric making and poultry farming, whereas young male entrepreneurs are most likely to invest in the Arts/Theatre and Creative Performance and solid waste management.

Gender analysis of the master list provided by the Mombasa County Government for solid waste management showed that females are slightly the majority in the sector. Key informants observed that young women are increasingly getting into the solid waste management subsector, which was hitherto denominated by the male gender. The main reason attributed to this trend is the improved regulation and reorganization of the sector which has seen a tremendous reduction of rowdiness and chaotic environment which previously marred the sector, and tended to repulse women. Key informants predicted increased participation of young women

in this sector over the coming years because of several public-private-partnership initiatives driven by the County Government, the Kenya Association Manufacturers and PECTO Limited around plastic waste management. The partnership initiative will involve the establishment of Material Recovery Centres at the residential areas which will be managed by social entrepreneurs.

Service sector: comprises fashion design, financial services, provision of clean water, rescue and safety services (mostly around Mtongwe Ferry Services), carwash, tailoring, hairdressing and beauty, barbershop, solid waste management & environment conservation, general office cleaning services, child care and welfare, hiring of chairs & tables, events management, catering, informal training and skills development colleges (predominantly in beauty and hairdressing and in ICT/web design and digital skills).

Trade sector: Comprises clothes selling and general supplies/dealership

Agriculture sector: Mainly entails fish farming (predominantly undertaken around the sea), bee keeping and poultry farming.

Manufacturing: Soap making, dress/fabric making, coconut oil processing and mat making

Sector by Sub-County of operation

Table 9: Sector representation by Sub-County

Sector	Changamwe	Jomvu	Kisauni	Likoni	Mvita	Nyali	Grand Total
Agriculture/Fishing/Livestock	3%	0%	2%	1%	1%	0%	7%
Arts/Theatre & Creative Performance	0%	1%	1%	2%	1%	1%	7%
Health	0%	0%	0%	1%	0%	0%	1%
Manufacturing	0%	0%	3%	0%	2%	2%	7%
Other	0%	0%	1%	1%	1%	1%	4%
Services	9%	6%	11%	10%	7%	11%	53%
Trade	5%	6%	1%	10%	0%	0%	22%
Grand Total	17%	13%	19%	25%	12%	15%	100%

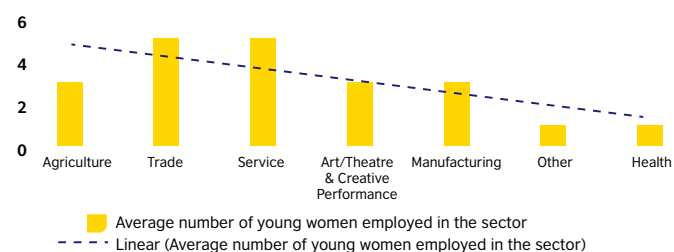
*Totals may not add up to 100% due to round-off effect

From Table 9 above, we surveyed SEs across the six Sub-Counties of Mombasa State. Half of the SEs were found in Changamwe, followed by Likoni. Very few were found in Mvita, Nyali and Kisauni Sub counties.

Economic sectors with potential of accelerating employment for young women

The Survey assessed economic sectors and sub-sectors with the potential for accelerating employment for young women aged 18 – 35 years by using the average number of young women employed by sector.

Figure 7: Average number of young women employed by each social enterprise by economic sectors



On average, four women aged 18-35 years are employed by each social enterprise across the economic sectors. Trade and Services economic sectors employ five female employees on average, while Agriculture/Fishing/Livestock and Arts/Theatre & Creative Performance employ an average of three females since majority of social enterprises are found in these economic sectors.

Further analysis of economic sectors with potential to accelerate employability in 2020 showed that SEs in the services and trade sectors projected the highest potential to accelerate employment as compared to other sectors. The service sector projected either a little increase (30%) or substantial increase (9%) in employment in 2020 whereas trade sector projected a little increase (13%) or substantial increase (3%) in employment (see Table 10).

Table 10: Employability by sector (SE projections of employment trends in 2020)

Sector	Projection				Grand Total
	Decrease	Increase a little	Increase substantially	Stay the same	
Agriculture/Fishing/Livestock	0%	5%	2%	0%	7%
Arts/Theatre & Creative Performance	0%	1%	4%	1%	6%
Health	0%	0%	0%	1%	1%
Manufacturing	0%	6%	1%	0%	7%
Other	0%	3%	0%	1%	4%
Services	1%	30%	9%	13%	53%
Trade	1%	13%	3%	5%	22%
Grand Total	2%	58%	19%	22%	100%

*Totals may not add up to 100% due to round-off effect

On aggregate, 53% of the social entrepreneurs were women engaged in the service sector (See Figure 7). A further sub-sector analysis of the service sector revealed that Finance Services, Hairdressing and Beauty, Training and Skills Developments (including in ICT), Events Management & Fashion Design as well as catering have the highest potential for accelerating employment, whereas in the trade subsectors what generates high employment opportunities is clothes selling and general supplies/dealership. In Agriculture, poultry farming (production) is the sub-sector that is generating the highest number of employment opportunities for young women (see Table 8).

Economic sectors and sub-sectors with potential for growth of entrepreneurship

The survey also assessed the key economic sectors and sub-sectors with the highest potential and opportunities for accelerating growth of social enterprise in Mombasa by analysing the economic sectors forecasting growth in sales turnover. Kenya is a natural resource dependent country, with

75 percent of the population relying on natural resources. Traditionally, the main productive sectors have been agriculture, livestock, horticulture, wildlife-based tourism, forestry, and fisheries. However, with the discovery of oil, gas, mineral resources and rare earth elements, the Extractive Industry is set to grow enabling the country to join the league of major income earners. The Extractive Industry is an economic determinant that can boost the Gross Domestic Product of the country²⁶

The sales turnover was observed to strongly grow in service (30%) and trade (13%) sectors. Sub-sectors such as hairdressing and beauty, events management, fashion design, general supplies/dealership, and poultry production not only attract many women investors, but equally record an impressive employability forecast for young women. Health sector showed the least growth in sales. Generally, social enterprises operating in all sectors are projected to strongly grow (65% of the respondents) or slightly grow (26%) in turnover while 8% will remain constant and a meagre 1% fall slightly (see Table 11).

²⁶UNDP, Micro, Small and Medium-sized Enterprises (MSMEs) as suppliers in the extractive industries, 2015

Table 11: Sale turnover by economic sector

Economic sector	Sales turnover				Grand Total
	Fall slightly	Grow slightly	Grow strongly	Remain constant	
Agriculture/Fishing/Livestock	0%	0%	7%	0%	7%
Arts/Theatre & Creative Performance	0%	1%	6%	0%	7%
Health	0%	1%	0%	0%	1%
Manufacturing	0%	2%	5%	0%	7%
Other	0%	0%	4%	0%	4%
Services	1%	19%	30%	3%	53%
Trade	0%	4%	13%	5%	22%
Grand Total	1%	26%	65%	8%	100%

Regulation and receptivity of the social enterprise ecosystem in Mombasa

The study assessed the regulation and operational environment of the social enterprise ecosystem in Mombasa County. The operational environment of the ecosystem which includes regulations, market receptivity and even perception and attitudes towards social enterprise can create an environment that either nurtures or stifles social enterprise.

Regulatory authorities' support to social enterprises

Figure 8: How SEs rate the support they receive from the regulatory authorities

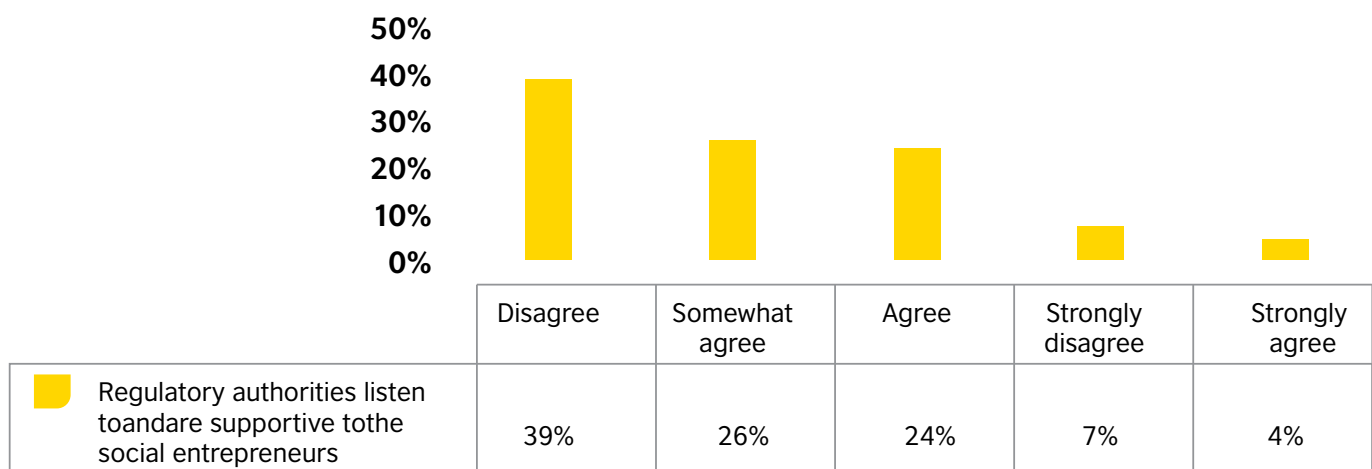


Figure 8 shows that 39 % of social entrepreneurs disagree that regulatory authorities are listening to and supporting their businesses, while 28% affirmatively agree that regulatory authorities are ready to listen and support SEs (24 % agree, while 4% strongly agree).

Further inquiry revealed that county askaris are supportive of the social entrepreneurs, with only 7% of the respondents strongly disagreeing.

It is noteworthy that Kenya as a country and Mombasa as a county are yet to develop, establish or enact regulations, policies or laws specific to social enterprise. Consequently, the legal and policy frameworks as well as regulations apply universally to MSMEs and Social Enterprises. In this study, legal and regulatory frameworks were observed to pose a major hindrance to the growth of businesses including social enterprises. For instance, multiple licenses are required for one to operate a single business, be it a social enterprise or an MSME. The legal and regulatory frameworks are, among other things, public health regulations, trade licensing, and registration of business names (cap 497 and 499, laws of Kenya) and the Local Authority licensing by-laws (cap 265, laws of Kenya). Depending on the type of business, a business may need up to six different permits and licenses from the aforementioned frameworks and also from the regulatory authority in the sector (e.g. WARMA, Music Copyrights Board, NEMA) among others.

These come with costs that could be prohibiting and choking to young entrepreneurs struggling to raise capital to start their businesses.

This study reveals that although the policy environment towards social enterprise looks positive going by social entrepreneurs' favourable rating of policy makers' willingness to 'understand what social enterprise is and their readiness to learn about the unique challenges and great potential of social enterprise' (see Fig 10), the regulatory framework has remained unhelpful to many start-ups, especially for young women, by demanding multiple permits that must be acquired prior to starting any venture thereby imposing costs and inflexibilities that frustrate social entrepreneurs. This constraint could hamper innovation, deter investors, and minimize opportunities for employment creation. Key informants observed that the social enterprise ecosystem does not enjoy the privileges and facilities available in the "formal sector" such as access to formal credit, legal protection, modern technology and basic infrastructure facilities.

Cognizant that the MSME sector is very important for the County's economy in terms of generation of revenue, the County Government of Mombasa has tried to mitigate some of the aforementioned challenges by making it easy for traders to comply with the trade regulations (see Text box 3). Even though these mitigative measures are not specific to social entrepreneurship, they in a way ameliorate some of the regulatory constraints experienced by SEs.

Text Box 3:

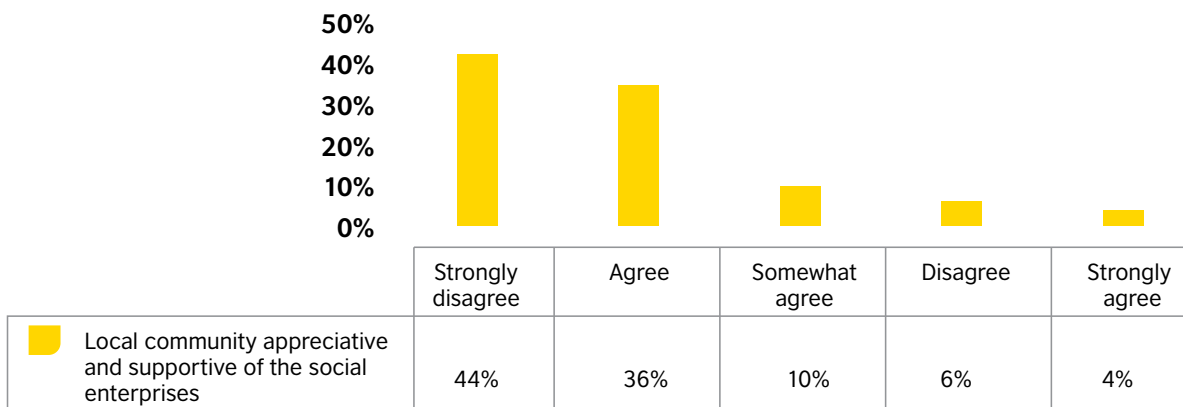
Strategies adopted by Mombasa County Government to help traders comply with the County's trade regulations

- Digital application and processing of single business permits. This is aimed at making it easy and convenient for the entrepreneurs to apply for permits and pay for services through their mobile phones.
- Traders can apply and get trade licenses even if their businesses are still not registered. This ensures that traders begin their business and comply with the County's trade regulations even as they take necessary steps to formalize their businesses.
- Inspectorate unit officers, commonly known as County Askaris, have been trained to support and encourage traders to comply with the regulations even as they enforce the regulations;
- Traders are allowed to pay for their single business permits on monthly basis if they cannot afford annual fees.

Local community's appreciation and support towards social enterprises

As shown in Figure 9, social entrepreneurs believe the local community is strongly appreciative and supportive of their work with 90% of them acknowledging the appreciation and support from the local community. It is imperative to emphasize that the social entrepreneurs also reported that the general public is their biggest customer, which somewhat validates social entrepreneurs' perception.

Figure 9: The local community is appreciative and supportive of the social enterprise



Customers of social enterprises

It was important to find out from the social entrepreneurs the regular customers (buyers) of their goods and services. Customers and markets are the main drivers of growth of businesses and their power to employ.

As depicted in Table 12, the general public forms the bulk of customers for SEs (62%). From the findings, it can be deduced that social enterprises in Mombasa have very insignificant Access to Government Procurement and Opportunities (AGPO) as the government constitutes only a paltry 2% of customers for the SEs. In addition, it is imperative to note that the mainstream economic sectors such as tourism and construction make very marginal contributions to the growth of social enterprises.

Table 12: Who is the main customer for your business?

Main customers	Proportion
General Public	62%
Others	14%
Schools/Colleges	8%
Local Shops	5%
Wholesalers (distributors or agents)	3%
Tourist/Tourist agents	2%
Hotels	2%
Government (County or National)	2%
Transport	1%
Manufacturing or construction agents or producers or environment agents	1%
Grand Total	100.00%

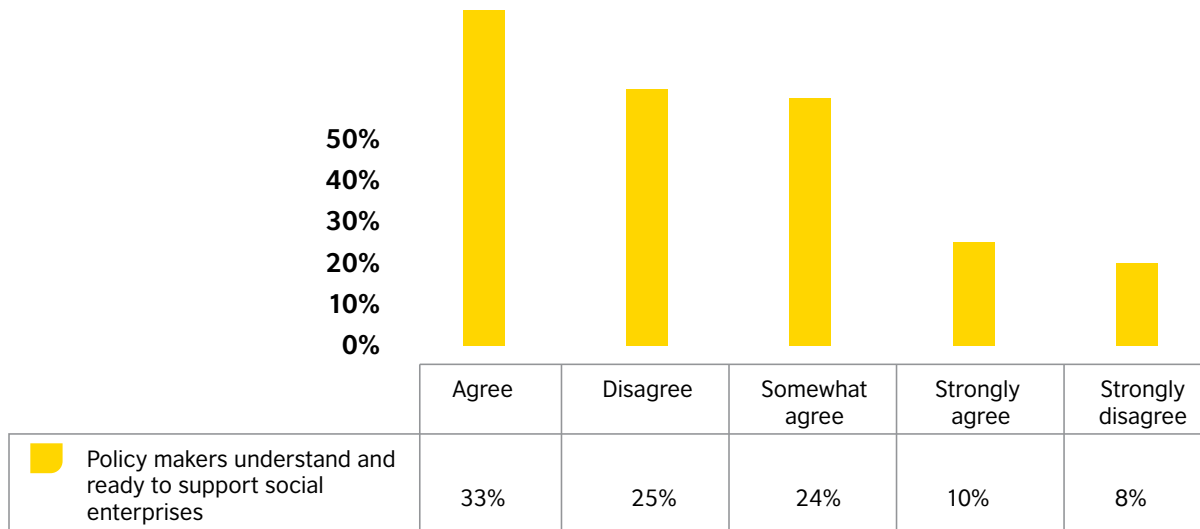
The aim of the AGPO is to facilitate enterprises owned by youth, women and persons with disability to be able to participate in government procurement by reserving 30% of such opportunities to these sub-populations. This survey shows that youth and young women social entrepreneurs are not participating effectively in AGPO. Women and youth interviewed commonly cited corruption, nepotism, lack of financing, delays in payments upon delivery of goods and services and stringent requirements by government as the main hindrances to uptake of AGPO to spur their businesses.

The 'others' main category of customers of social enterprises include: Close networks (family, former classmates and their networks), members of the groups (for social enterprises that are established and run by organized groups), churches, women and women group, children among others.

Policy makers support for social entrepreneurs

67% of the respondents feel that policy makers understand what social enterprise is and are ready and willing to learn more about the unique challenges and great potential of social enterprise (see Figure 10).

Figure 10: Social entrepreneurs’ rating of support they receive from policy makers



Finding like-minded impact-oriented supporters and investors

Most of social entrepreneurs surveyed agreed to varying degrees, that it is easy for them to find like-minded impact-oriented investors. The social enterprise ecosystem in Mombasa County is vibrant and is enriched by a plethora of supportive players across state and non-state actors. However, most stakeholders run their programmes in silos either as incubators, accelerators or business support service providers, with very weak collaboration and partnership among key players. Without an effective networking and partnership structure, it is becoming difficult for social entrepreneurs to find impact-oriented investors and it reduces their chances to employ more people and to accelerate entrepreneurship in the county. That notwithstanding, some players such as Swahilipot Hub are embracing partnership with other organizations to create bigger impact. Swahilipot Hub (<https://swahilipothub.co.ke>) is a community space that mainly focuses on technology and the arts. It acts as an incubation centre for young people to help them develop more success from their ideas and the initiatives that the community members work on.

Social enterprises membership to networks and associations

The Market Scoping and Training Needs Analysis sought to establish if the Social Enterprises are members of any Social Enterprise Society or Business Association such as Social Enterprise Society of Kenya or Chamber of Commerce and Industry among others. Only a few surveyed SEs (17%) belong to a business network and association. Some of the networks/associations the SEs are affiliated to were: Bloggers Association of Kenya, Coast Water Bottling Association, Community Forest Association, Likoni Women Empowerment Initiative Network, Maendeleo Ya Wanawake, Mombasa County Association of Private Schools, Swahilipot, Timbwani Beach Management Unit, and Tuna Fisheries Alliance of Kenya.

Funding

Appropriate financing schemes are mandatory to ensure the sustainability of a social enterprise. If accessing finances becomes obstacles for social entrepreneurs, the dream and goal converts into “mission impossible”.

Sources of funding for social entrepreneurs

Table 13: Source of start-up capital for social enterprises in Mombasa

Source of capital	Percentage
Self-financed (including friends and family)	41%
SACCO, chama, merry-go-round	22%
Crowd funding (pooling)	11%
Bank loan	7%
Youth Enterprise Fund, Uwezo, Women Enterprise Fund, NGAAF	7%
Others	6%
Customers	3%
Grant	3%
Grand Total	100%

More than half of social entrepreneurs either financed themselves (41%) or got funding from SACCOs (22%)²⁷. The least used sources of capital are customers (3%) and grant (3%) (See Table 13). Public and private financiers require sound business plans backed by an actual cash flow and proof of future profits, to fund any social enterprise. It is imperative to note that social entrepreneurs are working in an environment in which financial profit and market impact must be measured alongside social profit and impact. As the study shows, it is difficult for them to access finances, especially from traditional financial sources.

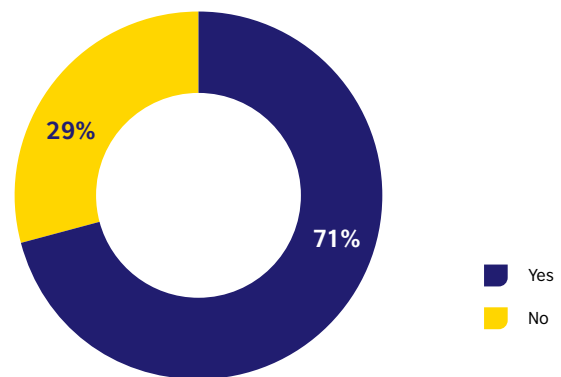
²⁷ SACCO stands for Savings and Credit Cooperative Organization and it strives to bring together people with similar social and financial backgrounds. SACCOs in Kenya have emerged as the dominant micro-financing societies that spearhead savings and investment.

Access to loans

More than half of social entrepreneurs surveyed have ever applied for loan at least once in order to boost their businesses. Only 7% of social enterprises surveyed has used bank loans while 29% applicants were turned down by the financial institutions on their loan applications (Fig. 11).

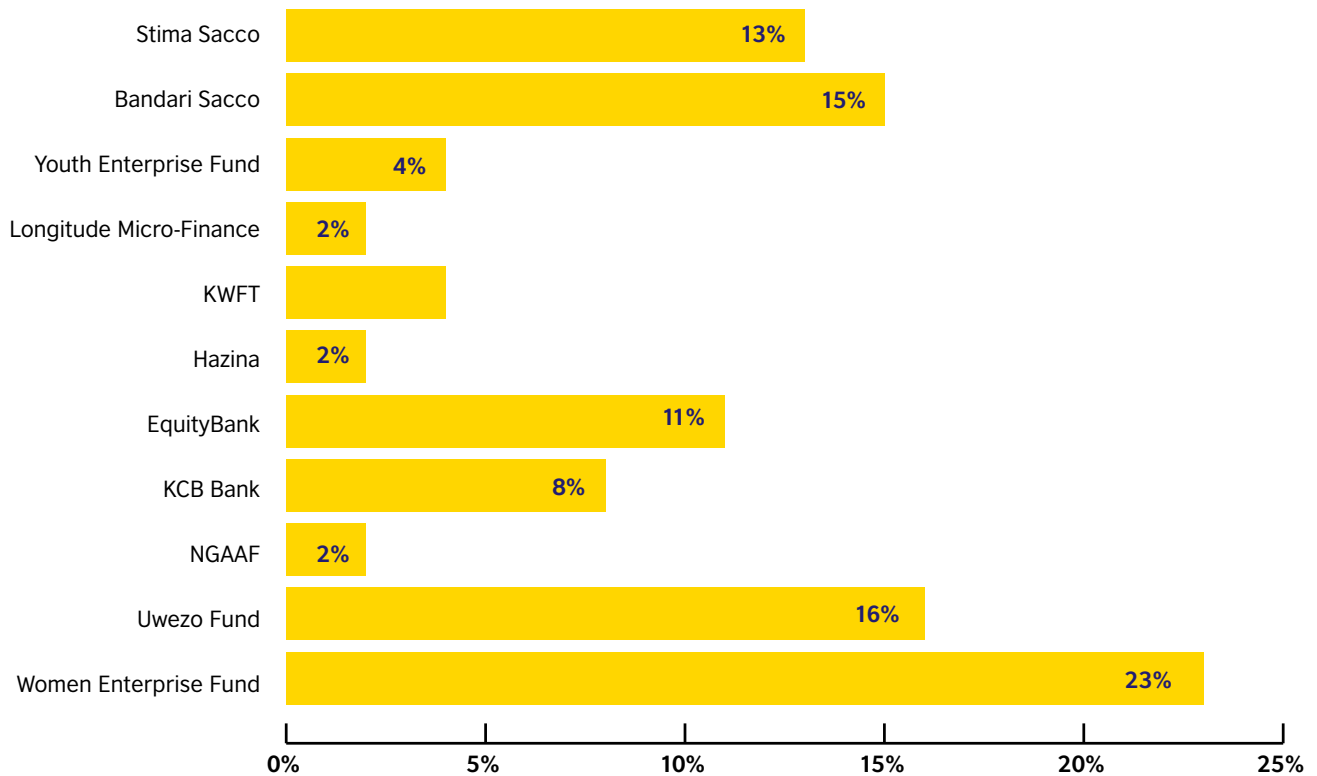
Figure 11: Successful Loan Applicants

If you ever applied for a loan did you receive it?

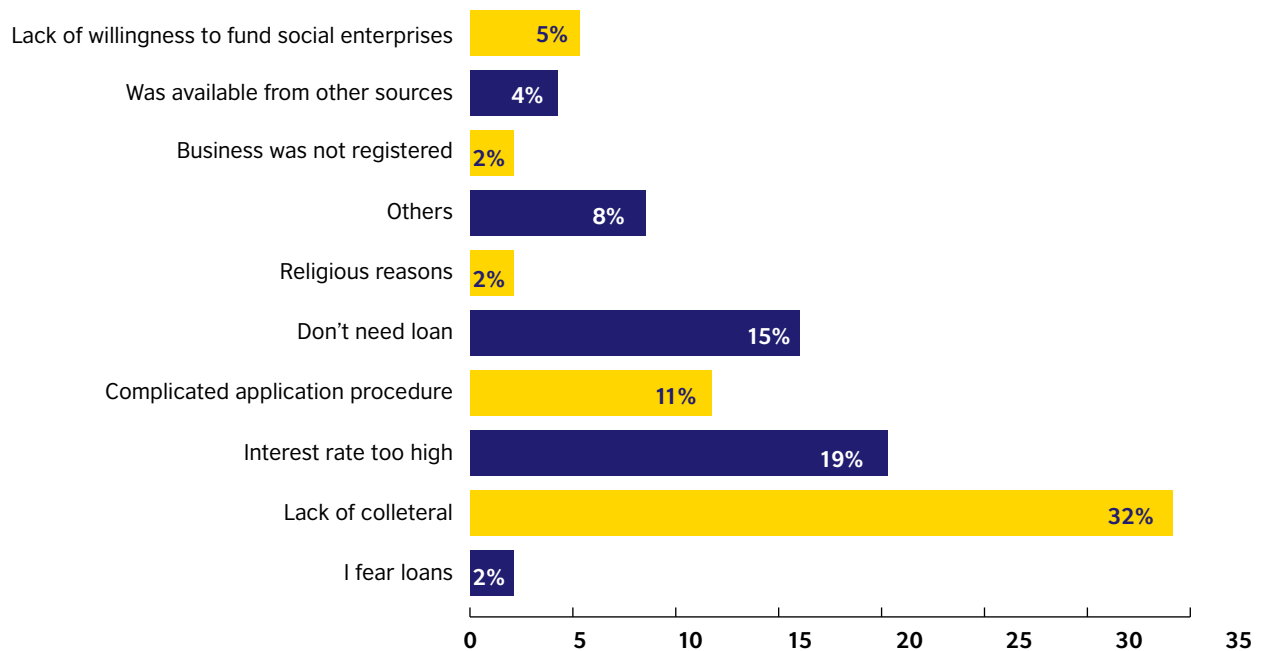


Funders of social enterprises

Of successful applicants for loan funding, Women Enterprise Fund is the leading loaning institution (23%), followed by Uwezo Fund at (16%) while Bandari and Stima SACCOs have disbursed funds to 15% and 13% of social enterprises respectively. The finding of this study shows that mainstream banking institutions are more reluctant to fund social enterprises when compared to the WEF, Uwezo Fund and SACCOs. Key informants observed that the mainstream banks are inwardly looking when assessing how to support SEs i.e. "is the business able to pay back the loan" rather than "how do we support the business with financial advisories so that they are able to grow and develop capacity to pay back the loan?"

Figure 12: Lending Institution

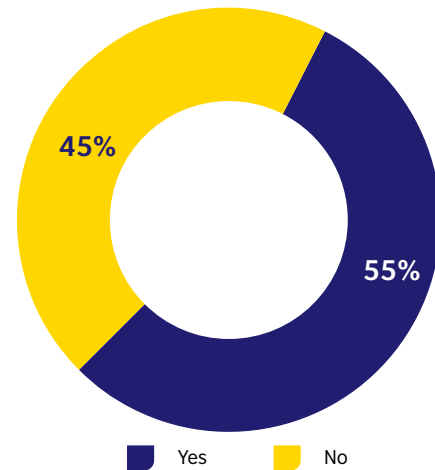
Hindrances experienced by social entrepreneurs to access credit facilities

Figure 13: Reasons why social entrepreneurs do not apply for loan

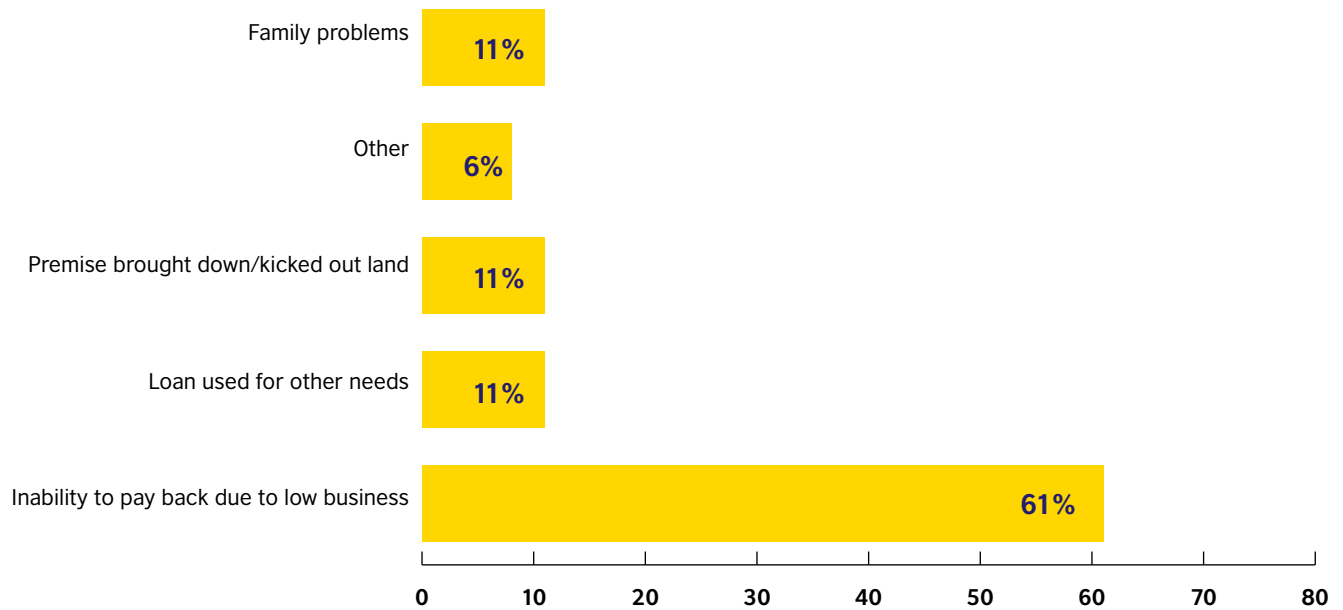
The common hindrances to social entrepreneurs accessing credit facilities are: lack of collateral (32%), high interest rates (19%), and complicated application procedures (11%). In *Kenya*, a *woman's* right to own property, inherit and manage or dispose of her property has long been under attack from customary practices that grant **women** only secondary *rights* to *land* and property through male relatives despite the existence of legislations and laws on land and property rights (Land Act 2012). Hindrances such as lack of collateral, high interest rates and complicated application procedures were observed to be more amplified among female entrepreneurs who do not have land as compared to their male counterparts.

Challenges experienced by social entrepreneurs in paying back the loan

Figure 14: Did you experience any problems in repaying the most recent loan?



As depicted in Figure 14, more than half (55%) of social entrepreneurs who received loans experienced problems paying back the loan. Low business (61%) was the most commonly cited problem in loan repayment. Family problems, premise brought down/kicked out of land and loan used for other needs were tied at 11%. 'Other' reasons accounted for 6% (see figure 15).

Figure 15: Problems experienced in repaying loan

Key informants commonly observed that “groups” funded by government funding schemes such as the Mombasa County Revolving Consolidated Fund, Women Enterprise Fund, Uwezo Fund and Youth Enterprise Fund were often reluctant to repay the loan, reasoning that since the money was from government, “it belonged to them as tax payers” and therefore they were under no obligation to repay. This “entitlement” attitude is mostly observed among the male youth.

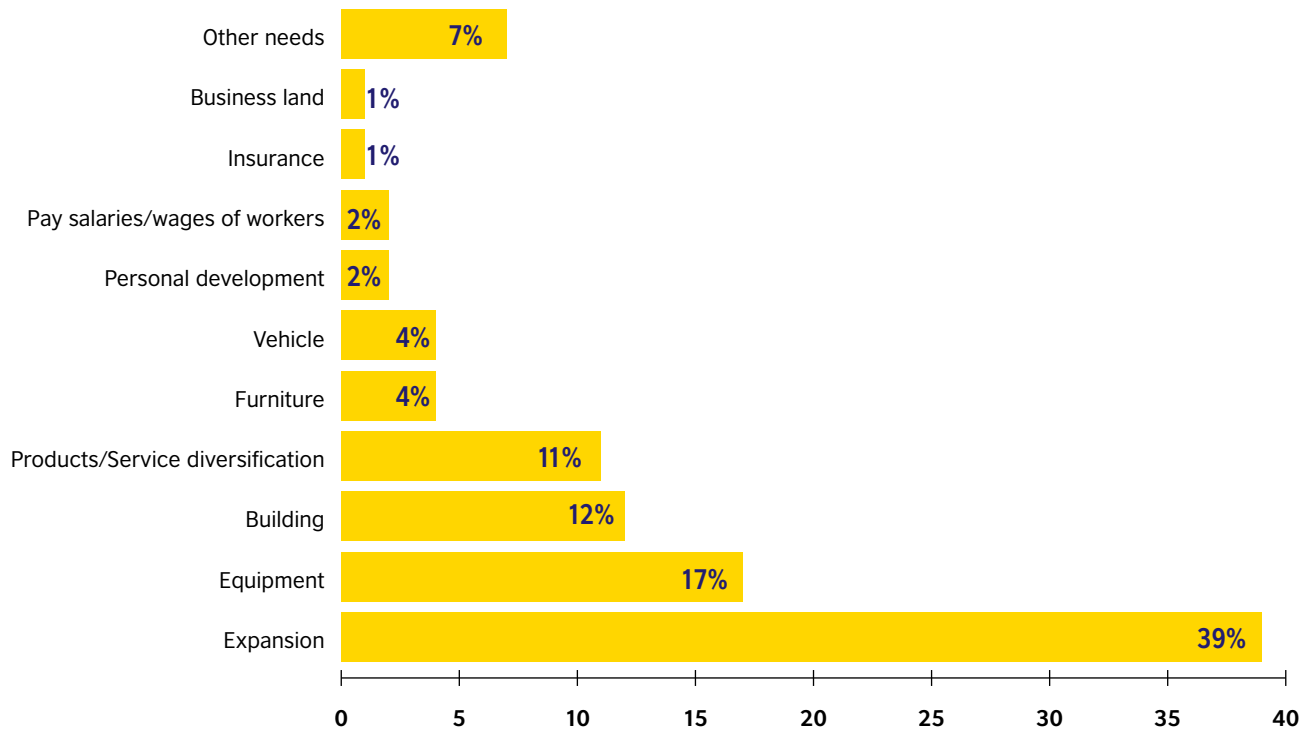
Key informants from financial institutions observed that weak financial management systems was

common among many SEs, and this often hampered many of these SEs.

The poor repayment of loans necessitates the need to train social entrepreneurs on financial management through a training method that is best suited to adult learning, and that presents financial concepts in a dynamic way, illustrating the link between strategy, operations and financial outcomes.

The funding needs of social enterprises

Figure 16: The critical funding needs of social enterprises



In response to what they would do with the funds from loans, 39% of the respondents said they would expand their businesses, 17% would acquire equipment while 12% would acquire/construct a building. (Fig 16)

Constraints experienced by social enterprises

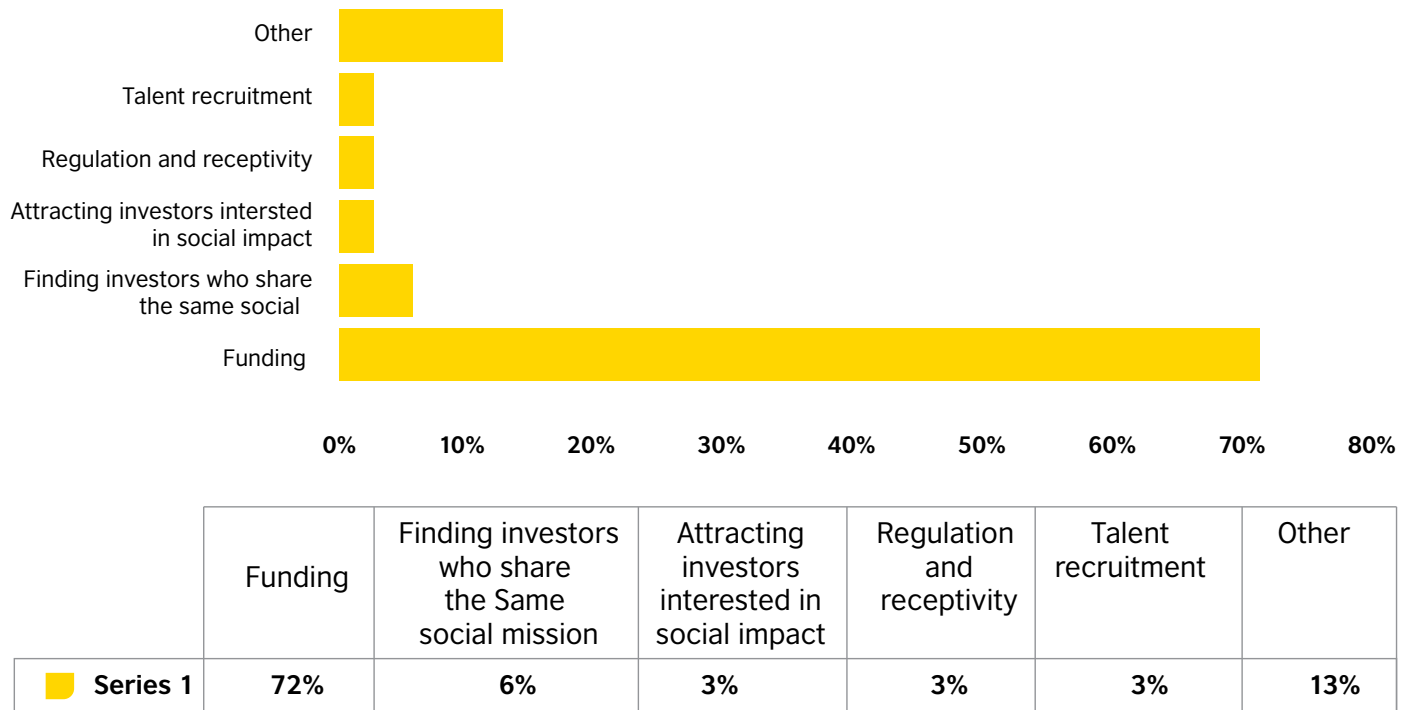
This section focuses on the constraints experienced by Social Enterprises at different stages of growth and development. It also covers their awareness of the support services available to them from various agencies as well as access to credit and infrastructure. Despite Social Enterprises being important for economic growth, employment generation and social transformation, their

creation, survival and growth are often hampered by a myriad of challenges that have limited their contribution to the economy. SEs growth and survival are dependent on mechanisms put in place to ease these constraints that are either internal or external to the business.

The findings show that lack of capital and access to credit facilities, nonexistence of laws or specific policies that support social enterprise in Kenya as a whole and Mombasa County in particular, expensive loans, low level of understanding of social enterprise among some state officials and business leaders, lack of markets and the requirement to have many licenses are some of the prominent constraints faced by Social Enterprises.

Biggest barrier in starting business

Figure 17: Biggest barrier experienced by social entrepreneurs in starting their businesses



Funding is the biggest barrier faced by social entrepreneurs (72%), while a significant number of entrepreneurs find it difficult to recruit business professionals with specialized skills, either as consultants or employees, to help them build their businesses. These challenges are more amplified among the female social entrepreneurs, who are more resource constrained than their male counterparts and therefore may find it difficult to attract and hire highly skilled professionals. Among the 'other' category of challenges experienced by the social entrepreneurs were: finding trustworthy members who are serious (mainly for groups), operating in low income areas (e.g. slums), lack of required skills, high competition from established ventures, sourcing raw materials as well as bringing people with a shared vision together.

Gender constraints for accelerating employability and entrepreneurship in Mombasa

While this study found that the constraints commonly affected both males and females, the following constraints were observed as more amplified among the female entrepreneurs than their male counterparts.

Operation in low-end market environments

A significant number of social enterprises were found to be operating in low-end markets, mostly in the low-income residential areas. This means that many social enterprises face social barriers in accessing and tapping into middle and high-income residential areas which would provide better markets and opportunities for business growth. For instance, women social entrepreneurs engaged in solid waste management commonly reported that they had operated in their local markets for years and had experienced difficulties in their efforts to expand their operations to more lucrative markets,

which are based in middle and high-end residential areas. This is mainly due to lack of marketing skills that would help them access the high-end residential areas, as well as the highly sophisticated equipment (motorized systems, uniformed staff) required by regulations of the County Government.

Access to business capital and credit facilities

This survey found capital and access to credits to be the biggest barriers faced by social entrepreneurs when starting their ventures. This is more pronounced among female entrepreneurs than their male counterparts. Most women who enter into business need financing, but they lack the needed guarantee and securities to enable them to access bank loans. These hindrances include lack of collateral as well as the high cost of credit, bank charges and fees as already highlighted in previous sections of this report. Lack of credit was commonly cited during participatory discussions and by key informants as a serious constriction facing social enterprises and deterring their growth. In Mombasa County, it is estimated that about 99.15% of the local Mijikenda women never had land as inheritance from parents; they lack title deeds which are still the most frequently used form of security in applying for and getting a loan. Formal economic and monetary funding are also costly for many women entrepreneurs especially those living in Moroto slums in Tudor, Bangladesh slums in Chanagmwe and Majengo slums of Likoni.

Unpaid family work and family obligations

Despite their relatively better resilience as compared to men, domestic obligations deny women the time and chance to make savings or run and grow their businesses. Women commonly reported that, in addition to contributing to family's income, they are still expected to carry out the bulk of the family's responsibilities such as taking care of the children, cooking, fetching water and nearly all their families' daily chores. More often than not, women are under societal pressure to perform these duties as a priority over anything else, as they are the most important definition of "womanhood". Due to this confliction occasioned by gender

inequality that places more domestic responsibilities on the shoulders of women, a good number of women abandon employment and business so that they concentrate on domestic duties, a situation which renders them more dependent on their husbands or partners.

Access to information

Many women entrepreneurs lack access to information on how to acquire loans and at the same time, face discriminatory laws or practices related to finance and credit. Additionally, they lack knowledge in business conceptualization.

Stringent regulatory policies and multiple licenses required

Women entrepreneurs are also held back by a multiplicity of stringent and stiff regulations that they are required to comply with before they can commence operations. The survey revealed that the main constraints emanating from regulatory environment are characterized by requirement of multiple licenses for the same business. These licenses are also expensive and cumbersome to get. There is also interference from authorities; taxes are high and crippling and multiple procedures in applying for business registration that are hectic and restrictive.

Lack of business management skills

Training and education programs impact positively on the growth of firms. Those entrepreneurs with more human capital, in terms of education and specific job-related training, are better placed to adjust and accommodate their enterprises to constantly changing business modernizations. Due to gender inequality as well as other compounding factors, women generally lack administrative training and experience. The female typical owner of a small business often struggles to develop her own method and technique of management through a practice of trial and error. As a result, their administration style is likely to be more instinctive than analytical, more concerned with day to day operations than long term issues, and more opportunistic than planned in its concept.

Low enrolment of girls in TVETs

While gender gap in primary schooling in Mombasa has decreased due to free primary education, there is still a huge gap that remains at secondary and tertiary training levels. For instance, as has already been presented in section 3.1.2 of this report, majority of the social enterprises surveyed (62%) had either primary certificate (22%) or secondary school certificate (40%). This means that more than nearly two-thirds of social entrepreneurs operating in the county lack basic entrepreneurial skills, which is an important element to prudent and profitable business management and growth.

Gender disparity in access to ICT as well as low skills in IT

More women than men lack requisite skills to secure relationships or contracts for online work assignments, lack good internet connectivity or sufficient bandwidth and lack computer access. Digital skills have become increasingly valuable across different functions. For example, there is a high demand for digital skills in sectors such as retail, hospitality, tourism and financial services. Across functions, digital skills can make young women more competitive for sales, customer service, human resources, data management and information technology positions as well as help them embed technological edge in their businesses.

Women security and safety at workplace and on their way to and from

Key informants observed that women are unlikely to run their businesses for long hours as compared to male entrepreneurs because women are generally more vulnerable to violence and attacks from criminals.

Training needs of social entrepreneurs

Training programmes available to social entrepreneurs determine the level of human capital in the ecosystem. It refers to the stocks of knowledge, habits, social and personality attributes,

including creativity, embodied in the ability to perform in order to produce economic value. In the social enterprise ecosystem, this domain refers to all skills as well as all the existing programmes in place to ensure a labour force that has a high level of competences. Actors in the ecosystems must be provided with the resources and support to allow skilled human resources who can work in more innovative areas and create products and services with a high added value.

Access to training

59% of social entrepreneurs have benefited from at least one short informal training programme. (Table 14).

Table 14: Management training attendance general representation

Attendance management	Female	Male	Grand Total
No	28%	13%	41%
Yes	41%	18%	59%
Grand Total	69%	31%	100%

The average number of trainings attended was as indicated as below (Table 15), where 38% have been to only one such training.

Table 15: Number of training sessions attended by social entrepreneurs

No of training sessions	Gender		Grand Total
	Female	Male	
Four or More	12%	3%	15%
One	23%	15%	38%
Three	17%	3%	20%
Two	18%	9%	27%
Grand Total	70%	30%	100%

Topics covered in training sessions

While formal training is offered by the training institutions in the region, the informal trainings that have been offered in the past are offered mainly by a mix of players including government agencies and NGOs. The informal training programmes, offered in short workshops and seminars, commonly covered; Mentorship and coaching, social enterprise, business planning and finance, leadership and management, models for spin-out ventures and social enterprises, entrepreneurial products and service innovations, community involvement, costing and pricing among many others.

Benefits of informal training by economic sector

From the data collected and analysed, it emerged that training was mostly attended by the managers and owners of the SE including group officials (in case of SHG or Youth Group). To a large extent, the social entrepreneurs who attended training sessions rated them to be beneficial to their ventures. This finding provides evidence that trainings have significant value to the growth and social innovation of social enterprises.

Impact of training on social enterprises

Training mostly improved management skills of the respondents and strengthened their ability to make decisions (see Table 16 below).

Table 16 How was the training helpful (what changed/improved after the training)?

Area of improvement post training	Proportion
Improved management skills	27%
Better decision making	19%
Growth of business	13%
Bookkeeping	8%
Resilience & tenacity	8%
Improved networking	3%
Improved social security	3%
Compliance with local laws	2%
Enhanced skills	2%
Agribusiness production	2%
Improved problem-solving skills	2%
Savings	2%
Effective use of available resources	2%
Improved transparency and accountability	2%
Problem-solving skills	1%
Access to affordable credit	1%
work life balance	1%
Improve community ownership of projects	1%
Improved inclusivity	1%
Grand Total	100%

The impact of training programmes on social enterprises as self-reported by the entrepreneurs is a testament of the value the social entrepreneurs attach to these training programmes. It further demonstrates the relevance of the British Council's "Enhancing Employability for Urban Youth Programme". The findings also validate the significance of undertaking this particular market scoping and training needs analysis.

Training needs of social entrepreneurs operating in Mombasa County

The study reveals that the social enterprise ecosystem is a dynamic environment. As a result, social entrepreneurs need high-impact individually focused competency training programmes, modelled on the learners' practices and knowledge level, that promote adaptive learning processes and knowledge management and utilization. The young women social entrepreneurs need multi-dimensional competencies that combine cognitive, functional, personal, and meta-competency that create activities that are innovative, social, and value adding. Workplace simulations and training for soft skills makes a difference to a young women's learning thus designing programmes to include workplace simulations and soft skills trainings are particularly critical.

Regarding contents of social enterprise training, different education backgrounds and practical experiences of the social entrepreneurs targeted for training, need to be taken into account. The analysis of the skills status (level of education) of the social entrepreneurs in this survey revealed that skills-training needs can be categorized as follows:

- **Lower level skills:** These are social entrepreneurs who have attained only primary and secondary education level (certificates) and have never had any formal training beyond these levels. This class of social entrepreneurs, lacking basic entrepreneurial skills, is the majority in Mombasa County. This category requires a didactic training programme that builds their capacity from the very elementary level upwards.
- **Middle level skills:** These comprise social entrepreneurs who have a college certificate, diploma, or university degree but still lack the required skills in social enterprise.

The survey revealed training needs and gaps on the following areas: -

- **Raising awareness on social enterprise:** This study found that a significant proportion of stakeholders in the ecosystem was not familiar

with the concept of social enterprise. Therefore, it is important to raise awareness amongst social entrepreneurs, the business community, regulatory authorities and policy makers on social enterprise and their social and environmental value.

- **Getting the basics right for start-ups:** This study reveals that a significant number of women social entrepreneurs need training that begins from a very basic foundation. The topics should include general skills relevant for designing and pitching a business model.
- **Marketing and Marketing Communication:** Social entrepreneurs are not looking for social benefit only. Together with social impact, social businesses also look for economic profit. For that, market is a relevant issue, and especially how to reach markets and introduce new products and services that would have, not only economic profit, but would also create a social impact.
- **Networking:** Entrepreneurs' networks, business cooperation (start-ups, spin off and social intra-entrepreneurship) as well as the concept of early costumers (early adopters) are key concepts that support social entrepreneurs to enter in the markets and open new ventures for new social products and services.
- **Coaching:** This is needed to help social entrepreneurs gain tools for on-going career development and business growth that is expertly guided on the path of hands-on "dos and don'ts"
- **Resilience and how to handle adversity:** Social entrepreneurs must be innovative and persistent in the ways in which they respond to adversity such as financial concerns, budgeting, lack of donations and inadequate organizational networks. They must be both highly passionate and pragmatic to achieve their vision.
- **Leadership, effective communication and public speaking:** For social entrepreneurs to enact their vision, they must be effective leaders and public speakers.

- **Identifying business opportunities:** The social entrepreneurs surveyed critically need skills on how to identify business opportunities and use the resources available to them including own capital to address social issues in a way that would also be financially beneficial.
 - **Accessing funding and finances:** Because it is difficult accessing finance especially from traditional financial sources, social entrepreneurs' need enlightenment on other available sources of finance.
 - **Savings culture:** Social entrepreneurs need to develop skills on savings.
 - **Peace and security:** The training programmes need to embed the element of peace and security, particularly on the role social entrepreneurs in cultivating a peaceful and friendly environment for all.
 - **Social Innovations:** SEs need to constantly think of how they can be innovative in causing social change and providing their services in a better way that reaches more people.
 - **Operating within the legal frameworks & compliance to legal permits required:** In order to avoid constant harassment from the regulatory authorities, it is important for SEs to understand the legal requirements in any business sector and to comply.
 - **ICT:** ICT has become an integral component of business and should be enhanced among social entrepreneurs.
 - **Creativity and problem solving:** This was stressed by the interviewees as another key to success especially in dealing with different stakeholders like the state, sponsors or donors and customers too.
 - **Knowledge Management:** This is an important dimension that would help social entrepreneurs utilize critical data and information in day-to-day decision-making processes and for planning.
 - **Costing and pricing:** Training on how to cost and price their products and services would help SEs not only make profits but also realize more social impact.
 - **Facilitation:** SEs require skills in facilitation so that they can organize small seminars and workshops or even utilize the existing platforms to pitch for their businesses.
 - **Talents and arts management:** Young women and men in the sector need support on how to exhibit, grow and earn from their talents.
 - **Branding of goods and services by the SEs:** Training on how to package and brand their products better especially those in manufacturing is critical.
 - **Change from informal to formal social enterprises:** For SEs to grow and be sustainable, they need training beyond the traditional entrepreneurship training on how to transform from informal to formal sectors.
 - **Importance of insurance in business:** Insurance is a critical dimension as a significant number of SEs reported that they could not pay back loans because of uncertainties that befell their businesses.
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Essential areas of training support for social enterprises

The survey assessed how the social entrepreneurs valued essential areas of support. The findings of this assessment parameter are shown in Table 17 below:

Table 17: Social entrepreneurs' rating of essential support areas

Support area	Valuation %			Total
	Not really necessary	Could be of help	Most needed	
Mentorship and coaching when starting a business, and also in the course of its operations	4%	38%	58%	100%
Stable and available supply of support services (information, education, consultancy) for social entrepreneurs in all entrepreneurship phases	2%	35%	63%	100%
Regional platform for like-minded social enterprises and their linkage/connection to national and international networks	10%	38%	52%	100%
Existence of support services centres and entrepreneurial incubators, where entrepreneurs access all needed information and services for social enterprises development	9%	39%	52%	100%

Social entrepreneurs generally evaluated all the four support areas as needful with aggregate score (could be of help + most needed) being 90% at minimum, thus the four support areas are important to the development of the social enterprise ecosystem in Mombasa County. However, social entrepreneurs generally reported that the most needed support area would be stable and available supply of support services (information, education, and consultancy) for social entrepreneurs in all entrepreneurship phases.

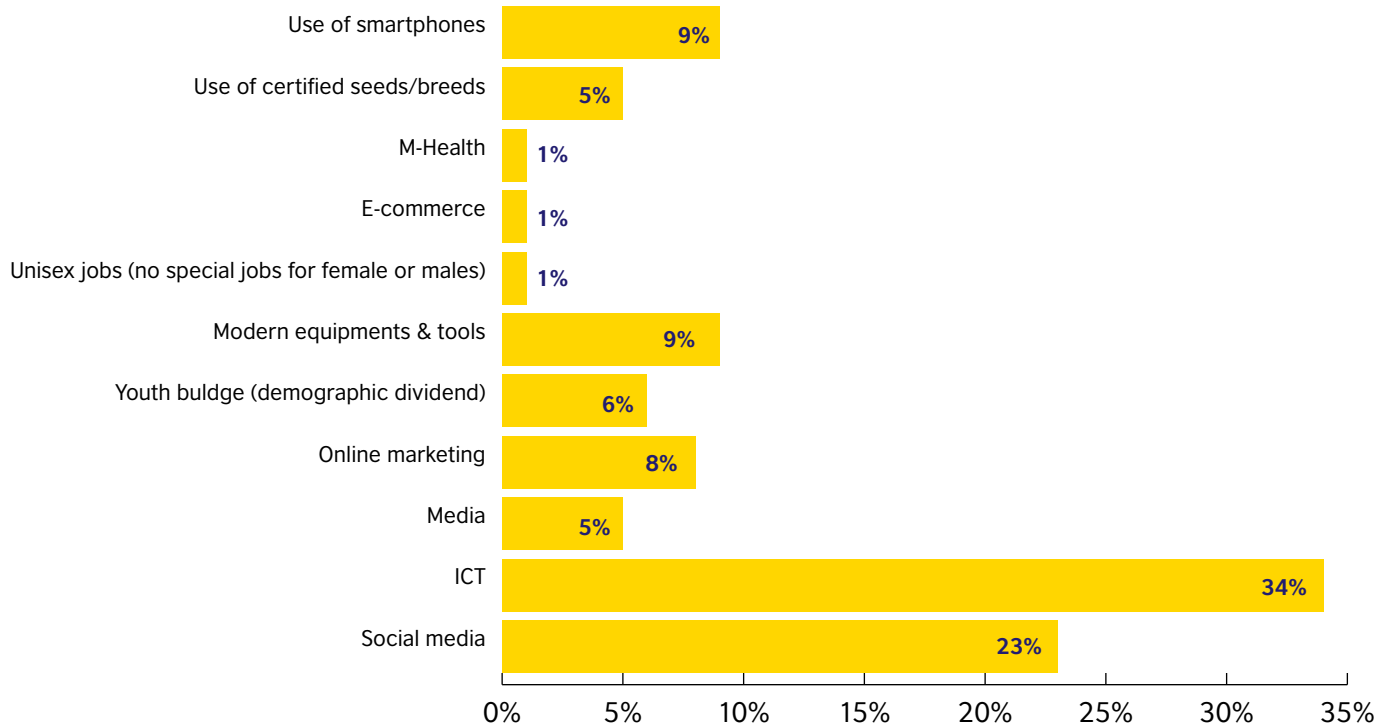
60% of entrepreneurs are willing and ready to pay for this support services in the event that they were to be offered at a fee, citing the importance of these services to their business. The remaining 40% cited lack of funds as the main reason they are not willing to pay.

Technological trends in social enterprise ecosystem in Mombasa

The Market Scoping and Training Needs Analysis surveyed the technologies and innovations the SEs are leveraging on to run their businesses. One of the most salient findings is that the social enterprise sector in Mombasa has yet to embrace more advanced technologies such as specially-designed IT kiosks and the creation and usage of mobile apps to cause social impact as is the practice in settings where social enterprise is well established.

Emerging technological trends in Social Enterprise

ICT was commonly cited by the social entrepreneurs as the leading emerging technological (34%) trend in social enterprise.

Figure 18: Emerging technologies in the social enterprise

As depicted in Fig. 18, ICT (34%) was mentioned by social entrepreneurs to be the leading emerging technological trend critical for social enterprise, followed by social media (23%). Other technological trends observed by social entrepreneurs to be integral for creating social impact and profitability are: use of mobile phone technology (9%); modern tools and equipment (9%); online marketing (8%) and demographic dividend (6%) among others.

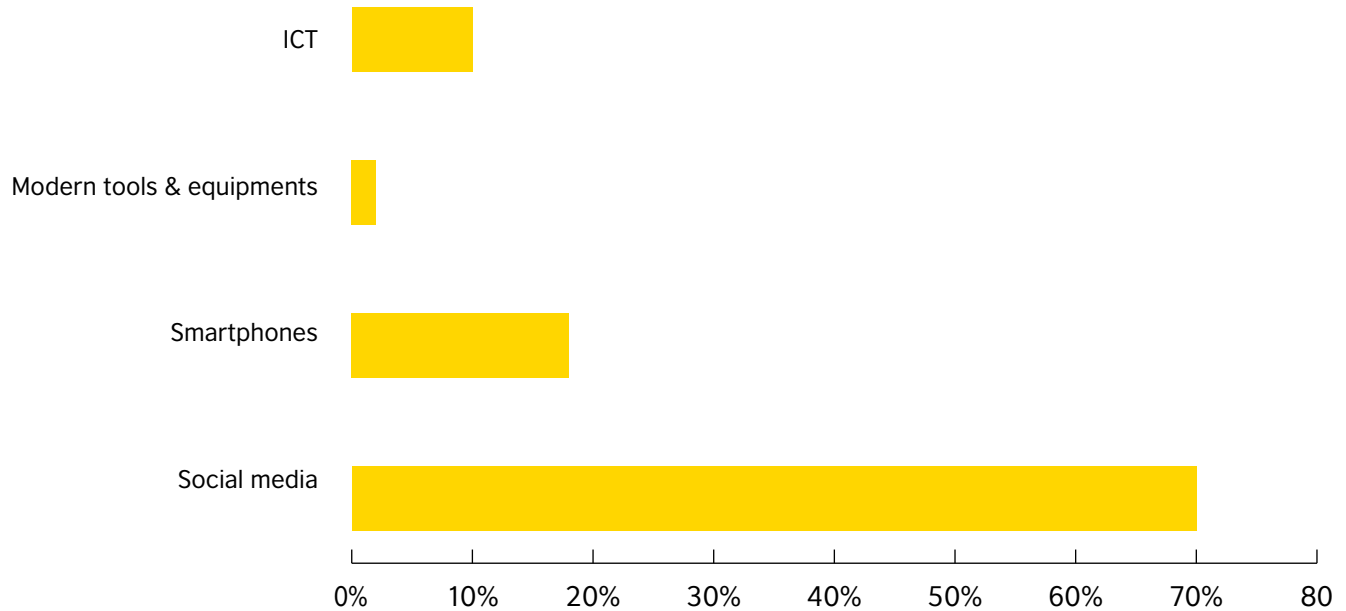
Technologies SEs leverage on

The use of technology by social entrepreneurs was observed to be low with only 42% of SEs leveraging on at least one type of technology to create social impact. Social entrepreneurs were also asked to mention the type of technologies they were leveraging to spur the growth of the ventures. As shown in Figure 19, social media was the most commonly used (70%) and to a lesser extent Mobile Phone technology (18%) and ICT (10%).

The majority of social enterprises in all sectors apart from health heavily leverage on social media to run their business. The health sector leveraged ICT to

run their operations. Females harnessed the power of social media in marketing their SE compared to males across most of the sectors apart from health and Arts/Theatre & Creative Performance sectors.

SEs leverage on these technologies mostly to advertise their services, pass information to their customers for financial transactions and mobilize communities in their efforts to cause social and environmental impact. It was well-observed that SEs tended to use these technological innovations as a means of communication with customers or even with other professionals they collaborate with such as suppliers, sellers and administrative personnel. In this case, technology provides useful channels of communication and accomplishment of a series of tasks, thus building a chain of individuals and operations that work in the most beneficial way.

Figure 19: Technologies that social entrepreneurs leverage on

Of most important concern is that the use of ICT is noticeably very low among female SEs. This could be attributed to the prevailing gender disparity in access and use of ICT. In Mombasa, which has in the past years experienced poor transition rates in education, before the recent change of policy that requires 100% transition from primary to secondary levels of education. Women continue to lag behind men in access to digital technologies. They are up to 50 percent less likely than men to access the Internet and 10 percent less likely to own a mobile phone. Closing the gender gap just in mobile ownership and data usage could generate an annual \$15 billion in revenue for mobile operators²⁸. Lack of full access to digital technologies prevents women from benefiting equally from the goods, services, and capital available across the online markets — impeding their ability to contribute to the global economy

²⁸ICT is one of the foundations for economic development in the second MTP of Vision 2030, with the theme, “*strengthening the foundation for a knowledge economy*”.



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This section highlights the existing support initiatives, interventions and approaches delivered by different actors/stakeholders who are active in the social enterprise ecosystem, with a particular focus on programmes working with young women.

SECTION FOUR

Initiatives, Interventions and Approaches Under Implementation by Different Actors/ Stakeholders in Mombasa County

Interventions and Initiatives by the National Government

The Women Enterprise Fund (WEF)

As has been revealed in section 3.5 of this study, the Women Enterprise Fund is the leading funder, through loans, of SEs in Mombasa. Based in the Ministry of Public Service, Gender and Youth Affairs, WEP provides affordable and convenient credit for young women to expand or start businesses throughout the country.

The Youth Enterprise Fund

The Youth Enterprise Development Fund seeks to create employment opportunities for young people through entrepreneurship and encouraging them to be job creators and not job seekers. It does this by providing easy and affordable financial and business development support services to youth who are keen on starting or expanding businesses. During the survey, the Fund was mentioned by some respondents as one of the funders.

Access to Government Procurement and Opportunities (AGPO)

The AGPO programme is founded on the 2010 Constitution of Kenya, Article 227 on the fair, equitable, transparent and cost-effective public procurement of goods and services. However, the survey findings show that the youth and women social entrepreneurs in Mombasa are yet to exploit the opportunity provided by AGPO to do business with government due to a number of hindrances,

key among them being lack of funding, as well as inability to meet stringent legal requirements needed for one to participate in AGPO.

Uwezo Fund

Uwezo fund is a flagship programme that aims at fulfilling the vision 2030 agenda on helping the disabled, young women and youth access finances that aid in expanding or starting their businesses to boost economic growth. Uwezo Fund was mentioned as one of the sources of funding for social entrepreneurs.

Interventions and Initiatives by County Government of Mombasa

Vocational Training Programme “Tukuze Vipawa” Programme

Through this programme, the County Government of Mombasa is expanding vocational training opportunities for skills acquisition for young people to enhance their employability (including self-employment), productivity and competitiveness. This is aimed at improving inclusive access to formal education at all levels and provide viable alternatives for the many young people, particularly adolescent girls, who drop out of the formal educational system.

Establishment of Industrial Parks

The County Government has plans for establishment of industrial parks in all sub-counties which will promote entrepreneurship and build the capacity of

approximately 52,000 youths on entrepreneurship; develop youth talent and enhance youth access to financing.

Elimu Fund

The county targets to give bursaries to 82,000 students under the 'Elimu Fund' by 2022; construct and equip Vocational Training Centres in all sub-counties; and undertake community sensitization on the benefits of vocational training to improve uptake.

The Mombasa County Revolving Fund

The Mombasa County Government established the County Revolving Fund which lends to youth and women in order to promote entrepreneurship and create job opportunities. A number of women and youth groups have already benefited from this scheme in setting up or boosting their income generating enterprises.

Private Sector

Kenya National Chamber of Commerce and Industries Mombasa Chapter

KNCCI has a plan to set up a business hub for youth in its offices in Mombasa. This Business hub provides an excellent opportunity aimed at connecting young women social entrepreneurs with business leaders and mentors across all sectors of the economy as KNCCI has a pool of all business leaders and experts in diverse sectors of the economy.

KAM and PETCO

The Kenya PET Recycling Company (PETCO) and the Kenya Association of Manufacturers have signed a deal on holistic management of plastic bottles. Manufacturers, through KAM and PETCO Kenya, agreed to jointly develop strategies, initiatives and infrastructure to promote efficiency of collection, processing and recycling of plastic bottles. Through effective partnership with the County Government of Mombasa, this project has the potential to create jobs for women social entrepreneurs.

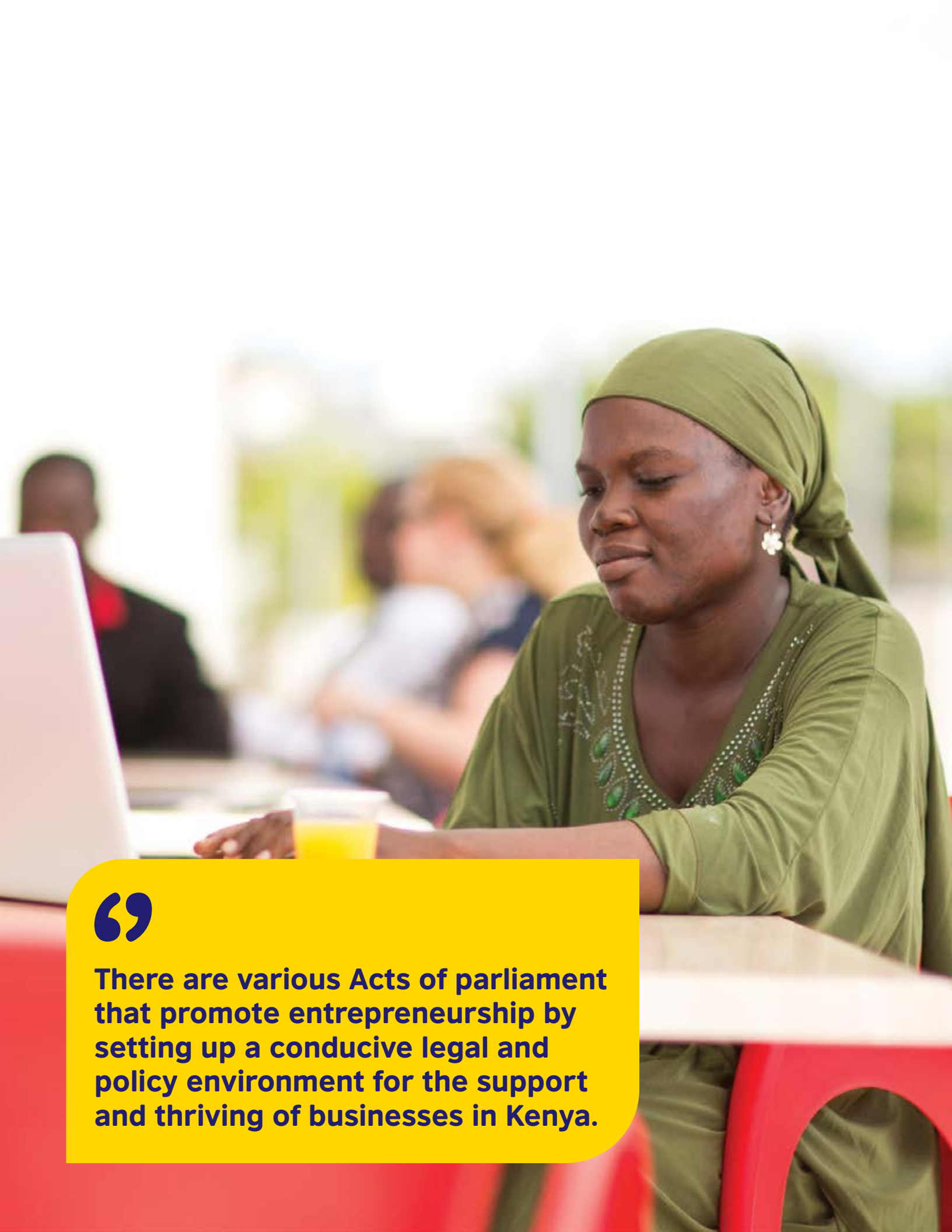
Non-State Actors Active in the Social Enterprise Ecosystem

There are several non-state actors who are active in the social enterprise ecosystem. The actors commonly mentioned to be actively involved in the sector by key informants and the social entrepreneurs include the following organizations:

- Dot Kenya
- Technobridge
- Swahilipot
- Mpower Women Network
- Her Business
- LICODEP
- Association of Persons with Disability Kenya
- ECLOF
- ANGAZA
- DREAM ACHIEVERS
- Bandari SACCO
- CAP Youth Empowerment Institute CAP YEI
- Kenya Youth Business Trust (KYBT)
- Academy of Women Enterprises

Training Institutions

There are several institutions in the region that have for years provided formal training on entrepreneurship. The Technical University of Mombasa leads the pack and has school alumni who are already social entrepreneurs. Other training institutions include the Mount Kenya University (STEP Programme), Maritime & Management Institute of EA and the Coast Polytechnic.



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There are various Acts of parliament that promote entrepreneurship by setting up a conducive legal and policy environment for the support and thriving of businesses in Kenya.

SECTION FIVE

Policy Environment for Social Enterprises Development in Kenya and Mombasa County

Legal and Policy frameworks promoting social enterprises.

As already stated in previous sections of this report, Kenya is yet to develop specific laws or policies that promote social enterprise. However, in the absence of these, social enterprise is still legally supported by some articles in the constitution that promote fairness and justice for all, inclusivity, access to education as a fundamental right as well as the bill of rights. There are various Acts of parliament that promote entrepreneurship by setting up a conducive legal and policy environment for the support and thriving of businesses in Kenya. There are also several policies and strategies for poverty alleviation, job creation and skills training and development, which in effect support social enterprise.

Regulation of business conduct is generally provided for in the laws governing the creation of business such as the Companies' Act while business operations are governed by issue specific laws such as those relating to tax, labour, and protection of the environment, anti-corruption, health and safety among others. In addition, there are laws that regulate specific sectors such as mining, petroleum, banking, insurance, and telecommunications. The Constitution of Kenya 2010 also underscores the provision of quality education and training as a right and fundamental to the success of governments overall development strategies.

Laws and Policies Constraining Social Enterprises

While many laws, policies and regulations have good intentions, they often bear negative impact on small businesses due to the initial compliance costs that they require. This review has highlighted some fruitful areas for research on the impact of regulation on social enterprises. Regulations or programmes designed to benefit small businesses are rarely criticized or questioned. However, it is important to consider whether such are meeting their objectives, whether they are well targeted and whether they have unintended consequences that interfere with intended aims. A systematic comparison of the costs and benefits of regulations, as well as regulatory implementation and enforcement, is a promising avenue for research. Information on the cost benefit trade-offs could help policymakers design more effective policy.

Companies Act, 2015

The aim of this law is to ease doing business in Kenya by speeding up processes and instituting certain corporate governance principles. Some of the notable elements of the Act include the abandonment of the requirement for all companies to have at least two members. Now, under this Act, just a single member will suffice for a private company. Other recent changes to the Act include the elimination of the requirement for all private entities to have a company secretary. It is also possible now for companies to have just one director and the minimum age for a company

director is now 18, in conformity with government policy of stimulating youth enterprise and creating more employment opportunities.

The Companies Act 2015 has real implications for the growth of social enterprise. A majority of small firms are incorporated, thus potentially subjecting a firm's owners to personal as well as business liability risk. The threat of financial liability for the firm's obligations might loom large especially for social entrepreneurs and influence their ability to innovate, grow, or even begin operations in the first place. Secondly, the entry, exit, and growth trajectory of entrepreneurial small businesses might also be affected by the proliferation of new business forms, such as the Limited Liability Company (LLC) and Limited Liability Partnership (LLP). LLC/LLPs combine the flexibility and pass-through taxation attributes of partnerships, while simultaneously according owners with a form of limited liability akin to corporate status.

National Environment Management Act (NEMA)

Compliance with environmental regulations can require firms to respond in several ways, such as by installing pollution control equipment, monitoring and reporting waste streams and pollutant releases and developing emergency response plans. Small firms are at a disadvantage due to the cost of pollution control equipment or the resources needed to complete required paperwork. High initial compliance costs also make it more difficult for small firms to enter the industry. The National Environment Management Authority (NEMA) was often cited as one of the unfriendly regulators especially by social enterprises in the solid waste management.

NHIF and NSSF statutory deductions

All businesses employing personnel are required by law to deduct and remit premiums to the National Health Insurance Fund (NHIF) and to National Social Security Fund (NSSF) for each of its employees on a monthly basis. Nonetheless, these regulations might have differential effects for small versus large firms.

Occupational Safety and Health Act, 2007

The occupational safety and health Act of 2017 is one of the legal requirements that are prohibitive to Social Enterprises start-ups. This statute was enacted to protect the "safety, health and welfare of workers and all persons lawfully present at workplaces." It also created the National Council for Occupational Safety and Health, which is charged with the implementation of the Act. Part VI of the Act prescribes standards required for the workplace including "sufficient and suitable sanitary conveniences", sufficient and suitable lighting, and access to drinking water, proper drainage, ventilation and adequate cleanliness. It mandates employers to provide protective clothes for workers who come into contact with wet or injurious substances. Where there is cause to believe that an illness is due to the conditions or the nature of work, the Act stipulates that special measures for medical surveillance may be demanded and the cost borne by the employer who shall bear the cost of medical examination and treatment,

Multiple Licenses

Nearly all businesses require compliance to a number of regulations before they start operations. These include the business registration, tax compliance (KRA PIN), single permit, public health, occupational safety and health Act and the licensing by the authority regulating the specific sector. The cost of compliance to these regulations becomes very prohibitive to many social entrepreneurs. This was often noted by many SEs as the major challenge. Multiplicity and duplicity of the licensing regime discourages the SEs since it eats into most of the SEs incomes. Some businesses are required to acquire multiple licenses at times from the same or different government agencies. The licenses should only serve regulatory function and not be a source of revenue for the government as is the practice currently.



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The survey found that Kenya in general and Mombasa in particular has a youthful population and a bigger female populace, but that they have been disfavoured in terms of employment and business opportunities.

SECTION SIX

Conclusions and Recommendations

Conclusion

The study reveals that the Mombasa County social enterprise ecosystem is a dynamic environment. It is characterised by optimistic social entrepreneurs, a highly supportive local community and a business leadership ready to offer its competency and support as well as a number of programs and initiatives by both state and non-state actors whose programmatic focus areas intersect well with the intrinsic philosophy and theory of change of the Employability for Urban Youth Programme. The social entrepreneurs were also found to be innovative individuals who found solutions to social and environment challenges and were resilient to the turbulent business environment.

However, the creation, survival and growth of SEs are often hampered by various challenges. These constraints have stifled the growth of SE sector and limited its contribution to the economy. The constraints are either internal or external to the business. Social Enterprises are operating in a turbulent environment, which includes advancing technology.

The survey revealed that the main constraints emanate from regulatory environment characterized by requirement of multiple licenses for the same business. These licenses are also expensive and cumbersome to get. There is also interference from authorities - some SEs reported harassment from the Market authorities, commonly referred to as "askaris"; taxes are high and crippling; multiple procedures in applying for business registration that are hectic and restrictive.

Another important finding is the lack of awareness and understanding of social enterprises by both policy makers and the private sector hence lack of strategic support specific to the sector. This is even more amplified by the lack of specific laws and policies to provide legal and policy framework for the sector. Other constraints include lack of capital, expensive loans, lack of markets, stiff local competition, poor infrastructure (roads, power and water supply) and insecurity. Minor constraints include inadequate business training; anti-entrepreneurial culture and technological barrier/backwardness that negatively affect potential growth of SEs. These constraints, if not addressed, can lead to high business mortality.

The survey found that Kenya in general and Mombasa in particular has a youthful population and a bigger female populace, but that they have been disfavoured in terms of employment and business opportunities. Young and female social entrepreneurs in Mombasa particularly need the support of all stakeholders in order to set up or expand their enterprises.

SEs growth and survival are dependent on mechanisms put in place to ease these constraints thus the need for concerted efforts from all the stakeholders. Social Entrepreneurs should focus on solving challenges that are internal to their enterprises whereas the government and other stakeholders should address the challenges related to the business environmental context to enhance ease of doing business.

Recommendations

From the study findings, this report gives recommendations in five (5) broad areas.

Accelerating employment of young women through social enterprise as driver of change

- British Council should help raise awareness among social entrepreneurs, the business community, regulatory authorities and policy makers on social enterprise, and their political, economic, social and environmental value. There is a need to urgently improve the National and County Governments' knowledge on social enterprise and their socioeconomic value. This will lead to improvement of government departments in embracing social enterprise as a means of creating jobs and they will also shape and enact policies that will encourage the growth of social enterprise to address challenges within communities.
- The Enhancing Urban Youth Employability Programme should support the young women entrepreneurs to access funding opportunities. This should be done by building their capacity on fundraising as well as creating virtual and face-to-face platforms where these entrepreneurs can interact with all range of funders and investors.
- There is need to support social entrepreneurs in the arts and creative performance sector which was reported by 22% of the social enterprises surveyed to improve the conversion of knowledge into economic resource, i.e. idea generations, resources, new activities, value creation and returns.
- Support the social enterprises in Mombasa County to come together to form a network that advocates social enterprise issues and that supports its memberships through a range of support programmes including exposure platforms. The established network should set

up a database and office structures from where accurate, real time data can be obtained. The database should capture business information in terms of actual numbers, economic sectors, business changes, employment, gender and age of owners, sector and subsector, geographical locations within the county as well as new entrants.

Foster and forge multi-sectoral partnerships and collaborations in the ecosystem

- Forge strategic and mutual partnerships between SEs and the private sector. The private sector has a pivotal role to play in growth of social enterprise through mentorship and partnership. Partnership is essential in advocating a review of constraining policies and regulations as well as inculcating a cultural change and stronger relationships between social entrepreneurs and commercial companies.
- Develop platforms that provide opportunities for the social entrepreneurs to interact and network with impact enablers and other entities of interest. Within the Mombasa social enterprise ecosystem, there is need to build partnership and formation of interactive linkages comprising domestic and global institutions (investors, innovators, consultants, legal advisers, influencers, influential multipliers, intermediaries, leading organizations, public and private stakeholders) to collaborate in a holistic way. Digital space could provide a platform through which individuals and organizations of a smaller economical and/or operational scale, or institutions, which for various reasons, are considered as unprivileged, to connect with impact-oriented investors, incubators, accelerators, and mentors. In this way, organizations of smaller scales could benefit from the sharing and subsequently, from the adoption of common best practices, thus upgrading their resources, improving their capacities and modernizing their mode of operation.

Review and develop institutional, policy and legal frameworks to create a conducive environment that spurs the growth of social enterprise

- Shape credit policies to pay attention to the uniqueness and peculiarity of various businesses. In Kenya, the common approach of extending credit to MSMEs is based on collateral provided. This approach has limitations and is not feasible for most of the social enterprises as majority do start with no tangible assets. Collateral oriented lending should be de-emphasized, and new creative and innovative strategies adopted. Credit guarantee schemes are one of the approaches being adopted in other countries.
- Reduce the number of licenses required per single business. This can be done by integrating the various licenses into one comprehensive license; offering the license in a central place and ensuring that the process is fast and efficient.
- Reduce the cost of acquiring the licenses both at national and county levels. The licenses should only serve a regulatory function and the county governments should introduce rates that favour small businesses and start-ups.
- Recognize that Social Enterprise is a unique sector and enact laws that are unique to the sector and that would encourage their growth.

Identifying, developing, restructuring and enhancing training programmes with a view to addressing entrepreneurial skills gap

- British Council should work with the county and national governments and the relevant stakeholders on integration of practical tools to support education and training programmes and ensure equitable access, maximum retention and effective transition. The ideal support package for social entrepreneurs should be tailored to the stage of development of the social enterprise.

- Establish platforms for co-design and co-learning environments that facilitate peer to peer exchange of skills and knowledge.
- Provide a range of formal trainings that suit the individual needs and economic sectors that young women social entrepreneurs are engaged in, while linking them to on-job business coaching and mentorship through practical training models that promote adaptive learning and real-time application of knowledge.

Improving ICT and technological uptake to accelerate social enterprise

- British Council should work with the ICT ministry, County Government and tech firms that already support social enterprise sector and youth entrepreneurship to close the gender gap in the access and use of ICT especially among women social entrepreneurs. This provision should be integrated with training programmes that include basic ICT trainings relevant for social innovation and maximization of opportunities provided by ICT for business growth.

Methodology

The study adopted a descriptive survey approach using triangulation of qualitative and quantitative methods to gather data in a bid to establish social enterprise profiles, characteristics, knowledge, attitudes, perceptions and capacity. The study also included an assessment of training needs; support structures; and the instructional, regulation and policy features of the social enterprise ecosystem as well as the constraints limiting the participation of young women in social enterprise.

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Appendices

List of social enterprises surveyed

No	Name of SE	Sector/Type of SE
1	Academy of Women Entrepreneurs (AWE) Kenya	Offering Coaching and Business Support Women Entrepreneurs
2	ANIKA Community Media	Communication
3	Apple Women Group	Salon
4	Bahari Youth Group	Printing, graphic design and supplies of printing documents
5	Brain Youth Group	Environmental Entrepreneurship: Mangrove & Tree Nursery, Fish farming, HIV Awareness, Bee Keeping, Cultural and Heritage Conservation Garbage Collection and Chicken rearing
6	Chaani Disabled Group	Hiring Chairs
7	Chaani Young Farmers (Women)	Fish Farming
8	Community Environmentally Sustainable Mariculture (COMENSUM)	Advance local sustainable development solutions for people, nature and resilient communities.
9	Dance Kitchen	Theatre and Dance
10	Digital Umoja Women Group	Cereals
11	Disabled Persons of Likoni Initiative	Chicken Product supplies
12	Explore Photo Trip	Adventure Videography and Photography
13	GABTECH	Environment and Waste Management
14	Heights of Glamour	Fashion and Events Management
15	High level Divas Women Group	Poultry Firm
16	Jomvu Young Turks	Environment conservation
17	Kaba Thayu Women Group	Poultry
18	Kikao Kijijini Women Group	Fresh Water Project
19	Kanyakla Women Group	Table Banking and Selling eggs
20	Kisiwani Conservation Network	Environmental Conservation
21	Lakwetu Foods	Catering & Snacks
22	Leandre Women Group	Salon and Barbershop
23	Likoni Ward DEV. Agenda (LIWADA)	Garbage Collection and Waste Management
24	Likoni Women Empowerment Network Timbwani	Lishe Bora Stores
25	Likoni Women Empowerment NWK (Mwamko Mpya)	Lisha Bora Store
26	Lilongwe Biashara Women Group	Shop and groceries

No	Name of SE	Sector/Type of SE
27	Magongo Vision Star Youth Group	Car Wash
28	Malaika Kidz	Fashion Academy
29	Malenga 001	Arts and Poetry
30	Manyatta Youth Entertainment CBO	Arts and Entertainment:
31	Masilahi Women Group	Event management, Hiring Tents and Chairs
32	Mazagazaga Youth Group	Fresh Water Project
33	Mbuyuni Mother Big Vision	Poultry
34	Mchanga Women Group	Hiring tents, chairs and sufurias
35	Mtongwe Ferry Rescue Team (youth group)	Fish stockiest and fish vendor
36	Mwema Women Group	Broilers
37	Mwatsakifu Comm. Dev. Initiative	Water Project and Handcart
38	Ngamani Narcoal Women Group	Catering, Hotel and Dressmaking
39	Mkomani Network Youth Group	Poultry
40	Nguvu Moja Jua Kali	Tailoring and Dress Making
41	Muongano Development	Waste Management
42	Nia Njema Women Group	Making handmade Mats
43	Nkonko Iju Africa	Poultry
44	Olives Women Group	Dress making especially uniforms
45	Pamoja Twaweza CBO	Tailoring and making bead mats
46	Psychbeing	Health and Wellbeing
47	Pwani Teknogalz	ICT Literacy and Web Design
48	Sauti Ya Kina Mama Timbwani Group	Poultry Farming
49	Slay Mamas Welfare Group	Borehole Project
50	Swahili Pot	Arts and Technology Hub
51	Tech Kidz Africa	Technology
52	Touch by Laura	Beauty, Cosmetic and Personal Care
53	Tuendeleee Women	Poultry Farming
54	Tufanikishe Juhudi Bidii SHG	Water Project
55	Tujikazeni Women Group	Rental Shop
56	Tumia Akili Women Group	Cereal Shop
57	Tupendane Majengo Mapya	Café
58	Uchumi Kali Maweni W. G	Tailoring
59	Udugu Women Group	Rental House
60	Uplift S.H.G	Cereals
61	Ushindi Mwandoni W. G	Selling Households, T-shirt, bed sheets and door mats
62	Visionary Youth Group	Visionary Juice Parlour

No	Name of SE	Sector/Type of SE
63	Wamama Mashinani CBO	Table Banking
64	Waridi Fashions	Events, Beauty and Fashions
65	Weka Bidii Women Group	Events Management: Chairs, tables and tents
66	Ziwani B. LASCO CBO	Catering Services & Hotel

Other SEs Surveyed

- The Rocky Youth Group
- Boss Ladies Group
- Willing Heart Tailoring and Dress Making College
- Happy Kids day care
- Ferena Junior School
- Karina orphanage
- Mac KindaJoy Premier Academy
- Upendo Disability group.
- Tuliza Roho group.
- Blessed Saving Sisters
- Mchanga Women group
- NAMO Investment
- Pambazuko Akasa Women Group
- Super Lion Women Group
- Sacred Heart Catholic Church Computer and Communication College
- Sacred Heart Tailoring and Dressmaking College
- Bahati Junior Academy
- Kwa Mwahima Youth Group
- Amani Hope Self Help
- St Jude Thaddeus Early Child Development
- Kishoka Youth Group
- Kwashee Youth Boda Boda Group.
- Open mind youth group
- Timizo Vazi
- Society for orphans and AIDS Network (SOAN) Secondary school
- Acha Gun Shika Mic
- Trinity sisterhood Help Group.
- Henata Dressing and Dressmaking College
- Mikindani Gym fitness Centre.
- The Mwananchi's Perspective
- Goye Water Company Limited
- Mtongwe plastic scrap dealers
- Dishan Hair and Beauty College

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