Women informal entrepreneurs in Kenya

A feminist analysis of economic empowerment challenges and opportunities

October 2021

Rebecca Calder, Emily Boost, Federica Busiello, and Louise Fox

KORE GLOBAL

Global Center *for* Gender Equality
AT STANFORD UNIVERSITY

Contents

Acknowledgements

The authors would like to thank all the contributors for giving their time, energy, thoughtful reflections, and insights to help us redefine a feminist approach to women's entrepreneurship. In particular, we'd like to thank Alice Waweru (TechnoServe); Carol Ajema, Naome Wandera, and Serah Ndut (ICRW); Daina Warira and Mikaela Rabb (J-PAL); Dorothy Mwashipei (Ushanga Initiative); Elizabeth Koshy Kalarikad (IPA); Emily Maranga (GROOTS); Jean Kemitare and Susan Asio (Urgent Action Fund Kenya); Mugure Kamau-Githuku (SNV); Sally Kahiu (Women in Manufacturing); Sam Owilly (BOMA), Wanjiku Kabira (University of Nairobi); and Rhoda Maina (independent consultant)—without the inputs from these outstanding researchers and practitioners, this paper would not have been possible.

We would also like to acknowledge our colleagues at the Global Center for Gender Equality at Stanford University (in particular Wajeeha Mahmood, Safa Abdalla, Elizabeth Katz, Sarah Henry, and Gary Darmsted) for their stewardship, thought partnership, and critical reviews, which pushed us to focus and sharpen our thinking—bringing our work to a higher level.

We are grateful for the financial support of the Bill & Melinda Gates Foundation, in particular Diva Dhar, who also provided ongoing technical support and connected us with the broader research community engaging on women's entrepreneurship in East Africa.

Acronyms

AGPO	Access to Government Procurement Opportunities
ATM	Automatic Teller Machine
CBO	Community Based Group
CGAP	Consultative Group to Assist the Poor
CSO	Civil Society Organization
DHS	Demographic and Health Survey
EOWE	Enhancing Opportunities for Women's Enterprises
FGD	Focus Group Discussion
FGM	Female Genital Mutilation
FLFP	Female Labor Force Participation
GC*f*GE	The Global Center *for* Gender Equality at Stanford University
GDP	Gross Domestic Product
GET	Gender and Entrepreneurship Together
GoK	Government of Kenya
ICRW	International Center for Research on Women
ICT	Information and Communication Technology
IFC	International Finance Corporation
ILO	International Labour Organisation
IPA	Innovations for Poverty Action
IVR	Interactive Voice Recording
KAM	Kenya Association of Manufacturers
KCB	Kenya Commercial Bank

KEYOP	Kenya Youth Employment and Opportunities Project
KIEP	Kenya Industry and Entrepreneurship Program
KIHBS	Kenya Integrated Household Budget Survey
KII	Key Informant Interview
KNBS	Kenya National Bureau of Statistics
KSH	Kenyan Shilling
LMICs	Low- and/or Middle-Income Countries
MPYG	Ministry of Public Service, Youth and Gender Affairs
MSEA	Micro and Small Enterprises Authority (MSEA)
MSEs	Micro and Small Enterprises
MSMEs	Micro, Small, and Medium Enterprises
mSpark	Micro-Enterprises Strengthened for Pandemic Adaptation and Resilience in Kenya
NGAAF	National Government Affirmative Action Fund
NGO	Non-Governmental Organization
NITA	National Industrial Training Authority
OECD	Organisation for Economic Co-operation and Development
PWD	Person with Disabilities
RCT	Randomized Control Trial
REAP	Rural Entrepreneur Access Program
SDG	Sustainable Development Goal

SHG	Self-Help Group
SMEs	Small and Medium Enterprises
SNV	The Netherlands Development Organization
TVET	Technical and Vocational Education and Training
UAF	Urgent Action Fund (UAF)
UNFPA	United Nations Population Fund
UNW	UN Women
VAWG	Violence Against Women and Girls
VSLA	Village Savings and Loans
WB	World Bank
WEAI	Women Empowerment in Agriculture
WEE	Women's Economic Empowerment
WEF	Women Enterprise Fund
WIM	Women in Manufacturing
WWB	Women's World Banking
YBE	Youth Business Enterprise
YEDF	Youth Enterprise Development Fund

Executive Summary

Despite decades of scholarship on gender in development, and a huge increase in the number of project-level interventions targeting women's economic outcomes, the development sector has long avoided the hard—and political—work of addressing structural and systematic discrimination against women as an integral part of economic development policy. But it can no longer do so.

The need for more transformative approaches to support the economic empowerment of women, especially informal entrepreneurs, is hugely pressing, as seen in the continued precarity of own-account work, women's disproportionate domestic and care work burdens, and the high rates of violence against women and girls (VAWG). COVID has laid bare the glaring inequalities that women entrepreneurs in Africa, including Kenya, face and has deepened those inequalities.

This paper seeks to move the women's economic empowerment agenda forward by presenting a feminist conceptual framework for analyzing women's entrepreneurship that identifies three sets of constraints—individual, normative, and structural—that act as barriers to women's economic empowerment. We argue that women's capabilities and agency at the individual (and collective) level are constrained by norms and structures, and that these "structures of constraint" impede women's participation in market activities and push them into lower-earning activities when they do participate.

Using our conceptual framework, we explore the interplay of choice and constraint in women's efforts to achieve greater economic empowerment through enterprise creation and ownership in Kenya. We identify the range and magnitude of constraints, and the extent to which—and how—economic development and livelihood programs in Kenya address these constraints and support the economic empowerment of women entrepreneurs in the informal sector. We provide concrete examples of how programs are addressing—and failing to address—individual normative and structural constraints to women's economic empowerment (WEE). We conclude with suggestions for a more feminist and comprehensive approach to supporting women informal entrepreneurs in Kenya, enabling greater transformation, and identify areas where future experimentation and evaluation on effectiveness would be helpful.

I. Introduction

This paper focuses on women own-account workers (whom we also refer to as "informal entrepreneurs") in Kenya,[1] examining, through a feminist lens, the interplay of choice and constraint in achieving greater economic empowerment through enterprise creation and ownership.

While considered "vulnerable" by the ILO, informal own-account entrepreneurship represents an important source of cash income in LMICs, in SSA, and—in particular—for women.[2] It can improve individual and household livelihoods and enable more autonomous decision-making.[3] It also offers women the opportunity to challenge their subordinate position within the family and to expand their social networks beyond it. Evidence suggests, however, that gender inequalities in resources, capabilities, and returns appear large at the lower end of the enterprise continuum, where work is motivated by survival concerns.[4] In effect, women earn less money from their enterprises, and they have a harder time controlling that money.

The disproportionate impact of COVID in Africa on the sectors where many women entrepreneurs operate their businesses, and evidence that this has led to the loss of livelihoods by large numbers of women in the informal sector, has thrown new light on the challenges of women working at the bottom of the earnings pyramid.[5] At the same time, because wage-earning opportunities are not keeping up with the supply of labor (that is, the entrance into the labor force by many young people), even greater numbers of young people, including young women, have to start micro-enterprises to earn money for themselves and their families.[6] There is much to be gained from looking at what is known about how programs can better ameliorate these gender-based pressures and burdens that act as barriers to economic empowerment for women who become owners of household and micro-businesses, and much to be risked by not doing so. This challenge forms the motivation for the research in this paper.

Section II presents a brief overview of our research methodology in carrying out this research. Section III presents our feminist conceptual framework for women's entrepreneurship. In Section IV, we use the framework to examine the evidence on specific constraints for women informal entrepreneurs in Kenya. Section V presents our evidence on the extent to which—and how—economic development and livelihood programs in Kenya address these constraints and support the economic empowerment of women own-account entrepreneurs in the informal sector. We provide concrete examples of how programs are addressing—and failing to address—individual, normative and structural constraints to women's economic empowerment (WEE). We conclude in Section VI with reflections that we hope will contribute to a more feminist and effective approach to supporting women informal entrepreneurs in Kenya, enabling greater overall economic and social transformation.

1 A substantial proportion of working men and the majority of working women in Kenya work in the informal sector. The informal sector consists of either farm or non-farm production units that are not constituted as separate legal entities independently of their owners (i.e., owners are considered to be "own-account" workers). These enterprises are owned by individual household members or several members of the same or different households, employ fewer than six people, and typically operate at a low level of organization (e.g., they do not keep books). While we refer to these businesses as enterprises and the owners as "entrepreneurs," most should not be thought of as growth-oriented enterprises and many owners are not "entrepreneurial" in the true sense of the word.

2 Chen and Carre, 2020.

3 Kabeer et al. (2011); Buss et al. (2017) in Heintz (2021).

4 Kabeer (2021).

5 Maichuchie and Obiria (2020); World Bank (2020); Hunter et al. (2020).

6 Filmer and Fox, 2014; Fox and Gandhi, 2021.

II. Methodology

This research was commissioned by the Global Center *for* Gender Equality at Stanford University and carried out by Kore Global in order to examine the challenges and opportunities for large funds and programs seeking to support women entrepreneurs in Kenya. The research for this paper was carried out between January and June 2021. Research was undertaken through:

- Global- and Kenya-focused literature reviews on women's economic empowerment and women's entrepreneurship.
- A light-touch desk-based review of a small sample of programs in Kenya that focus either directly on women entrepreneurs or more broadly on market development, financial inclusion, or livelihoods. Please see Table 1, below, for a list of sampled programs, and brief program descriptions.
- 11 Key Informant Interviews (KIIs), using bespoke interview guides, with program staff from our sample programs, including WIM (KAM), EOWE (SNV), REAP (BOMA), mSpark (TechnoServe), Ushanga (GoK), and with global and Kenya WEE experts from IPA, J-PAL, ICRW, Urgent Action Fund, GROOTS Kenya, and the University of Nairobi. Please see Annex A for a full list of key informants.

Our Kenya and global literature reviews on "what works" were supplemented by a more focused review of 11 initiatives in Kenya. This sample was informed by previous landscaping research on East African women's economic empowerment programs carried out by the Global Center *for* Gender Equality at Stanford University and Kore Global (GC*f*GE 2020), and discussions with key informants and the foundation. Selection was made on the basis of the following five considerations:

1. Initiatives that explicitly seek to improve outcomes for women-owned enterprises, that include young women as part of a youth entrepreneurship program, or that include women as part of a wider market development or livelihood program.
2. A mix of program implementers (government, private sector, civil society/NGO, and bilateral and multilateral donors).
3. A mix of larger and smaller initiatives, and programs that have an explicit focus on gendered constraints and outcomes for women informal entrepreneurs and those that do not.
4. A spread of initiatives seeking to tackle individual, normative, and structural constraints at different levels (see Section IV for a description of our conceptual framework).
5. Availability of evidence:

- Documents—evaluations, systematic reviews, and syntheses, in addition to program-generated evidence, such as project reports, briefing papers, articles, and blogs, etc.
- People—ability to conduct KIIs with those who can fill gaps in documentary evidence.

All of the programs we reviewed for this paper work at the individual level, with most addressing a combination of economic, human, and social capital constraints. A smaller number of programs do this in combination with work on normative- and structural-level constraints. The initiatives target different groups, including women operating informal businesses, women leading micro, small, and medium enterprise (MSMEs), youth starting or operating informal enterprises, and women participating in savings or self-help groups. Our final sample of initiatives is presented in Table 1 below.

TABLE 1: **Deeper Dive Initiatives**

Initiative		Brief Description
Initiatives targeting own-account workers and micro entrepreneurs		
1	**Enhancing Opportunities for Women's Enterprises (EOWE), The Netherlands Development Organization (SNV)**	EOWE (2016-2020) is funded by the Ministry of Foreign Affairs of The Netherlands and targets female entrepreneurs in arid and semi-arid areas, in already formed women's groups. EOWE is also implemented in Vietnam, but for the purpose of this paper, we have reviewed only the work in Kenya. EOWE's interventions in Kenya include skills development, supporting linkages to markets and input providers in selected value chains, household dialogues, and behavior change communication strategies (radio). EOWE also works with county governments not just to localise and implement national policies that support the development of female entrepreneurship but also to develop county enterprise funds.
2	**Micro-Enterprises Strengthened for Pandemic Adaptation and Resilience in Kenya (mSpark), TechnoServe**	This 12-month program (2020-2021) was funded by the Mastercard Foundation in response to COVID-19. It targets micro entrepreneurs (primarily micro retail), of which the majority are young people and women. The program provides links to innovative sourcing to address supply chain disruptions; as well as emergency grants and support on skills development (digitally enabled training).
3	**Rural Entrepreneur Access Program (REAP), BOMA**	REAP is an approach implemented by BOMA (which has been active since 2009) through two-year programs of sequenced interventions, funded by a variety of partners (entities and individuals). The approach is administered through direct implementation, strategic partnerships or government adoption. REAP has been adapted to serve women, youth, and refugees in the drylands of Africa, including in Northern Kenya. Interventions include economic support through seed capital grants and cash transfers, leveraging links to financial institutions, and promoting the creation of tailored products by financial service providers. Savings groups are set up and registered, to enable access to credit beyond the program. Training and ongoing mentoring on business and life skills are provided through the graduation program.
4	**Ushanga Initiative, GoK**	This is an ongoing government initiative, gazetted in 2017, operating under the Ministry of Sports, Heritage and Culture. Ushanga targets pastoralist women in seven counties and focuses on commercialising beadwork. The initiative organises women into cooperative groups across seven counties. The cooperatives have between 100 and 2,000 members. They are trained in beadwork, and specifically on improving product quality, value addition, marketing, and business strengthening. The initiative also works to promote the beadwork sector, by raising the public's awareness of the cultural and economic value of beadwork, establishing infrastructure for e-commerce, and providing infrastructure for production. Through a UNFPA partnership, the initiative will also work to promote awareness and prevention of FGM in rural communities.

Initiatives targeting MSMEs and/or women's groups		
5	**Women Enterprise Fund (WEF), GoK**	Formed in 2007, this government agency targets MSMEs or groups, with a particular focus on women. It is funded by the GoK and has started a funding partnership with Coca-Cola CEWA. WEF provides different types of loans to individual women and women's groups. It also provides capacity-building and access to networks through a business club.
6	**Youth Enterprise Development Fund (YEDF), GoK**	This state corporation, funded by GoK since 2006, targets youth-owned enterprises (individuals or groups). It provides loans and capacity-building and facilitates market linkages.
7	**The Uwezo Fund, GoK**	Launched in 2013, the fund is a government flagship program for Vision 2030. It targets MSMEs with a focus on women, youth, and people with disabilities. It only provides group loans, in combination with capacity-building and facilitation of market linkages.
8	**Kenya Industry and Entrepreneurship Program (KIEP), WB**	Implemented by the World Bank (2019-2024), KIEP targets startups and SMEs, a small percentage of which are women-owned and run. It focuses on providing enterprise training, and on working with sector intermediaries to create linkages.
9	**Kenya Youth Employment and Opportunities Project (KYEOP), GoK and WB**	KYEOP is a GoK program, financed by the World Bank (2016-2021). The implementing agencies are the Ministry of Public Service, Youth and Gender Affairs (MPYG), the Micro and Small Enterprises Authority (MSEA), and the National Industrial Training Authority (NITA). The program targets youth (18 to 29 years, or 35 for one component) who are either long-term unemployed or in vulnerable jobs, promoting both employment and self-employment. For this review, we have looked only at the self-employment components, which cover grants, a business plan competition, and innovation challenge, as well as business development services.
10	**Women in Manufacturing (WIM), Kenya Association of Manufacturers (KAM)**	This initiative started in 2017 and is ongoing. Targeting women-owned, founded, or led MSMEs, WIM focuses on the manufacturing sector. Funded and/or supported by partners, including Trade Mark East Africa, UNW, Danish Family Planning Association, and soon Kenyatta University. The program has partnered with Kenyatta University under the Bill & Melinda Gates Foundation WEE Fund in Kenya to conduct a five-year research program on the impact of WIM for women in the manufacturing sector. WIM focuses on skills, knowledge, and—in turn—quality of products to better access markets and supply chains, and on organizing women into a network to influence the sector.
11	**Kenya Commercial Bank (KCB) Women's World Banking (WWB) Partnership**	This KCB "program" was run in partnership with WWB (2016-2019), and more recently with IFC (announced in 2020). It targets women-led MSMEs. Little information is available on the IFC partnership, so we have used only material from the WWB partnership. This partnership is focused on financial service provision, in combination with capacity-building and promoting access to a business club.

We encountered two main limitations in conducting this research: 1. A paucity of robust evidence on sample initiative achievements (most programs did not have external evaluations, and we needed to rely on internal reviews and key informant interviews), and 2. Challenges securing discussions with, and documentation from, KIIs from some initiatives. We addressed these limitations through expanding our global and Kenya-focused desk reviews and refocusing our discussion on constraints that these programs were attempting to alleviate for women entrepreneurs, rather than on outcomes achieved (where this evidence was not available).

III. A feminist conceptual framework for women's economic empowerment

Theoretical approaches to understanding labor market outcomes in developing countries—and the policies and programs that spring from this—tend to focus on individual choice given a set of opportunities,[7] and the capabilities individual women need to obtain better choices and realize better opportunities.

The set of opportunities is driven by the pace of economic development and transformation, including the growth of wage employment opportunities in firms. Pending an expansion of wage-earning opportunities, programs increasingly focus on helping women start and run their own business as a route to better opportunities and higher incomes. The increasing focus of development programs on private sector linkages and "the business case" for supporting individual women entrepreneurs to "make better choices" over the past decade has thus reduced "empowerment" to earning income, an easier fit within the current development agenda.[8]

While the emphasis on entrepreneurship and self-reliance in the mainstream development policy agenda and accompanying "conventional" economics research increasingly incorporates social norms and legal constraints,[9] these additions often remain in the conceptual realm, represented as an amorphous "cloud" or "outer ring" labelled "enabling environment," and not directly addressed. Such an approach not only fails to challenge power dynamics and acknowledge the political nature of the collective change agenda,[10] but it also further divorces the sector from the holistic, interconnected, lived experiences of women entrepreneurs. The structural and systemic is rarely "designed for" or seen as an important domain of change in itself.

Feminist researchers have drawn attention to the market as a site of women's subordination rather than as the competitive mechanism for welfare maximization that is assumed in a great deal of mainstream economics.[11] Many feminist economists, development practitioners, and scholars argue that WEE is broader than control over domestic economic resources or labor market participation,[12] and that WEE:

1. Involves both women's acquisition of resources and the exercise of power and agency in all economic domains and market-related interactions;[13]
2. Requires increased agency and the ability to make strategic life choices in a context of gender inequality;[14]
3. Is a process that involves the development of consciousness (aspiration and perceived self-efficacy), as well as direct exercise of power to achieve change, including through collective action;[15]

---

7 Kabeer (2021).

8 Nazneen et al. (2019).

9 Kabeer (2021).

10 Ibid.

11 Kabeer (2021).

12 Nazneen et al. (2019).

13 Earning, spending, and saving income; buying, owning, and selling assets; holding and inheriting wealth; starting and operating a business; acquiring a bank account or credit (Fox and Romero, 2017).

14 Kabeer (1999); Parpart et al. (2002); Taylor and Pereznieto (2014); Golla (2011).

15 Rowlands (1995); Taylor and Pereznieto (2014); Golla (2011); Fox and Romero (2017).

4. Requires a recognition that individuals operate within both informal (normative) and formal (structural) constraints;[16]
5. Must therefore be multidimensional and occur at multiple levels in order to be possible and sustainable, including at the individual level, in interpersonal relations and through group mobilization or collective action, in communities and institutions, in markets and value chains, and in the wider political and legal environment;[17]
6. And is highly context-specific both in terms of women's aspirations and the constraints they face.[18]

The above conceptual elements of WEE urge us to look at capabilities and agency as normatively and structurally constrained and enabled. For feminist economists and scholars—who recognise and centralise these gender discriminatory structures in their analyses—gender inequality in the marketplace cannot be explained away in terms of choices and preferences of individual workers and employers. Instead, "it is structured into market forces by discriminatory practices inherited from the past, as well as by the bargaining power exercised in the present by different groups of market actors pursuing their own self-interest."[19]

Gender disadvantage in the labor market is thus a product of how power is created and re-created through these "structures of constraint." These structures disempower women economically by impeding women's participation in market activities and pushing them into lower-earning activities when they do participate. They specifically constrain women's business earnings and business growth. At the macro-structural level, they impede economic and social development.

Our conceptual framework seeks to capture the above feminist approach to WEE and apply this specifically to understanding the constraints women entrepreneurs in Kenya face in trying to achieve economic empowerment outcomes. These include normative constraints such as intrahousehold power distribution that exist and operate at the meso level, and structural constraints that exist and operate at the state level. Both of these sets of constraints interact to create a third set of constraints: Capital constraints that exist and operate at the individual level. See Figure 1 below.

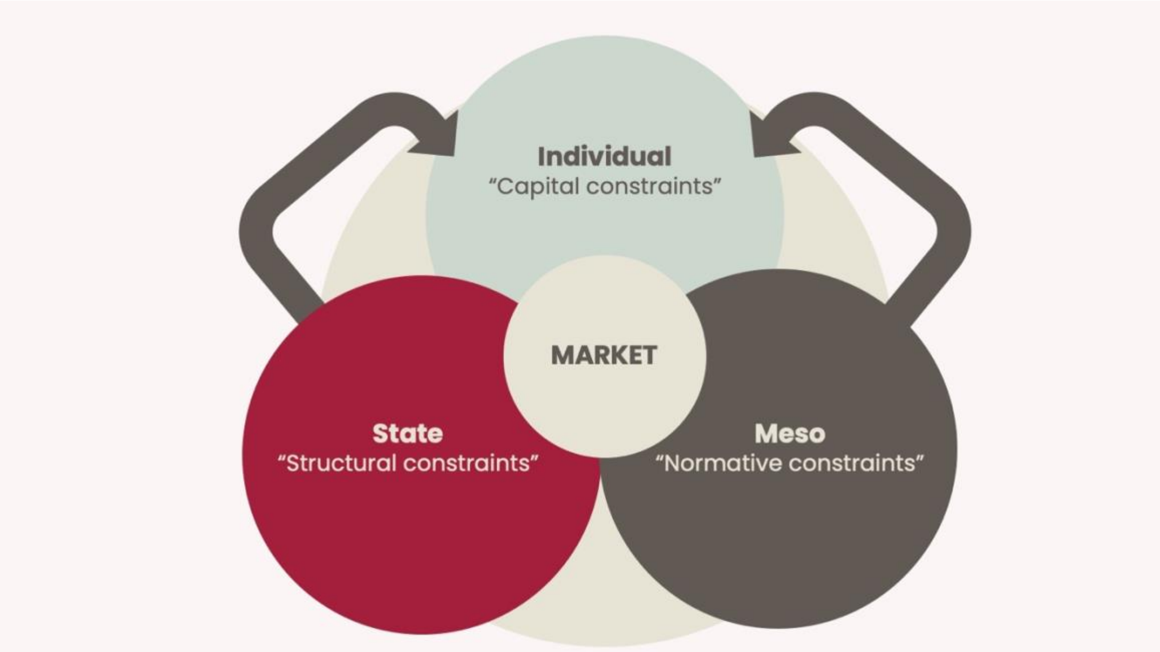
[16] Kabeer (2021); Fox and Romero (2017.)

[17] Batliwala (2007); Taylor and Pereznieto (2014); Golla (2011).

[18] Calder and Boost (2020); Fox and Romero (2017); Field et al. (2010); Hanmer and Klugman (2016).

[19] Kabeer (2021:16).

FIGURE 1: **Overarching Conceptual Framework**



Our conceptual framework shows how these three sets of constraints—individual, normative, and structural—all influence women entrepreneurs' success as market actors through a complex overlapping, causal and reinforcing process. It also explains how increasing women's capital (of all types) can help them overcome constraints to achieve better market outcomes, and how the actions of actors at the meso and market levels can also support this, but only if these actors recognise how gender-inequitable the status quo is.

Individual-level capital constraints

Everyone needs capital to succeed in work and in life. Capital can be embedded in humans (human capital), embedded in society (social capital), or possessed in the form of a tangible asset, by an individual, a household, or a group (economic capital). Capital is especially important for women entrepreneurs to navigate the "structures of constraint" they face in doing business. Yet evidence suggests that women suffer capital deficits relative to men, and that this affects their performance.[20]

Human capital includes business, entrepreneurial, vocational, and sectoral information, knowledge and skills, and an understanding of key policies and regulations; basic cognitive skills such as literacy and numeracy; financial and digital skills; and social-emotional skills, such as aspiration, self-esteem, goal setting, and communication. The exercise of individual choice is significantly enabled by stores of **social capital**. Social capital refers to networks, rooted in norms and social trust, that facilitate coordination and cooperation for mutual benefit, that are informed by long-standing values of solidarity and mutuality.[21] Women entrepreneurs are often further limited by their disproportionate reliance on horizontal social networks—connections and relations between those in similar socio-economic situations—as compared to vertical networks with people of different socio-economic standing. However, horizontal social capital can be valuable to women entrepreneurs insofar as it enables them to join with others in collective action.

[20] McKenzie et al. (2021); Batista et al. (2021).

[21] Adato and Hoddinott (2008) in Calder and Tanhchareun (2014).

Finally, entrepreneurs require access to, and control over, **economic capital**, including: financial assets such as earnings, savings, and investments; productive assets such as business equipment (including phones), inventory and inputs, livestock, and land; and private/domestic infrastructure assets like fuel-efficient stoves, durable housing, and solar power that increase women's ability to engage in paid work.

Given an enabling environment, these interlinked forms of capital support women entrepreneurs to exercise greater choice and agency in relation to their entrepreneurial activities. This is why lack of capital is more of a problem for women entrepreneurs: first, because systemic and structural constraints allocate more opportunities to build capital to men; and second, because women need more capital than men simply to overcome structural constraints and operate their business productively and profitably. This is also particularly important for own-account workers, for whom choices are often severely constrained by the economic structure, as well as by capital and normative constraints.

At the individual level, the outcomes being sought for women informal entrepreneurs include increased stocks of economic, social, and human capital that serve to both enhance the ability to exercise choice and effect change in spheres that are important to individual women—e.g., having the skills and resources to compete in markets and the ability to make and act on decisions and control resources and profits. These outcomes can be measured by increases in the stock of capital—e.g. ,stronger networks, ownership of land, improved self-esteem and self-confidence, increased business assets, increased savings etc., and/or increased flows from the capital (e.g., improved business practices and increased income).

Meso-level normative constraint

For women entrepreneurs in general, the household and community are critical sites of empowerment/disempowerment for three reasons: the strength of norms, the centrality of the household and community as "market institutions," and the centrality of collective action.

A primary set of constraints derives from the "intrinsically gendered" norms that both define the socialization processes that assign men and women, and boys and girls, different roles and responsibilities and guide social relationships within the family, kinship group and community. These norms circumscribe women's capabilities well before they enter the labor market, as norms affect the whole skill development process of children and youth—for example, how much and what kind of education and other learning opportunities are made available. Norms invest dominant household members, usually men, with the authority to determine how resources are allocated and how women and girls use their time.[22] The role of gender norms and relational agency is thus important to examine as a factor enabling or constraining women's economic outcomes.

Norms play an important role in explaining many labor market phenomena, such as persistent gender segregation, low or declining Female Labor Force Participation (FLFP), women's lower returns to human capital and experience in the world of work, women's double burden of paid and unpaid work, household decision-making, the aspirations of women and girls,[23] and the availability of relevant products and services for women in the market (for example, financial products and services, good-quality affordable childcare, and private/domestic infrastructure). These gendered norms center around five key areas:

- Women's time use, including responsibilities assigned to women for domestic and care, paid work, and leisure time;
- The desirability, suitability and respectability of different types of activity and work for men and women, including whether girls and young women should attend school, acquire certain skills (e.g.,

[22] Kabeer (2021).

[23] Marcus (2021).

digital literacy), whether women should work outside of the home, work in mixed-gender environments, and run a business;

- Voice, representation, and leadership in decision-making in the household and the community, including women's influence on the allocation of work and resources within the household and participation in decision-making within family and kinship groups, and their participation in wider associational life;
- Women's freedom of mobility; and
- The frequency, intensity, and acceptability of VAWG and sexual harassment.

Second, households and communities are also, in many respects—and particularly for women operating informal businesses—market institutions, as they circumscribe the economic activities, transactions and relationships that women micro- and small-scale entrepreneurs engage in, as well as control if and how women benefit from the fruits of their labor.[24] Both gender norms and women's capabilities influence the degree to which women can negotiate and exercise agency in the household and community. Women make labor market decisions within a social structure defined by cultural norms, household relationships, the endowments of other household members, the care needs of the household and the extent to which these can be satisfied in the market, and the composition of economic activities.

Women's participation in labor markets is also determined by their "relational agency." Relational agency is an expression of the interplay between women's psycho-social capability (at the individual level) and normative factors that operate at the household and community levels.[25] It is this relational agency, the ability of women to bargain effectively and resist attempts to subvert their power, that enables women to expand choice, act on their preferences, and achieve better outcomes.

Women entrepreneurs engage in relationships with a host of other value chain actors in the course of their business, including suppliers, customers, and service providers (e.g., financial service providers, extension workers, transportation providers, etc.). The attitudes and behaviors of these actors (based on gendered norms) serve to exacerbate, introduce, or remove constraints. Most often, these relationships are characterised by gender (and other forms of) discrimination, and women have little negotiating power and little opportunity to exercise relational agency. This plays out in a number of ways that limit women's achievements as market actors. For example, financial services providers behave in a gender-discriminatory way by not providing loan products that meet the needs of women entrepreneurs; and suppliers or public servants (such as police) may subject women entrepreneurs to sexual- or gender-based harassment in the course of their work.

Third, it is at the community level that women engage in "collective agency," the process through which women exercise "strategic forms of agency in relation to their own lives, as well as in relation to the larger structures of constraint that positioned them as subordinate to men."[26] Women informal entrepreneurs need the ability to organise with others in the community to enable their participation in economic activity and their control over the resources that flow from this activity. For women owners of informal and small-scale enterprises, voice, representation, and leadership are often found through participation in cooperatives, collectives, or similar associations; business networks; and women's organizations supporting WEE through service provision and advocacy.

At the meso level, the outcomes being sought focus on more gender-equitable norms in relation to the five key normative areas described above. These outcomes can be measured by changes in the attitudes and beliefs of men and women about acceptable behavior and common behavior, as well as changes in behavior. For example, women's participation in male-dominated sectors and occupations, and ownership

[24] Heintz (2021).

[25] Dowie et al. (2021).

[26] Kabeer (2012:7).

and control of productive resources could signal more gender-equitable norms (in addition to more gender-equitable laws). Outcomes being sought also refer to the attitudes and behaviors of those outside of the strict bounds of the community—for example, financial service providers, buyers, and aggregators, or police who patrol market spaces. Women's access to relevant financial products and services and freedom from public sexual harassment are useful measures of change. Outcomes can also be measured by women's participation in, and leadership of, community-level economic and political organizations. Stronger collective agency can be evidenced through the engagement and influence of women's groups in key community-level and wider institutional governance and decision-making, and their successes in asserting their rights.

State-level structural constraints

Government policies, laws, and regulations—whether formulated at the national or sub-national level—create a structure that directly or indirectly constrains women's participation in the economy, and entrepreneurship more specifically. Macro-level economic policies are often thought of as "gender neutral," as they cover policy areas such as public and private investment, macroeconomic stability, rules for international trade, financial regulatory powers and policies, and public expenditure allocation and management. In most cases, these policies are not designed with WEE outcomes in mind, but they affect women and men differently because of their different positions in the economy and society, shaped and reinforced by existing gender norms.

Policies that **directly** influence women's ability to start, run, and grow their businesses include: i) Macro-level economic policies around trade and taxation; ii) Allocation of public expenditure for service provision and investment (e.g., for market infrastructure, safe public transportation, or social protection); iii) Credit and finance policies; iv) Regulations around access to markets; v) Regulations around business registration and licensing and access to public space to do business; and vi) Laws on property ownership and inheritance. Policies can also **indirectly** influence women's ability to start, run, and grow their businesses by discriminating against women or not guaranteeing them equal rights. These may include: i) Policies on the marketization and subsidization of the care economy and the recognition of unpaid care responsibilities (e.g., provision of affordable childcare and parental leave policies); ii) Expenditure policies and project choice affecting infrastructure service provision that reduce the time burden of unpaid work done for the household (e.g., policies on the provision of water, sanitation, and electrification); iii) Education policies that support girls' participation and achievement; and iv) Prevention and response mechanisms to gender-based violence.

Government policies, laws, and regulations can both reflect and reinforce the norms that play out at the meso and micro levels. Norms influence whether gender-responsive policies exist, and whether their implementation and enforcement are well-funded and monitored. Public policy can reinforce community norms or nudge a change process forward. Furthermore, norms associated with the intrinsically gendered relations in the household and community are often reinforced through the public domain of formal state-level institutions. State-level institutions are therefore "bearers of gender"[27] when they reflect and reproduce preconceived notions about masculine and feminine roles and responsibilities as routine aspects of their rules, procedures, and practices. These preconceived notions become implicit bias in both policymaking and implementation (e.g., regulations for private sector accountability will influence how inclusive value-chains might be), as well as in the interpretation of laws (e.g., such as what constitutes illegal workplace discrimination).

In addition to formulating and implementing economic policies that may affirm or support the status quo of gender inequality, governments respond to shocks and crises by reducing the damage to individual,

[27] Whitehead (1979) in Kabeer (2021).

household, and business assets. These actions may fail to consider the gendered needs and impacts (e.g., safety net and economic stimulus packages). There is emerging evidence that sector-specific and job-specific impacts of the COVID-19 pandemic may be disproportionately affecting the informal sector, especially women. Households operating in this sector have limited social protection measures and low savings. Women entrepreneurs, who tend to have lower business profits, are particularly vulnerable at this time. Women owners of informal enterprises are unlikely to benefit from the measures taken by governments to cushion businesses from the economic impacts of the pandemic because they work in the marginal spaces. It is critical that COVID-19 economic and social policy responses are informed by gender analysis and consider the informal nature of the majority of women's enterprises, as well as the gendered division of labor within the household, which disproportionately burdens women during lockdowns.

At the state level, policies that can benefit women informal business owners include: i) Financial policies and institutions that make it easy for women with small amounts of savings and low transaction size to access, to reduce the cost of lending to micro businesses, and to allow women to take credit in their own name and prohibit discrimination in granting credit; ii) Education policies that encourage equal access to skills and knowledge; iii) Public safety and judicial policies that reduce the risk of violence against women; iv) Access to supportive community public infrastructure and public spaces to do business; and v) Policies to reduce the cost of market-based care services such as childcare, after-school programs, and elder care. Legal systems also need to guarantee women's equal rights to engage in market-related transactions and own and control property, including: i) Equal legal right to do business and sign contracts; ii) Equal right to purchase, own, sell, transfer, and bequeath productive assets; iii) Absence of gender discrimination in family law and judicial processes and regulations; and iv) Protection against violence and sexual harassment.

The market ecosystem: Where the micro, the meso, and the macro meet

Our conceptualization of the market ecosystem seeks to problematize the market as a space where gender-based normative and structural constraints both create capital constraints (for example, through uneven investments in girls' and women's human capital) and further exacerbate these "pre-existing" capital constraints through unequal access to market services, opportunities, and economic and social capital.

These constraints interact to limit women's opportunity to collectively engage in, and shape, market institutions; their access to suitable services and assets; and their choices relative to men's, thereby contributing to their greater representation in marginal, unregulated, and precarious forms of entrepreneurship with low and unstable earnings and few, if any, social protections. Segregation can occur along several fronts—occupation, sector, status in value chains, profit potential and level of risk—and is stubbornly persistent in informal labor markets, despite low barriers to entry, due to this vicious interplay between capital, normative, and structural constraints.

IV. Constraints women entrepreneurs face in Kenya

This section uses secondary data to examine the individual, meso, and state-level constraints and opportunities for women informal entrepreneurs in Kenya.

Economic growth and job creation in the Kenyan economy

Over the past 20 years, the Kenyan economy has delivered positive per capita income growth, with the one notable exception being in 2008, following political disturbances and civil conflict. Service sector output growth drove this performance; between 2006 and 2013, 72% of the increase in GDP came from service sectors, including both publicly provided services such as education, health and administration, as well as modern formally provided services (finance, ICT, tourism), and traditional, mostly or partly informally, provided services such as trade and transport. As a result, agriculture and manufacturing declined as a share of GDP. Employment by sector tracked output, as service sector employment grew during the same period. But the output growth in formally supplied high-value services did not increase employment very much, and, as a result, most employment in Kenya remained informal, especially for women (see Table 2).

TABLE 2: **Distribution of employment (percentage), 2015/16**

Type of employment	Male	Female	Total
Family agriculture	22	18	20
Wage employment	31	18	24
Own account (nonfarm)	41	54	48
Family worker (nonfarm)	5	9	7
Other	1	1	1
Total	100	100	100

Source: KIHBS 2015/16, KNBS.

Two factors account for the persistence of informal employment in Kenya:

- **Rapid labor force growth is a major factor causing informality to persist.** Kenya's labor force grew at about 3% per annum over the 2000-2018 period. It is difficult for new firms to be established and grow fast enough to employ such a rapidly growing labor force.
- **Slow growth of private sector labor demand compounded the labor supply issues.** Firm creation is low in Kenya.[28] Output growth was rapid in sectors which employ relatively few people, such as ICT and financial services. As a result, most Kenyans entering the labor force were pushed into informal work in household farms and businesses.

[28] World Bank (2019).

Informal employment in Kenya suffers from low productivity, low earnings, and high-income uncertainty (precarity), contributing to the 28% extreme poverty rate among the employed population, and 36% national poverty rate.[29]

Women face multiple constraints in the labor force, and as a result are especially likely to be own-account or family workers. Various factors push women into running their own informal non-farm business—lower education levels,[30] discrimination, and sexual harassment are common in wage work settings, especially for young job seekers.[31] The unemployment rate for women is higher as well. And by age 20, 80% of urban women are out of school (compared with 60% of men). Of these, about 38% of urban women aged 20 report part- or full-time employment (compared with 83%of men); the other 62% report that they are unemployed and searching for work or engaged either part or full-time in unpaid domestic chores for the family, including caring for young children.[32] As well, 23% of women aged 20-24 reported in the 2014 Demographic and Health Survey (DHS) that they had been married by age 18, and many had children.

Women in business: The micro-entrepreneurship sector

Individual-level constraints

"I am a hairdresser and beautician, specializing in beauty. I also hawk, when the business is low, I also sell second-hand toys." (Woman microbusiness owner, rural Kenya)

Source: World Bank, Kenya Economic Update, December 2012, Edition 7. p.32

Women contend with human, economic, and social capital deficits as they strive to earn a living in Kenya by starting and running their own business. Reflecting historical lack of access to education, adult female literacy is 7 percentage points below men's, although youth literacy shows no gender gap. Kenyan girls and young women often have lower levels of self-esteem and self-confidence, because of socialization patterns that emphasize deference and limit access to the wider world. In one of the few articles to discuss the importance of self-confidence and self-esteem, qualitative research with young women in slum areas of Nairobi highlights the importance of self-belief in facilitating livelihood development directly but also in negotiating relationships and avoiding unwanted sex or pregnancies.[33] Kenyan women do have access to reproductive health services, especially in urban areas; 60% of women aged 15-49 use modern contraceptive methods (compared with only 26% for the region as a whole). Unmet need for family planning for all young women aged 15-24 is only 10% nationwide—9% in urban areas and 11% in rural areas. Maternal mortality has fallen by one-half since 2000.[34]

Economically, women are less likely to have a formal bank account (47% of women vs. 65% of men), but they have benefited substantially from the expansion of mobile money across Kenya, as 70% of women report using a mobile money account.[35] This is much higher than the regional average of 50%. A 2013 survey of informal businesses in Kenya found that women's businesses were smaller, had lower capital, were less

29 Ibid.

30 Although the male-female gap in primary and secondary completion is now quite small, women in their 30s and older did not have these opportunities (World Bank, 2016).

31 World Bank (2012).

32 2016 Kenya Integrated Household Budget Survey (KIHBS) data.

33 DHS statcompiler: https://www.statcompiler.com/en/

34 Kenya National Bureau of Statistics et al. (2015).

35 World Development Indicators.

productive and less dynamic, and were twice as likely to be operating from their home than men's.[36] Lack of collateral or a guarantor (with a regular wage/salary income) is the main reason why people could not gain credit from a bank in 2019, a condition that often affects women.[37] A lack of credit history, or a poor credit history, was also important in being denied credit.[38]

Women's access to, and control over, economic capital is significantly lower than men's, despite constitutional guarantees of equal rights and opportunities in economic spheres, including the same access to own and make use of land and other assets.[39] Customary laws and practices continue to restrict women's access to, and control over, assets. Only 12% of women aged 20-49 years report owning any land on their own, compared with 39% of men; 82% of houses have only male owners listed.[40]

Kenyan women operating informal businesses face constraints in accessing social capital. Women have been historically excluded from social and business networks that provide them with relevant skills, market information, peer support, and other crucial foundations for business survival and growth.[41] Low access to services, networks of suppliers, consumers, sellers, and market information is a critical barrier, especially for rural Kenyan women where added challenges include poor network connectivity and long distances from markets which are sources of information.[42] Women tend to have stronger horizontal networks than vertical networks, with less-diverse networks largely composed of family and kin, often of the same gender.[43] Informality of women-owned businesses also impacts access to services by restricting applications for government procurement opportunities. Informal businesses are also less likely to access customers with "high purchasing power," thus limiting their profitability and opportunity to grow.[44] Women's access to markets is also limited by their marketing and negotiating skills, which reduces their bargaining power with (largely male) "brokers" who have larger networks and stronger relationships with markets. An example of this is that women farmers often face farmgate prices much lower than market rates.[45]

Meso-level normative constraints

"I also have a friend whom we were school with, she has been looking for work for 6 years, yet she is educated, she has a degree and other post graduate qualifications but every office she goes they want to get down with her before she gets a job. She is pretty and has a good body structure. She tells me these stories crying and when she gets a job the boss start tuning her, she has a major problem." (Employed woman, urban Kenya)

Source: World Bank, Kenya Economic Update, December 2012, Edition 7, p. 35.

Kenya, as in other countries, has evolved a set of norms prescribing acceptable behavior for women in the household, the workplace, and the community. In general, norms are stricter in rural areas, where customary juridical systems run by male elders tend to uphold tradition. Yet in both rural and urban areas, norms have been shifting in favor of wider opportunities for women. At the same time, women do not report significant discrimination experiences, as 85% of women nationwide in Kenya reported in 2016 that in the past year, they did not experience any discrimination or harassment based on their gender, and 80% agreed

36 Timmis (2018).
37 Central Bank of Kenya et al. (2019).
38 Ibid.
39 OECD (2019).
40 Ibid.
41 Buvinic and O'Donnell (2019).
42 Banerjee (2019).
43 World Bank Group (2019).
44 Mugyenyi et al. (2020).
45 SNV (2017).

that women and men have equal opportunities to earn an income, without much variation by urban vs. rural areas,[46] suggesting widespread acceptance of Kenya's gendered norms as acted upon and enforced.[47]

While there is wide support in Kenya for women to undertake productive work, there is also the expectation that women will undertake significant domestic chores and care work. When women do work outside the home, they face significant obstacles to even getting hired into paid employment, and when they do get hired or start a business, they are subject to sexual harassment and sometimes violence.

Only 17% of the adult population reported that it is not acceptable for women to work outside the home for pay, which may partly explain the high women's participation in paid employment.[48] Only one-third of respondents in the latest Afrobarometer survey reported that when jobs are scarce, men should have more right to a job than women.[49] However, surveys of urban employers show that the (almost exclusively male) managers do not consider women to have the required socio-emotional skills for most white-collar wage jobs. Overall, employers stated that they prefer to hire males.[50] Employers consider men better at: showing up for work and doing the job well (conscientiousness), problem solving, demonstrating grit, and persistence; men were also perceived to have better technical skills. Women were perceived to be better at teamwork and at foreign languages.[51] Interviews with young women in Kenya revealed that requests for sexual favors are common at many stages of employment—getting hired, staying on the job, getting promoted, and for women operating their own business, getting access to markets and other locations where they could encounter customers.[52]

Evidence shows that supportive male partners influence women's entrepreneurial behaviors—especially their decision-making around starting a business and the moral support to grow it.[53] Nonetheless, entrepreneurial women face significant mobility constraints, attributable in part to their lack of income and in part to the burden of their domestic chores, which reduces time available for travel to meet suppliers or customers. Salon and Gulyani (2010), using data collected in informal settlements in Nairobi in 2004, show that working women are less likely to travel outside their home settlement for work and, if they do commute, they are less likely than men to use motorized transportation.

Women entrepreneurs may have less control over their capital and earnings than male entrepreneurs. There are several possible reasons for this. First, men and women running businesses may face pressure to share their economic resources with extended family. This is often referred to as "kin tax" and is part of the informal safety net system. While participation in this system can increase women's social "value," help to maintain relationships, enable consumption smoothing, and help to secure future support if faced with a shock or stress, we do know that strong pressure on high-productivity women entrepreneurs in Kenya to share resources with friends or family may impede business growth and investment.[54] While we do not know whether, in reality, this pressure is stronger for women than men, we do know that where women are able to control their money (e.g., through mobile money), they are more likely to start and maintain an informal business, and this effect is much stronger than for men.[55] Second, there is some evidence (though not Kenya-specific), that where husbands also run enterprises, there may be pressure for women to support

46 Afrobarometer: https://afrobarometer.org/online-data-analysis/analyse-online

47 Ibid.

48 OECD (2019).

49 Afrobarometer: https://afrobarometer.org/online-data-analysis/analyse-online

50 Sánchez Puerta et al. (2018).

51 Ibid.

52 World Bank (2012).

53 Andole and Matsui (2021).

54 Squires (2017).

55 Suri and Jack (2016).

these enterprises (particularly where they outperform women's) through their capital and earnings (including any grant or credit they are able to obtain from a program directed at female entrepreneurs).[56]

Male-run enterprises may outperform women-run enterprises for a number of structural and systemic reasons. A main driver is women's inability to control not only resources, but their own time. Once women return home from work, they are often subject to control by their husbands, and expected to spend time on domestic chores and unpaid care work—which they do, putting in over twice the time of men.[57] Equal numbers of Afrobarometer respondents agreed (44%) and disagreed (44%) with the statement that "in general, it is better if a woman has the main responsibility for taking care of the home and children rather than the man." Half of Kenyan women reported in the 2014 DHS that they decide how their earnings are used, which is up from 42% in 2008-2009. Among the others, most reported that they decide jointly; only 9% reported that only their partner decides how the earnings are used. Half of women also reported that they jointly decide how the husband's earnings are used, and 53% reported that decisions about major household purchases are made jointly. However, 40% of women reported that their partner insists on knowing where she is at all times.

In both urban and rural areas, over 60% of the population agreed that women should have the same rights to own and inherit land as men, and in rural areas, 62% believed that women do have equal chances of owning or inheriting land (despite evidence that few women currently own low land (see above).[58]

The high prevalence of VAWG within the home and outside suggest a fairly widespread acceptance of this behavior, despite legal prohibitions. Among women, 42%, and for men, 36% reported in the 2014 DHS survey that wife beating was justified for at least one specific reason. The respondents to the 2016 Afrobarometer survey were less supportive, however, with 81% of urban respondents and 77% of rural respondents reporting that it is never justified for men to beat their wives; 70% of all males nationwide reported that wife-beating is never justified. In terms of physical safety, females were less likely than males to report being physically attacked in the past year.

Attitudes toward civic participation by women vary starkly by gender.[59] Only 36% of men in urban areas and 24% of men in rural areas agree that women should have the same chance of being elected as men, whereas 73% of women nationwide agree with the statement. The majority of both women and men reported attending a community meeting in the past year, but it was more common for men to report attending. Women were also less likely to attend a protest march, to vote, or to attend a campaign rally. Kenya has never had a female president, and only 30% of ministers are women, despite there being a constitutional statute prohibiting more than two-thirds representation by any one gender.

State-level structural constraints

The Constitution of Kenya 2010 elaborates on the equal rights of women and men in socioeconomic and political domains and provides special protections which women, ethnic minorities, youth, and persons with disabilities are entitled to receive. Implementation of these rights though the legal code and judicial sector practice is not guaranteed, however.

Kenya has developed WEE-friendly policy frameworks and laws for advancing gender equality, including the national Vision 2030 policy blueprint, National Gender Policy (2019), National Youth Policy (2019), National Land Policy (2009), Matrimonial Property Act (2013), The Employment Act (2007), to name a few. Under the Free Maternity Service Policy (2013), all user fees were abolished to make maternity services accessible to the most vulnerable women, in order to reduce child and maternal mortality and the economic burden of

56 Bernhardt et al. (2018).

57 OECD (2019) and DHS statcompiler: https://www.statcompiler.com/en/

58 Afrobarometer: https://afrobarometer.org/online-data-analysis/analyse-online

59 https://afrobarometer.org/online-data-analysis/analyse-online

difficult pregnancies. UN Women rates Kenya as achieving 100% of the SDG target for legal frameworks that promote, enforce, and monitor gender equality in the area of marriage and family.[60]

At a national level, broad initiatives, programs, and projects have been implemented to increase women's livelihoods and improve their lives, including women's funds (Women Enterprise Fund),[61] Uwezo fund (for women, youth, and PWDs),[62] Access to Government Procurement Opportunities (AGPO),[63] and public-private sector initiatives.

Kenya has ratified many ILO conventions, including those guaranteeing equal pay and prohibiting employment discrimination (C100, C111). Kenya law prohibits gender discrimination in hiring, firing, pay, and promotion; proscribes that women do not need their husband's or legal guardian's permission to work or register or operate a business; and mandates fully paid 13 weeks of maternity leave, although in reality the latter is available to the very small fraction of employed women who are formally employed and covered by social insurance. However, in practice, women experience workplace discrimination and occupational segregation, especially exclusion from more remunerative wage employment (see Table 2, above). Only 18% of firms have a female among top management, women make up only 36% of all professional and technical workers, and women's wages average 72% of men's.[64] Sexual- and gender-based harassment of women at work is common (see above section on norms). In terms of paid and unpaid domestic and care work, Kenya has not ratified C189 setting minimum standards for paid domestic work. Furthermore, Kenya lacks a national childcare system and recognition of unpaid care work that impact the implementation of economic laws and policies**.** No legal obligation or government incentives support the provision of childcare.[65] Kenya has yet to develop infrastructure policies to reduce the burden of unpaid care work that falls disproportionately on women.

While Kenyan economic policy has generally prioritized economic growth, it is not easy to start or grow a formal business in Kenya. Informal businesses can register for as little as US$20, but to register a formal business with a tax number, etc., the costs are considerably higher.[66] Despite having one of Africa's most developed and diverse financial sectors, characterized by a high level of innovation, especially in fintech, credit supply in Kenya is low, reflecting policies of financial repression. Credit to the private sector as a share of GDP reached a high of 40% in 2015 before falling back to 32% in 2019. This compares with an average of 45% for all LMIC countries and over 100% for all middle-income countries.[67] Low credit supply generally reduces credit to small businesses in general, and riskier borrowers in particular.

At a county level, devolved government laws, policies, government legislation, and gender mainstreaming strategies have been enacted to support economic inclusion of women—for example:

- Gender-responsive budgeting to promote gender equality by ensuring spending serves the needs and priorities of both women and men.[68]
- 30% allowance of public procurement opportunities for women, youth, and persons with disabilities.[69]

60 https://data.unwomen.org/country/kenya
61 https://www.uwezo.go.ke/
62 https://www.uwezo.go.ke/
63 https://agpo.go.ke/pages/about-agpo
64 World Economic Forum (2021).
65 IFC (2017).
66 World Bank (2016).
67 World Development Indicators https://datatopics.worldbank.org/world-development-indicators/
68 UN Women (2016) https://data.unwomen.org/country/kenya
69 https://agpo.go.ke/pages/about-agpo

- Specific regulatory frameworks established to address women's exclusion from economic activities, such as development and revolving fund acts, trade, cooperatives and microfinance acts, trade and markets, and markets and farm produce acts.[70]

However, data on local government effectiveness in general and in this sphere are not widely available. While Kenya's economic policy framework prioritizes economic growth and transformation, including supporting girls' education and women's reproductive and other healthcare services, it does not prioritize better outcomes for informal entrepreneurs, especially women. Multiple initiatives started by the government target women, but evidence of effectiveness is difficult to find. Kenya's recent decentralization may offer new opportunities at the local level to develop programs that build women's capital and reduce structural constraints, but little monitoring appears to take place.

Summary

Women face constraints at the individual, meso, and state levels. At the individual level, Kenyan women operating informal businesses have acquired less capital than men and have less access to, and control over, household assets. This is especially true of older women, whose opportunities to acquire human capital and participate in the labor market were quite limited when they were young. While there is limited data on women's experience of agency in economic spheres, qualitative data collected from young women aspiring to be entrepreneurs suggests that they do indeed perceive a need for more and stronger capital—human, social, and economic—in order to navigate and negotiate the economic worlds of markets, business, and finance.

At the meso level, there is substantial evidence that norms operating at the household and community levels reduce opportunities for women to develop and realize profits from their businesses, and to control their income, and VAWG is still tolerated in many settings. Kenyans of both genders appear to accept these constraints in practice, despite espousing more progressive attitudes and beliefs, thus underscoring the stickiness of gender norms. Women are also less likely to organize and express their voice in civic activities in order to protect their rights and ensure equal opportunities.

At the state level, Kenya's Constitution and formal legal code provide broad guarantees of women's economic and human rights. As in many countries, however, implementation of these broad protections appears to be falling short. Investments in law enforcement, including programs to fund and train enforcers, are limited, despite Kenya's aspirations.

In the next section, we present evidence of the effectiveness of programs in addressing these constraints for women entrepreneurs in the informal sector.

70 http://kenyalaw.org/kl/index.php?id=9695

V. Evidence on Program Effectiveness

To present evidence of program effectiveness in addressing the above-described constraints, we drew on global meta-analyses, systematic reviews and other evidence syntheses, and on Kenya-specific evidence (primary and secondary) to better understand which approaches have effectively tackled the Kenya-specific constraints outlined above.

Our findings focus on what works using both Kenya-specific evidence and evidence from multi-country evidence syntheses and systematic reviews, where Kenya-specific evidence is absent. Our inclusion of the latter is based on the assumption that robust multi-country evidence of what works is likely (though not guaranteed) to predict success in the Kenya context.[71] Supplementing the publicly available evidence on achievement of programs in Kenya, we present key insights and information gleaned from discussions with program implementers, Kenya WEE field experts, and program grey literature.

What works at the individual level

Interventions addressing human capital constraints

Interventions to address presumed skill deficits are one of the most commonly used project approaches to support female informal entrepreneurs. Initially, interventions focused on classroom-based training in *business practices*. The length and complexity of these trainings seemed to reduce participation. Evaluations have found that knowledge increased, but only a few of the business practices were adopted, and partly as a result, there was a very limited impact on business revenues.[72]

There is growing evidence of the importance of building women entrepreneurs' *socio-emotional skills*.[73] Valerio et al. (2014) note that building socio-emotional skills may be particularly important for informal entrepreneurs and less experienced female entrepreneurs.[74] The socio-emotional skills that comprise this entrepreneurial mindset include self-confidence, leadership, creativity, risk propensity, motivation, resilience, and self-efficacy. Campos et al. (2017) find that mindset training can improve innovation and business practices, encouraging entrepreneurs to be proactive and search out new opportunities, which positively impacts business profits; other studies are finding similar results.[75] Chang et al. (2020) reviewed six evaluations of training programs that combined standard business training material with additional training content on topics such as women's self-confidence, gender equality, or agency. They found that five out of the six evaluations had some impacts on women's business profits or earnings.[76] Gender-specific content also appears to be important, suggesting that training focusing on socio-emotional skills and mindsets needs to carefully consider the gendered context within which women will be exercising these skills.

[71] We have excluded evidence of what does not work; though this is important, it is beyond the scope of this research and has been robustly presented by others (see, for example, Chang et al., 2020 and Buvinic and O'Donnell, 2019).

[72] Individual impact evaluations found results which were not statistically significant, but a meta evaluation (combining results from a number of studies) by McKenzie et al. (2021) found a 4.7% effect of business trainings on sales and an even greater effect on profits for a combined sample of men and women.

[73] Chang et al. (2020); Buvinic and O'Donnell (2019); World Bank (2021).

[74] In Campos et al. (2017).

[75] World Bank (2021); Alibhai et al. (2019).

[76] McKenzie (2020).

> **What is clear is that to attract young women, these programs must work on levelling the playing field, assess and reduce gender-specific time and financial constraints, provide childcare subsidies, and reduce biases against young women as trainees and workers from both trainers and potential employers. Once these external constraints are addressed, young women can sometimes outperform young men in employment gains (Buvinic and O'Donnell, 2019:324).**

Kenya-specific evaluations have demonstrated the positive results of incorporating content on socio-emotional skills, behavioral agency, and gender inequality on informal sector business performance. Such programs include: i.) A training program for female micro-entrepreneurs in Kenya where increased sense of agency and behavioral agency led to increases in women entrepreneurs' business profits, survival, and growth;[77] ii.) An agency-based training for cookstove entrepreneurs in Kenya that, while not measuring impacts on self-efficacy directly, led to large improvements in sales, especially for women and in comparison with more traditional business training;[78] and iii.) ILO's Gender and Entrepreneurship Together (GET Ahead) training program—that included elements such as gender equality, self-esteem, and soft skills—led to an increase in weekly profits of 15.4%, or US$2.63, above the comparison group's profits three years after the intervention.[79]

As well as the content of training and the quality of delivery, there are a number of other elements of "good quality" training that are critical to success for women informal entrepreneurs. A shared identity match between trainer and student (i.e., a trainer who is, or has been, an entrepreneur herself) has been found to be important, so that the trainer both has a better understanding of the entrepreneurs' specific challenges[80] and is less likely (though this is not guaranteed) to exhibit implicit and explicit biases against women entrepreneurs, limiting women's ability to benefit from training interventions (Buvinic and O'Donnell, 2019). Training programs that do not account for and mitigate these constraints tend to perpetuate women's human, social, and economic capital disadvantages and can lead to low attendance and high attrition rates;[81] those that do so can have positive outcomes.[82]

Interventions addressing social capital constraints

Very few interventions explicitly seek to address social capital constraints, through some work to foster stronger horizontal capital through group-based approaches. Buvinic and O'Donnell (2019) suggest that "high quality" training programs often include some form of social support or network building mechanisms, and this boosts effectiveness, especially for less empowered women. Katz and Cassar (2016), in a review of the evidence on sex-differences in risk-taking behavior, suggest that information and social support that others can provide may be particularly important for poorer and less-empowered women to gain the knowledge and confidence to make appropriate business choices and take greater financial risks.[83]

77 World Bank (2021).

78 Shankar et al. (2015).

79 McKenzie and Puerto (2017).

80 Alibhai et al. (2019).

81 An evaluation of the impacts of the training and internship program for vulnerable youths aged 15-29 years piloted in Nairobi, Mombasa, and Kisumu counties by the Kenya Private Sector Alliance and the Government of Kenya with support from the World Bank's Kenya Youth Empowerment Project (KYEP) found that after three months of classroom-based technical training coupled with three months of internships in private firms, the program was successful in placing youths in paid jobs and contributed to an increase of 15% in current employment among male participants but significantly less for female participants due to high attrition rates (22%-23%). (Honorati, 2015).

82 Buvinic and O'Donnell (2019).

83 In Buvinic and O'Donnell (2019).

Group-based approaches to economic empowerment in South Asia have long provenance and evidence of effectiveness. Several studies suggest that in South Asia, women's groups either increased or strengthened women's horizontal and vertical ties in the community and participation in other groups. Chang et al. (2020) report on four studies in South Asia that found that group-based approaches improved or strengthened social ties, and one found that increasing the group meeting frequency impacted members' social interactions. They also find that programs with some form of mentoring component achieved stronger impacts for women through facilitating network connections and information-sharing.

In sub-Saharan Africa, however, the evidence on strengthening ties in the community is more limited. In Kenya, ongoing research is evaluating the impact of digital business development services and WhatsApp-based peer networking groups for women entrepreneurs. These digital tools were designed for women to participate when convenient, thus addressing some of the time-use constraints that act as a barrier to participation in networking activities.[84] There is indication from a pan-African RCT of 5,000 entrepreneurs from 49 African studies that virtual and face-to-face interaction in parallel with an online business course can have positive impacts on submission of business plans and their quality, and that diversity in the composition of networks matters for the quality of business plans.[85]

There is very little evidence from Kenya on how programs tackle constraints related to women entrepreneurs' lack of horizontal and vertical social capital. The linkages between social capital constraints and human and economic capital constraints and outcomes remains an open question that merits further research in Kenya. Two critical questions that remain to be answered are whether social relationships are a critical aspect of enhancing skills through group-based training, and how to develop social connections for the most vulnerable and marginalized social groups.[86]

Interventions addressing economic capital constraints

Women in Kenya are constrained in their access to, and control over, financial assets such as earnings, savings, and investments; their access to, and control over, productive assets such as business equipment (including phones), inventory and inputs, livestock, and land; and their access to, and control over, private/domestic infrastructure assets—such as fuel-efficient stoves, durable housing, and solar power—that reduce time needed for domestic chores and increase women's ability to engage in work. Our review of available evidence on "what works" reveals a disproportionate focus on the first of these three types of economic capital: financial assets. There is less—and less robust—evidence on what works to alleviate constraints in relation to productive and infrastructure assets, and whether and how this leads to better outcomes for women informal entrepreneurs. We therefore focus on financial capital here.

Microcredit services are one way of alleviating the capital constraint that women may face. However, a review of six microfinance experiments has shown modest impacts on business investment and performance.[87] One reason for the limited effects on profits is that microfinance loans tend to be used for household expenditures, rather than business investments, a trend similar to that observed in cash grant experiments.[88] Independent studies of the use of funds provided to women by the Women's Enterprise Fund (WEF) reveal that funds provided for business purposes were often re-purposed for household needs, despite women's intentions to do otherwise (see Box 1). However, findings also suggest that there are increased contributions to household expenses through business income, suggesting that WEF loans could be increasing business income, enabling women to use at least some of their profits on household needs.[89]

84 Koshy and Sanchez (2021).
85 Vega-Redondo et al. (2020) in Koshy and Sanchez (2021).
86 Chang et al. (2020).
87 Banerjee et al. (2015).
88 Ibid.
89 Ndwiga et al. (2017).

Increase in income has been reported by a 2015 study on WEF;[90] while an older one reported positive outcomes on business growth.[91]

Box 1: Use of WEF funds

A study in Hamisi reported that only 55.2% of women entrepreneurs utilised WEF loans for the purpose for which it was designed (to start or expand business), while 42.1% utilized credit for other purposes. Although 73.1% had originally intended to use the credit for business, a proportion ended up diverting the money to household and other needs (Ijaza, Mwangi, and Ng'etich, 2014). This was confirmed in later studies, with Gedion et al. (2015) reporting that for borrowers in Eldoret county, challenges included misconception about the purpose of the fund and diversion of the funds, as well as lack of advice on how to manage the finance received. Mutukaa and Laktabai (2019) reported that the majority of women beneficiaries consulted in the Elgeyo Marakwet East Sub County agreed (46, or 42.6%) and strongly agreed (45, or 41.7%) that they used microcredit from WEF for purposes other than those intended by the fund—for example, school fees and medical bills.

Alleviating the credit constraint only—at the available level of financing under limited access to collateral—does not seem to be sufficient to help women grow their businesses.[92] Review by Chang et al. (2020) concludes that access to various savings and credit interventions, while having modest positive effects on women's income-generating ability, is not transformative for income generation (measured through income level or business activity, or proxied through household consumption). However, Buvinic and O'Donnell (2019) suggest that there is new evidence that repeated micro-borrowing over a long timeframe can increase women's income-generating ability, partly through increasing their business self-confidence and financial risk-taking. "The failure of microfinance to benefit very poor women has underscored the difficulties they face as entrepreneurs and possible discontinuities in the transition to the higher-value end of the enterprise spectrum."[93] This failure has also prompted a range of different approaches that seek to address these failings, including "smarter" design of individual savings products, group-based savings approaches, and "bundled" interventions that also include asset-transfers and mentoring. These approaches have shown some success. We discuss the "smart" savings products and group-based approaches here, and "bundled" interventions in the following section.

In contrast to evidence on credit access, rigorous evidence from a range of studies in Africa shows the positive effects of savings mechanisms on business investment and performance of female-owned firms.[94] Successful interventions use "smart" design to address the meso-level constraint of women's unequal bargaining power within the household that can affect women's ability to finance their business activities. There is evidence that individual, secure, private savings accounts that provide women with mechanisms to set aside money for their business, including those made accessible over mobile phones and those that build in some form of commitment, can help insulate these funds from household demands, increase women's decision-making power, and have positive economic outcomes.[95]

90 Gedion and Munyithya (2015).
91 Kiraka et al. (2013).
92 Campos and Gassier (2017)
93 Kabeer (2021:34).
94 World Bank (2021).
95 Hoff and Stiglitz (2016) in Buvinic and O'Donnell (2019); World Bank (2021).

There are a number of Kenya-focused studies that demonstrate these positive effects. Recent field experiments and a panel household survey in Kenya demonstrate that savings accounts are particularly demanded by, and beneficial to, women when compared to men.[96] Providing female market vendors in Kenya with access to savings accounts led to a 45% increase in business investment, while no impact was found in providing such accounts to male motorbike drivers.[97] An RCT in Kenya with a women-only sample shows that access to individual savings accounts increased savings rates, business investments, and incomes among women entrepreneurs.[98]

> **"These experiments suggest that providing women with access to secure savings mechanisms can be effective in helping women entrepreneurs overcome their lack of control over their income, a critical element to reduce the biases in the allocation of household resources" (Campos, 2017:16).**

This evidence sheds light on both women's preferences and important mechanisms by which savings increase women's earnings and decision-making power. First, in rural Kenya, labelling group savings for a specific purpose and adding a soft commitment (a lockbox and key) generated significant increases in long-term (three years plus) health savings for poor members of informal savings and credit groups (74% women members).[99] Buvinic and O'Donnell (2019) argue that this result suggests that mentally labelling the use of money makes it less available for other uses, including pressures to share monies with relatives. This might also point to some women's preference for group savings; Kabeer (2021) suggests that very poor women might benefit from different forms of support than the moderately poor who have made more of a success of their access to microcredit.

Second, when offered free savings accounts, most women chose individual over joint savings accounts that enable them to resist pressures to transfer funds more easily.[100] Another field experiment in Kenya provided men and women with ATM cards with reduced fees, but also reduced security for women, because male partners could use the cards. These were not used by women and had no impact on women-owned individual accounts. Men, with their higher bargaining power, used both individual and joint accounts, and their overall account use increased.[101]

Results from other recent experiments suggest that providing women informal entrepreneurs with access to mobile savings accounts can have a substantial effect on their investment and growth. Suri and Jack (2016) found that where Kenyan mobile payment provider M-PESA expanded more, female-headed households saved more and experienced greater increases in consumption than male-headed households, and women shifted from subsistence farming to business and retail occupations (with a total of 185,000 women making this shift). Another study, also in Kenya, suggested that mobile money boosts the likelihood to save and has significant impacts on the amounts saved, and that women are more likely to save than men.[102]

The next section discusses the evidence of "what works" to address multiple constraints at the individual level. We then turn to interventions that purposefully seek to address both individual-level and meso-level constraints.

96 Buvinic and O'Donnell (2019).

97 It is not possible in this experiment to distinguish between the effect of gender and the effects of sector of operation in the impact of the intervention (Dupas and Robinson, 2013).

98 Dupas and Robinson (2013).

99 Dupas and Robinson (2013a).

100 Dupas et al. (2016).

101 Schaner (2014).

102 Ouma et al. (2017) in Buvinic and O'Donnell (2019).

Interventions addressing multiple individual constraints

Most programs that tackle multiple constraints at the individual level incorporate a range of components focused on increasing economic and human capital. For instance, all of the Kenyan government's funds (WEF, YEDF, and Uwezo) aim to provide access to economic capital in the form of loans, and Uwezo and YEDF also facilitate market linkages. All the funds report that they provide support that addresses other capital constraints, including capacity-building to address human capital constraints (all funds) and connecting to business networks for social capital constraints (WEF). Little information is available on how capacity-building is done or what results have been achieved; however, it seems that training is provided in combination with loans and that this is sometimes done in partnership with other actors (for example, WEF has a partnership with Coca-Cola CEWA,[103] and YEDF with UNDP[104])

For the YEDF, we identified two studies that report that the fund provided necessary, sufficient, relevant, and effective entrepreneurial training on skills to run the business, in combination with continuous mentoring,[105] and that the training had an influence on growth of Youth Business Enterprises (YBEs), with those who attended having better management skills.[106] Some of the published studies on the public funds report some positive results on economic capital, with increase in income among participants and their households (WEF)[107] and business growth (WEF[108] and YEDF[109]).

Across studies reviewed, common challenges appear to be: low loan amounts;[110] business growth stagnation,[111] or lack of enterprise sustainability;[112] and lack of uptake by younger groups for the YEDF[113] and younger women for the WEF[114] and Uwezo.[115] One study on WEF also reported decreased decision-making for women,[116] while a lack of financial literacy was reported as a barrier to access to Uwezo for women.[117] Two of the NGO-led programs that we reviewed (REAP and EOWE) work specifically with women to address some of these access barriers.

While all of the programs in our review address some combination of capital constraints, evidence on outcomes is frequently not available and, mirroring the wider global literature, there is little evidence on social capital outcomes. Programs do perceive, however, that fostering stronger connections both through organising women in groups (e.g., REAP and Ushanga) or by connecting entrepreneurs to business networks (WEF, KCB/WWB Partnership, and Women in Manufacturing (WIM)) is important both for program delivery and outcomes. See an example in Box 2.

103 WEF and Coca-Cola CEWA (2019).
104 YEDF Website: http://www.youthfund.go.ke/
105 Maisiba and George (2013).
106 Kitavi (2015).
107 Gedion and Munyithya (2015).
108 Kiraka et al. (2013).
109 Irungu and Kamau (2015).
110 Ndwiga et al. (2017); Ijaza et al. (2014).
111 Kiraka et al. (2013).
112 Maisiba and George (2013).
113 Sikenyi (2017).
114 Ijaza et al. (2014).
115 Otieno (2017).
116 Ndwiga et al. (2017).
117 Otieno (2017).

Box 2: The Ushanga Initiative

The Ushanga Initiative works with pastoralist women in seven counties. It seeks to increase women's earnings by transforming traditional beadmaking into viable enterprises through capacity-building (design, production, and entrepreneurship) and marketing of products to local and foreign markets (UNESCO, 2020). It also works to build the manufacturing and distribution ecosystem by establishing infrastructure for e-commerce (e-platform for sales) and providing infrastructure for production, as a key mandate of the initiatives to link cooperatives to markets and partners. This work is done in combination with activities focused on social capital such as forming cooperative groups that can be registered as business entities, and improving negotiation and access to markets as well as government funds. The program evaluates results by monitoring increases in income, which can reach 1500 KSH a day, and numbers of women trained; however, further information on results is not available (KII with representative from Ushanga).

There is, however, some positive information on social capital gains from two initiatives. The Women in Manufacturing (WIM) program targets women-led MSMEs and women in the manufacturing sector. Currently the program supports a network of 150 women.[118] The program seeks to address human capital and social capital constraints by building knowledge and skills to improve the quality of products, enabling better access to markets and supply chains, and building entrepreneurial and management capacity through training (short courses, workshops, and a more comprehensive business school program), networking and mentoring opportunities with bigger companies.[119] Although the program is not currently measuring impact, feedback from participants suggests that women in manufacturing appreciate the existence of the program, and the opportunity to network and receive mentoring.[120] An upcoming partnership funded by the Bill & Melinda Gates Foundation with Kenyatta University will be carrying out an in-depth study of the program.

The KCB/WWB Partnership provided services to address all three areas of capital constraints, through financial services, skills training, and business networking. The hypothesis was that the combination of support would have a positive effect on MSMEs, especially those that are women led. As women customers go through training, the bank attributes the 100% repayment rate to this foundation of skills.[121] A review by WWB (using a sample of active customers from 2017 onward) found increases in knowledge and skills, leading to both cognitive and perceptual changes, with women reporting higher self-perception of skills than men.[122] On social capital, an assessment of the Biashara Club (an existing business club to which the program promotes access) found that the club was a strong resource for MSMEs but required improvements in available information and access to networks. In addition, Biashara Club members reported a larger median number of employees compared to businesses that were not part of the Biashara Club.[123]

Revenga and Dooley (2020) suggest that programs addressing multiple capital constraints seem to have a larger impact on entrepreneurial activity than entrepreneurial quality, which may not be surprising in that training may help women gain the information or confidence they need to start a business, but that does not mean their firm will be profitable. Other evidence points to "entrepreneurial quality" gains. For example, Chang et al. (2020) conclude that training to build human capital (both "soft" and "hard" skills) plus

118 KII with representative from KAM.

119 KII with representative from KAM.

120 Ibid.

121 KCB website: https://ke.kcbgroup.com/about-us/news-room/business/kcb-commits-billions-of-shillings-to-women-in-diversity-and-inclusivity-drive

122 However, men and women differed in their perception of their skills. Among women-led businesses, perceptions about their business skills across all years were higher than for men-led businesses. As this sample was composed of active customers from 2017 on, the difference could stem from self-selection of more confident women customers (WWB, 2020).

123 WWB (2020).

something else—whether mentorship, technical assistance, or finance—has a larger impact on increasing business profits than training alone for female entrepreneurs. Information from the KCB/WWB Partnership and from the EOWE program (see Box 3) also supports this finding. Batista et al. (2021) found that the combination of access to mobile money plus training was more effective than either intervention by itself.

Box 3: EOWE

The EOWE program, implemented by The Netherlands Development Organisation (SNV), is the only program reviewed that purposefully works at all levels of the conceptual framework (individual, meso, and state). Here we focus on the approach used and results achieved at the individual level, where the program addresses economic capital and human capital constraints.

EOWE works with existing women's groups to enable them to access funding from the various national affirmative action funds, including Women Enterprise Fund (WEF), UWEZO Fund, and National Government Affirmative Action Fund (NGAAF). To enhance human capital, the program provides skills development training that is delivered through existing VSLA groups that have a majority of women members, that are formally registered, and that are participating actively in entrepreneurship. Self-confidence and leadership training is a key aspect of the capacity-building offering (KII with representative from SNV). EOWE also works with women cooperatives (to date, 48 cooperatives with over 2000 women) to promote market linkages in selected value chains (poultry, shoats, and traditional African vegetables where women are mostly represented) and increase access to external funding, as well as to inputs.

To measure progress, the program uses the Women Empowerment in Agriculture (WEAI) Index and has recorded improvements between baseline (2016) and mid-term (2018) scores in a number of areas, including: control over and use of income <from 96% to 100%>, input into decisions over large purchases (in dual-headed households) <from 16.7% to 30.6%,> and over minor purchases <from 40.5% to 51.6%> (SNV, 2019). In addition, SNV reported that, by being able to access credit and repay these loans, women have become more confident, and have increased independence, as well as enhanced business performance (SNV, 2019).

Much has been written on the effectiveness (or lack of effectiveness) of graduation approaches, which bundle access to economic—both financial and productive—capital with complementary training, mentoring, and technical assistance, generally for very poor women. Persuasive new evidence makes the case that these graduation programs are both sustainable and cost-effective. Recent studies suggest that these can indeed lead to increases in women's income and their sense of agency and behavioral agency. Evaluations find that graduation programs led to sustained positive changes in income and/or consumption.[124]

The mechanisms that explain why this type of bundled intervention may work especially well for the very poor remain unclear. Buvinic and O'Donnell postulate that, "like in the case of savings with a commitment feature, the transfer of a large physical (non-divisible) asset nudges very poor women (who tend to be under significant pressures to spend) to keep rather than consume the asset, thereby fostering self-reliance and being particularly beneficial to them" (2019:318). Though there is limited evidence from Kenya, promising evidence from REAP's approach is emerging (see Box 4).

[124] Chang et al. (2020); Buvinic and O'Donnell (2019); Kabeer (2021).

Box 4: BOMA's Rural Entrepreneurs Access Program (REAP)

BOMA has adapted REAP to multiple countries and populations in Africa's drylands since the organization was founded in 2009. Today, BOMA administers REAP through a combination of direct implementation, strategic partnerships, and government adoption. BOMA's work is funded by various entities and individuals.

REAP was designed to empower pastoral women experiencing extreme poverty in Northern Kenya by helping them start businesses. Over the past decade, this model has also been adapted to serve youth, refugees, and internally displaced persons. REAP addresses multiple individual constraints:

- **Human capital:** Through REAP, BOMA provides training (business and life skills training, including how to engage with the market) and mentoring. REAP also aims to support women in gaining confidence, agency, and knowledge, to increase their ability to expand into larger markets.
- **Economic capital:** BOMA provides seed capital grants and cash transfers, links to financial institutions, and supports women in opening a bank account.
- **Social capital:** REAP creates savings groups that can be registered, so that they are set up to pursue and access further credit beyond the program.

BOMA has piloted several adaptations of REAP, often working alongside partner organizations and funders to integrate outcomes, like increased participation in natural resource management (Climate Justice Resilience Fund and Whole Planet Foundation) or improved resilience for refugee populations in Chad and Uganda (Swiss Caritas).

REAP has reported positive outcomes for participants; however, we note that the program's impact measures are focused only on indicators related to nutrition, household assets, and spending, and data specific to business and savings groups (as presented on the BOMA website—the BOMA Difference), and there could be potential to monitor other aspects of women's economic empowerment.

Increases in both income and savings were reported by a RCT (Gobin et al., 2017; BOMA, 2015) and in the endline evaluation of the cohort funded by the Bill & Melinda Gates Foundation (BOMA, 2018b). The RCT also reported increases in durable asset ownership, while the endline evaluation reported changes in access to credit, as well as reduced financial dependency on husbands and increased self-worth.

According to BOMA, three major factors contribute to the success of REAP's approach: local mentors and accountability; business skills training; and measurement of impact (BOMA website—the BOMA Difference). During the pandemic, the program has adapted and pivoted some of its activities. The relationship between women participants and REAP mentors (who live in the same community), and the trust that has been built, has allowed for rapidly leveraging digital technologies to provide remote mentoring support to more than 13,000 women currently enrolled in BOMA's program (BOMA, 2020a). A pilot on using Interactive Voice Recording (IVR) has found that IVR is effective when it builds on prior connections. Getting the buy-in of husbands and children is critical; training content delivered through IVR has high recall (BOMA, 2020b)

Key factors that appear to build resilience of women micro-entrepreneurs are: enabling them to access income and assets; making sure they have accumulated savings; and, most importantly, alternative livelihoods and diversification of income—access to new markets (KII with representative from BOMA).

Beyond the importance of program presence and trust on the ground, some other key lessons have emerged from our review of this project. These are:

- It is crucial to ensure that access to capital is not addressed just by engaging the women themselves, but also through creating linkages to market actors who can provide access to assets and resources and linking women to market opportunities.
- While physical asset transfers are small in comparison to other graduation programs (a mobile phone and an M-PESA connection, rather than a more traditional productive asset, such as a cow), this physical asset, combined with larger seed capital ($200) to launch the enterprise and a second performance-based cash transfer of $100, seem to enable poorer women to use the transfers for productive rather than consumptive purposes.
- Data-driven approaches allow programs to understand what works and why, and this allows for the tested approach to be replicated and scaled or integrated within partners' initiatives. BOMA, for example, used a Force for Change grant from Salesforce.org to develop a data platform (Performance Insights). The platform's objective is to allow for faster feedback loops and data-driven decision-making, using real-time information on BOMA's program activities (BOMA website—the BOMA Difference). There have also been opportunities for the program to learn from specific donor-funded research; an example of this is the in-depth research implemented as part of the Bill & Melinda Gates Foundation-funded cohort, which highlighted the impact at the meso level (BOMA, 2018a).

Thus, although REAP works primarily at the individual level, some results have been reported at the meso level, and are related to the increased visibility of women's work. This is discussed in more detail below.

In conclusion, multi-component approaches addressing various types of individual constraints for women entrepreneurs appear to be more successful. These findings also suggest human-capital constraints—and to some extent social-capital constraints—must be tackled in order to sustainably increase economic capital. The evidence, including evidence from Kenya, also indicates that access to economic assets alone, while valuable as an approach to address disparities in resource allocation based on gender, does not consistently have transformative impacts on women's agency in regard to work, decision-making, or attitudes about gender norms.[125]

However, even graduation programs seem to have short-lived effects on women's subjective empowerment. Brudevold-Newman et al. (2017 in Buvinic and O'Donnell, 2019), evaluated the effectiveness of interventions designed to relieve women's economic (financial) and human capital constraints and concluded that though initial effects on income are positive for both sets of interventions, they dissipate with time. Similarly, Banerjee et al. (2015) found that increases in women's empowerment (measured through reported influence on household decision-making) waned within the year of graduation. It might be that women's increased income and control over it is not sizable enough, increased sense of agency and behavioral agency are not robust enough, and/or the timeframe of program implementation is not long enough to effectively counter entrenched gender norms that limit women's voice and choice in household and market interactions.

[125] Chang et al. (2020).

What works at the meso level

Few women's entrepreneur programs work explicitly to tackle meso-level factors such as women's relational agency, gender roles, and collective agency, all of which are considerable constraints in the Kenya context. As shown above, most programs focus on individual-level constraints, rather than the underlying meso-level constraints. And often those that do address meso-level constraints tend to provide "workarounds" that can enable women to manage constraints, rather than address the root causes. They do not, therefore, appear to shift gender norms or create more transformative change.

Interventions addressing relational agency constraints

Household decision-making power, or the extent to which women have a sense of relational agency, directly impacts on women's labor market opportunities and thus many programs seek to overcome women's household decision-making constraints. The evidence suggests that savings and credit interventions that focus on providing access to financial assets and services to help overcome financial capital constraints provision, and business management training for micro-entrepreneurs and vocational training for young people, are generally more successful if delivered alongside complementary components that focus on increasing women's agency and mitigating normative constraints. In the absence of such complementary components, many finance interventions targeted to women's businesses result in grants or loans being diverted into a male family member's enterprise, or used for household consumption needs, because women did not have full control over how the funds were spent.[126]

In Kenya, REAP, implemented by BOMA, has reported positive outcomes around women's agency and decision-making, although this is not an area the project works in directly. By targeting interventions at the individual level, BOMA women gained the knowledge, skills, and influence that led to greater individual agency and increased their decision-making power in the institutional structures of family, community, and markets.[127] The EOWE program in Kenya, described in Box 5 below, provides a good example of addressing meso-level constraints at the root by engaging men in interventions to increase women's decision-making power at the household level. By implementing household dialogues and social behavior change radio campaigns, combined with individual-level activities and work at the state level, they have seen positive outcomes among participating couples.

126 Dupas and Robinson (2013); Revenga and Dooley (2020).

127 BOMA (2018a).

Box 5: EOWE

SNV's EOWE integrated a small number of gender-transformative household dialogues, as well as community behavior change radio strategies, to complement its work at the individual and state levels. The program interventions focused on key issues around time use (specifically household chores), control over income, and access and control over productive resources (specifically credit) (SNV, 2019). Women who participated in business training were selected to take part in household dialogues with their husbands. These core households were to act as role models for the communities. To support the household dialogues, a radio program was also delivered to facilitate broader community behavior change. The program featured early-adopter couples, who were participating in the dialogues, to discuss their experience, the impact on their family dynamics, and the impact on their business income (KII with representative from SNV).

The program reported that the dialogues have supported couples to communicate on expenditures and business opportunities. For example, the mid-term review reported that going through business training (and accessing credit, whether through the program or through other means) made women more confident to discuss ideas with their husbands. The men also reported that the women are "able, can argue their viewpoints, and have good ideas about how to spend money" (SNV, 2019:16). Finally, some changes in reproductive time allocation were reported, although there are significant differences between self-reported time by men (quantitative survey, reported a spike in time used), and perception of the change among FGD participants (male and female). However, there was an increase in male time use on business/productive activities (SNV, 2019). Although couples reported change within their own family, social behavior change is a challenging and long process, and requires a critical mass. The EOWE activities were very resource intensive, and the program was implemented only for five years. At the individual (couple) level, there were a lot of stories of change, but the challenge was to scale the process (KII with representative from SNV).

Finally, there is also some evidence that shows returns to capital of in-kind grants to women entrepreneurs.[128] This is potentially because these grants provide a workaround to address meso-level constraints to women's bargaining power and decision-making that divert capital away from women-run businesses to household expenditures and businesses run by their male partners. Campos and Gassier (2017) suggest it is striking that two of the interventions with highest potential for existing businesses—savings and in-kind grants—address similar individual and meso-level constraints. They argue that both savings accounts and in-kind grants (as opposed to completely fungible small-scale cash grants) may i) Affect women's mental accounting process and help them prioritize business investments (an individual-level constraint), and ii) Shield money from the demands of other household members or their larger family network, facilitating the allocation of resources to the women-owned business (a meso-level constraint).

[128] Campos and Gassier (2017).

Interventions addressing gender role constraints

Social norms about appropriate roles for men and women both inside and outside the home compound the above challenges. There is wide evidence that care work constraints limit program impact. For example, when training sessions are held in the middle of the day with no childcare options, women are more likely to have lower attendance and higher drop-out rates.[129] Design elements that account for women's disproportionate unpaid home and care work responsibilities—and the time and mobility obstacles they impose—are critical constraints to address.[130] Several studies suggest that providing free or subsidized childcare increased women's labor force participation. Three randomized evaluations of free or subsidized childcare found that it increased women's labor force participation, and one found that it increased women's income. The positive effects on employment were concentrated among women who were not working before, suggesting that a lack of childcare prevented women from pursuing labor force opportunities. In Kenya, providing subsidized early childcare to mothers living in a Nairobi slum increased employment by 8.5 percentage points. In particular, it allowed single mothers who were already working to cut back on working extended hours without any loss in wages to earn higher incomes while working fewer hours by shifting to jobs with more regular hours. However, while access to subsidized childcare among low-income urban women in Kenya led to great gains in mothers' labor market participation and income, there was no significant increase in women's household decision-making power, except for children's healthcare issues.[131] Across the Kenya programs reviewed for this paper, no interventions aimed at specifically addressing childcare constraints were identified.

Another important aspect of traditional gender role constraints is the resulting gender sector segregation for micro-entrepreneurs. Men tend to self-sort into more highly skilled, higher-paid sectors and occupations with higher growth potential. Women often choose lower-skilled, lower-paid sectors. This decision is partially driven by social norms about "acceptable jobs for women" and is partially driven by social norms around who is responsible for care and homework; women choose sectors where it is easier to work part time, so as to balance paid and unpaid care responsibilities. Sector choice is one of the largest determinants of firm performance. A number of recent interventions have focused on encouraging women to "cross over" into traditional male-dominated sectors with greater growth potential, with small-scale modest effects. REAP has seen positive results around norms related to women's traditional roles as described in Box 6 below.

Box 6: REAP

An endline survey of one of REAP's cohorts found that BOMA participants are challenging deep-rooted social norms by becoming livestock traders, sending their daughters to school, and tackling harmful practices like FGM, child marriage, and violence against women (BOMA, 2019). This was achieved by creating visibility and space for women to operate in markets and non-traditional roles (BOMA, 2018b). In these markets, selling livestock was purely men's job; now 30% to 40% of traders are women (KII with representative from BOMA).

Without addressing the underlying structural educational and sector streaming choices, the majority of women micro-entrepreneurs will continue to operate in low-productivity sectors. Despite information campaign efforts to encourage women into male-dominated Technical and Vocational Education and Training (TVET) courses in Kenya, Hicks et al. (2016) found that only 9% of women preferred a male-dominated course. Networks and mentoring seem to be particularly important in encouraging women to

129 Revenga and Dooley (2020).

130 Buvinic and ODonnell (2019).

131 Clark et al. (2019); Chang et al. (2020).

"cross over" into traditionally male-dominated sectors.[132] However, more research is needed to understand how gender norms affect women's choices in entrepreneurship and the extent to which women's traditional household and care responsibilities play a role in women's entrepreneurial interests and options.

A CGAP review on what works to address gender-discriminatory norms that impact financial inclusion found that a majority of interventions reviewed are norm aware—initiatives that work within existing social norms to address market constraints for women—e.g., mobile banking to address mobility constraints.[133] These interventions do not attempt to change unequal power relationships between individuals within a community or challenge deeply rooted expectations regarding women's unpaid care work, ownership rights, or appropriate professions. Instead, they focus on supporting women by providing workarounds to social norms constraints that restrict women's economic participation/financial inclusion. However, workarounds can limit the effectiveness and impact of interventions and, in some cases, lead to unintended negative consequences, such as loans diverted to male relatives, increased workloads that do not alleviate other household/community responsibilities, and increased intimate partner violence. Norm-transformative interventions that explicitly work to change social norms through direct engagement of men, women, and the broader community around these barriers are much less common, but increasingly being considered, and much can be learned from NGO work in this area.[134] The Kenya Commercial Bank's partnership with Women's World Banking offers an insightful example of how a large market player has the potential to shift norms in the longer term, through investing in changing attitudes, formal rules, and behaviors, as described in Box 7.

Box 7: KCB

Kenya Commercial Bank (KCB), through its partnership with Women's World Banking, worked to improve its offering to women customers. A key component of this initiative was the cultivation of a strategic gender focus, including women's input in the design process, sex-disaggregated data collection, and use of input and data in decision-making. The solution that KCB deployed was complex in that it included a new relationship management model, a new lending methodology, additional business support services, and a gender framework. It involved an updated core banking system, staff training, increased communication among departments, and multiple partnerships. Given its complexity, the solution required buy-in at all levels of the financial institution, and this required shifting attitudes, behaviors, and banking "norms" within the institution. This initiative resulted in the implementation of a new cash flow-based credit assessment, which was particularly important for businesses that did not maintain audited financial statements; and the development of a relationship management model enabling KCB to foster better relationships with their business customers, especially women. The solution was effective in meeting KCB's business goals, as well as in supporting women-led MSMEs to grow their businesses. A research effort evaluated the effectiveness of program implementation and the resulting outcomes. The research found that under this program, lending to women increased and customers felt the financial institution was addressing their business needs. Women received 51% of loans during the project (compared to 22% of loans disbursed to SMEs in 2015).[135]

132 Revenga and Dooley (2020).

133 Burjorjee et al. (2017).

134 Ibid; Calder and Boost (2020).

135 WWB (2020).

Interventions addressing collective agency constraints

Interventions that seek to support women's collective agency are often delivered through self-help groups, or participation in cooperatives, business networks, or similar associations. Stronger collective agency can be observed through the engagement and influence of women's groups in key community-level and wider institutional governance and decision-making, and their successes in asserting their rights, in particular the ability of women entrepreneurs to influence key market actors and policymakers.

The global evidence is mixed on the extent to which and why, women's self-help groups (SHGs), village savings and loans (VSLA), and other group-based interventions have led to increased collective agency. In India, a study found that women's political participation at the local level increased as a result of women's networks formed within groups. Members of SHGs were twice as likely to attend local public meetings or make a claim to the local leader.[136] Similar programs have not generated the same results. For example, studies from Ghana, Malawi, Uganda, and Mali have found little to no impact of women's group-based savings programs on community participation indices that capture data on changes such as the extent to which women spoke with different village leaders, participated in village meetings and activities, and voted in the last election.[137] When combining group-based interventions with training on women's political participation, a few studies have demonstrated slightly more positive results in terms of greater contact with government officials and involvement of women in collective action.[138] The graduation approach has generated strong evidence of increased women's participation in politics and community decision-making in several contexts (e.g., Ethiopia, Ghana, Honduras, India, Pakistan, and Peru). Using an index capturing participation in political activity and village-level actions, this approach demonstrated strong results both immediately and one year after the conclusion of the program.[139]

REAP in Kenya has reported a range of positive results around women's community participation, as described in Box 8.

Box 8: REAP

REAP has reported a positive impact around community participation. According to a longitudinal study, women reported: increased participation in the community through mentoring and information-sharing, feeling that they are now contributing to society in a meaningful way, and increased attendance at public meetings and speaking up, and increased participation in community fundraising (BOMA, 2018b). Participants also reported greater influence and engagement in the community and in institutional structures such as saving groups, community committees, and among other women (BOMA, 2018a).

Another important source of evidence for "what works" to increase women's community participation and influence is grassroots and feminist movements and alliances. GROOTS is a Kenyan movement of grassroots women-led community-based groups (CBOs) and Self-Help Groups (SHGs). GROOTS Kenya has invested in nearly 2,500 women-led groups across 14 counties. In partnership with the World Bank and government of Japan, they are supporting women's livelihoods through enhanced agricultural production and access to markets. Their approach is to equip women with relevant knowledge and skills, as well as to enhance their leadership and organizational capabilities to enable them to influence key decision-makers. To date they have over 3,500 women organized into 131 registered and functional farmers groups along the value chains,

136 See, for example, Prillaman (2017) in Chang et al. (2020).

137 Karlan et al. (2017) and Beaman et al. (2014) in Chang et al. (2020).

138 Pronyk et al. (2008) and Subramanyam et al. (2017) in Chang et al. (2020).

139 Banerjee et al. (2015).

and have trained 60 women as community advocacy champions who lead lobbying and advocacy along the value chains, engaging with key national and county stakeholders for the provision of essential services such as improved roads, health facilities, markets, and schools.[140] More research is needed to better understand the role of collective action and local movement building, and to what extent social relationships play a role in generating social and economic change led by women.[141]

What works at the state level

There is broad evidence that unequal legal treatment of women and men matter for women's economic outcomes.[142] While few studies have focused on the links between these legal restrictions and female entrepreneurs specifically, the associations with women's broader empowerment are a key determinant of their ability to successfully start, run, and grow their businesses.

As noted above, Kenya's 2010 Constitution provides broad protections for women's rights; however, enforcement of these protections is a different story. Thus, in Kenya, the question is not as much about what works to reform the Constitution, but rather on what works to implement and enforce constitutional and other protections. In this section we will explore evidence of what works to address state-level impediments to women's ability to work and control economic resources. This section will also highlight evidence related to state-level responses to the COVID-19 pandemic and the opportunity it presents for further reforms to address the discrimination and inequality female entrepreneurs face in Kenya.

Women's ability to work and control economic resources

There is limited evidence that removing legal restrictions that discriminate against women working or controlling economic resources impacts on the business performance of female entrepreneurs, as very few studies have focused on these links and associations specifically. However, there is evidence that removing legal gender biases and gaps in implementation of laws can lead to increases in women's agency and intra-household bargaining power. The EOWE program in Kenya provides a good example of successful efforts to actively engage female entrepreneurs in policy influencing, as described in Box 9.

140 https://grootskenya.org/project/accelerating-rural-womens-access-to-markets-and-trade/

141 Chang et al. (2020).

142 Hyland et al. (2019), and references cited therein.

Box 9: EOWE

Only one of the 11 programs reviewed actively seeks to address state- level constraints for female MSEs in Kenya. Complementing interventions at the individual and meso levels, the EOWE program focuses on supporting national and county governments to localize and implement policies, and to support the creation of county policies that support female entrepreneurship. This work is done in close collaboration with CSOs that have previously conducted WEE advocacy. These organizations are assessed using a capacity-assessment tool, and then offered support to strengthen their capacity to effectively address policy gaps in eight different counties. The collaboration with local CSOs is critical because of the need for knowledge of the local context. The project has supported the creation of additional enterprise funds for women, youth, and people with disabilities in Isiolo and Laikipia counties. In Isiolo, Samburu, Laikipia, and Makueni, the county government was supported to develop a gender policy, ensuring that a gender lens is applied across county work, including allocation of resources to education and health (KII with representative from EOWE).

Evidence of positive gender outcomes addressing meso-level constraints relating to labor force participation rates and women's increased bargaining power has been associated with targeted policy reforms in Africa. For example, an impact evaluation of reforms to Kenya's Succession Law, which included removing sex discrimination in inheritance rights among siblings, found the reform was associated with greater bargaining power for married women.[143]

Financial policies

Kenya has been a leader in improving access to financial services through micro-finance, mobile money, and, more broadly, fintech. As reported above, evidence suggests that these policies have particularly benefited women, especially women informal entrepreneurs.[144] Researchers have found that mobile money in Kenya helps build social capital, as well as economic capital, and supports informal safety nets by making it easier and cheaper to transfer money.[145] However, beyond the levels of credit provided by microfinance, the Kenyan financial system does not make it easy for entrepreneurs to access credit. Overall credit to the private sector as a share of GDP is low, and fiscal policies have often crowded out the private sector.[146]

In an effort to loosen credit constraints for vulnerable and disadvantaged entrepreneurs in this sector, the government has initiated a number of special loan programs, including several reviewed for this study, such as the Ushanga initiative, the Uwezo Fund, KYEOP, etc. These are piecemeal efforts and do not seek to address the broader constraints to starting, sustaining, and growing an informal business in Kenya. Data are scarce on their achievements and outcomes.

COVID-19 impact and response

In Kenya, prior to the pandemic, the economy was growing at about 5%, but economic growth crashed in March 2020 as Kenya suffered its first recession in two decades.[147] Trade and hospitality (accommodations and food), two sectors where informal entrepreneurs dominate, were very hard hit. Most urban households were hit hard, regardless of sector of activity. About 2 million Kenyans were pushed into poverty, most of

143 World Bank (2021).
144 Suri and Jack (2016).
145 https://www.fsdkenya.org/blog/why-economists-need-to-pay-attention-to-social-relations/
146 World Bank (2021).
147 World Bank (June 2021).

whom live in urban areas as the agricultural sector registered a good performance throughout the pandemic, keeping rural areas afloat.[148] The majority of Kenyans reported increased food insecurity in the months following the pandemic lockdown. Households reported using savings to cope with income losses, and adding an additional income-generating activity—usually an informal business.[149] The Kenyan economy is bouncing back, with growth projected at over 5% in 2021.[150]

The Kenyan government response to the COVID-induced recession was to increase bank credit to the private sector, including for MSMEs, and to launch a temporary public employment program for urban youth. Regarding the credit increases, to date there is no evidence on who received the credit, and in any case 95% of MSMEs report they have never gotten credit from a bank, including almost all female MSEs. There were no specific measures targeted at the informal sector. Kenya did not expand cash transfer payments to households or women, a measure that would have benefitted a large number of informal entrepreneurs and their households. Despite the measures taken to shore up the financial sector, recent data suggest that loans in arrears have increased significantly, and about 14% of total private loans outstanding (households and businesses) are in default, an indication of possible trouble ahead for both the banking sector and the businesses and households that rely on it.

More importantly, despite the importance of informal entrepreneurs to Kenya's economy, households, and the agency and independence of the women involved, Kenya does not have a broad, gender-informed strategy to address the issues faced by women who work (and struggle) in this sector, during crises such as the recent recession or for the medium term. Constitutional protections for economic women's rights, including the right to do businesses in one's own name, sign contracts, and have control over assets, give way to community and household ways of thinking and acting that constrain women in their business activities. Few programs, either within Kenya or outside, appear to have recent success in addressing the structural constraints. Most have not even tried. However, there is a limit to what can be achieved in this sector, for men or women, through individual programs. The sector itself is structurally constrained.

148 Ibid. Overall, most poverty in Kenya is rural but the World Bank does not report an increase in poverty in rural areas.

149 Ibid.

150 Ibid.

VI. Conclusions

The focus on women as instruments, rather than agents, for development goals, such as economic growth, has narrowed the empowerment agenda for many policymakers to a largely market phenomenon.

WEE programming and impact measures are largely ignorant of the often adverse, inequitable, or unsustainable terms on which they are incorporated within global markets.[151] Even scholarship that ventures beyond the mainstream individualistic approach to the study of women entrepreneurs in acknowledging the institutional, societal/cultural, and structural environments often fails to problematize the status quo assumptions, social norms, and structural barriers present in the entrepreneurial ecosystem.

Constraints on women's individual capital—economic, social, and human—exist because of meso-level normative constraints and state-level structural constraints. Our conceptual framework defines and problematizes "the market" as a gendered space where these two different "primary" sets of constraints interact with "secondary" individual capital constraints, determining women entrepreneurs' economic opportunities and outcomes. These constraints, which are held in place by the relationships between market actors and the power dynamics between these, come to bear when women entrepreneurs interact with market actors. Just as households and communities are "creators of gender," markets are "bearers of gender."[152]

A fast-growing, and young, labor force combined with a slow pace of private sector formal wage job creation, leave most in the Kenyan labor force with no employment options outside the informal sector (household farms and firms). Women continue to be disproportionately found in the informal sector. While this employment provides needed flexibility to balance the demand of household chores and care activities with remunerative economic activities, it also provides most in the sector with a lower, and less certain, income, compared with formal wage employment. While women have on paper many of the legal rights they need to run a business, their lived experience reflects the constraints they face—their businesses have less economic capital (inventory, cash, or assets), and they need more human capital to get by. Women have to negotiate harder with suppliers, customers, and other adults in the household over their business income, work harder to get needed information, and endure sexual and broader gender harassment. They do not perceive much support from the government—either at the national or local level.

While building human, economic, and social capital is necessary—and doing it smarter is better—it is not sufficient. Evidence on "what works" disproportionately focuses on the first of these three types of economic capital, financial assets; there is less—and less robust—evidence on what works to alleviate constraints in relation to productive and infrastructure assets, and whether and how this leads to better outcomes for women informal entrepreneurs. However, there is growing evidence of the importance of building women entrepreneurs' socio-emotional skills, which can lead to improved business outcomes, such as increased profits, survival, and growth. Yet even when individual-level constraints are overcome by building up women's human, social, and economic capital through these programs, normative and structural constraints still exist. Women with more capital can navigate and counter these constraints more effectively, but this still bears an individual cost, and only limited (in scope and duration) progress will be made until gender-discriminatory structural and normative issues are effectively tackled. If a program is not dealing with structural constraints, it is likely that the impact will be lower, and shorter term. There are very few programs in Kenya that have had success in tackling multiple constraints in one domain, or constraints across domains. Programs that have had success in doing this are smaller and have not been evaluated for

151 Phillips (2013) in Nazneen et al. (2019).

152 Kabeer (2021).

scale potential. The result is significant gaps in understanding "what works" for women entrepreneurs at scale, resulting in policies and programs that are both partial and inadequate.

Access to economic assets alone, while valuable as an approach to address disparities in resource allocation based on gender, does not consistently have transformative impacts on women's agency in regard to work, decision-making, or attitudes about gender norms. Despite the recognition of the importance of social dynamics, financial inclusion initiatives continue to have a limited understanding of how social factors influence human behavior. As such, most programming in Kenya tends to focus primarily on increasing women's access to products and services, with less consideration of how the socio-cultural context in which they operate influences their decisions and ability to engage with, and benefit from, those opportunities. Many of the meso-level norms identified in our literature review remain unchallenged—including VAWG and harassment in market spaces. Few women's entrepreneur programs work explicitly to tackle the meso level, such as women's relational agency, gender roles, and collective agency, and those that do seek explicitly to advance women's agency often do not delve deeper into complex social norms and belief systems that impact women's ability to participate fully in market systems.[153]

There is limited evidence of legal and policy reforms in Kenya that have had a direct impact on female entrepreneurs and MSEs specifically. This is likely to be due to the limited studies on this topic. However, there is evidence that removing gender-discriminatory policies supports women to gain agency in terms of their employment choice, ability to earn and control economic resources—all of which indirectly impacts their ability to start, run, and grow their own businesses. More research is needed on the impact of state-level constraints to female own-account workers' business outcomes. Research is also needed on how women own-account business owners can be best supported during demand shocks such as the COVID-19 pandemic. Very few programs in this review support women entrepreneurs to engage in policy influencing, or engage with CSOs to do this work. There is much to be learned about collective advocacy to influence policy implementation from organizations. such as the work GROOTS is doing to mobilize women entrepreneurs for policy influencing.

Given the importance of the informal sector in the Kenyan economy and in the economic lives of women, it is not surprising that the Kenyan government, bilateral and multilateral donors, and international NGOs (often together with foundations) are now implementing programs in Kenya to support women in this sector. Some programs appear to have learned the lessons of previous less-than-successful interventions targeting this sector by trying to build multiple kinds of capital and finding smarter ways to "work around" sticky normative constraints affecting women's participation and benefit through, for example, holding training sessions at more convenient times and in more convenient locations, or supporting women's online financial transactions. However, few evaluate or document the effect of gendered norms and gender-inequitable policies on the outcomes they are trying to effect, or the impact of their interventions on these structural constraints.

A more feminist approach to women's economic empowerment needs to consider not only what is done, but how it is done and who does it. In order to increase learning and generate evidence for what works to support women entrepreneurs, more collaborative partnerships are needed with grassroots feminist organizations in order to shape the research agenda based on the lived experiences of women. Understanding how structural constraints affect women's choices in entrepreneurship, and the extent to which women's traditional household and care responsibilities play a role in women's entrepreneurial interests and options, are critical to developing more supportive and transformative programming.

153 Markel et al. (2016); Calder and Boost (2020).

References

Alibhai, S., Buehren, N., Frese, M., Goldstein, M., Papineni, S., Wolf, K. (2019). "Full Esteem Ahead? Mindset-Oriented Business Training in Ethiopia Africa Region." Africa Policy Research Working Paper 8892, Gender Innovation Lab & Finance, Competitiveness and Innovation Global Practice. June 2019.

Andole, O.H. and Matsui, K. (2021). "Entrepreneurial behaviors and perceptions influencing business decisions among rural women in Kakamega County, Kenya. *Kasetsart Journal of Social Sciences*. 42, 135-140.

Banerjee, A., Duflo, E., Goldberg, N., Karlan, D., Osei, R., Pariente, W., Shapiro, J., Thuysbaert, B., Udry, C. (2015). A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries. *Science* (New York, N.Y.).

Banerjee, R. (2019). "Enhancing access to information for women in pastoral areas—challenges and opportunities." 30 April.

https://www.cta.int/en/gender/article/enhancing-access-to-information-for-women-in-pastoral-areas-challenges-and-opportunities-sid041b48a7f-a48a-49cc-9cb5-d7c2625cac4a

Batista, C., Siqueira, S., Vicente, P. (2021). Closing the Gender Profit Gap. *CEPR Discussion Paper No. DP15916.* March. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3803152

Batliwala, S. (2007). "Taking the power out of empowerment—An experiential account." *Development in Practice*. 17, 557-565.

Bernhardt, A., Field, E., Pande, R., and Rigol, N. (2018). "Household Matters: Revisiting the Returns to Capital among Female Micro-Entrepreneurs." *NBER Working Paper 23358*. https://www.nber.org/system/files/working_papers/w23358/w23358.pdf

BOMA (2015). Randomized Controlled Trial Results. Executive Summary. https://bomaproject.org/wp-content/uploads/2018/08/Final-RCT-Executive-Summary-2015.pdf

BOMA (2018a). Increasing Voice, Choice and Agency: An Analysis of BOMA Participants from the Bill & Melinda Gates Foundation Funded Cohort. https://bomaproject.org/wp-content/uploads/2018/08/Analysis-of-the-Endline-Survey-for-the-REAP-WGCD-Cohort-8-30-18.pdf

BOMA (2018b). A Longitudinal Assessment of REAP. A follow-up on program participants 3-5 years after graduation. Executive Summary. https://bomaproject.org/wp-content/uploads/2018/10/Longevity-Study-Exec-Summary.pdf

BOMA (2020a). 2020 Q1 IMPACT REPORT | January through March. https://bomaproject.org/wp-content/uploads/2020/05/2020-Q1-REPORT-BOMA.pdf

BOMA (2020b). 2020 Q3 IMPACT REPORT | July through September. https://bomaproject.org/wp-content/uploads/2020/10/BOMAQ32020ImpactReport.pdf

BOMA website—the Boma Difference. Accessed on 15 March 2021. https://bomaproject.org/our-work/the-boma-difference/

Burjorjee, D.M., El-Zoghbi, M., Meyers, L. (2017). Social Norms Change for Women's Financial Inclusion. CGAP.

Buvinic, M. and O'Donnell, M. (2019). Gender Matters in Economic Empowerment Interventions: A Research Review. Published by Oxford University Press on behalf of the International Bank for Reconstruction and Development/THE WORLD BANK.

Calder, R. and Boost, E. (2020). "Gendered Life Stages and Financial Inclusion Literature Review." Ideo.org

Calder, R. and Tanhchareun, T. (2014). Informal Social Protection: social relations and cash transfers. DFAT: Canberra. https://www.dfat.gov.au/sites/default/files/informal-social-protection.pdf

Campos, F., Frese, M., Goldstein, M., Iacovone, L., Johnson, H.C., McKenzie, D., Mensmann, M. (2017). "Teaching personal initiative beats traditional training in boosting small business in West Africa." *Science* 357, 1287–1290. 22 September. https://www.poverty-action.org/sites/default/files/publications/Campos%20Frese%20et%20al%202017%20Teaching%20PI%20beats%20traditional%20training%20Science.pdf

Campos, F. and Gassier, M. (2017). "Gender and Enterprise Development in Sub-Saharan Africa: A Review of Constraints and Effective Interventions." *Policy Research Working Paper 8239*. World Bank Group.

Central Bank of Kenya, Kenya National Bureau of Statistics, and FSD Kenya (2019). 2019 Finaccess Household Survey. April 2019. https://www.centralbank.go.ke/uploads/financial_inclusion/2050404730_FinAccess%202019%20Household%20Survey-%20Jun.%2014%20Version.pdf

Chang, W., Diaz-Martin, L., Goplan, A., Guarnieri, E., Jayachandran, S., Walsh, C. (2020). "What works to enhance women's agency: Cross-cutting lessons from experimental and quasi-experimental studies". Cambridge, MA: Abdul Latif Jameel Poverty Action Lab. Evidence Review.

Chen, M. and Carre, F. (2020). The informal economy revisited: examining the past, envisioning the future. Routledge.

Clark, S., Kabiru, C.W., Laszlo, S., Muthuri, S. (2019). "The Impact of Childcare on Poor Urban Women's Economic Empowerment in Africa." *Demography* 56 (4): 1247–1272.

Dowie, G., de Haan, A., Grantham, K. (2021). "Introduction: The Growth and Economic Opportunities for Women Programme." In Women's Economic Empowerment: Insights from Africa and South Asia. Edited by Kate Grantham, Gillian Dowie and Arjan de Haan. Routledge and International Development Research Centre.

Dupas, P., Keats, A., Robinson, J. (2016). "The Effect of Savings Accounts on Interpersonal Financial Relationships: Evidence from a Field Experiment in Rural Kenya." *NBER Working Paper No. 21339*, National Bureau of Economic Research, Cambridge, MA.

Dupas, P. and Robinson, J. (2013). "Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya." *American Economic Journal: Applied Economics* 5(1): 163–92.

Dupas, P. and Robinson, J. (2013a). "Why Don't the Poor Save More? Evidence from Health Savings Experiments." *The American Economic Review* 103(4): 1138–71.

Field, E., Jayachandran, S., Pande, R. (2010). Do Traditional Institutions Constrain Female Entrepreneurship? A Field Experiment on Business Training in India. *The American Economic Review*, 100(2), 125–129.

Filmer, D. and Fox, L. (2014). Youth employment in sub-Saharan Africa. The World Bank. http://hdl.handle.net/10986/16608

Fox, L. and Gandhi, D. (2021). Youth employment in Africa: Progress and prospects (*Africa Growth Initiative Working Paper No. 28*). Brookings Institution.

Fox, L. and Romero, C. (2017). "In the Mind, the Household, or the Market? Concepts and Measurement of Women's Economic Empowerment." *Policy Research Working Paper 8079*. Social Protection and Labor Global Practice Group. World Bank.

Gedion, O., Oyugi, D.M., Munyithya, E.W. (2015). Effects of Women Enterprise Fund Loan on Women Entrepreneurs a Survey of Small and Medium Enterprises in Eldoret Town, Kenya. http://www.ijbssnet.com/journals/Vol_6_No_12_December_2015/7.pdf

Gobin, V.J., Santos, P., Toth, R. (2017). No longer trapped? Promoting entrepreneurship through cash transfers to ultra-poor women in northern Kenya. *American Journal of Agricultural Economics.* 99(5), 1362-1383. https://doi.org/10.1093/ajae/aax037

Golla A.M., Malhotra, A., Nanda, P., Mehra, R. (2011). Understanding and Measuring Women's Economic Empowerment. ICRW. https://www.icrw.org/wp-content/uploads/2016/10/Understanding-measuring-womens-economic-empowerment.pdf

Hanmer, L. and Klugman, J. (2016). "Exploring Women's Agency and Empowerment in Developing Countries: Where Do We Stand?" *Feminist Economics.* 22(1): 237–63.

Heintz, J. (2021). "Stalled progress: Why labour markets are failing women." In Women's Economic Empowerment: Insights from Africa and South Asia. Edited by Kate Grantham, Gillian Dowie and Arjan de Haan. Routledge and International Development Research Centre.

Hicks, J.H., Kremer, C.M., Mbiti, I., Miguel, E. (2016). Vocational Education in Kenya-A Randomized Evaluation. *3ie Impact Evaluation Report*. 37. Retrieved from https://www.3ieimpact.org/

Honorati, M. (2015). The Impact of Private Sector Internship and Training on Urban Youth in Kenya. *Policy Research Working Paper No. 7404*. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/22661

Hunter, R., Abrahams, M., Bodlani, L. (2020). The detrimental effects of COVID-19 and lockdown on the livelihoods of female-headed households in Kenya, Nigeria and South Africa. *Cenfri.* May 25. https://cenfri.org/articles/effects-of-covid19-lockdown-on-livelihoods-of-female-headed-households/

Hyland, M., Djankov, S., Goldberg, P. (2019). Gendered Laws. *World Bank Policy Working Paper Series No. 9080* (December).

Ijaza, A.K., Mwangi, S.W., Ng'etich, K.A. (2014). Challenges Faced by the Women Enterprise Fund in Kenya A Survey of Hamisi Constituency, Vihiga County-Kenya. https://www.iiste.org/Journals/index.php/RHSS/article/view/14316

International Finance Corporation (IFC) (2017). Tackling Childcare: The Business Case for Employer Supported Childcare.

Kabeer, N. (2021). "Gender equality, inclusive growth and labour markets." In Women's Economic Empowerment: Insights from Africa and South Asia. Edited by Kate Grantham, Gillian Dowie and Arjan de Haan. Routledge and International Development Research Centre.

Kabeer, N. (2012). "Women's Economic Empowerment and Inclusive Growth: Labour Markets and Enterprise Development." International Development Research Centre.

Kabeer, N. (1999). "Resources, agency, achievements: Reflections on the measurement of women's empowerment." *Development and Change.* 30(3): 435–464.

Kabeer, N., Mahmud, S., Tasneem, S. (2011). "Does paid work provide a pathway to women's empowerment?" Empirical findings from Bangladesh. *IDS Working Paper 375*. Institute of Development Studies, Brighton, UK.

Kenya Association of Manufacturers (KAM) (n.d.). A Report on the Women in Manufacturing Dissemination Programme in Partnership with DFPA. https://kam.co.ke/wp-content/uploads/2021/06/wim-report-4-1-2.pdf

Kenya National Bureau of Statistics, Ministry of Health, National AIDS Control Council, Kenya Medical Research Institute, National Council for Population and Development, The DHS Program, ICF International (2015) Kenya Demographic and Health Survey 2014. https://dhsprogram.com/publications/publication-fr308-dhs-final-reports.cfm

Kiraka, R., Kobia, M., Katwalo, A. (2013). Micro, Small and Medium Enterprise Growth and Innovation in Kenya: A Case Study on the Women Enterprise Fund. *ICBE-RF Research Report* No. 47/13. https://www.issuelab.org/resources/34979/34979.pdf

Kitavi, A.M. (2015). Influence of youth enterprise development fund on growth of youth business enterprises in Kenya: The case of Kitui central sub-county Kitui county. University of Nairobi.

Koshy, E. and Sanchez, L. (2021). Supporting Women-led Businesses in Low- and Middle-Income Countries Through the COVID-19 Crisis and Beyond. Innovations for Poverty Action. September. https://www.poverty-action.org/sites/default/files/publications/Supporting-Women-Led-Businesses-during-COVID-19-September-2021-Final.pdf

Maichuhie, K. and Obiria, M. (2020). Women bear the brunt of Covid-19 job losses. *The Nation.* June 21. https://nation.africa/kenya/gender/women-bear-the-brunt-of-covid-19-job-losses-311946

Maisiba, F.M. and George, G.E. (2013). The Role of Youth Enterprise Development Fund (YEDF) in Job Creation: A Case of Dagoretti Constituency, Nairobi County, Kenya. https://core.ac.uk/download/pdf/234629621.pdf

Marcus, R. (2021). “Gender, social norms, and women’s economic empowerment.” In Women’s Economic Empowerment: Insights from Africa and South Asia. Edited by Kate Grantham, Gillian Dowie and Arjan de Haan. Routledge and International Development Research Centre.

Markel, E., Gettliffe, E., Jones, L., Miller, E., Kim, L. (2016) The social norms factor: How gendered social norms influence how we empower women in market systems development MarketShare Associates. July 2016.

McKenzie, D. (2020). “Small Business Training to Improve Management Practices in Developing Countries: Reassessing the Evidence for ‘Training Doesn’t Work.’” *Policy Research Working Paper* 9408. Washington DC: World Bank. http://documents1.worldbank.org/curated/en/593081600709463800/pdf/Small-Business-Training-to-Improve-Management-Practices-in-Developing-Countries-Reassessing-the-Evidence-for-Training-Doesn-t-Work.pdf

McKenzie, D. and Puerto. S. (2017). “Growing Markets through Business Training for Female Entrepreneurs A Market-Level Randomized Experiment in Kenya.” *Policy Research Working Paper 7993*. World Bank, 2017. http://documents1.worldbank.org/curated/en/197441488550003248/pdf/WPS7993.pdf

McKenzie, D., Woodruff, C., Bjorvatn, K., Bruhn, M., Cai, J., Gonzalez Uribe, J., Quinn, S., Sonobe, T., and Valdivia, M .(2021) “Training Entrepreneurs.” *VoxDevLit* 1(2). August 2021.

Mugyenyi C., Nduta N., Ajema C., Afifu C., Wanjohi J., Bomett M., Mutuku C., Yegon, E. (2020). Women in Manufacturing: Mainstreaming Gender and Inclusion. Nairobi, Kenya. International Center for Research on Women (ICRW) and Kenya Association of Manufacturers (KAM).

Mutukaa, S. and Laktabai, E. (2019). Challenges and Strategies on Allocation of Women Enterprise Fund: Lessons from Elgeyo Marakwet East Sub County, Kenya. https://www.rsisinternational.org/journals/ijriss/Digital-Library/volume-3-issue-12/398-404.pdf

Nazneen, S., Hossain, N., Chopra, D. (2019). “Introduction: contentious women’s empowerment in South Asia.” *Contemporary South Asia.* 27:4, 457-470. https://www.tandfonline.com/doi/full/10.1080/09584935.2019.1689922

Ndwiga, M.W., Ondieki-Mwaura, F., Karugu, W. (2017). Impact of Participation in Microfinance on Women Empowerment: Evidence from the Women Enterprise Fund Beneficiaries in Nairobi County, Kenya. http://www.ijsrp.org/research-paper-0417/ijsrp-p6442.pdf

OECD (2019). Social Institutions and Gender Index (SIGI) 2019 Global Report. https://www.oecd.org/publications/sigi-2019-global-report-bc56d212-en.htm

Otieno, G.C. (2017). Factors Influencing Performance of the UWEZO fund assisted Youth Projects in Migori County, Kenya. http://erepository.uonbi.ac.ke/bitstream/handle/11295/102910/GRACE%20OTIENO.pdf?sequence=1

Parpart, J.L., Rai, S.M., Staudt, K. (2002). "Rethinking Em(power)ment, Gender, and Development: An Introduction." In Rethinking Empowerment: Gender and Development in a Global/Local World. 3-21.

Revenga, A. and Dooley, M. (2020). The constraints that bind (or don't): Integrating gender into economic constraints analyses. *Global Economy and Development Working Paper* 137. Brookings Institution. https://www.brookings.edu/wp-content/uploads/2020/04/Constraints-that-Bind.pdf

Rowlands, J. (1995). Empowerment examined. Development in practice. 5. 101-7. https://www.researchgate.net/publication/11109221_Empowerment_examined

Sánchez Puerta, M.L., Johansson de Silva, S., Rizvi, A. (2018). "Kenya: Capturing Skills Requirements and Assessing Skills Gaps in the Modern Economy." World Bank, Washington, DC.

Schaner, S. (2017). "The Cost of Convenience? Transaction Costs, Bargaining Power, and Savings Account Use in Kenya." *Journal of Human Resources* 52 (4): 919–45. https://doi.org/10.3368/jhr.52.4.0815-7350R1

Shankar, A.V., Onyura, M.A., Alderman, J. (2015). "Agency-Based Empowerment Training Enhances Sales Capacity of Female Energy Entrepreneurs in Kenya." *Journal of Health Communication* 20 Suppl 1: 67–75. https://doi.org/10.1080/10810730.2014.1002959.

Sikenyi, M. (2017). Does Kenya's Youth Enterprise Development Fund Serve Young People? In *IDS Bulletin* Volume 48 Number 3. https://bulletin.ids.ac.uk/index.php/idsbo/article/view/2874

SNV (2019). Enhancing Opportunities for Women's Enterprises (EOWE) Programme Midterm Review a-WEAI Report 2018. https://snv.org/cms/sites/default/files/explore/download/midterm_report_a-weai_snv_eowe-flow_0.pdf

SNV (2017). Knowledge, Attitudes and Practices (KAP) Study of Women's Economic Empowerment Summary of Findings. Kenya.

Squires, M. (2017). "Kinship Taxation as an Impediment to Growth: Experimental Evidence from Kenyan Microenterprises." 14 November. https://www.uvic.ca/socialsciences/economics/assets/docs/seminars/Squires%20Kinship%20Taxation.pdf

Suri, T. and Jack, W. (2016). The long-run poverty and gender impacts of mobile money. *Science*, 354(6317), 1288-1292. https://doi.org/10.1126/science.aah5309

Taylor, G. and Pereznieto, P. (2014). Review of evaluation approaches and methods used by interventions on women and girls' economic empowerment, ODI. https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8843.pdf

Timmis, H. (2018). *Jobs in Kenya*. K4D Helpdesk Report. Brighton, UK: Institute of Development Studies.

UNESCO (2020). Quadrennial Periodic Report. Kenya 2020. https://en.unesco.org/creativity/governance/periodic-reports/submission/3835

WEF, Coca-Cola Central East and West Africa Limited (CEWA) (2019). News Release. Women Enterprise Fund and Coca-Cola Renew their Partnership to Empower More Women to Boost Small Businesses and Economic Growth in Kenya. https://www.wef.co.ke/images/Reports/WEF_Coca_Cola_Partnership_Press_Release.pdf

Women's World Banking (WWB) (2020). Empowering MSMEs. Creating a Better Banking Experience for Women-Led Micro, Small, and Medium Enterprises in Kenya. https://www.womensworldbanking.org/insights-and-impact/report-empowering-msmes-creating-a-better-banking-experience-for-women-led-micro-small-and-medium-enterprises-in-kenya/

World Bank (2020). COVID-19 Pandemic Through a Gender Lens. June 25. http://documents.worldbank.org/curated/en/132121593107858356/COVID-19-Pandemic-Through-a-Gender-Lens

World Bank (2019). Country Private Sector Diagnostic–Creating Markets in Kenya. Washington DC: World Bank.

World Bank (2016). Kenya: Jobs for Youth. Report No. 101685-KE. February.

World Bank (2012). Kenya Economic Update, December 2012, Edition 7.

World Bank Group (2019). "Profiting from Parity: Unlocking the Potential of Women's Business in Africa." Washington, DC: World Bank.

World Economic Forum (2021) Global Gender Report. http://www3.weforum.org/docs/WEF_GGGR_2021.pdf

Annexes

Annex 1—Key Informants

Interviews with Key Informants were carried out in April and May 2021.

Key informants	Program and/or organization
Alice Waweru	Micro-Enterprises Strengthened for Pandemic Adaptation and Resilience in Kenya (mSpark), TechnoServe
Carol Ajema, Naome Wandera, Serah Ndut	International Center for Research on Women (ICRW)
Diana Warira, Mikaela Rabb	J-PAL Kenya
Dorothy Mwashipei	Ushanga Initiative, GoK
Elizabeth Koshy Kalarikad	Innovations for Poverty Action (IPA)
Emily Maranga	GROOTS Kenya
Jean Kemitare, Susan Asio	Urgent Action Fund (UAF) Kenya
Mugure Kamau-Githuku	Enhancing Opportunities for Women's Enterprises (EOWE), SNV
Sally Kahiu	Women in Manufacturing (WIM), Kenya Association of Manufacturers (KAM)
Sam Owilly	Rural Entrepreneur Access Program (REAP), BOMA
Wanjiku Kabira	University of Nairobi