Youth Employment and Entrepreneurship: The Kenyan Case

Editor's Notes
The research updates featured below are taken from the study on youth employment and entrepreneurship of the CBMS Kenya Team led by Dr. Diana Kimani in five sub-locations in Muthithi in Kenya. The full report will be available at PEP website.

As the Kenyan population rose rapidly over the past four decades, the proportion of youth also increased. Kenya's population is predominantly young, with 43 percent of the population under the age of 15, while those who are 15-35 years old are approximately 36 percent of the total population (UNDP, 2013). The 'youthfulness' of Kenya's population is typical of African countries. About 65 percent of the total Africa population is below the age of 35 years, and over 35 percent between the ages of 15 and 35 years - making Africa the most youthful continent (African Union, 2011).

In this regard, it was seen that Kenya will experience a demographic transition due to changing patterns in fertility, mortality and population growth as well as socioeconomic factors (Njonjo, 2010). As the children who are 15 years old and below group mature into youth, the bulge will shift to the working population. As the share of the working age population (15-59 years old) in the total population increases more jobs need to be created for these individuals.

The national unemployment rate is about 12.7 percent of large informal and traditional sectors with the largest share of employment (Kenya National Bureau of Statistics, 2014). Youth unemployment was particularly severe because of the young individual's vulnerability and limited coping measures. The context of youth unemployment is complex and varies across regions. Unemployment rates in Kenya range between 20 and 35 percent which is why employment challenge in the country was considered a youth issue.

Traditional approaches in addressing unemployment were focused on the acquisition of training and skills. In the last four decades, in recognition of the unemployment and underemployment concerns in Kenya, successive government administrations prioritized...
Research Results

Table 1. Characteristics of Youths in Muthithi Location

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Muthithi</th>
<th>Gikarangu</th>
<th>Kiahiti</th>
<th>Kagurumo</th>
<th>Mungu-ini</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>T</td>
<td>M</td>
<td>F</td>
<td>T</td>
</tr>
<tr>
<td>Mean Age</td>
<td>26.2</td>
<td>25.5</td>
<td>25.8</td>
<td>25.8</td>
<td>25.3</td>
<td>25.5</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>12.3</td>
<td>11.0</td>
<td>11.8</td>
<td>16.2</td>
<td>7.7</td>
<td>12.2</td>
</tr>
<tr>
<td>Proportion of youth engaged in entrepreneurship</td>
<td>13.8</td>
<td>14.2</td>
<td>14.0</td>
<td>13.3</td>
<td>10.9</td>
<td>12.0</td>
</tr>
<tr>
<td>Proportion of individuals who are members of youth groups</td>
<td>8.7</td>
<td>6.5</td>
<td>7.6</td>
<td>11.4</td>
<td>8.1</td>
<td>9.6</td>
</tr>
<tr>
<td>Proportion of youth with access to credit</td>
<td>5.0</td>
<td>4.3</td>
<td>4.7</td>
<td>1.1</td>
<td>2.4</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Source: CBMS Census in Kenya, 2016

The most recent policy initiative designed for the youth is the Uwezo Fund (Kiswahili word for ‘enabling’) established in 2013. This targeted to enable women, youth and persons with disability to have access to finance to promote businesses and enterprises. The goal was to enhance economic growth and realize the millennium development goals (MDGs) on the eradication of extreme hunger and poverty, and the promotion of gender equality and empowerment women. The Fund also provided opportunities to enable the beneficiaries take advantage of the 30 percent government procurement preference for youth, women and persons with disabilities through its capacity building program.

Though the Kenyan government has implemented policies to address the youth unemployment, the basis of these policies were national household surveys that collect data on household characteristics and welfare but were limited in terms of youth-related information. Further, they are not frequent and very costly; hence it cannot provide highly disaggregated data to meet the need for specific regions. Therefore, there is a need for a more comprehensive data on youth to address the unemployment and poverty concerns.

The community-based monitoring system (CBMS) in Kenya was introduced in 2015 to address the need for a baseline data which can be used as reference for designing policies at the local level. The objective of the project was to identify the determinants of poverty in Muthithi Location, Murang’a County. The results of the initiative were expected to provide information to help local policymakers in Kenya to design appropriate development plans in addressing poverty. In addition to this, a study on youth employment and entrepreneurship was also conducted. The data from the census helped in analyzing the determinants of unemployment and entrepreneurial activities among the youth. In the CBMS Kenya implementation, the youth is defined as individuals from 18 to 35 years old.

The CBMS census collected data on household and member characteristics as well as entrepreneurship and community level characteristics in Muthithi location, Muthithi County Assembly Ward, Kigumo Constituency in Murang’a County. The census gathered data from 4,247 households which include 12,036 individuals in 5 sublocations in Kenya, namely Muthithi, Gikarangu, Kiahiti, Kagurumo and Mungu- ini. The census was carried out between March and May 2016. The data from the CBMS census was analyzed using stata to generate the descriptive statistics and econometric methods.

Findings

The community findings are summarized in the Table 1 below. It provides a summary of the information from the CBMS census in Muthithi location from 4, 247 households with 12,036 members. The results showed that more females live in the community with 52.3 percent than males with 47.7 percent. The rider questionnaire was administered to households with members who are 18-34
years old wherein 2,569 individuals were interviewed. The mean age of population in Muthithi is 33 years, a relatively youthful population by Kenyan standards.

In terms of education, the census noted that 42.2 percent of the population in Muthithi does not go to school while the remaining 57.8 percent attended either primary, secondary, or post-secondary level. The average unemployment rate was 5.1 percent wherein most of the unemployed are males. Meanwhile, the proportion of poor was highest in Munguini where 52 percent of its population was considered poor. This was higher than the average of the 5 sub-location which was 38.2 percent. The results also showed that about 8.8 percent of the population suffers from chronic illness wherein more females suffer than males in all locations.

In terms of the youth characteristics, Table 1 shows that the mean age of the youth was 26 years old in the 5 sub-locations where the census was administered. The average unemployment rate of the youth was 13.5 percent, which was higher than the average for the whole population in Muthithi at 5.1 percent. It was also found that a higher proportion of males were unemployed compared to the females at 15.0 percent and 11.2 percent, respectively. The census also found that youth unemployment was highest in Kagurumo at 17.5 percent and lowest in Mungu-ini at 11.6 percent. In addition to this, the data revealed that the proportion of youth who were considered poor was higher than the average for the whole population.

Furthermore, the study found that 13.6 percent of the youth were engaged in entrepreneurship wherein about 14.1 percent of males and 13.0 percent of females were entrepreneurs. In particular, youth entrepreneurship was highest in Mungu-ini with 16.8 percent and lowest in Kiahiti with 11.4 percent. The data also showed the young individuals who were members of youth groups. It can be noted that a slightly higher proportion of males were members of youth groups. In terms of access to credit, it was revealed that only 3.1 percent of the youth in Muthithi location had access to credit. In four out of the five locations, women were found to have higher access to credit than men.

The information from the CBMS census revealed several hindrances in starting a business as identified by the youth respondents. Table 2 summarizes the responses that were given by the youth respondents. About 90 percent of the youths revealed that access to finance

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Male</th>
<th>Female</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited access to finance</td>
<td>89.6</td>
<td>88.4</td>
<td>89.0</td>
</tr>
<tr>
<td>Limited access to electricity</td>
<td>57.0</td>
<td>56.4</td>
<td>56.6</td>
</tr>
<tr>
<td>Transportation challenges</td>
<td>46.8</td>
<td>47.3</td>
<td>47.1</td>
</tr>
<tr>
<td>Difficulty in getting a business permit</td>
<td>51.5</td>
<td>53.3</td>
<td>52.3</td>
</tr>
<tr>
<td>Prevalence of Crime</td>
<td>19.7</td>
<td>21.1</td>
<td>20.4</td>
</tr>
<tr>
<td>Inadequate skills and training</td>
<td>59.8</td>
<td>59.1</td>
<td>59.5</td>
</tr>
<tr>
<td>Lack of entrepreneurship mentorship programs</td>
<td>58.4</td>
<td>55.7</td>
<td>57.1</td>
</tr>
</tbody>
</table>

Source: CBMS Census in Kenya, 2016
Uganda Implements CBMS in Katakwi District

In Uganda, the implementation of the Community-Based Monitoring System (CBMS) Team is initiated by the Development Research and Training (DRT) led by Dr. Johnson Kagugube. The primary aim of this project is to provide information to the policy makers at lower and higher local government levels to help them in designing appropriate plans to address the needs of the community.

The CBMS Uganda team identified 7 enumerators and 2 district contact person. The training of these enumerators under Dr. Kagugube with the help of Mr. John Bosco Mubiru intended to familiarize the trainees on the use of the data collection tools such as the household profile questionnaire and the rider questionnaire on youth employment and entrepreneurship. The team also held a pre-testing between August 2 and 5 at Akisim village, in Katakwi Sub County, Katakwi District.

During the pre-testing, the team met with the Chief Administration Officer, District Planner, Community Development Officer, and Katakwi Sub-county Chief to discuss the implementation of the CBMS in detail and also to introduce some of the research team members. After the pre-testing, the team shared the preliminary pre-test with the district technical staff and obtained their feedback on some of the methodological and practical ways to improve the research process. Some of the issues encountered by the team were the slightly higher cost of the tablets due to fluctuation in the foreign exchange and the additional enumerators needed for the pre-test exercise. The team also mentioned the lengthy approval process involved in working with the Uganda National Council of Science and Technology.

The CBMS Uganda team will start their data collection on October 2016 covering around 4200 households in Katakwi District. It aims to gather information related to income and poverty to create a database which is expected to enable community leaders from government, business, and non-profit organizations to design appropriate development plans. With the data from the CBMS implementation, it will be possible to identify the skills and resource gaps among the youth and address the pressing needs of the community.
CBMS Network Representatives Present at the AMICAF Workshop in Indonesia

The CBMS Network represented by Dr. Celia Reyes and Steffie Calubayan attended a two-day consultation workshop on the Analysis and Mapping of Impacts under Climate Change for Adaptation and Food Security (AMICAF) in Padjadjara Suite Hotel and Conference, Bogor, Indonesia from September 6 to 7, 2016. It was organized by the Food and Agriculture Organization (FAO) of the United Nations (UN).

The workshop intended to share the lessons learned from the first phase of the AMICAF initiative, which was implemented in the Philippines, on assessing the transmission and socioeconomic impacts of climate at a farm household-level. This does not only include technical issues, but also on organizational and communication issues. The participants were Indonesian counterparts working on the AMICAF’s 2nd phase implementation. They were representatives from the Indonesia Centre for Agriculture Socio Economics and Policy Studies (ICASEPS), Central for Agricultural Data and Information Systems, Agency of Meteorology, Climatology, and Geophysical, Indonesia Center for Land and Agriculture Development and Statistics Indonesia.

On the first day, AMICAF Indonesia’s Project Manager Pahrian Siregar started the program with the introduction of the participants and the overview of the expected outputs from the two-day consultation workshop. The presentation of the CBMS Network’s study entitled Impact of Climate Change on Household Food Security in the Philippines was also discussed on the first day. It covered the issue of climate change and food security, the methodologies and data used in the study, and the policy simulations done to mitigate the impact of climate change in the food security of the household. The representatives from the CBMS Network answered the technical inquiries of the participants, particularly about the identification of the data which will be used in their own study, the Indonesia counterpart of the AMICAF initiative.

On the second day, the members of ICASEPS presented their preliminary works on the AMICAF project, including the dataset that they will be using and the measure of food insecurity that they will look at. At the end of the workshop, Mr. Siregar thanked the participants as well as the presenters. He also mentioned that the learnings from the workshop are expected to be utilized in the AMICAF initiative in Indonesia.
CBMS Network will conduct a Technical Workshop for Five CBMS Country Teams

The training workshop with the different country teams under the Community-Based Monitoring System (CBMS) initiative is scheduled on November 14-18, 2016 in Manila, Philippines. This workshop aims to discuss the details of the projects of the CBMS teams in Uganda, Haiti, Niger, Tanzania, and South Africa. These projects are under the "PEP-Policy Analysis on Growth and Employment" (PAGE) program supported by the International Development Research Centre (IDRC) and the Department for International Development (DFID) of the United Kingdom. This training workshop under the PAGE program is designed to build the capacities of the research teams of PAGE-round 2 CBMS projects.

Researchers and some policymakers from five CBMS project teams from partner institutions in abovementioned countries will participate in the week-long workshop to discuss the details of their research initiatives particularly the methodologies used. The workshop will also include mentoring sessions of the teams with designated resource persons from the CBMS Network led by Dr. Celia Reyes. It also aims to share the best practices of each of the CBMS teams to help their fellow researchers in their CBMS implementation.

Some experts from the field are also expected to come to the workshop to provide comments and suggestions to the team. The workshop is being organized by the PEP Asia-CBMS Network Office of the De La Salle University (DLSU), Philippines.
CBMS Tanzania completes data collection

Bukoba and Muleba are two among the eight districts in the Kagera region in Tanzania. The sites were selected for the pilot implementation of the community-based monitoring system (CBMS) in Tanzania. Bukoba is an urban district with high growth rate of economic activities which requires expansion and high capital investment. Meanwhile, Muleba was considered a fast-growing rural district in terms of economic development. These two districts were selected to compare the community situation in terms of available employment opportunities particularly on youth employment. In addition, the information from the census was expected to assess the vulnerability situation in urban and rural communities.

The CBMS implementation in Tanzania aimed to collect and publish a database which contains a profile of the community and its households. A total of 1,305 households were covered by the CBMS census and the rider questionnaire on youth employment and entrepreneurship was answered by 987 young individuals aged 15-35 years old. The information from the census targets to help in preparing development plans for the community particularly addressing issues on youth employment.

The team employed 8 enumerators composed of 4 males and 4 females supervised by Dr. Domitilla Bashemera. They were selected and trained on the use of the CBMS Accelerated Poverty Profiling (CBMS APP) for the administration of the census. The team gathered the information of the households in the community from July 22 to September 23, 2016. Then, the CBMS Tanzania team checked the collected data from the enumerators. They also contacted the local leaders and validated the information from the census.

13th CBMS National Conference on March 2017

The 13th CBMS Philippines National Conference will be held on March 1-3, 2017 at the Crowne Plaza Manila Galleria, Quezon City, Philippines. The 3-day policy conference gathers partners and stakeholders from national and local government units, non-government organizations, academe and development partner agencies to discuss latest developments, findings, and best practices on the implementation and use of the community-based monitoring system (CBMS) for multi-dimensional poverty diagnosis, bottom up planning and budgeting, program targeting, disaster-risk reduction management and climate change adaptation, monitoring the sustainable development goals (SDGs), and impact monitoring among others.

The 3-day event is being organized by the CBMS Network Office of the De La Salle University-Angelo King Institute for Economic and Business Studies (DLSU-AKI).

Call for Papers and Presentation

The CBMS Network Office of DLSU is inviting local government units (LGUs) that are implementing the community-based monitoring system in the Philippines to submit proposals for papers to be presented during the 13th CBMS-Philippines National Conference. Proposed papers should be able to document and discuss the actual uses and applications of CBMS data for evidence-based policymaking and program implementation specifically relating to (but not limited to) any of the following areas of concern: 1) Bottom up planning and budgeting; 2) Impact monitoring of an LGU-initiated program to address priority needs of any of the following sectors: Children, Indigenous Peoples (IPs), Persons with Disabilities (PWDs), Women, and Youth; 3) Targeting of beneficiaries for poverty reduction initiatives; 4) Disaster preparedness and rehabilitation; 5) Environment Management and Climate Change Adaptation; and 6) Migration and Development.

Interested applicants must have completed at least one round of the CBMS census using the CBMS Accelerated Poverty Profiling (CBMS), and/or currently implementing the CBMS APP.

Interested LGUs to present in the conference may submit the requirements through their DILG Regional Office not later than December 31, 2016. Only LGUs with approved proposed presentations will be notified by the CBMS Network Office and will be provided with full guidelines for the preparation of the paper and presentation.

For more details about the upcoming CBMS National Conference, you can check the link below.

https://www.pep-net.org/13th-cbms-philippines-national-conference
was their top concern when starting a business. In most of new business ventures, access to capital is really essential wherein 89.6 percent of young males and 88.4 of young females mentioned it as the top constraint when starting a business. Aside from finance, more than half of the youth population were also concerned about the inadequate skills in doing business activities. Meanwhile, the youth mentioned that the difficulty in getting business permits, access to electricity, transportation, and lack of mentorship programs were also hindrances in engaging in entrepreneurial activities. In terms of mentorship programs, more males were concerned about the number of entrepreneurship mentorship programs offered than females at 58.4 percent and 55.7 percent, respectively. Only 20 percent of the youth (21.1 percent of females and 19.7 percent of males) mentioned that crime was a concern when starting a business.

Given these findings, some recommendations were made to address the problems encountered by possible entrepreneurs. The study mentioned possible interventions to promote entrepreneurship in Muthithi which included the government’s role to reduce and/or remove barriers to access to government resources to start a business. Only a small portion of the youth had access to credit, thus it is essential for the government and non-government organizations to take this concern into account. Capital is important when starting a business which means that helping people have access to capital will lessen the burden of those who wanted to pursue a new venture. Also, the government should improve the transportation facilities in order to enhance market access for easier transactions. It is also essential to provide greater security to the community since crime is also a concern of the youth respondents.