



2017 PEP Policy Forum and Research Forum

June 14, 2017 | Nairobi, Kenya

On June 14, PEP hosted a high-level policy forum and a research forum to conclude the 2017 PEP Annual Conference, held June 8-14 in Nairobi, Kenya. The Policy Forum discussed evidence-based policy options to promote youth and female entrepreneurship while the Research Forum looked at how to integrate gender analysis into economic policy research.

Promoting youth and female entrepreneurship: Evidence-based policy options

Welcome remarks and official opening

In developing countries, labour market rigidities tend to exclude many low-skilled individuals, especially women and youth, forcing them into self-employment and restricting growth options for the corresponding economies. Inclusive growth strategies, therefore, need to include policies that support and facilitate the entrepreneurial activities of these marginalised groups. The 2017 Policy Forum discussed and debated how policy recommendations – particularly those based on PEP research – can support youth and female entrepreneurs.

The event began with Professor Jane Mariara, Executive Director of PEP, welcoming all in attendance, notably H.E. (Mrs.) Sicily Kariuki, Cabinet Secretary for the Ministry of Public Service, Youth and Gender Affairs of Kenya, Ms. Njambi Kinyungu, Chef de Cabinet, Office of the Cabinet Secretary for the Ministry of Foreign Affairs and representatives of the Department for International Development (DFID - UK Aid) and Canada's International Development Research Centre (IDRC). She also welcomed PEP's collaborators, local and international stakeholders.

Prof. Mariara recognised the relevance of PEP research to Kenya's Ministry of Public Service, Youth and Gender Affairs. She mentioned a team that recently completed relevant work in Muranga County and their new proposal to continue the research in the same area. Addressing the Cabinet Secretary for the Ministry of Public Service, Youth and Gender Affairs, Prof. Mariara said: "We look forward to engaging further with your Ministry in policy dialogues, as well as working closely with other key Ministries of the Republic of Kenya over the coming years to address economic policy issues related to growth and employment." Prof. Mariara noted with appreciation the hosting of PEP by the Government of Kenya and the unwavering support by the Ministry of Foreign Affairs. She also took the opportunity to thank PEP's donors for their continued financial and technical support, and their presence at the event.

Dr. Mustapha Nabli, Chair of the PEP Board of Directors, summarized the current schools of thought relating to entrepreneurship as a tool for economic development and set out some of the questions that would be answered during the event, saying: “Entrepreneurship for youth and women is important but we have to understand in what ways: when does it work? How does it work? Under what conditions and how can we make it succeed?”

Representing DFID, Dr. Yolanda Chakava spoke about the wider collaboration between PEP and DFID: “Through the research PEP supports and also through its capacity development of researchers, we are hoping that we can learn some very important lessons on youth and gender, which can transfer to the work that DFID is doing in East Africa.” Dr. Chakava mentioned that DFID sees both the research PEP supports and PEP’s capacity building efforts as vital contributions to DFID’s work promoting youth and female entrepreneurship.

The IDRC’s Regional Director for Sub-Saharan Africa, Dr. Simon Carter, lauded PEP’s achievements in supporting local researchers while also focusing on major and current development challenges. “Globally, including here in Africa, unemployment is a key development challenge. In response, PEP is supporting research that helps promote economic opportunities, including the development of entrepreneurship,” said Dr. Carter. He underlined that PEP trains as many female as male young researchers, speaking loudly to the organisation’s commitment to gender equality.

On behalf of H.E. Amb. (Dr.) Amina C. Mohamed, EGH, CAV, Cabinet Secretary for the Ministry of Foreign Affairs of Kenya, Ms. Njambi Kinyungu, Chef de Cabinet, Office of the Cabinet Secretary highlighted the policy relevance of the event, saying: “Promoting youth and female entrepreneurship among the more than 70% of Africa’s population will ensure inclusivity and sustainable development in line with the Africa Agenda 2063.”

H.E. (Mrs.) Sicily Kariuki, EGH, MBS, Cabinet Secretary for the Ministry of Public Service, Youth and Gender Affairs of Kenya, officially opened the Policy Forum with a speech outlining the importance of supporting youth and female entrepreneurship in Kenya. She said: **“The Ministry has put in place affirmative action programs and funds to support youth and female entrepreneurs.**



Cabinet Secretary Kariuki officially opened the Policy Forum

This is in the realisation that gender equality is not just a social issue, it is a development imperative.” Furthermore, she emphasised the Ministry’s belief in evidence-based policymaking, saying: “To formulate and implement appropriate policies for addressing the challenges that youth and women are facing, governments must be able to rely on well-informed counsel, based on scientific evidence produced through rigorous analysis.”

Keynote address: **What works and what do we not know concerning policies for youth and female entrepreneurship?**

Professor Michael Chege, Public Policy Consultant, delivered the keynote address, looking particularly at why nearly half of start-ups owned by women and youth in Africa fail in the first year. Prof. Chege suggested that microenterprises tend not to be focused in the sectors with the most potential and that policy should be used to encourage manufacturing and agribusiness enterprises. He highlighted training and education as a key area where policy can support entrepreneurship saying: “Although African youth start businesses in proportionately greater numbers than their counterparts in other developing countries, they tend to be less prepared for it.” While recognising the high rate of failure, Prof. Chege promoted learning from these experiences. “Every failed entrepreneurial experiment should be viewed as a knowledge-creating opportunity. Our repertoire of failures is a good place to start for policy analysis and policy reform,” he said. Finally, he emphasised the need for local research to create an evidence base. He said: **“For the new entrepreneurial initiatives to serve the employment needs of Africa, entrepreneurship must be context-specific in the manner spelt out in the strategy of the Partnership for Economic Policy.”**

Policy Forum: Panel

PEP researchers from Uganda and Senegal shared the findings and recommendations from their projects and drew comparisons with other PEP projects looking at youth and female entrepreneurship.

Based on the findings of seven PEP projects, Dr. Abdoulaye Seck of the Université Cheik Anta Diop in Senegal observed that there is no direct credit market discrimination against youth and women, however, there is indirect (structural) discrimination. He explained that women’s limited rights to land and property mean their access to credit is constrained. Findings from PEP-funded projects suggest that loans need to be supplemented with business training. Dr. Seck explained: **“[Training] will increase the benefit of access to credit and should be targeted to improve business skills and credit management.”**



Prof. Michael Chege addresses fear of failure during the 2017 PEP Policy Forum

Juliet Ssekandi from UNICEF, Uganda, said that according to her PEP-funded research, “women did not have assets to put forward as collateral, nor the time to spend developing a business while also taking care of household tasks.” She also highlighted a lack of business education and training, particularly among youth entrepreneurs. “Many young people would rather put their money on a sports bet than take credit to invest in their business,” she said.

Karin Fueg of UN Women, Kenya, contested the finding of no direct discrimination. However, she very much agreed with the finding of structural discrimination. To address structural discrimination, she said: **“We need to make sure that policies go further than being gender sensitive, policies need to be feminist.”** She also brought up the fact that women in rural areas often do not have access to information. As such, they do not know that facilities, such as the Women Enterprise Fund, exist.

Prof. Chege identified informality as a key problem for youth and female enterprises. He said: “Registered, formalised microenterprises perform better than unregistered microenterprises.” He suggested that **policies should aim to tackle informality**. He also noted that although small and medium enterprises (SMEs) play a key role in job creation. To support SMEs, governments need to provide adequate infrastructure. In the meantime, “SME policy needs to change to create a connection to large-scale enterprises with access to markets,” he said. This follows observations that most successful informal enterprises have close ties to supermarkets or larger outlets.

Policy Forum: Discussion

Following the panel presentations and comments, questions were taken from the floor.

A Kenyan researcher in the audience explained his findings on low credit uptake. He said: "Credit is available, but the problem in rural Kenya is fear of taking credit. These people have seen property being taken because they could not pay back their loan." A representative of the Ministry of Public Service, Youth and Gender Affairs commented that the Women Enterprise Fund has had the most success in terms of serviceability. "Women are paying back the loans better than the youth, but we don't know why," he said.

Asked whether access to credit or access to information poses the greatest barrier, Dr. Seck said: "We recognise that giving credit to young and female entrepreneurs may not solve the problem, that is why programs should be supplemented with business training." Ms. Ssekandi agreed, saying: "I would advocate for a better use of information, for knowledge and learning, and to ensure that young people receive and learn to use the information and develop their soft skills." Ms. Fueg added that: **"Policies and programs are needed to instil the notion of entrepreneurship at the earliest stages of education."**

Responding to Prof. Chege's speech on failure and fear of failure, an audience member suggested: "Researchers should find a way to showcase failure to risk-averse young people and women, so they know they can fail and start again." Prof. Chege agreed, saying: "We can use failed experiments to learn about what to avoid. But we need to learn systematically by understanding if the failed enterprises are related to a specific gender, age, or sector?"

Throughout the Policy Forum, the issue of **structural discrimination was identified as a key barrier, particularly to women's entrepreneurship**. The speakers agreed that policies are needed to reduce and remove structural discrimination and that research should support this aim. Meanwhile, **education and training were highlighted as areas where policy can ease constraints within the existing system**.



Research Forum: Gender analysis in economic policy research

The question of how to produce gender-sensitive research, including how to recognise structural discrimination, was explored during the Research Forum. Moderated by Arjan de Haan from Canada's IDRC, three expert panellists discussed the importance of gender analysis and offered useful insights and practical advice to PEP researchers who are required to incorporate gender analysis into their research.

Dr. James Heintz from the US's Political Economy Research Institute argued that **research without gender analysis is not gender neutral but gender blind**. He encouraged researchers to investigate structural gender inequalities that are often ignored, such as the division of labour by gender. "If we exclude unpaid household work, we end up with very biased policies," he said.

Dr. Dileni Gunewardena from the University of Peradeniya in Sri Lanka promoted the practice of analysing data for women and men separately, giving examples of studies where the results were not significant until separated by gender. She also explained how existing national and international databases contain intra-household information, e.g. education levels and labour allocation, which can be used for gender analysis.



Dr. Caroline Kabiru explains how mixed methods can provide a better picture for gender analysis.

For the final presentation, Dr. Caroline Kabiru offered evidence from GrOW-supported research demonstrating the importance of mixed methods for gender analysis. By combining quantitative methods (surveys) with qualitative methods (focus groups, interviews, creative projects), the team was able to more fully explore the impact of the intervention to provide affordable childcare on the economic opportunities for women in Nairobi slums, ensuring local relevance and community engagement.

Questions and comments were taken from the floor following the panel presentations. Dr. Bernard Decaluwé from the Université Laval, Canada, said: “I am surprised you did not discuss gender as a macroeconomic problem. If the economy changes, this will affect men and women differently.” Dr. Heintz added: “The definition of macroeconomic policy goals is inherently gender biased. The core variable for macroeconomic analysis is GDP growth, which excludes all unpaid work.”

Dr. Beatrice Muriithi from ICIPE, Kenya, questioned the enduring validity of the datasets from 1989 and 2005 that Dr. Gunewardena discussed. Admitting the studies using these datasets have been surpassed, Dr. Gunewardena said: “They show that even as far back as in 1989 you could do gender analysis with the datasets available. You just have to choose the research questions carefully.”

Dr. Sudarno Sumarto from the SMERU Research Institute, Indonesia, commented that research in several Asian countries found female-headed households had better welfare indicators than male-headed households. Dr. Heintz responded that such findings underscore the importance of looking at the households. He said: “The way welfare is measured also has an effect. Per capita income and poverty rates are not sufficient. You need to look at the choices people have in their lives and see how earnings and income facilitate broader choices.”

While the importance of gender analysis is clear, being able to accurately analyse gender issues or produce gender-sensitive research is more difficult. **Researchers need to conduct separate analyses of men and women** and pay particular attention to the research questions they are asking. Though more challenging, time-consuming, and expensive, **structural gender biases can be accounted for using a mix of quantitative and qualitative methodologies.**

