IMPLICATIONS OF COVID-19 ON KENYAN WOMEN-OWNED MSMES AND POTENTIAL FOR RECOVERY

Contents

ACKNOWLEDGMENTS

This report was made possible with the funding and support from TradeMark East Africa (TMEA). Kevin Rombo (Research Manager at TMEA), together with the team from Strathmore University, which comprised of Gillian Kimundi, Dr. Muthoni Ng'ang'a, Dr. John Olukuru, Dr. Alfred Kitawi and Dr. Caroline Kariuki, supported the conceptualization of the research methodology, the development of data collection tools, technical peer review of the research work, report and the associated data. We also appreciate the support of Maria Ogamba and Susan Gicheha from Strathmore University.

EXECUTIVE SUMMARY

The overarching purpose of this study was to assess the implications of Covid-19 on Kenyan Women-Owned MSMEs and potential for recovery in four main areas in Kenya: Nairobi; Kisumu; Mombasa; Malaba. The main objectives were to: assess demographics and business profiles of women traders in these areas; assess the uptake of ICT and digitization by women traders and impact on business patters and performance; assess the extent of networking, capacity development and women empowerment; investigate the extent of gendered social constructs with a special emphasis on gender based violence; evaluate the implications of Covid-19 on women traders and business adaptation measures. A total of 19 markets were surveyed in the various counties, which were in total 1006 surveys, and 25 focus group discussions and 16 key informant interviews. 96.4% of sampled business were micro enterprises and 3.4% were small enterprises, with an average of 76% of these businesses being unregistered. These women enterprises were mainly engaged in textile, clothing, footwear and selling fruits, vegetables, fish and fish products. More than a third of the respondents reported very high declines in sales volumes, revenues and profits. Half of the older businesses that have been in operation for over 10 years reported very high declines in net profits. More than 80% of the businesses use their own savings as one of the main alternatives in financing business operations. Since Covid-19 pandemic started, 21% adopted digital technologies to mainly access markets, distribute their products, network and access credit facilities. Many of those who did not adopt did not adopt digital technologies was either due to lack of digital skills or having phones that were not Internet enabled. These implies a need for digital training for women entrepreneurs and a need to have lending and information services through USSD modes to include the population of those women who do not have Internet enabled phones. In relation to networking, capacity development and women empowerment, 56% were not members of any trader's or group associations and, for those who belong to the associations, many do not hold leadership responsibilities. Furthermore, a lack of business management and entrepreneurship skills meant they could not steer their businesses during the pandemic. Women empowerment in this domain needs to be bolstered and can be through education and capacity building programmes either at county level like trade sector forums or national convenings. There is need to increase awareness on potential benefits of registration and rights of women in property ownership. Some, 15%, reported they had faced some form of harassment in the form of emotional and physical abuse. It is important to sensitize and increase awareness for women traders on available safeguards for their protection form harassment, including police patrol/surveillance services, technology surveillance, emergency response lines, constitutional and legal law safeguards. The implications of Covid-19 on women traders were decline in operations and consequently profitability, trade restrictions due to curfews and minimized movement. There is need to set up multipronged interventions that involve a multi-

sectoral approach in which all players take cognisance of the unique contextual needs of women traders. The outputs from this study are intended to augment policy formulation and implementation in the technical development of women-Led MSMEs. These outcomes can endorse the productivity, bankability and resilience of women-led MSMEs in the country.

CHAPTER 1: BACKGROUND OF THE STUDY

Introduction

Trade has long been a steady dependable avenue for improving living standards of individuals globally, and many of the beneficiaries have been women. In developing countries, trade openness and doubling manufacturing exports results in a 5.8 percentage point increase in women's share of total wages in the sector (World Bank & World Trade Organization, July 2020). Furthermore, the "*servicification*" of economies (*the general burgeoning of service sectors*) has also provided a boost to inclusive growth and opportunities for women in trade in the 21st Century with a 13-percentage point increase in share of employment for women in these sectors between 1991 and 2017.

There are a number of gender-specific barriers to women's welfare and success in trade-related ventures including limited access to business training, access to finance, higher costs of doing business, and limited access to markets and technology. Additionally, women hold a disproportionately larger share of lower-skill jobs and as such they become particularly vulnerable to trade-related shocks, such as those exposing them to foreign competition (imports) or layoffs (due to the introduction of new technologies, pandemics such as COVID-19, etc.). Unfortunately, in the debate on the nexus between gender equality and trade, it is more likely that gender equality benefits from the gains from trade, than vice versa. As such, it is possible for some economies to improve trade outcomes without promoting gender equality, thus providing no incentive to do away with discriminatory policies.

1.1. MSMEs and Women in Trade: The Kenyan Context

The Micro, Small and Medium Enterprise (MSME) Sector in Kenya contributes approximately 40% to the GDP in Kenya. The sector is largely made up of micro-enterprises (approximately 92%). However, the sector is still highly informal, as a meagre 20% of MSMEs operate as licensed entities. The total labour force in Kenya as of 2020 is 24.97 million (as per the World Bank Development Indicators (2022)) and out of this, approximately 14.1 million people work in the MSME sector *(Ministry of Industrialization, Trade and Enterprise Development, 2020).* As such, the MSME sector arguably provides the highest employment opportunities in Kenya.

Kenya's official definition of MSMEs is based on employment size and turnover. Micro-enterprises are those with less than 10 employees; Small enterprises have 10 to 49 employees and Medium sized enterprises have 50 and 99 employees (*Kenya Bureau of Statistics, 2016*). The Micro enterprises record an annual turnover under approximately KES 500,000 and their investment in plant and machinery or registered capital is less than KES 10 million for manufacturing enterprises and less than KES 5 million for service sector and farming enterprises. Small enterprises are further defined as recording an annual turnover between KES 500,000 and 5 million with investment in plant and machinery as well as registered capital between KES 10 million and 50 million for the manufacturing sector and between KES 5 million and 20 million for service and farming enterprises.

In terms of distribution by gender, the 2017 Country Gender Note for Kenya by the African Development Bank (AfDB) highlights that in Eastern Africa, Kenya has the highest rate of female participation in enterprise ownership at 48.7%. However, the report suggests that the majority of these women enterprises are in the informal sector and thus have lower returns, and that approximately 80% and 50% of the labour in food production and cash crop production respectively is women, yet they hold only about 1% of registered land titles. Additionally, women typically receive less than 10% of the credit awarded to smallholders. The 2016 MSME Survey by Kenya National Bureau of Statistics (KNBS) found out that 47.7% of the *licensed* establishments were owned by males and 32.1% by women. Additionally, 61.0% of *unlicensed* establishments were solely owned by females. The MSME jointly owned by male-female partners accounted for 16.5% and 6.4% of the licensed and unlicensed businesses, respectively.

1.2. COVID-19 in Kenya and Related Interventions

The growth and survival of the MSMEs has been affected by the Covid-19 pandemic. The onset of the pandemic carried an onslaught of interventions and restrictions by regulators and authorities. The effect on households and businesses was very clear with business closures, declining business patterns, staff layoffs and restriction of movement which overall, led to decline in business and disposable income. Unlike larger businesses, SMEs were hit more by the pandemic since they have limited cash flows and working capital as well as limited access to credit (*IMF, 2020*).

The National Treasury implemented a series of fiscal reliefs to rescue disposable income through 100% tax relief to persons earning gross monthly income less than or equal to KES 24,000; a reduction in the Income Tax Rate (Pay-As-You-Earn) from 30% to 25%; Corporation Tax reduced from 30% to 25%; turnover tax rate reduced from 3% to 1% for all MSMEs; VAT reduction from 16% to 14%; as well as temporary suspension of the listing with the Credit Reference Bureaus of individuals, MSMES and corporate entities whose loan account fall overdue or was in arrears. According to the Round 3 survey by the Swiss Capacity Building Facility & Microsave Consulting (2020), it was found that 90% of the MSMEs surveyed operate as informal businesses, meaning that they generally operate out of the purview of taxation. According to the survey, the MSMEs have only benefited indirectly from the reduction of Value Added Tax (VAT), as most only pay county council fees. Additionally, since most do not pay turnover tax, the reduction had a marginal effect on their profitability. The tax reliefs were eventually withdrawn as of January 2021, with the reinstatement of the 16% VAT[1]. A 1% minimum tax on gross turnover was also introduced, implying that as MSMEs continued with lower income, they had to once again pay taxes.

Additional support has been provided to MSMEs by the private sector. These include loans provided by Mastercard Foundation; loans given by Kenya National Chamber of Commerce and Industry to hawkers, the fashion industry, jua kali, retailers and restaurants; loans given to women businesses through Women Work Network to sustain employment during the Covid-19 pandemic period; technical and financial support given through TechnoServe to provide support for micro retailers in Nairobi, Mombasa and Kilifi.

Empirical evidence shows that women-led SMEs are disproportionately more negatively affected in times of economic difficulties as compared to SMEs led by men partly because more women than men-led businesses are unregistered hence do not benefit from financial and other support offered as stimulus (*Kaberia & Muathe (2021), Swiss Capacity Building Facility & Microsave Consulting (2020)).* Additionally, a report from International Finance Corporation & UK aid (2021) highlights that women-led MSMEs have experienced worse impacts from the COVID-19 pandemic than men-led MSMEs, mostly due to their smaller size and prevalence in the heavily affected sectors.

1.3. Challenges/Impediments facing Women in Trade

Parallel to the background above, it is worth noting that the employment of women in trade is more concentrated in sectors less directly engaged in trade, especially in public services. According to Korinek, Moïsé, & Tange (2021) of the OECD Trade and Agriculture Directorate, across OECD countries, women are much less likely than men to work in manufacturing. Estimates based on OECD's Trade in Employment database (2019) report that on average, only 30% of the manufacturing workforce is made up of women. Also, as aforementioned, women's participation in "*servicification*" of economies has risen in the 21st Century. It is however important to note that the share of women employed in business services – a relatively trade engaged sector - is at 45% on average, slightly lower than men's participation. However, in community, social and personal service sectors, women represent the majority employment share (over 67% on average). These latter service sectors (*which include sub-sectors such as public administration, defence, education, health, social work*) have much lower trade engagement levels with lower access and exposure to foreign markets and thus, lower export orientation. The lower share of women in the critical trade-supported sectors such as manufacturing may result in a disproportionate realization of the benefits associated with trade.

The Female Entrepreneurship Resource Point by World Bank[2] further highlights that women entrepreneurs are more likely to operate businesses in the informal sector or in traditional female

[1] Kenya Revenue Authority, 2021. https://www.kra.go.ke/en/media-center/public-notices/1042-change-of-tax-rates
[2] https://www.worldbank.org/en/topic/gender/publication/female-entrepreneurship-resource-point-introduction-and-module-1-why-gender-matters

sectors. Globally, at least 30% of women in the non-agricultural labour force are self-employed in the informal sector, whereas, in Africa the figure is 63%. Generally, these informal Women-led businesses are more likely to be home-based and small-scale in traditional sectors including retail and service. Given the informality of their businesses, the resource point also suggests that operating from the home allows women to meet competing demands for their time since they disproportionately handle housework and childcare responsibilities. Such social structures become active impediments to sustained profit making from Women-led MSMEs.

Globally, access to finance is often cited as a main constraint to the growth of female-owned enterprises. According to World Bank & World Trade Organization (July 2020), limited access to trade finance, especially short-term credit affects women disproportionately across the globe and potentially limits the growth opportunities for women owned MSMEs. More importantly, female entrepreneurs tend to have more difficulty compared to men in obtaining finance particularly for riskier activities such as trade.

Finally, according to World Bank's Women, Business and Law Report (2020), many countries, especially in Sub-Saharan Africa, Middle East and North Africa have improved the regulatory environment for women over past few years. The result of these reforms has been a steady improvement in women's ability to enter the workforce and remain in it. However, the report indicates that as much as there are moves to remove legal barriers that deny women equal rights in business registration, signing contracts, opening bank accounts, or owning and inheriting property, only 3 African countries have implemented formal laws prohibiting gender discrimination (South Africa, Zimbabwe, and Rwanda). This is an indication that legal impediments may be prevalent in other countries despite reforms made to break down the barriers.

1.4. Problem Statement

The 2016 Regional Human Development Report for Africa (UNDP) highlights significant gender inequality in almost every African country, translating in African women achieving 87% of the human development seen for males. The primary factors propagating this inequality hinge on the prevailing and significant economic disparities for women in terms of their limited access to economic assets and means of production, unequal labour force participation rates (*as of 2019, 73.1% for males over 15 years of age compared with 61.3% for women)*, minority representation in entrepreneurship opportunities and leadership, and limited use of and benefits from natural resources and the environment. Furthermore, social dimensions of gender inequality in social services (specifically health and education) translates into fewer opportunities for women in achieving their well-being. Many women on the continent still face glaring deprivations in their health due to early age marriage, sexual and physical violence, and high maternal mortality. ***Overall, this general gender gap in economic activities is effectively constraining Africa's***

achievement of its full economic potential, causing an estimated loss of about $95 billion annually since 2010 for sub-Saharan Africa.

When it comes to trade, challenges that face women in trade in Africa include (but not limited to): (i) the fact that women represent the majority employment share (over 67% on average) in community, social and personal service sectors, which are not heavily trade engaged as compared to business service sectors; (ii) they are more likely to operate businesses in the informal sector or in traditional female sectors which are more likely to be home-based and small-scale; (iii) those who contradict such social norms on the grounds of growing their business also face retaliation in African settings; (iv) they have *"systematically lower levels of business capital* as compared to their male counterparts (equipment, inventory and property); (v) their businesses employ fewer workers with fewer labour hours; (vi) they tend to have more difficulty compared to men in obtaining finance particularly for riskier activities such as trade; (vii) they do not have equal bargaining power in households and domestic expenditure needs which affect their ability to insulate their financing for their business activities.

Even so, initiatives and policies are being continuously implemented across the continent, and more specifically in Kenya, to improve the participation of women in trade and cater to the aforementioned impediments. For example, in Kenya, the 2018 launch of the Integrated National Export Development and Promotion Strategy sought to increase participation of women, including setting up export guarantee schemes, and export finance schemes to accommodate the lack of access to funding from formal financial institutions that women face. Additionally, the International Trade Centre (ITC) also recently launched (in 2018) a Kenyan chapter of SheTrades to facilitate more local women entrepreneurs to markets. Recently, in 2020, the Ministry of Public service and Gender released the Women Economic Empowerment Economic Strategy 2020-2025. The strategy seeks to *"sensitize, build capacity amongst women for the achievement of their economic empowerment".*

This 2020-2025 strategy report highlights that as much as slight improvements have been noted following past initiatives intended to tackle the level of inequality in trade and economic empowerment, it is still found that women in Kenya are the primary casualties of unemployment and underdevelopment in the country. Furthermore, during the COVID-19 period, additional support provided to MSMEs by the government and the private sector were not particularly geared to women-led MSMEs (but rather MSMEs in general), despite the fact that empirical evidence shows they women are more likely to be harder hit by the pandemic. The above illustrates the existing and persistent challenges that face women in trade to date, thus supporting the overarching objectives of this study – to further understand how the pandemic has affected different dimensions of Women-led MSMEs in Kenya. Parallel to this agenda is the need to examine how the African Continental Free Trade Area, can leverage growth opportunities for women led MSMEs and offer potential for recovery (given the FTA's considerations on existing gender gaps and gender-sensitive policies).

1.5. Research Objectives:

[1] Assess demographics and business profiles of women traders in Nairobi, Mombasa, Malaba and Kisumu, and the general challenges they face in their business operations
[2] Assess the uptake of ICT and Digitization by women traders and the impact on the business patterns and performance
[3] Assess the extent of networking, capacity development and empowerment attributes of women traders and the association to business patterns and performance.
[4] Investigate the extent of gendered social constructs (such as Gender Based Violence)
[5] Assess the implications of COVID-19 on women traders and report business adaptation measures taken by traders during this periods

1.6. Literature Review

Micro, Small and Medium Enterprises (MSMEs) play an essential role for economic development. They drive growth, create employment and drive innovation. However, research indicates that the growth of MSMEs in Africa is hampered by factors such as lack of financial support, poor business management, the presence of corruption, lack of training and experience, poor infrastructure, and insufficient profits (Zeidy, 2020). For example, the report by Zeidy (2020), which obtained findings from MSMEs across Africa, highlights that a 'lack of operational cash flow' is a key challenge facing African MSMEs today. Similarly, findings from a research carried out by TradeMark East Africa (2020) reveals that women involved in the informal cross-border trade have insufficient capital for their business undertakings.

The Kenya Bankers Association (2021) highlights that the starting capital financing options of MSMEs are skewed towards non-formal financial sources such as personal savings, followed by loans from family and friends and lastly, loans from formal financial institutions. Unfortunately, findings reveal that some women have experienced gender bias when it comes to accessing formal loans. This is due to the fact that some banks are reluctant to give loans to women without consent from their husbands, while men face no such biases (TradeMark East Africa, 2020). As such, women are more likely to obtain a loan from sources such as women cooperatives.

In relation to MSMEs who trade across borders, findings from research undertaken by UNCTAD (2019) on women in informal cross-border trade reveals that female cross-border traders are more susceptible to verbal and physical harassment compared to their male counterparts. Further, female traders spend longer hours clearing their goods. Bribery and corruption also hinder trade, and besides, officials have been found to take advantage of the traders' lack of knowledge of customs procedures. A report by UN Women, African Union, & COMESA (2019) supports the above, highlighting that such challenges for women in cross border trade in Africa push their business into informality. These also include high transaction costs and weak trade associations. Additionally, there are concerns that limit women's participation in value chains including low quantities and quality of production capacities, limited access to information on the market, unequal land accessibility (due to legal constraints), and a lack of export competence for trade-heavy activities.

Following the onset of the COVID-19 pandemic, MSMEs have been exposed to the negative impact of the pandemic and need support so as to sustain their businesses. Findings from a survey carried out by MicroSave Consulting and the Swiss Capacity Building Fund on the impact of the Covid-19 show that MSMEs faced limited availability of credit from suppliers. In addition, a number of MSMEs have used up their savings and even sold assets to diminish the economic impact of the pandemic. More research specific to the effects of the COVID-19 pandemic on women-owned MSMEs in Kenya highlights that women-owned SMEs are disproportionately more negatively affected as compared to SMEs owned by men. This is partly because more women owned businesses are unregistered and therefore do not benefit from financial and other support offered as stimulus in times of economic difficulties (Kaberia and Muathe, 2021).

In relation to the response to the COVID-19 pandemic, Zeidy (2020) highlight that African businesses have been disappointed by the responses to the crisis from their governments. Businesses would like to see a government response such as the postponement of taxes and the provision of capital to these firms for business continuity. In addition, governments need to ensure that entrepreneurs are supported with the skills that they need to grow their businesses during and after the pandemic as well as the provision of sector-specific support. Speaking on the path to recovery from the pandemic, MSMEs should be encouraged to embrace and integrate digital technologies into their businesses so as to help drive recovery. According to Obiakor, Augustine and Adeniran (2021), digitalization will help MSMEs with opportunities to increase sales and revenue, enhance their products, reduce costs and get a broader customer base. What's more, digitalization will give MSMEs an opportunity to benefit from the recently implemented African Continental Free Trade Area (AfCFTA) through increased intra-continental trade, thus providing economic benefits to these businesses. A study by Osakwe (2021) highlights the opportunities that are expected to accrue to African economies as a result of the AfCFTA. These include easing of cross border trade, enhanced capital and information flow, increased foreign and intra-continental investments, an increase in capital funds and the availability of a larger customer base for financial institutions.

CHAPTER 2: RESEARCH METHODOLOGY

The design and methodology of the study is a mixed methods triangulation design to a solution-driven research outcome. Mixed methods triangulation design is used to bring together differing strengths and non-overlapping weaknesses of quantitative methods with qualitative methods. The following steps have been outlined to give a bird's-eye view of the approach used in the study. Steps 1 and 2 are discussed in further detail below:

- **Step 1** – Sampling Design: Determination of Sample Size and Selection of Areas of Study
- **Step 2** – Assessment of data needs and structuring data collection instruments (Quantitative and Qualitative Data Collection from MSMEs and Key Informants)
- **Step 3** – Sampling Frame Development and concurrent development of the Field Manual for enumerators
- **Step 4** – Structuring and training enumerator teams to be deployed to each of the areas chosen for the collection of data
- **Step 5** – Descriptive Analytics and Modelling of Survey Data in line with study Objectives
- **Step 6** – Reporting of findings: research report and policy briefs with policy and strategy recommendations to inform support areas

2.1. Ground/In-Person Interviews with Women Owned Businesses

The selection and assessment of enumeration areas is based on the most populous towns or active cross border areas and largest MSME distribution in the country. Each county/area is treated as a separate stratum. These include - in descending order: i) Nairobi - Nairobi County, ii) Kisumu - Kisumu County, iii) Mombasa – Mombasa County and iv) Malaba (cross-border activity) – Busia County.

2.1.1. Listing - Sample Frame Development

A sample frame was developed in each of the four counties to allow us to draw a final representative sample for data collection over 4 days in November 2021. The sampling frame collected data on gender and ages of business owners and/or decision makers, the markets they traded from, point of operation (market, open-air, closed) and the commodities/merchandise/service sold or provided. Enumerators were selected, trained and allocated to markets in each county for the listing. The breakdown of the sample frame by area is shown below, with a total of 1964 women owned businesses listed:

Sample Frame	
Area/Centre	*Listed Women Traders*
Nairobi	687
Mombasa	616
Kisumu	392
Malaba	269
Total	1964

2.1.2. Sample Size Calculation

To get the sample size required for this study, the following two formulas are used for each area. The sample size is adjusted to cater for attrition in both formulas. The two give a total sample size of 1316 and 1331 respectively.

SAMPLE SIZE COMPUTATION BY AREA			
Formula	**Description**	**Sample by Area**	**Total**
$n = \left[\frac{1}{N} + \frac{N-1}{N} \cdot \frac{1}{P(1-P)} \cdot \left\{ \frac{k}{z_{1-\frac{\alpha}{2}}} \right\}^2 \right]^{-1}$	Where N= population size, p= population proportion, k= admissible error and z = normalized standard co-ordinate for desired level of confidence $(1-\alpha)$. For each area, the sample size is determined at 3% sampling error, 95% confidence level, and a 50% population proportion to maximize the sample size	**Nairobi 419** **Mombasa 393** **Kisumu 288** **Malaba 216**	**1316**
$n = \frac{N}{1+Ne^2}$	Where N= population size, e= admissible error and For each area, the sample size is determined at 3% sampling error	**Nairobi 425** **Mombasa 398** **Kisumu 291** **Malaba 217**	**1331**

However, due to budgetary constraints, the survey covers a total of 1048 respondents in the 4 areas. The sample size distribution across the 4 areas is also informed by existing research agenda, aiming to capture more data in Mombasa and Malaba. After cleaning, 1006 respondents' data remains for the analysis carried out below. A detailed breakdown of the cleaned sample distribution by area and market is provided below:

COUNTY AND MARKET	SAMPLE
MOMBASA	**381**
Changamwe	43
Kongowea Market	56
Majengo	43
Mariakani Market	28

Marikiti Market	69
Mazeras	47
Mwembe Tayari	95
MALABA BORDER	**371**
Malaba border	371
NAIROBI	**147**
Gikomba Market	32
Kariokor Market	23
Kawangware Market	17
Kenyatta Market	8
Muthurwa Market	22
Ngara Market	32
Toi Market	13
KISUMU	**107**
Kibuye Market	36
Kondele Market	41
Main Municipal Market (Jubilee Market)	18
Oile Market	12
GRAND TOTAL	**1006**

2.2. Focus Group Discussions and Key Informant Interviews

For women in trade, in addition to the ground survey, 25 focus group discussions and 16 key informant interviews are carried out. Collectively, all of them obtain in-depth data and information related to the impact of the pandemic to various business facets, digital usage since the pandemic, women empowerment (decision making in households and businesses, trainings networks through groups and associations), challenges emerging due to digital dynamism which can lead to exclusion, measures to mainstream technology usage among businesswomen, harassment and conflicts in their households and in the market place, government support to women SMEs, institutional support to county trade officers, safeguards that should be in place to protect business.

The Focus Group Discussions were Malaba, (4), Mombasa, (13) and Nairobi, (8). The FGDs centred around the type of products that women traders sell, knowledge of their rights and obligations, the challenges that women face in starting their businesses, the independence that women traders have to make decisions both in their businesses and in the household, the business environment that they operate in and the effect of COVID-19 on women traders. Interviews with Key Informants included the following units: Kenya National Chamber of Commerce and Industry; Kenya Private Sector Alliance (KEPSA); Ministry Industrialization; Trade and Enterprise Development, Micro and Small Enterprises Authority (MSEA); Organization of Women in International Trade (OWIT), Nairobi; Women In Business Community Network Kenya; Applied Research on Women Businesses; Women Work Venture Limited; Kenya Export Promotion and Branding Agency (KEPROBA); African Continental Free Trade Area (AfCFTA). The responses were provided by information rich individuals who were working in the different organisations and were privy to the information requested. The rank of individuals interviewed were Chief Executive Officers, Community Managers, Customer Relations Representatives, Directors of Business Environment & Private Sector Development, Director of Strategy, Planning & Coordination and Vice President of Resource Mobilization

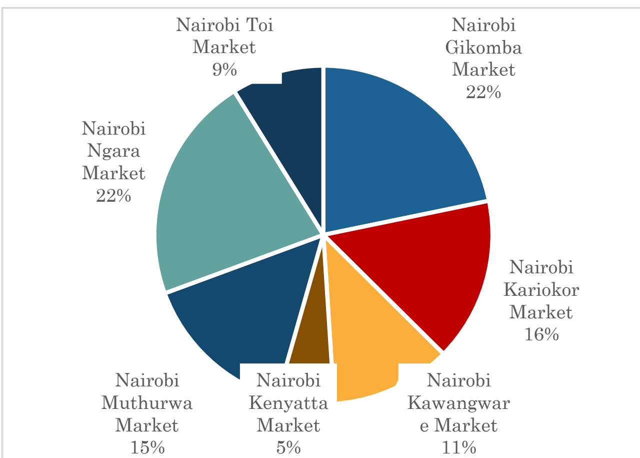
Whereas in the case of surveys sampling design and sampling formulae are important in quantitative data, in the case of qualitative data the critical issues considered were credibility (verification) and saturation. Credibility referred to trustworthiness of the responses, and this was ensured through peer debriefing, member checks by another person in the team, having respondents provide responses according to their words and transcribing interviews according to interviews responses. Further, aspects of verification were also adhered to for instance choosing respondents who were knowledgeable (appropriateness) and methodological coherence. Saturation was achieved since after coding six interviews, it was found that the extra responses given became repetitive, i.e., no new information was adduced.

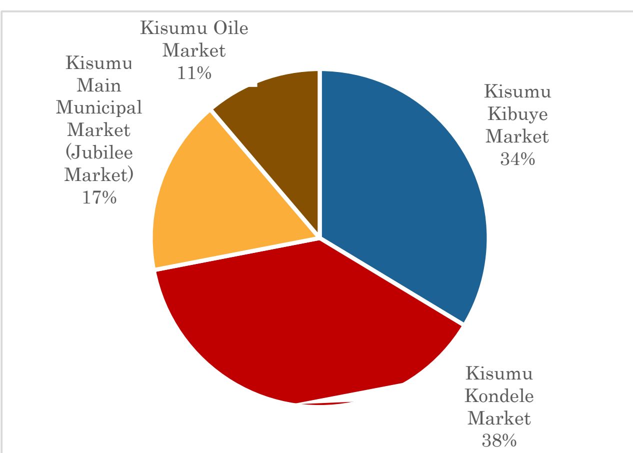
CHAPTER 3: SURVEY FINDINGS

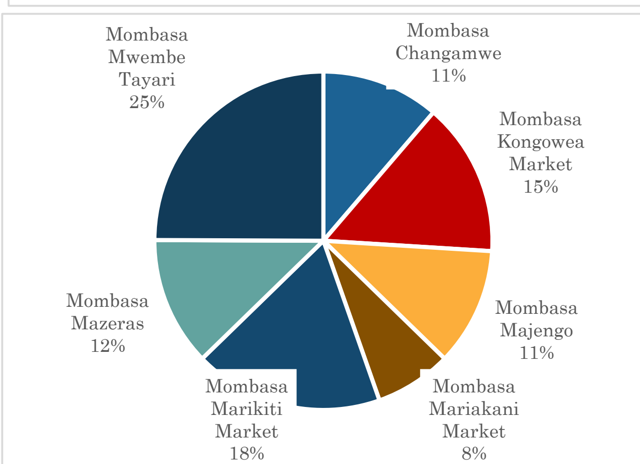
Section 3A: Demographics and Respondent Profiles

A brief summary of the demographics from the 4 survey areas is provided below

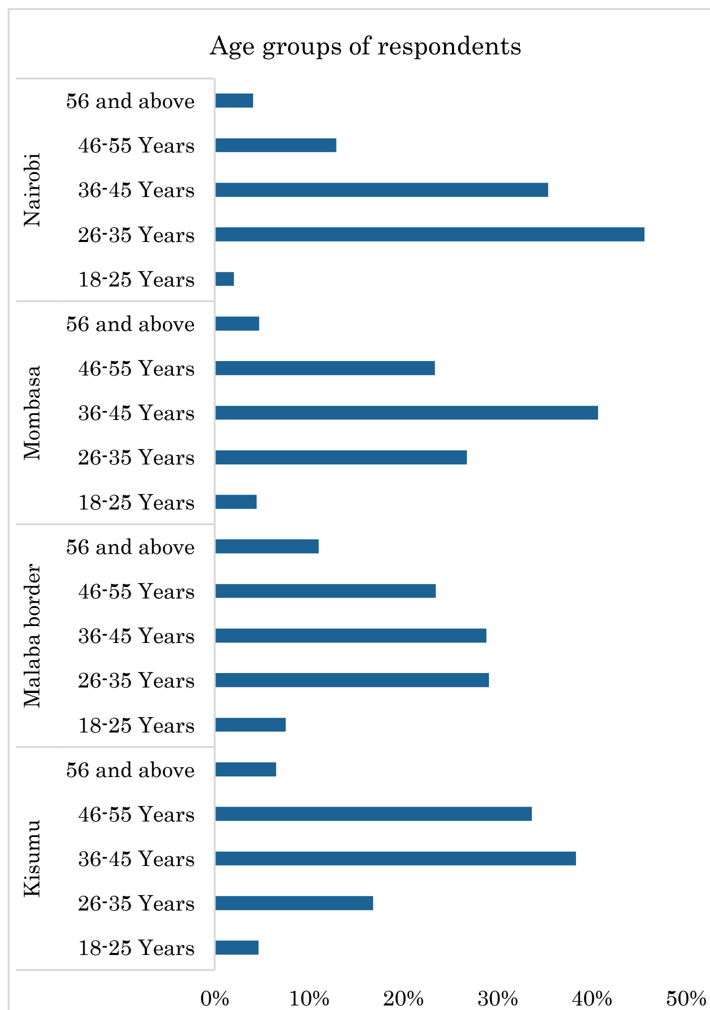
Sample Distribution by Market







Study Area	% of Sample
Kisumu	10.6%
Malaba border	36.8%
Mombasa	37.8%
Nairobi	14.6%
Grand Total	100%



Information collected from Focus Group Discussions (FGDs) held with women traders operating in markets located in Malaba, Mombasa and Nairobi highlighted some more demographic nuances on the women traders and their businesses. Specifically, in Malaba, four (4) FGDs were carried out, while in Mombasa there were thirteen (13). In Nairobi a total of eight (8) FGDs were carried out. The discussions were centered around issues such as the type of products that women traders sell, knowledge of their rights and obligations, The main products reported by the women traders during the FGDs are similar to those reported in the table above. It was noted from all FGDs that the majority owners of SMEs in the markets in the different towns are women. Some of the reasons cited for this are that, they opt to become traders so as to meet their daily needs and also support their children. Furthermore, many of the businesses in the market are relatively cheap to start and run.

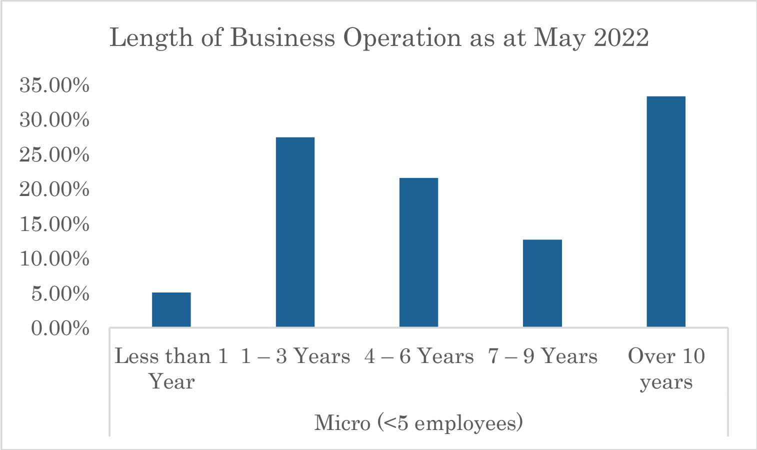
Within the market, the women traders are made aware of rights and obligations from women groups, county city council officials and market meetings. In Mombasa, 56% of FGD participants report that majority of the women traders are aware of their rights and obligations in the market and 31% get this information from word of mouth through the leaders in the markets. Unfortunately, the represented elderly women in the FGD, with particular attention to Malaba, reported that traders were not aware of their rights mainly attributed to a lack of literacy. There is need to have market leaders who channel information on rights and obligations, including market meetings either through mother tongue or in local dialects. The women traders in Nairobi highlighted that the women community groups help to support the women traders, thus giving them an opportunity to engage in trade. The women traders in Nairobi are aware of their rights and obligations and acquire this information through platforms such as government informants, newspapers and the market officers.

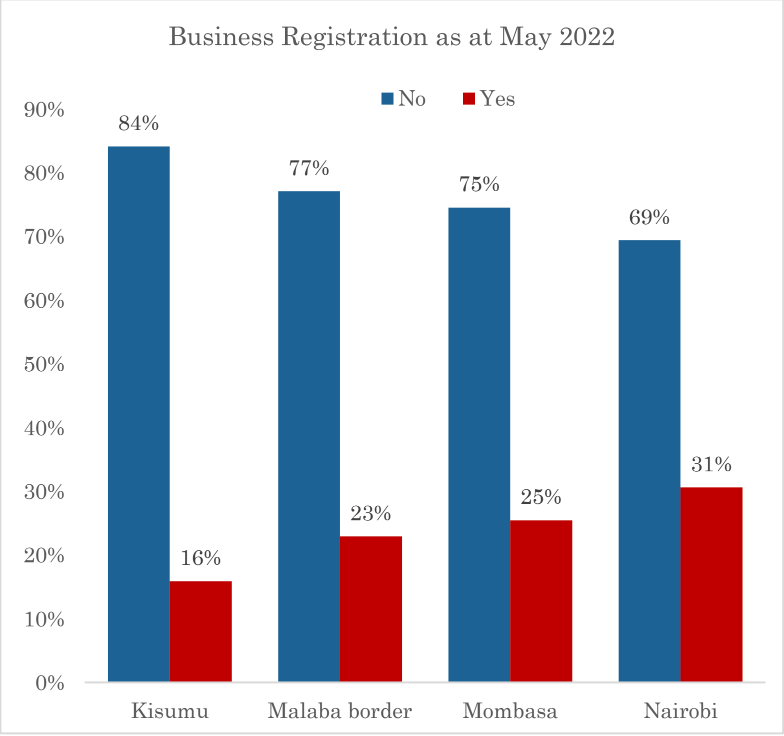
Section 3B: Business Profiles

Panel 3B.1: Summary of Business Profiles

Panel B1 presents a summary of business profiles for the 4 areas studied. Majority of the surveyed businesses in the 4 areas are not registered and operate as micro enterprises. The average percentage of unregistered businesses in the four regions was 76.25%, which was close to the World Bank Indicators (2022) of 80%. As aforementioned, Micro-enterprises in Kenya are classified as those with less than 10 employees. Also, majority are either in early start up stage (1 to 3 years) or have been in existence for more than 10 years. In subsequent analysis, we explore whether the effects of the pandemic depend on the age of the business, as one of the characteristics that varies significantly across the survey sample.

Row Labels	Size of business
Medium (20 – 99 employees)	0.2%
Micro (<5 employees)	96.4%
Small (6 – 19 employees)	3.4%
Grand Total	**100.00%**





Days	Days per week business operated in the last 3 months, (open market/shop)
0	0.30%
1	0.30%
2	1.99%
3	2.29%
4	1.89%
5	7.55%
6	62.23%
7	23.46%
Grand Total	**100.00%**

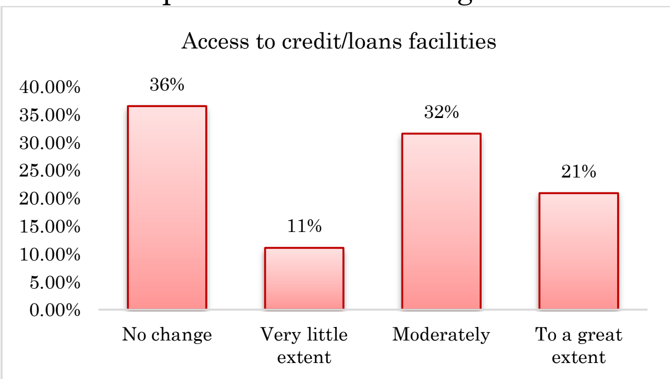
In the four areas, the majority of the women traders have businesses that deal with textile, clothing and footwear and fruits and vegetables. Mombasa and Malaba traders have a significant number of traders in grains and cereals while Kisumu and Malaba traders dominate in fish and fish products. Additionally, majority of the women traders in the Nairobi markets sell clothes, shoes, vegetables and fruits. Overall, most of the businesses in the markets surveyed trade in textile, footwear, and clothing. Other product categories traded in addition to those reported in the table below included arts and handcrafts, animal feeds, charcoal, scrap metal, electronics, beverages and hairdressing.

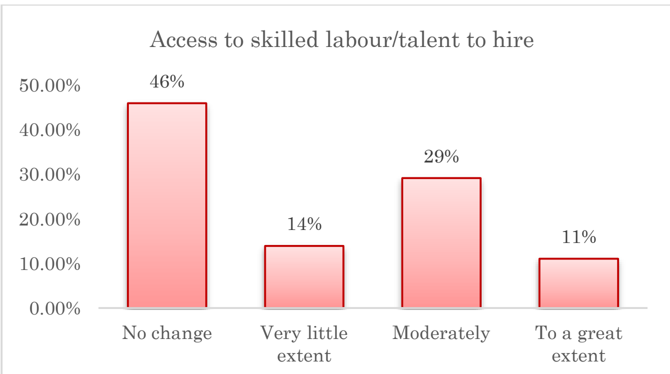
Merchandise Traded	Kisumu	Malaba border	Mombasa	Nairobi	Grand Total
Textile, Clothing and Footwear	28%	26%	27%	48%	30%
Fruits and Vegetables	24%	26%	29%	18%	26%
Grains	9%	13%	14%	5%	12%
Fish and Fish Products	20%	13%	7%	3%	10%
Cosmetics	2%	4%	5%	6%	4%
Cooking spices and additions	2%	2%	2%	3%	2%
Poultry and Poultry products.	5%	2%	1%	1%	2%
Milk and dairy products	2%	1%	1%	0%	1%
Livestock and Livestock products	2%	1%	1%	1%	1%

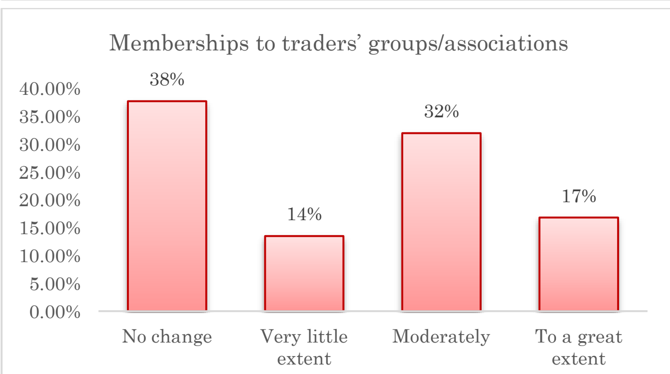
Panel 3B.2: Business Registration and its Impact

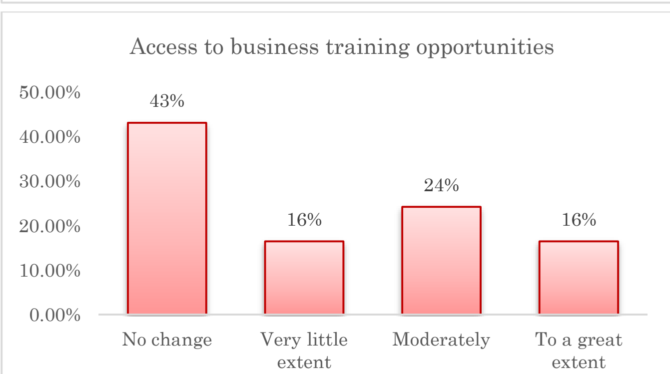
Panel B2 below assesses the business owner's perception of registration and the impact it has had (for those that are registered) and the potential impact they believe it might have if they were to register (for the unregistered). The majority of the registered business do not believe that registering their business has had any tangible impact on their ability to access credit, access talent, membership of associations and access business training opportunities. About a third have experienced or foresee a moderate change in their accessibility to finance, talent, training and association membership from registration. For the businesses that are not registered, the expectations from registration and the benefits it would bring echo similar sentiments. The majority of the respondents foresee no change. About 25% on average foresee a moderate change. When it comes to access to finance, there is a more optimistic pattern of responses, with about 23% who believe that business registration is extremely likely to impact their access to finance.

How has the registration/formalization of your business impacted on the following?

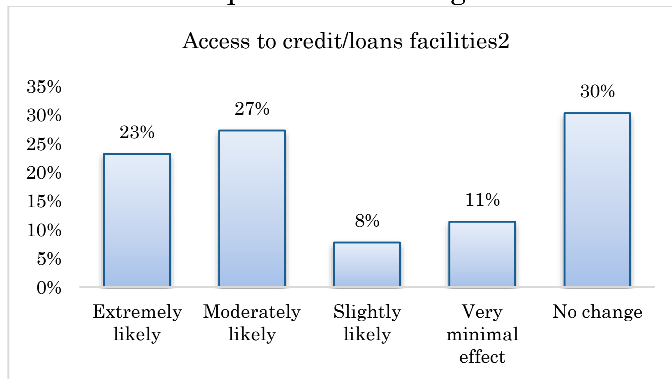


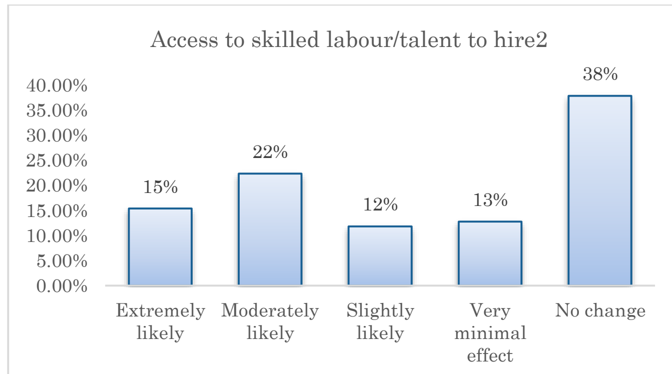


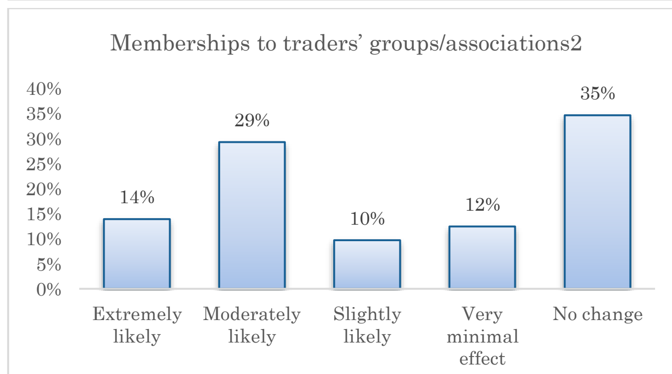


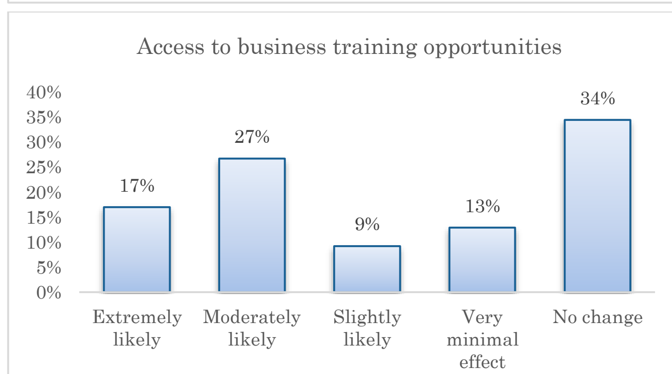


How do you think the registration/formalization of your business will impact the following?









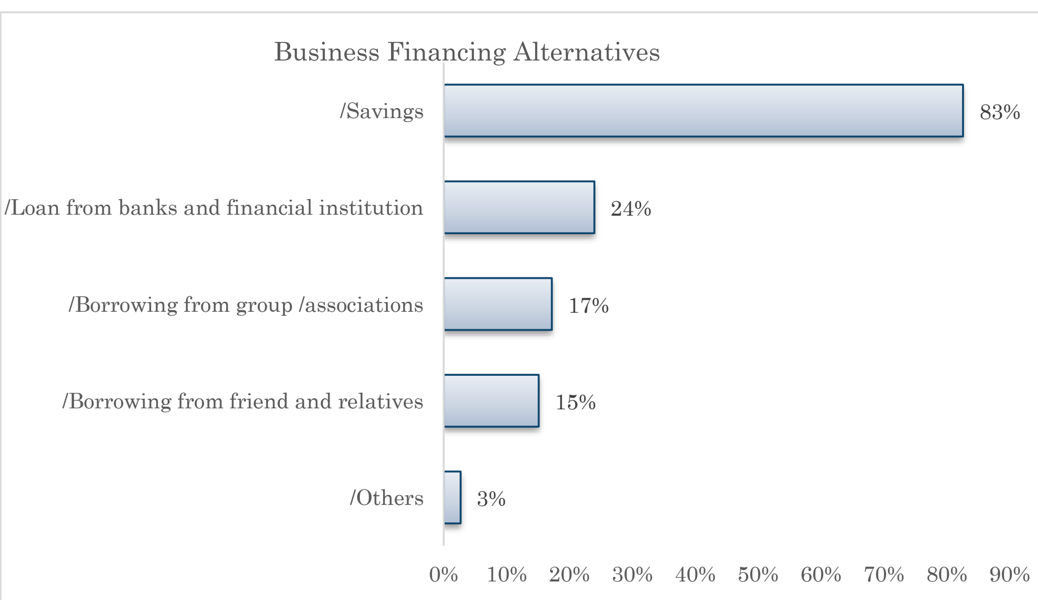
Key Informants – Business Registration and Access to Financing

A Lack of registration makes it difficult for financial institutions to extend credit. In other situations, the size of businesses that women entrepreneurs begin is smaller compared to men, which implies fewer employees and other limitations that accrue from operating as a small business. The lack of capital and collateral can be addressed through developing a special fund at county level to fund women businesses. There seems to be a mismatch between expectations (from the survey responses) and reality (from the KIIs). Financial institutions expect to extend credit once businesses are registered while many SMEs do not see this as a possibility. This can be alleviated through building conversations and showcasing successful SMEs that have registered and creating appropriate credit facilities products that can meet the immediate needs of SMEs.

The Ministry of Public Service has responded to the issue of lack of capital and collateral through special loans like Tuinuke Loan which is an interest free loan with only 5% administrative fee and no collateral required. Limited access to global markers denies women significant opportunities and confines them to a saturated (local) market. This can be associated with poor access to information and markets, including exclusion from male dominated networks. Marketing information on local and global opportunities should therefore be provided more readily at county and national levels and using appropriate local formal and informal channels.

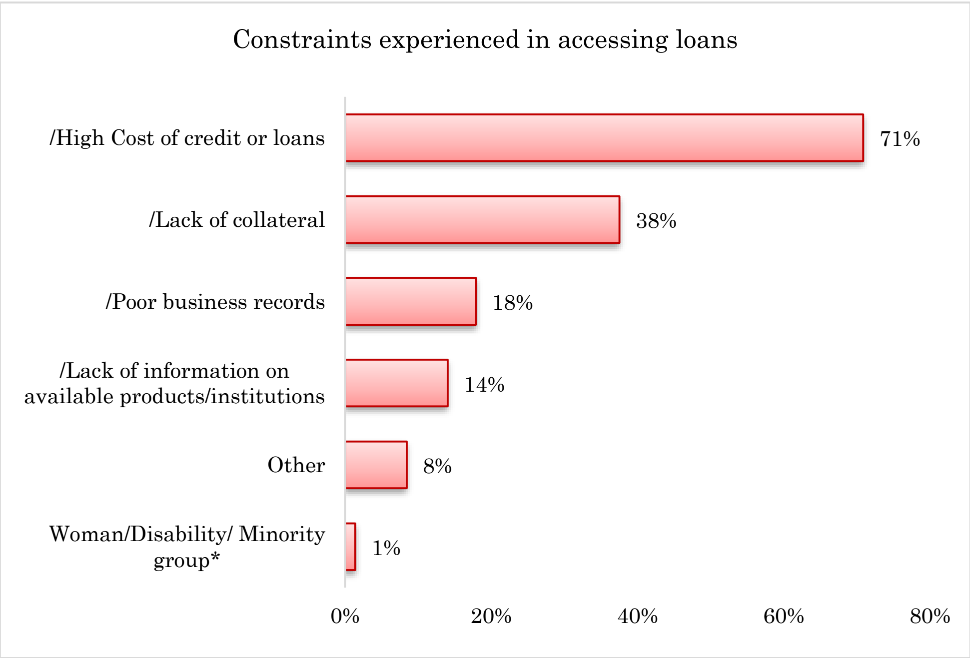
Panel 3B.3: Access to Financing

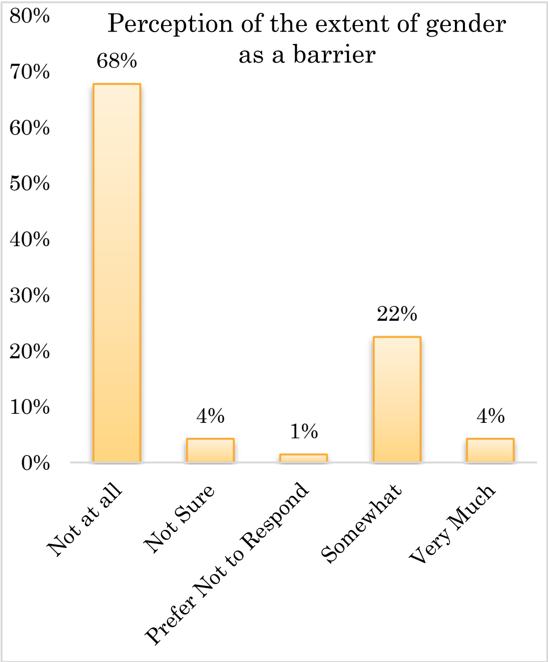
Panel B3 further explores the businesses financing alternatives and constraints. As a critical aspect of business operations and resilience, the report in subsequent analysis links financing alternatives used and resilience to the impact of COVID-19 across businesses. The alternatives are not mutually exclusive. The majority of the businesses (83%) use their own savings as **one** of



Experienced constraints in accessing credit or loans	
No	71.7%
Yes	28.3%
Grand Total	**100.0%**

the alternatives in financing business operations. A deeper introspection finds that approximately 47.8% of the businesses **only** use savings. Given majority of them operate as micro enterprises, it is expected that this is one of the constraints faced in the access of financing from formal financial institutions. About 24% have sought loans from financial institutions as one of their financing alternatives, with only 8.2% using this as their sole method of financing. 72% do not report any challenges in accessing credit or loans. Since the majority of the surveyed business use savings as a main financing alternative, it is possible that a good number have not attempted to apply for credit or loans, possibly underestimating the scope of this challenge.





From the 28% who have reported having experienced constraints in accessing credit or loans, the majority cite the cost of loans as the main hindrance (71%), followed by lack of collateral (38%). Majority of them do not believe gender has anything to do with the constraints in accessing loans. A minor 4% believe otherwise.

Other perceived constraints of accessing credit/loans given include:

- The fact that borrowed money does not yield much which makes repaying that loan difficult.
- Loss of shares from groups/associations to repay debts
- Delays in processing loans
- Difficulty in paying back the borrowed money – *"creditors are not usually friendly when they want their money back"*
- Harassment from lenders
- Difficulty in getting guarantors
- Being listed with CRB
- Given a smaller percentage of the requested loan
- Felt that "mama mboga" wasn't a priority for creditors
- Loans taken as a group make it difficult to get another a loan when other members have not finished paying the earlier loans

Focus Group Discussions - Financial Constraints

Several women traders cited lack of capital to start a business as a key challenge. Given this a number of women need to borrow money to start their businesses and unfortunately, some end up being harassed by these loan lenders. Moreover, the local authorities were also accused of harassing the traders thus making their business operations more challenging. Women also mentioned that the high cost of living increased their financial constraints. In relation to assistance, many of the women traders stated that they have not received any assistance from the local or national government. This was before the implementation of the 'hustler fund').

Key Informants – General Challenges facing women owned or led businesses

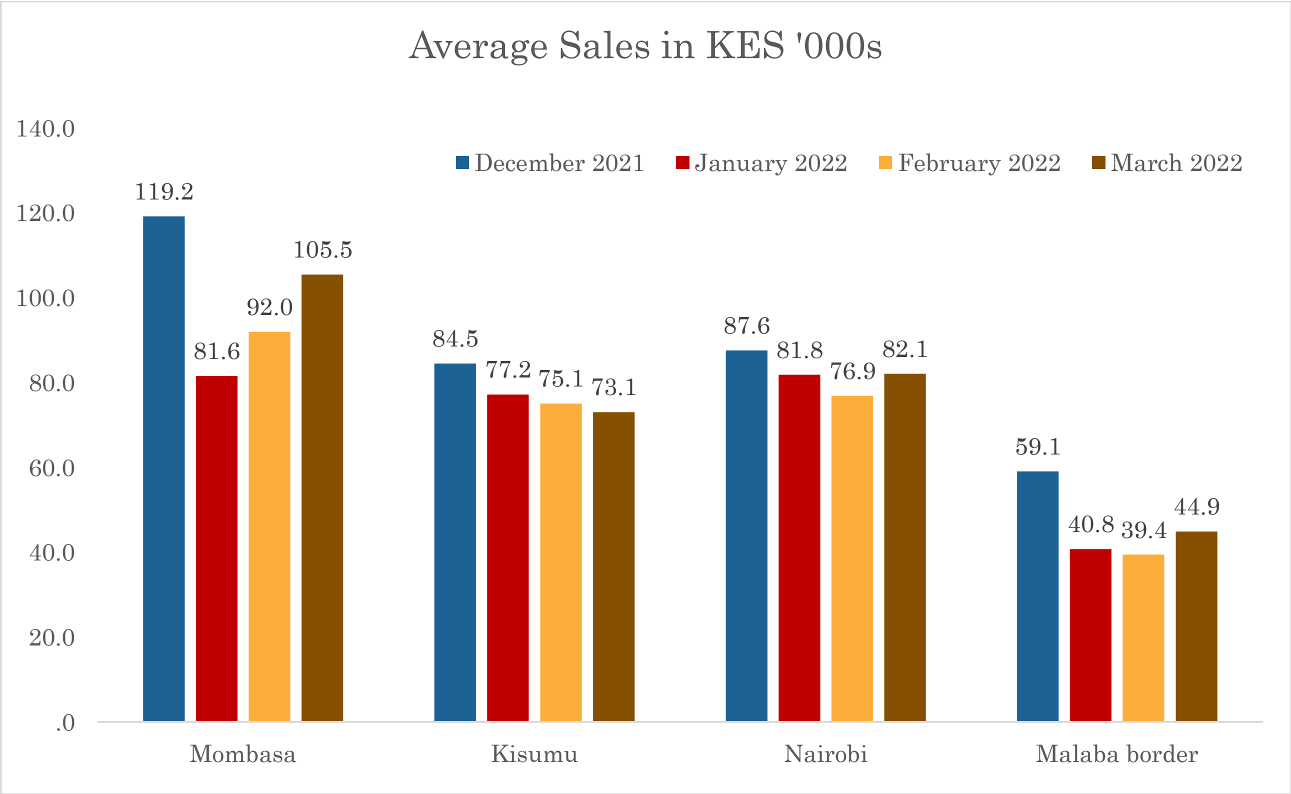
The challenges facing women ranged from bureaucracy, difficulties in regulatory compliance, gender stereotypes, insufficient business management skills, lack of capital, lack of collateral, lack of training, limited access to global markets, poor access to information and markets and unregistered businesses. The most frequently reported challenge is gender stereotypes, followed by lack of capital and insufficient business management skills.

In relation to bureaucracy and related stereotypes, a comment from a key informant who represented several businesswomen highlighted the red tape in relation to access of funds and running of businesses. In terms of regulatory compliance, women traders faced disproportionately higher trade barriers in relation to regulatory compliance. Gender stereotypes was noted as the most prominent challenge facing women, more than lack of capital and collateral. The gender stereotypes were typified in women inheriting fewer assets than men which limits access to loans (capital) since they have limited collateral. They are also excluded from male dominated distribution networks and may face higher risks of abuse. In some communities, there were cultural barriers that dictated what a woman should or should not do which limits the kinds of businesses they can engage in.

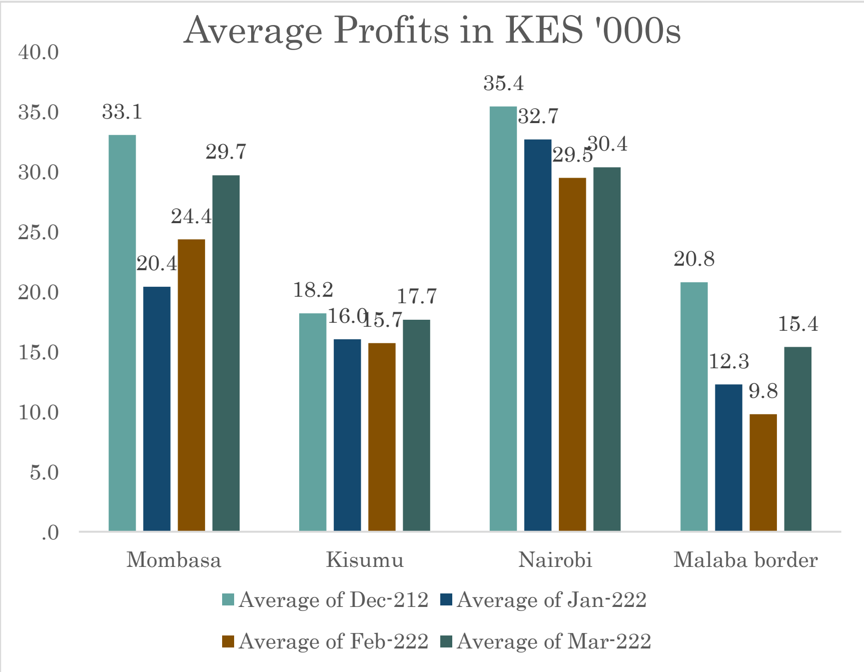
Panel 3B.4: Business Performance in the Quarter Preceding Survey

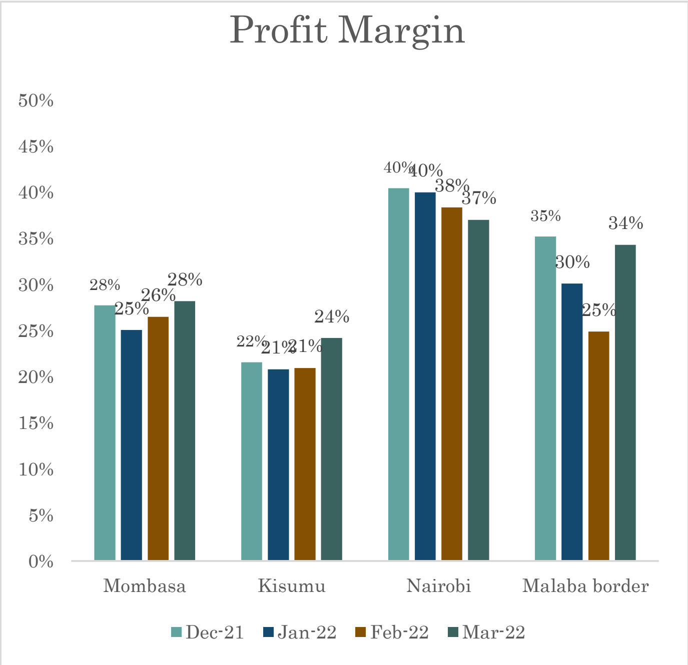
The survey collected data on sales, costs and profits for the businesses in the 4 areas in the 4 months preceding the rollout of the ground survey (data from December 2021 to March 2022). The following graphs show a comparison of business patterns and performance in these months in the 4 areas. In subsequent analysis, we tie these business patterns to different business and respondent dimensions including social media usage, trainings, and networking.

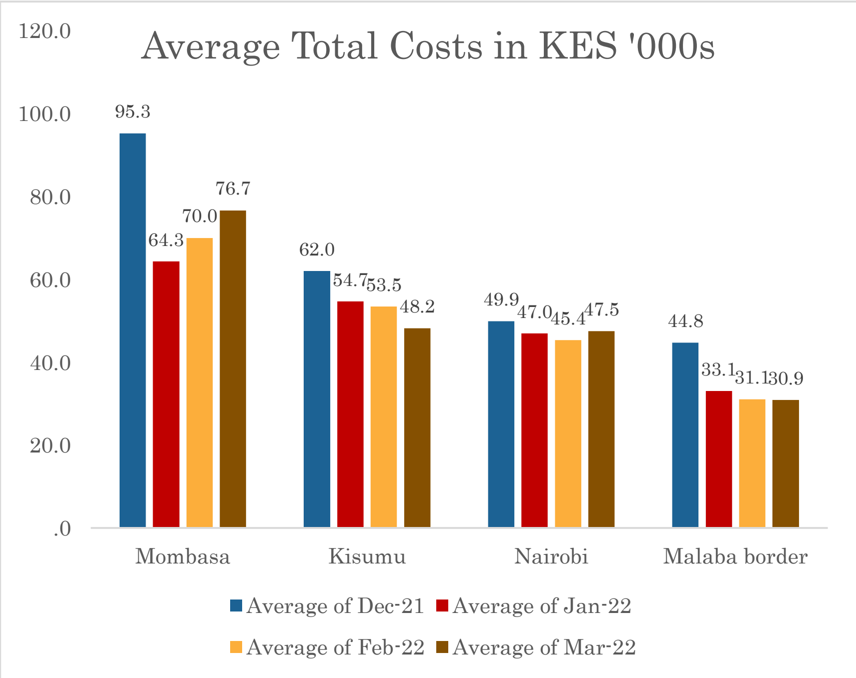
Generally, December records the highest sales revenue, with a steady decline in Kisumu, Nairobi and Malaba in the subsequent months. For Nairobi and Malaba traders, sales revenues begun to gradually pick up in March. In Mombasa, average sales dip in December and steadily rise in February and March. Mombasa traders generally earn the highest on average in these four months compared to other counties.

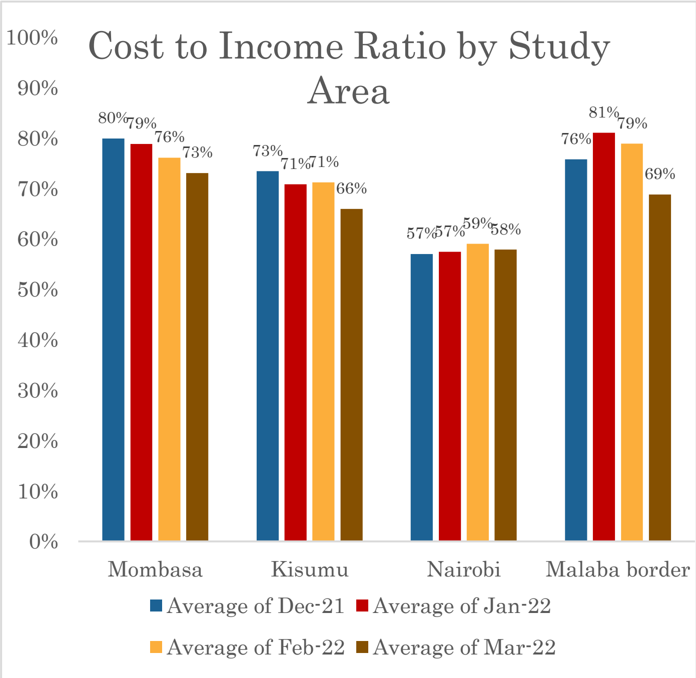


Costs follow similar patterns between and within counties, with Mombasa traders having the highest costs across all four months. The cost to income ratios for traders are highest in Mombasa and Malaba, and the lowest in Nairobi. Nairobi cost to income ratios for traders are relatively stable at about 60% of revenues. For the other 3 areas, the ratios tend to be highest in December and January and steadily decline in February and March.









Profit margins are the highest for Nairobi traders in all months. This is likely driven by the generally lower costs in the county compared to the others (rather than by revenue). Kisumu traders record the lowest profit margins. There is need for county officials to work with traders to lower the cost of doing business in Mombasa and Kisumu.

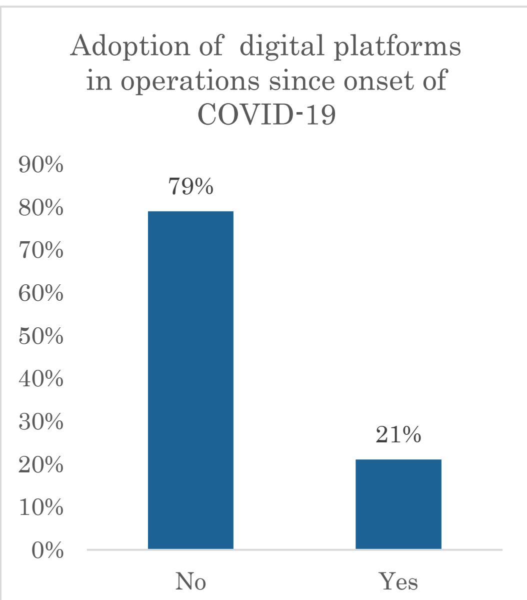
Section 3B Conclusion

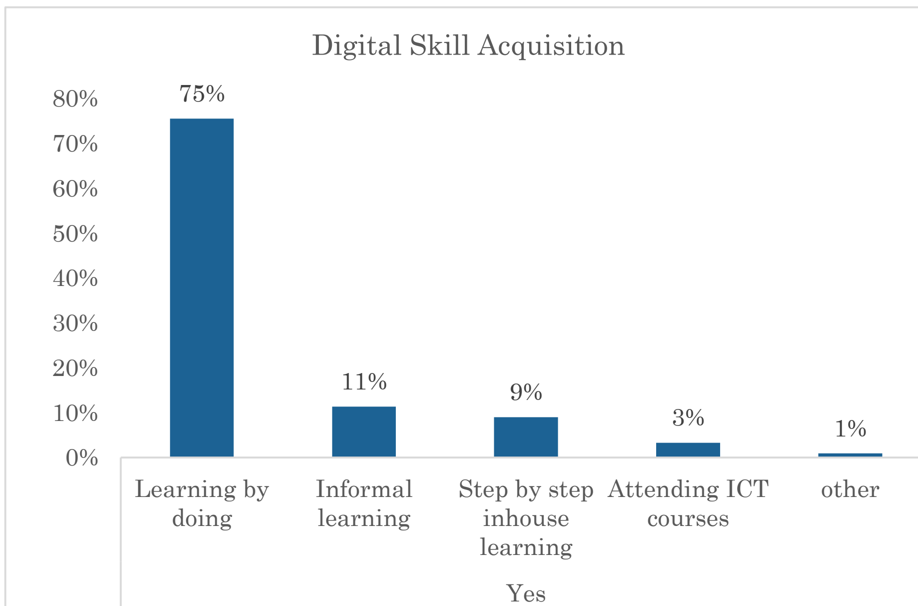
In assessing the business profiles, a few key facts related to women traders in the 4 areas emerge. Registration of businesses has had only a moderate impact on ability to access credit, access talent, membership of associations and access business training opportunities, but the majority of registered businesses report no impact. About 25% of unregistered traders are optimistic about the financial access benefits that may come with registration. This sentiment is echoed by key informants who believe that one of the reasons financial institutions do not extend credit to small scale business is their lack of registration. Financial access therefore emerges as the critical challenge for the surveyed women traders.

More than 80% of the businesses use their own savings as one of the main alternatives in financing business operations. This is already evidence that other sources of financing are not considered or are not accessible to them. A third of the respondents reported having experienced constraints in accessing credit or loans with the cost of loans as the main hindrance. This is closely followed by lack of collateral, reportedly propagated by limited property ownership by women. Discussions with the traders reveals that lack of capital to even start a business is a key challenge. More readily available and appropriate credit facilities are needed to enable MSMEs. These products should be packaged according to business regions since these regions presents unique demographics and information access. Key informant interviews also reveal that the lack of financing is often driven by stereotypes and bureaucracy. Ultimately, the findings point to a cycle of constraints, where women traders face capital challenges from before inception. This means a lower likelihood of starting a business of notable size, scale and network, effectively affecting the bankability of the business from the start.

Section 3C: Digitization and its Effect on Women-Owned MSMEs

Emerging research on MSMEs in the past few years has sought to examine the extent of social media usage and its benefits for performance, marketing and competitive advantage. This survey examines to what extent women in trade adopted digital platforms during the pandemic, usage, accessibility challenges and the benefits they got from the usage. 21% of the respondents highlight that they adopted digital platforms in their operations since the onset of the pandemic. The majority of those who adopted digital platforms were self-taught.





Panel 3C1: Adoption of Digital Platforms and Skill Acquisition

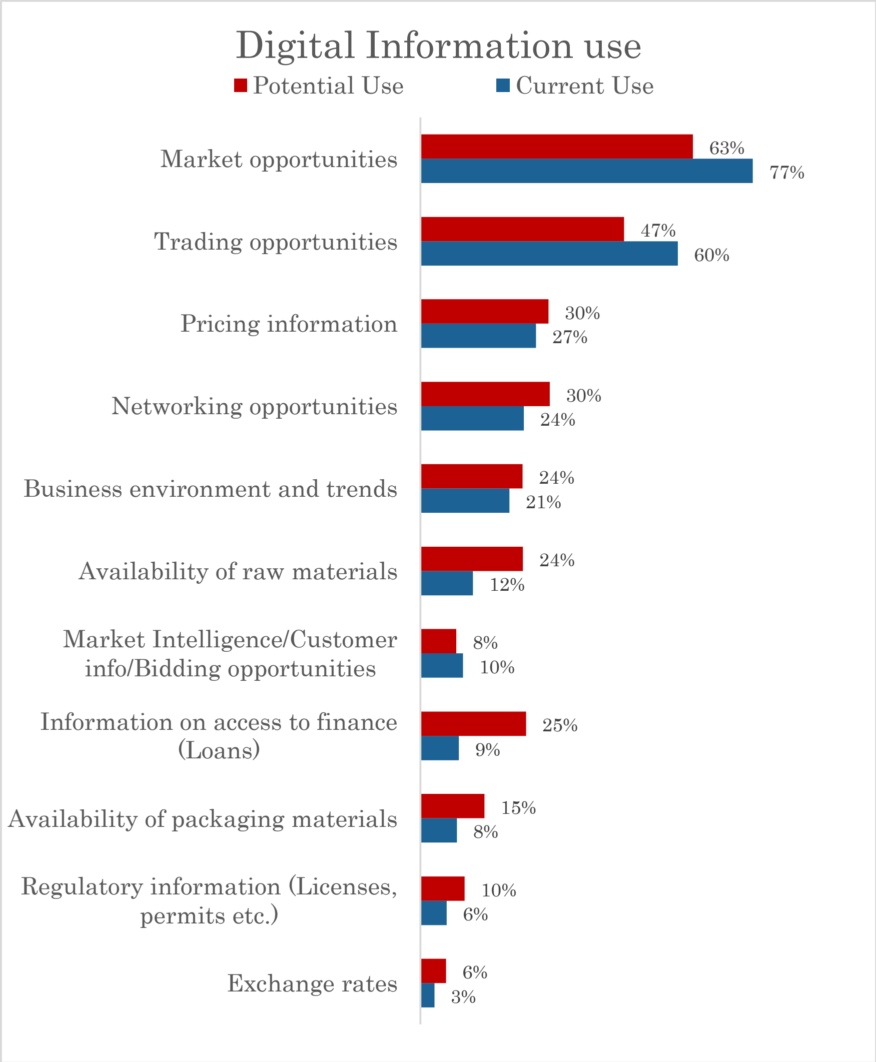
For those who did not report usage of any digital platforms or technologies, the reasons given are included in the table below. A significant percentage report not adopting the platforms because they do not know how to use them and because their phones are unable to access the platforms (implies smartphone coverage is lacking for Micro Enterprise operators).

Reason for not using digital platforms or technologies	Percentage
It is expensive	28.3%
My phone cannot access internet/digital platforms	43.2%
Poor network coverage	3.7%
I don't know how to use digital platform	40.2%
Other	7.7%

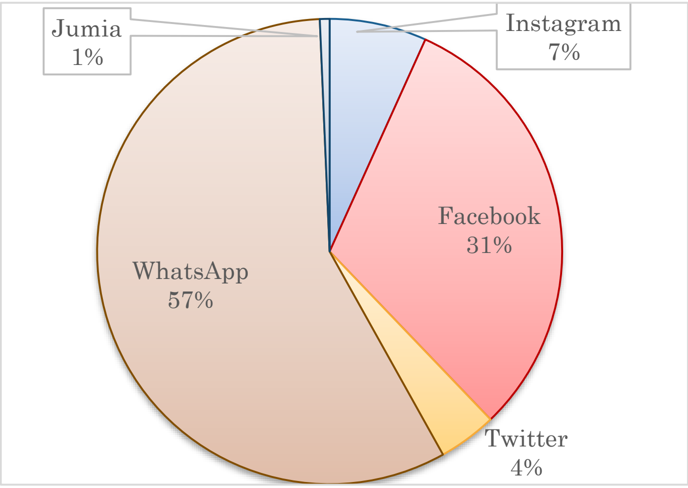
Panel C2 below highlights that for business that have adopted and those that have not adopted digital platforms, the present and potential uses are vastly similar, with the most popular use being access to information on market, trading, pricing and networking opportunities. Majority of the businesses that have adopted digitization in their business use WhatsApp. the benefits of digitization for these businesses are highlighted below, with the most significant one being an increase in speed of the business's operations.

A deeper introspection into the respondents' use of digital platforms sought to highlight the respondents' confidence in using the platforms, ability to access extra financing and business development. The results also highlight the varying extent of digital platform usage in different operational aspects. Digitization has economically significant impacts on financing and business development as seen below. More than 40% of the respondents who use digital platforms report being able to access extra digital funding. Approximately 1/3 of the businesses almost always use digital platforms in reaching customers, suppliers and partners

Panel 3C.2: Digital Information Use and Benefits



Digitization Benefits	Percentage
Improves speed of doing business	62%
Makes products and services accessible	48%
Makes products more affordable	44%
Speed access of information on market dynamics	25%
Provides right focus for business	16%
Other	1%

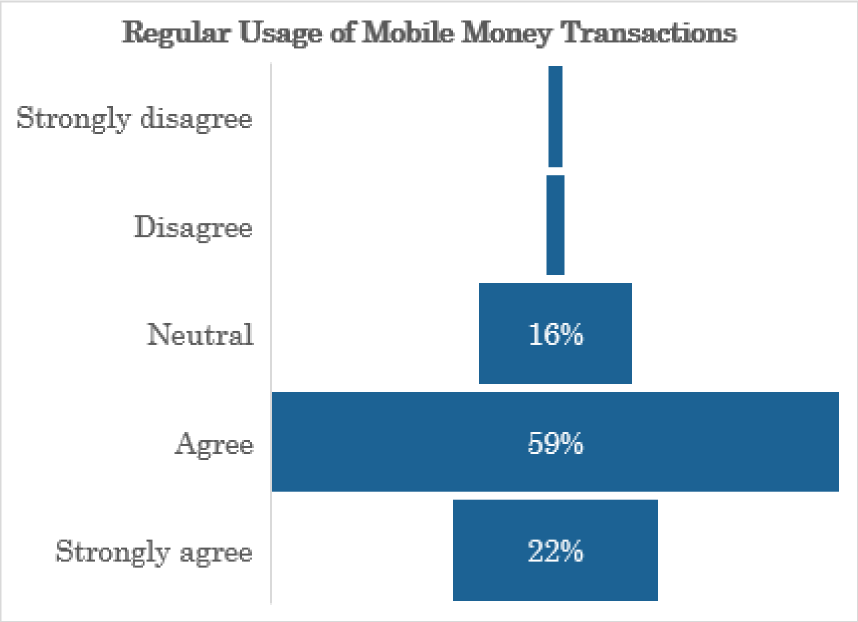


	Confident in the use of digital platform for my business	Able to access extra funding through digital platform (Internet and Mobile telephony)	Use of digital platform in our business has led to development of new products
Strongly disagree	2%	18%	8%
Disagree	2%	16%	7%
Neutral	24%	22%	16%
Agree	42%	25%	50%
Strongly agree	31%	18%	19%
Grand Total	100%	100%	100%

Percentage Use of Digital Platforms in:	Reaching the customers	Connecting with sales team	Reaching suppliers	Reaching business partners	In reaching non-local customers within the country
1-30%	14%	20%	17%	20%	33%
30-50%	24%	18%	17%	16%	23%
50-79%	35%	33%	34%	37%	18%
Above 80%	27%	29%	32%	28%	25%
Grand Total	100%	100%	100%	100%	100%

Regular Usage of Mobile Money Transactions for Business

92% use Mobile Money in business operations. 81% report regular usage as shown alongside. All (100%) use M-Pesa. A very small percentage (~5%) use Airtel Money



Panel 3C.3: Challenges in Digital Usage

The surveyed businesses report benefits from the uptake of digitization in their operations as seen above, but a third strongly agree that they faced challenges integrating the platforms into their businesses. Cybersecurity, employee struggles and indecency concerns are not common in the sample, with 60% or more of the respondents disagreeing with exposure to fraud, pornography and trafficking websites.

	Experienced fraud for social media business account	Employees facing challenges in using media platform	Exposed employees to incidences of pornography and sex trafficking	Challenges integrating media platform technologies into operations
Strongly disagree	28%	32%	35%	10%
Disagree	33%	36%	42%	32%
Neutral	10%	15%	8%	20%
Agree	17%	12%	6%	8%
Strongly agree	12%	5%	9%	29%
Grand Total	100%	100%	100%	100%

The women traders who reported challenges in integrating the platforms into their businesses cited reasons, with the most common concerns being the cost, not knowing the right digital channels to market their business services and products, internet connectivity challenges and not knowing how to use the platforms to improve business visibility.

Challenges faced in digital platform integration in the business

• Costly	41%	• Knowing how to deal with negative online comments	18%
• Knowing the right digital channels to market	35%	• Work-life balance	16%
• Internet connectivity challenges	30%	• Stress that comes from use of ICT	6%
• Knowing how to improve business visibility	28%	• Burnout and mental health issues	2%
• Unreliable during black-outs	22%		

Similar sentiments are given by key informants, who report that for some women traders, there are high initial costs of ICT equipment emanate due to a lack of financial capability to enable women purchase the necessary ICT devices. These devices also require a level of digital savviness training which the businesswomen are unable to pay for. The cost of Internet access is high which prevents most SMEs led by women to access e-platforms, online distribution channels and other online information. Rapid technological changes imply that most SMEs cannot purchase or adopt recent technologies to keep pace with their local and international competitors.

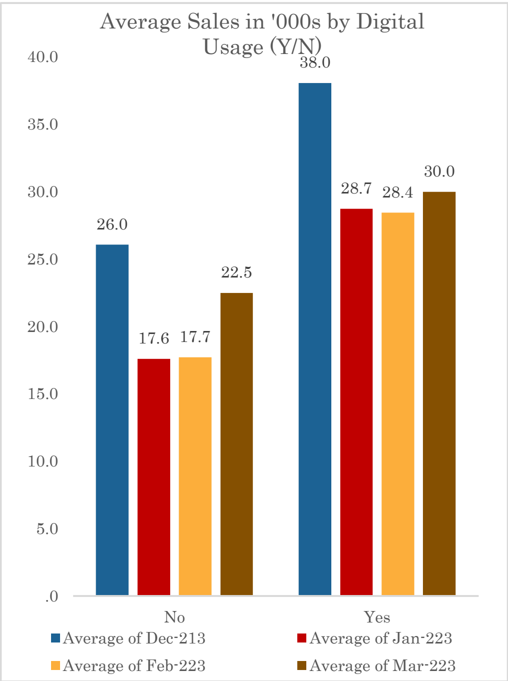
Key Informants - Digital Usage in Micro Enterprises

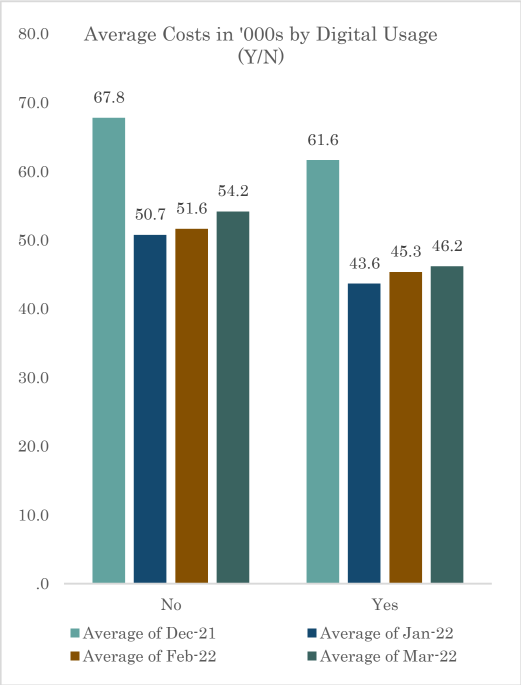
The use of social media in businesses requires them to have a clear policy and mechanism to communicate their business products and services and ensure regulatory compliance. Many businesswomen do not have such skills. This makes women who are not digital natives shy away from using technology. These challenges can be overcome by providing specific ICT credit facilities aligned to SMEs needs, including training in use of ICT and social media. Digitization provides access to markets and extra credit facilities.

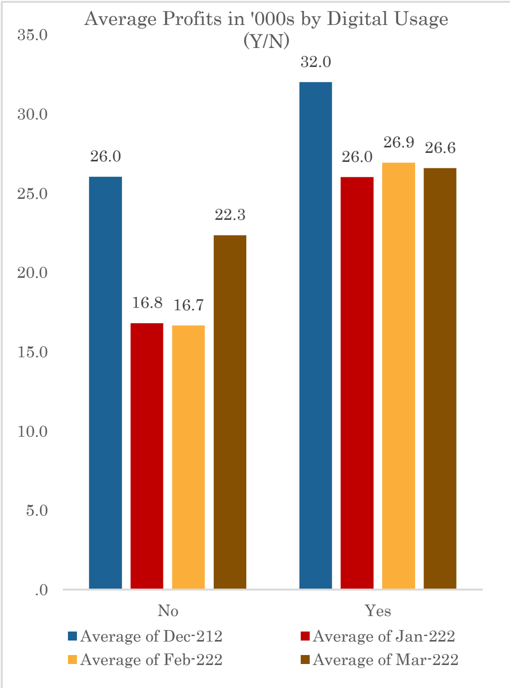
Measures to mainstream technology use among women owned or led businesses include provision of affordable devices which will enable them access timely, simplified, and reliable information, provision of suitable online communication channels through which women entrepreneurs can raise their concerns. The government and other SME support agencies can assist in the development and design of an interactive website to provide a communication channel for exchange of views and opinions, government support in developing telecommunications infrastructure and reduced internet costs. The development of a large-scale telecommunications infrastructure capable of delivering efficient and affordable communication services is a critical pre-requisite for business growth these should include extension of USSD digitization (lending and information) services for phones which are not directly connected to the Internet. Free digital Ad credits can be extended to sponsor online posts done by businesswomen.

Panel 3C.4: Digital Use and Business Performance

We examine whether social media and digital usage within the business is related to business patterns and performance across the three main dimensions: sales revenue, costs and profits. From the three graphs presented below, we note that for businesses that adopted digital use since







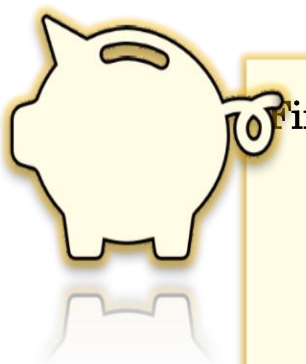
COVID-19, the revenue reported is higher, the costs lower and the profits higher for each of the four months. Since this is not a causal analysis, these results simply establish a correlation between digital adoption and usage in the business and resilience in business performance. Financial institutions may think of products (loans and information) which are simple and easy to use that could be provided through Internet and USSD. This can also include a simple way to keep track of sales revenue, costs and profits.

Section 3C Conclusion

From the above findings, it seems digitization has become a critical operational component for women owned businesses, with an adoption rate of almost 80% since COVID-19. The use of digital platforms in access to information on market, trading, pricing and networking opportunities is high, with reported benefits for financial access through digital finance platforms and business development. The main challenges reported, however, in integrating these channels into business operations are the cost involved and knowing which digital channels to use. This points to a gap in digital savviness that women traders are facing, even as much as digital adoption is self-taught. This creates room for policy makers and agencies to adopt mainstreaming measures to support women traders in the adoption of technology. Even so, there is a correlation between improved financial performance and digitization, with adopters recording higher revenues, lower costs and higher profits.

Section 3D: Networking, Capacity Development and Women Empowerment

Panel 3D.1: What does empowerment mean to women in trade?

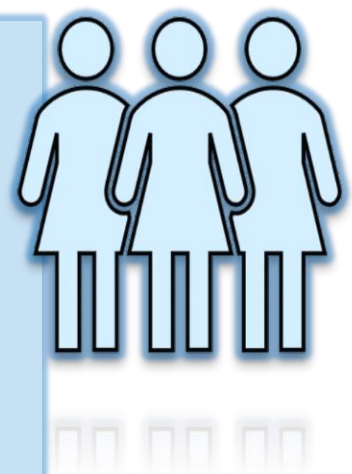


Financial Empowerment

- Accessibility to loans and funding to women at a relatively low interest rate financial literacy and a woman having power over her finances
- Being financially independent in business and being able to take care of yourself without depending on anyone
- Banking on women

Empowerment through Business

- Women running successful businesses to sustain her needs
- Being educated and trained in business management
- Availing trading opportunities to women in business and giving women fair chances of competition.
- Making decisions without fear and being risk takers
- A woman gaining influence and equal opportunity to pursue social and economic endeavors
- Enabling women to enjoy the right to work and giving women platform whereby they can do business freely without discrimination



Empowerment in the community

- a woman whose view point is accepted in society - an increase in the diversity of women's voices in communities and business sphere
- giving additional responsibility to women and acknowledging their independence
- advocating for women's rights in society and educating them on their rights
- supporting other women and helping one another grow
- Assuring women that they can be safe even without the protection of police or a man

Panel 3D.2: Decision Making in the Household

The survey assessed the extent of women empowerment by examining who makes final decisions in all major household expenditures (including food, clothing, shelter/housing, healthcare, and children's school). The responses are cross tabulated against demographic information on whether the woman is the head of the household. The results highlight that (i) majority (59%) of the sampled women make the final decisions on all major household expenditures. However, in 80% of these cases, the women indicate that they are the head of the household. Where the women report that the husband makes the final decisions, more often than not, the husband is reported as the head of the household. A third of the surveyed sample report that decisions are made jointly. Focus group discussion in Nairobi, Mombasa and Malaba show similar results, with majority of the women who participated indicating that the make most of the decisions about household spending. However, there are some households where the spending decisions are made jointly by both the man and the woman.

		Head of Household		
Final decisions in all major household expenditures	Percentage	No	Yes	Row Total
Self (woman)	59%	20%	80%	100%
Husband	7%	82%	18%	100%
Jointly (self and husband)	33%	75%	25%	100%
Other family member(s)/relative(s)	1%	67%	33%	100%
	100%			

For the 40% who report that their husbands solely or jointly make final decisions with them, a further assessment of their (women's) involvement in decision making is shown in the table below, with food and clothing decisions showing more involvement. Lower involvement is seen when it comes to shelter, healthcare and children's education

Involvement in decision-making on the following household expenditures	Food	Clothing	Shelter/housing	Healthcare	Children's school
Never	0%	1%	16%	8%	12%
Rarely	2%	3%	16%	14%	18%
Sometimes	25%	29%	34%	37%	33%
Very often	34%	37%	21%	27%	22%
Always	39%	30%	13%	15%	16%

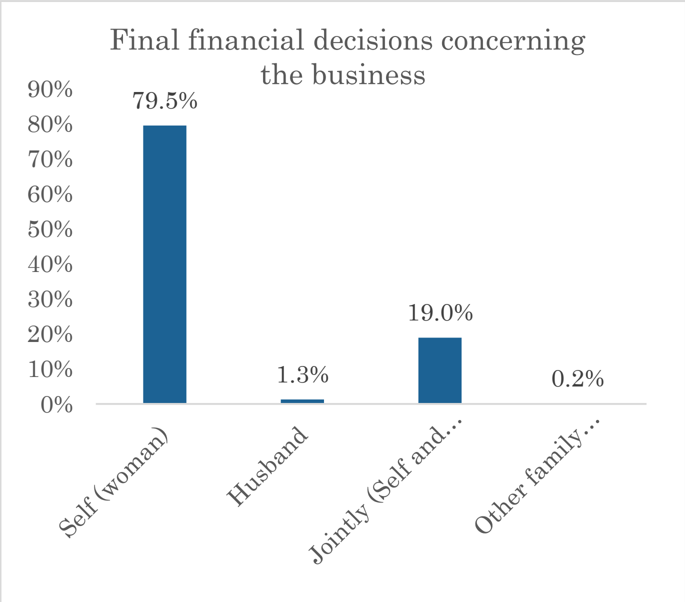
Panel 3D.3: Decision Making in the Business

78% of the respondents indicate that it was their idea to set up the business. In such cases, there is barely any interference from their spouses, or family in the conduct of the business. From these results, it is safe to say that women are independent in so far as the operationalization of the business is concerned. For the minority (5%) where the idea came from the spouse or other relatives, there is economically significant interference from the spouse or family (38%). The minority who cited interference of some kind from their spouse or their family in the running of the business gave the following examples of interference, with the most common being the time they returned home.

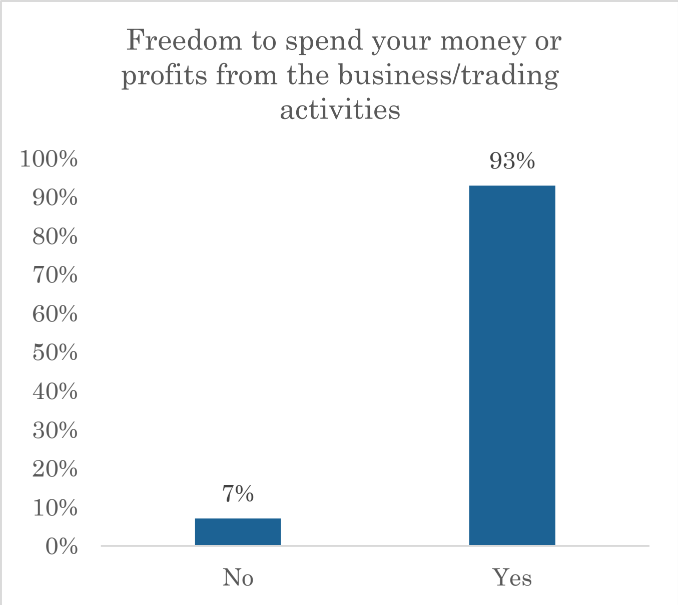
		Partner/husband/family interference with your conduct your business or cross-border trading activities	
Idea to set up and invest in the business	**Percentage**	**No**	**Yes**
Self (woman)	78%	97%	3%
Husband	3%	62%	38%
Jointly (Self and Husband)	17%	92%	8%
Other family member(s)/relative(s)	2%	100%	0%
Friends	0%	100%	0%
Grand Total	100.00%		

Interference	Percentage
Restriction on marketplace you can trade	22%
Frequents place of business to check what you do	34%
Dictate the goods you trade in	16%
Restrictions on time of returning home	50%
Controls sales revenues	26%

Highlights from focus group discussions in Nairobi, Mombasa and Malaba support the above findings. In the three areas, majority of the women traders overwhelmingly responded that they have the freedom to start and run a business of their choice. In Malaba, it was noted that single women, widowed women or those whose spouses were away from home made decisions about running the business independently. The married women mainly make the decisions jointly with their husbands. The scenario was similar when it came to decisions related to spending at home. Similarly, in Mombasa and Nairobi, majority of the women traders made most of the decisions in relation to running their businesses. Focus group discussions in Nairobi revealed that the freedom to start and run their business in the markets is sometimes compromised due to limited space in the markets and regulations from the municipality. In almost all focus group discussions, the women cited lower capital requirements encourages women to engage in the small- scale businesses.

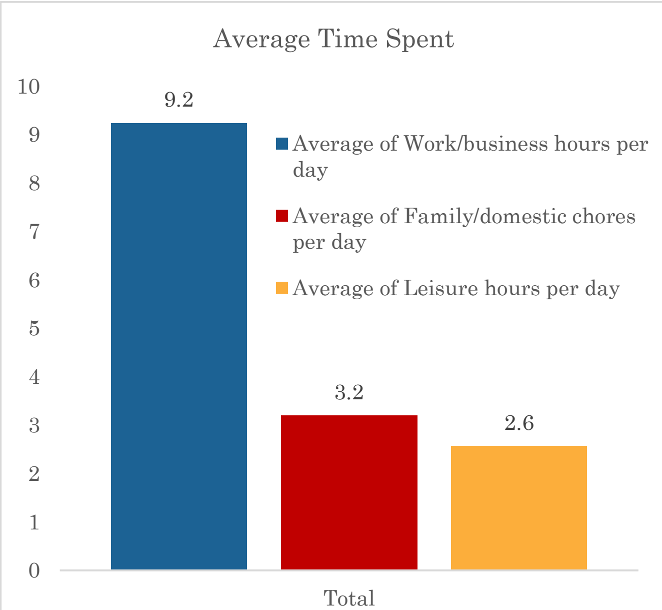


A further analysis is carried out to determine the extent of independence when it comes to the financial dimensions of the business. 80% and 93% of the women respectively report being able to make the final financial decisions in their businesses and spending the profits from their businesses. A significant percentage (90%) spend the money from their business on household related expenses, while another 85% reinvest the money back into the business. The ground survey results, once again, are supported by sentiments from the focus group discussions. Other uses of business funds given by the respondents include: (i) Paying off land investments and loans, (ii) Leisure activities for the children, (iii) Chama savings and table banking, (iv) Marketing expenses, and (v) Personal care.



Spending money earned in business	Percentage
Re-invest back to the business	85%
Household expenses i.e. food, clothing, rent, school fees	90%
Emergencies i.e. hospital fees	58%
Other	2%

Most of the women are also able to largely dictate how they spend their time between work/business, family and domestic chores and leisure activities. More women have independence when it comes to choosing the amount of time spent in the business, roughly 9 hours on average per day



To what extent is a woman trader able to make decisions on time spent in:	Work/ business	Family/ domestic chores	Leisure
Not at all	0.60%	2.09%	9.94%
Somewhat	8.35%	21.37%	17.89%
To a great extent	91.05%	76.54%	72.17%

Panel 3D.4: Training and Networking

Panel D4 highlights a training gap amongst women in trade, with only 10% of the respondents reporting having done a training in business management and/or cross border trade. Majority of those who have undergone a training have received basic business management training. Other types of training are rare in the sample. For the different types of training, their impact is assessed on a scale from "not at all" impactful to "significantly" impactful. Leadership training, cross border training, Simplified Trade Regimes[3] and business management skills (in that order) were some of the most impactful.

Training	Percentage
Business management training (basic bookkeeping etc.)	88%
Farming skills training	5%
Food handling, Hygiene and standards training	12%
Cross Border Trade requirements and regulations	13%
Leadership training (e.g. on leading an association, group, or market association)	17%
Simplified trade regimes	2%

[3] COMESA launched the Simplified Trade Regime in 2010 to streamline the documentation and procedures for the clearance of small cross border traders' consignments, allowing them to also benefit from the COMESA preferential tariffs.

Scale	Business management skills	Faming Skills	Food handling	Cross Border Training	Leadership Training	Simplified Trade Regimes (STRs)
Not at all	1%	40%	8%	0%	0%	0%
Slightly	14%	0%	8%	7%	17%	0%
Moderately	39%	40%	46%	21%	11%	50%
Significantly	46%	20%	38%	71%	72%	50%

Key Informants on Women Empowerment

Informants highlight that insufficient business management skills which include entrepreneurship and business sustainability has led to mismanagement and collapse of businesses. Most small women owned enterprises establish their strategies through trial and error, due to a lack of training. This leads to collapse of businesses. Women can be assisted through education and capacity building programmes either at county level like trade sector forums or national convenings. Some women face difficulty in raising capital for starting up and later growing their businesses, at times connected to the point raised earlier on no property rights. These difficulties extend to lack of access to inputs, assets, training, and finance. This, at times, is related to businesses not being registered.

Entrepreneurship training, which is capacity development, should reach the grassroot levels. This training can be through learning and skills initiatives, forums and capacity building programmes offered by government officers and enterprise fund officers. Financial management training can be through seminars and workshops. These sessions should cover financial management, book-keeping, where and how to source business finance and access to markets. Mentors can be provided by universities, businesses, and government to support businesswomen through the enterprise cycle.

44% of the traders surveyed are members of a traders' group or association. Majority of them (83%) are in finance/credit-based groups (credit and microfinance groups such as SACCOS and table

Association/Group Membership	Percentage
Agricultural/livestock/fisheries producer's group	2%
Non-agricultural business group	9%
Credit / Microfinance group (SACCOs/Merry go round)	83%
Mutual help / insurance group (including burial groups)	14%
Religious groups	4%
Other groups	1%

banking). The other groups show limited participation, meaning that networking for women in trade is driven by potential access to finance/credit.

When it comes to **women leadership and representation in market associations,** the findings from focus group discussions are mixed. In Malaba, some traders mentioned that women are not involved or represented in the market associations. However, some of the women traders say that women are involved in selecting their preferred leaders. In Mombasa, there are some women involved and represented in the market associations. However, women participation is not high in some of the markets and has room to increase. Many women are afraid of leading men, others fear being harassed by the male traders while others are engaged with taking care of their families. The women in Nairobi mentioned that women are involved and represented in the market associations. However, the women do not hold the top positions in these associations.

The 56% who are not part of any association gave the following reasons for not joining, presented in the table below. About half of them cite their disinterest, or that they are unaware of any associations they can join.

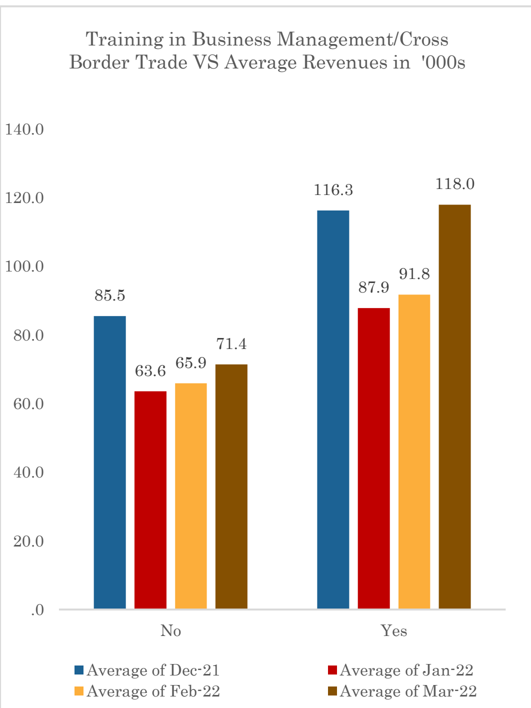
Reasons for not joining association/group	Percentage
Not aware of any associations	35%
I don't want to join	43%
Was a member, but exited association	16%
Family obligations are too many to give me time for this	9%
Husband or another person in authority will not give me permission	1%
Other	5%

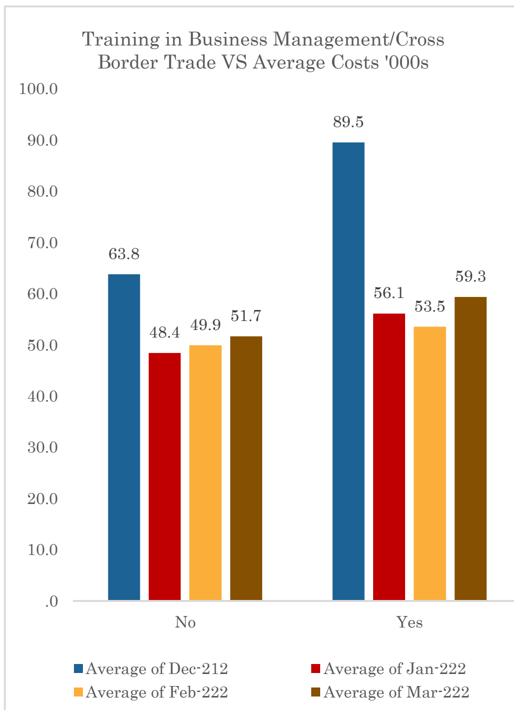
"Other reasons given by respondents for not joining groups or associations include: the business and/or income is small and not yet stable, lack of trust in associations and groups, many groups have failed, lack of finances to cater for membership fees, and they feel that they are too old to join"

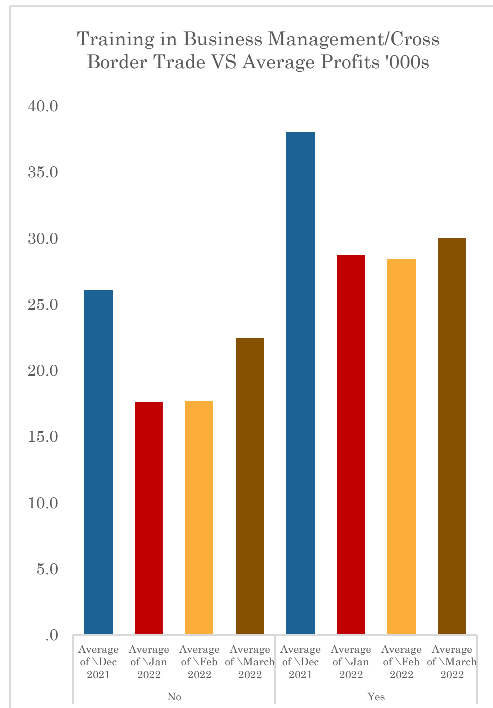
Panel 3D.5: Women Empowerment and Business Performance

Given the above analysis and findings, an assessment of whether women empowerment through trainings and networks (memberships in groups and associations) is correlated to business patterns and performance across the three main dimensions: sales revenue, costs and profits is provided below.

From the three graphs presented below, we note that for businesses whose owners have undergone training in business management and or cross border training have significantly higher revenue, the revenue reported is higher, the costs lower and the profits higher for each of the four months. The difference is especially economically significant for revenue and profits, meaning the profit differential is sales driven rather than cost driven. Again, since this is not a causal analysis, these results simply establish a correlation between training and usage in the business and resilience in business performance. The difference between the two categories of business owners is particularly noted in December and March revenues and profits, where the largest margins are noted.







Section 3D Conclusion

For many women, trade has provided a boost to inclusive growth and opportunities in the 21st Century. For these traders', empowerment means accessibility to loans and funding, financial literacy, a woman having power over her finances, being able to run a successful business to sustain her needs, being given fair chances of competition, being able to make decisions without fear and being risk takers and having a viewpoint that is respected and acknowledged in society.

Most of the women report having independence in making household and financial decisions pertaining to their businesses. Additionally, some indicate that they have undertaken some sort of leadership, cross border or management training. Even so, only half the sample have found business management training significantly impactful. Informants have highlighted that insufficient business management skills which include entrepreneurship and sustainability has led to mismanagement and collapse of businesses. As one of the critical components for the success of a business, it means there is still some way to go in 1) ensuring women traders are able to readily able to access business management trainings/programmes and 2) that the training translates to the bottom lines in their businesses.

Women traders' membership in associations is a clear indication of their priorities, with 83% of them in finance/credit-based groups (credit and microfinance groups such as SACCOS and table banking. This goes to show that networking for women in trade is driven by financial access incentives. Women empowerment in these circles is seemingly lower, with discussions revealing that the women prefer to not partake in leadership of the associations, as much as they are active members. The lack of leadership representation in market associations that make critical decisions on trade related issues may be detrimental to the pursuit of stronger women empowerment.

Section 3E: An Investigation into Gendered Social Construct(s)-A Specific Focus on Gender Based Violence

Gender-based violence in the country has been a prevalent challenge facing especially women and girls. The pandemic and the related containment measures exacerbated the issue in most parts of the country, once again brining to light an endemic that women and girls, not just in Kenya or Africa, but globally have faced for decades. The 2014 Kenya Demographic and Health Survey is the third DHS survey in Kenya that incorporated questions on violence perpetrated against women and, importantly, the first survey to include questions on violence against men. Given the surveyed respondents from the present study are women, we focus on statistics provided on violence against women and girls. According to the KDHS (2014), an average of 45% of the women in different age groups from 15 to 49 reported having experienced physical violence since the age of 15. 20% (1 in 5 women/girls) reported having faced physical violence in the 12 months prior to the study.

Cognizant of the sensitivity of this issue for the respondents (affected or unaffected), the enumerators were trained beforehand on approaching the respondents with sensitivity, ensuring to first obtain consent from the traders before asking any questions. Enumerators ensured that traders were aware that they were not obliged to answer any questions, even if consent was given. Traders were also made aware that should any feelings about harassment arise in the course of the interview, they had the right to raise this with the team to provide further assistance.

For the purpose of the survey, we define harassment as any unwanted physical or verbal behaviour that offends or humiliates the respondent. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal and physical conduct of a sexual nature. Domestic violence describes violence that takes place within the home or family between intimate partners as well as other family members. Intimate partner violence is described as behaviour by an intimate partner or ex-partner that causes physical, sexual or psychological harm, including physical aggression, sexual coercion, psychological abuse and controlling behaviors. It also may include the denial of resources, opportunities, or services.

Out of the surveyed sample, 15% of the respondent highlighted that they had faced some form of harassment in the 6 to 12 moths receding the survey. 67% of these respondents reported verbal and emotional abuse, 30% reported physical abuse, 5% reported sexual harassment and 3% reported being denied essential needs such as food, shelter and/or clothing.

About 35% and 23% of the respondents reported that the harassment came from fellow female and male traders respectively. 50% and 25% of the time, harassment from fellow female and male traders respectively was verbal and emotional. The affected respondents reported the issue half of time. A breakdown of who they reported to is provided below: about a third of those who reported the incidents did so to the police, closely followed by the village elders.

Perpetrator of GBV	Percentage
Fellow female trader	34.8%
Husband	22.8%
Fellow male trader	21.7%
Family member(s)/relative(s)	8.7%
Security officer	1.1%
Leaders (Community, church, associations)	0.0%
Religious leader	0.0%
Village elder	0.0%

Who did you report the incident to?	Percentage
Police	28.6%
Village elder	21.4%
Church	7.1%
Hospital	0.0%
Counsellor	0.0%
Advocate	0.0%

In 55% of the reported cases to the different authorities, the perpetrators were warned against acts of harassment, but for 17% of the reports to authorities, nothing was done. For every 1 in 5 cases, the perpetrator was arrested and questioned by security authorities, 2% were prosecuted through legal system and another 10% were summoned by village elders.

Half of the affected respondents did not report the issue to relevant authorities in the community. When asked why they did not, a number of respondents cited the following common reasons including: they did not know where to report, they believe nothing will be done even if they report, there are bribes involved in the reporting process for action to be taken, personal reasons and preference to avoid confrontation and threats to their lives and being forced to leave their homes and children.

> "Nothing will be done even if I report"

Focus group discussions with women traders highlighted more nuanced aspects of harassment in the markets and other issues. Those reported by traders in Nairobi and

Mombasa include conflicts over trading space, sexual harassment of women traders (supporting ground survey findings), harassment by city council government and the enforcement of designated marketplaces as opposed to the road-side areas. On ways to resolve the arising conflicts, some groups expressed that no effort is made to resolve the conflicts. About ¼ of the groups reported that they have not witnessed any harassment in the market over the last one year, but more than half of the FGDs (64%) reported to have witnessed harassment in the form of women traders' harassment by men traders, tribalism, price conflicts with Ugandan traders (at the Malaba border specifically) and harassment by the authorities in charge of collection of levies. More than half of the groups expressed that women bear most of the burden in cases of such harassment while other groups reported the parties involved bear the burden. Some groups expressed that such issues of harassment and gender-based violence are left unresolved. However, some groups reported that such harassment is resolved through the nominated market leaders/ committees or mediation or relevant authorities such as the police.

Existing Safeguards provided to women owned or led businesses

There are various safeguards which are in place to support women owned and led businesses. These include police patrol/surveillance services (6), technology surveillance (1), emergency response lines (1), constitutional and legal law safeguards (4) and having champions (1).

Police patrol/surveillance services are provided through county inspectorate and the National Police Service. They have personnel who patrol to ensure safety of traders including maintaining law and order. An emergency response toll free line exists to report any form of abuse and harassment. There exist constitutional and legal safeguards for instance county by-laws anchored on the Kenyan Constitution that prohibits abuse and harassment of individuals.

The law is clear on what should be done to culprits. The County and National Government security teams ensures that the constitution and law is followed and hence maintain law & order and preserve public peace and safety. The county government has legislation in place to implement management models that take care of the welfare of traders. The different associations have champions to further promote the welfare of traders and raise emerging issues.

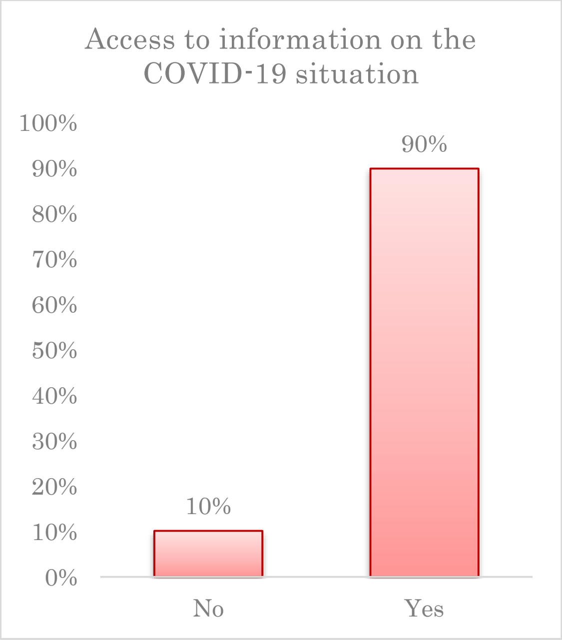
Section 3F: Impact of COVID-19

One of the most important objectives of this survey was to examine the impacts of COVID-19 on women in trade, how they managed their business during the pandemic and any support/interventions they felt were needed during and after the pandemic. The responses from this section are categorized into 5 main sections including:

[1] Information Access during the Pandemic,
[2] Workload changes and business management during the pandemic,
[3] Impacts of social distancing measures and government containment protocols
[4] Business adaptation during the pandemic
[5] Private Sector and Government Interventions

Panel 3F.1: Information Access during the Pandemic

Approximately 90% of the respondents were able to access information on the COVID-19 situation as it unfolded. Out of those that had access to information, breakdown of accessible information type is shown below, with the most prevalent source of information at time being the health safety measures to take as an individual and business, COVID-19's spread in the country (national statistics provided by Ministry of Health), vaccination information (2021) and prevention measures including social distancing and hygienic practices. The most prevalent challenge cited in accessing information is the fact that the information was relayed via TV or Radio which took too much time for the women traders to listen to in the course of their operations.

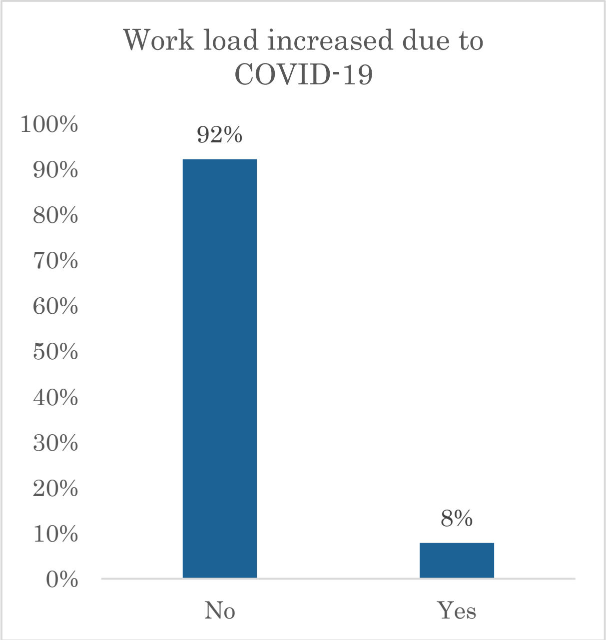


Information Available	Accessibility
Market opportunities	46%
Health safety measures	65%
Prevention measures	50%
Availability of protective equipment	43%
COVID-19 spread in your country	58%
COVID-19 business rescuing opportunities	27%
Access to COVID-19 finance (loans)/tax relief	14%
Vaccination information	54%

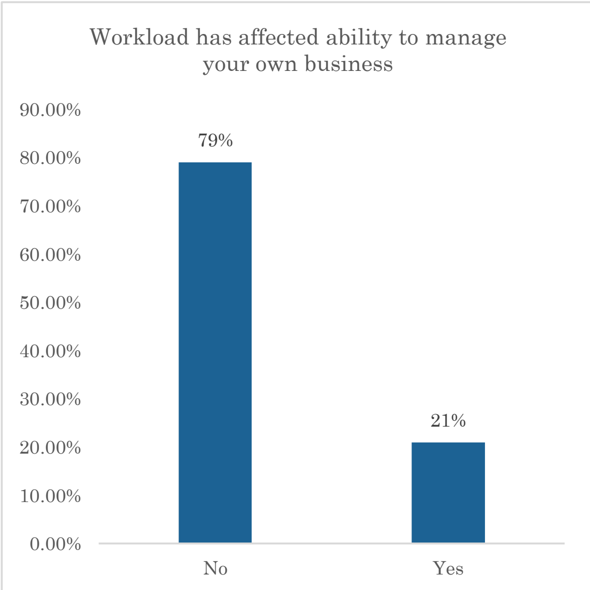
Challenges in accessing COVID-19 related information	
Cost aspects	38%
Relayed via Tv or Radio and takes much time to listen to	61%
Difficulty in interpreting information due to technical terms used	29%

Panel 3F.2: Workload changes and business management during the pandemic

A very small percentage of the sample cited workload changes due to the pandemic. Majority of them cited that the workload increased in an effort to keep their business afloat, rather than shifts to do with household responsibilities and family. Out of this group, another 21% report that the increased workload affected their ability to manage their business, especially since they were not able to restock as much or take as much care for stock and did not have time to keep proper records and plan business.



How the pandemic increased workload	Percentage
Household chores and caring for others	29%
Helping other family members with their businesses	18%
Trying to keep business going	75%



How has workload affected your management of business	
Don't seek new markets	25%
Don't restock or take as much care for stock	49%
Don't have time to get out and sell	14%
Don't have time to keep proper records and plan business	42%
Other	1%

Panel 3F.3: Impacts of social distancing measures and government containment protocols

Respondents were asked to highlight how the social distancing measures affected their businesses. These measures in the 4 areas included: Curfews, Travel restrictions (Air, road, rail and sea), Partial lockdown/Regional lockdown (No movement of people in and out of certain regions), Public transport restrictions and Border restrictions. More than half of the respondents highlighted that these restricted their access to the market, and increased prices of goods and trading commodities

Impact of Social Distancing Measures	Percentage
Restricted access to Markets	60%
Limited access to supply-chains - for purchase of raw materials / trading commodities	44%
Restricted movements to and from the border posts	40%
Increased the prices of goods and trading commodities	57%
Increased transport and logistics costs	42%
None	4%
Other ▪ Reduced customer turnout due to fear of contracting COVID	1%

Effect of COVID-19 Measures on business operations and performance

On a scale from no change to extremely affected, the respondents highlighted to what extent they felt the pandemic containment measures affected their business operations and performance. The effect of curfews was generally felt the most, followed by public transport restrictions, border closures and bans on movement. The cited effect of borders mostly captures sentiments of traders in Malaba. A further inspection of the collected data highlights that up to 70% of the traders surveyed in Malaba felt that border restrictions extremely affected their businesses. In Mombasa a total of 60% reported either extreme or moderate effects. Both areas are in stark contrast to Kisumu and Nairobi, where 60% and 44% of the traders reported no change as a result of border restrictions.

Scale	Curfews	Travel restrictions (air, road, rail, sea)	Lockdown/Ban on movement of people	Public transport restrictions	Border closures
Extremely affected	51%	37%	41%	43%	42%
Moderately affected	17%	21%	16%	27%	17%
Slightly affected	19%	14%	13%	15%	11%
Very minimal effect	3%	5%	4%	3%	5%
No change	10%	22%	25%	13%	25%

It is also interesting to note that up to 83% and 81 of traders in Kisumu and Malaba border reported that curfews extremely affected their business operations, in contrast to Mombasa and Nairobi where only 26% and 16% of the traders respectively cited extreme effects. In Nairobi, 55% of the respondent felt that the effects of the curfew were slight. In Mombasa, 30% reported moderate effects. Travel restrictions were once again felt the most by traders in Malaba, with 66% of them reporting extreme effects. In Kisumu and Nairobi, 58% and 39% of traders reported no change in their business operations due to travel restrictions. In Mombasa, 31% report moderate effects.

We also review the extent to which the respondent's bottom lines were affected by the pandemic measures. The most affected business drivers were sales volume and net profits. The extent to which net profits is cited to have declined for the business could be majorly attributed to the decline in revenues and sales volume, rather than costs, given 60% and 76% (respectively) of the businesses recorded declines in the former two dimensions. Cost wise, less than half of the respondents cited any sort of increase (36%).

Scale	Sales volume (in kgs)	Total revenues	Total costs	Total net profits
Very high increase (above 50%)	2%	3%	14%	3%
Increase (below 50%)	7%	14%	22%	5%
No change	15%	24%	21%	19%
Decline (below 50%)	41%	29%	24%	34%
Very high decline (above 50%)	35%	31%	19%	39%

We explore this dimension further and seek to understand if the reported effects (especially on net profits from the business) reported above are in any way related to some of the explored business attributes and experiences, including the age of business, the method of financing, ICT adoption and digitization and trainings.

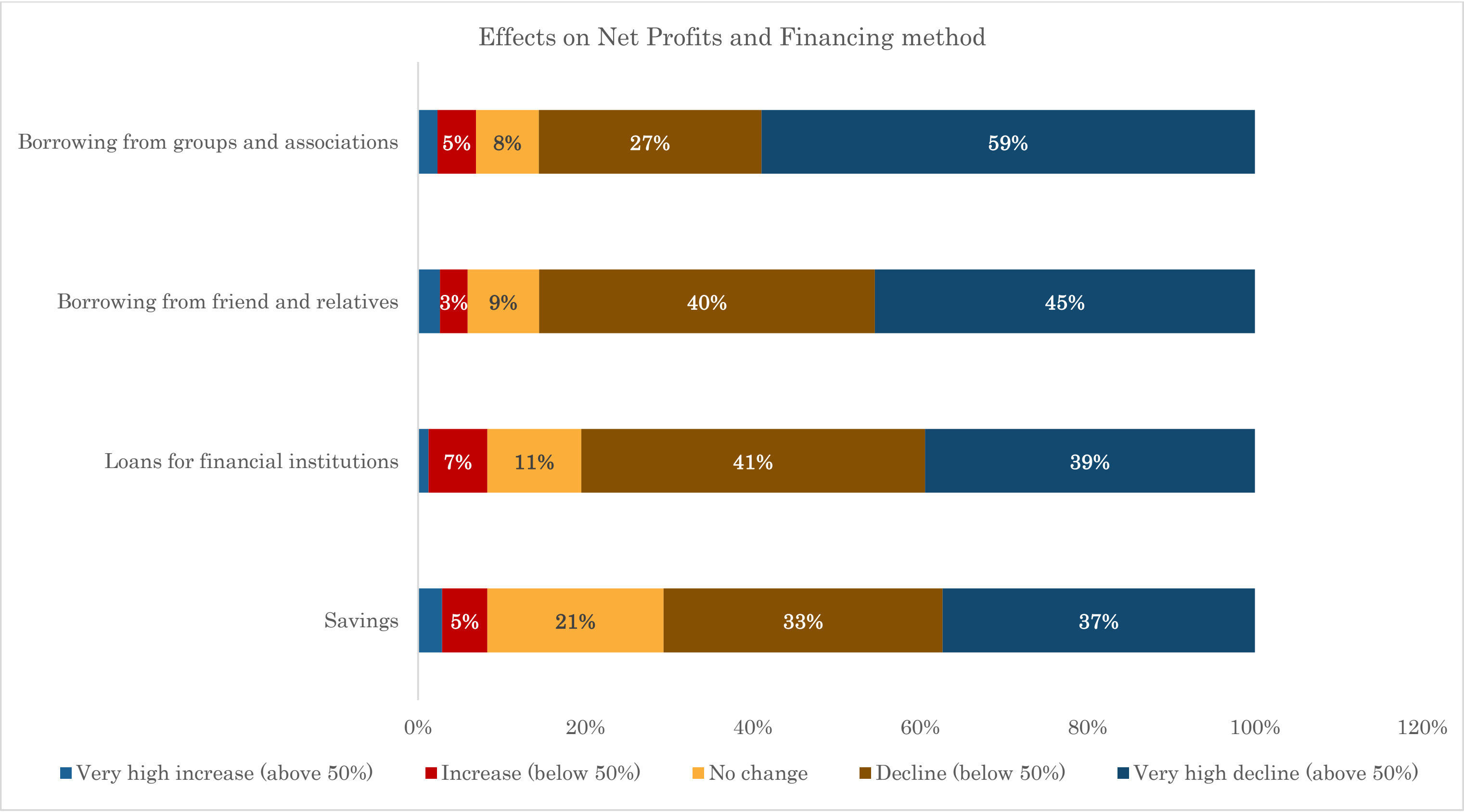
Effect of COVID-19 Measures and Age of Business

The table below reports the percentage of businesses whose profits were affected by the pandemic measures to various extents, cross referenced against the length of operations of the business. We find that regardless of the age of the business, the effects of the pandemic measures on net profits were felt. Businesses that have been in operation for less than a year however, reported less "high declines" as compared to businesses that had been in existence for more than 4 years. Even so, we consider the fact that businesses that have been in existence for less than a year at the time of the survey were not in existence in 2020, when the effects of the pandemic and measures were a new shock to most markets Looking at businesses that have been in existence for 1 to 3 years, almost a third of them reported no change in their net profits. Almost half of the businesses that have been in operation for over 10 years reported very high declines in net profits. As such, profits of fairly young businesses seem to have been more insulated than those of older/mature microenterprises. The responses for the older businesses may be due to their larger business volume driving the profits in question.

Effect of Pandemic Measures on Total Net Profits	Length of Business Operation				
Scale	**Less than 1 Year**	**1 – 3 Years**	**4 – 6 Years**	**7 – 9 Years**	**Over 10 years**
Very high increase (above 50%)	2%	3%	4%	0%	3%
Increase (below 50%)	4%	7%	7%	6%	3%
No change	31%	27%	16%	21%	12%
Decline (below 50%)	42%	34%	35%	29%	33%
Very high decline (above 50%)	21%	28%	39%	44%	49%
Grand Total	**100%**	**100%**	**100%**	**100%**	**100%**

Effect of COVID-19 Measures and Method of Financing

Similar to the analysis done in the preceding section, here, we seek to examine whether the effect of the pandemic measures on net profits is in any way related to the method of financing used by the business. We examined four alternative financing methods in preceding sections including savings (used by majority of businesses), loans from formal financial institutions, loans from groups and/or associations and loans from family, friends or relatives. Again, it is important to note that these financing alternatives are not mutually exclusive and most business reported using a mix of the finance sources. As such, the main question explored in the graphic below is for example: *"given a business used savings as one of or the main method of financing, what is the probability that they reported a very high decline in profits?"*. We see that the majority of businesses that reported very high declines in their net profits had used loans from groups and associations, followed by those who borrowed from family and friends, financial institutions and finally those who used their savings. It is also interesting to note that 21% of those who used savings reported that there was no change in their net profits, compared to 8% if a business borrowed from a group/association. This may be due to a low or no cost of borrowing money and lower operating capital given the smaller nature of businesses.



Effect of COVID-19 Measures and ICT Adoption

Out of the respondents who used/adopted digital platforms since COVID, the effect of the pandemic measured on total net profits is noticeably less adverse (almost half). 43% of the respondents who did not adopt digital platforms reported very high declines in net profits, compared to 24% of those who did. Also, out of the respondents who reported ICT adoption, 33% reported no change to their net profit, compared to only 15% of those who did not adopt digitization since the pandemic.

Effect of Pandemic and Measures on Total net Profits	**Use of Digital Platforms**		
Scale	**No**	**Yes**	**Grand Total**
Very high increase (above 50%)	3%	4%	3%
Increase (below 50%)	4%	12%	5%
No change	15%	33%	19%
Decline (below 50%)	35%	27%	34%
Very high decline (above 50%)	43%	24%	39%
Grand Total	**100%**	**100%**	**100%**

Effect of COVID-19 Measures and Training

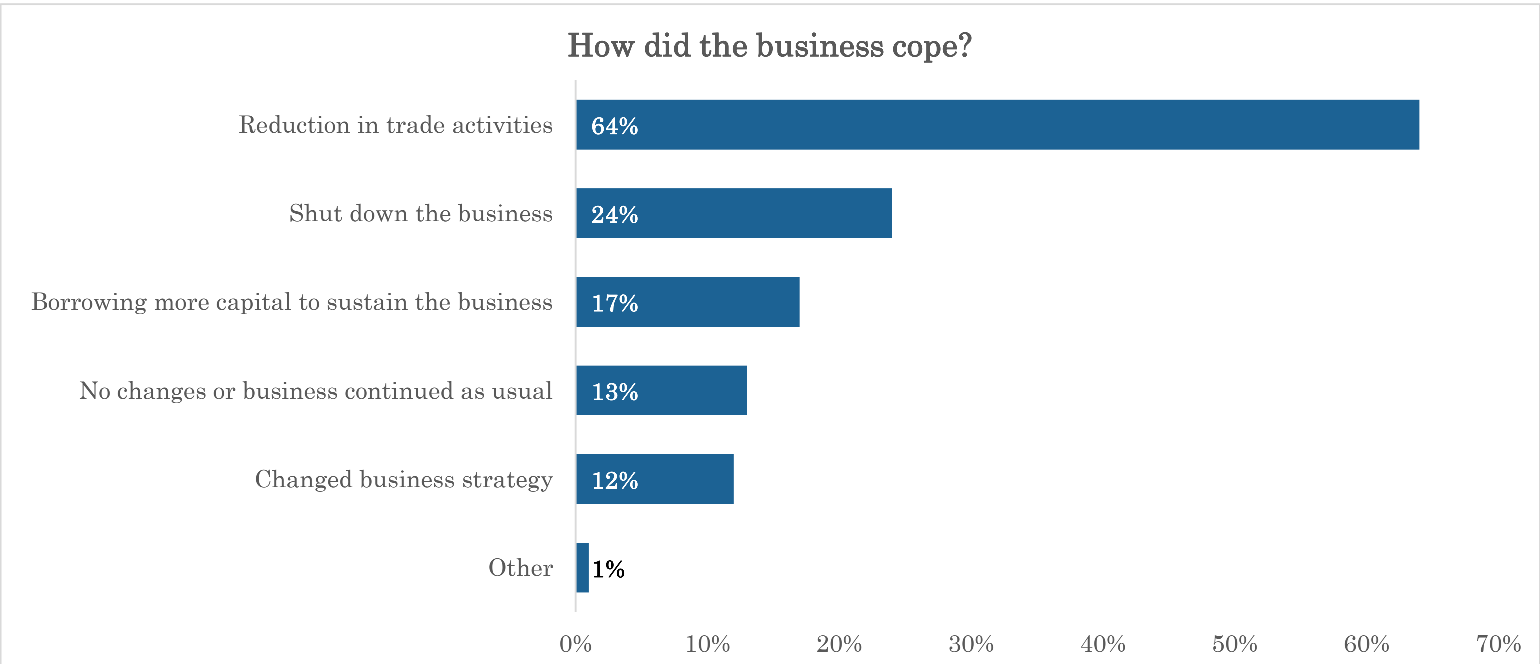
The adverse/negative effect of the pandemic measures on net profits does not seem to be related to whether the respondent undertook any training. There are almost similar percentages reported for the declines in net profits. However, as much as the percentages are small, it is interesting to note that 14% of the respondents who reported having undergone some training cited an increase on their net profits, compared to only 4% of those who did not receive any training. As such, we can conclude that there is a small correlation between training and the probabilistic increase in net profits, especially in the wake of the pandemic.

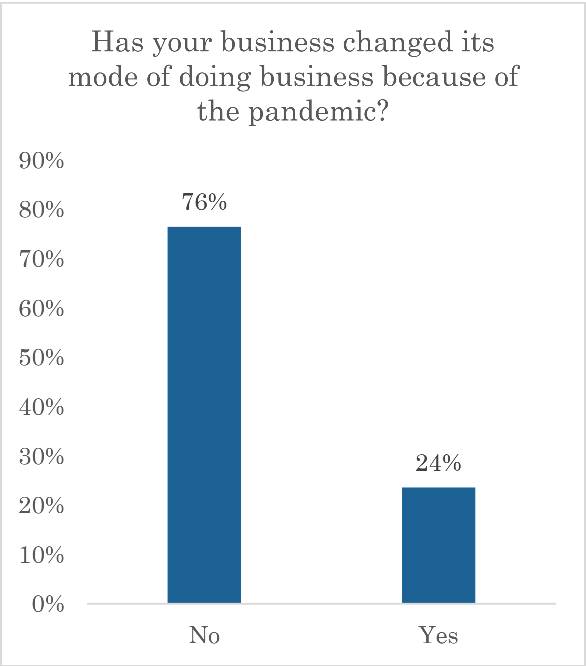
Effect of Pandemic and Measures on Total net Profits	Training in Business Management and or Cross Border Trade		
Scale	No	Yes	Grand Total
Very high increase (above 50%)	3%	3%	3%
Increase (below 50%)	4%	14%	5%
No change	20%	10%	19%
Decline (below 50%)	33%	36%	34%
Very high decline (above 50%)	39%	36%	39%
Grand Total	**100%**	**100%**	**100%**

Panel 3F.4: Business Adaptation during COVID-19 period?

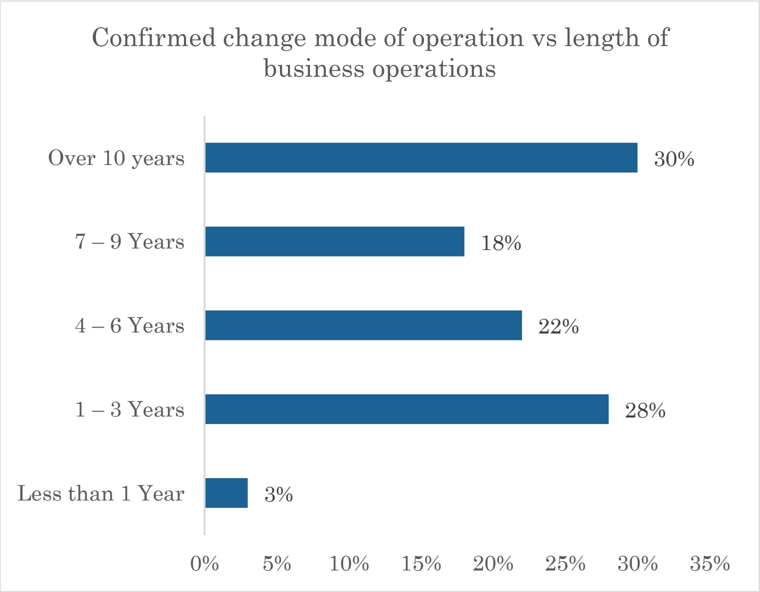
The pandemic resulted in 64% of businesses reducing their trading activities. This is commensurate with the reported effects of the pandemic measures on sales volumes, revenues and profits. About ¼ of the surveyed respondents had to shut down their businesses during the pandemic. 35% of the surveyed businesses in Nairobi had to shut down their businesses, compared to 26%, 20% and 18% in Malaba, Kisumu and Mombasa respectively. 37% of those whose businesses had been operational for 1 to 3 years shutdown their businesses, compared to 22%, 15% and 20% of businesses that had operated for 4 – 6 Years, 7 – 9 Years and over 10 years There is no significant correlation between those who received training and whether they shut down their business. In fact, 27% of those who reported having undergone some training in business shutdown their businesses, compared to 24% of those how did not report having received any training. Those who responded “other” coping had either not yet started their business by then or chose to increase their trading activity. Other changed their product offerings, to masks, for example.

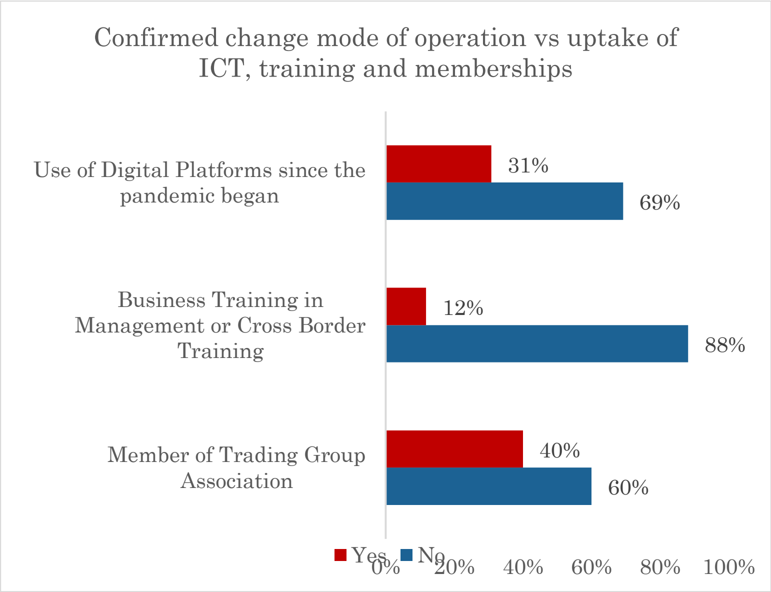
24% of the businesses reported having changed their mode of doing business during the pandemic, with most of them citing the adoption of cashless payment in this period. A third of those who changed modes reported that they started doing home deliveries to their clients. Also, about a third of such businesses that changed modes were over ten years old or between 1 and 3 years old, compared to 22% and 18% for business between 4 and 6 years and 7 and 9 years. These interesting highlights indicate that the adaptivity of the women's business is higher for mature/older business and startup businesses.





How has the business changed?	Percentage
Adoption of e-commerce (online transactions)	5%
Home deliveries of purchase to clients	29%
Adoption of new technologies in sourcing goods	5%
Cashless payment (cards and mobile money)	75%
Other	3%





Panel 3F.5: Private Sector and Government Interventions

We asked women traders how they think the private sector and the government can or should have responded to the needs of MSMEs and Women cross border traders during and after the pandemic/crisis. Over 60% of women believe that the private sector and the government should facilitate easier and more accessible financing options. **The responses highlight that there is still more traction to be made in so far as supporting women owned enterprises, in addition to existing initiatives that have already made strides in the area.** Gender sensitive products and innovations has been extended in the country in the form of gender sensitive trade facilitation projects to help remove procedural obstacles faced by women traders and improve connectivity.

For example, the government of Kenya through Gulf Africa Bank, the World Bank & The International Finance Corporation over the past three years have provided zero rated loans to businesses owned or led by women to keep them afloat. Women have been connected to larger distributors and buyers through trade platforms, e-commerce, and contractual arrangements. The Women Enterprise Loan Scheme is another product offering from the government. KEPSA in partnership with MasterCard Foundation provides interest free loans. Other possibilities are offering facilities for SMEs to access loans and grants directly from the government, and where in some cases, the government can pay off part of the loan advanced in case of default. Prioritization of procurement implies that all stakeholders find it critical to purchase from the MSME sector as part of the Buy Kenya, Build Kenya push. Pro-business regulations have been established which enables the Women Enterprise Fund under the Ministry of Public Service, Youth and Gender Affairs to provide accessible and affordable credit to support women in business from the constituency level and with no interest.

Half of the women traders believe that there should be more sensitization and communication of market opportunities. These sentiments are echoed by Key Informants, who suggest that in general, MSMEs can be provided support to participate in regional and international markets to foster growth and development beyond the local market. This would specifically benefit small or medium women owned enterprises, rather than micro enterprises which comprise 96% of the present sample.

Support for Intervention by Women Traders	Private Sector Intervention	Government Intervention
Facilitate COVID-19 health safety measures in the marketplaces.	49%	47%
Facilitate easier accessible to SME loans / credit and/or provide grants	66%	60%
Sensitize, educate and communicate market opportunities to MSME traders	52%	49%
MSMEs to supply goods and services to private sector firms.	42%	-
Provide better trading environment / market conditions.	-	49%
Ease the lockdown and travel restrictions	-	25%
Enact policies targeted at supporting women entrepreneurs	-	32%

Section 3F Conclusion

The effects of the pandemic on businesses countrywide were well publicized. With the findings from this survey, more nuanced perspectives on how the pandemic affected women traders are uncovered. The pandemic came with critical mitigation measures that are reported to have restricted access to the market and increased prices of goods and trading commodities, for more than half of the traders. The effects of the pandemic and related measures on women traders also varied across the 4 areas studied. It is interesting to note that more than 80% of traders in Kisumu and Malaba border reported that curfews extremely affected their business operations, in contrast to Mombasa and Nairobi where only 26% and 16% of the traders respectively cited extreme effects. The operational patterns in these areas are thus revealed from this finding.

More than a third of the respondents reported very high declines in sales volumes, revenues and profits. Half of the older businesses that have been in operation for over 10 years reported very high declines in net profits. It seems that as much as the profits of fairly young businesses seem to have been more insulated than those of older/mature microenterprises, these businesses were still more likely to completely shut down their businesses.

Relating business performance during the pandemic to the source of financing, it is also interesting to note that the majority of businesses that reported **very high declines in their net profits** had used loans from groups and associations, followed by those who borrowed from family and friends, financial institutions and finally those who used their savings. Some sources of financing are thus correlated with lower financial stability levels. This is a point of concern since the growth and expansion of a business is inherently related to its ability to obtain external capital in addition to savings. If external capital correlates with resilience issues, then efforts to grow and sustain the businesses become null and void.

Overall, women traders feel that intervention by the government and the private sector is crucial, especially in two key areas: 1) Facilitation of easier accessible to SME loans / credit and/or provide grants and 2) Sensitization, education and communication of market opportunities.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

The overarching purpose of this study was to assess and evaluate the different dimensions of the landscape of women traders in four main areas in Kenya: i) Nairobi , ii) Kisumu, iii) Mombasa and iv) Malaba (cross-border activity) in Busia County. A total of 19 markets were surveyed in the various counties, and 25 focus group discussions and 16 key informant interviews carried out. The specific objectives sought to:

[1] Assess demographics and business profiles of women traders in Nairobi, Mombasa, Malaba and Kisumu, and the general challenges they face in their business operations

[2] Assess the uptake of ICT and Digitization by women traders and the impact on the business patterns and performance

[3] Assess the extent of networking, capacity development and empowerment attributes of women traders and the association to business patterns and performance.

[4] Investigate the extent of gendered social constructs (such as Gender Based Violence)

[5] Assess the implications of COVID-19 on women traders and report business adaptation measures taken by traders during this period

The overall conclusion from all the reported findings from the various sections is that as much as strides have been made by governmental and private sector agencies to promote gender-sensitive trade acceleration and growth, there are still persistent challenges that women traders across the country are facing, not only in business, but also in social dimensions.

Financial access emerges as a critical challenge for the surveyed women traders. Registration of businesses has had only a moderate impact on ability to access credit, access talent, membership of associations and access business training opportunities, but the majority of registered businesses report no impact to these dimensions. About 25% of unregistered traders are optimistic about the financial access benefits that may come with registration. More than 80% of the businesses use their own savings as one of the main alternatives in financing business operations. A third of the respondents reported having experienced constraints in accessing credit or loans with the cost of loans as the main hindrance. This issue emphasizes the need for proliferation of gender and micro-enterprise-sensitive credit products. This means increased accessible and affordable credit to support micro enterprises owned by women, rather than general MSME credit products offered by private sector or government related agencies, or Special funds at county level to fund them.

Only 21% adopted ICT and technology to bolster their business operations during the pandemic, which is low. A significant percentage report not adopting the platforms because they do not know how to use them and because their phones are unable to access the platforms (implies smartphone coverage is lacking for Micro Enterprise operators). Given the importance of digitization in the 21st Century, there is therefore an urgent need to provide specific ICT accessibilities aligned to MSMEs needs, including access to affordable devices (or credit to purchase such) which will enable them access timely, simplified, and reliable information. The "adopter" businesses report benefits from the uptake of digitization in their operations, but a third of the surveyed business who reported their digitization faced challenges in integrating the platforms into their businesses. This goes to show that access to modern smartphones and internet connection is not sufficient. Increased awareness on the benefits of digitization, free trainings and support on adoption and integration into business operations with consistent follow up media is crucial for beneficial adoption. In relation to the pandemic, it is clear that there is a correlation between digitization and business resilience, further building the case on its importance. There is also room for private sector parties and government agencies to do in this space including digital innovation to support digital marketing for women owned businesses. This can be in the form of free digital Advertising credits which are extended to sponsor online posts done by businesswomen.

The survey also reports that majority of women traders are able to independently make financial decisions related to their businesses and households. This is a win in terms of women empowerment. However, some gaps still arise, including women's limited leadership participation in associations and business-related trainings. There is need to support increased training of women traders on business management and particularly, how to build the resilience of their businesses to economic shocks that may potentially translate to losses and shutdowns. Some of the women mentioned that empowerment to them means being able to have a voice that is acknowledged and respected in society. However, most of them shy away from leadership positions in associations that represent their interests are traders. Additionally, the lack of access to inputs, assets, training, and finance (linked to at times, businesses not being registered), limited knowledge on their property rights or the lack of property rights are issues that are still rife in many communities in the country. Women empowerment in this domain needs to be bolstered and can be through education and capacity building programmes either at county level like trade sector forums or national convenings. There is need to increase awareness on potential benefits of registration and rights of women in property ownership.

15% of the respondents reported that they had faced some form of harassment in the 6 to 12 months preceding the survey. Majority had experienced verbal and emotional abuse, and about a third reported physical abuse. About 35% and 22% of the respondents reported that the harassment came from fellow female and male traders respectively. The affected respondents reported the issue

ONLY half of time. Those who did not report the issue to relevant authorities in the community did not know where to report, believed nothing will be done even if they report, noted there are bribes involved in the reporting process for action to be taken. Some did not report for personal reasons and preference to avoid confrontation and threats to their lives and being forced to leave their homes and children. This is a critical issue that has received a lot of attention in the past two decades in Kenya. Given that gender stereotypes can fuel gender-based violence, these can be addressed through advocacy and sensitization of communities and regulatory agencies on the contributions of women. These can be in county and national forums. For safety and security purposes in markets, more (CCTV) cameras can be used to minimize and arrest perpetrators who face gender-based violence. It is also important to sensitize and increase awareness for women traders on available safeguards for their protection form harassment, including police patrol/surveillance services, technology surveillance, emergency response lines, constitutional and legal law safeguards.

Finally, on the implications of COIVD-19 on women traders, a few key findings are revealed. Firstly, the effect of curfews was felt the most (and differently across the counties - Kisumu and Malaba traders were the most affected), followed by public transport restrictions, border closures (especially for cross-border activity in Malaba) and bans on movement. Secondly, profits of fairly young businesses seem to have been more insulated than those of older/mature microenterprises which suffered losses in sales volumes and revenues. Additionally, majority of businesses that reported very high declines in their net profits had used loans from groups and associations, followed by those who borrowed from FFs, financial institutions and finally those who used their savings. As aforementioned, this reveals a nexus between financing and resilience and stability of businesses. 25% of the surveyed businesses shut down. A few key policy recommendations from these findings arise. It is necessary to ensure that as much as there is increased financial access for women owned businesses, this is provided with proper business management and resilience training to help businesses stay afloat in poor economic conditions and adverse shocks. In addition, given the financial setbacks that women traders faced during the pandemic, inclusive initiatives to support local, small-scale businesses is critical for recovery, including increased engagement on how to grow their businesses and awareness of trading opportunities and leadership opportunities.

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