Inclusive Futures
Promoting disability inclusion

Learning document

Consolidated research from the InBusiness programme in Kenya – Task Order 6

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Introduction

There were over seven million medium, small and micro-entrepreneurs in the formal and informal sectors in Kenya as of 2016.[1] [2] While these enterprises generate roughly 85% of employment and 33% of national economic output in Kenya, people with disabilities remain excluded. Only 4.34% of firms registered in the targeted Access to Government Procurement Opportunities (AGPO) initiative in 2017 are owned by people with disabilities, compared to a disability rate in Kenya of up to an estimated 10.3%.[3] Micro-entrepreneurs (MEs) with disabilities face systematic barriers to running a business, business growth, and financing.

The InBusiness Innovation Phase was launched in May 2019 as Task Order 6 (TO6) under the Disability Inclusive Development programme, as part of Inclusive Futures. It was implemented by a consortium of Light for the World, Humanity & Inclusion, Sense International and United Disabled Persons of Kenya. The project was designed to support micro-entrepreneurs with disabilities in eight counties in Kenya (Homabay, Kakamega, Kiambu, Laikipia, Machakos, Migori, Nairobi, Turkana West) and to link them with the procurement chains of private and public institutions (PPIs) in order to foster sustainable growth.

The consortium partners trialled three models under Task Order 6: a model for MEs with and without disabilities (Light for the World), a model for refugee and host communities (Humanity & Inclusion) and a model for MEs who are deaf-blind (Sense International). The innovation phase was paused from July 2020 while a COVID-19 project (Task Order 40) supported the project's MEs to respond to the extreme change to the business environment. Task Order 6 resumed in January 2021 and concluded in September 2021.

In total, the partners onboarded and trained 614 MEs and engaged 42 PPIs. MEs were onboarded with the support of organisations of people with disabilities (OPDs), and then received training from Business Development Support providers. The consortium partners identified appropriate PPIs, provided disability inclusion training and then supported the integration of MEs into their value chains. The component of the project supporting MEs was successful, with much higher participation than expected owing to the support of OPDs. PPI engagement, however, was more time consuming than expected and adversely impacted by COVID-19. As a result, only nine PPIs were trained on inclusion and 11 linked to MEs.

In an effort to support learning from the innovation phase, especially to support the design and implementation of the successor InBusiness 'scale' phase, Light for the World commissioned two pieces of research. The first assessed the efficacy of the three InBusiness models and reviewed what has worked and what did not in each model. The

[1] KNBS MSMEs survey 2016

[2] Micro-enterprises are defined as businesses with fewer than 10 employees and annual turnover of up to 500,000 KES. Small enterprises have up to 49 employees, and medium enterprises up to 99. The InBusiness programme works primarily with micro-entrepreneurs but accepts enrolment from small and medium sized enterprises.

[3] 2002- 2004 World Health Survey – census data indicating the rate at 2.2% is believed to have under-represented the rate of disability in Kenya

research on efficacy was complemented by a project endline evaluation, which was designed to assess whether the InBusiness programme has met its objectives overall.

The key findings of both research pieces have been summarised below. Both yielded similar findings on the successes and challenges of the project. These include:

- the importance of providing local, bespoke training to MEs that respond to the differences between business models and context;
- the importance of providing capital and material support to foster business growth, especially if there are existing barriers to financing;
- income and livelihoods improved, despite the challenges posed by COVID-19 and linking MEs to PPIs;
- there was a significant discrepancy in earnings reported by female and male MEs.

Research design

Both research pieces employed similar methodologies and sample sizes. The sex and age disaggregation match with the cohort of MEs onboarded to the project. The research: "Efficacy of InBusiness Models: Linking Micro and Small Businesses Owned by People with Disabilities to Established Commercial Enterprises" (hereafter "efficacy research"), was conducted from 21 August to 30 September 2021. The data was collected through a survey of 225 MEs (130 women, 94 men, one undeclared), 20 key informant interviews (including with PPIs, consortium members and OPDs) and five focus group discussions (with MEs). The research focused on what worked and what did not work in the three InBusiness models trialled under TO6. It also assessed the effectiveness of certain elements of the project, such as the use of Business Development Support providers, OPD engagement and linkages with PPIs.

The project endline evaluation (hereafter "evaluation") was conducted between 13 October and 4 November 2021. It surveyed 318 MEs (212 women, 106 men). Key informant interviews and in-depth interviews were held with PPIs, consortium partners and OPDs, while five focus group discussions (FGDs) were held with MEs. The study was designed to collect data on the growth in income, capacity, and access to value chains among MEs supported by the project. Of those surveyed, 269 were MEs with disabilities (168 women, 101 men).

Findings

Both research pieces agreed on nine substantial points that have helped highlight what worked and what did not work in Task Order 6. These findings will be used by the project partners to adapt plans under a 'scale' phase of the project. They could likewise be used by other organisations working with micro-entrepreneurs. However, the scope of the research

was limited and there were challenges analysing the results. These challenges have also been explained below.

MEs most valued improving their knowledge. Overall, respondents to the evaluation reported high levels of satisfaction, with 98.5% confirming that the programme was relevant in addressing their needs. In both surveys, respondents agreed that their businesses had improved as a result of increased knowledge, training and skills transfer provided by the Business Development Support providers. The efficacy research found that 83.6% of MEs felt the training had improved their business management, while 77.3% reported increased knowledge as being a significant positive impact of the project. Specifically, improved access to information on existing opportunities, alongside preparation of quality capability statements, were reported as the most useful elements of the project (39.1% and 32.9% of respondents respectively, with the latter a result of training). In the evaluation, meanwhile, 69.6% of respondents reported finding the training the most valuable element of the project.

Focus group discussions reiterated that learning how to prepare business plans had been a crucial tool to guide their decisions, attain higher profits and provided clarity on business development. Some MEs had previously not known whether they had been making a profit or a loss from their business. The focus on business skills alongside technical training on specific products was important in allowing MEs to diversify or change businesses when the market changed. Skills development supported MEs pivot to new business models (such as soap making) during the COVID-19 crisis, when their original businesses were no longer able to operate.

Bespoke training worked well. However, for scale, the approach will need to be more uniform. During Task Order 6, Business Development Service providers supported MEs in their local areas, often on a one-to-one basis. While this was beneficial for individual needs, the bespoke approach is not conducive to scale and can lead to unexpected gaps in knowledge. Respondents to the efficacy research indicated that they needed additional understanding of Kenya Bureau of Standards (KEBS) certification (15.1%), different tendering processes (26.2%), business registration, and business financing (35.6%). In addition, only 48% of the MEs were found to be registered. While this was an improvement of the baseline figure of 20% of MEs being registered, this gap continues to pose problems for tending or applying for financial support.

Respondents to both research pieces also suggested additional information could be provided on disability mainstreaming and relevant policies. The evaluation suggested that poor IT skills contributed to low uptake in tenders: only 2.5% of respondents indicated they had used online applications for tenders but reported positive results. Addressing these key gaps is important: compliance training (on registration), IT training (on accessing online procurement portals) and self-advocacy training (including disability mainstreaming and relevant disability related policy) should be included to best support MEs. As below, additional advocacy could also support improved accessibility to tender information for people with disabilities online, especially those with visual impairments.

The support provided to MEs with disabilities improved the livelihoods and well-being of the project participants. Despite the significant deterioration of the economy as a result of COVID-19, and fewer linkages between MEs and PPIs than planned, the impact on livelihoods was still pronounced. Of those surveyed in the evaluation, 70.4% confirmed that

their livelihoods and that of their family members have changed as a result of the project's intervention, while 58% confirmed that they had seen month-on-month growth in profits.[4] In the efficacy research 63.1% of respondents indicated that increased profits had been a key impact of the project, while 57.8% reported increased household income. This suggests that the capacity building and material support provided to MEs was key to improving livelihoods.

While the number of employees reported by MEs (a key metric of the project) only increased by 4% over the course of the project because of COVID-19 downsizing, there were other marked benefits of the project that were not captured in the results framework. The evaluation found that food security (especially among those in the agricultural sector) had increased, while 66% of respondents could cater for their basic needs (with 15.8% reporting they could now pay school fees and 11.2% reporting that they were now financially stable). Skills learned by the MEs were also being passed to the wider community. The evaluation reported that alongside the increased success of their businesses, this skills transmission had helped some respondents tackle negative stereotypes towards people with disabilities in their local area. Of those interviewed, 14.9% had also started other businesses (and therefore income generation opportunities) as a result of the business growth. The focus group discussions during the evaluation also demonstrated more positive perceptions towards people with disabilities, which has improved the self-esteem of MEs.

Even projects focused on disability inclusion will continue to face barriers to participation. Both research pieces agreed that barriers for people with disabilities remained. Some barriers were within the scope of the project and will be addressed in the 'scale' phase. Others were outside of the scope of the project. Discrimination was cited as the most prevalent challenge during the evaluation (26.34% of respondents), second to inaccessible building structures (15.12% of respondents). However, focus group discussion responses revealed that the project helped mitigate some challenges by providing reasonable accommodation, empowerment through skills building, as well as encouragement and advocacy on behalf of the MEs. In particular, providing assistive devices to project participants and engaging caregivers in all trainings, supported accessibility during the project. All economic empowerment projects should provide this level of basic support to reduce barriers to participation for people with disabilities.

Barriers to capital is a key problem for MEs with disabilities. The efficacy research reported that MEs continued to lack access to markets, as they were unable to obtain the capital required for investments in materials to meet available tenders. As such MEs with disabilities were not applying for tenders they could have fulfilled or would not be able to work on additional tenders until they were paid. Capital support during the project was ranked as the second most important element of the project during the evaluation, with focus group discussions also stressing the benefits of not having to seek capital elsewhere: "The programme assisted in the growth of the business because we did not have to look for capital and buy the chickens for the start, they instead gave each member six chickens for the start."

[4] 42.36% of the MEs had their business grow between KES 100 to KES 1,000, 28.94% reported their businesses grew between KES 1,001 to KES 5,000, 16.76% reported their business grew between KES 5,001 to KES 10,000 and 11.94% reported that their businesses grew between KES 10,001 to KES 20,000 profit per month.

Access to capital from financial institutions remains problematic. Only 9.3% of respondents in the efficacy research indicated that accessing capital was easy. While the InBusiness project helped MEs with a stable income and registration documents required by financial institutions, negative stereotyping of people with disabilities remains a barrier. Additional efforts to sensitise financial institutions or support alternative means of securing capital for people with disabilities, such as community-based savings schemes, are potential options to mitigate this.

Mental health was a concern for MEs in general, although this was made more acute by COVID-19. During the evaluation, 57.5% of respondents reported concerns for their mental health. The deterioration of mental health among project participants had been noted by the consortium at the beginning of the pandemic. MEs were concerned about survival, as businesses conditions worsened, and restrictions were put in place on public markets. This was compounded by the stress of closing, adapting or completely changing businesses as well as restrictions on travel, meetings and support from personal assistants. As a result, the consortium partnered with the Kenyan Red Cross to improve the accessibility of a mental health distress hotline, which subsequently received 121 referrals (61 women and 60 men). Similar support for mental health, especially in humanitarian or crisis contexts, should be planned in future projects as standard.

PPI engagement required additional resources and different approaches. The most significant barrier in the project was establishing linkages between MEs and PPIs. The original target of 18 linkages was not met during the project period, despite ongoing efforts of the project team to engage, sensitise, train and then link PPIs to MEs. The lack of linkages was threefold. COVID did pose a significant problem, with PPIs prioritising business survival over growth in their value chains. The engagement also proved more time-consuming than anticipated, especially in order to secure formal agreements to contract MEs or to meet decision-makers who could approve changes to policies. Negative stereotypes and perceived challenges to doing business with people with disabilities also persisted: some PPIs saw conducting business with micro-entrepreneurs with disabilities as a risk, owing to assumptions about poor quality work, unpreparedness for working with people with disabilities, and legal challenges surrounding tax-exemption.

Linkages, however, remain an important means to sustainably improve business results of MEs with disabilities: linkages eliminate the costs associated with the *"middle-man"* but also enhance business profitability. The efficacy research found that 70% of Sense International's respondents wanted additional support to link with PPIs and 22% of Humanity & Inclusion's respondents reported that the lack of linkages was the greatest challenge during the project. Moreover, while only ten PPIs offered contracts to MEs, a total of 122 MEs were engaged by the consortium partners directly with these PPIs. As such, even moderate success in engaging PPIs can have a large impact on MEs.

Engaging PPIs requires additional resources in terms of time for relationship building, as well as a bespoke approach to suit the PPI and their business model. The next iteration of the project will include dedicated staff to engage with businesses modelled on the successful

Disability Inclusion Facilitator approach in Uganda.[5] This should improve the number of PPIs interested in the project, the numbers receiving training and becoming more inclusive, and the number successfully linking with MEs. Additionally, encouraging MEs to foster their own links with PPIs through self-advocacy and 'pitch' training will decentralise the approach. This will follow the model of four MEs groups that successfully linked with 33 PPIs in Kakamega alone; encouraging and supporting independent MEs' attempts to link with PPIs can yield significant business gains.

Additional work could be done on advocacy, in particular with the support of OPDs. The involvement of OPDs was vital for the implementation of activities. Local OPDs, led by the national umbrella OPD - United Disabled Persons of Kenya, helped with the mobilisation of micro-entrepreneurs, local contextualisation and advocacy efforts. A total of 120 leaders and representatives of OPDs in the seven project counties were inducted into the project at the beginning of activities. While this supported the larger-than-expected participation of MEs in the project, OPDs could have been further utilised.

The evaluation specified recommendations for further advocacy efforts at the community, institution and government level that could be supported by OPDs. This includes self-advocacy to support the confidence of individual MEs. Respondents to the evaluation specified that additional advocacy needed to be conducted at the community level to increase the visibility of people with disabilities conducting business (27%), as well as at the PPI level to increase disability inclusion awareness (32%) and remove attitudinal barriers (18%).

Moreover, the engagement of local OPDs, especially during the COVID-19 crisis, helped navigate local contextual understanding, conflicts arising between MEs, as well as in-person follow-up and support when travel was not possible. The use of local OPDs, alongside locally recruited Business Development Support providers remains key to livelihood projects that can respond to the needs of participants and changes to context.

There was a clear income disparity between women and men. While an overall figure of 70.4% of the evaluation respondents confirmed that their livelihoods and that of their family members had changed as a result of the project's interventions, far fewer women (64%) compared to men (82.1%) reported this change. In addition, only 45.8% of women had perceived their business to have grown compared to 61.3% of men.

Focus group discussion responses indicated that men were more likely to initiate new businesses and reported higher confidence in the success and future of their enterprise than women. Likewise, women reported dual roles, as business owners, child carers, and household managers. The data was not conclusive as to the cause of the disparity: gender roles, traditional business types run by women and men, and biases affecting the reporting of income/confidence could all play a role. The disparity will be examined during research undertaken in the scale phase of the project.

[5] https://www.light-for-the-world.org/news/disability-inclusion-facilitators-the-change-starts-with-us/

Analytical issues

While the research findings reached similar conclusions and represented the expectation of implementing staff, there were several limitations to the scope of the study. Owing to the disparity between project participant numbers of Light for the World, Humanity & Inclusion and Sense International, the sample sizes were not sufficient to gauge clear results on the models employed by HI and Sense International. As COVID-19 disrupted business activities between the baseline and the endline evaluation, data was difficult to compare. Many MEs had closed previous businesses and then established new, COVID-19-resilient businesses with differing levels of income and staff. The granularity and clarity of data, in particular sex and disability disaggregation, also posed a problem for analysis. Future research activities will stress the importance of capturing this data correctly to ensure a better understanding of the impact of activities on women and men, as well as people with different disability types.

Conclusion

The findings from the efficacy research and evaluation have helped the consortium partners to adapt the InBusiness project as it scales from January 2022 to December 2025. A more uniform intensive business training package and compliance training will fill knowledge gaps identified among MEs. However, each ME will continue to receive in-person and bespoke follow-ups from their local Business Development Support providers to support the implementation of the training. MEs will be provided self-advocacy training and will be encouraged to engage with PPIs directly, which should yield a greater number of successful linkages into procurement chains. At the same time, Disability Inclusion Facilitators will provide additional capacity to engage with PPIs in the counties, advocate from a position of lived experience as young people with disabilities and support the PPIs to become more inclusive. OPDs will also be engaged more directly on advocacy from the individual level (providing MEs with self-advocacy training) to supporting the publication of policy recommendations for the national government. The ‘scale’ phase (under Task Order 50) will also document lessons learned, capturing what works and what does not work from these suggested approaches.