Cheetah Generation: Youth Social Entrepreneurship in Nairobi

by

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ABSTRACT

About 75% of the population in Kenya is under the age of 34. Kenya, like many other African countries has a majority of young people, but many of them are still on the periphery of political and economic decision making in their countries. About 46% of the people in Kenya currently live in poverty, and among those are youth facing high unemployment rates of over 67%. Youth unemployment has negative consequences on individuals and communities as it impairs future productive potential of young people, diminishes self-esteem, fuels frustrations and increases the likelihood of crime, violence and political instability. Despite these enormous challenges, young people are increasingly employing creative ways like social entrepreneurship to work outside these economic and political constraints to address youth unemployment and poverty. Social entrepreneurship, though growing in significance in Kenya and across Africa still remains under-researched. Thus, this research seeks to contribute to the limited research on social entrepreneurship in African countries. This research has presented a multiplicity of voices through academic and policy forms of writing, as well as ‘on-the-ground’ realities, human struggles and challenges. A literature review was carried out to trace the ‘emergence’ of the social enterprise within development theory, and assess the effectiveness of the social enterprise against other frameworks addressing poverty. The capital city, Nairobi has experienced growing hubs, think-tanks, incubators and increasing financial support in the last few years that have enabled the growth of social entrepreneurship in Kenya. The narrative case studies methodology has been used to understand how various youth are currently taking part in the social entrepreneurship sector in Kenya. Foresight, a design thinking methodology has been employed to assess the potential future of social entrepreneurship in Kenya and develop recommendations for the government, private sector and youth to continue growing this sector. Key findings were on the limitations of poverty and youth unemployment interventions found across different parts of the study: the treatment of the poor and youth as a homogeneous group, and the lack of ‘voices’ of the poor and youth in interventions. The social enterprise framework was found to be effective in addressing these key limitations. The social enterprise framework simultaneously addresses poverty and youth unemployment in Kenya through its ability to empower youth and the poor by involving them in the economic and social improvement of their own situations, as well as its ability to adapt to the diverse needs of youth and the poor in their various contexts.

Key terms: youth social entrepreneurship, social enterprise, poverty, youth, Nairobi, developing countries, youth unemployment, Kenya, international development, empowerment, participation, social capital, neoliberalism, aid, NGO, foundations, government, development economics
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DEDICATION

To dad and mum
who have always shown me
that giving is priceless and
hard work always pays off
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CHEETAH GENERATION:
YOUTH SOCIAL ENTREPRENEURSHIP IN NAIROBI

ABOUT THE AUTHOR

From a young age, I have used artistic expressions to tackle social issues in Kenya and Canada, and witnessed how it can be a powerful tool in fostering social change. Whilst growing up in Kenya, I noticed a clear division between the haves and the have-nots. It was always disheartening to see those without and those struggling to make ends meet. I have always been passionate about poverty alleviation, but the question of social enterprises as a framework for poverty alleviation sparked my curiosity several years ago. This curiosity and seeking to merge my various interests was the reason I applied to the Strategic Foresight and Innovation program. I am interested in how storytelling, and ideas within development economics and design thinking can be employed within social enterprises to reduce poverty and create self-sustaining communities. My work with the United Nations, Ontario government, University of Guelph, Association for Canadian Educational Resources and Mennonite Economic Development Associates have led to some of the research questions and have significantly informed the work. I chose to focus on Kenya because it is a context that I am familiar with and would like to continue with this work in the future.
INTRODUCTION

‘Cheetah Generation’, a term coined by George Ayittey (2007) in the popular TED talk with the same title, has been used in the study to describe young people in Nairobi and other African cities who are developing and implementing social entrepreneurial ideas at a faster pace than ever before, that are addressing youth unemployment and poverty in the midst of economic and political constraints.

Young people make up the majority of the population in many African countries, but are still on the periphery of political and economic decision making (Sommers, 2009; Kaane, 2014), but an increasing educated labor force and growing connectivity across the African continent, occurring side by side with rising youth unemployment and worrying poverty rates has driven many to find creative ways to address these growing challenges (Ojok, 2015).

Kenya has joined the ranks of being a lower-middle income country, alongside Nigeria, Bangladesh, Tajikistan and Zambia, according to the latest estimates of Gross National Income per capita (GNI) by The World Bank (Data.WorldBank.Org, 2016; Business Daily Africa, 2014). Terry Ryan, Chair of the Kenya National Bureau of Statistics attributed this ‘overnight growth’ to structural changes in the economic activity and consumer behavior seen within the real estate sector and the information and communication technologies (ICT) sector (World Bank, 2014). The statistical achievement of economic growth is certainly a major milestone for Kenya, as it has recently become the ninth-largest economy in Africa. Despite this achievement, the country still has a minority of
wealthy urban population, widening social and economic inequities and high poverty rates (Kenya Country Fact Sheet, 2014). A nation-wide survey, the 2005-2006 *Kenya Integrated Household and Budget Survey* (KIHBS, 2007) found that 46% of the total Kenyan population is absolutely poor, whereas 49% of the rural population is absolutely poor. *Absolute poverty* is defined in terms of the requirements considered adequate to satisfy minimum basic needs (United Nations PEI, 2006). Kenya’s measure of poverty is based on the cost of purchasing a basket of food items which provides just enough calories (2,250 kilocalories) to meet daily requirements and an allowance for basic non-food amenities (World Bank, 2013). In the survey, broader measures of welfare show that Kenya is increasingly healthy, more educated and more connected but a large proportion of Kenyans still live without access to basic needs such as clean water and good sanitation facilities (Suri et al, 2008). Over 75% of the population in Kenya is under the age of 34, while 15% is between 15 and 34 (Njonjo, 2010). Despite being the majority, young people are in the swelling ranks of the working poor. Many of them are unemployed, underemployed or unpaid, and face unemployment rates of about 67% (Kaane, 2014). Youth unemployment has negative effects on individuals, families and the well-being of society. The *African Economic Outlook* (2012) shows that long spells of unemployment or underemployment in informal work can ‘permanently impair future productive potential and employment opportunities’. Njonjo (2010) shows that unemployment prolongs dependency on parents, diminishes self-esteem, fuels
frustrations and causes restlessness which increases the likelihood of crime, violence or political instability. Unemployment also has security implications as desperate youth could easily fall prey to extremist groups or criminal gangs (Awogbenle and Iwuamadi, 2010). Within the last ten years, Kenya has witnessed soaring rates of violence and insecurity which has indiscriminately affected the wealthy and the poor (Mbugua, 2015). Youth unemployment is a ticking bomb in Kenya and it needs to not only be addressed, but to be prioritized by those working in poverty reduction activities.

‘Youth’ in this study has been defined as individuals aged between 18 and 35. Many African countries’ adopt the African Union’s definition of youth as individuals aged between 15 and 35, and the United Nations defines youth as persons aged between 15 to 24 (Government of Kenya, 2010; United Nations, 2000). In this study, 18 to 35 was chosen because 18 is the age that most young people are legally able to enter the workforce without restrictions, while 35 is the age used in Kenya and an age where most young people’s careers have stabilized. Although poverty is not synonymous with young people in Kenya, poverty reduction activities in the country cannot have a significant impact if they ignore the inclusion of youth in interventions and programs within development.

‘Poverty’ in this study has been defined as interlinked forms of deprivation in the economic, human, political and socio-cultural and protective spheres (OECD, 2001). The study also included powerlessness and voicelessness in the definition, qualities the poor have described as key aspects of poverty as found in a World
Bank study titled *Voices of the Poor*, conducted in over 60 countries by Narayan-Parker (1997). Despite the enormous challenges of worrying poverty rates and unemployment facing young Kenyans, they are still energetic, ambitious, and hungry for a better future for themselves and their country (Kalan, 2011; United Nations Department of Public Information, 2013). Hence, the concern presented in this study is not the scale of the problem, but the utilization of the scale of opportunity before us. There has been a growing interest in social entrepreneurship among young people in developing countries as a model that can bring about economic, social and political change (Ojok, 2015; UNICEF, 2007; Collender, 2014; Rametse and Shah, 2012; Schwab Foundation, 2013). Understanding social entrepreneurship as a framework for poverty reduction, and how young people are employing the framework to create opportunities for themselves and others, while making a difference in their communities is the reason behind this study. Thus, the key research question being explored in this study is ‘can social entrepreneurship be an effective framework in simultaneously addressing youth unemployment and poverty in Kenya?’

This study is advocating ‘youth social entrepreneurship’ as the approach that could simultaneously tackle youth unemployment while addressing poverty in developing countries. The term, youth social entrepreneurship has been derived but slightly altered from Francis Chigunta (2002) definition of youth entrepreneurship. As Dees (1998: 3) argues, social entrepreneurship is a ‘species in the genus’ of entrepreneurship as it employs some of the inherent ideas in
enterprises to achieve social impact. Therefore, *youth social entrepreneurship* is a concept that will be used throughout the study to refer to the ‘practical application of youth in enterprising qualities such as initiative, innovation, creativity and risk-taking either in self-employment or the employment in start-up firms with an end goal of achieving a social outcome’. A *‘youth social entrepreneur’* is someone who undertakes the activities stated above. Scholars, popular commentators and advocates have a different understanding of the concept of *social entrepreneurship* and there seems to be little consensus on its definition. This study will merge the definitions by Zahra et al (2008) and Peredo and McLean (2006). Social entrepreneurship is exercised when a person or a group a) aim to enhance social wealth which includes economic, societal, health, and/or environmental aspects of human welfare, b) shows a capacity to recognize and take advantage of opportunities that create social value, c) employs innovation through invention or using someone’s novelty to create or distribute the social value, d) willing to accept an above average degree of risk in creating and disseminating social value, e) is unusually resourceful in being relatively undaunted by scarce resources in pursuing a social venture. There is also a need to understand international development in the context of this study, as youth social entrepreneurship is being explored from the perspective of a developing country. *‘International development’* has always been a contested, complex and slippery term with no agreed meaning. In its simplest terms, ‘development’ means ‘better lives for everyone in societies’ (Willis, 2011). For many, development is closely
associated with the ideas of ‘modernity’ and is understood in economic progression that involves industrialization, urbanization and the diffusion of technology in all aspects of society, but for others, it involves the eradication of cultural practices, the destruction of the natural environment, destabilizing political environments and a decline in the quality of life (Rahnema and Bawtree, 1997; Escobar, 1995). Thus, this study seeks to look at development that takes into account economic progress while considering social, economic and political inequities, preservation of cultural values, and the conservation of the environment. Instead of using recently coined terms ‘Global North’ and ‘Global South’ to understand countries at different stages of development, this study will utilize the terms ‘developed’ and ‘developing’ to denote the differences. While there is an inherent bias in using these terms in the study, as the verb ‘developing’ is used to refer to activities that are meant to bring about positive change while ‘developed’ implies a value judgment, a standard by which things should be compared (Lewis and Kanji, 2009), these terms are commonly used and well understood in scholarly circles and among the general public. Having been equipped with an understanding of how the key terms in the study will be used, the research question and objectives of the study will now be expanded upon.

**Research Objectives, Contribution and Questions**

To reiterate the research question: ‘can social entrepreneurship be an effective framework in simultaneously addressing youth unemployment and poverty in Kenya?’. The author set out to address the research question through two key
objectives. The first objective was to shed a more positive light on two very challenging issues within development: poverty and unemployment, without downplaying their severity. Addressing a complex and entrenched social challenge can easily end up in descriptions of the problems and their numerous causes. This study avoids diving into details of the problems and telling stories about effective solutions in order to provide a different way of thinking, that gives cause for hope that the future will be brighter. The second objective was to engage the reader with academic and policy forms of writing, as well as ‘on-the-ground’ realities, human struggles and challenges. The author sought to achieve these objectives through presenting a multiplicity of voices and logics in understanding the theoretical and pragmatic perspectives of the question in exploration.

Research gaps related to the objectives and key question in exploration were identified. Social entrepreneurship is a ‘new’ emerging field characterized by competing definitions and conceptual framework, gaps in the research literature and limited empirical data (Mair and Marti, 2006; Nicholls, 2006). Studies exploring the social entrepreneurship phenomenon, especially within the lens of poverty reduction in the developing world have been limited (Rivera-Santos et al, 2014; Horn, 2013; Rametse and Shah, 2012; Roitter and Vivas, 2009; Helmsing et al, 2015; Bruton, 2010; Nega and Schneider, 2014). Rivera-Santos, Holt, Littlewood and Kolk (2014) in the article, *Social Entrepreneurship in Sub-Saharan Africa* show that there has been a recent growing academic interest on social entrepreneurship in the continent but the research remains nascent and
fragmented. The few studies found have been from South Africa (Malunga et al, 2014; Littlewood and Holt, 2013; Karanda and Toledano, 2012; Thumbadoo et al, 2008), Ghana (Darko and Koranteng, 2015), Kenya (Rametse and Shah, 2012; Carlo and Chege, 2010). ‘Factors influencing the development of social enterprises in Kenya’ was the only report found that introduced social entrepreneurial work in Nairobi (Carlo and Chege, 2010), but there is still a gap in understanding youth social entrepreneurship in the city. Due to the limited information, much of the understanding of the social enterprise sector has been largely drawn from studies and experiences from the developed world (Mair and Marti, 2006; Dees, and Anderson, 2003; Seelos and Mair, 2005; Dees and Fulton, 2006; Kerlin, 2009; Mair, 2008). There is still a need to develop more disparate voices and perspectives to the global social entrepreneurship discussion. Thus, this study seeks to contribute to the limited research and understanding of social entrepreneurship in African countries. The study will also contribute to the discussion by employing two original research methods; narrative case studies and foresight to analyze and understand the concept.

The research question and objectives have been explored through the lens of three sub-questions. First, what key challenges limit the effectiveness of poverty and youth unemployment interventions in Kenya? Second, is the social entrepreneurship framework effective in addressing poverty and youth unemployment in Kenya? Third, how can the growth of the youth social entrepreneurship sector in Nairobi be supported? The research questions will be
addressed through organizing the study as follows. In the first chapter, literature review on the social enterprise framework will be conducted. First, the social enterprise will be explored through development theory and practice to understand its ‘emergence’ within international development. Second, the social enterprise will be compared with other existing frameworks addressing poverty reduction through the lens of youth unemployment to test its effectiveness. In the second chapter, the research methodologies employed in the study will be discussed. The purpose for choosing the research methods will be explained against other methods used in similar studies. Strengths and limitations of each research method, as well as where and how they will be employed in the study will be discussed. In the third chapter, the social entrepreneurship landscape in Nairobi will be assessed. First, the role of the Kenyan government in addressing youth unemployment will be discussed. Second, the role that the environment plays in developing and sustaining social entrepreneurship will be explored through tracing its development and growth in Nairobi. Third, the opportunities and challenges that could support or undermine the growth of youth social entrepreneurship will also be assessed. In the fourth chapter, key findings that illustrate the present and future environment of social entrepreneurship in Nairobi will be presented. This will be done through narrative case studies, whereby current factual narratives of four youth social entrepreneurs in Nairobi will be summarized, and foresight methodology, whereby future fictional narratives will be created to assess the future development of social entrepreneurship in Nairobi, in order to develop
recommendations to grow the sector. In the fifth chapter, a discussion of the research findings will be presented. This will be done through the identification of some of the key challenges within poverty and youth unemployment activities to understand whether the social enterprise is effective in meeting these challenges. The discussion will also entail identifying factors that could potentially sustain and grow the youth social entrepreneurship sector, as well as provide recommendations for various actors to continually grow the sector. The sixth chapter will conclude the study and discuss other areas for future study.
CHAPTER 1: LITERATURE REVIEW

This aim of this chapter is to conduct a literature review exploring the ‘emergence’ of the social enterprise framework, and how it can be employed to effectively address poverty and youth unemployment. Part one will trace the ‘emergence’ of the social enterprise framework within changing and evolving development theory and practice. Part two will assess the effectiveness of the social enterprise framework, against other existing development frameworks addressing poverty within the lens of youth unemployment in developing countries. Due to the ‘infancy’ of social entrepreneurship in academia and within the African context, the literature in this chapter will encompass information from other African countries and other developing countries.

1.1. Social Enterprise within Development Theory and Practice

The first part will trace the ‘emergence’ of the social enterprise framework within changing and evolving development theory and practice over the years. Social entrepreneurship has been ‘on the rise’ in the past two decades but has gained momentum as an academic subject in recent years (Bornstein, 2004; Dees and Anderson, 2003). There is still a need to develop a deep, rich and explanatory theoretical understanding of this phenomenon, since most of the existing literature focuses on pragmatic interests and considerations within policy-making (Leadbeater, 1997; Ramtse and Shah, 2012; Roper and Chenney, 2005; Peattie and Morley, 2008; Hahn, 2005). Hence, this study seeks to contribute to the theoretical gap by placing the social enterprise framework within a range of
broader evolving theoretical and pragmatic ideas within international development. It will not provide a comprehensive guide to development theory and practice, which is introduced fully in Willis (2011) and Cameron (2005).

1960s - Modernization and Dependency theories

The ‘modernization’ theory was the dominant theory that followed the decades after the Second World War; it presented ‘underdevelopment’ as a result of weaknesses in the various factors of production; land, labor and capital, and postulated that in order for poor countries to develop, they needed to achieve economic take-off and free themselves from traditional social and cultural impediments (Willis, 2011). Highly influential work on this school of thought was *The Stages of Economic Growth: a Non-communist Manifesto* (1960) by W.W. Rostow, an American economist and historian. The ‘dependency’ theory originated from the work of the United Nations Economic Commission for Latin America (ECLA), influenced by the failure of the free trade models on growth in Latin America (Willis, 2011). Influenced by Marxism, this theory looked at ‘underdevelopment’ as a process rather than the absence of development; a radical counter-argument to the modernization theory, it showed that poor countries were poor because they had actively been underdeveloped by historical processes of colonization and the unequal terms of trade by rich countries (Cameron, 2005).

Andre Gunder Frank (1967) was an ECLA economist whose work analyzed the structural constraints faced by developing countries in the book *Culture and Underdevelopment in Latin America*. Andre and other ECLA economists
suggested that only large scale structural change would enable the poor to break out of ‘dependency’ and build their own autonomous development pathways. The theorists supported a strategy known as import-substitution industrialization (ISI) where countries produced internally manufactured goods for the national market instead of importing them from industrialized countries. In the 1950s, 60s, and 70s, ISI strategies were pursued by countries such as Chile, Peru, Brazil, Mexico, Argentina, Ecuador, India, Pakistan, the Philippines, Indonesia, Nigeria, Ethiopia, Ghana, Zambia, South Korea, Taiwan, and Japan (Bevir, 2007). The strategy did not work because of the smallness of the domestic market. The modernization and dependency theories have been very influential in development, but were later criticized for being too narrow in their explanation and understanding of developing countries (Lewis and Kanji, 2009).

1980s and beyond - Neoliberalism and Postmodernism theories

In ‘Irrelevance of Development Studies’, Michael Edwards (1989), a long standing writer and activist accused those in development for losing sight of the real and pressing problems because of too much of a focus on the abstraction and less on the realities of poor people and other development agencies working on the ground. Hence, the development landscape after the 1980s was dominated by alternative theories and pragmatism; some turning their attention to the grassroots community work and development interventions, while others continued to focus on the broader processes of political economy, institutions and patterns of global change (Willis, 2011). ‘Neoliberalism’ theory which has dominated since the
1980s has emphasized individualism, markets and flexible managerialism (Willis, 2011). Flexible managerialism is an ideology that relies on technical problem solving; it includes improved accountability, performance measurement and the use of invisible monitoring systems through information technology (Garson, 1989). This period was dominated by structural adjustment policies (SAPs) which the World Bank and the International Monetary Fund imposed on developing countries to qualify for new loans or lower interest rates on existing loans; the policies included opening up markets to international competition and a reduction in the role of the state through drastic cutbacks in public expenditure and social services (Willis, 2011). The Asian tigers: South Korea, Singapore, Taiwan and Hong Kong in the 1970s were able to achieve economic growth based on export industries, with a comparative advantage in cheap and skilled labor while maintaining high rate of domestic savings and investments (Page, 1994). In contradiction to rejecting the state intervention, the development was planned and executed by a centralized authoritarian state (Clawson, 1995). For those countries that realized success with free market programmes of privatization and deregulation, it came at a large human cost which include widening inequalities and evidence of a weakened social fabric (Banerjee and Duflo, 2007). UN agencies played a major role in showing that SAPs had led to an increase in poverty, as the main burden was carried disproportionately by the poorest people. An important publication by UNICEF entitled ‘Adjustment with a Human Face’, advocated for an increase in funds for basic social services, particularly health and
education and compensatory policies for vulnerable groups (Cornia et al, 1987 & Jolly, 1991). Another response was the concept of ‘human development’ devised in the 1990s by the United National Development Programme (UNDP) to broaden ideas of poverty and development to combine both material and non-material elements (UNDP, 1990). Current supporters of neoliberal ideas are the mainstream critics: Moyo (2009), Stiglitz (2002) and Sachs (2005), but the only difference with older neoliberal ideas is their recognition of the importance of enhancing effective governments.

‘Post-modernism’ theory influenced changing attitudes to the dominant development theories as it challenged the grand narratives of the modern era including the idea of progress, the triumph of individualism and the primacy of scientific truth, and drew attention to the importance of social and cultural diversity, emphasized localized experiences and the roles played by resistance movements, as well as the colonial roots of development discourse (Gardner and Lewis, 1996). The ‘post-modernism’ perspective suggested that development in any form was not a solution to global poverty and inequality, but rather a restrictive and controlling discourse that extends the power of the richer countries over poorer ones (Willis, 2011). This is mostly based on theories by post-modernist theorist, Michel Foucault (1982) who explored power and knowledge and their use as a form of social control in societal institutions. The relevance of post-modernism was providing insights into the way development operates globally as a ‘power-knowledge’ system through practices and ideas of
institutions. Important contributors to this school of thought were Escobar (1995) who emphasized building local strategies for development and Rahnema and Bawtree (1997) who were completely opposed to the ideas of development.

1980s - Alternative Development Theories

Influenced by post-modernism and the belief that there were no generalized solutions to problems, the 1980s saw the emergence of several alternative theories which have continued to evolve today. NGOs dominated grassroots work at that time and played an important role in defining and shaping ‘people-centered approaches’ by linking alternative development practices to theory. Alternative development practices emphasized bottom-up approaches through grassroots work and collective action, whereby marginalized communities could take autonomous action to assert greater control over the environments in which they lived (Lewis and Kanji, 2009). Some of alternative development theories, ideas and approaches included the ‘empowerment’ approach, feminist and gender concerns, ‘participatory development’ and right-based approaches. Friedmann (1992) identified three kinds of power within the ‘empowerment’ approach that could move development beyond notions of material well-being: social (access to information and skills, participation in social organization, and financial resources); political (access by individual household members or taking collective action in decision making processes) and psychological (self-confident behavior arising in the successful action in the above domains). Feminist concerns and gender rights also began to gain ground as women-led NGOs consolidated
advocacy and coalition-building efforts, and the influence of the international women’s movement in the 1970s grew stronger (Visvanathan, 1997).

‘Right-based’ development discourse arose in the 1990s to highlight issues of economic, political, social and cultural rights in development, linking poverty reduction to issues of citizenship, law and accountability and creating the need for increased transparency within organizations (Molyneux and Lazar, 2003). Other ideas such as social exclusion, social capital and social movements were within the ‘right based’ development discourse and originated from the social policy and poverty work in industrialized countries. ‘Social movements’ reflect a desire for citizens to gain better access to economic or social rights through strengthened citizenship, but they may also take the form of movements that resist the global hegemonies of market capitalism and industrial growth, while ‘social exclusion’ involves strengthening the voices of the people who find themselves excluded from policy or political processes (Lewis and Kanji, 2009). Robert Putnam (1995) used the term, ‘social capital’ to refer to the networks of relationships of trust and civic responsibility that can accumulate among members of a community over a long period of time, enabling the effective functioning of society. Organizations such as NGOs foster these social ties to increase collective action or democratic participation (Lewis and Kanji, 2009).

Central to the bottom-up ideologies in development was the concept of ‘participatory development’ which was a result of the growing frustration with government’s inability to take responsibility for social development; it
emphasized the idea that people themselves are ‘experts’ of their own problems and should be actively involved in working out strategies and solutions (Midgley, 1995). Academic and activist, Robert Chambers (1997) was a key theorist of this trend; he witnessed the limitations of top-down practices after working as an administrator and trainer in the Kenyan government within public sector rural development training and agriculture extension work. This led to an emergence of tools and methodologies known as Participatory Rural Appraisal (PRA), challenging those working in development at the time to build new ways that were non-directive and to address the conventional power relationships that exist between professionals and clients, age and authority and masculinity and feminity (Gardner and Lewis, 1996). A current mainstream supporter of the alternative bottom-up approaches in development is William Easterly. In Easterly (2006: 6), he contrasts planners and searchers: ‘planners are those who seek to apply blueprint solutions while searchers are agents of change seeking to learn from the realities of the bottom building on what works to create an alternative working approach’. The difference between his ideas and those of the 1980s was that Easterly is keen on ‘searchers’ who work within markets to create solutions. While it was a positive change in development for alternative ideas to be adopted by mainstream development institutions, these ‘radical’ grassroots ideas have became depoliticized within mainstream circles. As Cornwall and Brock (2005) have pointed out, the language of development has become fuzzy and highly flexible such that terms like ‘participation’, ‘empowerment’, ‘partnership’ and
‘sustainability’ have simply became buzzwords, whose ambiguous meaning can be deployed to suit a range of different positions and points of view within the development mainstream. These words have become open to interpretation and often create a ‘warm feeling’ at the expense of hard-edged critical thinking and broader analysis.

**Summary**

The overview of theory and practice in development shows the different perspectives that have led to the development of the social enterprise model. Social enterprises can be understood in the alternative, people-centered and bottom-up approaches, but also within the broader unfolding capitalist development processes. Table 1 below provides a summary and analysis of the key development theories and practices that have influenced the ‘emergence’ of the social enterprise framework.

**Table 1. Evolution of the social enterprise framework within development theory and practice**

<table>
<thead>
<tr>
<th>THEORY</th>
<th>DESCRIPTION</th>
<th>EFFECT ON SOCIAL ENTERPRISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernization theory 1950s</td>
<td>-‘Underdevelopment’ as a weakness in the factors of production; poor countries can develop by taking part in the international global market</td>
<td>-Focused on free-market and liberal capitalism ideologies</td>
</tr>
<tr>
<td>Theory and Practice</td>
<td>Description</td>
<td>Examples</td>
</tr>
<tr>
<td>---------------------</td>
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</tr>
<tr>
<td>Dependency theory</td>
<td>- ‘Underdevelopment’ as a process rather than the absence of development; poor countries had been underdeveloped by historical processes of colonization and the unequal terms of trade</td>
<td></td>
</tr>
<tr>
<td>Neoliberalism theory</td>
<td>- Embraced individualism, market ideologies and flexible managerialism</td>
<td>- Improving efficiency, transparency and accountability within interventions</td>
</tr>
<tr>
<td>Alternative theories and practice (e.g. Empowerment, Feminism, Post-modernism)</td>
<td>- Emphasized grassroots work and collective action, and people’s experiences as an analytical tool for social change</td>
<td>- Involving, engaging and consulting with locals to understand problems and frame solutions to interventions</td>
</tr>
<tr>
<td>Post-modernism theory</td>
<td>- Challenged grand modern era narratives of progress, individualism and the primacy of scientific truth, and focused on social and cultural diversity and localized experiences</td>
<td>- Understanding development issues by context - Thinking of ‘power-knowledge’ structures inherent within development institutions</td>
</tr>
<tr>
<td>‘Rights-based’ development (e.g. Social capital, Social movement)</td>
<td>- Highlighting political, social and economic rights in development, and linking poverty to issues of citizenship, law and accountability</td>
<td>- Giving the poor a voice and seeing them as active contributors to development issues</td>
</tr>
</tbody>
</table>
1.2. Frameworks for Poverty Reduction

The second part of chapter one will assess the effectiveness of the social enterprise framework against other existing international development frameworks addressing poverty, through the lens of youth unemployment. The understanding of poverty that has dominated the international development field for many years has mostly been one-dimensional. Poverty has been understood in monetary terms, measured using level of incomes or consumption, and the poor were described as those who fall below a given income or consumption level. Angus Deaton, a Nobel Prize Laureate in Economics known for his work in global poverty argues that the problem with the concept of poverty is its definition as a mere lack of resources: “whether one is poor or not, and whether they are defined as such or not, depends on where they are located within the social structure of any given country. The individual person cannot be considered out of their economic, political and social context where they live” (Navarro, 2015). A range of approaches have arisen that explore the multidimensionality of poverty: the basic needs approach (Diebold and Streeten, 1982), the capabilities approach (Sen, 1999) and the human development approach (UNDP, 1990). Green (2008: 27) shows the development NGO, Oxfam approaches poverty as “a state of relative powerlessness where people often lack money, land or freedom because they are discriminated against on the grounds of one or more aspects of their personal identity; their class, gender, ethnicity, age or sexuality, constraining their ability to
claim and control the resources that allow them choices in life”. American novelist and social critic, James Baldwin (1970) adds that “anyone who has ever struggled with poverty knows how extremely expensive it is to be poor”. These different ways that poverty is understood sheds light on its wide scope and nature of its complexity. At its core, poverty is a complex, multidimensional, relative and dynamic concept rooted within systems embedded in economics, politics and discrimination. With that being said, poverty reduction is a monumental task that cannot be addressed by a single organization, and development actors represent a wide array of players whose active or passive role, could either support or undermine poverty reduction efforts in developing countries. Thus, this section seeks to understand where the social enterprise framework can be the most effective in poverty reduction efforts, and collaborate with others while navigating the politically and economically driven nature of international development. The importance of situating social entrepreneurship within the changing relationships of governments, private sector and civil society has been highlighted by several scholars (Dacin et al, 2011; Cho, 2006; Helmsing et al, 2015; Littlewood and Holt, 2013). This part will review poverty reduction frameworks by exploring four perspectives: Philanthropy, International Development Assistance, Development NGOs and Social Enterprises. The role of the Government in poverty reduction will be discussed in detail in chapter three. Each framework will be assessed for its effectiveness in addressing poverty and how it is currently addressing youth unemployment, drawing examples from various African and developing countries.
This study will not focus on corporations working in the area of poverty reduction because combating social issues is always secondary to financial gains. The next part will examine philanthropic work in international development; a key framework of private sector involvement in poverty reduction efforts.

1.2.1. Philanthropy

*Role in Poverty Reduction*

Philanthropic activity is growing globally but little attention has been paid to this field of study, and especially in relation to international development (Foundation Centre, 2012).

*a) Characteristics and Motivations*

Foundations usually target areas that they believe will have an impact over a longer period of time: political areas such as supporting democracy or civil society, and supporting global goods such as health, education, emergency relief and environment (Foundation Centre, 2012). Spero (2010) describes the motivations for philanthropists to give money to development activities as a desire to improve public image and a strong belief that private citizens and wealth play an important and legitimate role in providing public welfare. Foundations are a diverse group: they have varied histories, world views, economic, social and political persuasion, as well as personal perspectives to philanthropy and choose where and how to spend their money (Spero, 2010). The Asante foundation educates East Africa’s youth to address life’s challenges and catalyze positive change (Asante Africa Foundation, 2016). The Skoll Foundation awards
successful social entrepreneurs to support expansion of work, connects social entrepreneurs, supports academic research and advances programs on social entrepreneurship (Spero, 2010). Due to different approaches, interests and decision making processes, building a personal relationship with foundations (Moreno and Plewes, 2007), or having a large social impact is important for social entrepreneurs to secure funding from foundations.

b) Strengths and Criticisms

Foundations have independent financial resources and do not have to contend with legislative processes and government bureaucracies, although some of them have their own bureaucracies (Spero, 2010). Large financial assets allow them to give grants to recipients, and financial independence allows them to take political or economic risks in new or unventured projects and programs (Spero, 2010). On the contrary, being financially independent could be a negative attribute in accountability and transparency of the work of foundations, but due to their privileged status and tax exemptions, they are still expected to obey the law and serve the public interest (Spero, 2010). Advocates and activists, foundations possess a lot of power to influence local and foreign environments.

Addressing youth unemployment

A report by the Asante Foundation on their Leadership and Entrepreneurship Incubator (LEI) program shows that combining skills training with access to capital is the most effective way to combat youth unemployment (Barry, 2013). The Skoll foundation is working with social enterprises like Camfed, Fundacion
Paraguaya and Pratham to embed life skills and training in schools, and create support networks and training for marginalized youth outside of school systems (Skoll.org, 2015). MasterCard Foundation (2013) is a prominent funder in innovative approaches to improve access to employment and entrepreneurship pathways for youth in different African countries. A report prepared by the foundation showed that the lack of enough formal jobs leads many youth to pursue work in a variety of formal and informal arrangements. The report emphasized creating an enabling environment that increases youth employment and productivity through improved training, skills development and education, and linking young people to financial services and market opportunities. The report also highlighted targeting programs towards different youth segments as crucial for successful outcomes of youth programs. Discussions on scale and sustainability of youth employment programs requires the participation of youth in program development and implementation, and a greater engagement between the public, private and non-profit sector to create incentives for markets and governments to invest in this space. Expanding further on the concept of aid, the next section seeks to understand its perspective from the public sector and of the most common form of aid; international development assistance.

1.2.2. International Development Assistance

Role in Poverty Reduction

International development assistance is more than a set of funding relationships; it is an important site for formulating ideas about world affairs in the form of
development discourse (Ebrahim, 2013). There are currently more than 40 bilateral donor agencies, 26 UN agencies and a further 20 global and regional financial institutions involved in the system (Lewis and Kanji, 2009). Some of the oldest and well known donor agencies include the World Bank, the UK Development Fund for International Development (DFID) and the United States Agency for International Development (USAID). One of the biggest changes afoot in the development aid landscape of the 21st century is the emergence of new players; aid is also being provided by middle income countries such as China, India, South Africa, Gulf-states, some states in Latin America, Central Asia and Central Europe. For example, China investment in African countries includes buying oil, metals and minerals, building new roads, railways and Confucius schools, as well as widening access to Chinese markets for African goods (Gumede 2008). Regional donors such as the African Union and the League of Arab states are increasingly playing important roles (Harmer and Cotterel, 2005).

a) Characteristics and Motivations

International development assistance takes the form of financial assistance and technology transfer and is usually channeled to governments and organizations (Lewis and Kanji, 2009. The world of international aid is complex, diverse and driven by geo-political, ethical, foreign, public and economic interests (Villanger, 2007). Its history contains a changing relationship with its world of recipients and partly characterized by a fickle and trendy approach to its work (Lewis and Kanji, 2009). Edward and Hulme (1996: 227) observed ‘donors move from fad to fad,
shifting their resources from states to NGOs to civil societies and at some stage, the recipients like flared jeans, become less fashionable’. In the 1980s, donors emphasized the importance of the market in poverty reduction efforts in developing countries through the structural adjustment policies (SAPs), while the 1990s saw the rise in ‘partnerships’ and contracting between aid agencies and NGOs, and the late 1990s led donors back to supporting developing country governments to create Poverty Reduction Strategies (PRSs) through a consultation process with civil society and the private sector (Lewis and Kanji, 2009; Mosse, 2005; Willis, 2011). Since the 2000s, donors have emphasized the concept of ‘result based management’ which provides quantification of progress towards poverty reduction (Maxwell, 2005). A good example of this trend is the United Nations Millennium Development Goals (MDGs) whose ultimate aim was to reduce by half the number of people living on less than $1 US a day by 2015. The MDGs have achieved a marked progress on poverty reduction and the number of people living in extreme poverty has reduced substantially; 12.7% in 2012, down from 37% in 1990 and 44% in 1981 (WorldBank.Org, 2015). Despite this progress, the number of people living in extreme poverty globally still remains high. The current MDGs have been criticized for not targeting global inequality; resources could potentially be shifted from a substantial poor population in middle income countries to areas with large concentration of the poor (Green, 2008). In 2013, donors like USAID and DFID have decided to cut their commitments of providing bilateral aid to growing economies like India and South Africa in favour
of social entrepreneurial schemes (Purvis, 2015).

b) Strengths and Criticisms

International development assistance, in itself, is well-intentioned and it can become a facilitator and catalyst in poverty reduction efforts. Development aid comes in four different forms: humanitarian, charity, official development assistance (ODA) and philanthropic aid. Humanitarian and charity aid such as providing food and shelter during a natural disaster, buying malaria bed nets or paying for a child’s education, still play a crucial and relevant role in reducing poverty in the short term (Sachs, 2005). The Marshall Plan in the 1940s is a great example of how official development assistance (ODA) has worked; North America gave billions of dollars in aid to recover European countries that had become politically and economically fragile after the Second World War (Collier, 2007). A published report by ActionAid International (2010) explored ‘phantom aid’; the phenomenon of ODA where it does not reach the poorest in developing countries at all. Stephen Lewis, a former Canadian ambassador to the United Nations says that “development aid should be distributed and used better so that it reaches the poorest in society. It should get into the hands of grassroots, civil society and other transformative economic designs” (Munk Debates, 2015). ODA has distorted the structure of incentives facing governments in developing countries and has disenfranchised the citizens; this has led to states becoming answerable to multiple donors and ignoring the needs of their own citizens (Mwenda, 2007). ODA has been linked to coups and civil wars as it increases the
political attractiveness of the state and accentuates ethnic tensions as people seek power in the government to benefit from the aid money (Moyo, 2009). In the Munk Debates (2015), Hernando De Soto, a Peruvian economist whose ideas have become influential within development economics, describes development aid as ‘speaking with two faces’; one face that supports the poor and marginalized populations in developing countries, and the other face that supports private companies who sometimes exploit the poor. Easterly (2007) argues that home grown development is the only kind that works and only the local people themselves can climb their way out of poverty. Development aid can bring marginal changes in development but outsiders cannot achieve long term development. The aid industry has been critically examined and its relevance has been debated, but somewhere between the two extremes, practitioners of aid argue that development aid could work ‘if done right’ (Fengler, 2011).

**Addressing youth unemployment**

These are the different ways that donor aid agencies are addressing youth unemployment. A USAID (2013) research report showed that among priorities for donors within youth unemployment was self-employment creation, training and education for youth. There is a also growing trend by donors to promote non-formal education and training in youth workforce programs. An important finding from the report was that segmenting youth within the various unemployment services is important for success, but more research still needs to be done to measure the outcomes of youth unemployment programs. An African
Development Bank report by Brixiová, Ncube & Bicaba (2014) identifies the key factors impeding youth employment, and specifically within entrepreneurship. These include entrepreneurial education without practicality, lack of a ‘youth voice’ in policies targeting young people, poor access to start-up capital due to limited access to collateral and absence of financial history, poor access to information on business opportunities, lack of supportive infrastructure and business provider services, alongside societal attitudes and a regulatory framework. The next section will explore one of the major recipient of international development assistance: development NGOs.

1.2.3. Development NGOs

Role in Poverty Reduction

Development NGOs have always been regarded relevant in emergency and relief work within development, but their relevance in wider development issues such as poverty reduction gained ground in the 1980s as they became increasingly recognized within academia and other parts of society (Lewis and Kanji, 2009). They appealed to development actors like donors, who found that unlike government-to-government project based aid, NGOs offered an alternative and more flexible funding channel with higher chance for local level implementation and grassroots participation (Lewis & Kanji, 2009). Edwards and Hulme (1995) described development NGOs in the 1980s and 1990s as the ‘favored child’ of official development agencies proclaimed to have a ‘magic bullet’ to target and fix problems in development. A backlash that NGOs had failed to live up to their
expectations arose in the late 1990s and they began being viewed less favorably within local communities (Lofredo, 1995). In the late 1990s, relationships between development NGOs from developed and developing nations began changing. Lewis (1998) shows that there was an increase in direct funding to NGOs in developing countries who previously had to go through the ‘intermediary’ NGOs from developed countries, and a steady shift from direct implementation of projects and programs to an increase in ‘partnerships’ with local organizations to build self-reliance within local communities.

a) Characteristics and Motivations

Ideas of NGOs have emerged from traditions of self-help drawn from community organizing and bottom-up development work, and can be traced to a range of complex historical, political and cultural factors (Fernando and Heston, 1997). In Brazil, NGOs have been associated with religious roots and the liberation ideology of the 1960s (Escobar, 1997), in India, development of NGOs can be traced to the growth of the reformist middle classes, the influential ideas of Mahatma Gandhi and various religious ideologies (Sen, 1992), while in Kenya, NGOs arose from a traditional system based on kinship and neighbourhood ties (Moore, 1988). NGOs from developed countries working within development existed since the early 1900s; the number rose from less than 200 in 1909 to currently over 20,000 (Lewis and Kanji, 2009). The ‘emergence’ of social enterprises was identified by Caroll (1992) who saw development NGOs being influenced by neoliberal ideas as donors and funders demanded effective service
delivery, a rapid disbursement and honest spending of funds, ‘inclusion’ of beneficiaries in interventions to improve sustainability in projects.

b) **Strengths and Criticisms**

Lewis and Kanji (2009) argue that many years of experience within the development field has afforded development NGOs a stronger advocacy and ‘political voice’ in matters concerning the marginalized and low-income populations. Edwards (2008) pointed out that NGOs have supported the marginalized by spreading bottom-up approaches within development, and maintained pressure to ensure that these issues regain relevance on the development agenda. Defined as an organization that is neither run by government nor driven by a profit motive; there are NGOs that receive high levels of government funding and possess characteristics of bureaucracies while others resemble highly professionalized private organizations with strong corporate identities. The blurred identity had lead to criticisms of ‘corporate and commercialized NGOs’ or ‘bureaucratic NGOs’ in recent years (Dichter, 1999; Foreman, 1999). In recent years, NGOs have been criticized for their lack of accountability, effectiveness and being far from the ‘issues of the poor’. Michael Edwards (2004) wrote that ‘few NGOs have developed structures that genuinely respond to grassroots demands as there is still a control of funds and highly unequal decision-making’. In Edwards and Hulme (1995), NGOs have been criticized for two things. First, wasting resources and not being able to show how they distribute and manage resources especially among the poor people they serve.
Second, not showing tangible results or measurement of their outcomes. The scrutiny of aid agencies has also applied to nonprofits, who are also tied in part to international development assistance (Fowler, 2000). Many consequences have followed from the increases in official aid funding to NGOs. First, NGOs may become susceptible to changing fashion and fads of donors (Smillie, 1995). Second, NGOs may face decreasing legitimacy in the eyes of some of its stakeholders (Bratton, 1989). Third, there is a risk of goal-deflection as funders favor easily accountable approaches such as service provision over empowerment-based activities (Hashemi and Hassan, 1999). Fourth, donor aid could undermine the learning and effectiveness of NGOs by restricting their room to adapt, innovate and be accountable (Biggs and Neame, 1995). Satterwaithe (2005) argues that the poor still remain ‘invisible to development assistance’ as development aid largely ignores organizations that benefit and represent poorer groups. Bano (2008) has found that existing grassroots NGOs lost their independence, autonomy, rootedness, legitimacy and long-term focus on issues when they become funded by donors. Ethnographic work done in several African countries by Igoe and Kelsall (2005) explored how NGOs find themselves caught between a ‘rock and a hard place’ as they implicitly or explicitly challenge the state through their work or competition for donor resources, but NGOs cannot operate outside the realms of the state. Lewis and Kanji (2009) argue that while there are many NGOs which depend on international development assistance, there are many who choose to work without donor-based funding; relying on
voluntary labor of staff and members, contributions from local or international community or using market for sources of income. Organizations within the NGO world have faced scrutiny and criticism, but are diverse in the forms they take, the roles they play and the impact they have within development.

Addressing youth unemployment

There are development NGOs that have adopted market based approaches, and others that are supporting local enterprises through funding and resources, and shared expertise. Nuru International (2016) is a non-profit that funds projects and programs within extreme poverty in rural and remote areas in Kenya and Ethiopia. Nuru Social Enterprises (NSE) invests in young and adult entrepreneurs, incubates local businesses, and profits are distributed to shareholders and reinvested into the local community. NSE combines and leverages local knowledge, innovation and experience with international expertise, support and resources to ensure long term sustainability. The next section will explore a framework that merges qualities of the development NGOs and the private sector: social enterprises.

1.2.4. Social Enterprises

Role in Poverty Reduction

Social entrepreneurship became popularized in the 1990s, but its roots date back to the nineteenth century where there was a shift away from charity simply as giving alms, to charity that involves the poor in creating long term and systemic change (Dees and Fulton, 2006). Often cited and well known social entrepreneurs include Maria Montessori, founder of the Montessori child education system in
1906 and Muhammad Yunus, founder of Grameen Bank in 1983 (UNICEF, 2007). The question of whether the ‘emerging’ social enterprise framework can make a difference in poverty alleviation efforts within international development has been brought up by scholars, practitioners and popular commentators (Collender, 2014; Austin, 2016; Dees and Fulton, 2006; Katzenstein and Chrispin, 2011). Lewis (2006) criticizes the development field for favoring new and better approaches, instead of reflecting and seeking to learn from the past. Andre Youn of One Acre Fund, a social enterprise based in Rwanda adds that “innovation is over valued and doing boring businesses that are already proven is undervalued. Throughout the social entrepreneurial space, many people are trying to invent but the human society needs more social entrepreneurs to focus on getting solutions distributed out to mass numbers of people” (Uglova, 2015). Social enterprise has grown spectacularly in India and has become effective in driving development in India; home to one of the largest populations of people living in poverty (Poon, 2011).

*Fundación Paraguaya*, a 28 year old social enterprise was responsible for the reduction of poverty in Paraguay and across Latin America (Burt, 2013).

*a) Characteristics and Motivations*

The social entrepreneurial sector manifests itself differently in different contexts, as it is embedded in local social, economic and political arrangements (Mair, 2008). This makes it difficult to generalize and draw conclusions across developing countries. Although there are variations across and within African countries, some similar trends and drivers have arisen: growing cultural relevance
of ‘entrepreneurial activity’ and the prominence of businesses, increased
unemployment (Kerlin, 2009), worrying poverty rates, ineffective and inadequate
government social programs and a large informal economy (Rivera-Santos, Holt,
Littlewood & Kolk, 2014), lingering colonial influences (Acemoglu, Johnson, &
Robinson, 2000) and increase in development aid to the non-state sector (Chabal
and Daloz, 1999). Thus, new and creative opportunities for social enterprises are
likely to emerge to address these challenges and within some of these constraints.
This study will not dwell on the definition of the term, but will identify the
strengths that scholars, popular commentators and advocates agree on when
describing a social enterprise.

b) Strengths and Criticisms

Andrew Youn, founder of the social enterprise, One Acre Fund says that “the
lowest-income populations do not need to be aid recipients, we see them as our
customers. When our customers pay for services, this gives them great power and
forces us to listen closely to what they want. It also makes our solution much
more cost-effective” (Uglova, 2015). Dees and Fulton (2006) add that social
entrepreneurs focused on serving the people at the base of the economic pyramid
are increasing the participation of the poor within the market in a healthy,
constructive and beneficial manner. Social entrepreneurs recognize that social and
environmental problems are entangled with economics and it is almost impossible
to address them without paying attention to economic factors (Dees and Fulton,
2006). Katzenstein and Chrispin (2011) point out that social enterprises can be
innovative and flexible in project and program delivery because they operate mostly within the private sector where budgets are more flexible, perspectives are more open and time is constrained. Bamkole (2015) argues that ‘through offering new goods and services in unique ways, social entrepreneurship creates a break from tradition and indirectly supports freedom by reducing people’s dependence on poor governance, obsolete systems and technologies’. Katzenstein and Chrispin (2011) point out that just like in the private sector, social entrepreneurs always have to make the sale to their key customers, the poor, and doing so requires a clear understanding of their needs and wants.

Helmsing et al (2015) explain social entrepreneurship within international development by exploring two starkly contrasting views. On a micro-level, there are various empirical studies that feed into the academic debate of predominantly singular case studies (Mair and Marti, 2006; Dees et al, 2002; Leadbeater, 1997; Dees and Fulton, 2006; Bornstein, 2004). This is often an implicit extension of the ‘lone-ranger’ perception of social entrepreneurs as people who ‘change the world’. It focuses on individual efforts with less emphasis on larger social and economic transformation. At the macro-level, there are studies that show that social entrepreneurs are potentially counterproductive to international development interventions (Dacin et al, 2011; Cho, 2006; Nega and Schneider, 2014). They argue that social entrepreneurial activities could displace other actors’ poverty reduction interventions or give governments an excuse to not intervene, diverting attention away from deep structural and systemic reforms necessary to address
social problems. Dees and Fulton (2003) counter-argue that governments have not always proven to be effective at the ongoing innovation and implementation of programs. They further argue that some programs are better delivered independent of the government, but the government could still play a key role in supporting social enterprises. The government could provide funding on a competitive basis, provide regulations to assure quality, stimulate demand and create an environment for social enterprises to thrive (Dees and Fulton, 2003).

A few studies have been critical of using privatization and market based policies in managing social sectors. Heywood (2011) argues that for-profit firms are more likely to sustainably achieve scale than social enterprises because they create jobs and increase incomes for the poor; a wide reaching weapon in the fight against poverty. He further argues that for-profit businesses should be leveraged to help the poor, versus disseminating millions of dollars on ‘experiments’ that could potentially fail. Maeresera (2015) counter-argues that using private funds solely for social sector development impacts negatively on women, children and marginalized. Shane (2009) and Weisman (2012) argue that policies geared towards increasing uptake of entrepreneurship will lead people to start marginal businesses with little economic impact and generate little employment; their rationale is that new businesses usually pay less, offer fewer benefits and are more likely to disappear over time than jobs in existing companies. Heywood (2011) also criticizes social enterprises for being associated with problems similar to NGOs, for example, dependence on grants, the aid system, corrupted finances and
ineffective systems. Challenges with supporting and growing the social enterprise sector are also tied to the lack of an agreed definition between scholars and those in practice, as it makes it difficult to identify, award and scale social enterprises (Dees and Fulton, 2006; Zahra, 2008).

Addressing youth unemployment

A few reports were found on how the social enterprise framework is addressing youth unemployment (UNICEF, 2007; Mnguni, 2014; Mataboge, 2014). Youth social entrepreneurship was also discussed in other reports but it appeared under the broader umbrella of youth entrepreneurship. (Kew, 2011; Chigunta et al, 2005, International Development Research Centre, 2015; Global Entrepreneurship Monitor, 2013). Youth entrepreneurship has been used interchangeably to refer to either ‘youth business entrepreneurship’ or ‘youth social entrepreneurship’. MaRS (2016) shows the difference between the two: ‘business entrepreneurship typically measures performance in profit and return, while social entrepreneurship assesses success in terms of the impact had on society’. Due to the limited studies within social entrepreneurship, the study will utilize information from entrepreneurship to understand the benefits and limitations of social entrepreneurship in addressing youth unemployment, but it will separate the sections into two parts.

Addressing youth unemployment within entrepreneurship

In Being Real about Youth Entrepreneurship in Southern and Eastern Africa by Chigunta et al (2005) and Making Youth Entrepreneurship Work in Sub-Saharan Africa by De Gobbi (2014). Lessons and practices of policy makers, practitioners
and researchers working in the field, and a report prepared by the Global Entrepreneurship Monitor (GEM) in 2013 were reviewed. The reports showed that the main barriers to entrepreneurial activity are lack of capital, skills, support and market opportunities. The findings showed that an older youth entrepreneur who is well-educated, with a strong social capital and living in a country with a culture favorable to entrepreneurship, where there are positive perceptions of the attitude of the youth towards entrepreneurship is more likely to be successful than other young entrepreneurs. A successful youth entrepreneurship sector requires a thriving entrepreneurial culture that promotes business creation and development, through education, training and government support.

*Addressing youth unemployment within social entrepreneurship*

A UNICEF (2007) report recognizes the importance of the approach in the development of critical skills and engagement of young people in making a positive impact in their communities. The report identifies a few areas youth need support within social entrepreneurship. These include providing skills training and technical assistance, facilitating a network for knowledge sharing and collaboration, mentorship for motivation, feedback, seeking new initiatives and funding, and accessing finance. Two reports were found on youth unemployment and social entrepreneurship in the African context. In *Social entrepreneurship among youth in Diepsloot, South Africa*, Mataboge (2014) found that positive societal perceptions about social entrepreneurship have the potential to positively influence social entrepreneurial activity. Three characteristics were identified as
essential for youth social entrepreneurs to succeed: the ability to factor in the complexity of the social problem into their mission to have a buy-in from the community, building credibility within communities and other networks to mobilize resources to achieve the social mission, and generating community commitment through involving target communities in key decision making. In *Assessing the potential of social entrepreneurship to increase the economic participation of the youth in South Africa*, Mnguni (2014) found that social enterprises have a positive impact on youth unemployment, but youth view jobs in the social entrepreneurship sector as temporal in nature. The lack of permanency of jobs in the sector is linked to a prevalent weak social entrepreneurial environment. Other key findings were that the lack of awareness of the sector, support and access to funds deterred youth from considering a career in social entrepreneurship. There are other youth social entrepreneurs who are not aware of this sector and hence, do not categorize themselves as such. This leads to not being able to access opportunities, funds or receive recognition for their work, limiting the overall growth of the sector. Individuals are also deterred due to the opportunity cost associated with social entrepreneurship, as other sectors tend to have greater earning potential, and this is especially true for youth that are economically excluded. A legal entity to recognize social enterprises, assistance from the private sector and support from the public sector could strengthen the environment and improve the uptake of youth social entrepreneurship.
1.3. Conceptual Framework

The social enterprise is more effective than other poverty reduction frameworks

The social enterprise framework has been found to be more effective than other frameworks in poverty reduction for several reasons. First, it is because of its closeness to the grassroots and the poor: the difference between aid agencies, some development NGOs and foundations is that many look at the poor as clients to serve, while social enterprises look at the poor as active contributors to improving their well-being. This is partly because to survive in the market and have successful outcomes, social entrepreneurs have no choice but to include the poor in their decision making process. Second, a social enterprise is committed to balancing social and economic objectives, with profit being a means to an end. The profit-making aspect leads to financial independence in the long term, allowing for a wider impact in poverty reduction. Since profit is not its sole and end goal, the social enterprise is more likely than a business enterprise to achieve both financial and social goals. This is unlike the business enterprise where financial gains will always precede other objectives. Privatization is a tool that has been employed in developing countries for many years to reduce poverty but the results have been the same; increased poverty and widening inequalities. Third, the model is innovative due to its flexibility and openness to risk taking: important characteristics for any organization to currently have in the midst of a rapidly changing society. Social enterprises are more likely to be innovative as they operate mostly within the private sector where experimentation and risk taking is
easier. This is unlike official aid agencies and some NGOs driven by geo-political interests that sway their decisions, or other NGOs who rely on outside funding to remain financially sustainable, which could sometimes inhibit innovation, risk taking and long term planning. Fourth, its innovative and flexible structure improves its likelihood to provide social programs more efficiently than governments. Governments have sometimes proven ineffective in program and service implementation and innovation, but that does not mean that their role will be replaced or undermined by social enterprises. This ineffectiveness of the government is partly due to the fact that taking input from various low-income communities with diverse needs into account when designing large scale policies and programs is practically impossible, and this is particularly challenging for governments that have limited resources. Social enterprises are more effective in the provision of programs and services to low-income communities, as they are more localized and can address needs on a context by context basis. Fifth, the relevance of social enterprises does not lie only in what things are being done, but in how things are being done. The social enterprise is a framework that merges the ‘best of both worlds’ from development NGOs and the private sector. The social enterprise is more than an organizational framework; it is an indicator of how the landscape within international development is slowly changing. A framework that is challenging the status quo by presenting the idea that poverty is best addressed on a context by context basis, and it cannot be tackled sustainably without including the ‘voices of the poor’ in interventions.
The social enterprise should collaborate ‘smart’ and effectively with other poverty reduction frameworks to realize a wider reduction in poverty

Poverty reduction is a monumental task that cannot be addressed by a single organization. This is partly why this study sought to understand where the social enterprise can effectively collaborate with other players without losing sight of its most important goal: ‘working with the poor’. Despite the effectiveness of the social enterprise framework in addressing poverty, it is a small and ‘new’ player among bigger and ‘older’ players. Thus, it lacks financial resources and the power to influence the politically and economically driven world of international development. This study recognizes that other frameworks, despite their bureaucratic and inefficient systems still have an important role to play within the development space. More so in the area of supporting social enterprises to have a wider impact in poverty reduction. Foundations can support social enterprises by providing grants or loans that can be paid over a longer time period. Their financial independence allows them to provide patient funding to new and risky social entrepreneurial ventures that might have little promise for return on investments. International development assistance could do more good than harm if channeled and managed better to reach grassroots organizations like social enterprises, without restrictions that could destroy the effectiveness of their work in poverty reduction. Due to their experience and ‘grassroots expertise’ working in the development sphere, global charities and NGOs could collaborate with social enterprises on community engagement, advocacy for issues concerning the
poor and marginalized, and bridging the risk gaps associated with attracting capital for new social enterprises. Governments and social enterprises do not have to ‘compete’ to deliver social services; they could collaborate in a ‘healthy manner’ to realize success in the provision of effective social services in a country.

The reality of social enterprises is that they work outside of the government realms to deliver programs and services to the poor, but since these programs are closely intertwined with broader social and economic development, they cannot be successful in the long term without support from governments.

**Implications of youth taking up social entrepreneurship**

The implications of the studies above on youth taking up social entrepreneurship were assessed. Several benefits for youth taking up social entrepreneurship were identified. First, it leads to increased confidence, acquiring of practical skills and a greater awareness of society. Second, it reduces crime by creating a sense of belonging through strengthening social and cultural identity, and accountability to a community. Third, it provides jobs and opportunities to individuals, other youth and community members. There are several reasons youth could be deterred from the social entrepreneurship sector. First, societal view of social entrepreneurship as a temporal job due its lack of stability and high opportunity cost. Second, age and economic background could impact poorly on access to funds and access to role models or professional networks and connections. Third, the lack of support for youth within social entrepreneurship in community, market or regulations. Fourth, the lack of awareness or understanding of the social entrepreneurship
sector. Having been equipped with a general understanding of the benefits and limitations of youth taking up social entrepreneurship, the next section will discuss the research methodologies that have been used, why, where and how they have been employed in the study to broaden the discussion on youth social entrepreneurship.
CHAPTER 2: RESEARCH METHODOLOGIES

Introduction

The second chapter presents a discussion of the research methodologies adopted in this study. This chapter will expand on the purpose and rationale of the choice of research methods, discuss their strengths and limitations and how they will be employed in the study. Beginning with a review of theory on qualitative and quantitative research, the study proceeds to evaluate the research design and research methods used, while highlighting the limitations associated with data collection and analysis. To reiterate, the purpose of this study is to understand whether the youth social entrepreneurship framework can simultaneously address youth unemployment and poverty in Kenya.

Qualitative and Quantitative Research

Quantitative research is largely exploratory and descriptive in nature (Saunders, Lewis & Thornhill, 2009) and is based on the assumption that ‘social reality is a concrete, measurable phenomenon’ achieved through specified observations, hypothesis testing, measurement and theory testing (Creswell, 2009), while qualitative research is largely explanatory as it allows establishing causal links between variables, seeking to understand variations, identify prevalence and distribution of phenomena (Kalof, Dan & Dietz, 2009).

Research methods employed in other studies

The two reports found on youth social entrepreneurship in African countries (Mataboge, 2014) and (Mnguni, 2014) show that qualitative methodologies were
employed for data collection. This is due to the field of social entrepreneurship being relatively ‘new’ and having limited available data, especially within African countries. In Mataboge (2014), qualitative and quantitative research methods were employed to measure the attitudes of urban youth toward social entrepreneurship, and identify the perceived constraints to social entrepreneurship. A cross-sectional survey research method was conducted involving 150 young people and data was collected using two self-completed questionnaires. The Social Entrepreneurial Intent Scale and Constraint scale were used for analysis. The Social Entrepreneurial Intent Scale (SEIS) adopted from Thompson (2009) adapts constructs such as empathy, moral obligation, self-efficacy and social support to measure social entrepreneurial intentions. The scale is adopted from Ajzen’s (1991) theory of planned behaviour, where the relationship between the intention to be an entrepreneur and the act of becoming one is connected. The Constraint scale developed by Fatoki and Chindoga (2011) was used to identify challenges faced by individuals when starting and running a social enterprise. Data was analyzed using descriptive and inferential statistics that involved frequency distribution tables, percentages and Pearson moment correlation by using SPSS, a statistical package for social sciences. In Mnguni (2014), qualitative research method was employed to understand the potential for social entrepreneurship to increase the economic participation of the youth in South Africa. Secondary data was collected from research documents and databases, from organizations working in the areas of social entrepreneurship, such as Ashoka and Junior
Chamber International (JCI), and semi-structured interviews with academics and 8 youth social entrepreneurs connected to these organizations were carried out.

**Research questions and research methods chosen**

The purpose of this study is to understand whether the youth social entrepreneurship framework can simultaneously address youth unemployment and poverty in Kenya. This research question has been explored through the lens of three sub-questions. First, what key challenges limit the effectiveness of poverty and youth unemployment interventions in Kenya? Second, is the social entrepreneurship framework effective in addressing poverty and youth unemployment in Kenya? Third, how can the growth of the youth social entrepreneurship sector in Nairobi be supported?

Bryman (1984) and Long et al (2000) adds that the choice of the research method is based on the beliefs that the researcher has regarding the fundamental form of the research targets. The research began with the view of presenting a multiplicity of voices and logics in understanding the theoretical and pragmatic perspectives of the questions in exploration. Thus, a literature review was carried out to understand the scholarly and theoretical perspectives. Human processes and behaviors are critical in understanding organizations, since a person initiates the endeavor, while the organization is the medium through which specific outcomes are achieved (Mataboge, 2014). Seeking to gather an in-depth understanding of organizational development through human behaviour and processes, qualitative research methodologies were employed. Qualitative methods have been used to
collect data in similar studies (Mataboge, 2014; Mnguni, 2014). To unpack the three research sub-questions, this study began with broadening an understanding of the three key concepts: social entrepreneurship, youth unemployment and poverty reduction in developing countries. The qualitative research methodology was also employed due to its explanatory and descriptive nature, easing the process of establishing the links between these various concepts. The researcher began with a wide scope of ideas under exploration within the three key concepts in the field of development, but as the research progressed, the scope became narrower and focused within the context, Nairobi. A literature review was carried out to broadly understand and build on existing theory and knowledge of the concepts. The qualitative research methodologies employed in the study are case studies and the foresight methodology, which will be explained below in detail.

2.1. Research Methods Analysis

2.1.1. Narrative case study

Definition and Uses

Narrative case study is a framework for understanding the subject and interview data in qualitative research (Moen, 2006). It is a type of case-study centered research that employs narrative inquiry between researcher and participants. The method utilizes various field texts including interviews, autobiographies, field notes, letters, conversations, photos and other artifacts as units of analysis to understand how people create meanings in their lives as narratives (Moen, 2006). Narrative inquiry captures personal and human dimensions of experience over
time, and takes account of the relationship between individual experience and cultural context (Connelly and Clandinin, 1990). There are different forms of narrative inquiry; some focus on presenting the ‘content’ of stories and presenting stories as is, others are focused on the ‘meaning’ of the story, while others try to achieve both (Etherington, 2004). Narrative case studies have been used as a tool for analysis in various fields, including organizational studies, sociology and education studies (Moen, 2006).

*Strengths*

The significance of the method is that narratives tell us how people assign meaning to their experiences; usually represented over a period of time, they reflect the social contexts that occur as individuals interact within changing political, social and cultural environments (Wertsch, 1991). The narrative case study method is important in ‘simplifying’ complex and multidisciplinary content that could lead to multiple derived meanings. As Ruby (1982) notes, the study of narratives has linked the sciences with history, literature and everyday life to reflect the increasing reflexivity that characterizes contemporary inquiry and furthers the postmodern deconstruction of the boundaries among disciplines and realms of meanings. Conceptualizing human beings as narrators to their own stories reveals and suggests solutions for analytic problems, that could be easily disguised in conventional theory-and-method debates about objectivity and validity (Sandelowski, 1991). Narratives may sometimes actually do a ‘better job in conveying complex information’ and offering a wide-ranging set of insights
that are sometimes ignored or depersonalized within academic or policy accounts (Elliot, 2005: 22), without comprising the complexity, politics and readability of development literature (Lewis, Rodgers and Woolwock, 2008).

**Limitations**

The question about the truth seems to be a recurring theme within the literature on narrative research (Moen, 2006; Gudmundsdottir, 1997; Connelly and Clandinin, 1990). Narratives can differ depending on to whom the stories are being told, and this naturally raises the question of whether the stories are true. Narratives present different subjective positions from which the researcher interprets the world, and is further limited by what was remembered and how it was experienced (Denzin, 1989). The question of truth further leads to the question of reliability and validity of information. Narratives may not always be reliable data in the sense of constituting a set of replicable and stable research findings, but they could still be ‘valid’ knowledge in that they may be seen ‘to reflect a different external reality’ (Elliot, 2005: 22).

**2.1.2. Foresight Methodology**

*Definition and Uses*

Foresight methodologies informs the thinking that occurs before strategic decisions are made (Conway, 2006). Slaughter (2004) points out that foresight seeks to develop a longer term framework for leaders, staff and organizations, and the output of good futures work is doing things differently, doing new things or expanding the perception of options available to make better and wiser decisions.
about the future. Foresight methodologies are frameworks for making sense of data generated by structured processes to think about the future (Conway and Stewart, 2005). That data could be collected from people or from the analysis of documents and artifacts, and could be analyzed using qualitative or quantitative techniques, or both (Conway, 2006). Voros (2003) shows that foresight methodologies can be classified into four levels, each with its own guiding questions: input: what is going on? analytical: what seems to be happening? interpretive: what’s really happening? And prospective: what might happen?

**Environmental Scanning**

There are several input methods used such as delphi approaches and environmental scanning (Conway and Stewart, 2005). This study will utilize environmental scanning. Environmental scanning is a planning technique for observing trends in the business environment using six thematic areas (social, technological, economic, environment, values), so that threats and opportunities can be identified early (Marx, 2006). It is a brainstorming tool used to provide a starting point for strategic discussions about the future (Popper, 2004). This tool is useful for problem solving, decision making, planning, crisis management and highly uncertain situations (Popper, 2004).

**Trend Analysis**

Analytical methods such as emerging issues analysis, cross impact analysis and morphological analysis are used to categorize the information obtained during the input stage (Conway, 2006). Cross impact analysis explores the impact of trends
on each other, and emerging issues analysis looks for existing themes and patterns already evident in society. The morphological analysis is used to identify and investigate the number of possible relationships contained in a multidimensional problem (Nguyen and Dunn, 2009). This study will utilize emerging issue and morphological analysis. Dator (1980) points out that emerging issue analysis explores the periphery of mainstream trends to identify drivers and signals that underpin the emergence of possible new trends (Dator, 1980). Interpretive methods seek to make sense of the information that has been collected by categorizing it in a more in-depth way, and trying to determine what system or structural interests are at work (Conway, 2006).

**Scenario Development**

Prospective methods such as scenarios, visioning and backcasting are used to develop alternative futures (Conway, 2006). Visioning is a method where a group focuses on identifying and scoping out a preferred future, and is often used by community groups and local government, while backcasting is a method that starts in a future world and people work backwards in time, exploring events and decision points until they reach the present (Conway, 2006). This study will utilize scenarios, and specifically, morphological analysis.

Scenarios are, essentially, specially constructed stories about the future, each one modeling a distinct, plausible world in where we might someday have to live and work (Mintzberg, 2005). Scenarios are internally coherent pictures of possible futures that can be used to obtain a number of different ends, from dramatizing
trends and alternatives to exploring the impacts and implications of decisions and policies, to providing insights into cause-and-effect sequences (Slaughter, 2004). Scenarios have long been used by government planners, corporate managers and military analysts as tools to aid in decision making in the face of uncertainty (Meitzner & Reger, 2004). Others like Wilkinson (1996) link scenarios with planning: “scenario planning can prepare us in the same way that it prepares corporate executives: it helps us understand the uncertainties that lie before us, and what they might mean. It helps us 'rehearse' our response to those possible futures and helps us spot them as they begin to unfold". Morphological analysis is a way of creating normative scenarios, from which a number of critical uncertainties are selected and given a set of variables, and through combining different variables, several future ‘worlds’ can be created (Nguyen and Dunn, 2009). Critical uncertainty is defined as that which is ‘unknown and unreliable but with the potential to significantly alter the course of events’ (Schwartz, 1991). There are as many scenario possibilities as they are combinations of various uncertainties. Too many critical uncertainties avoids a clear analysis while too few can lead to an oversimplified analysis (Nguyen and Dunn, 2009). Finding that compromise of too many or too few is based on the needs of the analysis.

Strategy Development

The scenario process offers a way of thinking creatively yet systematically about possible future environments, and of developing strategies and then testing them in these environments (Van der Heijden, 1997). Scenario planning derives from
the observation that, given the impossibility of knowing precisely how the future will play out, a good strategy to adopt is one that plays out well across several possible futures (Wilkinson, 2015). The more the foresight methodology has taken into account the context in its broadest, most integral sense, the more chance there might be of successful development of ‘good’ strategies (Conway, 2006).

Strengths

Foresight methods provide a way of making sense of an uncertain and complex future environment, so that meaning might emerge to inform decision making (Conway, 2006). There are two strengths of foresight methodologies. First, the integration of information about the external environment, both qualitative and quantitative, with information about the internal environment of an organization, and second, it is people focused as it requires knowledge, expertise and input from other people to generate the scenarios (Conway, 2006). Scenario planning is generally a collaborative rather than an individual activity, as it seeks to combine different ideas, expertise and thought processes. The many techniques within the foresight methodology make it flexible and easily adjustable to various tasks and situations (Meitzner & Reger, 2004). The challenge lies in choosing the right methods to drive the right outcomes for specific situations.

Limitations

Foresight is not only based on depth of methodology, it is also based on the expertise of the practitioner. Slaughter (2004: 165) also points out that an integral approach suggests that it is not only the depth of methodological approach that is
important but also the depth within the practitioner, suggesting that those involved in foresight need to continue to be self-reflective in their own inner thoughts and consciousness and think of how that influences their use of methodology. A deep understanding and knowledge of the field under investigation is absolutely necessary. Data and information from different sources have to be collected and interpreted which makes scenario building time-consuming and a complex process (Meitzner & Reger, 2004).

2.2. Research Design and Limitations

A) Narrative case studies

Narrative case studies were chosen to illustrate the challenges, actions and nuances of human beings as they interact with their social world. Narrative case studies were created from a compilation of online interviews with the founders of the social enterprises; the sources included newspaper articles, blogs and videos. The goal of the method was to learn from the people who have transformed innovative ideas into effective services and discuss the implications of their work on youth social entrepreneurs. The author engaged in a thorough process to identify four social enterprises to perform the in-depth analysis on. The criteria that was used to select the case studies was: -

a) highly representative of the key concepts of social entrepreneurship

b) ability to show the history and development in detail

c) diversity in age, gender and number of founders, type of sector and stage of organizational development and success
A few questions regarding social enterprises had been prepared ahead of time to answer the research questions in exploration. The information gathered from the interviews was synthesized into 18 questions. The questions were related to the history, characteristics, strengths and weaknesses of the social enterprise, and other questions were related to the aspirations, motivations and attitudes of the founder and the team in starting and running the social enterprise. The questions and detailed answers can be found in appendix C. What is presented in chapter four is a short narrative case study of each social enterprise, and a brief discussion of its relevance to youth social entrepreneurship.

B) Foresight Methodology

Foresight methodology will be utilized to create recommendations to grow the youth social entrepreneurship sector in Nairobi. Trends, drivers and signals relating to youth social entrepreneurship in Nairobi will be identified from chapter three, where the context has been discussed in detail. A trend analysis will be carried out to identify the critical uncertainties in the social entrepreneurial sector in Nairobi. Three scenarios will be created from these uncertainties, taking into account the interaction of the trends, drivers and signals identified. The process of identifying drivers, trends and signals, creating scenarios, developing strategies and deriving recommendations has been explained in detail in chapter four and appendix A.

Limitations

The research is limited by the development of social entrepreneurship as an
‘emerging’ phenomenon in African countries. Due to the ‘infancy’ of the sector, limited scholarly work has been supplemented by available practitioner, grey literature and non-scholarly materials. The researcher was not able to collect primary data on the case studies due to time constraints. Lack of primary data limited the ‘validity’ of the information presented in the narrative case studies, as the researcher was unable to have a first-hand understanding of the research. To mildly address this limitation, the researcher collected extensive secondary data on the case studies from a variety of online sources to verify the information found, and where possible, visited a key source of information, the ‘social enterprise’ website. It would be useful to replicate the research in the future with primary data from youth social entrepreneurs in Nairobi. Another limitation was carrying out foresight individually. Foresight is based on the ‘expertise’, understanding of the subject and context by the persons creating them. This method offers the best results when carried out in group situations and preferably, diverse groups, where various expertise, perspectives and mental models understanding of a situation could enrich a discussion. Thus, carrying out individual scenario creation and strategy development is a key limitation in this study, and it might be useful to replicate this study and create recommendations within a team setting. The study focused on social enterprises operating from Nairobi and within the formal sector in Kenya. This is a key limitation as Kenya’s informal sector is just as relevant as the formal sector. The challenge with informal sectors is the inability to obtain information as a result of the ‘hidden
nature’ of social enterprises operating within this sector. This is a key limitation as youth from urban slums who face high rates of poverty are mostly found within the informal sector. Also, rural poverty in Kenya is just as concentrated as urban poverty. The youth social entrepreneurs are from or operate within Nairobi, but their work on poverty reduction reaches both urban and rural areas in Kenya. Hence, the next section will assess the landscape of social entrepreneurship in Nairobi to understand its development and growth, and how that has affected its wider impact on poverty reduction and youth unemployment in Kenya.
CHAPTER 3: SOCIAL ENTREPRENEURSHIP IN NAIROBI

Introduction

This chapter will assess the social entrepreneurship landscape in Nairobi. This will be done through understanding the role that the environment plays in developing and sustaining social entrepreneurship, as well as identifying the opportunities and challenges that could support or undermine the growth of the youth social entrepreneurship sector. Factors that led to the development and growth of social entrepreneurship in Nairobi will be identified in this chapter, and will later be used to inform the foresight analysis undertaken in chapter four to develop recommendations to grow the sector. The chapter aims to respond to early acknowledgments by researchers within the field on the importance of the environment in understanding the nuances, actions and intentions of social entrepreneurs (Mair and Marti, 2006; Mair, 2008). As Mair (2008: 8) noted “social entrepreneurship phenomenon manifests itself differently in different contexts. As a result, the social entrepreneurial actor, researchers, policy makers or businesses have to situate the phenomenon in its context”. Santos (2012) adds that at a basic level, the environment creates the social needs and thereby the social opportunities that entrepreneurs or their agents can pursue. It also determines the legal recognition and forms of social enterprises, with important variations found across different countries (Kerlin, 2006; Peattie & Morley, 2008). At a deeper level, characteristics of the environment are likely to not only impact the possible emergence of social enterprises, but also many of the characteristics
of these ventures (Rivera-Santos et al, 2014). Despite the importance of the environment to the social entrepreneur, Bacq and Janssen (2011) found that the characteristics of the environment (i.e. the context in which the venture operates) has received limited attention among researchers. This is particularly true within African countries, where the information on the sector is already limited. Hence, this chapter will explore how the social entrepreneurship environment in Nairobi begun and how it has evolved; it will expand on the key factors that have led to the development, as well as sustenance of growth in this sector. Scholars have also recognized the role of government actions, quality of infrastructures and importance of formal and informal institutions on possible emergence and characteristics of social enterprises (Santos, 2012, Rivera-Santos, Rufín, & Kolk, 2012). Thus, before we focus in on Nairobi, it is crucial to understand the broader landscape of Kenya and the political, cultural, social and economic factors at play. This chapter will briefly explore the role of the government; the main entity responsible for poverty reduction and youth unemployment.

3.1. Government of Kenya

Poverty Reduction

Kimani and Kombo (2010) observe that a major reason Kenya is lagging behind in poverty reduction is the lack of understanding of the nature of poverty, among those developing, implementing and funding poverty reduction programs. This was a key lesson learned from the emphasized shared efforts between the government, civil society and private sector in developing the two key poverty
reduction strategies: the National Poverty Eradication Plan (NPEP) and the Poverty Reduction Strategy Paper (PRSP), produced under the umbrella of the United Nations’ Millennium Development Goals (Munyao, 2013; Nyamboga et al, 2014). Omiti et al (2002) argues that the poor are rarely represented in policy making and institutions fighting poverty at the grassroots level, and have been reduced to passive participants in their own development. In his TED Talk, Taking a new look at aid in Africa, Mwenda (2007) criticized African governments and donors for “throwing money at the symptom and not addressing the root of the problem”. Numerous policies designed over the years have lacked realistic poverty reduction strategies, while the few policies targeting rural and informal sector development rarely had enough political will and resource allocation to spur growth (Omiti et al, 2002). Very little efforts have been made by the governments to give ‘a political voice’ to the poor or work with communities to strengthen social and administrative structures on a local level. Nyamboga et al (2014) further adds that the central government is reluctant to delegate responsibilities to other stakeholders because of a fear of power sharing, mistrust of development institutions and a weakness in the capacities of the headquarters to support and assist decentralization units. Part of the reason the Kenyan government has a strong hold on development resources and a poor delegation of power to other stakeholders is its need to support ‘constant money laundering and protect the system of corruption’ in the country (Nyamboga et al, 2014). According to the recent Transparency International (TI) report ranking,
Kenya ranked among the most corrupt countries in the world (Kubania, 2016). Fengler (2011) adds that ‘corruption with impunity’ is still alive and well in Kenya, despite a public financial management architecture system that has greatly improved over time.

Another key challenge in poverty reduction lies in ineffective sectoral collaboration among institutions and weak linkages among organizations involved in poverty reduction programs, leading to duplication of efforts (Omiti et al, 2002). Implementation of these policies has also been a result of donor influence inherent in most of the state programs. To qualify for development assistance over the years, policies such as structural adjustment policies (SAPs) have been forced on the country but only a few of them have considered local institutions, community and the people benefiting from the program (Nyamboga et al, 2014). The result of such policies has been mildly successful or have failed. Fengler and Kharas (2010) note that despite the increase in the number of donors and aid flows to developing countries, aid has been declining in relative importance in most countries. The relationship between the Kenyan government and the donor community has been contentious. One of the reasons has been increasing aid fragmentation exposing the country to a high degree of aid volatility, due to the many players present on the aid scene in Kenya and many who exhibit the ‘stop-and-go’ behaviour of donors (Fengler, 2011). This has led to some Kenyans viewing the ‘participatory’ aspect in poverty reduction initiatives as a mere cosmetic participation of the government, NGOs and civil society engaged to satisfy donors’ interests rather
than genuinely addressing poverty (Omiti, et al 2002).

Addressing Youth Unemployment

Government of Kenya (2013) shows that among the priorities of the current government plan, Kenya Vision 2030, is job creation targeting unemployed youth. Two key strategies addressing youth unemployment in Kenya will be expanded upon: youth development fund and youth empowerment project.

Youth Development Fund

The Youth Enterprise Development Fund (YEDF) is a state-incorporated fund created in 2007, that seeks to increase access to capital for young entrepreneurs in order to reduce levels of youth unemployment in the country (African Economic Outlook, 2013). YEDF targets all forms of youth owned enterprises whether individual, companies, groups or cooperatives, and the fund disbursed is expected to be repaid back to the lending institutions (Odera et al, 2013). Unlike other development funds that filter through the central government, funds in this program go directly to local levels and thus, provide people at the grassroots an opportunity to access funds (Lagat et al, 2012). Within 3 years, the YEDF disbursed about KES 5.96 billion (Kenyan shillings) to over 315,000 group and individual enterprises all over the country (Odera et al, 2013). Although findings show that the loan was popular among urban poor residents, there is still a tendency to treat youth as a homogeneous group, which could end up isolating some young people who cannot fulfill the requirements such as business plan development and having an existing bank account (Odera et al, 2013). To improve
on the viability of youth enterprises, there is a need for the government to engage youth entrepreneurship training before and after the loans, and to provide the necessary market information to the youth so as to gain competitive advantage in their areas of operation (Lagat et al, 2012). Concerns about efficiency in utilization of program funds, the lack of adequate repayment structures and lack of repayment avenues is still a problem for YEDF (Odera et al, 2013).

Youth Empowerment Project

Another way the government has been addressing youth unemployment in the country is through the Kenya Youth Empowerment Project (KYEP), a $US60 million collaborative project with the World Bank. In collaboration with the Kenya Private Sector Alliance (KEPSA), the government implemented a pilot training and internship project in 2010 focused on private sector internships, training and capacity enhancement and policy development (Centre for Education Innovations, 2015). A key project outcome was to ensure that at least 50% of the interns are employed, or self-employed six months after the completion of the internship (Centre for Education Innovations, 2015). As of October, 2015, about 19,500 youth have completed the training within the project; 75% were employed or self-employed after the internship, but only 62% of these interns were still employed or self-employed six months after the internship (World Bank, 2016). Having broadly looked at how poverty and youth unemployment is addressed in Kenya, the next part will explore how the social entrepreneurial sector begun and how it has evolved within Nairobi city.
3.2. Tracing the development and growth of social entrepreneurship

In a 2011 Huffington post article, Jonathan Kalan, a Nairobi-based American journalist described young people pursuing social entrepreneurship in Nairobi as a generation looking to “make money, make a name for themselves and make a difference”. A J.P. Morgan survey pegged fund allocation in Kenya by social enterprise investors at US$650 million in the past five years (Wells, 2015). Nairobi has become a ‘go-to-city’ for locals or foreigners who would like to start businesses aimed at accomplishing some sort of social good, but this startup identity was unheard of a decade ago. So, what factors have led to the ‘spark’ in social entrepreneurial activity and what factors have maintained the growth of the sector in Nairobi? This section will identify and discuss the key factors responsible for starting and maintaining the wave of social entrepreneurship in Nairobi. The growth in the Information and Communication Technology (ICT) sector, and widening gap between the wealthy and the poor are the two main factors that have led the wave of social entrepreneurship in Nairobi.

Information and Communication Technology

Information and Communication Technology (ICT) has played a major role in driving social entrepreneurship in the city. In this part, ICT will be explored through two key aspects: internet and mobile phones. These two were chosen because they were the main factors for connectivity and growth within the social entrepreneurship sector in Kenya.
Internet and Mobile phones

One of the most compelling aspect of Kenya’s booming entrepreneurial and social entrepreneurial sectors is the lack of technology the city had about a decade ago. As Martin (2015) shows in the article, the Startup Ecosystem in Nairobi: the country had a minimal access to the internet and available services were only accessed through costly satellites in 2005, but the government’s policy commitment to information and communication technology (ICT) ‘changed the game’. ICT has led to double-digit growth in Kenya within the last ten years and currently makes up about 12% of the economy (Macharia, 2015). The policy created the physical infrastructure for innovation, connecting the country to sub-marine fiber optic cables that dramatically reduced the cost of internet access (Martin, 2015). Hruby and Coulter (2015) show that internet penetration in the country has jumped from less than 10% in 2008 to 49% in 2013. New studies show that 99% of the internet connection used in Kenya today is accessed via a smart phone and approximately 74 out of 100 Kenyans now own a cell phone and (Martin, 2014). The mobile phone has been hailed as a ‘game changer’ in leapfrogging development in Nairobi and many other cities in the developing world. Two mobile applications: M-PESA and Ushahidi were crucial in motivating and inspiring the startup and entrepreneurial crowd in Nairobi.

M-PESA, the mobile money transfer service that launched in Kenya in 2007 made it possible to create a system of technology platforms, even in places where there was a startling lack of technology to use (Martin, 2014). M-PESA granted access
to financial services for millions of unbanked people (Hughes and Lonie, 2007).

Some of the well-known social enterprises utilizing M-PESA are M-Farm, M-Shop and MedAfrica (Martin, 2014). The app, *Ushahidi* was developed by Juliana Rotich and other young people to track the 2007 post-election violence in Kenya, increase transparency and lower the barriers for individuals to share their stories (Schwab Foundation, 2013). Within the area of international development, *Ushahidi* app has been used to help aid workers in Haiti and Japan reach those affected by natural disasters, verify election results across Brazil and track teacher absenteeism in Uganda (Schwab Foundation, 2013).

**Widening gap between wealth and poverty**

While a majority of the poor in Kenya live in rural areas, there is still a significant population of poor that live in Nairobi and this is well understood by reflecting on the largest urban slum in the country, Kibera (IFAD, 2012; Munyao, 2013). 55% of Nairobi residents live in the slum and have limited or non-existent access to water, sanitation, housing, education and healthcare services (Muyia, 2014).

Nairobi provides a disturbing reality of a widening gap between the wealthy and the impoverished: a rising middle class with access to modern amenities and slum dwellers with poor access to basic needs live side by side. Sadly, the ‘business of poverty’ is booming in Nairobi. As Kalan (2011) notes, Kibera slum has become a challenge and opportunity for local and expatriate social entrepreneurs seeking to solve problems within poverty through innovation and entrepreneurship.

Increasing access to the internet and technology, and widespread use of mobile
phones and social media, has driven the development of the social enterprise sector, but the creation of an enabling environment for social entrepreneurship to thrive has been the most important element in growing this sector in Nairobi. The next part will expand on the opportunities and challenges that could support or undermine the growth of youth social entrepreneurship in Nairobi.

**Social, Educational and Funding support**

Nairobi start-up identity has been a result of the increasing hubs, think-tanks and incubators all over the city (Martin, 2014). A growing number of organizations have been developed to provide support to the startup sector in Nairobi. Incubators often focused on ICT but with a social emphasis have sprung up. Erik Hersman, co-founder of the iHub, one of the first hubs on the Nairobi startup scene, described it as “a space for techies to collaborate and produce innovative solutions for a range of problems and challenges” (Baghudana and Leis, 2015). Hubs are ‘breeding spots’ for many young people; they view technology as the quickest, practical and cost-effective way to launch their startup social entrepreneurial ideas (Martin, 2014). Startup hubs are one of the most important resources that the growing youth social entrepreneurship sector in Nairobi has (Martin, 2014). Here, successful, emerging and new entrepreneurs can mingle, share ideas, seek advice and guidance from like-minded individuals. With computers and resources for young people, hubs have become a hotspot that bring together young people who are wealthy, middle class and poor; the hubs are a place where the class line is not drawn, barriers are broken and a ‘just’ society is
created. Martin (2014) adds that social entrepreneurs ‘working in conjunction with a hub or incubator can increase the possibility of finding funding and investment’. Universities are increasingly providing incubation space and social enterprise curriculum for social and environmental innovation. Some of the universities include Jomo Kenyatta University’s UniBRAIN, KCA University’s Centre for Entrepreneurship and Leadership and Strathmore University’s iLabAfrica research centre (Baghudana and Leis, 2015). Developed in 2011 and based in Nairobi, SocEntLab is a think tank focused on building an ecosystem for social entrepreneurship all over Africa (Smith and Darko, 2014). The social entrepreneurial sector in Nairobi is increasingly receiving support in funding and mentorship from public and private sector organizations. The East African Social Enterprise Network (EASEN) is a network organization with headquarters in Nairobi that was established in 2010 to bring together players in the social enterprise sector and spearhead the sector’s growth (Chege and Gakure, 2010). U.S. President, Barack Obama announced the *Spark Global Entrepreneurship* during his visit to Kenya in July, 2015. This is an initiative committed to generating more than a billion dollars in private investment by the end of 2017 to support emerging entrepreneurs globally, half of which target women and young entrepreneurs (Saldinger, 2015). According to Venture Capital for Africa (2015), there are 22 venture funding organizations in Kenya. Venture capitalist firms like Ashoka and Acumen Fund have been essential in providing financial support, mentorship and advocacy support to Kenyan social entrepreneurs since the early
2000s (Smith and Darko, 2014).

**Infancy, Fragmentation and Weak Regulations**

While it is easy to get caught up in the optimism and excitement of solving social challenges, this ‘growing’ field in Nairobi is not without its challenges. There are many players within the social entrepreneurial space in Nairobi; incubators, venture capitalists and accelerators are ‘popping up left and right’, but the challenge lies in bringing all these players together to enhance collaboration, avoid duplication and to maximize social impact. Jim Sorenson, chair of the Sorenson Impact Foundation says that “if designed well, social enterprises have the potential to be a much more efficient vehicle for philanthropy. The barriers really are that we are still at a nascent stage where there is lots of activity but the lack of a robust ecosystem” (Saldinger, 2015). Poor government support of social entrepreneurship, weak regulations and the corruption of the Kenyan government could negatively affect the development of the social entrepreneurial sector. As Martin (2014) says “entrepreneurship can be strangled by burdensome regulations and corruption. It currently takes up to 100 days to become licensed to do work in Kenya and a cost that could be twice the equivalent of average annual income”. Many young people are cash-strapped due to debt and lack of a dependable income; these high expenses could deter youth from social entrepreneurship.

**Summary**

Social enterprises within Nairobi have developed as a result of some of the environmental challenges the locals face including worrying poverty rates,
ineffective and inadequate government social programs and a large informal economy. Creation of an enabling environment through educational and social support, as well as support from the public and private sector are the key factors that have developed and maintained growth of social entrepreneurship in Nairobi. Nairobi has the potential to grow a youth social entrepreneurship sector due to the availability of vast resources, but with fragmentation and without regulations to support or ease the growth of the sector, the ‘growth hype’ in Nairobi could become short-lived. Hence, the next chapter will expand on key findings that will illustrate the present and future environment of social entrepreneurship in Nairobi, and develop recommendations that can further grow the sector.
CHAPTER 4: FINDINGS

This chapter will expand on key findings that will illustrate the present and future environment of social entrepreneurship in Nairobi. This will be done in two parts. Part one presents narrative case studies that have been used to understand the present environment through summarizing factual stories of four youth social entrepreneurs in Nairobi. Part two presents a foresight analysis employed to understand the future environment through a creation of fictional future scenarios, used to develop strategies and recommendations that can grow the youth social entrepreneurship sector in Nairobi.

4.1. Narrative Case Studies

This part will present a compilation of case studies of four youth social entrepreneurs in Nairobi. These case studies are an opportunity to validate the assumptions that have been made throughout the study regarding social enterprises. The processes and behaviors of social entrepreneurs are critical in understanding the social enterprise, since the social entrepreneur is an initiator of social endeavor, while the social enterprise is the medium through which specific outcomes are achieved (Mataboge, 2014). Addressing a complex and entrenched social challenge can easily end up in descriptions of the problems and their numerous causes, but these case studies are focused on capturing the journey and assessing the solutions the social entrepreneur is proposing. The narrative case studies will be divided into three sub-sections: a brief introduction of the social enterprise, a factual summary and narrative of the social enterprise from the
perspective of the founder/s, and lastly, the relevance of the case study to youth social entrepreneurship in Nairobi.

4.1.1. M-FARM

Founders: Jamila Abass, Linda Kwamboka and Susan Oguya

Sector: Agriculture, Education and, Information and Communication Technology

Introduction

M-Farm app is an open crop trading platform created by Jamila Abass, Linda Kwamboka and Susan Oguya in 2010. It allows farmers to find out the value of their produce using their mobile phones, and enables them to connect directly to other farmers and collectively sell to buyers with improved bargaining power.

Narrative Summary

Jamila Abass entrepreneurial spirit begun at a young age. Jamila and her brother used to grow coriander and kales close to their home and sell it to their neighbors.

Jamila grew up in Wajir, a poor and arid region in the North Eastern part of Kenya, where pastoralism is the main source of livelihood for many. This is how she describes Wajir, “it is a place where most people live below the poverty line. There are people going hungry, others without enough clothes to wear and kids going to school without shoes”. Increasing farmers’ incomes so that they can afford basic human needs, afford to send their children to school and improve their lives and their families was the reason behind M-Farm. Jamila adds “farmers are working so hard but are still crying out to governments and
non-profits to improve their situations”. Through M-farm, Jamila, Linda and Susan had a goal to directly impact farmers by providing them with a tool that can empower them to improve their own situations.

Before the idea of M-farm was brought to life, Jamila had been working within the technology sector as a software engineer for the African Virtual University, a business development manager of the Akirachix, an IT forum for girls and a systems developer at the Kenya Medical Research Institute. At the tender age of 26, Jamila co-founded M-Farm. Although Jamila and her team understood the technology world, they found the business world difficult to navigate, especially in promoting their idea and bringing the product to market. As Jamila says “a majority of tech entrepreneurs like us are focused on the technology that we sometimes forget the importance of other aspects of business”.

In spite of this shortcoming, M-Farm just seemed to be the right app at the right time and in the right place. Jamila, Susan and Linda took part in IPO48 competition, a 48-hour tech bootcamp with 35 other participants seeking capital investment for their web and mobile startups; the team won the competition accompanied by a $13,000 in prize investment. The prize opened many doors for M-farm as it helped them garner seed funding of $100,000, half in grant and half in loan from the UK Charity TechforTrade.

When asked about winning the competition, Jamila says “being an all female team within the technology sector, it was timely and we were very lucky”. It was timely as the sector had witnessed a growing interest in technology among
African women, shifting the conversations to gender equality and increasing support for women in a sector that has traditionally been dominated by men. Jamila adds, “today is the best day to be a woman entrepreneur. The success of women entrepreneurs depends not only on our creativity, knowledge, and commitment, but also on an alignment of allies across government and business that progressively removes the structural obstacles to equality”.

Increasing farmers’ incomes through helping farmers help themselves was a key goal for M-Farm. The reduction in farmers’ incomes was mostly caused by the lack of information on other farmers, buyers and the agricultural market; this put them at a disadvantage when bargaining prices for their products with middlemen.

Thus, the role M-farm took on was to fill the information gap and increase farmers’ bargaining power of prices for their products. The biggest opportunity M-farm had at its launch was the increased connectivity in rural and remote areas; this made it easier for the tech app to infiltrate these areas. Getting farmers to start using the app was no walk in the park for Jamila, Susan, Linda and their team. The biggest roadblock they faced was gaining the trust of farmers as many of them were skeptical of the app. Many farmers had had bad experiences with services of a similar kind. There had been other trading platforms put in place that used high-end technology that farmers found difficult to use and access, or others set up by non-profits who ran out of money and left the farmers high and dry. Coming into this kind of environment, Jamila and her team had to employ a different strategy to attract farmers to their app. The team spent a substantial
amount of time on education. The team traveled to rural and remote areas, where most of the farmers lived to conduct several outreach programmes and publicity campaigns. The M-Farm app is mostly based on SMS; farmers can see real time market prices for their products through sending a message. Transfers of money between farmers and buyers is also done through the mobile payment technology, M-PESA that the app utilizes. Through SMS messaging, the app also disseminates information to farmers related to changes happening within the agricultural market. Thus, SMS messaging is a key component of the M-farm application. This made it crucial for Jamila and her team to train farmers on the SMS format, as many of them only used their phones for voice services.

After the first year, M-Farm had been able to attract a substantial number of farmers through outreach and education. But the huge hurdle of trust was still proving a challenge in increasing the number of farmers using the app. So, Jamila and her team partnered with NGOs working at the grassroots level who had been able to build close relationships with farmers. As Jamila describes it “partnership with 5 NGOs increased the number of farmers subscribing and paying for our services, from 2,000 farmers in 2011 to more than 7,000 farmers in 2012”.

Outreach, education and collaboration has played a critical role in the success of M-Farm, as it has led to increasing its acceptance and uptake among farmers. Currently, over 7,000 farmers use the service. The biggest success realized by M-Farm has been the doubling of incomes for most of its farmers, as well as offering a consistent, stable and direct market for farmers who are always sure
their produce will be sold. Although the app eliminated the role traditionally played by middlemen and got rid of existing jobs in the region, M-Farm as a company has employed 10 people in five cities who collect daily price information on 42 crops across Kenya. M-Farm also employs 18 agents who link smallholders with buyers; the agent’s job is to get the best price for farmers by organizing them to sell collectively in groups of 20 and 120. Although the agents play a similar role to middlemen, farmers trust them because the information is transparent and the agents are also M-Farm clients.

Scaling is easy for the app as it is a simple tool that can be used by any actor within the food supply chain seeking to connect with smallholder farmers. Thus, M-Farm hopes to extend its impact on a national and international scale on the demand and supply side. In the next few years, M-Farm would like to reach other smallholder farmers across Kenya and East Africa. M-Farm would also like to sell to buyers in the international market. As Jamila notes “I have spoken to large retailers in the UK who are keen on being more responsible in the way that they source their products”. The retailers believe that they are playing a vital and positive role in development by sourcing produce through a company that is transparent and accountable to its key customers, farmers.

Relevance to youth social entrepreneurship

This case study illustrates the importance of constantly learning the target market, and being open to change if the initial idea or strategy is not working. Jamila was
piloting the app in a familiar region where she understood the culture and the people. In spite of that, Jamila still experienced difficulties building the acceptance of the app among farmers in the region. For youth social entrepreneurs, constantly learning and re-learning is part of the social enterprise process. New ideas might not always be easy to implement and could be received with criticism. Learning to navigate cultural or societal norms is crucial to be able to effectively communicate an idea and its relevance to key customers.

4.1.2. JACARANDA HEALTH

Founder: Nicholas Pearson

Sector: Health and Education

Introduction

Jacaranda Health is a Kenya-based social enterprise founded by Nicholas Pearson in 2011, that combines clinical, business and technological innovation to create a fully self-sustaining and scalable chain of maternity clinics. The clinics provide affordable, high-quality maternal and child health services to poor urban women.

Narrative Summary

The idea behind the social enterprise was sparked when Nick met an obstetrician, his now-wife in Western Kenya, who described the death of a friend that occurred during childbirth that could have been easily avoided by better care. This story moved him to work tirelessly searching for a way to begin solving the complex challenge of providing high-quality care to low-income women through a
financially and sustainable business. That was the conception of Jacaranda Health. A hugely complex but an attainable challenge for a man who was neither a novice nor an expert in the field; Nick had already worked for several years for Acumen in East Africa, Vietnam and India investing in health-care centered businesses serving the urban poor. Well equipped with knowledge about health care and urban poor in Kenya as well as expertise in business skills, Nick Pearson was the man for the job. Undoubtedly similar as they both served the poor, Nick describes the reason he left the comfort of a well-paying job at Acumen Fund to try out a risky on-the-ground venture: “I enjoyed my work in private equity as I invested in people and saw the money, but I am more driven by seeing tangible outcomes, like happy customers and the clinics we build, and that was the difference with Jacaranda Health”.

Despite his wealth of knowledge and experience in the field, Nick still faced many challenges at the beginning stages of the social enterprise, as he had become involved in a sector that was highly fragmented and that had been under-invested by the government of Kenya for many years. He noticed that many interventions within maternal health care had been more focused on improving services, and less focused on delivering interventions quickly, making them affordable and in a way that makes women more likely to seek care. Nick adds that “investors within the health care sector are interested in clinics that have proper systems in place and that are looking to scale, since the health care sector is one that benefits from scaling and systems”. This was a growing pain for Jacaranda Health, as it
struggled to run the clinic successfully while experiencing high barriers of entry in capital and expertise.

The first hurdle of lack of capital was addressed through a seed grant received in 2012 from Saving Lives at Birth Partners. Jacaranda Health sought to overcome the second hurdle of lack of expertise and lack of market data by taking it up as a personal goal. Nick and his team took it upon themselves to address this gap by not only collecting data, measuring outcomes and operations of their own clinic, but also documenting how outcomes have been reached and sharing best practices with the broader maternal health community to replicate. As Nick says “our goal is to constantly learn, innovate and share lessons and tools with others in the global health community, and technology has been an important part of our innovation”. Jacaranda Health has employed technology in information collection through mobile phones and an online client database where patient care and outcomes are documented and real time feedback on maternal services is received. SMS messaging is also being employed by the clinic to send health tips to educate clients on postpartum health and family planning.

Nick adds that “technology is not the only part of innovation, quality improvement centered on patient evolving needs is just as important as demographics of cities are constantly changing. This makes it important to learn about client’s values and preferences, health seeking behaviors and willingness to pay for clinics to provide culturally appropriate and high-quality care, and to continue providing the same quality of care to patients every time they walk into our clinics”.
Hence, Jacaranda Health has focused on two related but different end goals: catering better to the evolving client needs, and providing an enjoyable and safe experience for all its clients. To achieve these goals, Nick and his team have been carrying out research involving women from peri-urban areas and their families to understand how to design and continually improve maternal services at the clinic. Even the name ‘Jacaranda Health’ and the slogan used were based on research input from the women. Another key outcome from the research was how much the clients were willing to pay. After interviewing many women, Nick and his team decided to charge about KSh 7,900 (US$95) for child delivery costs; this is about a fifth of the costs usually offered at private hospitals that charge between US$500 and US$600, where most of these women are likely to visit. As Nick observes, “it is common for people to pay out of their pockets for health care within these markets, and most of them prefer private providers”.

Nick recognizes that involving women in design and marketing within the clinic is not only good for business as more women visit the clinics, but it is also good for providing healthy birth outcomes. This has been witnessed since 2012 as Jacaranda Health has provided maternal health services to over 5000 women, delivered more than 500 babies and impacted the lives of nearly 2000 family members. The impact does not end there as Nick and his team hope to open more clinics across Nairobi, Kenya and East Africa. As Nick acknowledges “Jacaranda Health wants to become the biggest chain of maternity clinics in East Africa. The long term goal is to open 25 more clinics in about 5 years, but first, we want to
understand the geographies better, show momentum and attract investors”.

The constant involvement of clients in the clinic design and implementation has greatly improved services and played a significant role in the clinic’s overall success. Jacaranda Health has been recognized as one of only six health care facilities in Kenya to receive the highest quality of care rating from SafeCare, an accreditation recognizing quality health care delivered through safety, efficiency, data collection, innovation and sharing of outcomes. Jacaranda Health has also won several awards including the Center for Health Market Innovations, the top innovation in service delivery in East Africa, and Ashoka Changemakers award for maternal health innovation. Nick has also attributed the success of Jacaranda Health to the combination of technical and business expertise. He adds that “for social entrepreneurs to be continually successful, it is important for keep a simple business model to build a strong understanding of their target market”.

Relevance to youth social entrepreneurship

This case study has revealed the importance of employing user-centered design in the successful design and implementation of ideas in social enterprises. The largest benefit in employing user-centered design and implementation for youth social enterprises is a greater understanding of the target market, so that the social enterprise caters to a real societal need and produces better outcomes. The other benefit of user-centered design is the attraction of potential clients to the social enterprise. For youth social entrepreneurs interested in sectors such as health care
with high barriers to entry, it is important to have a willingness to constantly learn and update oneself on changing information on the sector locally and globally to remain informed and to stay innovative.

4.1.3. NAIROBI DEV (DEVELOPER) SCHOOL

Founder: Martha Njeri Chelimo

Sector: Technology and Education

Introduction

Nairobi Developer was founded in 2012 by 19 year-old, Martha Chelimo. It is a school that equips youth in East Africa with computer programming skills and helps them build technology based solutions to everyday challenges

Narrative Summary

It was not so long ago that Martha was going to join medical school on a scholarship. She says “that is the way things are in Kenya, if you are a straight-A student, your family expects you to go to medical school”. But while interning at an NGO at 19 years old, she became fascinated by how computers work. “It led me to ask questions and I turned to the internet for answers when no one could answer me, that is when I discovered my insatiable appetite for programming”, says Martha. Soon after, she applied to Hacker school in New York having raised about US$5,800 from an Indiegogo campaign to fund her schooling.

Unfortunately, she was denied a US tourist visa, on the grounds that she was unmarried and without kids and without social ties to return to Kenya. The
frustration motivated her to bring it to Kenya, Martha thought “if I cannot go to hacker school, then it is coming to me” and that sparked the idea of Nairobi Developer school.

Like many other enterprises at the beginning stages, Nairobi Dev School was not without its growing pains. Hoping to raise USD$50,000 from the crowd-sourcing platform, Indiegogo to start and run the school. Martha and her team only managed to raise about USD$15,000. Disappointed by the inability to raise enough money to run a free school in the first year, the team members that Martha worked with left. “On the first day, I was the only person doing everything from being the teacher, administrator, accountant and I asked myself, what have I gotten myself into”. A recently skilled master at coding, Martha found it challenging to run the school as she still lacked skills and experience in business and management. She notes that most startups do not fail because of a lack of technical skills, but a lack of essential skills to run a business. This is especially true for a young person without enough social support. Her family and friends were skeptical of Dev school as they felt that she had missed out on a ‘better’ and stable opportunity to pursue medicine. Without family, friends and support from the team, Martha described this as ‘one of loneliest periods of her life’. Without much support and lacking enough funds, she searched for creative ways to work on the low budget from tapping into the existing developer communities, and employing professional developers to mentor the students as they learned, to talking to companies to give Dev school old computers they did not use.
Similar to but not completely like Hacker School, Nairobi Dev school offers beginner’s courses for coders and programmers with resident and remote developer mentors to guide students as they learn. Martha describes the school as a ‘playground for autodidacts’ as it is based on self-directed learning with mentor support, within collaborative spaces with 15 other students. Dev school does not teach students how to code and become better programmers: a skill that is easily attainable through online tutorials. Dev school teaches students how to ‘work around the code’ to become better learners by owning their learning journeys and taking it up to themselves to do things. After recognizing that some students did not seek to be coders, programmers or software engineers, but were interested in being tech-preneurs, Dev school also began offering courses in entrepreneurship and communication. Although the school is not an incubator, it works closely with technology hubs within Nairobi, where students seeking further incubation and development of ideas are directed. Within the past four years, Dev school has ‘coded its way’ outside of Nairobi and Kenya, it has managed to reach 110 Kenyan youth and 44 South Sudan youth. A long term commitment to keep the spirit of learning alive in its students; Dev school has partnered with Treehouse, an online learning platform that gives its trainees a chance to continue learning even after the in-class courses are completed.

Martha also believes that coding is not a skill reserved for the select few but for everyone. Dev school has been reaching out to more women and providing financial support, where necessary, to address the gender imbalance within the
technology sector. She adds that “there is a myth that programming is too difficult for very young people to learn and it is only reserved for geeks, but I see it as a skill like drama, art or any other which can be acquired through training and nurtured creativity”. Currently, Dev school has an introductory course to computer programming for children between the ages of 8 and 16, but hopes to extend ‘working around the code’ to children in rural Kenya, by starting in rural schools with computer labs and reaching teachers who are passionate about technology to run labs and teach coding as a co-curricular activity.

A 19 year old running a developer school was unheard of in Kenya, so when it happened, Martha received a lot of media attention and social media support for Dev school. Despite her ‘quick rise to fame’, Martha found it difficult to secure funding for her school because she was too young and inexperienced. Many wondered what a young girl like Martha could offer to the developer world: “I had to work hard and prove myself to everyone and also prove that my idea was viable”, says Martha. It would be another year before investors showed interest in Dev school, and that only happened when the school was able to show tangible results. The investors ranged from individuals, small to large organizations.

Working with large organizations that were bureaucratic was a hurdle Martha found difficult to work around due to the difference in the pace of work. She adds that “I remember once being frustrated by a group we wanted to collaborate with because they kept dragging their feet. We met twice and talked things through, but I refused to go to the third meeting as I wanted to get things moving and not talk”. 
Although running Dev school has not been a walk in the park for Martha, she has been motivated by recognizing the small wins that have led to her bigger success. Her most recent accomplishment was becoming one of the finalists for the 2014 Anzisha Prize, Africa’s premier award for entrepreneurs between the ages of 15 and 22. Martha says that “the small successes I have achieved over time are what motivates me to do my best everyday and achieve more and more, since I succeeded once I believe I can succeed again and again”. She gives the same advice to girls and young women by saying that they should learn to stay motivated from their past successes, no matter how small. For young people, she emphasizes the importance of building credibility to attract investors, the right talent and partnerships to their social enterprises. Martha also draws her inspiration and motivation from other young people in the Kenyan Tech community working on projects that changing the lives of others. Martha recognizes the biggest challenge for her and so many other people working within technology, is the unpredictability and the rapid change in the sector. She describes it as “a risky and unpredictable industry where you can become irrelevant in a matter of days”.

Relevance to youth social entrepreneurship

This case study illustrates that age could work for and against youth social entrepreneurs. Martha’s story shows that her age increased her publicity, but her age was the reason she was unable to secure funding and find mentors or partners
for her social enterprise. It was not until she proved herself and gathered tangible results that she was able to secure investment for Dev school. Many youth social entrepreneurs lack the skills, experience and thus, do not instill confidence in funders that they will be successful.

4.1.4. IKOTOILET, a project under ECOTACT

Founder: David Kuria

Sector: Sanitation, Housing and Education

Introduction

Ikotoilet is a Nairobi-based social enterprise founded in 2007 by David Kuria to provide affordable sanitation facilities including public pay-per-use toilet and shower facilities within urban areas. Ikotoilet became a project under Ecotact, an organization established in 2008 to improve the urban and rural landscape through investing in environmentally responsive projects, including sanitation facilities in urban areas, schools and low-income settlements in Africa and globally.

Narrative Summary

*Changing culture and ultimately the way people live was David Kuria’s goal when he came up with a better solution to a social service that had long been provided by the government; making a toilet beautiful and safe to change how people thought about public sanitation services.* David Kuria says “I have always been the kind of person who enjoys thinking outside the box, coming up with innovative ideas and trying them out”. This curiosity was sparked in his first
post-graduate job as an architect with the City Planning Division of the Nairobi City Council. David describes his first job as dissatisfying and not making much of a difference, as his concern was with over 200 growing informal settlements in Nairobi that the municipal government did not seem to pay enough attention to.

His curiosity and creativity was nurtured when he worked as an urban environmentalist in an NGO under a director, Elijah Ngevi who did not embrace ‘business as usual’ and encouraged his employees to think differently. While he enjoyed the creativity and engagement with local communities that the job allowed him, he still questioned the top-down approach that left many communities dependent on donors and organizations in the long run. His professional experience and personal drive left him with a deep burning desire to make a long term impact in low-income communities, and this sparked the idea of Ikotoilet.

An idea like Ikotoilet that goes against the grain and challenges the status quo is certain to hit several roadblocks. As David says “our model was disrupting the system and we encountered so many barriers. It was difficult to get things off the ground as there were no clear regulations around privatizing social services, and there was no benchmark to convince banks to fund us”. David and his team searched long and hard for funding. A golden opportunity finally presented itself a year later when Acumen Fund gave Ikotoilet USD$1 million, a long term capital which was to be repaid in five years. This was a big break for Ikotoilet, as David began receiving grants and cash awards from various organizations including
East African Breweries Limited, Global Water Challenge, UN Habitat, Safaricom Foundation, and other local companies and banks that had been hesitant to fund them before. Despite this large fund in place for Ikotoilet, David and his team were still having a difficult time expanding their efforts due to cultural barriers and lack of government support. Privatized social services were unheard of in Kenya, and they were particularly unusual within urban slums. The next thing David did to overcome these huge roadblocks was a small tweak but it was nothing short of incredible. David put the City Council of Nairobi’s logo on all Ikotoilets he constructed. This slowly started changing people’s perception of Ikotoilets, and that happened because many people thought that the government was finally responding to their needs.

This gain in cultural acceptance made it easy for David to overcome the political roadblock. Once the government learned that slum dwellers were embracing Ikotoilets as a public service, they were happy to take the credit. This led to municipal city and political support and David was finally able to expand Ikotoilets within Nairobi. Providing a public service through simultaneously employing privatization and collaboration with the government is a tough row to hoe. David and his team figured out a way to work around this through employing a public-partnership model of building, operating and transferring. The model involved Ecotact getting into long term contracts with municipalities to use public lands to build toilets, the company would operate the facilities for five years bearing all the construction costs and then, relinquish ownership of facilities to
municipalities who will decide to operate themselves or extend contracts with Ecotact. This model seems to be working well so far. As David notes “today, we serve over 10 million people. So far, we have handed all the Ikotoilets in Nairobi Central District to the government. We are, however, still manning some of the facilities”.

Garnering support from the government and the private sector has been crucial for the success of Ecotact in Nairobi. That was not the only measure of success David had in mind when he started Ikotoilet. His dream was for Ikotoilet to also garner support from the slum dwellers. Simply more than a toilet for the locals, Ikotoilet also offers a sense of belonging and ownership, provides sanitation and hygiene education, and creates jobs. This has been achieved through employing a Toilet-Mall concept; a toilet with added innovative features that are supposed to attract users to facilities. Some of the innovative features are revenue generating services such as shoe shining, selling of newspapers and soft drinks that locals have been employed to carry out. In total, Ecotact employs about 120 Kenyans.

David thought that convincing people to pay for an already available and provided public service will be another strenuous task. Surprisingly, David found out that Kenyans were willing to pay for the toilet services. He adds “we began charging 5 Kenyan shillings (US$ 0.06) for each toilet use, but after revamping Ikotoilet, we raised it to 10 Kenyan shillings for toilet and shower use”. The intended impact of Ikotoilet to make a change in political and cultural realms has been realized. Ikotoilets have changed the hygiene infrastructure in Kenya by
starting conversations on a subject that was previously considered ‘off-limits’, and has done so with the support and involvement of the government. Ikotoilets are also making a change in the environmental sphere. Ecotact is reducing urban pollution by utilizing waste for biogas creation, and urea and compost as fertilizer for agricultural use.

This success has helped David achieve recognition on a local and international scale; he became an Ashoka Fellow in 2007 and won the Schwab Foundation’s Africa Social Entrepreneur of the Year Award in 2009. When asked what he attributes his success to, David responds “the success of Ikotoilet has been partly due to my openness to new ideas and challenges, and being comfortable to admit when I was failing and needed to seek other answers and solutions. I also have strong listening, negotiating and partnership building skills. I have met so many people from across the world who I have been able to be in sync with”.

When asked what advice he has for young people interested in social entrepreneurship, David responds “I think a lot of youth in Kenya are in a hurry to get rich, but that will not happen overnight. Growth and the ability to have influence takes time. Stay focused, utilize your best skills and abilities and you will achieve success”. Though Ecotact has been unimaginably successful and has achieved a lot more than David had envisioned, the social enterprise hopes to grow its success by scaling across Kenya, Africa and globally, and doing so without losing sight of its humble beginnings. Thus, the next step for Ecotact is to reach more areas without adequate sanitation facilities such as urban slums,
refugee camps and public schools. David hopes to reach this goal by connecting to more local and global players in public and private spaces.

Relevance to youth social entrepreneurship

This case study illustrates the importance of young people remaining confident in their ideas, but also being flexible to changes that may arise. The idea behind Ikotoilet remained the same but how it was delivered changed and grew through the years. For youth social entrepreneurs, not getting attached to an idea is important as a small tweak or a big pivot could make a difference in realizing better outcomes. Thinking of the purpose, intended outcomes and end goals of the social enterprise could potentially lead idea development in the right direction.

The next part will summarize the key themes presented in the case studies, and use that as a basis to discuss the implications on youth social entrepreneurship.

Implications on youth social entrepreneurship

The journeys, experiences and stories of the youth social entrepreneurs presented in the case studies differ in many ways, but they all share a few key personal characteristics that have contributed to their success. These key characteristics include diligence, confidence, persistence and a personal commitment to the social enterprise idea. Whether driven by passion or purpose, all social entrepreneurs have a personal attachment to their social enterprise idea. Being flexible enough to employ creative and innovative ways to address ongoing challenges was another key theme across all youth social entrepreneurs.
Jamila from M-Farm was driven by her personal experience growing up in a poor rural region, where she witnessed poverty first-hand. Jamila, Susan and Linda remained persistent and confident in their idea and the impact they will make on farmers and their families, despite the constant challenge of building trust and gaining acceptance of the app by farmers. An example of a time when the team was flexible and creative was when they realized that education and outreach was not enough to increase the number of farmers using the M-Farm app, they collaborated with several NGOs who had built close relationships with farmers over the years. Jacaranda Health was an idea that Nick was personally involved in due to his wife’s story. He remained persistent in his idea despite coming across challenges like high barriers to entry and gaps in research on maternal health, and kept his confidence in the impact he had envisioned on making within maternal health. An example of how Nick has been creative and innovative is through the use of digital technology and an online database to collect information and data to address the research gaps, share lessons and outcomes with the broader maternal health community. Martha Chelimo from Nairobi Dev school was persistent in pursuing her idea. Once she discovered her passion for coding, Martha became unstoppable. She applied to Hacker School in New York, which failed, then she started Nairobi Dev school which presented its own challenges from a low budget to minimal support from family and friends. In spite of these challenges, Martha remained diligent, and persistent and confident in pursuing her idea. An example of when Martha was creative and innovative was when she tapped into the
existing developer community to find mentors and asked companies for their old computers to use in her school. David from Ikotoilet was driven by a passion for solving difficult challenges through innovation, and a purpose of making a positive impact in the lives of low-income communities. He came up with Ikotoilet at a time when the social enterprise sector in Kenya had not taken off. Being one of the well known ‘pioneers’ in Nairobi, David paved the way for many in the sector. He experienced many challenges from poor cultural acceptance, lack of government support and lack of access to funding. In spite of that, he still remained persistent and confident in his idea. An example of how he employed creativity was putting the Nairobi municipal logo on all Ikotoilets around the city to attract more customers. For youth social entrepreneurs, developing a social enterprise idea they are personally invested in could prove important for success. Personal commitment in an idea could give them confidence, and keep them motivated to continue pursuing an idea despite obstacles and challenges. Another key theme across all case studies was the importance of well-developed technical and business skills for youth social entrepreneurs to realize success. Martha from Dev school said that most startups fail because of the lack of essential business skills more than technical skills. She was already well-skilled in coding and programming, but she found it challenging to learn accounting, administration and other business skills to properly manage and run the school. David from Ikotoilet had gained technical skills in sanitation, housing and working with low-income backgrounds from his previous work experiences. He
also managed to learn business-like skills through project design, management and evaluation at the municipality and NGO. David was well equipped with the core skills necessary to successfully run Ikotoilet. These skills also made it easy for him to navigate the complicated and blurred world of private and public sector partnerships. Nick Pearson from Jacaranda Health was already well-skilled in business and in securing funds for social enterprises from his experience working at Acumen Fund. He mentions the importance of a simple business model in realizing the success in a social enterprise. Although he was business-savvy and had knowledge and experience in the broad health care sector, he still lacked experience in the maternal health sector. When he found out that this sector lacked enough research, data and best practices which he could use to start the clinic, he employed user-centered design and research with the women and their families to design and improve maternal services at his clinic, understand the target market and share best practices with the broader community. Jamila from M-Farm mentioned that the key challenge most tech social entrepreneurs face is their lack of business skills. She describes her own personal challenge promoting the M-Farm app and bringing it to market. The key advantage M-Farm has is its simple business model; a simple tool that can be used by any actor on the food supply chain who would like to connect with smallholder farmers, and for multiple purposes. The app is used to share information on prices, conduct transactions and share new or updated agricultural information with farmers. For youth social entrepreneurs, continually keeping their business model as simple as
possible can result to continual success. The simplicity of a business model makes it easy for a social entrepreneur to clearly communicate their business to customers, attract talent and potential investors and partners. At its core, the social enterprise operates like any other business. Thus, it is important for youth social entrepreneurs, many of whom are a disadvantage due to a lack of skills and expertise, to develop business skills as much as they are developing technical skills, and to continually do so to keep up with changing trends and innovations in their various fields. Part two will combine these findings on narrative case studies with the findings on the social entrepreneurship environment in Nairobi from chapter three to carry out a foresight analysis.

4.2. Foresight Analysis

Part two presents a foresight analysis employed to understand the future environment of the youth social entrepreneurship sector in Nairobi through a creation of fictional future scenarios. The scenarios have also been used to develop strategies and recommendations that can support the growth of the youth social entrepreneurship sector. The process of scenario building and strategy development involves several steps.

A) Identify the purpose

The first step is identifying the purpose and end goal of carrying out the foresight analysis. In this study, the goal identified has been to grow the youth social entrepreneurship sector in Nairobi.
B) *Identify drivers, signals and trends*

The second step was identifying the drivers, signals and trends found in chapter three that relate to the purpose identified above. Drivers are what sparked the beginning of the wave of social entrepreneurship: these include investment by government in the information and communication technology sector, internet penetration and mobile revolution. Signals are the specific events that have occurred that show the increasing significance of social entrepreneurship in Nairobi: these include development of the East African Social Entrepreneurship Network (EASEN) in 2010, and U.S. President, Barack Obama choosing Nairobi as the city among others globally to hold the Global Entrepreneurship summit in 2015, where he also announced increasing funding and support for youth entrepreneurs in developing countries. Trends are the changes that have been witnessed in the past few years that show a positive or negative change within the social entrepreneurship sector in Nairobi. The trends include increasing social and educational support (growing hubs, think-tanks and incubators) and increasing funding support (growing local and foreign investors within the sector). Another key trend is increasing education among young people; this is changing the perception that young people have of their communities and countries, as many are beginning to see themselves as ‘initiators of change’ and are not just waiting for change to happen. Another key trend is the ability to employ mobile phones and other forms of easily accessible technology to create ‘simple’ solutions that make a difference, thus reducing the opportunity cost and allowing easy entry by
young people from lower income backgrounds. These signals, drivers and trends have also been listed in appendix A of this report.

C) Select scenario method to use

The third step is the identification of the scenario planning methodology. Morphological analysis was chosen to explore the varied future possibilities that can arise from the complex and multidisciplinary issue in question. Critical uncertainties are key challenges that could limit the realization of the end goal and purpose. Critical uncertainties are the key challenges identified that could make a difference between the success or failure of the goal achievement. They are also challenges that we are unsure about how they will unfold in the future, since they could either be positive or negative, thus making them uncertain. In this situation, the critical uncertainties were drawn from the key challenges that have a significant role to play in potentially driving growth or limiting growth in the sector, and involving or deterring youth were identified. The key challenges identified in the youth social entrepreneurship sector in Nairobi are limited awareness of the sector, fragmentation of the actors within the social entrepreneurship space, difficulty identifying social enterprises due to lack of a clear definition, use of the term ‘youth entrepreneurship’ to interchangeably refer to ‘youth business entrepreneurship’ and ‘youth social entrepreneurship’, and a lack of government support. Although they are all key challenges, not all of them are critical uncertainties. The critical uncertainties identified are government support, societal view of social entrepreneurship and relationships between the
actors in the social entrepreneurial space.

\textit{D) Scenario creation}

The fourth step was scenario creation. Scenario creation involves deciding and justifying which year in the future the scenarios will be based on. Foresight studies typically use a time horizon ranging between 20 to 50 years (Van Woensel and Vrščaj, 2015). Thus, the foresight analysis in this study has been set in 2036, which is 20 years from now. The year was chosen because it is not too far off in time; the world is expected to change but it might still involve some of the institutions and characteristics of our current world. After choosing the future year to base the scenarios on, three future worlds with different characteristics were created in the year 2036. The characteristics are the critical uncertainties that have now become certain through giving them a positive or negative attribute. The uncertainties in the future worlds are supposed to be certain so that we can create a close to realistic future scenario. Hence, using words like ‘negative’ and ‘increasing’ to denote certainty. An example is using terms like ‘poor’ government support and ‘increasing’ government support of social entrepreneurship: these are two different situations that could significantly change the direction of social entrepreneurship in Nairobi, but are two situations that are also likely to happen today or in the future. When deciding on the characteristics of each future world, we think of the ‘worst’ case scenario possible and the ‘best’ case scenario possible. The ‘best’ case scenario is usually the preferred future, while the ‘worst’ case scenario is usually the future we are trying to avoid. The
‘worst’ case and ‘best’ case scenarios are not supposed to be perfect in creation, because each one is supposed to reflect a realistic world, where positive and negative factors are always at play. In this study, the ‘worst’ case scenario includes characteristics such as ‘poor government support, a fragmented social entrepreneurship sector and a negative societal view of social entrepreneurship’, while the ‘best’ case scenario includes characteristics such as ‘increasing government support, a unified social entrepreneurship sector and a positive societal view of social entrepreneurship’. The third scenario was a ‘medium case scenario’ which involved both positive and negative characteristics. This scenario was also based on a probable future that is most likely to happen. The characteristics of this world are ‘poor government support, unified social entrepreneurship sector and a positive societal view of social entrepreneurship’. This is because the likelihood of the government to support the social entrepreneurship sector in Nairobi is unlikely due to corruption, competition for ‘donor resources’ and lack of clarity of what the sector entails. A unified social entrepreneurship sector was chosen due to the creation of the East African Social Entrepreneurship Network (EASEN) in 2010 whose key purpose is to unify all the players across the social entrepreneurship sector. A positive societal view of social entrepreneurship was chosen because the increasing social and educational support in Nairobi has the potential to change the perception of the sector, especially among young people. Scenarios, though fictionalized are supposed to be as close to reality as possible. Thus, the interaction of the drivers, signals and
trends identified above are also included in the future worlds and scenarios to improve the likelihood of the situation to happen.

E) Strategy development

The fifth and final step is the development of strategies. After each scenario is created, a strategy is developed to address the issues that have arisen in each world that could limit achieving the end goal of growing the youth social entrepreneurship sector in Nairobi. The best strategies will then be used as recommendations in this study. Not all strategies created will become recommendations. Choosing the best strategies involves selecting strategies that could make a significant difference to the end goal. Titles were also created for each scenario to reflect what the specific future world entails. The next part will present the three scenarios, starting with the worst case, followed by the medium case then ending with the best case.

Goal: Growing the youth social entrepreneurship sector in Nairobi

4.2.1. SCENARIO 1: NO MAN’S LAND

‘Worst’ case scenario

Characteristics of this future world: poor government support, a fragmented social entrepreneurship sector and negative societal view of social entrepreneurship.

In 2036, youth unemployment in Kenya has increased to over 80%. Few youth, especially those from well-to-do backgrounds have decided to take up social entrepreneurship as a career. Well educated and with access to
resources, these young people have no difficulties navigating the sector. They can easily access information, opportunities and funding in the sector as many are well-connected to professional networks and they can easily borrow a bank loan or ask money from family members to support their social enterprises. Youth from lower-income backgrounds who try to take up social entrepreneurship are deterred as the opportunity costs are really high, and it is really difficult to navigate the sector as they lack information, skills and the connections.

Government support for the sector is non-existent. Local support for youth social entrepreneurs exists but it is minimal, but there is still support from foreign venture capitalist organizations like Ashoka, Acumen and a few international organizations. The East African Social Enterprise Network (EASEN) is no longer in existence as social entrepreneurship has not grown much in the country. There is a stigma attached to social entrepreneurship as a temporal unstable job. Hubs, incubators and think tanks no longer exist, as most of youth no longer utilize these resources. Most youth who are well-educated or from well-to-do backgrounds prefer stable, well paying and permanent jobs in a company or within the government. Unfortunately, these jobs are few and the competition is high. Youth from low-income backgrounds are struggling to make ends meet as they balance multiple jobs from the informal sector, that leave them overworked and underpaid.

Many youth from low-income communities feel like they have been denied opportunities as they work twice as hard to earn a few Kenyan shillings. With debt piled up from school loans and families they cannot afford to feed, many
youth are frustrated, angry and find themselves in ‘no man’s land’. This causes the youth from urban slums to take up a life of crime to try and improve their situations. Insecurity is probably at its worst in Kenya as the increase in armed robberies, kidnappings and terrorism have soared in the country. In ‘No Man’s Land’, youth social entrepreneurship has decreased, youth unemployment has increased, and that in turn has substantially increased poverty in Kenya.

Strategies

- Interventions targeting youth from urban slums and other low-income communities should be developed. Actors in this space should seek to raise the economic and social well being of the youth through skills development, and access to capital and financial services
- Carrying out outreach campaigns as well as increasing education about the sector to change the perception of social entrepreneurship, and increase the likelihood of young people considering it a long term career

4.2.2. SCENARIO 2: STRICTLY BUSINESS

‘Medium’ case scenario

Characteristics of this future world: poor government support, unified social entrepreneurship sector, a positive societal view of social entrepreneurship

In 2036, youth unemployment in Kenya has decreased to about 40%. East African Social Enterprise Network (EASEN) has been around for over 30 years and has become successful in bringing players in the social enterprise sector from
education, funding and other areas together. EASEN has also been successful in changing the view of social entrepreneurship in the country. EASEN has invested heavily in education, outreach and promotion of social entrepreneurship across Kenya and East Africa, and this has changed societal view of social entrepreneurship to be more positive. Even though social entrepreneurship has become well accepted across the country, government involvement in the sector is almost non-existent. This is partly because there is an influx of players and support within entrepreneurship in Nairobi, and most of them are from the private sector. The influx of funders make entrepreneurship a viable career choice for many youth, but also reduces the commitment to social entrepreneurship as many youth are attracted to business entrepreneurship where they will realize profits faster. With power and influence that has been developed over many years, EASEN offers many resources and connections to youth. This comes at a price as youth have to pay a monthly membership fee to access the benefits of being in the EASEN network. EASEN has become selective of particular ideas to incubate and support, as well as selective of which young people can join the network. Those who cannot afford to join the EASEN network, seek membership in the smaller organizations in the city providing some support to youth. For youth social enterprises without support from EASEN, their social enterprises become short lived or take much longer to realize success. Without government support to regulate the social entrepreneurship sector, it has slowly become just ‘another business’ as youth are taking part in entrepreneurship, but it is still difficult to
know which youth are taking up social entrepreneurship and how much impact is being made within poverty. In ‘Strictly Business’, youth social entrepreneurship has slightly increased, youth unemployment has decreased and this in turn has slightly decreased poverty in Kenya.

**Strategies**

- Creation of a legal entity that recognizes social entrepreneurship as a separate sector. Using youth entrepreneurship to refer to ‘youth business entrepreneurship’ and ‘youth social entrepreneurship’ could limit the growth of social entrepreneurship as business entrepreneurship is profitable, mainstream and better understood. Thus, young people could be swayed towards business entrepreneurship and deterred from social entrepreneurship

- Promotion of social entrepreneurship and its benefits among young people, coupled by increased mentorship and support for young people in social entrepreneurship from public, private and non-profit players

**4.2.3. SCENARIO 3: UP FOR GRABS**

‘Best case’ scenario

Characteristics of this future world: increasing government support, a unified social entrepreneurship sector, a positive societal view of social entrepreneurship

In 2036, youth unemployment in Kenya has decreased to about 20%. Over the years, the youth social entrepreneurship sector has increased significantly all over the country, partly due to the efforts of the East African Social Enterprise
Network (EASEN). The East African Social Enterprise Network has found a way to effectively bring together players from the private and public sector. EASEN has become a strong lobbyist group for the social enterprise sector. After several years of lobbying to the government, it has finally proved successful. The government has realized the importance of the social enterprise sector in addressing poverty and other social issues in Kenya. The government still plays a key role within social development, but it is increasingly collaborating with social enterprises to reduce poverty and have social impact. The government has created regulations that support the development of social enterprises and a legal entity that recognizes social enterprises. The government has also increased funding to social enterprises, which are mostly given on a competitive basis. The downside is that the government of Kenya is still corrupt. Funding and collaboration with youth social enterprises are also been used as a form of social control. Youth social enterprises that collaborate with the government have begun to develop bureaucratic like characteristics; spending more time trying to increase funding and other resources and less time on their end goal, which leads to slower or no realization of poverty reduction. EASEN and the government have played a key role in promoting the sector, and this has increased awareness of the sector as well as changed the perceptions of social entrepreneurship in Kenya. There are many social enterprises within and outside of Nairobi, and many actors and supporters within the sector. Local and foreign support and funding has increased from the public sector, non-profit sector, venture capitalist firms and other private
sector players within Kenya. Hubs, think tanks and incubators are scattered all over Nairobi, have spread to other Kenyan cities and have even been developed in peri-urban areas. Increased funding and support in the sector is attracting anyone and everyone to social entrepreneurship, and it is up for grabs as the sector has proved to be ‘where the money is’. The downside is that it is difficult to know who is and where impact is being made in poverty reduction, as some of the youth and actors in the space are out to ‘get a piece of the wealth’ in the rapidly growing sector. In ‘Up for Grabs’, youth social entrepreneurship has increased significantly, youth unemployment has decreased significantly and this in turn has substantially reduced poverty in Kenya, but there is still more work that needs to be done.

Strategies

- A ‘hands off approach’ and minimal support from the government; it could support the sector through the provision of regulations and policies that ease the process for social enterprises at different stages of development. Too much government control in the sector could undermine the efforts of social entrepreneurship, as the ‘fast flexible’ nature of the sector could be constrained by the bureaucracy and inefficiency of government systems.
- The significant increase in support and funding for youth taking up social entrepreneurship is luring for many but youth social entrepreneurs should aim to build mutually, beneficial relationships that are responsive, effective and
non-dependent with other key development players to avoid diverting away from their key goal of poverty reduction.

**Strategic Recommendations**

Having created three possible future scenarios and developed several strategies to address challenges in each future world, recommendations to support the growth of the youth social entrepreneurship sector in Nairobi will be developed from the strategies. The recommendations that can support the youth social entrepreneurship sector include the government creating a legal entity that recognizes social entrepreneurship as a separate sector, creation of regulations and policies that ease the development of social enterprises, increasing support for youth from players within the public, private and non profit sectors, increasing promotion and awareness of social entrepreneurship, and the development of mutually beneficial relationships between youth social entrepreneurs and other key development actors.

*First, the government creates a legal entity that recognizes social entrepreneurship as a separate sector.* This is crucial as the use of the term ‘youth entrepreneurship’ to refer to both ‘youth business entrepreneurship’ and ‘youth social entrepreneurship’ could limit growth in the social entrepreneurship sector. This poses a challenge for this growing field due to the differences in motivations, and impact on outcomes and results between these two forms of entrepreneurship. Financing from the private sector players who prioritize profit-making could also sway more youth towards taking up business
entrepreneurship. Lack of clarity of social entrepreneurship could easily attract young people to the more well known and profitable ‘youth business entrepreneurship’ and deter them from taking up social entrepreneurship.

**Second, creation of regulations and policies that ease the process of new, developing and growing social enterprises.** The government could support the youth social entrepreneurship sector by taking a ‘hands-off’ approach in supporting the sector. Too much government control in the sector could undermine the efforts of social entrepreneurship, as the ‘fast flexible’ nature of the sector could be constrained by bureaucracy and inefficiency inherent within government systems. In turn, this could also slow the realization of poverty reduction by social enterprises and deter youth from taking part in the sector.

**Third, increasing support for youth from players within the public, private and non profit sectors.** The support could be in the form of funding, resources and mentorship for youth social enterprises at different stages of development. The support should also be segmented for youth of different socioeconomic backgrounds, as their needs could sometimes vary. The public, private and non-profit sector have different expertise to offer to youth and to social enterprises, and their involvement could foster positive long term growth in the sector.

**Fourth, increasing promotion and awareness of social entrepreneurship.** This is likely to change the perception of social entrepreneurship within society to be viewed in a more positive light. That in turn can change its view from a temporal job to a permanent job and increase the likelihood of young people considering
social entrepreneurship a long term career.

Fifth, youth social entrepreneurs should aim to develop mutually beneficial relationships with other key development players that are responsive, effective and non-dependent. Many social enterprises are usually small and require support from other key development actors to reduce poverty, especially on a wider scale. Youth are more likely than older people to lack experience navigating the complex world of ‘politics and economics’ in development. This makes it crucial for youth social entrepreneurs to be wary of the partnerships they make with development actors, to ensure that the impact they would like to make within poverty and through the social enterprise is realized.
CHAPTER 5: DISCUSSION

This chapter will present a detailed discussion of the key findings to the research question found across all chapters in this study. First, the research question and sub-questions will be restated. Second, the sub-questions will be addressed under their specific headings. To reiterate the research question: ‘can social entrepreneurship be an effective framework in simultaneously addressing youth unemployment and poverty in Kenya?’ The sub-questions are: First, what key challenges limit the effectiveness of poverty and youth unemployment interventions in Kenya? Second, is the social entrepreneurship framework effective in addressing poverty and youth unemployment in Kenya? Third, how can we foster the growth and success of the youth social entrepreneurship sector in Nairobi?

Question one

What key challenges limit the effectiveness of poverty and youth unemployment activities in Kenya?

The key challenges that limit the effectiveness of poverty reduction and youth unemployment activities in Kenya were identified. The key limitations in addressing poverty were the generalization of the poor and poverty, and the lack of ‘voices’ of the poor in poverty reduction interventions. The concept of poverty within international development has been discussed and debated by scholars, practitioners and the public for many years, but there still has not been a consensus on what it entails (Rostow, 1960, Edwards, 1989; UNDP, 1990; Green,
2008; Sachs, 2005, Edwards, 1967). This is partly because poverty is a complex, multidimensional, relative and dynamic concept rooted within systems embedded in economics, politics and discrimination. The major reason Kenya is lagging behind in poverty reduction is the lack of understanding of the nature of poverty, especially among those developing, implementing and funding poverty reduction programs (Kimani and Kombo, 2010). The poor in Kenya are rarely represented in policy making and institutions fighting poverty at the grassroots level, and have been reduced to passive participants in their own development (Omiti et al, 2002). In the case studies, Ikotoilet and M-Farm show how the exclusion of the poor can limit the success of poverty reduction projects. The case study on M-Farm shows that governments and some NGOs have been involved in improving the situations of farmers and their families for many years, but it has been to no avail, as their situations has not changed substantially despite these efforts. In Ikotoilet, some of the projects that David carried out while working in the municipal government and the non-profit had limited to no success, as the issues within poverty were not well understood, hence not well tackled by these actors.

The key limitations with addressing youth unemployment are similar; many youth do not have a ‘voice’ in the design and implementation of youth policies and programs, and most youth policies and programs treat youth as a homogeneous group. Young people make up the majority of the population in Kenya, but many are still on the periphery of political and economic decision making (Njonjo, 2010; Kaane, 2014). To realize success of youth programs, there is still a need to target
the different youth segments from urban youth, urban poor, rural youth and marginalized youth (Mastercard Foundation, 2013; USAID, 2013). A lack of a ‘youth voice’ in policies and programs targeting young people is a key factor impeding youth employment (Brixiová, Ncube and Bicaba, 2014). Within Kenya, the Youth Enterprise Development Fund (YEDF) that targets youth entrepreneurs in the country has had some success, as it has increased fund access to youth entrepreneurs from lower-income communities due to its bottom-up approach to unemployment. Overall, YEDF still faces other key challenges that have limited its effectiveness in addressing youth unemployment. One of the key reasons is the fund’s treatment of youth as a homogeneous group, leading to exclusion of youth with limited education, limited business skills, lack of collateral or credit history and lack of information access (Odera et al, 2013).

**Question two**

**Is the social entrepreneurship framework effective in addressing poverty and youth unemployment in Nairobi, Kenya?**

The social enterprise framework will only prove effective in addressing poverty and youth unemployment if it can properly address the key limitations identified above. The social enterprise framework has been found to include the ‘voices’ of the poor (Uglova, 2015, Dees and Fulton, 2006) and ‘voices’ of youth (UNICEF, 2007; Mnguni, 2014) in the design, implementation and evaluation of programs and services. The social enterprise framework has also been found to address the issues of poverty and youth unemployment on a context by context basis by
manifesting itself differently in local environments (Rivera-Santos et al, 2014; Mair, 2008). Three findings on how the social enterprise is an effective framework in simultaneously addressing poverty and youth unemployment were identified. First, the social enterprise framework simultaneously employs youth, employs the poor, positively impacts youth and reduces poverty in low-income communities. Second, the social enterprise framework values the ‘voices’ of the poor and youth in services because the inclusion is crucial for its success as a business and success in realizing the social impact. Third, the social enterprise framework can adapt easily to the diverse needs of the youth and the poor in various local contexts due to its flexible and innovative nature.

The social enterprise framework simultaneously employs youth, employs the poor, positively impacts youth and reduces poverty in low-income communities. Mnguni (2014) and Mataboge (2014) found that social enterprises have a positive impact on youth unemployment. When youth engage in self-employment or employment within social enterprises, it is more likely to have an overall positive impact on the individual, community and society (UNICEF, 2007). Youth engaging in self-employment are more likely to hire other youth or community members, reducing unemployment even further. Dees and Fulton (2006) show that social enterprises have increased the participation of the poor within the market in a healthy, constructive and beneficial manner. Within the case studies, the social and economic benefits of the social enterprise to the youth and the poor have been illustrated in M-Farm and Ikotoilet. M-Farm has been founded by three
young people: Jamila, Susan and Linda, and has employed 10 other people in five cities across Kenya who collect daily crop price information for farmers. M-Farm has also employed local community members; 18 agents who link smallholders to buyers. M-Farm reduced poverty by increasing the incomes of over 7000 farmers who use the service, as well as offering a stable and direct market for produce to ensure that the incomes of farmers are consistent. Ecotact, the organization the Ikotoilet project is under employs 120 Kenyans; some of these employees are locals from the community employed to run services like shoe shining, selling of newspapers and soft drinks. Ecotact has reduced poverty by impacting over 10 million people with Ikotoilets and carried out education and outreach on sanitation and hygiene.

Second, the social enterprise framework values the ‘voices’ of the poor and youth in services because the inclusion is crucial for its success as a business and success in realizing the social impact. Katzenstein and Chrispin (2011) point out that for social entrepreneurs working within poverty alleviation activities to realize success, they always have to make the sale to their key customers: the poor. Hence, social entrepreneurs have no choice but to include the poor in their decision making process. Andrew Youn of One Acre Fund shows that when low-income populations pay for services, it gives them power to make decisions on the design and delivery of services affecting them, but it also makes the services created much more cost-effective (Uglova, 2015). Including the poor in services that affect them is important in achieving better outcomes for social
enterprises and understanding the issue of poverty so as to properly address it. As Easterly (2007) argues “home grown development is the only kind that works and only the local people themselves can climb their way out of poverty”. Mastercard Foundation (2013) and USAID (2013) have highlighted the importance of targeting programs to various youth segments for more successful outcomes. Mastercard Foundation (2013) and Brixiová, Ncube & Bicaba (2014) have recognized the importance of including youth in the design, implementation and evaluation of youth programs and policies for success. Inclusion of the poor and youth in service design involves employing some of the bottom up approaches discussed in the study. For social enterprises, ideas such as ‘participation’, ‘empowerment’, ‘partnership’ and ‘sustainability’ are simply not buzzwords (Cornwall and Brock, 2005) as putting them in practice increases the chances of success. The case studies illustrate how employing some of these ideas can increase the chances of success, while not employing them could reduce the chances of success of a social enterprise. Some of the ideas that were used within the case studies are participation, empowerment and social capital.

‘Participation’ as described by Midgley (1995) was used to analyze the case studies: it emphasizes that people themselves are ‘experts’ of their own problems and should be actively involved in working out strategies and solutions. Nick at Jacaranda Health employed participatory approaches to realize success. Nick viewed women and their families as ‘experts’ of their own problems and actively involved them in developing solutions and strategies for the clinic. User-centered
design, client feedback and patient outcomes have been important learning tools for Jacaranda Health and the broader maternal health community.

The ‘empowerment’ approach described by Friedmann (1992) was used to analyze the case studies. Friedmann (1992) defines empowerment as three kinds of power that could potentially move poverty beyond the economic well being: social power (access to information and skills, participation in social organization, and financial resources), political power (access by individual household members or taking collective action in decision making processes) and psychological power (self-confident behaviour arising in the successful action in the above domains).

The case study on M-Farm shows its primary goal was to empower the farmers by helping them help themselves. Through the app, Jamila and her team were able to social empower farmers by providing information and skills that were inaccessible before, giving the farmers the ability to make better decisions individually and collectively regarding the prices of their products, which eventually increased their incomes. The success of M-Farm was realized when they achieved this primary goal which was measured by the increase in the number of farmers using the app. The case study on Ikotoilet shows that David’s end goal was to empower the poor to become active contributors in poverty reduction. Social empowerment in the case study happened when the slum-dwellers were provided with access to financial resources, information and skills through education on sanitation and hygiene and provision of employment opportunities, to involve them in the reduction of poverty. Political and psychological empowerment were witnessed in
increased decision making on Ikotoilets through promotion of the local ownership of Ikotoilets among individuals and communities in urban slums.

‘Social capital’ as described by Robert Putnam (1995) was used to analyze the case studies: it refers to the networks of relationships of trust and civic responsibility that can accumulate among members of a community over a long period of time, enabling the effective functioning of society. Its importance as an essential part of the success of youth within social entrepreneurship was highlighted in the studies by De Gobbi (2014) and Mnguni (2014). Within the case studies, the importance of social capital in realizing success was highlighted in M-Farm and Nairobi Dev School. Jamila, Susan and Linda found the promotion of the M-Farm app among farmers to prove difficult due to the lack of trust. At first, the team employed education and outreach to increase the acceptance of the app among farmers, and it was mildly successful. It was not until they collaborated with local NGOs who had worked with farmers for many years that M-Farm saw a rapid increase in the number of farmers signing up to the app. This is because the NGOs had build trust with the farmers through social capital. The case study on M-Farm shows how tapping into social capital can make a huge difference in the success of social enterprises. As the study by Mataboge (2014) shows, the success of the social enterprise is dependent on building credibility and trust within the communities one is working in. Nairobi Dev school shows how the lack of social capital could reduce success, while having social capital could increase chances for success in social enterprises. At the beginning of Nairobi Dev
School, Martha’s team left because they were not able to raise enough money to start and run the school. Without a team and with minimal support from family and friends, Martha found herself in a challenging situation where she had to play the roles of being an administrator, accountant, teacher at the same time at the school. Luckily, she had been able to build social capital with the wider developer community, and was able to recruit a team of mentors from this community to help her support the students. When she found out that some of her students were interested in incubating and developing their entrepreneurial ideas in technology, Martha directed them to the technology hubs within Nairobi. This was beneficial for Martha as it led to the eventual increase in the number of students attending Dev school. Seeking help from family and friends or tapping into the local community for support could play a pivotal role in success; this is particularly important in the initial stages of a social enterprise when resources are limited. This could range from direct support such as monetary and provision of skills the enterprise lacks, or indirect like emotional support. Despite not having much support from family and friends, Martha was able to employ her connections with the wider developer community to realize success for Dev school.

Third, the social enterprise framework can adapt easily to the diverse needs of the youth and the poor in various local contexts due to its flexible and innovative nature. Within poverty, Navarro (2015), Angus Deaton emphasizes that poverty is relative and the poor are understood best in their social, economic and political contexts. Within youth unemployment, the diversity of the youth population
ranges from urban youth, rural youth, marginalized youth to urban poor youth among others, and this highlights the need to segment programs that cater to youth in their various social, economic and political contexts (Mastercard Foundation, 2013). Mair (2008) adds that the social enterprise framework manifests itself best in its specific social, economic and political contexts. The flexible nature of the social enterprise makes it able to change, adapt and innovate easily within various environments. Katzenstein and Chrispin (2011) point out that social enterprises can be innovative and flexible in project and program delivery because they operate mostly within the private sector where budgets are more flexible, perspectives are more open and time is constrained. Within the case studies, Nairobi Dev school highlighted the issue of treating youth as a homogeneous group. Dev school solely provided ‘creative’ coding programs at first, but Martha later found out that the students had diverse needs. Some students were learning how to ‘work around the code’ to find employment with the technology companies within the city, while other students were learning how to ‘work around the code’ to become technology entrepreneurs. That is when the school introduced entrepreneurship and communication courses to cater to this need.

**Question Three**

*How can we foster the growth and success of the youth social entrepreneurship sector in Nairobi?*

Three key findings were identified that could potentially support the growth and success of a youth social entrepreneurship sector. First, creating a network of
resources for youth such as facilitating a network of knowledge sharing and collaboration, skills training and technical assistance, mentorship, support in idea development and providing access to funding (UNICEF, 2007; Brixiová, Ncube & Bicaba, 2014; Chigunta et al, 2005). Second, increasing awareness of social entrepreneurship and promotion of positive societal perceptions of the sector (Mataboge, 2014; Brixiová, Ncube & Bicaba, 2014; De Gobbi, 2014). Third, creating an enabling environment that promotes the development and growth of social enterprises through engaging the public, private and non-profit sector, as well as creating the right incentives for markets and governments to make the necessary investments (Mnguni, 2014; Brixiová, Ncube & Bicaba, 2014; MasterCard Foundation, 2013). The methods that have been used to create key actions that can drive change in the youth social entrepreneurship in Nairobi include the three horizons growth framework, Doblin’s 10 types of innovation and Lewin’s 3 step change model, and they have been discussed in detail in appendix B of the study.

First, creating a network of resources for youth such as facilitating a network of knowledge sharing and collaboration, skills training and technical assistance, mentorship, support in idea development and provision of access to funding. In Nairobi, a supportive social and educational system for social entrepreneurship has increased the engagement of young people in the sector. Increasing hubs, think-tanks and incubators (Martin, 2014) as well as the East African Social Enterprise Network developed in 2010 are some of the important resources that
the growing youth social entrepreneurship sector has. Within these spaces, youth are able to access information, networks and mentorship that support and motivate them to incubate, develop and find funding for their ideas, or increase their engagement in the social entrepreneurship sector. Key advocates in the social entrepreneurship sector like SocEnt lab and East African Social Enterprise Network could collaborate with think tanks and schools providing education within social entrepreneurship to identify new and emerging talent, and connect young people who are seeking to build experience in the sector with opportunities. Advocates could collaborate with incubators and hubs that are supporting youth in the development of social entrepreneurship ideas, and provide support in additional areas like funding and mentorship. A key action that can be taken is creating a website focused on employment within social entrepreneurship; this will be used to connect employers seeking new talent, and job seekers seeking to gain or utilize their experience, and provide courses and resources for site members to continually improve business and various technical skills needed to work in the sector. For additional information and support for youth, the website could have resources such as tool kits with key information on developing and running a social enterprise, links with news and journal articles on ongoing conversations on social entrepreneurship, online forums to foster discussions, and social media links to keep youth engaged in the sector. Interactions could also take place in physical spaces like youth and community events and workshops. Interactions could be between older and young social entrepreneurs, experienced
youth social entrepreneurs and emerging youth social entrepreneurs, as well as youth from different socioeconomic backgrounds to continually enrich the discussion on youth social entrepreneurship in Kenya, and this could in turn inform strategy development and policy making in the area.

Second, increasing awareness of social entrepreneurship and promotion of positive societal perceptions of the sector. Increasing awareness of social entrepreneurship involves promoting to youth and other age groups, within and outside of the sector. Youth could be reached through social media channels, popular online magazines and newspapers, or other active youth social entrepreneurs like the ones profiled in this study. The website discussed above could also profile success stories of different youth social entrepreneurs to continually promote working in the sector as a viable long term career. This could be done on a regular basis to build a community for youth social entrepreneurs in Nairobi city, showcase the diverse journeys of social entrepreneurship and inspire young up and coming social entrepreneurs. Carrying out outreach campaigns in places where youth are likely to go to such as hubs, youth workshops, community events, and youth-led organizations is another way to reach youth. Although the target group is youth, outreach initiatives should also be geared towards other age groups; children can grow up with knowledge on the sector and adults can take part or support young people in the sector. Tapping into easily accessible resources such as mobile and online applications will be a cost-effective way to reach youth and other other age groups within and outside Nairobi city.
Third, the creation of an enabling environment that promotes the development and growth of social enterprises through engaging the public, private and non-profit sector, as well as creating the right incentives for markets and governments to make the necessary investments (Mnguni, 2014; Brixiová, Ncube & Bicaba, 2014; MasterCard Foundation, 2013). The government has the potential to lead and grow the social entrepreneurship sector. The government of Kenya’s investment in the information and communication technology sector about ten years ago motivated and inspired the startup and social entrepreneurial crowd in Nairobi (Martin, 2014; Hruby and Coulter, 2015). M-Farm is an example of a social enterprise that was able to succeed due to the indirect support from the government investment in information and communication technology. M-PESA, the mobile money transfer service launched in Kenya in 2007 granted access to financial services for millions of unbanked people (Hughes and Lonie, 2007). M-Farm has been able to reach farmers in rural and remote areas utilizing the M-PESA service; it is used to transfer money between farmers, buyers, agents and other employees in the social enterprise. On the contrary, weak regulations and poor government support of social entrepreneurship (Martin, 2014), and the corruption of the Kenyan government (Fengler, 2011; Nyamboga et al, 2014) have been negatively affecting the growth of the social entrepreneurship sector. Ikotoilet is a case study that illustrates that lack of government support could undermine the growth and sustainability of social enterprises. Being one of the well known ‘pioneers’ in Nairobi, David came up with Ikotoilet at a time when
the social enterprise sector in Nairobi had not taken off. One of the key challenges he faced at the beginning was the lack of government support, partly because the social enterprise was challenging the government poor provision of sanitation services in slums. This is contrary to (Dacin et al, 2011; Cho, 2006; Nega and Schneider, 2014) the belief that social enterprises could displace government poverty reduction interventions or give governments an excuse to not intervene. Social enterprises work outside of the government to deliver programs and services to the poor, but these programs cannot make a wider impact in poverty without support from governments. Once David was able to garner government support for Ikotoilet, the social enterprise was able to expand its efforts. Ecotact has been able to employ a model of public and private partnerships that involves the government, private sector and slum dwellers to effectively manage and deliver Ikotoilets. This case study illustrates that government support is important for social enterprises, especially in scaling and long term sustainability. The government of Kenya can support the youth social entrepreneurship sector through creating a legal entity that recognizes social entrepreneurship as a separate sector, and creating regulations and policies that ease the development and growth of social enterprises. This will involve clarifying what social entrepreneurship is and what it entails. My definition of social entrepreneurship within the Kenyan context would be an organization that combines non-profit and private sector characteristics to reduce poverty through inclusion of key stakeholders in the design, implementation and evaluation phase to increase
efficiency and effectively deliver a social good.

The private sector, non-profits and donor agencies can play a key role in sustaining and growing the social entrepreneurship in Nairobi. Private sector engagement has played a crucial role in supporting the growth of social entrepreneurship in the country (Martin, 2014; Hruby and Coulter, 2015). Venture capitalist firms like Ashoka and Acumen Fund have been essential in providing financial support, mentorship and advocacy support to many social entrepreneurs since the early 2000s (Smith and Darko, 2014). Ikotoilet is an example of a case study that realized much of its success through the support of funding from venture capitalist firms. After searching for funding for over a year, David Kuria received a large sum of money in patient funding from Acumen Fund to expand Ikotoilets within urban slums. Due to this initial support, David and his team were able to receive more funding from other public, private and non-profit sector players like East African Breweries Limited, Global Water Challenge, UN Habitat, Safaricom Foundation, among others. This financial support has led to the success of Ikotoilet as it has impacted over 10 million people in over 5 years. M-Farm is an example of a social enterprise that received seed funding from the UK Charity TechforTrade, a non-profit, at the beginning stages of the social enterprise. M-Farm also partnered with five NGOs working with farmers in rural and remote areas at the grassroots level, which increased the number of farmers using the app to over 7,000. Nick also received a large seed grant from Saving Lives at Birth Partners at the beginning stages of Jacaranda Health; this grant helped the clinic
overcome the challenge of lack of capital. *Saving Lives at Birth Partners* are foundations and donor agencies like Grand Challenges Canada, UKAid, Korea International Cooperation Agency, Bill and Melinda Gates foundation, among others. Despite the criticism by Dacin et al (2011), Cho (2006) and Nega and Schneider (2014) that social enterprises do not have the potential to make a wider and long term impact on poverty reduction due to their smallness and lack of influence. The case studies have illustrated that a variety of development actors are supporting social enterprises in different ways, and this is helping with the realization of a wider reduction in poverty. Having recognized the importance of increasing support for youth from other sectors, it is also important for youth social entrepreneurs to aim to develop mutually beneficial relationships that are responsive, effective and non-dependent with other key development players. Increasing support for youth from other sectors could involve working with some of the key advocates in the social entrepreneurship sector like SocEnt lab and East African Social Enterprise Network to hold online and in-person conversations through workshops and conferences that encourage inter-sectoral conversations on the relevance of social entrepreneurship. For the sector to grow, it is important that outreach and promotion takes place within and outside the sector. A clearer understanding of the sector could lead to better support and better outcomes for the social entrepreneurship sector. The key advocates could also encourage collaboration among the different actors in the space taking part in education, funding, mentorship and outreach to avoid duplication and enhance the
maximization of impact in the sector. Key advocates of the sector could lobby the government for stronger regulations to support and recognize social entrepreneurship, but this is more likely to happen after the sector becomes more visible to society at large through garnering support among the people and across other sectors in society. The enabling environment in Nairobi is nascent and fragmented, but more support for youth from actors within and outside the sector, collaboration among key actors, and outreach initiatives across different age groups and sectors could potentially grow the sector. The next chapter will summarize key findings from all the chapters and conclude the study.
CHAPTER 6: CONCLUSION

This chapter will restate the research question, purpose and contributions, present a summary of the key findings, discuss research limitations and identify areas for further research. The purpose of this research study was to explore youth social entrepreneurship in Nairobi. Due to the ‘infancy’ and a focus on pragmatism within the social entrepreneurship sector, research within academia has been limited. Most of these studies have focused on the perspective of social entrepreneurship from the developed world. Thus, this study sought to explore the perspective from the developing world by contributing to the limited research of social entrepreneurship in African countries. This study also sought to contribute to the understanding of the phenomenon through employing two original research methods: narrative case studies and foresight. Narrative case studies were employed to understand the present social entrepreneurship environment in Nairobi through summarizing factual stories of four youth social entrepreneurs. Foresight analysis was employed to understand the future social entrepreneurship environment through a creation of fictional future scenarios; these were used to develop recommendations that can support the growth of the youth social entrepreneurship sector in Nairobi.

To rephrase the research question in the study: the social enterprise framework is effective in simultaneously addressing youth unemployment and poverty in Kenya. The social enterprise framework was found to be effective as it addresses the key limitations identified in poverty and youth unemployment interventions,
particularly in the Kenyan context. Within poverty reduction, the key limitations are the generalization of the poor and poverty, and the lack of ‘voices’ of the poor within interventions. Within youth unemployment interventions, the key limitations are the treatment of youth as a homogeneous group, and many youth lacking a ‘voice’ in the design and implementation of youth policies and programs. Four ways that the framework is addressing these limitations has been identified. First, the social enterprise framework was found to be effective in simultaneously addressing poverty and youth unemployment by involving the poor and the youth in the design, implementation and evaluation stages of interventions so that they can be active contributors to their own well-being. By doing this, the framework has been able to achieve the goal of simultaneously employing youth, employing the poor, positively impacting youth and reducing poverty in low-income communities. Second, the social enterprise was found to value the ‘voices’ of the poor and youth in interventions as inclusion is crucial for its success as a business and in realizing the social impact. Third, the social enterprise framework avoids generalizing the youth and the poor through its ability to adapt easily to the diverse needs of youth and the poor in their various local contexts, due to its flexible and innovative nature. Fourth, the social enterprise framework is more than an organizational framework; it is an indicator of how the landscape within international development is slowly changing.

The second aim of this study was to grow the youth social entrepreneurship sector in Nairobi. The key findings on the social entrepreneurship sector within Nairobi
was that government investment in the information and communication technology sector played a major role in leading the wave of social entrepreneurship. In addition, the creation of an enabling environment through growing hubs, think-tanks, incubators and increasing financial support from the private sector was a key resource in sustaining and growing the sector. The key challenges that could limit the growth and long term sustainability of the youth social entrepreneurship sector are limited awareness of the sector, fragmentation of the actors within the social entrepreneurship space, difficulty identifying social enterprises due to lack of a clear definition, use of the term ‘youth entrepreneurship’ to interchangeably refer to ‘youth business entrepreneurship’ and ‘youth social entrepreneurship’, and a lack of government support. The recommendations that were developed to address these challenges and grow the youth social entrepreneurship sector are several. The government could support the sector by creating a legal entity that recognizes social entrepreneurship as a separate sector, and creating regulations and policies that ease the development of social enterprises at different stages. The public and private sector could support the sector by increasing funding, mentorship, educational support and other kinds of support for youth in the sector. The recommendations for youth social entrepreneurs to succeed in the long-term are developing both business and technical skills, being diligent, confident, persistent and having a personal commitment to the social enterprise idea, as well as developing mutually beneficial relationships with other key development actors to avoid goal
deflection. The key actions that could be taken to drive growth within the youth social entrepreneurship sector in Nairobi include clarifying what social entrepreneurship is and what it entails, fostering collaborating among the different actors in the sector, continual promotion and outreach to youth, other age groups and other sectors about social entrepreneurship and last but not least, creating an interactive website that could connect those working in the sector, provide courses and resources to increase knowledge and provide information, and continually engage youth through online forums and social media platforms.

Ultimately, this work extends our understanding of effective poverty reduction and youth employment. The social enterprise framework is important because it challenges the status quo by emphasizing that poverty and youth unemployment are best addressed on a context by context basis, and the issues cannot be significantly addressed without listening to the ‘voices’ of the poor and the youth when developing projects, programs and interventions. For poverty reduction to be effectively addressed, it is essential to empower youth and the poor by involving them in the economic and social improvement of their own situations. Furthermore, support from the government, private and other public sector players is essential for supporting the growth and success of the youth entrepreneurship sector in Nairobi.

**Limitations and Areas for Further Research**

There were three key limitations in this research study. First, available practitioner, grey literature and non-scholarly materials was used to supplement the limited
scholarly work. Second, the researcher was not able to collect primary data due to time constraints. Due to these limitations, this study focused on social enterprises operating within the formal sector in Nairobi but looked at urban youth broadly without focus on sub-groups. To understand poverty and youth unemployment in depth, it could be useful to replicate the research in the future with primary data on youth social entrepreneurs from low-income backgrounds in Nairobi. It could also be useful to extend the work beyond urban areas and research ‘invisible youth social entrepreneurs’ in rural or remote areas of Kenya. Third, carrying out the foresight method individually to develop recommendations. This method works best in a collaborative setting due to the diversity in perspectives and mental models that enrich discussions. Therefore, it might be useful to replicate this study and create recommendations within a team setting to enrich the discussion. This study explored the private sector role in poverty reduction through philanthropy. It could be useful to look at how other private sector actors such as corporations, venture capital firms and angel investors are supporting or undermining poverty reduction and youth unemployment. To increase the limited knowledge and understanding of the social entrepreneurial sector, it could be useful to replicate this study in other cities in developing countries, and compare and contrast the results with Nairobi. It could also be useful to explore the social and cultural contextual nuances in these different environments to better understand how context plays a factor in developing social enterprises.
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APPENDIX A: FORESIGHT ANALYSIS

To carry out a foresight analysis, identification of drivers, signals and trends are required to increase the likelihood of scenarios to be as realistic as possible. These drivers, signals and trends were derived from chapter 3 of the report on social entrepreneurship in Nairobi, as the end goal was to assess the youth social entrepreneurship sector in Nairobi.

DRIVERS
- Government investment in the Information and technology (ICT) sector
- Mobile revolution
- Internet penetration

SIGNALS
- Development of EASEN in 2010
- U.S. President, Barack Obama holding the Global Entrepreneurship Summit (GES) in 2015

TRENDS
- Increasing social support - more hubs
- Increasing educational support - more think-tanks and incubators
- Employing mobile phones and easily-accessible technology to create solutions
- Increase in educated youth across the country
- Increasing investment by local and foreign private sector players through funding, mentorship and other forms of support

CRITICAL UNCERTAINTIES
- Government support (corruption, poor regulations)
- Relationships between the different actors and players in the social entrepreneurial space
- Societal view of social entrepreneurship
APPENDIX B: CREATING KEY ACTIONS TO DRIVE CHANGE AND INNOVATION

THREE HORIZONS OF GROWTH FRAMEWORK

The three horizons framework featured in The Alchemy of Growth (Baghai, Coley and White, 1999) was used in this study as it offers a way to concurrently manage both current and future opportunities for growth in the youth social entrepreneurship sector in Nairobi. *Horizon one* is the dominant present where we explore what we know by identifying strengths and weaknesses of the organization, and the existing opportunities and threats. *Horizon two* shows the tensions or signs of change that might occur between moving from the present position to that of the desired future state. Here, the current horizon adapts to signals about the future: incrementally, disruptively, or destructively. *Horizon three* shows the desired future state that may become dominant over time through capitalizing on opportunities and mitigating threats.

PURPOSE: GROW THE YOUTH SOCIAL ENTREPRENEURSHIP SECTOR IN NAIROBI

<table>
<thead>
<tr>
<th>HORIZON ONE</th>
<th>HORIZON TWO</th>
<th>HORIZON THREE</th>
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<tbody>
<tr>
<td><em>SWOT</em></td>
<td><em>Capitalize on opportunities</em></td>
<td>Growing the youth social entrepreneurship sector in Nairobi</td>
</tr>
<tr>
<td><em>Strengths</em></td>
<td><em>Mitigate threats</em></td>
<td><em>Increased support for youth from the public and private sector</em></td>
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<tr>
<td>-Existing social entrepreneurship activity</td>
<td>-Clarifying what social entrepreneurship is and what it entails</td>
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<tr>
<td>-Well-developed</td>
<td>-My definition of social</td>
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<table>
<thead>
<tr>
<th>Information and Communication Technology (ICT) sector</th>
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<tr>
<td>- Many young people</td>
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**Weaknesses**
- Fragmented sector
- Lots of activity, not robust

**Opportunities**
- Growing hubs, incubators, think-tanks
- Increasing funding and mentorship from private sector and non-profits
- Mobile revolution
- Access to the internet
- Globalized society
- EASEN in 2010
- Spark Global Entrepreneurship launching in 2017 with one of its key targets being young entrepreneurs

**Threats**
- Recognition of social entrepreneurship as a separate sector
- Stronger regulations to support the sector
- Awareness of social entrepreneurship, as well as a positive societal perception of the sector

entrepreneurship within the Kenyan context would be an organization that combines non-profit and private sector characteristics to reduce poverty through inclusion of key stakeholders in the design, implementation and evaluation phase to increase efficiency and effectively deliver a social good

- Tapping into mobile and online applications to reach youth and other age groups
- Although the outreach will be mostly focused within cities where there is potential and a lot of activity is happening, it could reach rural and remote areas through mobile/online apps
- Going to areas where young people are likely to be (e.g. Social media) or go (youth events, workshops)
- Working with some of the key advocates in the sector
<table>
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<tr>
<th>-Corruption</th>
<th>to hold online and in-person conversations (events, conferences, workshops) that bring together the different actors in the space (e.g. SocEnt Think Tank, EASEN network)</th>
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<td>-Poor government support</td>
<td>-Encourage inter-sectoral conversations on relevance of social entrepreneurship</td>
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<tr>
<td>-Weak regulations</td>
<td>-Encourage collaboration among actors to avoid duplication and maximize impact</td>
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<td>-Key advocates of the sector can lobby the government for a stronger regulations to support and recognize social entrepreneurship (this is likely to happen after the sector shows strength and has build momentum)</td>
</tr>
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<td></td>
<td>-Hold discussions with other social entrepreneurship sectors in other cities in developing and developed countries to exchange ideas, discuss ongoing opportunities and challenges</td>
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DOBLIN ‘10 TYPES OF INNOVATION’

Using Doblin’s ‘10 types of innovation’ (Doblin, 2015), the innovations that will be required to drive change in the youth social entrepreneurship sector in Nairobi is network, structural and channel innovation.

- **Network innovation** involves connecting with others to create value (Doblin, 2015). It is crucial as being able to bring together the different players in the youth social entrepreneurship sector will make a huge difference in making the sector visible to society at large, garnering the necessary strength and resources to continually promote the sector, lobby for creation of regulation and policies that protect the sector and eventually foster growth.

- **Structural innovation** involves the alignment of talents and assets (Doblin, 2015) will also be another key resource that can grow the sector. Connecting with incubators, think tanks and hubs to grow and attract talent to the different social enterprises seeking employees is important. Creating a website focused on employment within social entrepreneurship to connect employers seeking new talent, and job seekers seeking to gain or utilize their experience, and providing courses and resources for site members to continually improve business and various technical skills.

- **Channel innovation** involves how offerings are delivered to customers and users (Doblin, 2015) will also be necessary to grow the sector. Creating a website with educational resources like how-to-guides or how to put together a proposal and apply for funding, as well as links to different resources or funding options within the sector. An interactive website where the different voices of youth are used to inform the changes taking places within the youth social entrepreneurship sector through online forums; a website that allows social entrepreneurs of different and the same age groups to interact, as well as youth from different socio-economic backgrounds.
LEWIN’S 3 STEP CHANGE MODEL

Advocating for change in the youth social entrepreneurship sector in Nairobi can be explained using Lewin’s Three-Step Model of Change (Price, Lewin and Cartwright, 1951). In the first stage called, ‘unfreezing,’ what is usual or commonplace is put into question and made ambivalent. Next comes ‘movement,’ where a new direction is identified, tried and iterated upon. Finally, ‘refreezing’ signifies that a new, yet stable state has been reached once again. This tool can be important for communication within and outside of the sector. Below are the different ways it can be used:

Unfreezing

- Effective communication within and outside the sector is crucial at this stage as the norm is being questioned
- Create an awareness of the YSE sector in society through targeting youth, promotion and outreach across different age groups and sectors
- Awareness that involves educating what social entrepreneurship is, what it comprises of, what its benefits are and how it is different from other models
- Promotion in areas where youth are and where youth go
- Promotion to other age groups (mobile and online apps, community events, formal and non-formal education in schools)
- Promotion within online and offline spaces where other sector players are taking part i.e. during conferences, workshops and events

Movement

- Education, support, more communication and allowance of time for change are key at this stage as learning involves new behavior and ways of thinking
- Provide support for youth through a website that has resources such as toolkits and guides or links to key information for youth to know about social entrepreneurship, online forums for continuing discussions and social media links to continue engaging youth through preserving a youth voice and facilitating
conversations that could inform strategy and policy development
- Connect experienced youth mentors or adult mentors with direct experience working in the sector to new youth social entrepreneurs working in the sector
- Connect youth to opportunities within the sector - website for employment purposes; employers looking for skills and talent, and job seekers looking to work
- Connect with schools and universities providing education within social entrepreneurship to identify new and emerging talent (internships within social enterprise looking for persons who would like to build experience in the sector) or work with incubators to providing funding, mentorship and further support for youth who would are developing social entrepreneurial ideas

**Refreezing**
- Efforts to ensure that people can embrace the change as the new status quo and not revert back to the old norm is key at this stage
- Positive rewards and acknowledgments of individualized efforts are often used to cement change into broader culture as it is believed that positively reinforced behavior will likely to be repeated
- Promoting social entrepreneurship by collecting and profiling success stories of different youth social entrepreneurs on a regular basis to build a community for youth social entrepreneurs, showcase the diverse journeys of social entrepreneurship and inspire new and upcoming youth social entrepreneurs
- Existing positive acknowledgment of youth social entrepreneurs is the recognition, awards and publicity by Ashoka, Acumen and Skoll Foundation (some of the global key advocates in this space)
APPENDIX C: CASE STUDIES

Below are the case studies on the four youth social entrepreneurs. These case studies were collected from various online interviews and respective websites. The information below is factual and is represented just as is from the original sources, but has been fictionalized in chapter four. For more information on the reason behind this methodology and how it has employed, see chapter 2 above.

M-FARM

Founder - JAMILA ABASS - Founder

Co-founders - Linda Kwamboka and Susan Eve Oguya

Sector: ICT and Agriculture

*M-Farm app is an open crop trading platform. It allows farmers to find out the value of their produce easily using their mobile phones, and enables them to connect directly to other farmers and to buyers with improved bargaining power (Hoyle, 2013)*

Who are your target customers?

*Small holder farmers, farm produce buyers, agro input suppliers, data consumers*

How long has the social enterprise been around: *Since 2010*

Where did you work before starting or engaging in the social enterprise?

*I worked as a Software Engineer in other companies like African Virtual University and also served as the Business Development Manager of the Akirachix, an IT forum for girls. (Unreasonable Institute, 2012)*

*In 2010, I co-founded M-Farm and quit my job at Kenya Medical Research Institute (KEMRI/University of Washington) where I worked as a Medical Records Systems developer. M-Farm was launched after winning the IPO48 competition — a 48 hour boot-camp event aimed at giving web/mobile start-ups a*
platform to launch their start-ups. Of the 37 initial ideas, M-Farm took away the €10,000 prize (about $13,000) as capital investment. The competition was meant for men, but the timing was right because the technology sector was emphasizing gender equality and the empowerment of women. We were very lucky. The publicity helped to garner $100,000, half in grant and half in loan, from the UK charity TechforTrade, which supports innovative approaches to poverty alleviation (Tran, 2013)

What is the story behind your social enterprise?
My entrepreneurial journey started at an early age and did not stop there. Born in North Eastern part of Kenya (Wajir), an arid land. The dry land did not deter me from farming. When I was a kid, my brother and I used to grow coriander and kales next to our well and sell it to the neighbors (Unreasonable Institute, 2012)

What problem are you solving?
The poorest communities living in rural areas are small scale farmers and farm laborers who lack access to information. This results in exploitation by the middlemen who take advantage of the lack of transparency in the market. Secondly, markets are inaccessible for these farmers since they have little produce that can only be sold at the local markets or to brokers who buy it at throwaway prices. Thirdly, they have difficulties accessing affordable farm inputs which hinders their yield (Unreasonable Institute, 2012)

What is your solution to the problem?
MFarm seeks to provide up-to-date market prices via an app or SMS, direct to farmers. It also connects farmers with buyers directly, cutting out most of the middlemen (Solon, 2013)

What is your business model?
Transactions are all handled by MFarm's integrated mobile money transfer system -- drawing on mobile payment technology MPesa -- but can also be plugged into people's bank accounts (if they have one). When an order is placed through MFarm, the farmer takes his or her produce to the designated collection point and sends a message to confirm the produce has been delivered. The buyer then collects the produce and verifies the quantity and quality by sending a message to MFarm. Once that's been confirmed and the order has been fulfilled, the money is released by MFarm to the farmer's account. With larger orders where multiple farmers are involved, the money is distributed between different accounts (Solon, 2013). M-Farm provides price information to farmers. By sending an SMS, farmers can see market prices in real time for their products – cassava, groundnuts, sorghum, passion fruit – so they do not get ripped off by buyers at their farms. The company employs 10 people in five cities – Mombasa, Nairobi, Eldoret, Kisumu and Kitale – who collect daily price information on 42 crops across Kenya. About 7,000 farmers use the service, for which M-Farm takes a tiny cut from the mobile phone provider. M-Farm makes its money by playing the role of middleman itself. In that way, the company does not cut out intermediaries completely, but reduces the three or four layers that chip away at the smallholders' cut. M-Farm employs 18 agents who link smallholders with buyers and charges a commission of 10-15% for the service. The agent's job is to get the best price for the farmers, typically by organising them to sell collectively in groups of 20 to 120. The price information content is used by media houses such as TV and radio stations who pay us for daily feed. (Tran, 2013)

What makes it innovative? What makes your idea unique and different from others doing work in the field?

Mfarm lowers costs of supplies and offer better margins for farmers, but the other value proposition is a consistent market. It's not just about the prices but also knowing if a buyer will be available. Furthermore, the network can be used to
disseminate information relating to international regulations, for example information about any pesticides that might be banned. (Solon, 2013)

What strategies are you implementing in your enterprise?

Now focused on the export market, I have been in the UK to speak to large retailers who are keen to be more responsible in the way that they source their products. They want to have social responsibility. By sourcing produce through MFarm they are playing a vital role in development and securing a consistent supply that is not dependent on middlemen. In addition to taking a transaction fee, MFarm has also been selling its data to research organisations looking at consumer behaviour and food scarcity. (Solon, 2013)

How do you engage your target customers?

In the past month, we have entered into partnership with 5 NGOs who work with farmers at the grassroots level which will give us access to more than 10,000 farmers in the first quarter of 2012. We have recruited more than 3,000 new farmers since February. This sums up to 5,000 farmers subscribed and paying for our services from the initial 2,000 in 2011 (Unreasonable Institute, 2012)

What positive contribution are you making to the community? Direct? Indirect?

Most of the farmers we are working with doubled their profits and have direct and stable market with buyers who are also M-Farm clients. The number of buyers, increased by 75% since February this year (Unreasonable Institute, 2012). As a result of M-Farm, farmers who were stuck in poverty due to the old process have doubled their incomes. They are investing in their future. By enabling collective action and entrepreneurship, M-Farm is encouraging a wave of commercial farming led by smallholder farmers. We have served 14,000 farmers and look forward to growing 100-fold. The company also attracted $100,000 (£65,000) in seed funding from Techfortrade and now employs 16 people (Abass, 2015).
What motivated when you were running the enterprise?
I wanted to have direct impact on the people I am working with. I grew up in the place where most people live below the poverty line. Farmers are working so hard, but are still crying and waiting for governments and non-profits to improve their situations. I don’t want to see people going hungry, not having clothes to wear, kids going to schools without shoes. (Vimeo, 2012)

What opportunity/opportunities have you come across on your journey that have had a crucial impact on the success of the social enterprise?
I would say, though, that the benefits of the industry far outweigh the negatives. Almost every big city now has access to the internet so the end users that we, and other small businesses like us are creating services for, can access them. This rapid growth of connectivity, even in rural areas, means that there’s nothing to stop entrepreneurs making money – as long as the business model is right (Hoyle, 2013)

What are some of the significant lessons you have learned along the way? Particularly something that was shocking or that you were not aware of?
Farmers don’t have storage facilities and they know that the buyer who comes around to the farm can just go next door and buy their produce from someone else. So we could end up taking away the only access to market they have. MFarm realised that the root problem was not price transparency but the fact that farmers are producing in low volume and that many buyers in big cities don’t want the hassle of getting the volume they need from multiple different farmers. This led MFarm to become a group selling tool, which gets farmers to team up to bring produce to certain drop off points. They then send an SMS to the system promoting what they have to sell. All of these farmers who are too small to market to a big buyer become visible because they have more product (Solon, 2013)
What is your short and long-term goal?

*We are having to turn down farmers who want to join our service because we can't find enough buyers. Spreading ourselves too thinly would be really risky for us. This is why M-Farm is seeking to forge relationships with UK supermarkets. Supermarkets have a reputation for driving down the prices of their UK suppliers, but they could help smallholder farmers in Kenya. It could double the price Kenyan farmers would receive and make a huge difference in boosting their livelihoods. We are not short of farmers, we need buyers. What is lacking is the market itself (Tran, 2013). Following our early success we are now poised to roll MFarm out across Kenya and East Africa. What is exciting is that the MFarm system is a tool that can be used by any actor within the food supply chain who is seeking to connect with the small holders within its supply chains, improve engagement and transparency and find a better way of doing trade. So the future is looking very bright (Hoyle, 2013)*

What is/are the most significant challenge/s you have faced in running a social enterprise?

*Like any other new thing, acceptance of our platform has not been easy amongst farmers. Most of them only use their phones for voice services and do not look at other ways of making it a business tool. The SMS platform itself is challenging and therefore we have to train farmers on the formats. We have had to conduct outreach programmes, mostly in remote areas because that is where farmers are. Conducting publicity campaigns in such remote areas is no walk in the park. It was challenging getting farmers to trust the service, since many others have tried to crack the problem. Others have come to the market using technology to create a trading platform that farmers are not ready for. They have also been set up by non-profit organisations and run out of money, leaving the farmers high and dry. This makes them skeptical (Ekiru, 2011)*
What have been your other challenges?

As a tech entrepreneur in Africa it is also a challenge learning how to promote good ideas and bring a product to market. The majority of us are so focused on the technology that we sometimes forget the importance of other aspects of business. Sometimes it can also be difficult to get access to the right tools and funding, though this is improving (Hoyle, 2013)

Most development organisations focus on building solutions to problems faced by African businesses using ICT, but in many industries other issues need more support. In agriculture for example, the average age of farmers is getting older. To make our business successful and to give it longevity we need help encouraging the next generation to take over. If they don’t, our services will lose relevance (Hoyle, 2013)

What advice do you have for young people who would like to start or run their own social enterprises?

I can honestly say that today is the best day to be a woman entrepreneur. A few years ago, technology was a male dominated field. There is growing interest in technology among women. The success of the likes of Ory Okolloh (co-founder Ushahidi), Isis Nyongo (InMobi’s Africa vice president and managing director) and Juliana Rotich (executive director Ushahidi) is inspiring more women to embrace technology and innovate. It is upon us, the young generation, now to go to the grassroots and encourage and mentor young girls. Technology is an equal opportunity for us all. We need more girls to tap into their talents and invent solutions to the world’s challenges. The success of women entrepreneurs depends not only on our creativity, knowledge, and commitment, but also on an alignment of allies across government and business that progressively removes the structural obstacles to equality and sustainable development, and replaces them with new systems that take the best from the old. This is the innovation we need.
Jacaranda Health is a Kenya-based social enterprise that combines business and clinical innovations to create a fully self-sustaining and scalable chain of maternity clinics. The clinics provide affordable, high-quality maternal and child health services to poor urban women (Jacaranda Health, 2013)

Who are your targeted customers?
Peri-urban and Urban poor, Children under five, Women, Informal sector workers

How long has the social enterprise been around: Since 2011 (Pearson, 2011)

Where did you work before starting or engaging in the social enterprise?
I was working at a global venture fund organization, Acumen. I worked in the intersection of business and global healthcare in East Africa, Vietnam and India. I worked in Kenya investing in businesses serving the urban poor (Mulupi, 2013).

What is the story behind your social enterprise?
I was inspired by my wife, an obstetrician I met in Kenya; she described the death of her friend which happened during childbirth which could have been avoided with better care. We entered the field of maternal healthcare in East Africa with a challenge: How do we provide high-quality care to low-income women while building a business that’s financially sustainable? I knew the answer to this first challenge lay in a solid business model (Pearson, 2011).

What is the problem you are trying to solve?
In Kenya, maternal mortality remains distressingly high. Although Kenya remains largely rural, urban areas are experiencing the most growth. Public services, including health and sanitation, have not kept pace. Nairobi’s health outcomes are better than Kenya’s overall, but there are broad disparities between the women and newborns who live in low-income settlements and Nairobi as a whole. In some low-income settlements, maternal and neonatal mortality rates are double those of Nairobi overall. Though 70 percent of women in Nairobi’s peri-urban areas give birth in health facilities, only 48 percent of these facilities meet minimum quality standards (Pearson, 2011).

What is your solution to the problem?
Within Jacaranda Health, we provide a full range of healthcare to women and newborns, from pregnancy through to postpartum, at a fifth of the cost of other private hospitals in the region. We aim to share our model with both public and private facilities that provide services to many of the women seeking maternal and newborn healthcare in these peri-urban communities (Pearson, 2014).

What motivated you to start and run Jacaranda Health?
I quit my job at global venture fund Acumen to start Jacaranda Health – a social enterprise that is opening clinics in peri-urban centres in Kenya to provide quality, affordable maternal care for women. I enjoyed my work at Acumen Fund but Jacaranda Health was different. The difference is that in private equity, you invest in the people and you see the money. I am more driven by seeing those tangible outcomes, like happy customers and the hospitals we built (Mulupi, 2013).

What positive contribution are you making to the community? Direct? Indirect?
We operate on a thin margin. Child delivery at Jacaranda Clinic costs KSh7,900 (US$95) which is a lot cheaper than other private hospitals which charge an average of $500 to $600. We are building systems to make our care more protocol
driven. We want patients to experience the same quality every time they walk in. Since opening our first maternity center in 2012, we have provided high-quality maternal health care to over 5,000 women and delivered more than 500 babies at our maternity hospital, and impacted the lives of nearly 20,000 family members (Jacaranda Health, 2013)

What is your short and long-term goal?
We want to become the biggest chain of maternity hospitals in East Africa. Our plan is to open 25 hospitals in about five years. We want to understand the geographies better, show momentum and attract investors. We are looking at opening two more hospitals in Nairobi and its environs this year (Mulupi, 2013)

What has been your most significant challenge?
There is not enough data in the market we are working in. There is lack of adequate information on what drives customer behaviour, income levels, health behaviour and demographics. We end up doing most of that research ourselves. This data is important if we are to succeed. We are working with our patients to design services that fit their needs. For instance, how do they want the waiting room to look like or the interaction with nurses to be like? We want to understand what makes the best maternal care from the customer’s perspective. Maternity care is such a critical and emotional part of someone’s life; everyone deserves the experience to be joyous and safe. Women who are currently not receiving good services for what they pay for. A lack of trust in service providers, a lot of unlicensed and unregulated service providers Build trust in the system, provide a consistent high quality care and do it in a friendly way. We hope that we can draw clients, the women through word of mouth (Pearson, 2012)

What other challenges have you come across?
There is recognition that the health sector in Kenya has been under-invested in for
many years. We have had a lot of small clinics started by medical practitioners; it is very fragmented right now. The health sector benefits from scale and systems. Investors are interested in the sector but they are looking for clinics and hospitals that want to scale and have proper systems. It is hard work running a hospital successfully and there is a high barrier of entry in terms of capital and expertise. You need both clinical expertise and business sense (Pearson, 2011)

There is mounting global evidence about interventions that improve maternal health, but one important gap that has yet to be filled is a deeper understanding of “implementation research,” with specific consideration of how to deliver these interventions quickly, affordably, and in a way that makes women more likely to seek skilled care (Pearson, 2011)

What opportunity/opportunities have you come across on your journey that have had a crucial impact on the success of the social enterprise?

I think there is a huge opportunity in some markets that are similar to Kenya where you have a mix of public and private providers like Uganda, Nigeria and Ghana. In these markets people basically pay out of their pockets for healthcare and most go to private providers. That presents a huge opportunity. There is so much opportunity for growth in Africa (Pearson, 2015).

We believe that our greatest opportunity for social change comes from ruthlessly measuring our outcomes and operations, documenting how we reached them, and disseminating findings so that private and public providers can replicate what we learn. Collecting clinical metrics such as health outcomes, utilization, and cost of care not only help us improve, but also allow us to share best practices with the broader maternal health community. Tracking our experimentation with new technology such as mobile phones and an online client database improves our ability to collect client information, document patient care and outcomes, and get real-time feedback on our services (Pearson, 2015).
What is your business model?
Jacaranda’s model proves that low-cost interventions to reduce maternal and newborn mortality are feasible and effective. Jacaranda is integrating clinical, business, and technological innovations: Financial savings programs to facilitate accessibility, mobile phone communication to encourage positive health-seeking behaviors, and quality improvement systems to standardize the model. Community mobilizers help build the brand and create a direct link with patients through community-based marketing (Jacaranda Health, 2013)

What is your innovation? What makes your idea unique and different from others doing similar work?
Technology is an important part of innovation, but it is not the only part. We focus on quality improvement, using the famous “Lean Methodologies” continuous improvement processes developed by Toyota. We’ve built a toolkit to improve quality of care in both government and private health facilities. We see this as extremely innovative. Jacaranda Health is one of only six healthcare facilities in Kenya to receive the highest quality of care rating from SafeCare. Innovation and efficiency in healthcare require a focus on patients’ evolving needs, especially as the demographics of cities change. We must continuously work to improve the patient experience, using feedback from families and the communities where we operate (Pearson, 2015)

What strategies are you implementing in your enterprise?
We have a sustainable, scalable model that provides friendly, end-to-end maternity care to hardworking urban women (Pearson, 2012).
Our goal is not only to use a breadth of the most effective health innovations to provide affordable and quality care for the women and children we serve, but also to learn from and adapt to our clients as we create a replicable maternal health model aimed at reducing cost, increasing uptake of health services, and improving
quality of care. We are constantly learning and innovating, and as we grow we are building networks to share lessons and tools with others in the global health community as we grow to become the largest network of maternity providers in East Africa (Jacaranda Health, 2013)

How do you engage your target customers?
In Nairobi alone over two-thirds of the city – more than 2 million people – live in low-income areas where health conditions and availability of medical services is poor. It is this demographic that we are serving, but we know that in order to provide culturally appropriate and high-quality care, we have to know our individual clients well. We are invested in learning about our clients’ preferences, health seeking behaviors, willingness to pay, and values. We include their partners and families in the decision making and saving around maternity care, and continue to reach out to them directly in their own communities (Jacaranda Health, 2013). To get the best feedback, we make sure to spend time where our customers spend time. One key location for us is Kariobangi market, a very large outdoor market in the middle of eastern Nairobi, which hosts over 1,000 women working as hairdressers, seamstresses and saleswomen. Involving local women in our marketing plans not only helps us understand what messages work for our target demographic; women who have shared their opinions with us are also more likely to become customers. That’s good for our business. Just as important, though, is that getting more women visiting clinics is good for healthy birth outcomes (Pearson, 2011). Our key marketing decisions are made by our target demographic: Eastern Nairobi’s mothers and expectant mothers. Customer feedback informs how we describe ourselves, the wording we use, the pictures we show off, our trademark colors and the design of printed materials. We even settled on our name and our slogan based on customer input (Pearson, 2011)

What advice do you have for young people who would like to start or work in
social enterprises?
There is a big opportunity here but you need to bring in both medical and business expertise, otherwise you will not succeed. You also need to keep your model as simple as possible. You need to understand your target market particularly if you are looking at the lower income segment (Mulupi, 2013)

NAIROBI DEV SCHOOL
Founder: Martha Chumo
Sector: Technology and Education
The Nairobi Dev School equips youth in East Africa with computer programming skills and helps them build technology-based solutions to everyday challenges (thedevschool, 2015).

Who are your target customers?
Urban and rural youth, children

How long has the social enterprise been around: Since 2012 (Mary, 2013)

Where did you work before starting or engaging in the social enterprise?
It was not so long ago that Martha was a straight-A student and her family expected her to go to medical school. Martha says that's just the way things are in Kenya: if you're a straight-A student then you go to medical school. I got into tech at the beginning of 2012 when I was 19 years old; I was an intern at an NGO (WMI Africa, 2013)

What is the story behind your social enterprise?
At the internship, I was fascinated by how computers work. I came across programming and how to be a programmer, and all these new concepts that were not in my world before. A natural curiosity as to how the technology led me to ask
questions, and turning to the internet for answers when the people did not know my answers. I discovered my insatiable appetite for programming. Last year, I applied to get into hacker school in NY but I was not able to go because I could not qualify for a US tourist visa. This is partly because I was unmarried and without kids; that meant that I had few social ties to Kenya to return home. Hacker school in NY was not a typical US school so I could not apply for a student visa. That frustration actually motivated me to bring it to Kenya; If I cannot go to hacker school, it is coming to me, that was the beginning of Nairobi Dev School (Mary, 2013). Ms Chumo considers herself lucky to have had a sponsor for her secondary education and it pains her to think of those whose dreams are shattered simply because of their backgrounds and an education system tilted in favour of the rich. “Were it not for Akili Dada, I would not have gone to a top school.” Her father died when she was seven. So she was brought up by her mother, who she describes as a super woman who combined the role of bringing up the family single handedly and going back to class to work her way up from a diploma to a Masters degree (Weru, 2014)

What problem are you solving?  
The goal is to equip young people with software development skills they can use to solve challenges around them. We talk about technology a lot in Kenya, but what does it really mean for education, healthcare and farming? We want to make technology relevant to us (Mulupi, 2015)

What is your solution to the problem?  
Nairobi dev School is similar to Hacker School in that the students will be becoming better programmers. It’ll be, however, a little different in it’s structure. After doing some research and consulting, we decided that Nairobi developer School should be more of a beginner’s program. We also have resident and remote developer mentors to guide the students as they learn (Mary, 2013).
At Dev School, we are building a thriving tech industry in Africa by creating diverse and collaborative self-learning spaces. We have programmes for school children and post-secondary students. Nairobi Dev School opens opportunities for many people where previously there were none. The aim is that the students will be able to improve their lives through the programs of the school. More importantly, Nairobi Dev School will accelerate development in the region, by creating awesome tech talent (Chelimo, 2014)

What is your business model?
The total amount of money raised through crowd funding was 20k, which was supposed to be enough to run for a year. We have 15 to 18 students per batch. Major costs were computers; we talked to old companies to give us old computers they do not use. That kept our costs low. We had several people come in for free at the beginning of the training. We also tapped into existing developer community to train students, running on the budget we had. We looked at creative ways to sustain ourselves and employ professional developers to mentor students as they learn (Chelimo, 2014)

What makes it innovative? What makes your idea unique and different from others doing work in the field?
The aim of Nairobi Dev School is not to become a good developer or programmer, it is to make you a good learner. A playground for autodidacts. It is not a typical classroom or education system. It is more to get people to own their own learning journeys and to take it up to themselves to learn and do things. We have more mentors and community based programs. It is self-directed learning with mentors. We teach software training, communication, writing and entrepreneurship classes in the same structure. (iHub, 2014)

The value proposition of the school is not just coding skills. After all, tutorials for that very purpose are widely available online. Instead, I want to work “around the
“code” on the business, management, marketing and consumer needs, so that the students focus their efforts on technology that serves the present needs of Kenya (Pasquier, 2013).

What strategies are you implementing in your enterprise?
We are keen on using technology as a tool to create opportunities to do business in Africa. Our mission is to equip the youthful African population with the skills and resources to compete and be successful in the modern world by building mobile applications that revolutionize industries. (Europa.eu, 2015)
I hope to teach children in rural Kenya how to write code, and break the myth of technology being too difficult for very young people to develop skills in. I got into technology right after high school and learned a lot on my own. So I really want to teach children. Next month we will begin training teachers in a number of rural schools that have computer labs. We hope to reach a few teachers that are just as passionate about technology; who can run clubs and teach code as a co-curricular activity. The myth is technology is too hard and is a reserve only for geeks. But I see it as a skill like music, art or drama any child can acquire with training and creativity (ALU, 2015)

How do you engage your target customers?
There are people who decide to become entrepreneurs and others train to find jobs. We provide the development skills and entrepreneurship classes. For the entrepreneurship program, you have to go out there and talk to users and work on building a product based on that. We direct them to Nailab or iHub for potential incubation and funding of their ideas. At the moment, the school is focused on hard skills, the actual training, not on the incubation of the ideas (Chelimo, 2014)

What positive contribution are you making to the community? Direct? Indirect?
I describe myself as a direct beneficiary of the community and I hope to give back.
Nairobi Dev School will particularly address the gender imbalance in technology by encouraging women to participate in the program, and offer financial support to those who need it. We will invite women and other minority groups in technology to apply and the program allows them to thrive (WIM Africa, 2013).

We have programmes targeted at different demographics. Post-high school students go through a three-month course in web and mobile development. The training is project based and gives learners practical skills. Children between 8 and 16 are taken through camps where they are introduced to computer programming and get to collaborate on projects (thedevschool, 2015).

The Dev School has introduced over 110 Kenyans and 44 South Sudan youth to coding and computer programming. We have partnered with Treehouse, an online learning platform, to give the trainees a chance to continue learning even after the course (Teamtreehouse.com, 2015).

What motivated when you were running the enterprise?

The Kenyan tech scene also inspires me a lot. There are many young people who are working on amazing projects that are changing lives. The energy in the community keeps me going. I also motivate myself; the small successes I have achieved over time are what motivate me to do my best everyday and achieve more and more, since I succeeded once I believe I can succeed again and again. My advice to the young girls and women is that they should learn to motivate themselves from their past success, let them believe if they once succeeded at something, no matter how small it was then they can succeed in even the bigger stuff (WMI Africa, 2013).

What opportunity/opportunities have you come across on your journey that have had a crucial impact on the success of the social enterprise?

Age has been good for public relations; a 19 year old running a school was very good for news articles, tweets and blogs, inspirational books, It was not good for
signing checks. I got a lot of people turning me down before I did my second year. After a year of doing things, I had results and the school made sense, then people wanted to partner. It takes time to prove yourself. I have discovered that the easiest way to prove yourself and prove others wrong is to just do it (Chelimo, 2014). I launched my second Indiegogo project hoping to raise $50,000 to start her own school for developers in Nairobi; I ran the campaign and I made $15,000. I decided to raise funds to start a Dev school in Nairobi because i believe i am not the only one who is passionate about becoming a better programmer, i have overtime got alot of support from like minded programmers who also understand the importance of providing learning opportunities to young people in East Africa region (BBC World News, 2015)

What are some of the significant lessons you have learned along the way? Particularly something that was shocking or that you were not aware of?
I have also realised people may like your story and may talk about you, but it doesn’t mean they’ll sign deals with you. As a young person you have to build credibility to attract investors, talent and partnerships (ALU, 2015)
I started with teaching for free and have suffered because of that. I did not think things through as much as I should have. While I believe you shouldn’t plan too much and waste time that could have been used to actually build your business, I know that it is also important to think things through (Mulupi, 2015)
Running a business and coding are two completely different things. These are skills I had to learn on the job which I wish I did not have to. Skills like accounting, registering a company and legal frameworks, advantages and support from the government. Most Startups fail because of lack of the essential skills of running a business more than a lack of technical skills (Vodafone Institute, 2015)

What is your short and long-term goal?
A more ambitious project of the Dev School is underway; teaching 1000 public
school students coding through coding clubs in schools (Nkem-Eneanya, 2014) I would invest in technologies centered around farming. There have been attempts to digitise agriculture in Kenya but there are still lots of gaps. My students have developed really good solutions they cannot implement because they don’t have funds. So I’d put that money into implementing some of their solutions – such as one that would enable cooperative groups to get important information from farmers through an app, and store that information in the cloud. I believe agriculture in Africa has the potential to employ millions and grow our economy, when done well. I’ll also invest in better farming methods that are sustainable in the African context; my investment will be in the entire value chain in agriculture – from the farm to factory (ALU, 2015)

What is/are the most significant challenge/s you have faced in running a social enterprise?

Funding is perhaps the school’s biggest challenge. As well as not having the funds for resident mentors, students are required to come with their own laptops for the course, but several have had to drop out because the school could not provide machines for them. Setting up Nairobi Dev School has made Martha acutely aware of the education gap in software development in Kenya. She says there are a number of computer science training programs, but these are very costly, and are limited to a small group of people. There is also lack of awareness of the existence of software development as an option for a career path (Nkem-Eneanya, 2014)

What have been your other challenges?

Another challenge is my age, people look at me and wonder what a young girl like me can really offer in the developers world. it is hard to walk to corporations to ask them to sign big checks because I did not have a big CV with the experience they were looking for. I had to prove myself and the idea was viable. Have it
running for a few batches and show concrete results so that people can believe your word (Chelimo, 2014). I am trying to figure out how to work with large bureaucratic organisations. I often feel they are slowing me down. We expect to figure out the rest as things go along, but sadly that is not how the world works. I remember once being frustrated by a group we wanted to collaborate with because they kept dragging their feet. We met twice and talked things through, but then they called a third meeting. I refused to go. I was impatient. I wanted to get things done, not meet and talk again (ALU, 2015). Technology changes every day, yet we invest so much in building our curriculum. For instance, you can train people how to build Android apps and two years down the line Android is dead. That unpredictability makes this a very risky industry. You can become irrelevant in a matter of days (ALU, 2015)

What advice do you have for young people who would like to start or run their own social enterprises?
I believe the solutions to the local problems in Africa lie in the continent’s creative and entrepreneurial youth exploiting modern technology to create jobs for themselves and others. This is evident from the impactful startups that have emerged across Africa, reducing infant mortality and connecting small farmers to markets through mobile phones (Europa.eu, 2015).

**IKOTOILET**

**Founder: David Kuria**
Ikotoilet, now part of the Ecotact Group, a Kenya-based social enterprise which provides affordable sanitation within urban areas. Ecotact builds and operates public pay-per-use toilet and shower facilities (Ecotact.org, 2016)

Who are your target customers?
*Rural and Urban poor, slum dwellers, children in public schools*
How long has the social enterprise been around: Since 2006

Where did you work before engaging in the social enterprise?
I worked with a quarry advising the miners on how to work effectively. I was 24 and had just graduated from university. I am an architect by trade with over 10 years experience in urban environment, research, community assessment and technology development (Mulupi, 2014)

What is the story behind your social enterprise?
Before we started, Ikotoilet was purely a government affair as a social service and nobody thought this would be in private hands and still provide the social service as a social good. For us it was a model where we had to disrupt the system in terms of how things were done. This is because it was not a straightforward investment like most of the businesses It took us more than a year as there were no clear regulations on how this ‘disruption’ of systems would work. In fact, there was no benchmark to convince banks to fund us. So it is that disruption process that we encountered so many barriers (Mulupi, 2014)

What problem are you solving?
We saw what were basically unusable bathroom facilities; they were dangerous, and being used as places for drug deals, robbing, and vandalism. Also, no new facilities had been built for almost 20 years, and were no longer in working order or hygienic. This fed into a cultural idea that it was better to just go to the bathroom outside then into one of the dark, dangerous toilets, and that’s what people did. Calling them “flying toilets”, most people would go to the bathroom in a plastic bag and then just throw the bag wherever they felt. The thing to remember though is that these people don’t want to do this, but they have no other choice because their government does not provide these services for them. Most of
the sanitation development had failed in Kenya. This is due to the strong cultural taboos surrounding sanitation (Wilson and Wilson, 2011).

What is your solution to the problem?
After looking at this, we decided that he had to make a toilet that was more beautiful and safe in order to make people start thinking differently about using these facilities (Wilson and Wilson, 2011)

What is your business model?
Under the Ikotoilet project, Ecotact builds and operates high-quality, public pay-per-use toilet and shower facilities. Customers pay five shillings ($0.06 USD) to use a facility. Through a Build-Operate-Transfer model of public-private partnership, Ecotact enters into long-term contracts with municipalities to use public land. In return, the company bears all construction costs and operates the facilities for five years. But it relinquishes ultimate ownership of the facilities to the municipalities, which can decide whether to extend their contracts with Ecotact. The company hires staff to operate and clean the units after each use, and offers other revenue-generating services and products such as advertising, shoe shining and soft drinks and newspapers (Acumen, 2015).

What makes it innovative? What makes your idea unique and different from others doing work in the field?
Our toilets offers a wide range of innovative features; a public image that attracts users into built space, identifying with it and being part of the whole, this is complemented by adds-ons services of shoe shine, newspaper vendors, soft drink to create a -Toilet Mall- concept. Improved management through franchise mechanism ensures locals are involved in operations and accrued benefits and also enhances hygiene levels; Human waste utilization is a valued addition due to benefits of biogas from digesters, urea from harvested urine and compost from the
sludge. My organization is also engaging municipal and schools on a new partnership arrangement of Build Operate Transfer (BOT) into sanitation infrastructure, management and operations for a period of five years - through this period the programme will develop through incubation of franchises to ensure a new knowledge on sanitation management is in place for now and the future. (Changemakers, 2015).

What strategies are you implementing in your enterprise?

My strategy is to scale up in the entire country giving special focus to the urban slums, schools and refugee camps. Nearly all slums and public schools have no adequate sanitation and this has been captured by the national steering group for the International Year of Sanitation. The demand is in excess in almost all our urban centres in Kenya, the slums in major towns and almost 10,000 targeted public schools. I have presented this model to the government and there is emerging interest to adopt it for urban slums and schools in Kenya. As a poverty reduction strategy, I hope to link up with more global corporates like cocacola, unilever etc, equity financing from local and international banks and the governments (Changemakers, 2015)

How do you engage your target customers?

The idea is for corporate to support or adopt several facilities and advertise or brand - then the franchise will charge the users to earn their incomes. The adds-on enterprises will strengthen the local ownership strategy and ensure quality level of maintenance (Changemakers, 2015)

What positive contribution are you making to the community? Direct? Indirect?

First, we have managed to demonstrate that a private investor can successfully transform a social service for the benefit of Kenyans. If we had waited for the government to provide toilets to Kenyans, where would we be today? We have
also provided jobs to about 120 Kenyans across the country. We have also changed the hygiene infrastructure in the country. I am glad that we now have a clear framework of future investors who would want to delve into this industry. Ecotact is defining a new standard of hygiene in target communities, reducing urban pollution from human waste, generating employment opportunities for low-income individuals, and restoring dignity to the provision of sanitation services (Mulupi, 2014)

What motivated when you were running the enterprise?
One of them was my first formal employment at an NGO. Elijah Agevi gave me the opportunity to think outside the box, come up with ideas and try them out. He was willing to allocate finances to implement innovations. It was not work as usual where you just report to the boss. I also admire Mahatma Gandhi for his efforts and belief in fundamental systematic change in society. Looking at Ecotact over the last six years, that has been the real motivation (Mulupi, 2014)

What opportunity/opportunities have you come across on your journey that have had a crucial impact on the success of the social enterprise?
But after a long search, in 2008, we raised $1 million from Acumen Funds. This was a long term capital which was to be repaid in five years. Later, local companies and banks gained confidence in us and we got grants and cash awards from East African Breweries Limited (EABL) Foundation, Global Water Challenge, UN Habitat and Safaricom Foundation among others (Acumen, 2015) I believe I am diplomatic in terms of negotiations and creating linkages. I meet so many people from across the world and I am able to be in sync. It is important to be open to new ideas and challenges and admit when you are failing and look for answers (Mulupi, 2014). Kuria was also named Regional Social Entrepreneur of the Year for Africa in 2009 and is also a Schwab Fellow 2009, Ashoka Fellow 2007 and a newly appointed member of the Crans Montana Forum of New
Leaders for Tomorrow. These titles have helped him with securing more funding for Ecotoilet, but also to spread social enterprise work around the world (Changemakers, 2015).

What are some of the significant lessons you have learned along the way? Particularly something that was shocking or that you were not aware of?

Initially, I thought that the culture of Kenyans would be a challenge but it was not the case. Surprisingly, they were willing to pay for the toilet services that we offered. We began by charging Sh5 in Nairobi and later modeled the Ikotoilet for a year before raising the charges to Sh10 for toilet use (Kaivilu, 2015)

What is your short and long-term goal?

Today, we serve about 10 million people every year. We are now at the point of re-negotiating handing over the service to the government. So far, we have handed to the government, all the Ikotoilets in Nairobi Central Business District. We are, however, still manning some of the facilities (Kaivilu, 2015)

What is/are the most significant challenge/s you have faced in running a social enterprise?

For us it was a model where we had to disrupt the system in terms of how things were done. This is because it was not a straight forward investment like most of the businesses. It took us more than a year as there were no clear regulations on how this ‘disruption’ of systems would work. In fact, there was no benchmark to convince banks to fund us. But after a long search, in 2008, we raised $1 million from Acumen Funds. This was a long term capital which was to be repaid in five years. Later, local companies and banks gained confidence in us and we got grants and cash awards from East African Breweries Limited (EABL) Foundation, Global Water Challenge, UN Habitat and Safaricom Foundation among others (Acumen, 2015)
What have been your other challenges?

*Kuria built hygienic and affordable toilets for the 1 million slumdwellers of Kibera (a district of Nairobi, Kenya) but found that government regulations would make it difficult to expand his efforts. So he put the City Council of Nairobi’s logo on all Ikotoilets he constructed, which made people feel like the government was responding to their needs. The government was happy to take the credit and became very supportive of Kuria’s Ikotoilet, lifting barriers for expansion (Ravilochan, 2010)*

What advice do you have for young people who would like to start or run their own social enterprises? Or someone who wants to work in the social enterprise sector?

*The beauty is that our young people are well equipped in terms of knowledge, but it ends there for most of them. What they need to do is transform that knowledge to something that is relevant and economically sustainable. The young people should do what they enjoy doing. If you find a niche you will definitely make money. I think the youth are in a hurry to get rich and get to [prominent Kenyan businessman Chris] Kirubi’s level when it has taken him 30 to 40 years. You are not going to get there overnight. There are steps of growth and you have to influence others as you climb up. As long as you are focused and utilize your best ability, then you will definitely reach there (Mulupi, 2015).*