



**International
Finance Corporation**
World Bank Group



Gender and Economic Growth Assessment & Voices of Women Entrepreneurs in Kenya

May 2006 Launch

“Gender inequality is a serious economic issue in Kenya. Addressing it will lead to improved outcomes not only for women themselves, but for families and the society as a whole.”

- Permanent Secretary, David Nalo, Ministry of Trade and Industry

Key Products

Request from the MoTI to provide...

1. Gender and Economic Growth Assessment (GGA)
2. Voices of Women Entrepreneurs publication

Process:

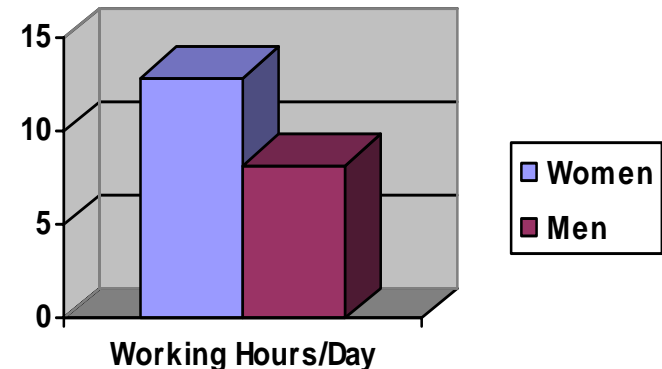
- Combined World Bank/IFC team guided by key Ministry counterparts and National Commission on Gender in Kenya
- Extensive consultations with 100+ stakeholders on draft findings and recommendations (women's business associations, KEPSA, PSD Donor Group, civil society)

Gender and Economic Growth Assessment

Women's economic contribution in Kenya is significant –

- Own 48% of MSMEs
- Dominate agricultural products (Provide >80% of labor for food production & 50% for cash crop production)
- Large source of untapped growth & commercial opportunity (Better loan payback rates)

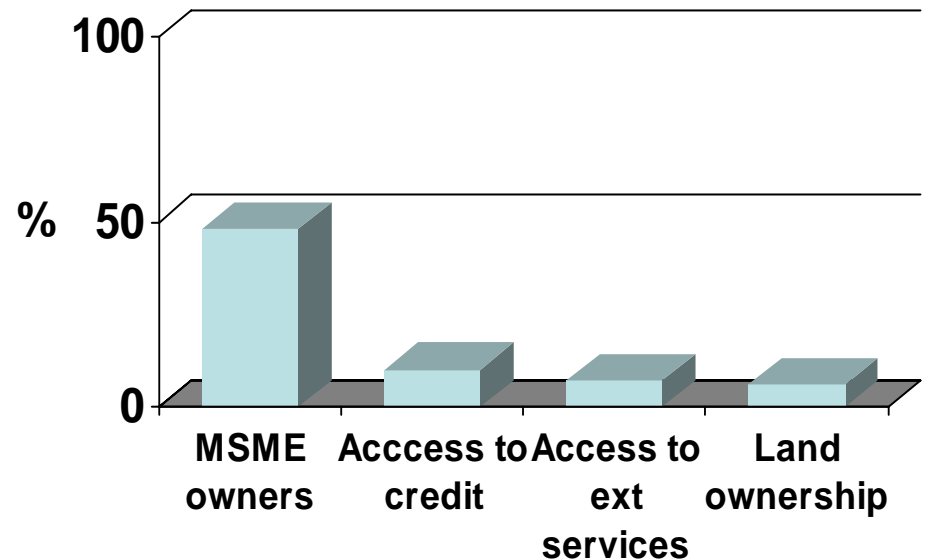
Women's time burden



But Women Are Constrained by:

- 1) Lower education levels
- 2) Double time burden
- 3) Fewer opportunities to accumulate savings
- 4) Unequal access to land rights & control of resources
- 5) Poor access to formal financing
- 6) Impact of HIV/AIDS

Women's access to resources in Kenya



Linkages Between Gender and Growth

Access to education	If female primary & secondary school enrolment could be brought up to the level of male enrolment, annual GDP growth could increase by 3.5%
Agriculture	Inequalities in access to land, credit & inputs also limit growth: reducing inequalities could increase agricultural yields by 22%

Eliminating these barriers could result in:

- One-off increase in 4.3 percentage points of GDP growth
- Year-on-year increase of 2 to 3.5 percentage points in GDP growth

Addressing gender inequalities in Kenya is therefore critical for....

- Attaining, or possibly exceeding, the ERS GDP growth target (7% per year by 2010)
- Increasing formal sector employment
- Increasing agricultural productivity and exports
- Reducing poverty and inequality
- Achieving all 8 Millennium Development Goals

GGA Report highlights the following key issues:

Ch 1- Gender and economic growth nexus

Ch 2- Legal framework

Ch 3- Access to land and property rights

Ch 4 - Access to finance and collateral

Ch 5 - Access to the formal sector:
business entry & licensing

Ch 6 - Access to justice

Ch 7 - International trade and labor

Ch 8 - The way forward & the PSD strategy

Voices of Women Entrepreneurs

- In-depth interviews with range of women entrepreneurs
- Brief report - advocacy tool for women & policy makers



In Women's Voices.....

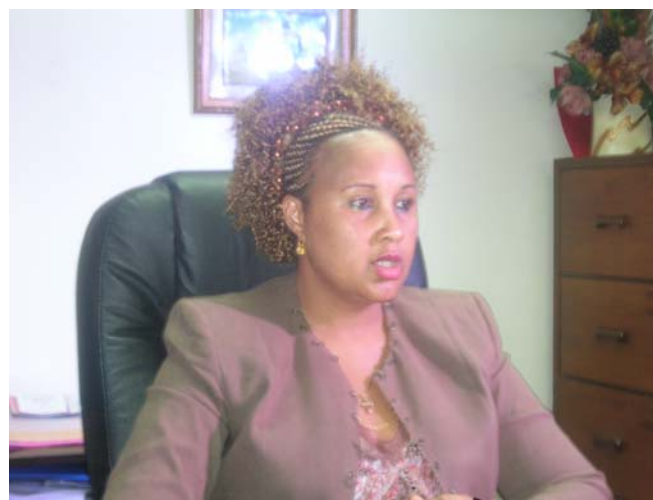
- *Accessing international markets is a total nightmare. We don't have a databank of needed information.*
- *I am director and I'll go to the bank. But they go to the back and call my husband. I am always asking, supposing it were my husband here, would you have called me?*

Women lack access to property rights and land

Women in Kenya:

- *Supply 70% of labor in agriculture but own only 1-6% of land*
- *Obtain property rights often through a man*
- *Excluded from formal registration practices*
- *Can be ineligible for cooperative membership*

“A lot of property in this country is owned by men. I think this is a trend that needs to be changed.” - Patience Nyaoga, Tintoria Laundry



Recommendations for increasing access to land and property rights

Promulgate training manual for Magistrates and customary leaders on women's property rights

Amend the Succession Act to eliminate discriminatory provisions

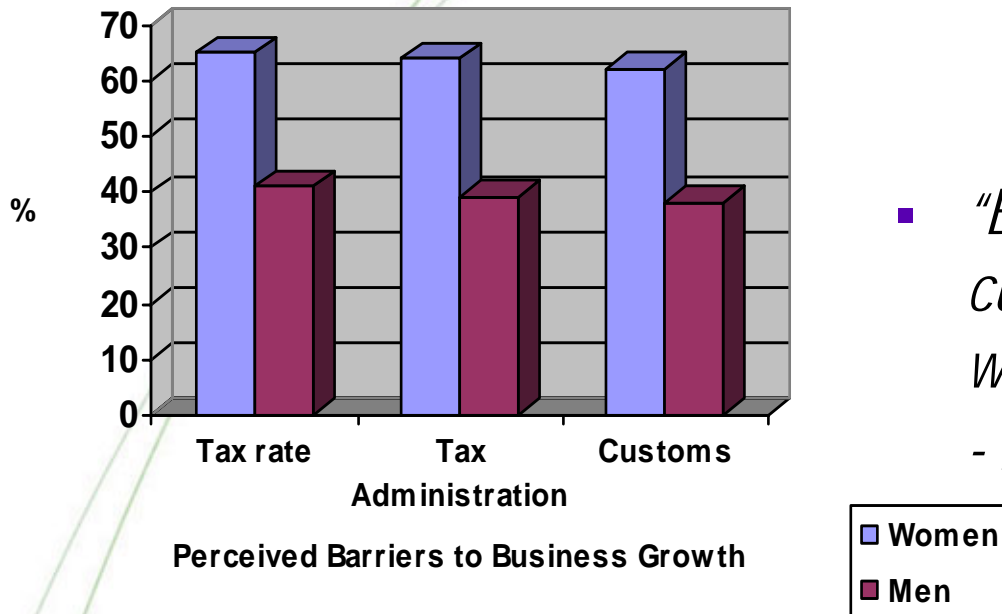
Prioritize publication of law reports on women's property rights

Strengthen dissemination of knowledge about women's property rights and how women can enforce them

Continue with training of Land Control Board and DLT members in gender issues and monitor impact at the local level

Bureaucratic barriers prevent women from growing their businesses

Women perceive tax and customs as greater constraints to business growth



- *"Business registration is very cumbersome. If you are a woman, you do not have time."*
- Mary Okello, Makini Schools

Source: World Bank.2006. Kenya Urban Informal Sector Investment Climate Analysis.

Key recommendations on access to the formal sector

Repeal Registration of Business Names Act, replace with streamlined regime based on international best practice

Replace the Companies Act with new regime based on international best practice in common law countries (Min of Justice– GJLOS / FLSTAP / Law Reform Commission

Introduce legislation relating to deregulation to enable unnecessary and burdensome licensing requirements to be repealed or amended by Ministerial order

Regulatory impact assessments (including gender) should be required for Cabinet approval

Access to finance is a key constraint for women

- Lack of Collateral
- Lack of Information
 - on financing options and business skills
- Lack of Formal Credit Information System
- Lack of Credit Supply for SMEs
 - SMEs lending products lacking
- Legal and Regulatory Framework Issues
 - Unregulated MFIs and SACCOs
 - Incoherent legal framework for moveable personal asset interests



“There are a lot of funds at the micro level. But we can’t be all small time traders.”

- Esther Passaris, Adopt a Light

Recommendations for increasing access to finance

Prioritise reform of Part IV of the Companies Act, the Chattels Transfer Act and common law in relation to moveable property securities law

Collect and report gender disaggregated data on the MSE sector by ensuring future surveys and mapping exercises are gender sensitive

Strengthen legislation to enable efficient exchange of credit information between Financial Institutions, especially between MFIs and Banks

Women lack access to justice

Table: Cost of Enforcing a Contract in Selected Commonwealth Countries

Country	Time (days)	Cost (percent of debt)
New Zealand	50	4.8
Botswana	154	24.8
Uganda	209	22.3
Tanzania	242	35.3
Kenya	360	41.3

- Formal courts are too costly, time consuming, and complex
- Negative attitudes towards women prevail

"Kenyans need education on their civic rights. In absence of this knowledge, it becomes very difficult for small businesses to grow."

- Alice Kamunge, Vera Beauty College

Recommendations on strengthening women's access to justice

Strengthen training for judges, magistrates, chiefs and police on laws relating to women's property rights

Publicise High Court decisions confirming women's inheritance and property rights and ensure they are applied in Magistrates Courts

Ensure GLOS M&E system includes gender disaggregated data to assess impact of justice reforms on women

Ensure proposed national legal aid system adequately addresses gender issues, and strengthens community based justice

Gender Issues in Trade and the Labor Market

- Women in Kenya are well-represented in the labor market
- But
 - evidence of discrimination by participation, wages & occupation
 - Need to update employment laws
- Trade offers opportunities in export sectors like cut flowers & textiles. Benefits include:
 - more formal employment,
 - higher wages
 - better working conditions (training opportunities)
- But
 - need complementary measures
 - skills upgrading
 - access to credit, trade-related information and marketing



“The horticulture industry is a very technical field. These are areas where we need a lot of technical assistance and training. – Elizabeth Thande, Wet Farm Ltd.

Recommendations on Trade and Labor

Enhance collection and reporting of gender disaggregated data to facilitate research into the impact of trade on gender issues

Institute an affordable and effective enforcement regime to implement new laws.

Conduct trade capacity building for MoTI on multilateral and regional trade agreements

Undertake regulatory impact assessments on proposed new labor laws, including a gender assessment

Upgrade skills, training, capacity building and economic literacy for women entrepreneurs MSEs

Next Steps – From Solution Design to IMPLEMENTATION

Unleashing the economic power of women in Kenya
– for the benefit of all

“I can uplift a lot of women. I am employing other women and giving them a chance.” - Roseanne Ndiga

“Women’s entrepreneurship, the obstacles women face and the potential they offer to create both wealth and well-being are a world-wide phenomenon.” - Margaret Snyder, Founder UNIFEM

