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Timeline

2019-2022

Study Status

Results

Study Type

Descriptive / Surveillance

Sample Size

1,715 Entrepreneurs

Research Implemented by IPA

Yes

Persistent yet Ameliorable COVID-19 Impacts on Female Entrepreneurship: Experimental Evidence from Kenya

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October 2023

Abstract

While female entrepreneurs face additional hurdles, it is unclear whether this gap increases during crises: women may be more impacted due to those same hurdles, but they may also be more resilient due to their sectors of operations. In a large sample of partnered male and female Kenyan youth microentrepreneurs, this paper documents more severe consequences of COVID-19 for women across a variety of outcomes: business ownership, sales and profits, adaptability, leisure, and intra-household decision-making. However, the impact of randomized grants greatly offsets these declines, and generally does so as strongly for women as for men.

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COVID-19 and Female Entrepreneurship in Kenya



Over the last decade, youth unemployment has increased. This has been exacerbated by the COVID-19 pandemic, particularly for young women. Researchers partnered with IPA to study how the pandemic affected young men and women differently and to evaluate how business grants and business development services (BDS) helped alleviate these impacts.

Key Findings

- The pandemic-related economic crisis impacted women more negatively than men. It exacerbated gender gaps in monthly sales and profits and it widened the gender gap in childcare hours by 30 percent, with women cutting back on work hours to care for children more than men.
- Business grants appear to have mitigated some of these negative effects with positive impacts on well-being and business outcomes for men and women entrepreneurs.
- Grants, especially when paired with BDS, increased women's daily work hours reducing time spent on domestic chores, leisure, and childcare.

Evaluating the Effects of COVID-19 on Female Entrepreneurship in Kenya



A woman entrepreneur in Kenya ©Aude Guerrucci

Researchers partnered with IPA Kenya and Kenya’s Ministry of ICT, Innovation, & Youth Affairs to assess the effects of COVID-19 on young men and women entrepreneurs and evaluate how a program providing business grants and training services during the pandemic impacted them differently. Results showed that COVID-19 was more severe for women, but grants generally benefited women and men equally, improving business outcomes and well-being.

Prior to the COVID-19 pandemic, young women had higher unemployment rates and were less likely to be in education or vocational training compared to men. Early pandemic data indicated a sharp rise in young women’s unemployment. In Kenya, the government-run Kenya Youth Employment and Opportunities Project (KYEOP) provides young Kenyans with skills training, entrepreneurship support, and labor market information. In part of the program, select entrepreneurs receive business grants and business development services to grow their businesses, which continued to be offered during the pandemic.

Researchers partnered with IPA Kenya and Kenya’s Ministry of ICT, Innovation, and Youth Affairs to assess the effects of COVID-19 on young men and women entrepreneurs and evaluate how business grants and business development services during the pandemic impacted them differently. To do this, they compared men and women who received grants, business development services, or both with participants who did not receive them. They measured indicators including business performance, economic status, time management,

intrahousehold dynamics, and overall well-being.

Results showed that women entrepreneurs were more severely affected by COVID-19 than men. They were less likely to own a business, less likely to adapt their businesses, and experienced greater sales and profit losses. They also cut back work hours to take care of their children and reported declined bargaining power in their households. The business grants significantly improved their resilience to COVID-19 just as much as it did for men. Business ownership increased by 40 percent for women and 30 percent for men, with monthly sales rising by 40 percent and 45 percent, respectively. In addition, the grants increased women’s work hours—especially when paired with business development services—and subjective well-being for both women and men.

Implementation Partner



Ministry of Information, Communications
and The Digital Economy

Kenya Ministry of Information, Communications, and the Digital Economy

Research Partners



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