

# COVAW and MIW Study Report

## Intersectional Assessment of the Economic Exclusion of Women Involved in the Business Sector in Informal Settlements of Nairobi County, Kenya



A FOCUS GROUP DISCUSSION IN MATHARE, NAIROBI, KENYA

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## Foreword

The Coalition on Violence Against Women (COVAW) understands that women’s freedom from all forms of discrimination and Violence Against Women and Girls (VAWG) is not only a human right, but also crucial in enabling sustainable development and freedom from Gender Based Violence (GBV). Women's economic empowerment is one of the 5 strategic focus areas of COVAW. Willing to deepen its understanding of tenets of the economic exclusion of the most marginalized women, COVAW in partnership with the Humanity & Inclusion Making It Work project implemented a 6 months project : ***“Analysing the Economic Exclusion of Women involved in the Business Sector in Informal Settlements of Nairobi County, using an Intersectional Approach”***.

The project primarily aimed at conducting an intersectional assessment on challenges faced by women business owners in the informal settlements of Nairobi; and publishing a report with recommendations on economic inclusion of women to inform future interventions and actions. It helped as well at strengthening COVAW’s internal capacity on intersectionality including how COVAW can and will apply an intersectional approach in its programming ; it allowed to test and improve the MIW How-To- Guide: Intersectionality in Practice<sup>1</sup>.

Kenya has a large and active informal economy made up 14.5 million individuals, which plays an important role in employment creation, income generation, poverty reduction and economic growth of the society. The informal sector first came about as a response to issues of economic survival brought on by fast urbanization and urban poverty.

Kenya's governmental actions that specifically target the informal economy are significant. However, the policies in existence do not offer enough framework in order for the necessary development for businesses in the informal sector, leaving gaps in the agenda, in particular for women with diverse identities falling through the cracks of social protection programmes.

This report provides an overview of the various barriers faced by the women in their diversities when trying to operate their own business in the informal settlements of Nairobi, using an intersectional lens. It includes recommendations that should be implemented to promote women’s economic inclusion and economic empowerment. COVAW and MIW hope that the key findings and recommendations that emerged from this study will be brought to life to better the lives of the women most in need.

**Coalition on Violence Against Women (COVAW) – Kenya, April 2023**

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<sup>1</sup> The How-To Guide : Intersectionality in practice, published 8th of March 2022 - [link to the How-To-Guide](#)

## Acknowledgements

This report was as a result of the collaborative efforts of Humanity & Inclusion-Making it Work project and COVAW. COVAW deeply appreciates all those whose contribution in one way or the other shaped the study.

COVAW would like to thank each stakeholder for agreeing to participate in the assessment and sharing with us key insights on challenges faced by women business owners and key recommendations on how to promote economic inclusion and women's economic empowerment.

COVAW is especially grateful to the women living in the informal settlements carrying out various businesses who opened up to narrate their experiences and challenges they face in setting up and running their businesses.

Special thanks go to the COVAW staff led by a dedicated team composed of the Executive Director, Wairimu Munyinyi-Wahome, Programmes and Communications Manager, Fridah Wawira and the Project Intern, Ashley Mathenge. We also thank the Humanity & Inclusion Making It Work team, led by Sophie Pecourt and the Project intern, Roxanne Aminou.

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## Executive summary

Coalition on Violence Against Women (COVAW) is a non-for-profit women's rights organization. COVAW is committed to advancing women's rights; and work towards achieving a society free from all forms of violence against women and girls (VAWG). COVAW was founded in 1995 as a response to the silence of the Kenyan society addressing VAWG. COVAW implements projects under five (5) strategic focus areas including: Access to Comprehensive Sexual and Gender Based Violence (SGBV) and Sexual and Reproductive Health Rights (SRHR) Services; Women's economic Empowerment; Women's Leadership Development and Access to Justice in line with its strategic plan (2018-2023), which can be found [at this link](#).

COVAW in partnership with the Humanity & Inclusion Making It Work project, worked on the ***depth assessment on the economic exclusion of women involved in the business sector in informal settlements of Nairobi County, using an intersectional approach.***

This study was part of a six-month cooperation with the MIW Gender and Disability project. The main objective of this assessment was to understand how women in their various diversities face different barriers in running sustainable economic businesses and how these barriers can be addressed. This assessment was carried out between the months of March 2022 -August 2022. This cooperation also served the purpose of improving and enriching the How-To Guide: Intersectionality in practice, co-developed by Inclusive Friends Association and MIW and published in May 2022.

### Why engaging with women living in informal settlements?

COVAW over the years has been involved in the empowerment of women within various informal settlements in Kenya. The informal settlements include: Kiandutu, Ruiru in Kiambu County and Mathare, Mwiki and Kawangware in Nairobi County. COVAWs projects include enhancing access to comprehensive sexual and gender reproductive health services for marginalised groups.

Building on our past experience addressing economic exclusion of girls and women (see for instance the April 2019 report ***“Safely Engaged: addressing gender-based violence and economic exclusion of girls and young women in Kenya: public and private sector practices”*** by the Girls Advocacy Alliance<sup>2</sup>) we have been willing to further engage alongside women living in informal settlements. Taking the opportunity of the How-To Guide as a powerful tool to support intersectionality in practice, COVAW engage into this study; understanding and reaching out to the most vulnerable being our mandate that is covered in our strategic plan.

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<sup>2</sup> Girls Advocacy Alliance(GAA), April 2019. COVAW was a member of the GAA project 2016-2020 - [Link to the Safely Engaged report](#)

## Embarking on the journey of intersectionality

As a first step, COVAW and MIW conducted a capacity building session for the staff in order to familiarize themselves with the different key concepts related to intersectionality; understand the importance of the intersectional approach and discuss next steps on how COVAW can apply an intersectional approach in its programming.

COVAW as an organization gained expertise on intersectionality, differentiating between intersectional and multiple discrimination and why it is important to adopt an intersectional approach moving forward.

**Intersectionality is a concept that allows us to understand and analyze how multiple identity factors (e.g. gender, disability, age, economic status, ethnicity, religion, sexual orientation...) of a person combine and interact to create specific experiences and situations of discrimination or privilege, as well as context-specific advantages and disadvantages.**

**Intersectional approach allows us to reflect on individual identity factors and understand how they influence perceptions of 'needs', and how to reach and therefore include the most marginalized people in a given context.**

Willing to hear from the women-led DPO who had been instrumental in developing the How-To Guide, COVAW held an open learning session with IFA. IFA shared their experiences in conducting an intersectional study on discrimination factors affecting the lives of women with disabilities in Plateau State in Nigeria; and more broadly in embarking in the journey of intersectional approach. They highlighted the study limitations and challenges they faced in the field and what they would have done differently.

Following the steps proposed in the How-To Guide, COVAW and MIW conducted an in-depth desk review analysis. This desk review helped determine the discrimination factors to focus on: we found out that ***legal status/immigrants, disability, ethnicity, religion, and sexual orientation seemed to be key in affecting women's economic inclusion in the slums of Nairobi.*** Additionally, the desk review helped look into the existing policies, laws and procedures in place that affect women running businesses in informal settlements; and deepening our understanding of economic inclusion in practice.

In the month of June 2023, COVAW held Key Informant Interviews with 9 stakeholders to understand the challenges that women in businesses face in accessing financial services and products. **Willing to refine our understanding and to hear from the women in their diversities themselves on their challenges to run a business, we organized focus group discussions with women from four different informal settlements in Nairobi; Mukuru Kwa Njenga, Kibera, Korogocho and Mathare.**

## Summary of the findings

From the **Key Informant Interviews and Focus Group Discussion**, COVAW was able to learn that:

Though Kenya has social protection programs, these programs are not specifically inclusive to women with disabilities and refugee women face an additional struggle in trying to access these services due to the lack of official documents. Moreover, a bank or a micro finance institution have such high credit approval requirements in order to grant credit that women in the informal settlements do not have access to it. An example of this can be seen via the requirements needed by banks which include collateral as security such as immovable property which they lack living in informal settlements. Due to the limited educational possibilities available to women living in informal settlements, many women lack the requisite skill set to enter the job market and support themselves. Because fewer educational facilities are geared toward them, women with disabilities have a tougher experience and are therefore at a greater disadvantage.

We also found that women face high levels of sexual harassment from city council officials to get their licences and related documents; with an aggravated level for women perceived to be of different sexual orientation, women with disabilities and refugee women.

Some recommendations from the key informant interviews and focus group discussion on how to enhance economic inclusion of women are: Social security coverage is a problem for the informal economy. With centralized management, oversight, and risk-pooling, the NSSF and NHIF should lower the monthly contribution rates. Membership recruitment, monthly contributions collection, and remission should be done through associations based in the formal settlements. Microfinance institutions should reduce the interest rates of the loans offered to business owners in the informal sector. Most loans from the micro finance institutions attract an interest of 10% on a monthly basis and others 0.3% on a daily basis. An assessment should be done on the profitability capacity of informal businesses to determine ideal and friendly interest rates. Microfinance institutions should give a grace period of at least a month from the time they issue the loans.

## Part 1. Project progress

### 1. At a glance

Our project began with a learning session with Inclusive Friends Association and Making It Work, the two partners initially involved in developing the How-To Guide: Intersectionality in practice. The learning session was an opportunity for the whole organisation to learn about intersectionality and how to look at issues from an intersectional point of view. Further, COVAW and MIW conducted a staff training in order to familiarize themselves with the different key

concepts related to intersectionality, within the organization; sessions on reflexivity helped understand the importance of an intersectional approach and deciding to adopt it in future work/projects. We discussed next steps on how COVAW can apply an intersectional approach in its programming.

The study analysed the existing legal, policy, institutional and practice gaps that challenge women in informal settlements in accessing financial services. COVAW and MIW were able to concentrate on important discrimination criteria that emerged as a result from the desk review analysis. Legal status, disability, ethnicity, education, sexual orientation, and gender are a few of them. Data collection was done in order to comprehend what economic inclusion and exclusion mean and how this affects women in business, linked with their diverse identities. Nine key informant interviews with different stakeholders and focus groups discussions were conducted in four Nairobi-area informal settlements: Mukuru kwa Njenga, Kibera, Korogocho, and Mathare. Analysing the information gathered from all the discussions we had helped us draw the recommendations that conclude the report. They should be undertaken by the government, financial institutions and women's rights organizations to guarantee that all women within informal settlements are better able to access financial services in order to empower themselves.

## **2. Step by step: conducting an intersectional assessment**

The methodology followed the different stages as articulated in the MIW How-To Guide: Intersectionality in practice<sup>1</sup>. An intersectional approach starts within the team as individuals and then broadly as a team.

### **Starting with us: Enhancing COVAW's understanding on intersectionality**

Reflexivity requires one to acknowledge one's intersecting identities, both privileges and disadvantages and then employ self-reflexivity as individuals, followed by reflexivity as an organisation. In order to achieve this, an internal training was conducted using the activities proposed in the MIW and IFA How-To Guide". The definition and benefits of intersectionality were discussed with the participants. The groundwork for a successful intersectional study was laid by self-reflection on the COVAW team members' different identities, bias and privileges, as well as an investigation of diversity within the organization. COVAWS team is made up of different ethnic groups and is also inclusive to those who are disabled.

### **Questioning diversity as depicted in the literature: a desk Review**

A thorough desk review analysis was conducted that included analysing various literature from the NGO sector as well as academics' studies. COVAW and MIW first conducted an exhaustive coverage of literature review where we collated all relevant studies, reports and articles. A



reference list was created to ensure documents were well organized and easily accessible by all team members.

COVAW and MIW reviewed the studies, global reports, research articles papers, journals on economic inclusion and exclusion, as well as on the socio-demographic profile of people living in the informal settlements. This helped us in identifying the relevant discrimination factors to focus on, and how those factors hold back women from building sustainable businesses. From the desk analysis we were able to narrow down the discrimination factors to ethnicity, literacy level, legal status, sexual orientation, age, religion and disability to be crucial to try and further study. You will find more on those key discrimination factors on Odedicated to the context analysis.

The desk review assisted us in zeroing in on key informants to interview based on the gaps identified. Two questionnaires to guide the KIIs and FGDs were developed from the information gathered through the desk review analysis.

- Key Informants Interviews (KIIs)

COVAW conducted nine Key Informant Interviews with the objective of understanding the various gaps within the laws and policies, and how women in business – in their diversities- are excluded from being able to access financial services and products. We also deepened our understanding on processes bringing other barriers contributing to their economic exclusion.

The nine stakeholders interviewed are: Catholic Justice Center, Hebrew Immigrant Aid Society (HIAS International), Nyanza Rift Valley Western Kenya Network (NYARWEK), Kisumu Lesbian and Bisexual (KISLEB), Women Challenged to Challenge, This Ability, Kenya Association of Manufacturers, Voices of Women in Western Kenya (VOWWEK) and the National Council of People with Disabilities. See the list in [List of Stakeholders Interviewed during the Key Informants Interviews](#) in Annex 1.

- Focus Group Discussions (FGDs)

Upon conclusion of the key informant interviews, COVAW conducted four focus group discussions in four different informal settlements in Nairobi County; Mukuru kwa Njenga, Kibera, Korogocho and Mathare. We discussed the challenges that women attending face in running their businesses. 15 business owners participated in each group. Each focus group was made up of women of different age, religions, legal status, marital status and ethnicity.

COVAW made sure that the venues were easily accessible for women with disabilities by ensuring the meeting hall was the nearest to the marketplace. Ground rules were set before the start of the interviews to ensure a safe and non-judgmental space was created where everyone including refugee women and sex workers expressed themselves freely.

Consent was obtained from each participant before the start of the discussions.

## Part 2. Understanding economic exclusion of women in business in the informal settlements with intersecting identity factors.

Economic inclusion refers to access to labour markets, finance, entrepreneurship and economic opportunities for all, including non-citizens in addition to vulnerable and underserved individuals.

There are three key components to economic inclusion: education, access to funds and social protection programs.

“Chamas (self-help groups) are a creative and resilient way to fight poverty in Kenya. Their intuitive approach to financial security has become so important to the Kenyan financial sector that banks have even started using it as an economic model to lure more clients” in The Borgen Projects’ article “How chamas fight poverty in Kenya”.

### 1. Understanding economic inclusion

Economic inclusion refers to promoting equitable access to economic opportunities for vulnerable or marginalised populations. It is also about giving marginalized individuals the means to be in control of their own economic life and helping them improve their economic situation while at the same time improve their status<sup>3</sup>.

There are three components that are crucial for women to be economically included: **Education and training**, access to **social protection programs** and **access to funds**.

#### Component 1. Education and training

The provision of quality education to both genders can steer Kenya forward in the achievement of the Millennium Development Goals and the Kenya Vision 2030. The World Bank has recognized that there is no investment more effective for achieving development goals than educating girls.<sup>4</sup> Education is a fundamental human right: every child is entitled to it. It is also a tool for national development. It is critical to our development as individuals and as societies, as it helps pave the way to a successful and productive future.

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<sup>3</sup> Definition taken from the IM Sweden website, see this [link to IW Sweden](#).

<sup>4</sup> <https://files.eric.ed.gov/fulltext/EJ1079984.pdf>

The Education and training sector gender policy, 2015, provides that “although Kenya has nearly attained national gender parity in enrolment at primary level, close scrutiny reveals that serious gender disparities exist between regions with regard to access, retention, completion, performance and transition. The gender gap, in favour of males, widens as one goes up the education ladder. Some of the key factors contributing to gender inequality in the sector include socio-cultural and religious beliefs, attitudes and practices, poverty, child labour, poor learning environment, lack of role models, [...] among others”.<sup>5</sup>

In addition, it is evident that gender disparities are particularly wide in access to and achievement in Science, Technology, Engineering and Mathematics (STEM) subjects, especially in higher education. According to a report published by UNESCO titled “Cracking the code: Girls’ and Women’s Education in STEM”<sup>6</sup> only 35% of STEM students in higher education globally are women with variations within specific STEM disciplines.

Similarly, access to non-formal education and adult trainings – that are providing for foundational skills to get involved in business- is challenging for most marginalized women, in particular foreigners or refugees, women with disabilities or LBT women ostracised in their communities<sup>7</sup>.

## **Component 2. Access to social protection and entrepreneurship programs**

In our past research with the Girls Advocacy Alliance<sup>2</sup>, we have shown that Kenya has a robust and well developed Constitutional and legal framework and that the statutory frameworks provide broad mandates to the private sector regarding policies and practices on discrimination. However, adoption of these frameworks by the private sector at National and County level is largely inconsistent and unregulated.

Still, social protection programmes in Kenya exist to enhance the capacity and opportunities for the poor and vulnerable to improve and sustain their livelihoods and welfare, enhance income earners and their dependants to maintain a reasonable level of income through decent work and ensure access to affordable health care, social security and social assistance.<sup>8</sup> Some of the social protection programmes that have been put in place by the Kenyan Government include: The National Health Insurance Fund (NHIF) which is a fully fledged national health insurance scheme that aims to cover all Kenyans and residents as long they are contributing. The National Social Security Fund mission is to provide adequate income replacement to members, through prudent investments and prompt payment of benefits and the National Safety Net Programs,

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<sup>5</sup> Education and training sector gender policy, United Nations Educational, Scientific and Cultural Organization Published by the Ministry of Education, Science and Technology (MoEST), 2015 – [link to the Education and Training Sector gender policy](#)

<sup>6</sup> [https://en.unesco.org/sites/default/files/unescos\\_stem\\_mentorship\\_programme.pdf](https://en.unesco.org/sites/default/files/unescos_stem_mentorship_programme.pdf)

<sup>7</sup> For more information, refer to UNESCO [link to the 4th global report on adult learning and education](#)

<sup>8</sup> More information can be found on the official website for Kenyan social protection available at the [Vision2030 Social protection link](#).

which includes programs such as the cash transfer for persons with severe disabilities. Additionally, the Government of Kenya has put in place social protection programmes to further help women and persons with disabilities in economic activities. The [Uwezo Fund](#) is a flagship programme for Kenyan vision 2030 aimed at enabling women, youth and persons with disabilities access financial support to enhance their businesses thereby enhancing economic growth towards the realization of the vision 2030 and the SDGs.

Various loan schemes exist under Uwezo Fund such as the Wezesha loan; this is a constituency-based loan intended to finance first time borrowers' projects and businesses. The loan amount ranges between Kshs. 50,000 to Kshs. 100,000. Secondly, the Endezeza loan is a loan product for repeat borrowers subsequent funding. Subsequent funding is based on an incremental percentage of between 150% to 200% of the initial loan but not more than Kshs 500,000. Lastly, the fund focuses on development of small group businesses as a direct financial loan service provider in partnership with other Government agencies and financial institutions. In addition, the Fund offers non-financial services to its beneficiaries to enable them to establish and/or expand their individual or group business enterprise needs such as capacity building and market linkages.

The whole social system in Kenya in line with Article 27 of the Constitution (that states in particular the principles of equality and freedom from discrimination in all national and county policies, laws, and administrative regulations in all public and private institutions) is organized around the concept of **special interest groups**. Those are defined by the National Gender and Equality Commission as: Youth and Children; Women; Persons with Disabilities, Minority and Marginalised; Elderlies. However, though the policies and laws exist to protect special interest groups - they are considered as homogeneous groups based on one single identity factors. The 'special interest groups' model used in Kenya assigns individuals to sealed groups or categories owing to one identity factor and ignoring other identity factors that may lead to intersectional discrimination and related barriers when trying to access these services. Though funds such as the Women Enterprise Fund does not prevent women with disabilities or single mothers or non-citizen women to apply for the loans available, there are no specific provisions to ensure an intentional inclusion in such programs. Women with diverse identities fall through the cracks of the social system which demonstrates why special interest groups are not relevant enough and still fail to address the needs of the people facing intersectional discrimination and power imbalance.

### **Component 3. Access to financial services and products through Banks, Microfinance Institutions (including mobile money) and Self-Help Groups**

According to a 2021 article by the Nation referring to the Payments System Design and the Financial Inclusion Gender Gap Survey<sup>9</sup>, conducted in major towns across the country, there is a strong gender bias in transaction fees, with women paying about Sh11 per peer-to-peer transaction, compared with Sh7 for men, on average. The survey explains this is due to the fact that women are less financially empowered, making them transact smaller amounts - usually less than Sh800 per transaction on average - which attracts higher transaction fees compared with men, who send bigger amounts on Safaricom's mobile money platform, M-Pesa.

According to the Global Findex Database of 2021 Report<sup>10</sup>, some progress has been made with the gender gap in bank account ownership across developing economies has fallen to six per cent from nine per cent, a sign of more women with savings accounts. Mobile money, it says, is an enabler of women's financial inclusion as it is a driver of account ownership and use of accounts through mobile payments, saving, and borrowing.

The Borgen Project highlights that, in Kenya<sup>11</sup>, "women often have to be financially dependent on men. However, Kenyan women, who make up half the informal sector, have been able to achieve some financial independence through taking short loans in the *chamas* (self-help groups)."

According to the World Bank<sup>12</sup> "55% of Kenya's urban women aged 15-25 are unemployed. *Chamas* (self-help groups) can help them to avoid or escape poverty by securing financial help from their community to become self-employed. All-women *chamas* like Wikwatyo Wanoliwa (Hope for the Widows) have proven that women are a key demographic in the fight against poverty. *Chamas* are a creative and resilient way to fight poverty in Kenya. Their intuitive approach to financial security has become so important to the Kenyan financial sector that banks have even started using it as an economic model to lure more clients." For instance, the Equity bank in Kenya has started the Eazzychama which allows members of the community to open and conduct joint chama activities with ease. All members are able to monitor group activities through this account, such as deposits, withdrawals and fund transfers. Additionally, they are able to track the personal transactions in the account such as their monthly or lifetime contributions, penalties, group statement and other financial activities.

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<sup>9</sup> Link to the newspaper article from the Nation <https://nation.africa/kenya/news/gender/women-pay-double-to-access-mobile-money-services-3284278>

<sup>10</sup> Source: The GLOBAL FINDEX DATABASE 2021: Financial Inclusion, Digital Payments, And Resilience In The Age Of COVID-19 [link to the Executive Summary](#)

<sup>11</sup> See article [How Chamas In Kenya Fight Poverty](#)

<sup>12</sup> Source: The World Bank Report on Gender Equality for Development can be found here <https://www.worldbank.org/en/research/dime/brief/dime-gender-program>

## 2. The importance of informal business sector for people living in informal settlements/in Kenya

The informal sector roughly employed 14.5 million individuals in 2020 corresponding to over 80 percent of the total number of people employed in the country<sup>13</sup>. The informal sector is generally viewed as consisting of activities of small traders operating in the streets of large urban centres. It can also be described as any activity generating income and profits on a small scale, using simple skills, dynamic and not tied to regulation of the activities.

Informal businesses are typically characterized by low productivity, resulting in low and irregular earnings. This is aggravated by a lack of access to basic services such as water and electricity: in Kibera, “80% of the settlement’s residents don’t have electricity”<sup>14</sup>). Additionally, as written by the World Bank in 2020, “residents lack a dedicated space to operate, and access to high-value markets. Informal businesses are typically not financially included, and therefore unable to make reliable business transactions, access credit for productive investments or to reliably save to prepare for unforeseen risks”<sup>15</sup>.

The informal sector is mostly made up of businesses in the wholesale and retail trade, hotel and restaurants<sup>16</sup>. Other businesses in the informal economy include; shoe polishing, carpentry, vegetable selling, repair and construction work.

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<sup>13</sup> Source: Kenya National Bureau of Statistics, 2021, cited in Statista - [link to the Economic Survey 2021](#)

<sup>14</sup> See article “[In Nairobi's Slums, Problems and Potential as Big as Africa Itself – The Informal City Dialogues](#)”, by Sam Sturgis, 2013 - [link to the article](#)

<sup>15</sup> [Supporting Africa's urban informal sector: Coordinated policies with social protection at the core](#)

<sup>16</sup> Source: Kenya National Bureau of Statistics, 2021, cited in Statista - [link to the Economic Survey 2021](#)

## Part 3. Context analysis: narrowing down the intersecting identity factors

### 1. Desk review analysis

The desk analysis was based on an in-depth literature review including the previous research conducted by COVAW titled [Safely Engaged: Addressing Gender-Based Violence and Economic Exclusion of Girls and Young Women in Kenya: Public And Private Sector Practices](#). COVAW and MIW scrutinised global reports, research papers and articles that dealt with the economic exclusion of women in business to understand the various challenges they face. As well we searched for reliable data on the socio-demographic profile of people living in the informal settlements we were focusing on, in a view of digging into identity/social factors relevant to better understand diversity and barriers for women living in those areas.

### 2. Key findings from the literature review

In Kenya, the number of female-owned businesses remains low compared to their male counterparts according to figures by the Kenya National Bureau of Statistics (KNBS) showing that about 30 percent of small and medium enterprises are owned by women. According to the Global Gender Gap Report conducted in 2021, Kenya was ranked 84th on women's participation in economic activities which is a sharp drop from 40th in 2006. In Kenya, approximately 56% of urban dwellers live in informal settlements, and the proportion is expected to reach two-thirds by 2030. A study published in 2020 by researchers from Columbia University<sup>17</sup> states that residents of these settlements have the worst physical and mental health outcomes of any population in the country. The same study also suggests women living in these settlements experience higher rates of violence, unemployment, and poverty than women in other contexts—variables that evidence shows are linked to poor physical and mental health outcomes.

**Women's issues should be looked at from an intersectional lens as they are not an homogeneous group.**

**High illiteracy, forced marriages, humiliation, ridicule, denial of basic needs, low employment opportunities are some of the manifestations of the gross impact of discrimination.**

**Women and girls from disadvantaged communities continue to be left behind in development, often experiencing discrimination in the form of significant barriers that prevent them from participating fully in political processes, limiting their access to social protection services, including health services, education and employment.**

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<sup>17</sup> Intimate partner violence: A key correlate of women's physical and mental health in informal settlements in Nairobi, Kenya Samantha C. Winter et al., Published: April 2, 2020 [accessible at this link](#)

Employment in the informal sector looks at the various types of businesses that are not necessarily registered with the registrar of companies. The business types include selling of second hand clothes known locally as “*mitumba*”, fishmongering, hairdressing, cooking within the schools in the informal settlements. Labour relations are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees.<sup>18</sup>

The informal sector is critical for job creation in Kenya. It generated roughly seven hundred and sixty-eight thousand (768,000) new jobs in 2019, against seventy-eight thousand (78,000) created in the formal sector. Informal businesses have become the main labour market entry for young Kenyans. As of 2019, individuals aged between 18-34 years formed the majority of employees in informal enterprises in the country<sup>19</sup>, suggesting that ageing might play a negative role in access to economic opportunities.

According to the Wiego Statistical Brief N°5 published in May 2011, it stated that, “about one-third (34%) of **working age women** were not economically active, compared to a quarter (25%) of working age men. This pattern is expected as women do a lot more unpaid work in the household than men, such as caring for children, sick people and old people, and doing the housework, and this work makes it more difficult for them to do formal work”<sup>20</sup>. Women-owned businesses during the COVID-19 pandemic “closed at higher rates during the pandemic due to their smaller size, greater informality, and operation in hardest-hit sectors”.<sup>21</sup> An analysis conducted by Oxfam in partnership with National Organization for Peer Educators (NOPE), SITE Enterprise Promotion and Women Empowerment Link (WEL) in 2015 in five urban informal settlements in Nairobi city (Mukuru, Mathare, Korogocho, Kibera and Kawangware) showed that “the poverty score was higher among women compared to men in both the younger generation (35 years or younger) and older generation (above 35 years). This implies that gender inequality is a factor in sustaining poverty.”<sup>22</sup>

**Poverty and marginalization** are compounded **when gender, age and disability intersect**, as written in the “Leave No Woman Behind” Report in 2020<sup>23</sup>. The report also shows that “women and girls with disabilities often do not have full legal autonomy; have reduced power and status in relationships, households and communities; and are more likely to face discrimination than men and boys with disabilities and women and girls without disabilities”. High illiteracy, lack of self-esteem as well as low employment contribute to their economic exclusion. The Women Economic Empowerment Strategy 2020-2025 published by the Kenyan Ministry of Public

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<sup>18</sup> More information can be found [on the Republic of Kenya \(2020\). Economic Survey 2020, Nairobi: Kenya National Bureau of Statistics.](#)

<sup>19</sup> <https://www.statista.com/statistics/1134287/informal-sector-employment-in-kenya-by-activity/>

<sup>20</sup> [https://www.wiego.org/sites/default/files/publications/files/Budlender\\_WIEGO\\_SB5.pdf](https://www.wiego.org/sites/default/files/publications/files/Budlender_WIEGO_SB5.pdf)

<sup>21</sup> Women, Peace, & Security Index 2021/22 – [link to the WPS Index report](#)

<sup>22</sup> Gender and Power Analysis in Urban Informal Settlements – Nairobi, Kenya, 2015 – [Link to the report](#)

<sup>23</sup> Cited in Leave No Woman Behind, National Report on the Situation of Women with Disabilities in Kenya, 2020 – [Link to the 2020 report](#)



service and Gender insists on the fact that women with disabilities have “limited access to opportunities and benefits”.<sup>24</sup> Women and girls with disabilities living in slums miss out on targeted health promotions and services. They have difficulty moving around, meeting people, and using sanitation facilities because of lack of accessibility.<sup>23</sup>

It was found that women living in slums experience different **forms of violence**. Amnesty International wrote in 2010 that “while economic independence does not shield women from violence, access to economic resources can enhance women's capacity to make meaningful choices. The violence women face helps keep them poor in part because their poverty inhibits their ability to find solutions”. The slums are often political hot spots for electoral violence and therefore unsafe for women and girls living with different forms of disabilities, as well as for women perceived from not being Kenyan citizens.<sup>25</sup> Violence within the informal settlements due to gender and ethnicity are mostly carried out by the unemployed youth and men who conduct crimes as individuals or as part of groups or gangs - women can be collateral victims of reprisal attacks. Physical, psychological and sexual violence among Adolescent Girls and Young Women in Nairobi slums are also common.<sup>26</sup> The violence is intimately related to some of the social as well as cultural norms but, importantly, seem to be driven by the economic circumstances under which these girls find themselves in.

Kenyan restrictions on **refugees'** engagement in formal work means that they cannot foster their households' health and well-being.<sup>27</sup> The Refugee Consortium of Kenya (RCK) in 2019 lamented that refugees and asylum seekers had limited opportunities for economic inclusion in Kenya. They said that the refugee status determination process for acquiring a refugee certificate was too lengthy<sup>28</sup>. Although the 2021 signed Refugee Act entered into force in February 2022 now allows refugees to get formal jobs, most employers have long been hesitant to hire them; as they would be seen as competitors to the locals.

According to the IIED Working paper on Urban refugees in Nairobi published in 2019, “refugees [...] often rely on informal petty trading, however they still struggle to afford food and other basic needs. They also face official harassment and competition with locals. Access to healthcare is a key need for refugees, particularly considering their vulnerability in their country of origin and their often-perilous journeys to Nairobi. The drivers of displacement, especially war/conflict, often negatively affect healthcare provision. Even when they manage to access

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<sup>24</sup> Cited in the Women Economic Empowerment Strategy 2020-2025- [Accessible at this link](#)

<sup>25</sup> Insecurity and indignity: Women's experiences in the slums of Nairobi, Kenya, Amnesty International 2020, [link to the Article on ReliefWeb](#)

<sup>26</sup> Orindi BO, Maina BW, Muuo SW, Birdthistle I, Carter DJ, Floyd S, et al. (2020) Experiences of violence among adolescent girls and young women in Nairobi's informal settlements prior to scale-up of the DREAMS -. [Link to the article](#)

<sup>27</sup> Cited in the Urban refugees in Nairobi, Tackling barriers to accessing housing, services and infrastructure paper, [Link to the Working Paper December 2019](#)

<sup>28</sup> Cited in the Nov. 2021 Article « Refugees In Kenya To Get Work Permits As Government Targets Easier Integration » - [Link to the article](#)

healthcare in Nairobi, refugees often face various challenges such as high costs, lack of health insurance including the National Health Insurance Fund due to lack of documentation and language barriers.”<sup>29</sup> Additionally, “Qualitative data have shown how these forms of informal trade are unpredictable, with constant harassment from county government officials seeking fees for trading licenses.”<sup>28</sup>

#### Part 4. Reaching out: Findings from key informant interviews and focus group discussions

### Gender as a key factor disadvantaging women to access sustainable business

In Kenya, barriers are beyond the law when it comes to being able to access financial products, they are cultural. Men and women are not in the same situations in accessing products. Women gaining access to these financial products is also made harder as women are still viewed to be the care givers of the family and should continue to focus on raising and taking care of their families. Women have been able to access financial services from mobile lenders but with disadvantaging conditions. Services provided by operators such as Fuliza, M-shwari, KCB-Mpesa, Tala and from microfinance institutions such as Lashego and Asa in order to grow and sustain their various businesses, impose conditions that make it extremely challenging for women in slums to access loans: the grace period is short, it begins one week after borrowing and high interest rates. For instance, Tala loans attract an interest rate starting at 0.3% a day and varies according to one's loan request. Most people prefer mobile loans because no collateral is required. You must have a phone and a national identification to access the loans. This probably bring specific barriers to undocumented/refugee women.

The women in the informal settlements heavily rely on *chamas* which are self-help groups that they form within their community to save. The *chamas* conducts table banking which is a group based funding system where members of a group meet at least on a monthly basis and make contributions to form a kitty from which members can borrow. Each member's contributions are recorded in her passbook

**Single women face discrimination challenges in trying to secure a guarantor when trying to access loans from banks and microfinance institutions.**

**There is a large pay gap between Kenyan women and refugee women.**

**Women who belong to different sexual orientation groups are heavily shunned within the business sector thus leading them towards sex work in order to make ends meet.**

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<sup>29</sup> Find out more in the OEFFF report, [link to the Urban refugees 2019 working paper](#)

and referred to as her share. The minimum contribution can be as low as Kshs 50, and as high as the group members agree on and the same is outlined in the group's constitution, which is written by the group itself. Thus it is set with the members' incomes in mind. In most cases the loans attract an interest of 10% and are repayable within a month. The interest earned increases the funds available for borrowing. Chamas have become the cornerstone when it comes to saving money for women living in informal settlements as they provide accessible funds to women who need it at an interest rate they can afford and with a grace period that works for them as they are the ones who draft the Constitution of the chamas they belong to.

Due to the lack of access to clean water in the informal settlements, those who have businesses as fruits vendors shared that in order to access water, they need to go to a common water point. However, sexual violence at the water point was reported as a big concern by women vendors. Women face sexual abuse when trying to access water. Unfortunately, they hardly report such cases out of fear of being stigmatized. The concern for their safety and integrity disproportionately burdens women business owners as the energy and time allocated to avoid unsafe public spaces and situations and the energy and time used to counter the violence and defend oneself, is energy and time that can be put to develop one's business.

Due to less opportunities for women to be educated leading to them lacking the necessary skill set to enter the job market, they turn to setting up informal businesses in order to be able to survive. Most flourishing small and medium-sized businesses are owned by men, whereas the less successful microbusinesses are owned by women. This gender disparity in ownership of informal businesses is evident.



*Focus Group Discussion in Mathare*

*“Finance institutions believe women cannot handle their products as well as men. They don't have a gender lens when it comes to offering services. [...] Kenya's social protection programmes are not inclusive of women with disabilities, based on the research.”*  
- Maria Rosa (This Ability)

## Barriers faced by women with disabilities in conducting businesses in the informal settlements

Women with disabilities face stigmatization and discrimination from the community members; some cultural beliefs such as they are a sign of a curse or a bad omen are contributing to them being ostracized. The NGO Women Challenged to Challenge shared that most of their beneficiaries who are women with disabilities lack the necessary level of education required to secure well-paying jobs. The level of education is low due to unavailability of special schools or the lack of inclusive regular schools within the informal settlements.

During the focus group discussions, most women shared that they face sexual harassment or are asked for sexual favours in order to secure business permits or business licenses from corrupt government officials. The women with disabilities shared that they face higher levels of sexual harassment from the government officials than the non-disabled women because they are viewed as easy targets. Officials in charge of the social protection programs expect kickbacks from the women with disabilities in order to process their applications for these funds. Other forms of harassment are usually dispensed on them by the county authorities who confiscate or destroy their merchandise.

Women with physical disabilities shared that due to their mobility limitations and insecurity issues within the settlements, they cannot operate their businesses beyond 7:00 pm in order to get home before it gets dark. As evening hours are peak hours for most businesses, this is a disadvantage. Though anyone can join a chama, they are not intentionally inclusive for women with disabilities. Women with disabilities shared that though they knew chamas existed within the community they did not belong to any due to lack of information about them brought up due to social marginalization.

## Refugee challenges in informal business

HIAS, an organization providing support to refugees in Kenya, in particular those living in the informal areas around Nairobi, shared during an interview that most refugee women that they work with face a major challenge due to the language barrier and the lack of the necessary legal documentation; affecting them to access financial services.

During the 2022 general elections in Kenya, refugee women were advised to stay hidden and close their businesses because they would be at risk of targeted violence either by the local gangs or in case of political unrest. The refugee women interviewed during the focus groups shared that they have difficulties accessing health services and business services because of lack of documentation. In some cases, though some refugees may have been educated in their home country, their papers are not accepted in Kenya leading to them having to either start again or seek informal employment.

## Barriers faced due to one's sexual orientation or gender identity

NYARWEK, an LGBTQ rights organization operating in Western Kenya, shared that being a transwoman without having a legal gender change exposes these women to severe discrimination: as their identification documents still show the names and gender they were given at birth, they are unable to access any financial services from financial institutions. This also affects their chances of employment opportunities as they have no official identification documents, in addition to being stigmatized and rejected. Due to the lack of employment opportunities of LBT women, transactional sex becomes their main source of income where they have to endure humiliation, insults, threats and physical violence. And in some cases the clients do not pay them for their services, however as they cannot report this to anyone as they have no support system back at home due being ostracized by their communities.

HIAS stated that Lesbian, Bisexual or Trans (LBT) refugee women face higher levels of sexual harassment by officials in charge of disseminating the social protection programmes.

In Mathare, where the majority of people are Christians, most people view lesbian women as not having a Christian way of life and their businesses are discriminated against forcing them to shut down their businesses. Lesbian women are not socially accepted in the communities and are occasionally even ostracized. Additionally, men harass lesbian women more frequently as they are seen as having no men to protect them.

Kisleb shared that issues about queer women are not being addressed. People focus a lot on gay and bisexual men and forget about queer women creating vacuums for these women who are not able to receive a proper education due to the high levels of drop outs caused by bullying which blocks them from gaining employment. They shared that it is important to create visibility for these women in order to give them more opportunities when it comes to bettering their lives financially.

*“Being visibly queer makes you more prone to be denied employment opportunities and generally more discriminated against in employment.” KISLEB*

## How ethnicity interacts with other identity factors

Additionally, ethnicity was mentioned frequently as a factor at stake in the successful or unsuccessful running of businesses in informal settlements. Depending on the area, some tribes are disregarded by other tribes. The women mentioned that some customers avoid the stores owned by other tribes. Additionally, government representatives will assist the members of their own tribe and ensure that they receive financial services. The UWEZO Fund and the Women's Enterprise Fund are two examples of social protection programs where ethnicity was mentioned to play out strongly in determining if you received the services.

Somali women shared that due to cultural beliefs, men believe that they should not run businesses and they focus on their household. And when they venture out into business, they are usually associated with Al Shabaab, facing racism on top of sexism. Gaining economic independence might lead to being at heightened risk of domestic violence if community support is not there due to beliefs that the family will suffer without the woman being present to take care of the family as her priorities will shift from the household to the business.

*“Some communities do not promote women’s rights in business, in the Somali community for instance. Disparities are big for women in business.” National Council of People with Disabilities*

### Barriers faced by single mothers in trying to access financial services

Single mothers are discriminated against, as some women who are married shun their businesses and accuse them of wanting to sleep with their husbands. This affects their businesses as they are treated as a threat by their fellow women. They also face challenges in trying to secure a guarantor when trying to access loans from banks and microfinance institutions.

Beyond the difficulties in running their businesses, female traders face additional stresses in conducting business in general. Caring for children remains primarily the responsibility of women, which influences their capacity to trade. Oftentimes women are faced with the choice of either leaving their children behind at home, or taking them along on the trade journey, as there are no daycare facilities. Domestic responsibility may mean that the female entrepreneurs face problems allocating sufficient time to the business. The demands associated with running the business and home therefore restricts the growth and potential success of many women-owned. Lack of family support worsens the problem.

## Annex: Acronyms and Abbreviations

<b>COVAW</b>	Coalition on Violence Against Women
<b>FGD</b>	Focus Group Discussion
<b>HIAS</b>	Hebrew Immigrant Aid Society
<b>IFA</b>	Inclusive Friends Association
<b>KAM</b>	Kenya Association of Manufacturers
<b>KII</b>	Key Informant Interviews
<b>KISLEB</b>	Kisumu Lesbian and Bisexual
<b>LGBTQ</b>	Lesbian Gay Bisexual Transgender Queer
<b>LBT</b>	Lesbian Bisexual Transgender
<b>MIW</b>	Making It Work
<b>NYARWEK</b>	Nyanza Rift Valley Western Kenya Network
<b>STEM</b>	Science Technology Engineering and Math
<b>SRHR</b>	Sexual and Reproductive Health Rights
<b>TVET</b>	Technical and Vocational Education Training
<b>VAWG</b>	Violence Against Women and Girls

**Annex 1. List of Stakeholders Interviewed during the Key Informants Interviews**

<b>Organization</b>	<b>Name</b>	<b>Position held</b>
Hebrew Immigrant Aid Society (HIAS International)	<b>Evelyne Adhiambo</b>	Gender and GBV Officer, Gender and GBV Department
NYARWEK	<b>Daniel Onyango</b>	Executive Director
Women Challenged to Challenge	<b>Jane Kihungi</b>	Director
This Ability	<b>Maria Rosa Cevallos</b>	Project Manager
KISLEB	<b>Elly Doe</b>	Executive Director
Kenya Association of Manufacturers (KAM)	<b>Faith Chebet</b>	Assistant Corporate Communications Officer
National Council of People with Disabilities	<b>Kenneth Kabene</b>	Kiambu County Disability Officer
Catholic Justice Centre	<b>Christine Ombok</b>	Program Officer