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# SPEAKING OUT, REACHING OUT:

Country Brief - Kenya



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# Introduction

The impact of COVID-19 on Kenyan youth has been harsh, reducing job opportunities, shuttering youth-run businesses, creating food insecurity, and pushing an additional 2 million people into poverty.<sup>1</sup> The negative impacts of COVID-19 on Kenya's overall economy are trickling down to the household level, with families experiencing reduced earnings and a reduction in work opportunities. Youth are disproportionately affected by the secondary effects of the pandemic as they have weak safety nets, and less savings to help cushion economic shocks. Youth entrepreneurs are more likely than older business owners to operate informal, micro-enterprises which have seen reduced revenues as a result of dampened consumer demand and government lockdown protocols. Youth are also less likely than other populations to access support programs and emergency cash transfers.<sup>2</sup>

COVID-19 is dampening years of social and economic progress in Kenya. The country's economy has grown steadily in recent years, achieving middle income status in 2016.<sup>3</sup> Over the past decade, Kenya has been one of the fastest growing economies in sub-Saharan Africa. However, due to COVID-19, economic growth slowed from an increase of 5.4% in 2019 to a decline of -0.1% in 2020 - the first time in 12 years

that the Kenyan economy has contracted.<sup>4</sup> Kenya has invested heavily in health and education in recent years, reducing child mortality, reaching near universal primary school enrollment, and reducing gender gaps in education.<sup>5</sup> In addition to macroeconomic impacts, unemployment rates have skyrocketed in Kenya during COVID-19, approximately doubling to 10.4% in 2021.<sup>6</sup>



**"My salary was slashed, and this has affected the way I have been living. But it has also affected how I view life and given me shock absorbers. Seeing people close to me lose their jobs was crazy."**

**- Woman, 24**

<sup>1</sup> World Bank. (2020). Kenya Economic Update, November 2020 : Navigating the Pandemic. World Bank, Nairobi. Retrieved March, 2021, from <https://openknowledge.worldbank.org/handle/10986/34819>.

<sup>2</sup> ibid.

<sup>3</sup> Norea Trade. (2021, March). Kenya: economic and political overview. Retrieved March 2021, from Norea: <https://www.nordeatrade.com/en/explore-new-market/kenya/economical-context>.

<sup>4</sup> Herbling, D. (2020, October 15). Kenya economy shrinks for first time in 12 years on Covid-19. Retrieved March 2020, from Bloomberg: <https://www.bloomberquint.com/business/kenyan-economy-shrinks-for-first-time-in-17-years-due-to-virus>.

<sup>5</sup> Norea Trade (2021).

<sup>6</sup> World Bank (2020).



## INTRODUCTION

The pandemic also increased poverty rates by 4%, amounting to an additional two million people falling into poverty in 2020. While the unemployment rates are starting to recover, progress is slow, and Kenyan households are continuing to rely on savings and reduce consumption in order to cope with the economic shocks they are facing.<sup>7</sup>

Grounded in commitment to enabling youth to tell their own stories of coping and adapting in the face of the COVID-19 pandemic, DOT and the Mastercard Foundation supported a youth-led investigation in Ethiopia, Kenya, Ghana, Rwanda, and Uganda that examined how young people

in these countries are navigating and responding to the pandemic's social and economic impacts. This report details the findings of the data collected in Kenya and reveals that the pandemic is having a profound negative effect on the lives and livelihoods of Kenyan youth. The findings of this investigation offer development agencies, funders, community-based organizations, and financial institutions firsthand evidence of what young women and men in Kenya want and need, not only to survive the COVID-19 pandemic, but to thrive in spite of it.

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<sup>7</sup> *ibid*



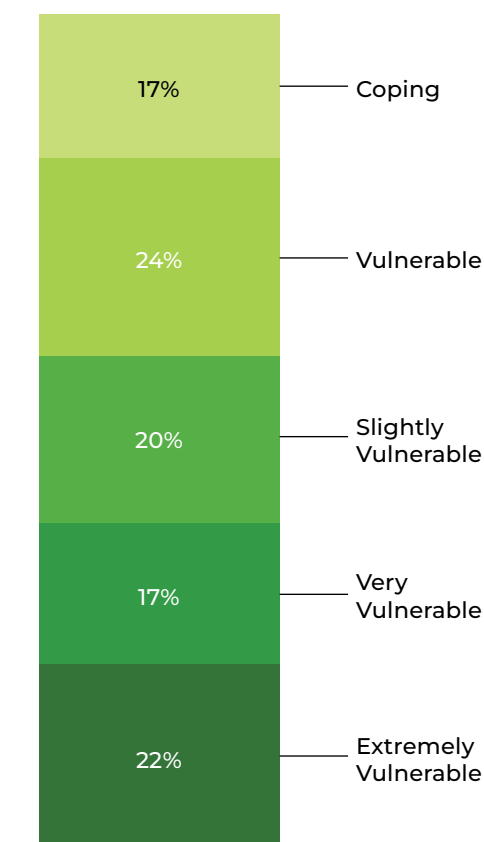
#DOTYouth Jackline Njaaria

# Who is Speaking Out?

In line with the investigation's commitment to raise the voices of youth, research was conducted in Kenya by a team of 10 youth leaders, who surveyed a total of 303 other youth (51% women; 49% men). 27 of these youth also participated in focus group discussions and in-depth case study interviews. To capture a cross-section of different vulnerabilities, the investigation aimed to be inclusive, recruiting a diverse group of young men and women that considered gender, rural and urban divides, employment status, level of education and household dynamics. As a result, youth from all walks of life participated, including young parents, youth with disabilities, and youth refugees.

32% of youth surveyed live in poverty, defined as living on less than \$3.20/day, compared to Kenya's national poverty rate of 47%. 63% of survey respondents are defined as vulnerable according to 60db's vulnerability index. (Figure 1).<sup>8</sup>

**FIGURE 1:**  
Vulnerability index



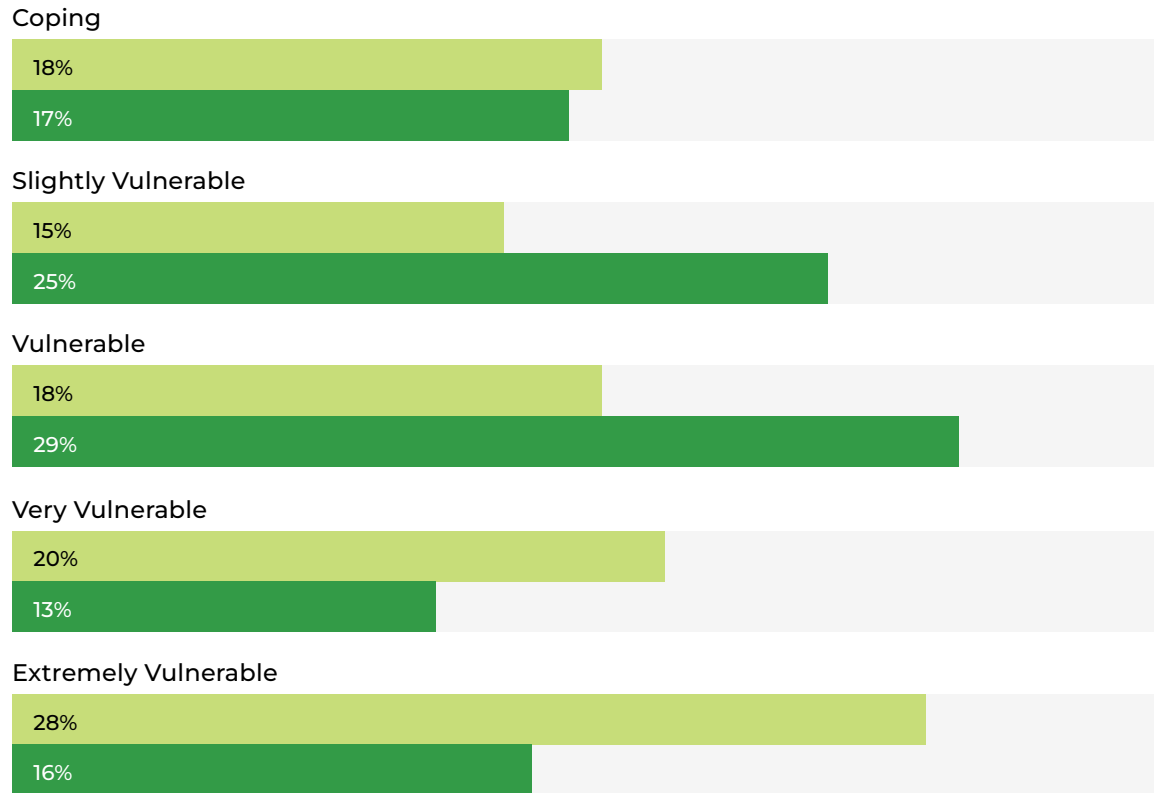
<sup>8</sup> The vulnerability index was developed by 60 Decibels. The index is a composite of multiple indicators that together assign a vulnerability score between 0 and 97, with higher scores indicating higher levels of vulnerability.

## WHO IS SPEAKING OUT?

When broken down by gender, male survey respondents were classified as more vulnerable to the effects of the pandemic than female respondents, with 48% of men falling into the very or extremely vulnerable categories compared to 29% of women (Figure 2).

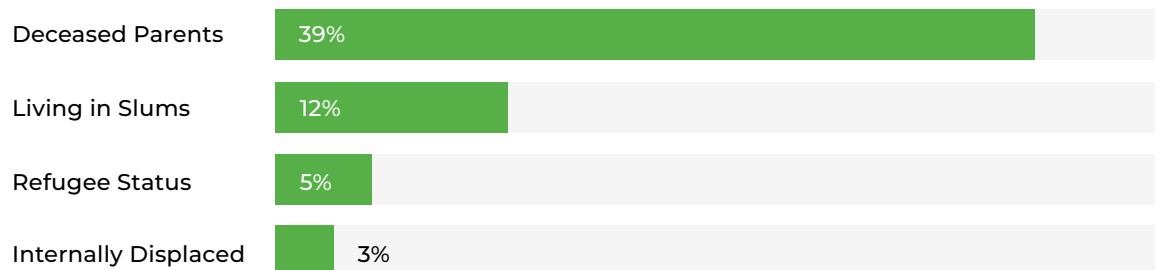
**FIGURE 2:**  
Vulnerability  
by gender<sup>9</sup>

● Men  
● Women



56% of respondents are the primary income earners in their households, and almost 60% have children, with an average of three dependents. Additional drivers of vulnerability reported by respondents include having one or more deceased parents, being internally displaced, living in informal settlements, or having refugee status (Figure 3).

**FIGURE 3:**  
Drivers of  
vulnerability



<sup>9</sup> Values are rounded to the nearest percentage and therefore may not sum to 100%.

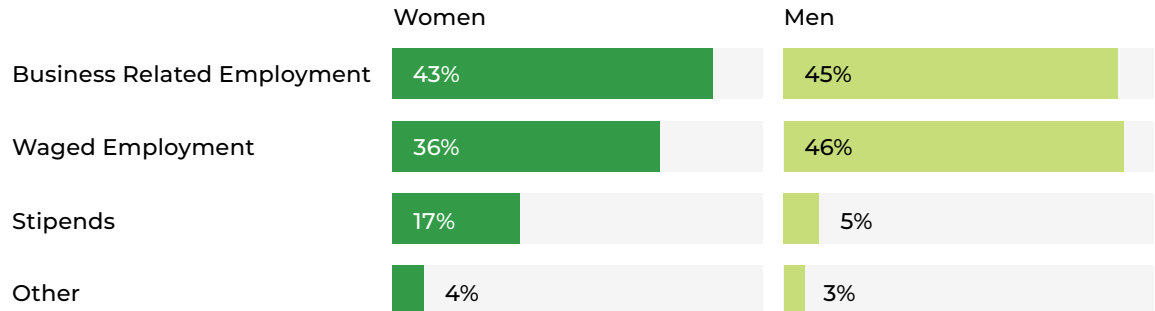


## WHO IS SPEAKING OUT?

44% of respondents are business owners. For this reason, this investigation is uniquely suited to articulate the impacts of COVID-19 on the lives and livelihoods of youth entrepreneurs (Figure 4).

**FIGURE 4:**

Types of employment among respondents<sup>10</sup>



<sup>10</sup> Values are rounded to the nearest percentage and therefore may not sum to 100%.



#DOTYouth Fredrick Omutiti



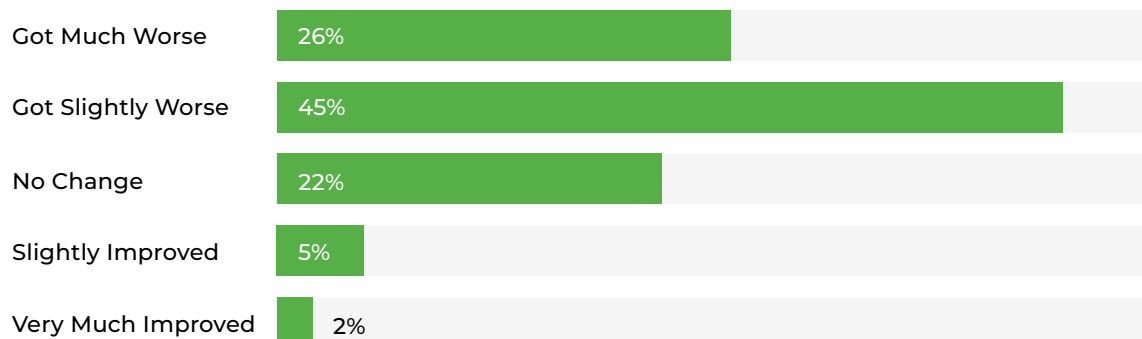
# Country Results

Data was collected in Kenya from October to December 2020. The country results presented here therefore represent the impact of the pandemic during the period of initial lockdowns, and do not necessarily represent the current situation for Kenyan youth. The results of this investigation were distilled through a robust process of youth engagement in analysis, synthesis, and reflection.

## CHALLENGES KENYAN YOUTH ARE FACING AS A RESULT OF COVID-19

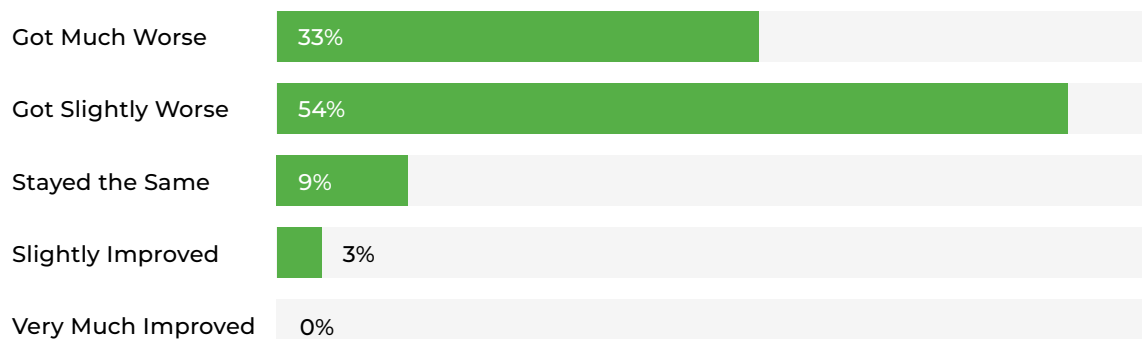
Young men and women in Kenya are facing numerous, interlinked social and economic challenges as a result of the COVID-19 pandemic, with 72% of youth indicating their quality of life worsened (Figure 5).

**FIGURE 5:**  
Quality of life



Young women and men are also experiencing substantial shocks at the household level as a result of reduced wages, with 87% reporting their family financial situation has worsened (Figure 6).

**FIGURE 6:**  
Family financial situation<sup>11</sup>

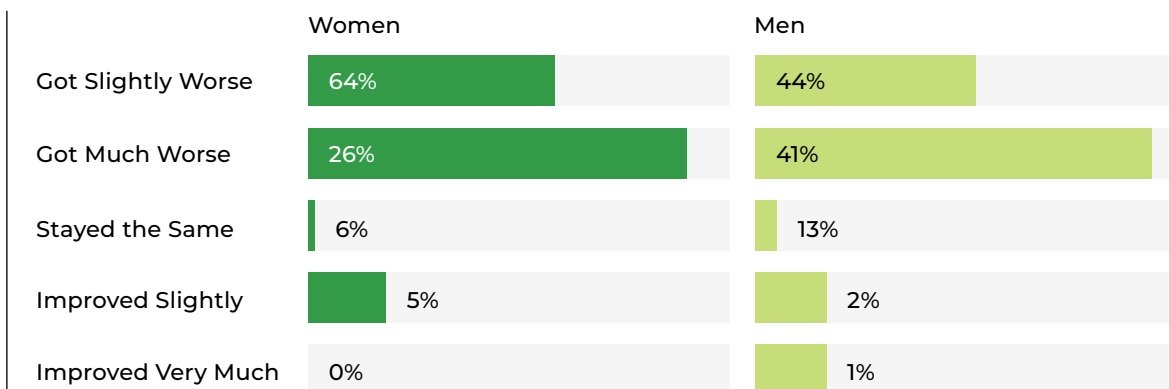


<sup>11</sup> Values are rounded to the nearest percentage and therefore may not sum to 100%.

A greater proportion of women surveyed report negative financial impacts than men (90% of women compared to 85% of men) however a greater proportion of men report severe financial impacts (Figure 7).

**FIGURE 7:**

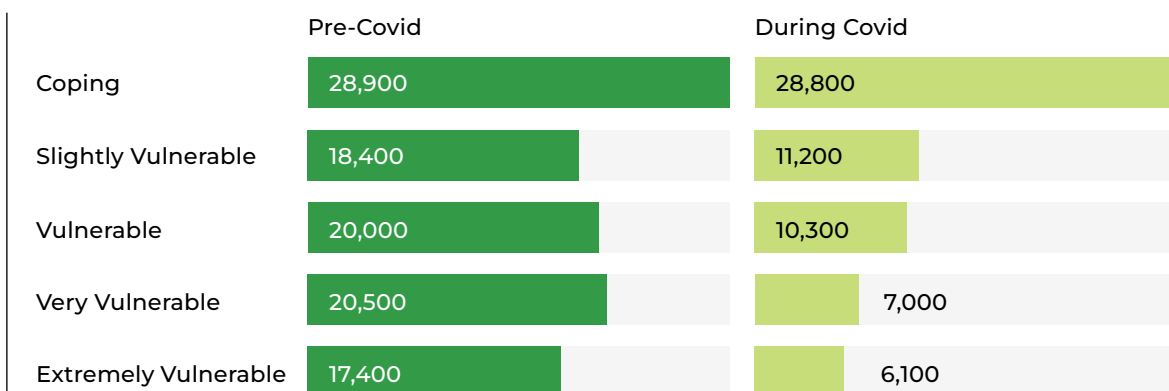
Financial impacts<sup>12</sup>



The financial impacts are most acutely felt by those who are more vulnerable, with youth classified as very or extremely vulnerable experiencing a greater reduction in their incomes than youth classified as coping (Figure 8).

**FIGURE 8:**

Change in monthly income (KES)

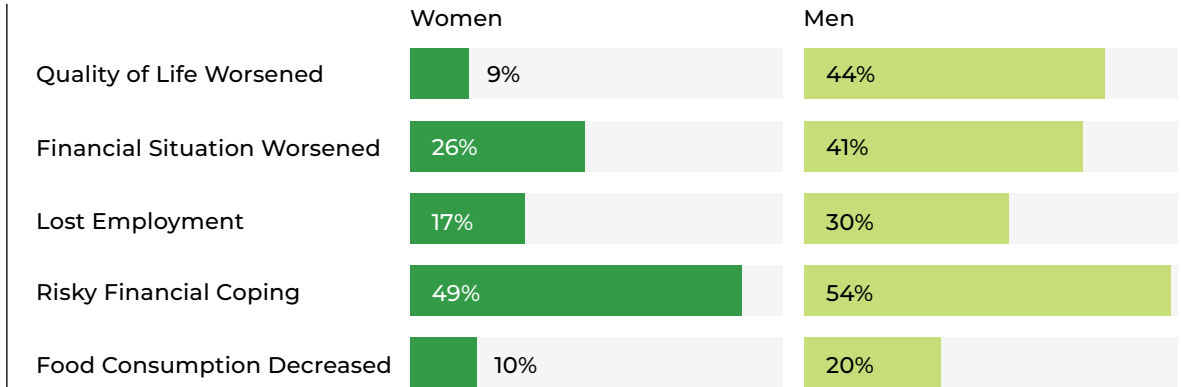


When comparing the impacts of the pandemic on Kenyan youth by gender, men are faring worse than women. A higher proportion of male respondents indicate that their quality of life and financial situation has become much worse. More men than women also report losing their employment and increasing debt and reducing food consumption to cope (Figure 9). This may be due to the tendency of men in Kenya having more dependents than women, and being the primary providers for extended family, as posited by youth investigators.

<sup>12</sup> Values are rounded to the nearest percentage and therefore may not sum to 100%.

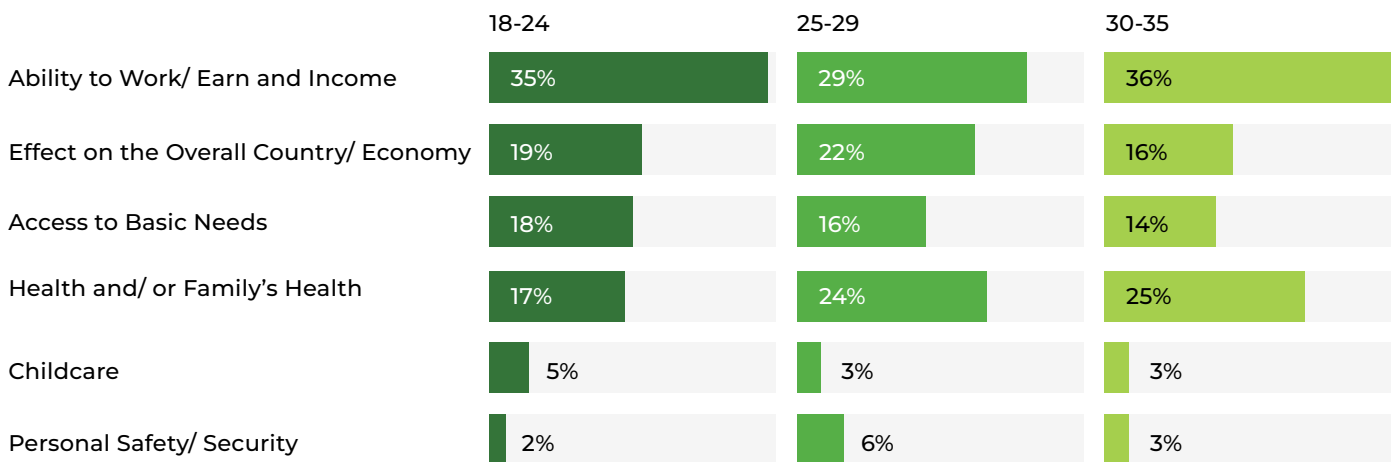
**FIGURE 9:**

COVID-19 impacts by gender



Kenyan youth across all age groups report that their primary concern is their ability to work and earn an income, further demonstrating the negative economic impact of the COVID-19 pandemic on financial security. Other concerns include the health and wellbeing of themselves and their families, the overall effect of the pandemic on the economy, and access to basic needs (Figure 10).

**FIGURE 10:** Primary concerns by age group<sup>13</sup>



Young women and men are mitigating the negative economic effects using survivalist coping strategies, such as dipping into their savings, borrowing money to make ends meet, selling assets or stopping loan repayments (Figure 11). Such strategies are enabling them to weather the storm over the short term, but at the expense of greater debt and less security longer term.

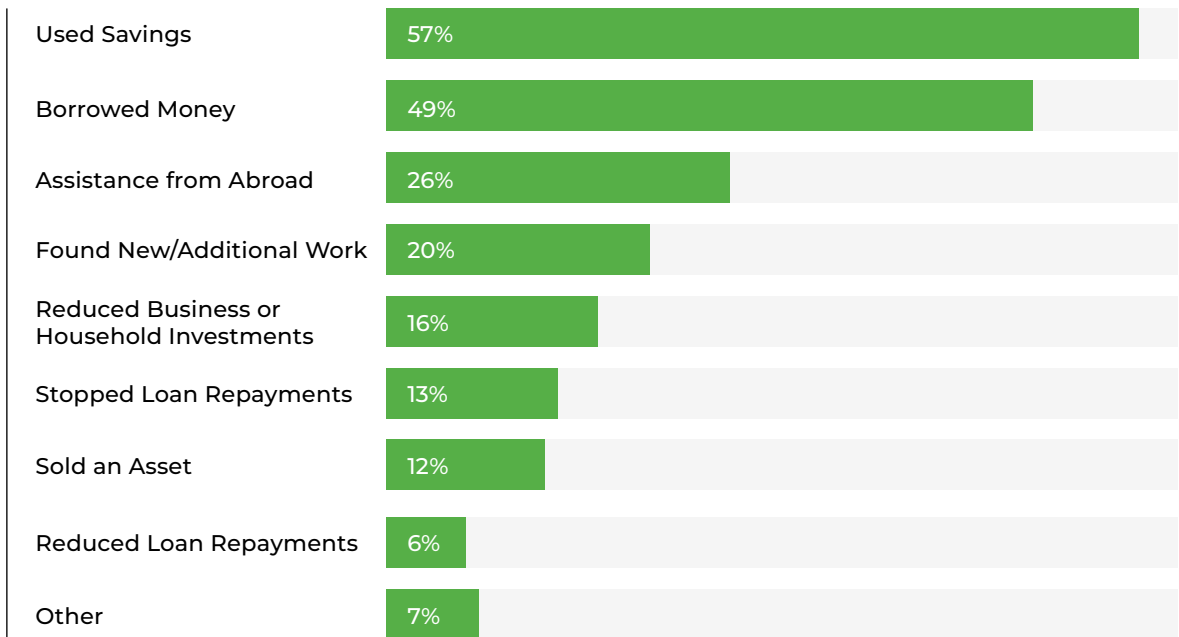
<sup>13</sup> Values are rounded to the nearest percentage and therefore may not sum to 100%.



## COUNTRY RESULTS

**FIGURE 11:**

Coping strategies

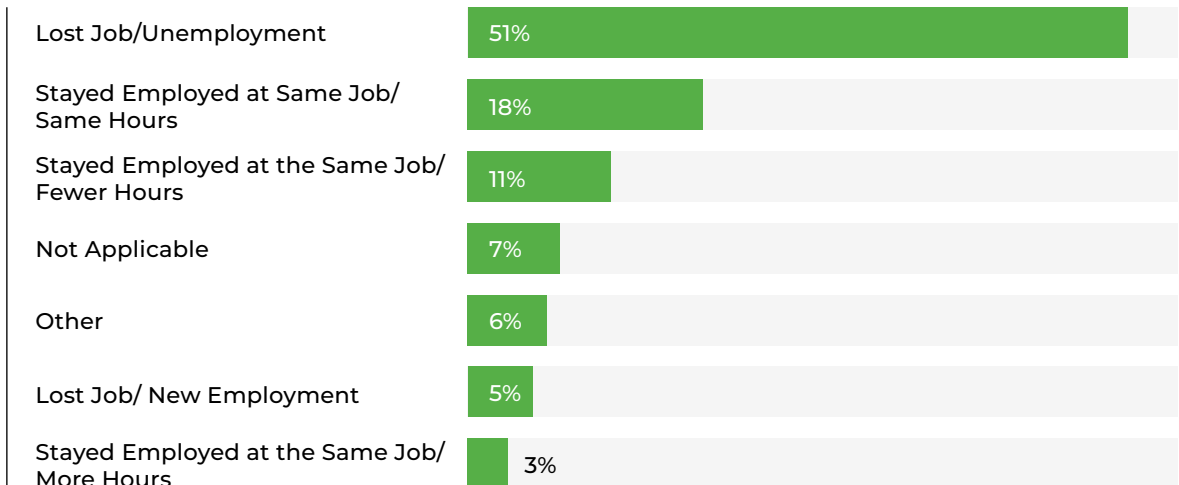


## IMPACT OF COVID-19 ON YOUTH EMPLOYMENT

Among youth who report their primary source of income is waged formal or informal waged employment, the pandemic is having a tremendous impact, with 51% reporting they lost their job and were unable to find new employment. Just 18% of youth maintained their pre-pandemic level of employment, and only 5% were able to replace their lost income with a new job (Figure 12).

**FIGURE 12:**

Impact of COVID-19 on employment among waged employees

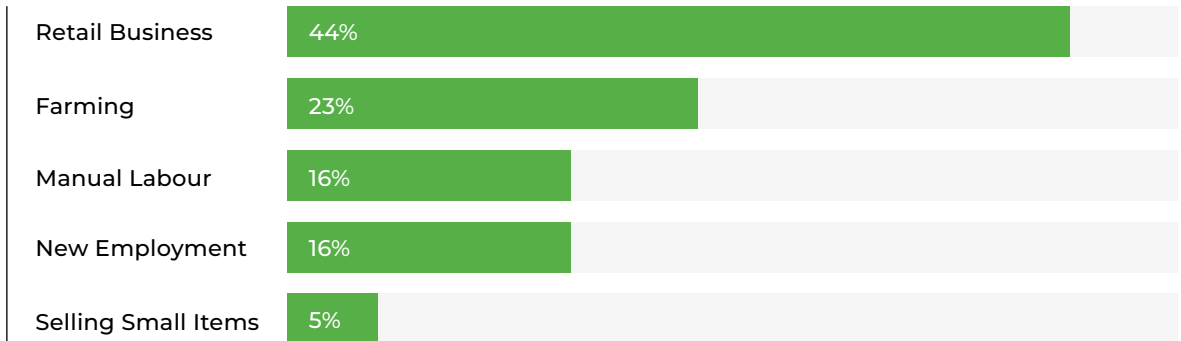


Despite this dire picture, Kenyan youth are proving resilient, with 33% reporting some additional income generating activity to offset job loss. Retail business, including selling

handicrafts or masks, was the primary source of additional income, followed by agriculture, such as working as temporary farm labour or helping out on a family farm (Figure 13).

**FIGURE 13:**

Additional income

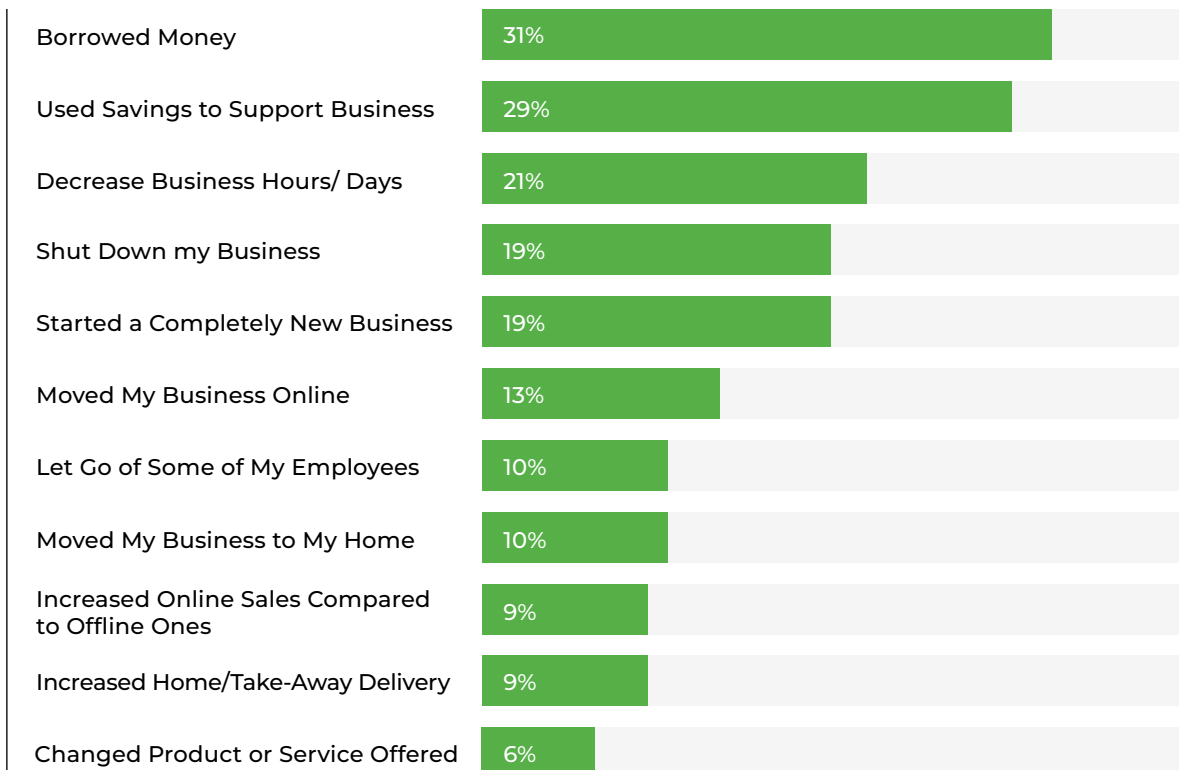


## IMPACT OF COVID-19 ON YOUTH ENTREPRENEURSHIP

The economic downturn wrought by COVID-19 is also having a negative impact on youth entrepreneurs, as supply chain disruptions, reduced consumer demand and lockdown protocols are reducing their ability to stay in business. 19% of entrepreneurs report closing their business altogether, with an additional 21% reporting that they reduced the number of hours or days their business was open, and 10% indicating they laid off employees to cope with decreased revenues (Figure 14).

**FIGURE 14:**

Coping strategies among entrepreneurs

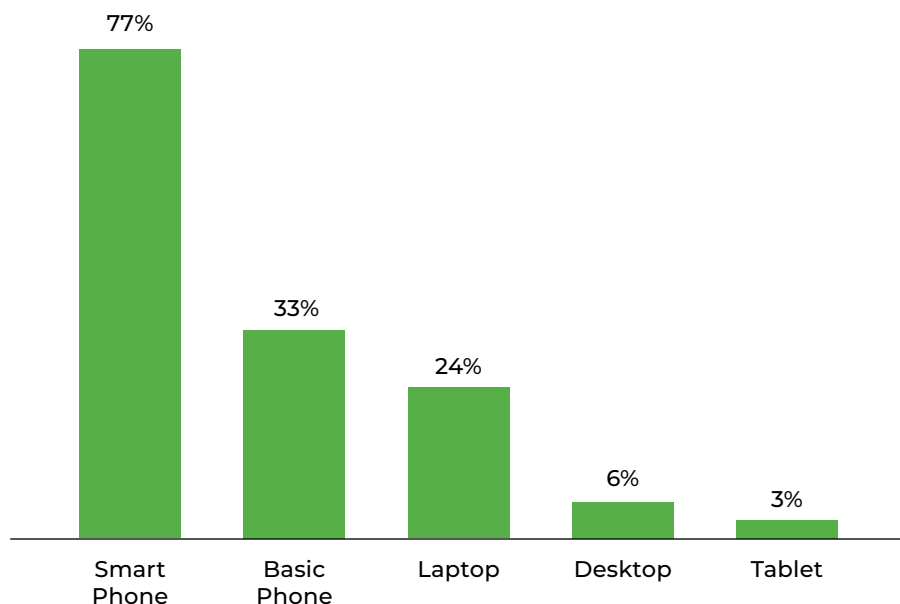


Among entrepreneurs who managed to stay in business, they are primarily coping with the economic impacts by borrowing money or using their savings to stay afloat. Fewer youth are employing the kinds of creative coping strategies that would increase the resilience of their businesses to future shocks, such as adapting the product or service to changing market conditions, moving the business online or starting a new business (Figure 14).

## DIGITAL PROFILE OF KENYAN YOUTH

Access to digital devices is high among the Kenyan youth surveyed, with 77% owning a smart phone, and 24% owning a laptop (Figure 15). There was little difference between men and women, with women having slightly higher levels of smartphone ownership than men (80% for women vs 74% for men).

**FIGURE 15:**  
Digital device ownership

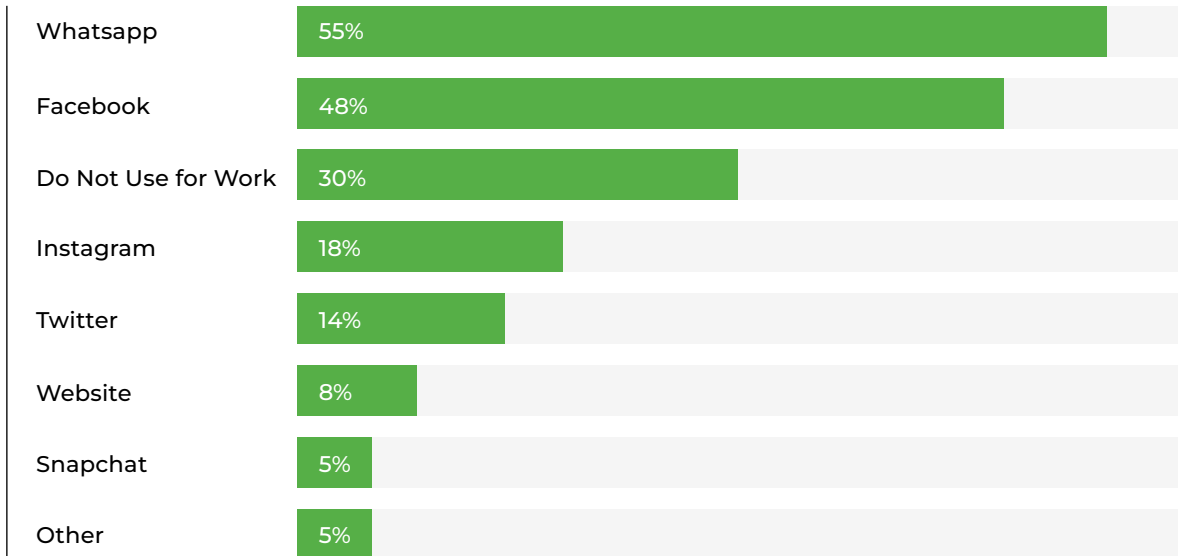


The majority of Kenyan youth are using social media tools for work and business, with WhatsApp and Facebook the most commonly used platforms. Despite high levels of ownership, 30% of youth report not using digital tools at all for professional purposes, suggesting that they are not fully optimizing their devices to take advantage of digital shifts in the marketplace occurring as a result of COVID-19 (Figure 16).



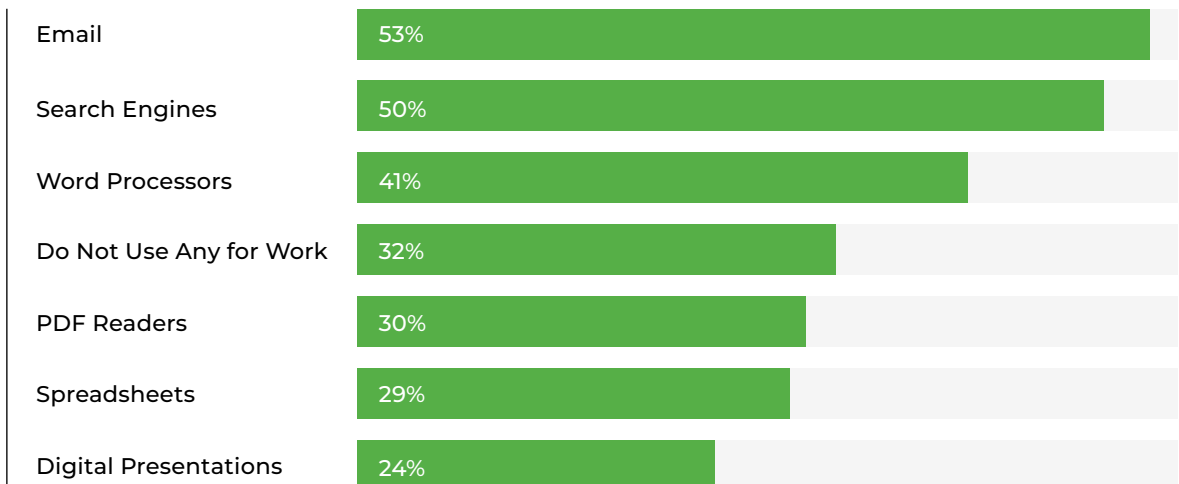
## COUNTRY RESULTS

**FIGURE 16:**  
Social media  
apps used for  
work or  
business



Kenyan youth have relatively high rates of adoption of internet-enabled applications for professional purposes such as search engines and email, but lower rates of usage of tools that require access to a laptop, such as spreadsheets and pdf readers (Figure 17).

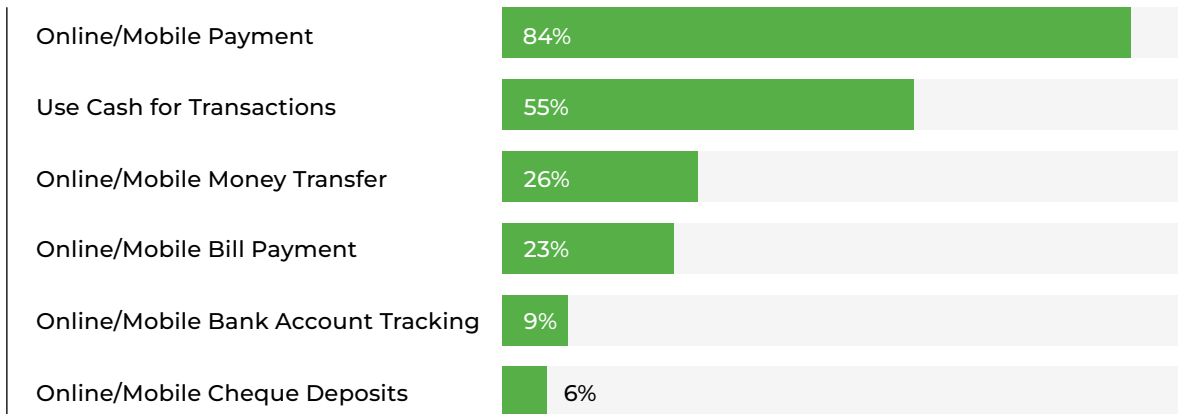
**FIGURE 17:**  
Applications  
used for work  
or business



Youth surveyed report high rates of fintech adoption, with 84% indicating they use mobile money in their work or business. However, many still use cash for transactions, suggesting that they are primarily using the most basic fintech platforms, with less than a quarter using digital platforms for managing their finances (Figure 18).

## COUNTRY RESULTS

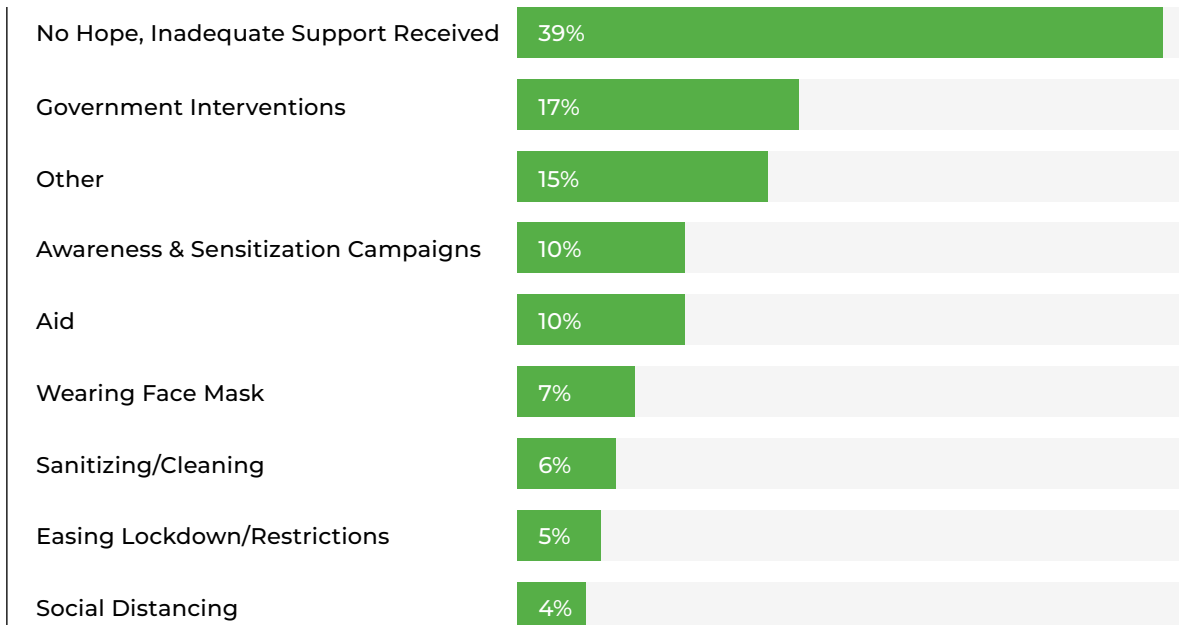
**FIGURE 18:**  
Fintech used  
for work or  
business



## SUPPORT NEEDED

Almost 40% of youth surveyed indicate they have not received sufficient support to navigate the negative social and economic effects of the COVID-19 pandemic, suggesting that there are few services specifically targeting youth and that, where they do exist, youth have limited access to them. Government interventions in the form of cash transfers or emergency aid are the most commonly reported supports accessed, but only by 17% of youth surveyed (Figure 19).

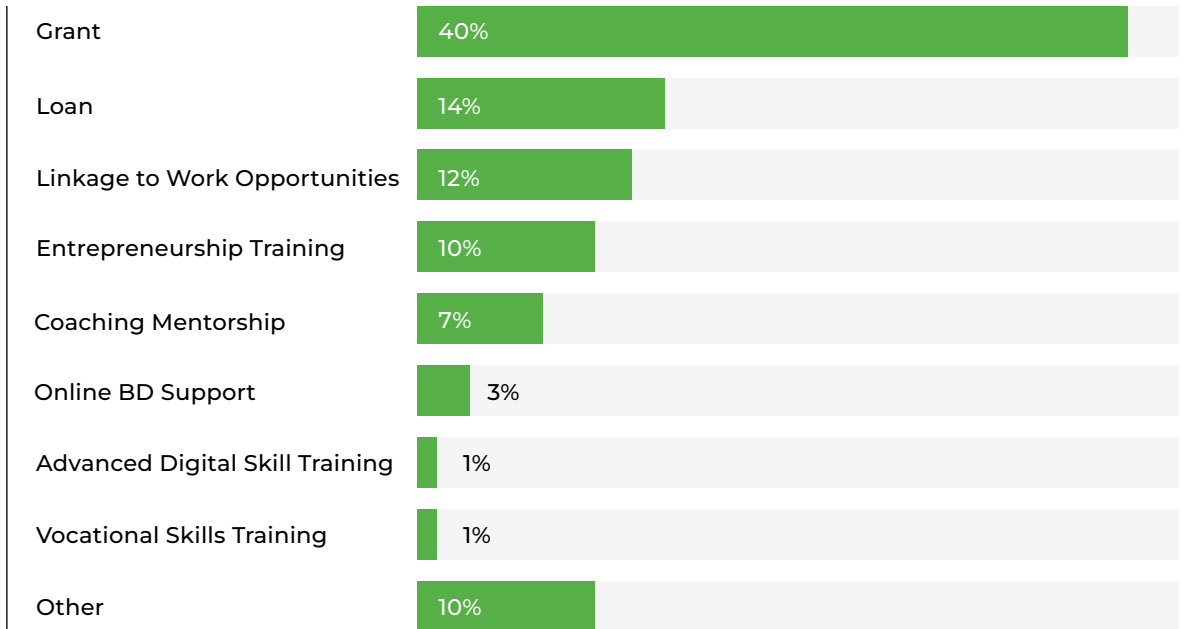
**FIGURE 19:**  
Sources of  
support



Kenyan youth report that support, if available at all, is woefully inadequate to address their needs. The most commonly reported need is urgent financial support in the form of grants or loans (Figure 20). Young women and men also report needing help accessing new work opportunities, or entrepreneurship training to help them start new businesses or sustain and pivot existing ones.

**FIGURE 20:**

Support needed



Kenyan entrepreneurs report they need, on average, \$1,680 of capital to recover their businesses post-pandemic.



**\$1,700**

**Average capital needed for recovery**

**\$270**

**Median capital needed for recovery**

**\$10**

**Minimum capital needed for recovery**

**\$9,000**

**Maximum capital needed for recovery**



# Conclusions

**Co-design pandemic recovery and support strategies with youth to ensure that solutions respond to their unique needs and situations.**

- + Eligibility requirements for accessing government and institutional support are not favorable to youth. As such, youth are often not able to access services to help them start and grown businesses, or access new labour market opportunities. Youth-specific entrepreneurship and employment programs need to be designed through extensive consultation with youth.



#DOTYouth Lilian Muyoka

**Despite high levels of digital access, Kenyan youth struggle to use new technologies to improve their livelihoods.**

- + The high cost of data and limited connectivity in rural areas pose a barrier to youth's uptake of new products and technologies. Digital services should be localized and take connectivity challenges into account. Products need to be designed that are responsive to youth needs and connectivity challenges.
- + Youth need targeted training to effectively integrate digital technology in their business endeavours. Rapid digitization of commerce means that youth-run businesses must make digital pivots to keep pace with new market conditions and consumer demands.
- + The rapid spread of new technology poses new risks for youth, especially young women. Some youth are using technology in ways that are counter-productive to their social and economic well-being, such as online gambling and borrowing. Awareness-raising and digital security training is necessary to help youth stay safe online.

**Youth need short-term emergency support that is aligned with longer-term social and economic recovery.**

- + Longer term recovery efforts need to focus on helping youth entrepreneurs and waged income earners need support to access higher competition, higher wage sectors that are more resilient to economic shocks.

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  @digitalopptrust  
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[contact@dotrust.org](mailto:contact@dotrust.org)  
[www.dotrust.org](http://www.dotrust.org)

