Micro Enterprise in Africa

"If you can DREAM it, you can DO it." - Walt Disney

EXPERIENCE IN KENYA

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Micro Enterprise in Kenya

- What do they do?
- Who works in them?
- Where are they located?
- How do they start?
- How can we help it succeed?
In order to assist, we must first “learn”

“One of the best ways to persuade others is with your ears - by listening to them” – Dean Rusk

- What do the people want?
- What are their dreams?
- How do we equip them?
- How to spark transformation?
Micro Enterprise in Kenya

- Trade: 64%
- Manufacturing: 13%
- Other services: 15%
- Construction: 2%
- Bars/Hotels/Restaurants: 6%
Micro Enterprise Owners in Kenya

"Destiny is not a matter of chance, it is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved." - Jeremy Kitson

- **Gender:**
  - 52% male and 48% female
  - Women predominate in trade and particular service and manufacturing activities

- **Age:** mean age of 35 years

- **Education:**
  - 90% have at least primary
  - 35% have secondary or better
70% of businesses do not employ outside labor – the owner is the sole owner and employee

Many are casual workers, trainees, and, especially in rural areas, family members

Terms and conditions of work vary greatly

Lack of innovation
Micro Enterprise by Location

- **Rural areas**: 66%
- **Nairobi and Mombasa**: 16%
- **Other major towns**: 12%
- **Rural towns**: 6%
Micro Enterprise Contribution to African Economy

- Contribution to GDP of countries throughout Africa ranges from about 15% to as high as 70%
- Diversification of goods and services

To households and individuals

- Significant proportion of households earn some or all of their income from micro enterprise and small business
- Higher earnings, more selection, lower prices
- Opportunity to learn and grow
- Achievement of Dream – quality of life and living
Generally – Micro Enterprise = Start-ups

❖ What attracts people into micro enterprise?
   • Hope for better income, preference for self-employment, skills, family background in business
   • Lack of alternatives

❖ What resources do social entrepreneurs have?
   • Own savings
   • An idea of what they want to do
   • Human Capital

❖ What resources do social entrepreneurs lack?
   • Education and Business Experience
   • Sufficient resources and capital
The Life of a Micro Enterprise

- Mean age of a Kenyan micro business is 6.9 years
- Few businesses outlive the founder
- Most lack sufficient capital
- Little or no access to credit for expansion
- Most suffer from poor infrastructure, insecurity, extremely competitive markets, and an unfavourable institutional environment
- There is little information on “new” micro-enterprises such as technology firms, business process outsourcing, etc.
- Lack of innovation and lack of access to key tools for success in business
The Death of a Micro Enterprise

- In Kenya, urban micro enterprise businesses are more likely to close than rural business

- **Age of average micro enterprise at closure**
  - 3 years for urban businesses
  - 5 years for rural businesses

- **Main reasons given for closure:**
  - Lack of operating funds
  - Personal reasons
  - Lack of resources or knowledge to expand or innovate
Challenges to Micro Enterprise Development

- Markets and competition
- Resources
- Technology
- Infrastructure
- Institutional environment
- People who care
How can we help foster Micro Enterprise

- Activate private business and finance
- Government
- Non-governmental organisations
- Faith-Based Organizations
- Short Term Business Missions Trips
- Activate Retirees with business and life experience to help educate and aid others as business coaches and mentors
We can all make a difference in the continent of Africa – if we only get involved

“To be a revolutionary you have to be a human being. You have to care about people who have no power.” - Jane Fonda