

**DIGITAL ENTREPRENEURIAL BEHAVIOUR AND GOVERNMENT
SUPPORT IN KENYA**

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Abstract

In emerging economies, entrepreneurship has become increasingly attractive for young graduates who cannot find jobs. Governments provide young entrepreneurs with special financing to launch enterprises, create jobs and contribute toward economic development. This study aims to respond to the following: (i) Does this encouragement reinforce adaptive entrepreneurial behaviour? (ii) What specifically drives youth to develop an entrepreneurial identity? This study presented different types of motivations and contrasted them with extant literature, revealing new insights. The methodology involved conducting personal interviews to explore the development of young digital entrepreneurial mentees from pre-start-up to start-up. The findings corroborate with extant literature regarding what drives young and prospective entrepreneurs (necessity, trait, situational and intention-led decisions). However, emerging contextual issues cannot be ignored, and there must be a paradigmatic change of mind-set if developing countries are to succeed in creating a new breed of entrepreneurs with entrepreneurial identity.

Keywords: Entrepreneurial behaviour, Identity, Digital entrepreneurship, Start-ups, Government entrepreneurial support, Youth entrepreneurship.

Introduction

In recent decades, entrepreneurship has become attractive for many developing countries. This is because research suggests that economic development is closely influenced by entrepreneurial activities (Holcombe 2003; Stam et al. 2012). Governments are investing in entrepreneurial skills development (Landzani and van Vuuren 2002) and providing other entrepreneurial support programmes ranging from business development services (Mazanai and Fatoki 2011) to incubation centres (Scaramuzzi 2002) as well as special start-up financing (Sharu and Guyo 2013) as a strategy to improve their competitiveness (Busenitz, Gómez, and Spencer 2000). Therefore, predicting entrepreneurial intention and behaviour, especially when satisfactory employment opportunities are scarce, becomes extremely important (Vinogradov, Kolvereid, and Timoshenko 2013). Chell (1985) emphasized that in as much as psychological aspects such as 'entrepreneurial intention' and the 'ability to recognize opportunities' are strongly related to entrepreneurial behaviour, the context in which the entrepreneur operates also plays a key role in their success. In addition, the factors shaping the decision to become entrepreneurs are equally significant and give rise to new and emerging forms of entrepreneurial behaviour (Naser et al. 2009).

My motivation for this study is that I played a key role in shaping the policies that led to Kenya's digital transformation as the Permanent Secretary in the Ministry of Information and Communications (Ndemo 2015; Ndemo and Weiss 2016). From the beginning, I was instrumental in developing incubation centres, creating linkages with international technology hubs, such as Silicon Valley, and assisting start-ups with seed funding. After leaving government, I continued working with virtually all tech start-ups in Kenya from opportunity recognition to scaling the enterprises. At the iHub, I give monthly entrepreneurship lecture series and profile some of the succeeding ones in two weekly columns in leading dailies in Kenya. My ultimate objective is to leverage information and communication technologies to create more jobs for the rising number of highly educated youth in Africa. In this paper, I attempt to look into whether policies that encourage entrepreneurialism can reinforce adaptive entrepreneurial behaviour. I will also seek to understand what drives youth (mostly millennials) to develop an entrepreneurial identity.

Evolution of entrepreneurial behaviour

The debate on entrepreneurship dates back more than three centuries. Early British economists, such as Adam Smith (1776) and David Ricardo (1919), conceptualized the early organization of what we know today as entrepreneurship by dividing factors of production into three categories: land, labour, and capital. They placed emphasis on good 'business management' for these resources to become the building blocks of the economy. Later, John Stuart Mill suggested that his colleagues had undervalued the importance of entrepreneurship, which he described as the fourth factor of production.

Austrian-born American economist Joseph Schumpeter (1947) changed the discourse on entrepreneurship such that even today he is referred to as the first modern theorist of entrepreneurship and the field owes much to his contributions. He postulated two fundamental theories: Mark I and Mark II. In Mark I, Schumpeter argued that the innovation and technological change of a nation come from the entrepreneurs, or 'wild spirits'. In Mark II, Schumpeter argued in his seminal works (*Capitalism, Socialism, and Democracy*) that large enterprises are indeed responsible for driving innovation as they usually have resources to invest in the research and development of 'new products and services and to deliver them to customers cheaper, thus raising their standard of living'.

In the early 1960s, the publication of *Achieving Society* by McClelland (1961) brought new dimensions that are critical to understanding people's desire to become entrepreneurs. Research began to focus on 'the effect of personality traits of entrepreneurs on their entrepreneurial behaviour' (Peng, Lu, and Kang 2012 p. 95). In the 1980s and 1990s, entrepreneurship research changed gears, looking into 'the impact of individual intentions of entrepreneurship on their entrepreneurial behaviours' (Peng, Lu, and Kang 2012 p. 95).

The 1980s and 1990s spawned multiple perspectives on entrepreneurial intention and behaviour. Some researchers (see, for example, Ajzen 1987) 'argued that compared with individual personality variable, individual intentions of entrepreneurship were more effective and had stronger explanatory ability in prediction of their entrepreneurial behaviours' (Peng, Lu, and Kang 2012 p. 95). New theories emerged. Shapero's (1982) Entrepreneurial Event Model sought

to measure entrepreneurial intention through perceived desirability, propensity to act, and perceived feasibility. This was followed by Ajzen's (1991) Theory of Planned Behavior, which sought to 'improve on the predictive power of the theory of reasoned action by including perceived behavioural control' (Ajzen 1991, 180). There were other perspectives seeking to predict entrepreneurial intention and behaviour.

During the first decade of the 21st century, the debate centred on the applicability of these new models. Some researchers (Elfving et al. 2009) argued that they were linear and static and sought to modify the earlier models by creating a Contextual Model of Entrepreneurial Intentions to avoid limitations. There has not been an acceptable model to date. The principal argument is that quantitative methods cannot measure behaviour. Tabachnick and Fidell (2001) noted that 'researchers in recent times use quantitative statistical methods like descriptive statistics and regression analysis to discuss the "linear relation between the independent variables and dependent variables and are hard to present the relations between variables as a whole' (Peng, Lu, and Kang 2012, 95).

There is a new kind of entrepreneur that Strauss and Howe (1992) referred to as 'millennial entrepreneurs' (sometimes called 'Generation Y') who were born between 1982 and 2000. According to Strauss and Howe (1992), this generation, also referred to as 'Echo Boomers' by Neuborne and Kerwin (1999), has shown 'a great difference from its previous generation, the Generation X' (Koe et al. 2012, p. 200).

Entrepreneurial identity

The concept of entrepreneurial identity is not new in the entrepreneurial literature. Stanworth and Curran (1976) first used the concept of latent identity advanced by Gouldner (1958) to explain many possible collections of meanings that may form the basis of the entrepreneur's self-definition of their role (Stanworth and Curran 1976). Erikson (1959) noted that identity searching or being aware of your social surroundings has been considered as one of the main subjects of human life. Identity developed in youth is such that occupational identity becomes one of the latest areas of development (Jukka and Timo 1999).

Identity does not remain static; as Marcia (1980) argued, it is evaluated several times over the course of an entrepreneur's life and revised as conditions change and more specifically when crises arise. (Jukka and Timo 1999). Identity has been distinguished in several areas. Waterman (1982) noted that the 'clarity of definition of one's self, commitment to values, beliefs and objectives, activity towards these commitments, consideration of identity alternatives, approval of one's self, and thrust in one's own future' (p. 342).

To enhance our understanding around entrepreneurial behaviour and identity, this research brings another perspective looking at measurement of entrepreneurial intention, behaviour, and identity using an ethnographic method.

Background to digital start-ups in Kenya

Kenya, like many developing countries, is caught up in a situation where thousands of young people have acquired an education, but cannot find employment. Mohamedbhai (2014) found

that massive increases in university enrolments have led to a higher graduation rate, resulting in more unemployment. This explains the urgency with which governments in Africa are searching for all manner of activities to occupy the youth. The Kenyan Government, for example, encourages young people to generate employment through the development of enterprises. The Youth Enterprise Fund has helped create thousands of start-ups across all industries, but it can be argued that the impact is minimal and that their jobs may be unsustainable.

The digital space, however, is promising new forms of entrepreneurial behaviour that can give rise to sustainable job opportunities. Ndemo (2016) noted that significant changes in technology were underway in Kenya. New and disruptive innovations are destroying old ways of doing business and smart young start-up entrepreneurs are at the forefront of this silent but important revolution. Teams of young skilled developers and programmers have sprung up in several university innovation hubs, incubators and accelerators across the country to build solutions that capitalize on the country's mix of challenges and opportunities. As a result, we have seen a significant number of spinoffs of Kenya's unique entrepreneurial revolution around Africa and other corners of the world, attracting global recognition (Ndemo 2016).

The success of mobile money (M-bongo 2010) in Kenya has led to impetuous new forms of digital enterprises that were hitherto unknown to the Kenyan enterprise landscape. Suddenly, there was the confidence to tackle many social problems utilizing the digital opportunity. New solutions covering agriculture, education and health emerged. The success in Information and Communications Technology (ICT) innovation witnessed in Kenya quickly led to the creation of incubation centres, co-working spaces and accelerators. More youth see the sector as the one with the greatest opportunity. Although many young people have embarked on innovative enterprises, the problem is that these young graduates may or may not have had the inclination (the need to achieve) to start and sustain an enterprise. Although the Government has created a Youth Fund to assist with financing, there is a mismatch between what the government is willing to finance and what the youth think is good to set up a viable digital enterprise. Once they embark on the entrepreneurial journey, they discover rather too late that starting and growing an enterprise are two different things. From the entrepreneurial intention, behaviour to developing an entrepreneurial identity becomes a challenge.

Research problem

Sympathizers of the economic theory of entrepreneurship argue that entrepreneurship and economic growth occur when economic conditions are favourable (Holcombe 1998, 2003). Economic incentives are often the central motivators. These include industrial policy, taxation policy, security, source of finance and raw material, infrastructure availability, investment and marketing opportunities, access to information such as market conditions and technology. It is argued that entrepreneurial intuitions are realized in the process of economic advancement. 'More rapid advancement brings more entrepreneurial opportunities, and more entrepreneurial opportunities produce greater incentives for potential entrepreneurs to become more alert to them' (Holcombe 1998, 56).

From Holcombe's (1998) argument, interventions by governments to reinforce entrepreneurial behaviour need to comprehensively address the process of economic

advancement by striving to achieve a higher economic growth rate. It is perhaps not possible to expect young prospective entrepreneurs who have had no entrepreneurial intention to emerge and become more alert to entrepreneurial opportunity. Building sustainable entrepreneurial behaviour and identity is important. Two key questions in this research emerge. Does encouragement from governments to start entrepreneurship reinforce adaptive entrepreneurial behaviour? What specifically drives youth to develop an entrepreneurial identity?

Literature review

Previous studies (Holcombe 1998; Wennekers and Thurik 1999; Stam et al. 2012) in entrepreneurship suggest that economic development is influenced by entrepreneurial activities. As such, identifying the dynamics that shape the entrepreneurial decision is important. Although several explanatory models of entrepreneurship determinants have been developed (Krueger, Reilly, Carsrud 2000; Botsaris and Vamvaka 2012), there is a need to develop more contextual explanations. Some of the models of the determinants of entrepreneurial intention and behaviour include: situational models, traits models and intention-based models of entrepreneurship (Botsaris and Vamvaka 2012).

According to Koe et al. (2012), understanding of the factors that predict entrepreneurial intention is crucial because entrepreneurial behaviour is a result of intention. Earlier, Krueger, Reilly, and Carsrud (2000) also had explained entrepreneurial behaviour as an intentional and a planned behaviour. Because entrepreneurial behaviour is intentional, it follows that it can be predicted by entrepreneurial intention (Krueger and Carsrud 1993).

These arguments are further illustrated by Kirkley (2016): ‘Self-determined human action is based on a specific set of values which the individual uses to make decisions about how to behave in situations that are meaningful to them. Engaging in entrepreneurship is one form of self-determined behaviour that enables the individual to express and satisfy a variety of different fundamental needs. Four specific values are believed to be critical to the motivation of entrepreneurial behaviour, namely, independence, creativity, ambition and daring. The meaning attributed to each of these values is consistent with that attributed to self-determinism, self-efficacy and the identity of participants associated with entrepreneurship’ (Kirkley 2016, 290).

Entrepreneurial behaviour is influenced by many factors. According to Kumar et al. (2013), ‘path analysis revealed that socio-economic status, caste, ability to coordinate farming activities and value orientation had direct effect on entrepreneurial behaviour of vegetable growers. Other variables viz. education, marketing facilities, sources of information utilization, training received and experience in farming influenced indirectly the entrepreneurial behaviour of vegetable growers’ (16).

Regarding entrepreneurial identity, Kašperová and Kitching (2014) argued that the literature is buttressed by a number of problematic assumptions that limit understanding of the ‘meaning, formation and influence of identity on action. The body is often an absent presence; it is presupposed, implicit or under-theorised as an influence on identity, producing a disembodied notion of the entrepreneur. Consequently, entrepreneurs are treated as a homogeneous group in terms of the embodied properties and powers, rather than as uniquely embodied individuals’ (438).

Most of the studies around entrepreneurial intention (Wilson, Kickul, and Marlino 2007), behaviour (Gird and Bagraim 2008; Malebana 2014) and identity (Fotoki and Chindoga 2011) in Africa were done in South Africa with mixed findings. One of the studies (Johnston et al. 2009), leveraging third-year and honours information systems students from the University of Cape Town and current ICT entrepreneurs, established a positive relationship between appropriate entrepreneurial behaviour and potential ICT entrepreneurship. There was no 'significant relationship between specific personality types and potential entrepreneurial ability were evident in the study' (Johnston et al. 2009, 29).

Curious as to what triggers the release of enterprising spirit, Morrison (2000) conducted a cross-country study; the countries studied included Kenya. His primary objective was to find an explanation for the relationship of certain cultural and societal factors and entrepreneurship. Entrepreneurial literature (Weber 1976; Ward 1983; Werbner 1990; George and Zahra 2002) suggest a strong relationship between entrepreneurship and cultural specificity (Morrison 2000). The study concluded that a shift was needed in thinking from making universal generalisations on the triggers of entrepreneurship to a deeper understanding of the reciprocal relationship between entrepreneurship and culture (Morrison 2000).

In a study on the performance of Micro and Small Livestock Enterprises in the North Eastern Region of Kenya, Khalid et al. (2016) established that commitment, motivation, knowledge, experience and behaviours of the entrepreneur are central to the entrepreneurial process. The study concluded that institutional parameters can moderate the way entrepreneurial behaviour influences the performance of the firm.

Methodology

Between 2005 and 2013, the author was responsible for policy making in the Ministry of Information and Communications in Kenya, where he helped build business incubators, accelerators and offered incentives to young college graduates to become entrepreneurs. After his tenure in 2013, the author began to informally give advice to many start-ups in the digital space. He noted that each of the more than 300 young people that he mentored had different predispositions towards entrepreneurship.

The author kept a journal tracking the progress made by each individual. He also reviewed many studies to get a clear understanding of the emerging entrepreneurial behaviour of young people, which helped develop the study themes. Three years down the road, he had become very familiar with everybody and, by then, had developed substantial material from each individual. He recorded face-to-face interviews to update the journal. Some had made tremendous progress from the idea stage to start-up and were confidently looking for venture capital funding. The majority were lost either because they could not raise resources to sustain them or could not develop a sound business or revenue model. The author decided to purposely select 12 of those who were making good progress towards commercializing their ideas or had developed a product, but were grappling with the business and revenue model.

The author's close relationship with mentees made possible to triangulate their stories, deeds and actions throughout the research period. For cross-cutting issues, triangulation became a powerful tool for validating the data through cross-verification from two or more sources

(Bogdan and Biklen 2006). The trust they had developed was a great asset in getting to know these prospective entrepreneurs, allowing the author to tape-record and transcribe their works.

Leveraging on Miles and Huberman (1994), data were analysed and coded manually and organized into themes. The author also had a monthly entrepreneurship lecture series where he tackled some of the issues raised by the respondents. For example, the author would invite programme officers from the Youth Fund or government procurement agencies to explain special considerations for youth and women to access government funds and contracts.

In these fora, they could come with relatives to help them understand; however, it was also a way to motivate them to start some entrepreneurial activity. It was possible to triangulate largely by verifying snippets of information gathered from the respondents. Although at times the author juggled between the larger group of mentees and the respondents, it was a big plus considering the fact that it led to developing lasting trust.

This study adopted Spradley's (1980) nine dimensions of descriptive observation. These include emotions, feelings, goals, events, acts, time, actors, space and objects as the main themes for analysis to develop respondent stories. The focus was on emotions in particular contexts: what actors are attempting to accomplish; events; particular occasions, e.g. meetings; specific individual actions; the sequence of events; the various activities of the actors; the name and relevant details of the people involved; the layout of the physical setting, e.g. rooms, outdoor space and physical elements like furniture etc., all of which were key in examining participants.

Previous knowledge through informal unstructured interviews conducted prior to selection of the study respondents provided invaluable information that helped validate the stories. By the time of writing this paper, most of the respondents still come back for counsel as well as to listen to regular monthly lectures. This has proved to be very helpful as it provides an opportunity to verify some information and will possibly lead to a longitudinal study of the start-ups.

Stories from digital entrepreneurs in Kenya

This section reports on the interviews conducted and is divided into four subsections, one for each narrative and the emerging themes. After this section, there will be a Discussion and Conclusion.

First case: a health-based enterprise

James and his friend, John, started their health research company in 2012. The opportunity emerged through an Ivy League university project in Kenya by sending follow-up surveys to study participants in order to assess adherence to Pre-Exposure Prophylaxis (PrEP), a medication that reduces HIV transmission.

Armed with project experience from a major US institution, the start-up continued to build a team dedicated to these kinds of projects. Within a very short period after inception, the company facilitated global collaborations with big names in health research, especially top universities in the USA, all yielding new innovations in healthcare.

Their mission started to take shape as a company that plays a key role in enabling institutions and enterprises in developing countries to access affordable research, especially around some of the debilitating areas such as healthcare, where we need basic facts to provide new solutions. As a result, the company started to scale fast across the African continent and the world to assist health researchers and practitioners by collecting feedback from study participants, patients and the public as well as by empowering conversations between health personnel and patients. This small start-up has had a huge social impact through technology. First, they have managed to generate and store knowledge through cloud-based storage for increased data security.

Unlike in the past, when researchers relied solely upon field enumerators, digital links enable researchers to access respondents in remote locations and also to follow up with them longitudinally. They anonymized data and removed paper-based records, which improved confidentiality and allowed researchers to analyse data in real-time.

The value proposition for the company is greatly enhanced as the digital platform created greater implication for research, policy and practice as research shows that respondents are often more honest when answering sensitive questions through short messaging services than in face-to-face encounters, thus reducing bias and improving on data quality. Further, automated data collection processes save researchers time, money, effort and resources that are often spent on in-person efforts and data cleaning.

Their aim is to change the way research is done by making data collection easy with time savings and increasing the pace at which knowledge/research is disseminated. Ultimately, they aim to improve research practice and develop more effective policies. They have positioned themselves as a public platform to engage more voices and make data more relevant and accessible to ordinary citizens. Their core goal of soliciting feedback from individuals who are otherwise difficult to reach makes it unique in that it makes every person count.

In essence, the potential to scale is great and the dream of engaging all people in conversations and providing them with an opportunity to give feedback gives people a voice on important events and initiatives that affect them. They have effectively built an inclusive development platform that will change how research is done. The investors noted this and, within a very short time, the company successfully raised funds for scaling and developing new innovations.

Second case: a post-college start-up

In 2013, 23-year-old Mathew joined iHub, a premier open work space for the young tech-savvy graduate from the Jomo Kenyatta University of Agriculture and Technology with a degree in computer engineering. He started what he calls ‘social coding’ (which translates to something like ‘coding as a pastime activity’). Although he actively searched for a job, by 2015, he had come up with a transportation booking app. He was one of the author’s early mentees. After completing the coding exercise, he applied to the Youth Fund to help him set up an enterprise. He received the equivalent of \$1,000 from the Youth Fund, which was not sufficient to even register a company.

As the days went by, Mathew had not identified a customer and he did not have money for promoting the start-up. Frustration set in and the spirit he had to become an entrepreneur diminished. His friends from the co-working space had succeeded with an urban parking management app and were beginning to earn from their start-up. He partnered with them to improve the system while pushing his app into the market. Like most of his peers, perhaps something that is common with millennials, they often want quick answers and pay very little attention to detail. They rarely spend time to consult experienced researchers on the problems they intend to solve.

The disconnect between government, industry and the research community does not help and it explains why the respondents had nothing to do with research, relying more on intuition, which, in the end, proved quite difficult for creating a sustainable enterprise. The continued focus on his app alienated him from friends, leading to poor work output, which forced his friends to let him go.

Mathew's hopes, however, were that the government would invest in the physical space from where start-ups can find a home to venture into business. Pre-start-up costs are far too high in Kenya to start an enterprise. Sometimes, institutions demand things that young people starting off cannot provide. Some banks want customers to have an electricity bill to open an account, something that in his view is a hindrance to starting enterprises.

Failure has not deterred Mathew from seeking other opportunities. He has placed his bets on the Internet of Things (IoT) (a new technology), with the promise to create wealth and jobs. With some friends, he has invested in wearables that leverage IoT to transmit data. While trying to perfect their products, they are able to earn money through back-end IoT jobs. For now, Mathew and his team have something to put food on the table. The challenge they foresee is how to raise resources and begin to scale by developing their own products.

Third case: turning a social movement into an enterprise

'Map Kibera' is a social initiative started by an American non-governmental organization (NGO), Ground Truth, with a group of youth living in the sprawling shanty. It has had a great policy impact in the country in that it has revealed the assets within the shanty and challenged the government to rethink some of its policies. A question lingered in the minds of the founders of whether this initiative could lead to a social enterprise to sustain the youths who had worked so hard to ensure the project's success.

Indeed, there were many opportunities that had opened up with the development of the maps. The revealing of all the assets was significant as it demonstrated that the true census of any location can be validated. This effort augmented a national census exercise that put the population of Kibra (previously known as 'Kibera' until the Nubian people protested that the place be referred to as 'Kibra') at 180,000 inhabitants, down from estimates from various agencies that often put the population at one million. The motivation to lie and receive greater donor money was rife; however, today, everyone can be counted and it is possible to respond to everyone's needs, including entrepreneurial needs.

The concept of Big Data is beginning to emerge, enabling greater inclusivity with respect to developmental matters in a very simplified way. During the launch of digitized Kibra, the

area's Member of Parliament spoke with authority, using data to illustrate what needs to be done. Courier companies have readied themselves to take advantage of the new knowledge to launch e-commerce solutions into Kibra. It is the opening of these opportunities that is creating new forms of enterprises.

Prior to the digitization exercise, Kibra's representation on official maps was one single dot and nearly impassable access roads as seen in Figure 1. The place had virtually no infrastructure: roads, water, electricity and even proper toilets were luxuries.

[Figure 1 near here]

The map below is a cadastral representation of Kibera prior to the mapping exercise. This was basically blank, yet hundreds of thousands of people lived here. Nobody had visibility of the resources that residents had within the shanty areas. This has changed.

[Figure 2 near here]

The entire digitization of Kibra was leveraged by open source technologies and made it possible to improve the accountability of not just the political class in this tough neighbourhood, but also that of the NGOs. In the past, NGOs took their sponsors through a maze of informal structures. There was simply no hope and residents here were takers of any policy pronouncement about themselves. Within a short period, the Kibra narrative has changed. From an obscure neighbourhood to an open platform that easily locates any resource and even integrates residents with global e-commerce. Development institutions that had accepted the lie that the area was home to more than one million people find it easier to locate projects and finance some of the projects and enterprises today, with better understanding as to what is happening on the ground.

Figure 3 clearly highlights the fact that technology has made it possible to visualize with clarity the needs of Kibra's people, with entrepreneurial opportunities knocking on their doors and the confidence of policy makers to intervene. It is possible to collect more data from each household, know the micro enterprises operating there, the number of people who commute and even incomes, which is a critical component in measuring poverty reduction, a major SDG goal. Although the discourse is now backed with some data, policy makers have not quite embraced the use of data to transform the livelihoods of residents. Some projects, such as slum upgrading, continue based on previous population estimates that had been inflated. If the new mapping were utilized, perhaps the problem of housing would be dealt with within a shorter period.

Figure 3 clearly shows that all resources in the area have been mapped, making it possible to develop other layers, such as enterprises, on the map. A number of pilot projects that leverage the new map are underway and initial results indicate that several transformative digital solutions could change the lives of residents in this poor neighbourhood.

[Figure 3 near here]

The developers of Map Kibera are looking into the possibility of exploiting these emerging opportunities. Already, some code schools have set camp in Kibera to take advantage of many youths without employment. The discourse is changing from a social intervention to

entrepreneurial development, especially regarding digital spaces that offer many opportunities in emerging technologies such as IoT and automation, which promise thousands of jobs.

Fourth case: a farmers' aggregation platform

Martin is an entrepreneur with a big heart. Although he wanted to manage his poultry business, he felt the need to help many other farmers by building a platform that will help farmers aggregate their produce before transporting it to markets in urban centres. Martin's feelings towards the economic and social status of his people were beyond entrepreneurship because he cared about social change, highlighting what, in the author's view, was a mismatch between policy and practice.

Martin notes that although the government policy was to support women and youth, there was a failure to recognize those who could champion policy and see it through to its success. Furthermore, he felt that the government championed informality (the kind of enterprises they are used to) by failure to provide enough funding to the emerging enterprises. In his view, policies never reach those who need them most. The solution, he thought, was to develop a digital market place. Although he lives in Nairobi, he is very much attached to his rural home, where he has initiated a number of projects including a poultry enterprise. This unique attachment is characteristic of many entrepreneurs in developing countries.

Martin has extensive banking experience, having worked for banks while studying for his undergraduate degree, conferred in 2012. His work experience while attending college came in handy because his father had just retired from public service and needed help to see his other siblings through college. His mother, still a nurse at a local hospital, acts as his manager in the small rural poultry enterprise.

Besides his passion for farming, he was a professional marketer and a business developer in that he fully understood what the farmers needed. In addition, he was a fervent advocate of youth empowerment through projects aimed at developing their skills and harnessing their capacity. This is perhaps why he decided to invest in a digital platform that will have a positive impact on society.

He had no experience with software development, but he had faith in some of the coders he met at the incubation centre. When the platform was ready, he had not firmed up the business model he wanted to pursue. This made it difficult to formulate a coherent pitch, which he desperately needed to get more investors on board. He lamented that if there was anything the government needed, then it was to hire an accountant, a lawyer, a business modelling consultant and a co-working space to help young entrepreneurs cope with the stress of setting up an enterprise in Kenya.

He was aware that they needed a platform to help farmers access markets at the most reasonable price. In essence, he wanted to develop a supply chain for farm produce. This, in his view, would help farmers to more productive and help them build an efficient production system from farm to market. However, for this to happen, he needed to convince the farmers that aggregation of their produce would bring them more value. This was not an easy exercise because, at the beginning, the farmers did not trust him.

It took some 6 months before agricultural produce was aggregated from his home village. The delay forced him to turn to other income-generating activities, which diverted attention from his core business. The lack of promotional funds and significant participation have made the platform unsustainable. This is a similar story to many other young prospective entrepreneurs. The ideas are there, but they have been unable to execute their dreams well.

Discussion

The respondents genuinely felt that they were making a contribution towards the improvement of the entrepreneurial landscape in the country and this insight is reinforced by the lens of Spradley (1980). They each felt that the government has much to do if, indeed, entrepreneurship is to become the gateway to wealth and employment creation. If the government, for example, invested in seed funding, built incubation centres and dealt with corruption, it would create a conducive environment for entrepreneurialism to thrive. Below is an examination of the research questions.

Does encouragement from governments to start entrepreneurship reinforce adaptive entrepreneurial behaviour?

In spirit, government encouragement to start entrepreneurial activities sounds like a great idea that can reinforce adoptive entrepreneurial behaviour. However, it requires much more than government encouragement and more of self-efficacy (individual willingness) to engage in entrepreneurial activities. For state-sponsored programmes in encouraging entrepreneurship, there must be a process to select those who have the right entrepreneurial disposition to succeed. This, however, is politically untenable. In essence, the government must have a clear picture as to who will succeed before they embark on financing the enterprises.

The government behaved as though the new kind of entrepreneurs (millennials) were similar to those they were used to: the informal type that characterizes the entrepreneurial landscape in developing countries. These are mostly traders that can work with as little as \$1,000 in funding. The new enterprises, created by young and tech savvy individuals, are different and require a whole host of support from formal registration to proper account-keeping. Although formality is what the government has always desired, its mindset has not changed to accommodate the new breed of entrepreneurs.

Although state actors want to give incentives to as many people as possible, the risk of underfunding is such that the goals of both the investor and the funder may never be met at all. This is the problem that most of the respondents faced. In some cases, the funding was not even sufficient to register a business. Some recommended that the government should cover more pre-start-up costs as an incentive to start an enterprise.

What specifically drives youth to develop an entrepreneurial identity?

Good entrepreneurs see opportunity and not money. Incentives work for entrepreneurs with intention and it is what both the entrepreneurs and government need. These problems of

mismatch seem to be global and many countries give incentives to start-ups; however, the Chinese have by far the best incentives for start-ups. If these were implemented in Kenya, then they would effectively deal with the issues raised by respondents of this research. In June 2015, the Chinese Government announced support for start-ups again. These include reduced legal costs for registering a new business and red tape, lowering the rent cost for the working space as well as simplifying the overall process of the business registration and obtaining the business licence. In addition, China's premier promised tax benefits and different types of training to support entrepreneurship (Ecovis 2015).

Since the beginning of the year, a few of these announced incentives, such as rent reduction, have been introduced in coordination with local governments in some Chinese provinces. However, how and if all the ideas are going to be implemented further remains to be seen.

All the respondents did not start their entrepreneurial activity in the classical sense as entrepreneurs. They either accidentally (see, for example, James) got into it or were pushed by circumstances into developing an entrepreneurial interest. This phenomenon was noted by Vinogradov (2013): 'When jobs are scarce, the intention to start a business is more strongly influenced by the extent of support from relatives, friends and significant others. In such conditions, it is important that individuals are surrounded by people who are willing to support them if they engage in an entrepreneurial endeavour' (Vinogradov et al. 2013, 719).

There was a feeling that a new crop of entrepreneurs is emerging in Kenya that comprises people who are mostly honest, eager to face difficulties, searching for new ways of doing things, with heightened independence and tenacity in the face of failure. These are new behavioural practices in a continent that is held back by rampant corruption. Yet, some of their sequencing in what they have done bring to question their readiness to ride the entrepreneurial wave.

For example, they made decisions that they later regretted. They decided to develop a new product in a highly technical area without consulting the experts. In some cases, they developed products without prior thinking on what the business model would look like. This, perhaps, could be due to cultural traits or simply taking extreme risk. Nevertheless, this suggests the form of millennial entrepreneurial behaviour noted by Yusof et al. (2007) that the young generation is highly inclined towards entrepreneurship based on psychological characteristics; that is, they have a very high need for achievement, high propensity to take risk and willingness to innovate and have a high locus of control.

Building Digital Platforms to Support Start-ups

Underlying all the cases is the need to develop digital platforms to support start-ups that may not understand the supply chain. The Kibra project, for example, would greatly benefit from developing a supply chain that links rural producers as in case 4. This will eventually create a commodities market that links rural producers to urban consumers. This would be analogous to a smaller Amazon platform that wants to acquire Whole Foods and leverage its logistics experience to seamlessly improve efficiencies. Such efficiencies could greatly benefit farmers, who are often exploited by middlemen. Building opportunities around platforms may not be a normal behaviour, but it will evolve eventually and perhaps be facilitated by what is happening

globally.

Nonetheless, from the author's observation, some structure in deciding to become an entrepreneur is essential. These may entail recognizing an opportunity, a feasibility study, business plan, some industry analysis, a business model, develop business values and then look for financing (Timmons 1989). These simple guidelines could minimize risk and improve chances of success.

Policy Implication. There is a need for more policies to enable a collaborative environment. As noted in the first and second cases on health and transport, respectively, they cannot succeed without strong collaboration. There are three areas where we need policy intervention: (1) tax authorities must understand the digital economy because their measures often repulse would-be collaborators; (2) the immigration departments, too, must relax entry visa requirements for experts coming to work with emerging enterprises in the technology sector; and (3) the new transportation apps seek to disrupt an industry that is largely run by cartels. For disruption to take place and benefits to be realised from the efficiencies that would emerge, governments must collaborate to protect these new technologies and allow them to become established. Finally, from my experience, governments in Global South must create special economic zones and provide incentives to international organizations seeking to collaborate with local teams.

Conclusions

This study has examined some important ideas in entrepreneurial behaviour and identity within the context of Kenya and, hopefully, it challenges existing knowledge in this field. By leveraging a few selected respondents, the paper delved into individual entrepreneur challenges and opportunities and how they made use of government incentives to boost their entrepreneurship as a strategy for wealth creation and employment. In doing so, the study sought to identify influences on entrepreneurial activity. It is clear that the government mindset still accommodates only familiar types of enterprises, for example, informal sector traders who would benefit from the kind of incentives the government provides. However, the new breed of tech-savvy entrepreneurs (millennials) require more funding than the government can accommodate.

From the study, there indeed exists social, psychological and behavioural dimensions that influence entrepreneurship. There are still grey areas with many questions. Is the behaviour towards entrepreneurship a global millennial phenomenon? Are young people taking greater risks than necessary? The potential in digital platforms to transform the economy is enormous. Farmers, as seen in case 4, are unaware of costs that impact their enterprises. The problem could be solved through aggregation and developing a supply chain approach. This requires investment greater than the capital investments by government to existing start-ups. However, there is a transformative solution that requires different financing considerations and, once the model is perfected, it can be used in other commodities.

Just as government is betting on entrepreneurship to create wealth and employment, entrepreneurs are demanding greater involvement by government. The incentives given are often so small that they can hardly make any impact. The government should strive to meet pre-start-

up costs, for example, legal and accountancy fees, registration, working spaces and process costs ('red tape'). Above all, the government must put in place all mechanisms to minimize corruption that can stand in the way. One way of dealing with issues of transparency is to embrace open contracting methods and make government data freely accessible. This will help build the necessary trust, which currently does not exist.

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Figure Captions

Figure 1 Aerial view of Kibra Slum



Picture by: Ground Truth

Figure 2 Kibra: a blank space in the city maps

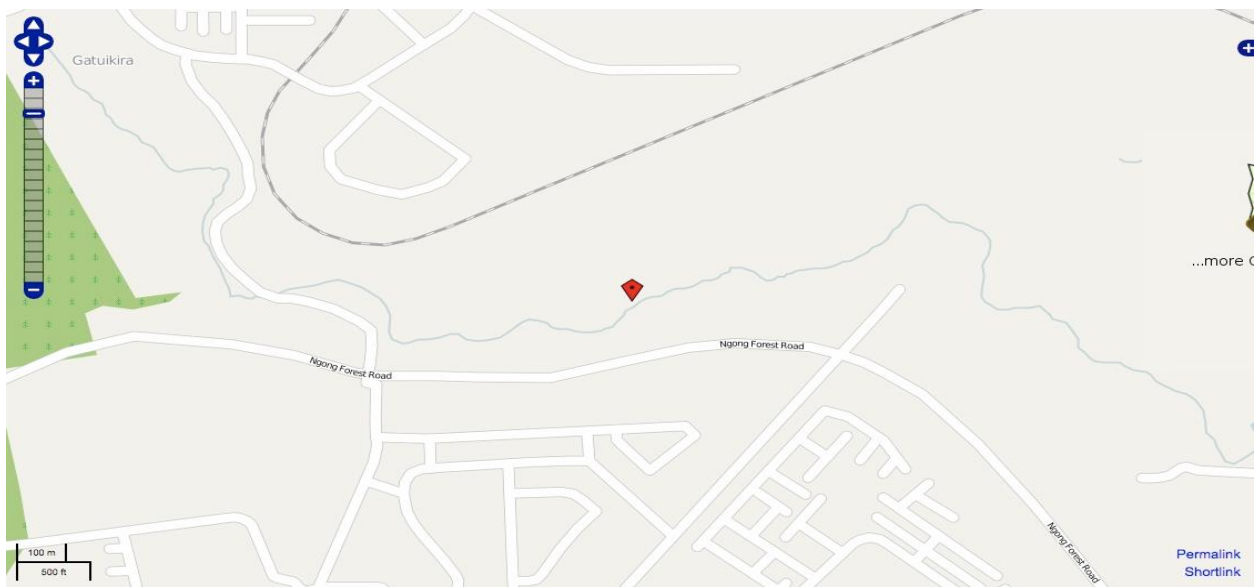


Figure 3 Final Product of Map of Kibera/GroundTruth with GPS locations of major assets

