

A welder wearing a dark jacket and a cap is working in a workshop. The welder is using a welding torch on a piece of metal. The workshop is filled with various tools and equipment, including a large metal pipe on the left and a red gas cylinder on the right. The background is slightly blurred, focusing attention on the welder's work.

State of **SME** Associations in Kenya **2019**

There has been consensus by Kenya's SME eco system players on the importance of SMEs to the economy and the challenges they face being ; access to finance, access to markets, poor infrastructure, unsupportive policies, capacity challenges and lack of information among others.

Focusing on unsupportive policies; Due to their size, nature and geographic placement among other reasons, MSEs have a high probability of successfully engaging and lobbying favorable policy with government if they are organized in representative associations. The associations ideally should coordinate MSEs to identify key policy issues and current practices affecting their businesses; and

Cognizant of the role MSE associations play in alleviating the challenge of unsupportive government policies; Viffa conducted a survey in the month of January 2019 to establish the state of MSE associations in Kenya. The objective of the survey was to find;

- i. Map out geographic location and sectors represented
- ii. Registration status
- iii. Current functions
- iv. Factor affecting proper functioning of association

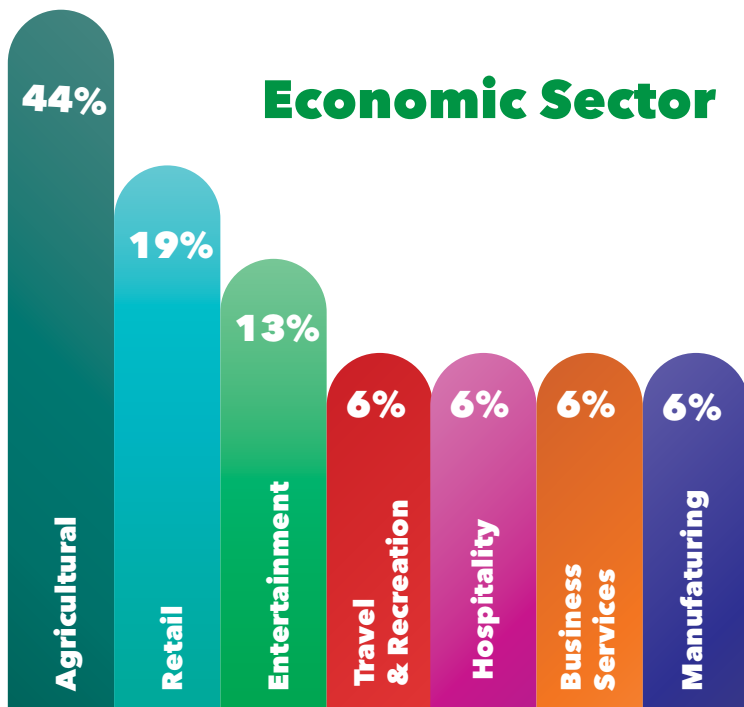
Survey Results

Membership

56% indicated membership of over 100, 25% had membership of between 51-100, 13% had membership of between 1-10, 6% had membership between 11-20 members.

The survey included both registered and unregistered associations with unregistered ones forming 80% having membership of less than 20 members.





44% indicated they were in the agricultural sector, 19% retail, 13% entertainment and media, 6% manufacturing, 6% travel and recreation, 6% Hospitality and 6% business services.

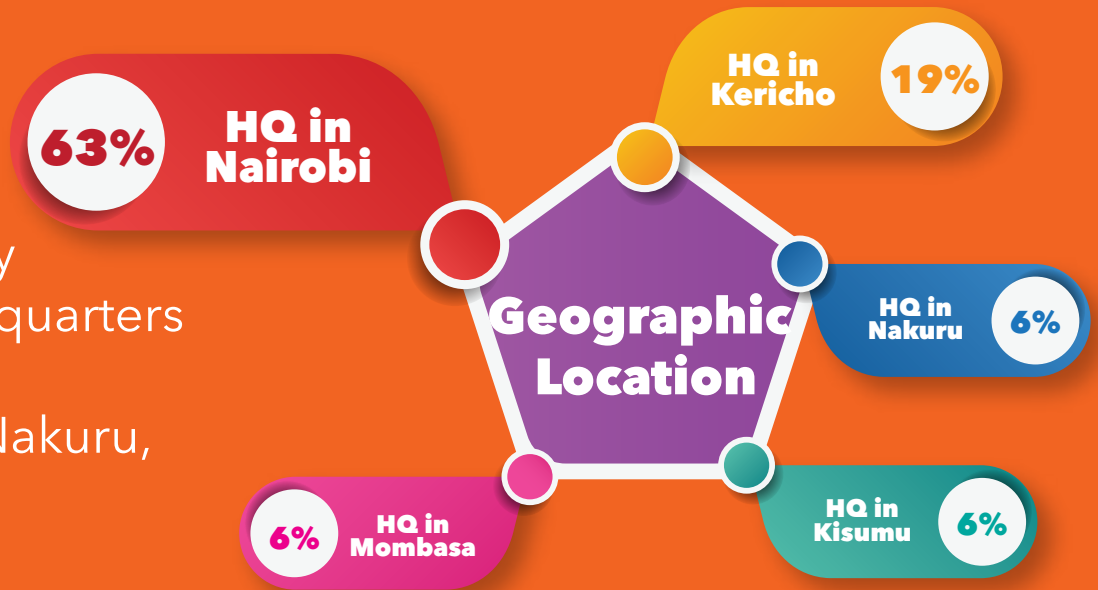
Registration status

88% of respondent associations indicated they were duly registered with relevant body such as registrar of societies at the Attorney general office while 12% were not registered.



Geographic Location

63% indicated they had physical headquarters in Nairobi County, 19% Kericho, 6% Nakuru, 6% Kisumu and 6% Mombasa.



Human Resource

88% indicated they had permanent sitting secretariat while 12% did not have.

Of the associations with permanent secretariat; 43% indicated they had employees of between 11-30, 36% between 6-10 while 21% had 1-5 employees

88%
have
permanent
sitting
secretariat

43% have 11 to 30 employees
36% have 6 to 10 employees
21% have 1 to 5 employees

12%
don't have
permanent
sitting
secretariat

Operations

Top 3 functions of associations;

- *Capacity Building and membership training*
- *Favorable policy advocacy and lobbying*
- *Market access service*



Factors promoting growth of the association

- Government support
- Donor and civil society support
- Access to policy related trainings

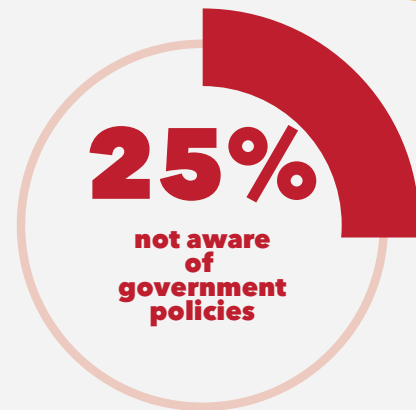
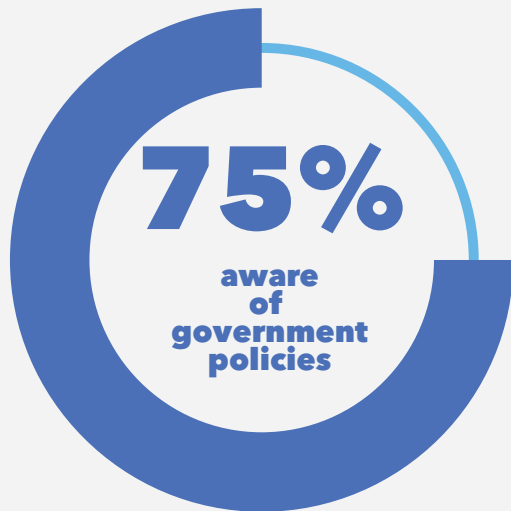


Factors preventing growth of the association

- Lack of information e.g. Market access
- Insufficient financing
- Insufficient government support

Awareness of government policy or initiative aimed at the sector

75% indicated they were aware while 25% were not aware.



Participation in policy making forums

69% participated while 31% have not



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