



KENYA NATIONAL FEDERATION OF JUA KALI ASSOCIATIONS

Report on Framework of Engagement between the **Jua Kali / MSMEs & Stakeholders in the TVET Sub-sector in Kenya**

A popular version
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Contents

Introduction.....	3
Study Methodology.....	4
Key Findings.....	6
Effects of COVID 19 on MSMEs.....	6
SME Needs Assessment Results.....	7
Proposed MSME/Jua kali-TVET Sub sector collaboration Framework.....	9
Recommendations.....	10

Introduction

The Government of Kenya has prioritized implementation of the 'Big Four Agenda' in the development period between 2018-2022. The role of the TVET subsector in creating jobs under this agenda is premised on a strong linkage of TVET programs to the informal Micro, Small and Medium Enterprises (MSMEs).

Kenya's informal sector is commonly referred to as Jua Kali – Swahili words meaning fierce sun, this comes from the thousands of workshops where people manually work on, auto parts, furniture, metal-wares and handicrafts, literally under the hot sun, day in and day out.

Micro, small and medium enterprises (MSMEs) are the backbone of the Kenyan economy. They employ over 30 percent of the working population, contribute 33 percent to the country's GDP and constitute 98 percent of all businesses in Kenya (KNBS 2016 SME report). For instance, SMEs 79 percent being informal accounted for 83.6 percent of the 840.6 thousand new jobs created in 2018.

Despite the Jua Kali sector/MSME's prolific contribution to the economy, the sector is plagued by systemic challenges that prevent achievement of its full potential. Challenges faced are; access to market, access to relevant financial services eg pension, insurance etc, lack of infrastructure, recognition of learnings and skills upgrading framework among others.

The Ministry of Education's State Department of Vocational and Technical Training (VTT) has initiated dialogue with the Kenya National Federation of Jua Kali Associations (KNFJKA) and other actors in the informal sector with a view to explore targeted collaborations between the informal Jua Kali/MSMEs sector and TVET institutions in teaching and learning so as to benefit both students and existing workers in the Jua Kali sector.



The Kenya National Federation of Jua Kali Associations (KNFJKA) with support from Africa Union Development Agency-Skills Initiative For Africa (AUDA-SIFA) engaged MSME research firm Viffa Consult to develop a pragmatic collaboration framework between the Jua Kali sector and TVET sub sector stakeholders with the following key outputs;

1. Practical attachment and a dual-training framework for TVET students at the Jua Kali sector
2. Fit for purpose curriculum that recognizes and upskills Jua Kali artisans
3. Broader collaboration mechanism between Jua Kali and TVET institutions eg commercial partnership on utilization of centers of excellence within TVET institutions.

Study Methodology

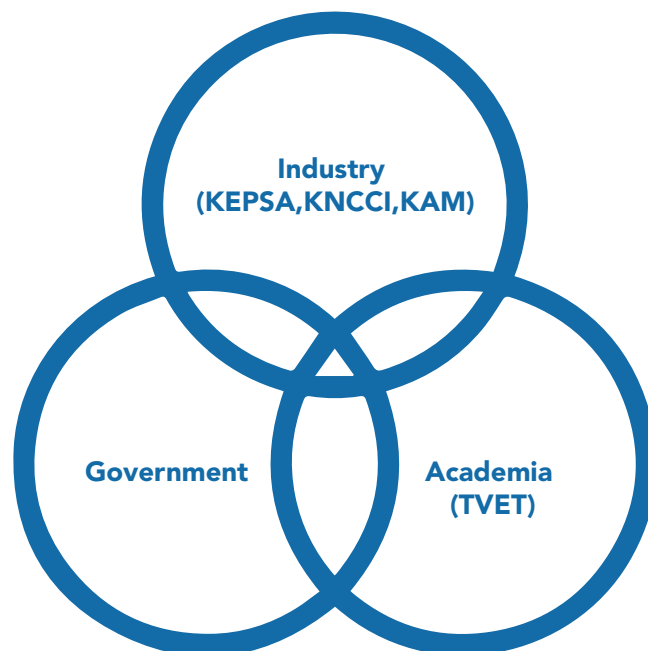
The study explored Kenya’s SME regulatory environment underpinned on vision 2030 together with the operational plans incapsulated under MTPs, unpacking the various characteristics of Kenyan MSMEs with the goal of recognizing effort and initiative the Kenyan government has taken in supporting MSMEs as well as providing broader stakeholder collaboration context.

Similarly the study examines the effects of COVID 19 on MSMEs as represented by the Jua Kali sub sector.

The proposed collaboration framework borrows from the triple helix theory which espouses synergetic collaboration between academia, private sector or industry and government in the development of entrepreneurship by borrowing best practice from other countries who have successfully deployed the model for the benefit of entrepreneurship and economic development.

The adoption of the triple helix for the purpose of the proposed framework is to use it as a reference model not in the sense of improving technology based innovation in Kenya but as a general framework in which government, academia as represented by TVETs and industry as represented by Kenya Private Sector Alliance (KEPSA), Kenya Association of Manufactures (KAM) and The Kenya National Chamber of Commerce and Industry (KNCCI) can collaborate synergetically for benefit of MSMEs/Jua Kali.

Illustration 1 : Triple Helix in Kenya’s context



Source: Circular Economy in the Triple Helix of Innovation Systems. Sustainability 2018, 10, 2646 Illustration: Author

The study team conducted a robust needs assessment of the needs of MSMEs/Jua Kali as represented in their primary associations in 12 worksites together with proposed value proposition for various stakeholders as represented on the triple helix.

Table 1: Study Needs assessment MSME Respondent profile

Location	Uhuru Market	Kariobangi	Ngara	Kariokor	Kamukunji	Shauri Moyo	Bahati	Race Course	Eldoret	Kisumu	Meru	Mombasa
Name of primary Association	New Eastland Artisan	Kariobangi Jua Kali Society	Baraka Women	Kariokor Jua Kali	Kamukunjia jua kali	Shauri Moyo	Blessed Innovators	Race Course	Uasin Gishu County Jua Kali Associations	Kisumu Innovators Jua Kali Association	Meru Jua Kali Association	Shimani Jua Kali Association
Sub-sector	Mechanical Engineering	Metal Fabrication	Curios	Leather	Metal Fabrication	Woodwork	Textile	Motor Vehicle mechanic	Cross cutting	Cross cutting	Cross cutting	Cross cutting

Source: KNFJA

Finally the study examined the current education framework as espoused in the competency based curriculum focusing on the three objectives of ; Practical attachment and employment framework for TVET students to the Jua Kali sector, fit for purpose curriculum that recognizes and upskills Jua Kali artisans and broader collaboration mechanism between Jua Kali and TVET institutions eg commercial partnership on utilization of centers of excellence within TVET institutions.



Key Findings

Effects of COVID 19 on Jua Kali/MSMEs

The MSME/Jua Kali sector has borne the full brunt of the negative effects of COVID 19 as illustrated on Table 2 with the KNFJKA taking lead in building the resilience of its members through various initiatives (Table 3) though there are gaps that continue to persist (Table 4)

Table 2: Impact of COVID-19 on the jua kali sector



Source: KNFJKA 2020

Table 3: Jua Kali sector's response to Covid 19

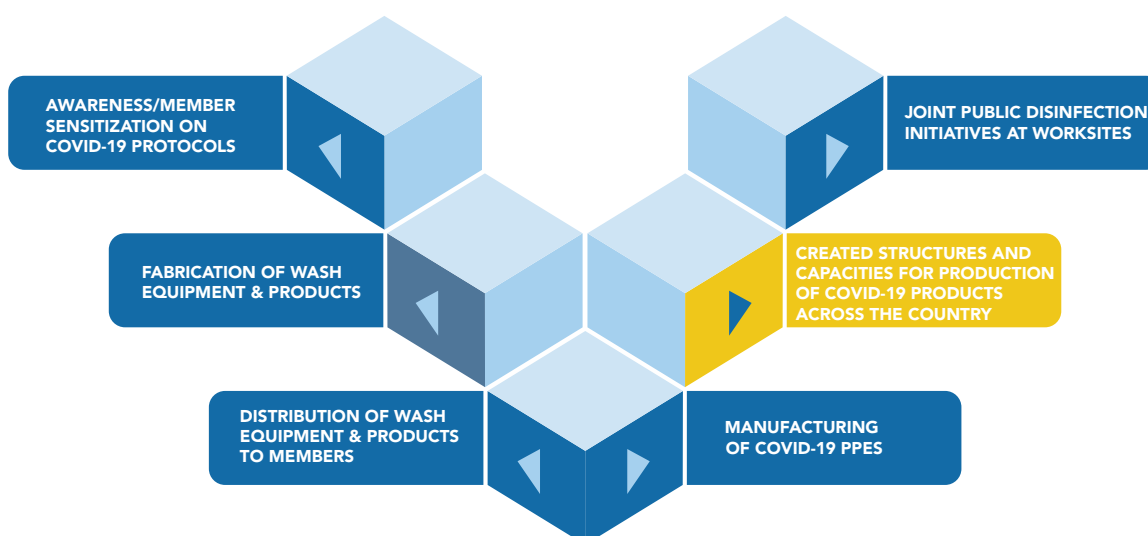


Table 4: Gaps in government covid-19 intervention in Jua Kali sector

Sector exclusion from the 'vulnerable groups' category hence no sector financial cushioning through the COVID-19 fund disbursements

No structured follow-up for implementation of sector targeted COVID-19 policy pronouncements



Source: KNFJKA 2020

SME Needs Assessment Results

The SME needs assessment resulted in the identification of the following key stakeholder and their respective value proposition to SMEs/Jua Kali.

Table 5: Relevant MSME Stakeholders and Value.

	MSME Stakeholder	Value to MSME
Industry	KNCCI	<ul style="list-style-type: none"> Market access- Export and local through exhibition opportunities
	KEPSA	<ul style="list-style-type: none"> Market access- Export and local through exhibition opportunities

		Value to MSME
Industry	KAM	<ul style="list-style-type: none"> Market access- Export and local through exhibition opportunities Sub-contracting by large manufactures
Academia (TVET)	<ul style="list-style-type: none"> Technical Universities TVET Institutions Kenya National Qualification Authority National Industrial Training Authority Technical & Vocational Education & Training Authority Technical & Vocational Education & Training- Curriculum Development, Assessment & Certification Council 	<ul style="list-style-type: none"> Member Training/upskilling Access to modern equipment/ technology Absorption of students for attachment and employment for an agreed consideration
Government	Kenya Bureau of Standards	<ul style="list-style-type: none"> Quality standards support
	Insurance Regulatory Authority	<ul style="list-style-type: none"> Access to insurance
	KIRDI	<ul style="list-style-type: none"> Industrial research and development
	Retirement Benefit Authority	<ul style="list-style-type: none"> Access to pension services
	Central Bank of Kenya	<ul style="list-style-type: none"> Financial Inclusion
	TVET sub sector	<ul style="list-style-type: none"> Recognition of prior learning as well as development of fit for purpose Jua Kali curriculum
	Kenya Industrial Property Institute	<ul style="list-style-type: none"> Intellectual Property support
	Ministry of Industry, Trade and Enterprise Development	<ul style="list-style-type: none"> Policy support



Proposed MSME/Jua kali-TVET Sub sector collaboration Framework

The study report developed a comprehensive national institutional framework for the coordination of strategic interventions in the informal Jua Kali/MSMEs sector in collaboration with other key actors in the TVET sub-sector. Key among the objectives of this engagement framework are;

1. To provide an institutionalized platform to support the contribution of the informal Jua Kali sector to the implementation of the TVET reforms agenda in Kenya.
2. To strengthen the participation, coordination, collaboration, cooperation and synergy between the Informal Jua Kali/MSMEs Associations and TVET sub-sector stakeholders in the skills development eco-system in Kenya and the East African region.

The framework covers the following broad areas:



Recommendations

The following are key recommendations.

1. Establishment of a public private partnership between the various TVET sub sector institutions and KNFJA which will allow for deeper collaboration.
2. Piloting of collaboration between MSMEs/Jua Kali as represented by primary jua kali associations with Technical University of Kenya, NITA and a select TVET Institutions.

About Skills Initiative For Africa (SIFA)

The Skills Initiative for Africa (SIFA) is an initiative of the African Union Commission (AUC) and the African Union Development Agency (AUDA- NEPAD) supported by the German Government and the European Union. SIFA promotes occupational prospects of young Africans through the support. of innovative skills development programmes and close cooperation with the private sector as an integral key stakeholder in the creation of jobs. The initiative consists of two components, a Finance Facility, and a Technical Component.)

About KNFJKA

The Kenya National Federation of Jua Kali Associations (KNFJKA) has a membership of 1,673 registered Primary Jua Kali Associations with an overall membership in the upwards of six (6) Million artisans spread across 18 sub-sectors of Kenya's informal sector.

The Kenya National Federation of Jua Kali Associations (KNFJKA) is currently engaged in various programs (Table 5) aimed at uplifting the standards of the Micro and Small Entrepreneurs in Kenya for employment and wealth creation

About Viffa Consult

Viffa Consult is an MSME research and consultancy. Viffa Consult seeks to alleviate SMEs challenges through a blend of granular research aimed at building a knowledge base that informs SME policies, SME engagement with corporates, provide SMEs with information and market intelligence as well as direct SME support having supported over 500 SMEs and over 50 Entrepreneur support organizations (ESOs) in sub Saharan Africa.



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