



POLICY BRIEF

POLICY BRIEF NO. 03 (2025)



CULTIVATING SUSTAINABLE CAPACITY TO BUILD A THRIVING ENTREPRENEURIAL ECOSYSTEM IN KENYAN UNIVERSITIES

William Murithi, Samuel Ebie, David Pickernell, Danielle Doneddu, Edward Mungai, Patricia Gachambi, Morris Kateeti Phylis Korir[viii]

Executive Summary

Kenyan universities face a dual challenge in their aspirations to be both centres of quality education and sources of innovation and economic development. This policy brief is based on extensive research into the universities' academic curricula. The study reveals that although some institutions, such as Strathmore University, have established effective and multi-tiered entrepreneurial programmes, many barriers exist. These include limited funding, faculty member training, and a lack of follow-up after students graduate. With an emphasis on curricular integration and continuous review, as well as improved industry-government partnerships and the introduction of specific faculty support mechanisms, universities are better positioned to convert academic research into practical policy and discover a new generation of job creators, thereby complementing national development objectives. In the long run, when most graduating students can create jobs for themselves and others, it could help reduce Kenya's 8.4% youth unemployment rate.

Keywords: Kenyan universities, academic curricula, entrepreneurial programmes, job creation

Background

Youth unemployment in Kenya is on the rise. This stood at 12.7% in 2024. The youth, who form most of the population at 67%, are the most affected, particularly those between 18 and 24, at 13.4%.[1]. Although on a declining trend, 2025 is expected to see a modest increase in projects, with over 1.95 million people being unemployed. Approximately a million graduates join the labour market every year, which technically cannot absorb all of them. Traditional higher education has been primarily focused on creating job seekers rather than job creators [2]. Entrepreneurship education (EE) has become a significant contributor to preparing graduates to become job creators worldwide. University entrepreneurship is a global phenomenon that catalyses innovation, self-employment, and economic resilience. Universities that have embraced entrepreneurship offer a blend of both academic teaching and practical training in entrepreneurship, incubation

programmes and research commercialisation.

Kenya has been on the right track, but progress has not been proportional across institutions. This poses a threat to the country's innovation potential and long-term economic growth and sustainability. According to the World Intellectual Property Organisation (WIPO) Global Innovation Index (GII), in 2025, Kenya showed a significant decrease of 63.6% in international patent filings between 2023 and 2024. Kenya ranked 102 out of 139 countries. The question is how Kenya can build an innovation strategy that aligns with the national development agenda and the international trend towards an entrepreneurial university that plays a direct role in driving economic and social change.

Problem Statement

Kenyan universities are well-positioned to play a key role in addressing the current problem of youth unemployment, which stands at a global high of 12.4%, and in supporting sustainable growth driven by innovation. As the number of youths entering the job market every year exceeds one million, the gap between the skills a graduate acquires and the

needs in the labour market cannot be overlooked. Entrepreneurial universities, distinguished by their focus on innovation, business creation, and knowledge commercialisation, could implement approaches to transform higher education into an engine of economic resilience. Nevertheless, their potential impact is limited by several systemic barriers, including ineffective policy implementation.

Although the intention to integrate entrepreneurship education into practice exists at the policy level, the gap between intention and action remains too large, causing hesitancy among higher education institutions. The standard issue here is lack of methods to bridge the gap between academic knowledge and student potential in creating employment and subsequent innovation. This failure is related to various interrelated barriers, including the fact that most university curricula are still too theoretical, thereby lacking the practical on-the-job training necessary to cultivate entrepreneurial skills across all disciplines.

A study conducted in Kirinyaga County found that in addition to the over 60% failure of Kenyan graduates to secure formal employment, only 9.8% start their own businesses. This reflects the low entrepreneurial uptake as well as poor support mechanisms for graduate-led entrepreneurship. Moreover, the rest of the situation with youth inactivity is troubling. At the end of 2022, the population aged 15–34 in Kenya was approximately 18.4 million. However, 3.5 million of

the young people were not in education, gainful employment, or training. This makes them incapable of fully contributing to the economy. This highlights the gap between academic and practical performance of institutions of higher learning.

Overall, the statistics reveal that Kenyan universities produce a steadily increasing number of graduates, many of whom are neither productive nor equipped to be entrepreneurs or start their own businesses. In the long run, these graduates do not contribute to any economic activities, thereby slowing down the country's development.

Policy Options

To tackle these systemic challenges, policymakers and university leaders must adopt a multifaceted approach that can be addressed through three key strategic options. We draw on a survey from industry stakeholders, where a significant majority of the sample, 68.2% of respondents, identified as university academics, reflecting a strong academic contribution among participants.

Additionally, 13.6% of the participants were either university non-academic staff or SME business owner-managers, while large business owner-managers accounted for 4.5%. The survey attracted participants from multiple countries, with the majority based in Kenya (42.9%), followed by Nigeria (14.3%), South Africa (9.5%), and the United Kingdom (9.5%). An additional 23.8% of respondents were drawn from other countries, such as

Malawi, Rwanda, and Uganda.

The majority agreed that key features necessary to define an entrepreneurial university include entrepreneurship-focused training programmes (96.2%), an entrepreneurial culture (92.3%), and graduate start-up support (92.3%). University-industry collaboration also featured prominently (92.3%). Fewer respondents identified commercialisation activities such as spinouts (69.2%) and intellectual property licensing (76.9%) as essential.

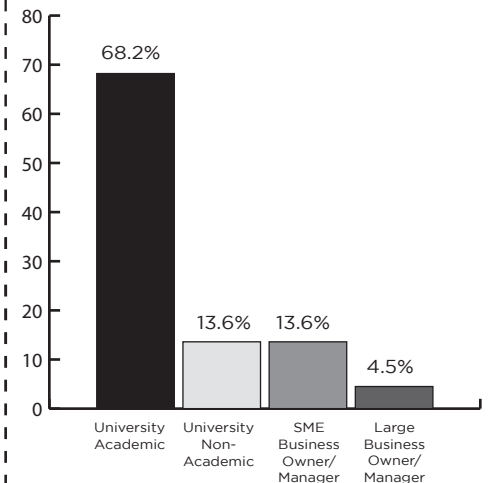


Figure 1: Respondents' affiliations

The first alternative is to integrate entrepreneurship deeply into the academic core of all relevant disciplines taught within universities. This would involve advancing beyond autonomous business classes to integrate effective entrepreneurship units into various degree programmes, such as those in engineering and health sciences, as well as the arts and humanities. Such a strategy, as demonstrated in the ecosystem of Strathmore University, can foster the creation of a universal innovative spirit and potentially increase the number of future business owners and entrepreneurs exponentially. Its success,

however, depends on substantial investment in the redesign of the curriculum and a comprehensive faculty development programme that provides all academics with the required practical skills and teaching strategies, which may not be readily available in the existing traditional departments.

The second policy option is the development of a national system/structure for after-college entrepreneurial financing, which would primarily rely on special financing systems. This would entail the establishment of government-sponsored funds or leveraging existing ones, such as the Uwezo Fund, Youth Fund, Hustler Fund, and venture capital funds, specifically for university graduates. These funds would include substantial seed grants, prototyping funding, and seed investments to bridge the financial gap between when the student venture is started and when it is accepted as a venture. The obvious benefit of this option is that it will directly address the most common obstacle - resource shortage - and will ensure de-risking private investment. The demerit is how to establish strong, transparent governance mechanisms that will help manage these funds effectively and ensure they are allocated to the most promising and scalable ventures, thereby minimising exposure to misuse or inefficiencies.

The third alternative is the promotion of the Triple Helix model through the formalisation of collaborative relationships between universities, industry, and the

government. This would imply developing platforms and incentive policies which allow industry collaborations to be promoted and rewarded. Such efforts might incorporate a tax-saving programme for companies that provide mentorship and internship opportunities, create joint research and development grants, and form innovation districts in which start-ups and established companies are co-located.

The primary advantage of this approach is that it enables students to gain real-life networks and experiences, facilitating the essential translation of knowledge. The major weakness is that the different and conflicting aims, schedules, and cultures of academia, industry, and government need to be coordinated. This is a complex exercise that requires a significant amount of time to gain traction, leading to mutual benefits. A strategy that carefully adopts parts of each of the three options will, therefore, be the most fruitful way to proceed.

Strathmore University's entrepreneurial ecosystem model, Figure 2, is an example of how an organised ecosystem, comprising an innovative curriculum, incubation, mentorship, partnerships with government and industry and funding, can support student ventures.

Policy Recommendations

Based on the evidence from Strathmore University's ecosystem, a comprehensive literature review, and a stakeholder survey, this study recommends a combined approach within entrepreneurial universities, including:

1. Integrating entrepreneurship across all academic disciplines to spearhead innovation and equip every graduate with entrepreneurial competencies regardless of the discipline of study. This increases the chances of graduate students investing in building start-ups and spin-offs.
2. Developing and funding excellent graduate support networks, including post-graduation incubators, mentorship programmes, and dedicated seed funding opportunities to ensure the graduates' entrepreneurial ventures survive beyond campus. This will enable the university and graduates to realise the need for supporting start-ups that create opportunities for the founders and the rest in the community.
3. Formalising university-industry-government collaborations. Structured platforms and policy incentives would help ensure relevance, resource sharing, and sustainable growth of the entrepreneurial ecosystem.

Conclusion

The move towards transforming Kenyan universities into vibrant centres of entrepreneurship is not only an educational dream but also an economic necessity. With a vast and increasingly large number of graduating youths and a formal sector that cannot sustain all graduates, the nation must nurture a generation of job creators who will provide both national stability and sustainable development. The present post-secondary educational establishment, as outlined in this policy brief, faces various challenges, including the historically underfunded infrastructure for practical educational support, a significant disconnect in the start-up support that follows graduation, and a mismatch with the market's needs and demands that often permeate post-secondary curricula. The cost of doing nothing can be expensive, with unemployment and talent attrition, as well as many business start-ups failing. Hence, a stagnant economy.

There is, however, a clear and actionable way forward. This requires a unified, proactive approach that is more than rhetoric in policy, solid investment and structural rebuilding. With such issues combined with a relatively realistic list of recommendations introducing the cross-disciplinary incorporation of applied entrepreneurship, the creation of national post-graduation funding and incubation opportunities, and the formalisation of powerful university-industry-government collaborations, policymakers and university

leaders will fundamentally transform academic life. This strategic change will enable universities to maximise their capacities as innovative and economic incubators.

Finally, an investment in the entrepreneurial universities will be a commitment to the most valuable asset to Kenyan youths. By providing them with the tools, capital, and encouragement to establish effective businesses, we will have tapped a virtually inexhaustible source of economic opportunities, employment, and sustainable wealth, ensuring that our nation is both better off and safer. The time to take firm action is now.

Acknowledgement: The study was supported by a grant from the International Science Partnerships Fund (ISPF) at Swansea University, which enabled the team to conduct research and develop workshops that brought together stakeholders from academia, government, industry, and civil society from over 10 countries.



“The move towards transforming Kenyan universities into vibrant centres of entrepreneurship is not only an educational dream but also an economic necessity.”

References

- Aguma, D. (2025). Mediating Effects of Entrepreneurship Ecosystems on Entrepreneurship Skills and Pedagogy: A Comparative Study Between the United Kingdom and Uganda (Doctoral dissertation, Birmingham City University).
- Al Alawi, A. M., Al Kindi, K., Al Shukaili, A., & Ahmed, E. R. (2025). Entrepreneurial Activities, Innovation, and Job creation: The role of Demographics and Creativity as Moderators. *International Journal of Innovation Science*, 17(1), 123-147.
- Gachugo, S. K. (2018). Effect of Entrepreneurial Orientation on Performance of Business Start-ups among University Graduates in Kirinyaga County.
- Iwara, I. O. (2025). Graduate Employability in Africa: Reimagining Rural-Based Entrepreneurial University Paradigm. *Sustainability*, 17(10), 4628.
- Siringi, E. (2025). Putting Skills First: Analysis of Kenyan Universities' Preparedness in Shaping Graduates Skills Knowledge for Employability. Available at SSRN 5228458.
- Uslu, B., Calikoglu, A., Seggie, F. N., & Seggie, S. H. (2019). The Entrepreneurial University and Academic Discourses: The Meta-Synthesis of Higher Education Articles. *Higher Education Quarterly*.

SU POLICY BRIEF

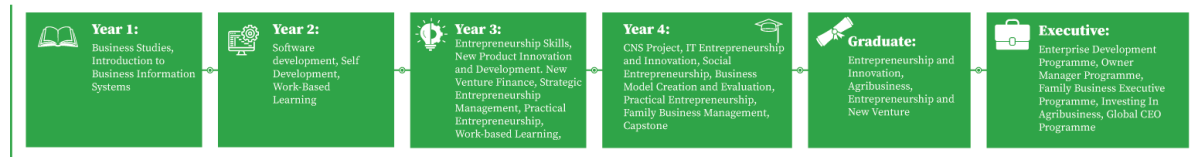


Strathmore
UNIVERSITY



Entrepreneurship Ecosystem Model

Co-Curricular Activities:



iBiz Africa Incubation and Accelerator Programme- Co-Curricular Activities:

Programmes:

- Startup founders pitch
- Training in Design Thinking
- Customer Discovery
- Legal and IP considerations
- Lean Startup Modelling
- App development,
- Women in Tech Incubation Programme
- Acceleration programmes

iBiz Africa Incubation:

- Startup Founders Pitch
- Training in Design Thinking
- Customer Discovery
- Legal & IP
- Women in Tech Incubation
- Accelerator Programmes

Institute of Small Business Initiatives (ISBI)



Business Support Services:

- Mentorship and Coaching,
- Venture Support Programmes
- Immersion
- Pitch Competitions
- Mentors and Coaches
- Business Pitch Fridays
- Hackathon and Innovation Challenges
- Networking events and inspiration talks
- Investor Showcases



Student Led Co-curricular Activities:

	Enactus	Hult Prize	Strathmore Business Club (SBC)
	Student Enterprise Program (SEP)	Strathmore Research Club	Strathmore's Student Marketing Society
	StrathCube		



Academic & Non-Academic Department Support

- Careers Services Support**
- Business Competitions**
- Pitch Competitions**
- Internship**
- Mentorship**
- Guest Speakers**
- Company Outreach**
- Experiential Programmes**
- Macheo Program**
- Maisha Programme**



University-Wide Support and Hubs :

- Students Market Days
- Strathmore Ideas Festival
- SU Radio
- Community Outreach
- Mzima Springs Cooperative Society
- Strathmore Research and Consultancy Center (SRCC)
- Strathmore Africa Case Centre (SACC)
- Strathmore Global Institutes
- Entrepreneurship and Innovation Hub
- Strathmore Nonprofits
- Social Enterprise and Philanthropy Hub
- Strategic Partnerships Locally and Internationally
- SME Conference and Expo



Funding:

- Seed Funding**
- Grant Support for Prototyping**
- Market Validation**
- Business Development**
- Investor Engagement:**
Platforms for startups to showcase innovations to local and international investors

Vision:

Mission:

Our Values (SELF-SPEC)

SU POLICY BRIEF

About the Authors

[i] Dr William Murithi, a senior faculty member, researcher, and consultant at Strathmore Business School, specialises in entrepreneurship, strategy, and family business.

[ii] Dr Samuel Ebie, Lecturer in Entrepreneurship and Innovation at Swansea University and Deputy Director of the Innovation and Entrepreneurship Research Institute (IERI), has extensive experience in enterprise, small business, and higher education leadership.

[iii] Prof. David Pickenell is Professor of Small Business and Enterprise Development Policy at the Swansea University School of Management and the Director of the Innovation and Entrepreneurship Research Institute (IERI).

[iv] Dr Daniele Doneddu is a Senior Lecturer at Swansea University's School of Management. He has a multidisciplinary background spanning engineering, medical technology, innovation, economic development and IP.

[v] Dr Edward Mungai, Deputy Vice-Chancellor for Partnerships and Development at Strathmore University, focuses on youth employment, family well-being, and ethical business practices.

[vi] Dr Patricia Gachambi, Director of Undergraduate Programmes at Strathmore Business School, specialises in strategic management and competitive advantage.

[vii] Morris Mbaluka, a statistician and policy researcher at KIPPRA, works on applied statistics, entrepreneurship, and innovation ecosystems to support sustainable development.

[viii] Phylis Korir is a quantitative researcher and Monitoring and Evaluation specialist at iBiz Africa.

Published by: Strathmore University Press, Research and Innovation Department

Madaraka Estate

Ole Sangale Road

P.O Box 59857-0200

Tel 0703-034200

Email: research@strathmore.edu



Strathmore
UNIVERSITY

