



Effects of Capacity-Building Interventions on Business Outcomes for Entrepreneurs with Disabilities: Evidence from Western Kenyan Region

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Abstract: Entrepreneurship is increasingly promoted as a pathway to economic inclusion for persons with disabilities (PWDs), yet access to finance remains a critical constraint limiting the growth and sustainability of disability-owned enterprises. While capacity-building programs are widely implemented to address these barriers, empirical evidence on their effectiveness, particularly in low and middle, income countries, remains limited. This study examines the relationship between capacity-building interventions and access to loans among entrepreneurs with disabilities in Kenya in western region, using a dataset of 1,389 program beneficiaries across multiple counties. The analysis focuses on four interventions: onboarding, boot camps, one-on-one coaching, Mentorship and group discussions. Descriptive statistics and visual analytics were used in the study. The study compares loan access outcomes across intervention types and demographic subgroups. The findings reveal that loan access occurred exclusively among entrepreneurs who participated in one-on-one coaching or group discussion sessions, while no loan uptake was observed among non-participants. Further disaggregation indicates disparities by gender, education level, disability status, and geographic location. The study concludes that while capacity building interventions, particularly customized and relational approaches are associated with ameliorated financial access, training alone is scarcity to overcome structural barriers to inclusive finance. The findings carry important implications for policymakers, development practitioners, and financial institutions seeking to promote inclusive entrepreneurship.

Keywords: disability entrepreneurship, access to finance, capacity building

INTRODUCTION

Entrepreneurship has emerged as a central policy instrument for promoting economic inclusion, employment creation, and poverty reduction across evolving economies. For persons with disabilities (PWDs), entrepreneurship is often framed as a viable alternative to wage employment, given widespread labor market discrimination, limited workplace accommodations, and structural exclusion (Mitra & Samba Moorthi, 2014; Banks et al., 2021). Despite this policy emphasis, disability-owned enterprises continue to face persistent constraints that limit their growth potential, chief among them limited access to formal finance.

Access to credit is a critical determinant of enterprise performance, enabling investment in capital, technology, and labor (Beck & Demirgüç Kunt, 2006). However, evidence from both developed and developing contexts suggests that entrepreneurs with disabilities are significantly less likely to access loans compared to their non-disabled

counterparts (Pagán, 2009; World Bank, 2019). These disparities are driven by multiple factors, including discrimination, limited collateral, low financial literacy, and lender perceptions of higher risk. researchers Caldwell et al (2020); have used a variety of related theories and conceptual models, as well as qualitative and quantitative methods, to investigate EWD issues. The frameworks linked with EWDs emphasized entrepreneurial traits, socioeconomic factors, and education and training elements. To begin, Renko et al (2016) discovered that while EWDs were more likely than other types of entrepreneurs to start a business, they were less likely to be able to sustain it over time due to critical variables such as the requirement for start-up money and EWD-specific training or education.

In response, governments, non-governmental organizations, and development partners have increasingly invested in capacity-building interventions aimed at improving entrepreneurial skills, financial literacy, and market readiness among PWDs. Such interventions commonly include training workshops, boot camps, mentoring, coaching, and peer learning forums. Yet, while these programs are widespread, rigorous empirical evidence on their effectiveness particularly in facilitating access to finance remains scarce.

This study seeks to address this gap by examining the relationship between capacity-building interventions and access to loans among entrepreneurs with disabilities in Kenya. Using a large program-level dataset of 1,389 entrepreneurs, the study analyzes whether participation in onboarding, boot camps, one-on-one coaching, and group discussions is associated with improved loan access outcomes. In doing so, the study contributes to the literature on inclusive entrepreneurship, disability studies, and development finance. Specifically, the study addresses the following research question: How do capacity-building interventions influence access to loans among entrepreneurs with disabilities in Kenya, and how do these effects vary across demographic and business characteristics?

LITERATURE REVIEW

Disability and Entrepreneurship

Disability is increasingly comprehended through a social rather than purely medical lens, emphasizing the role of environmental, institutional, and dispositional barriers in shaping economic participation (Oliver, 1996). Within this framework, entrepreneurship among PWDs is molded not only by individual capabilities but also by access to resources, networks, supportive institutions and training.

Factual studies show mixed outcomes regarding disability entrepreneurship. While self-employment rates among PWDs can be relatively high, these enterprises are often smaller, less profitable, and more susceptible than those owned by non-disabled entrepreneurs (Pagán, 2009; Yamamoto & Alverson, 2015). Limited access to finance is consistently identified as a major restraint.

Access to Finance and Financial Exclusion

Financial banishment remains pervasive in evolving economies, particularly among marginalized groups. Beck and Kunt (2006) highlight that small and micro-enterprises face higher borrowing costs and stricter collateral requirements, a challenge compounded for

PWDs. Lenders may perceive disability as a proxy for risk, reinforcing exclusionary lending practices (World Bank, 2019).

In Kenya, despite significant progress in financial inclusion driven by mobile money and microfinance innovations, disparities persist across gender, geography, and disability status (Central Bank of Kenya, 2024). Entrepreneurs with disabilities remain underrepresented among formal credit recipients.

Capacity-Building Interventions and Entrepreneurial Outcomes

Capacity-building interventions aim to address informational and capability constraints by enhancing skills, knowledge, and confidence. Studies in entrepreneurship education suggest that training can improve business practices and, in some cases, performance outcomes (McKenzie & Woodruff, 2014). However, evidence on whether training translates into improved access to finance is mixed. Training and development programs emerge as critical drivers of PWDs' entrepreneurial success. Access to specialized training programs targeted to the unique needs and challenges of individuals with disabilities can provide them with the necessary skills, knowledge, and competencies to successfully pursue entrepreneurship (Krüger & David, 2020). Effective training not only improves their entrepreneurial skills, but it also fosters a sense of mastery, which is essential for overcoming perceived obstacles and uncertainties (Setiawan et al., 2022).

Recent research emphasizes the importance of relational and personalized interventions, such as mentoring and coaching, which may be more effective than classroom-based training alone (Bruhn et al., 2018). For PWDs, such interventions may also mitigate psychosocial barriers, including stigma and low mastery.

Despite these insights, there is limited empirical work examining how different types of capacity-building interventions affect financial access specifically for entrepreneurs with disabilities in sub-Saharan Africa. This study contributes to filling this gap.

METHODOLOGY

Data Source

The study utilizes cross-sectional program monitoring data collected from 1,389 entrepreneurs with disabilities participating in an inclusive entrepreneurship initiative in Kenya. The dataset covers multiple counties and includes information on demographics, disability characteristics, business attributes, intervention participation, and post-intervention outcomes.

Variables

Dependent Variable

Access to loan: A binary indicator capturing whether the entrepreneur accessed a loan after participation in the program.

Independent Variables

Participation in onboarding, Attendance at boot camp sessions. Participation in one-on-one coaching, Participation in group discussions, Participating in one- one Mentorship.

Analytical Strategy

The analysis employs descriptive statistics and data visualization techniques to explore patterns of loan access across intervention types and demographic subgroups. Narration are used to present proportional differences in loan access rates, facilitating intuitive comparison across categories. While the study does not make causal claims, the visual analytics approach provides valuable insights into associations between interventions and outcomes.

RESULTS

Descriptive Overview

Across the full sample, those who Participation in onboarding, attendance at boot camp sessions, Participation in one-on-one coaching, Participation in group discussions and participating in one- one Mentorship were 113 entrepreneur's living with disability were able to attend all the sessions. This is only 9.6 % of the people onboarded. This representing less than ten percent of the sample required to have participated in the program. This underscores the severity of financial exclusion facing entrepreneurs with disabilities.

Capacity-Building Interventions

Table 1

Region	Male	Female	Frequency %
Bondo	10	12	16.13
Mbale	9	5	10.53
Muhoroni	7	10	12.90
Siaya	9	8	12.90
Serem	11	6	12.90
Sondu	9	10	14.30
Ugunja	7	7	10.53
Luanda	5	10	10.53
Total	65	68	100%

Table 1 presents Capacity-Building Interventions rates by participation in one-on-one coaching and group discussions. Onboarding and bootcamp participation were universal and therefore excluded from comparative analysis.

The results show that all instances of loan access occurred among entrepreneurs who participated in one-on-one coaching or group discussions. No loan uptake was observed among entrepreneurs who did not participate in these interventions. The majority How ever those who didn't participate was due lack of resource to access the venue and distance to the venue.

This pattern suggests that personalized and interactive forms of capacity building may play a critical role in facilitating engagement with financial institutions. However, it's important to facilitate trainees with the fare.

Loan Access Status	Number	Percentage (%)
Accessed loan	85	<6.12%
Did not access	1,304	>93.88%
Total	1,389	100

Loan Access by Gender

Table 2: Loan access rates by gender.

Region	Male	Female	Frequency %
Bondo	6	5	8.27
Mbale	7	10	12.78
Muhoroni	8	12	15.04
Siaya	8	9	12.78
Serem	10	4	10.53
Sondu	10	12	16.54
Ugunja	8	9	12.78
Luanda	8	7	11.28
Total	65	68	100%

Find on tale 2.1 depicts that Female disable entrepreneurs exhibited a marginally higher loan access rate compared to male disable entrepreneurs. While the absolute differences are small, the pattern aligns with broader evidence suggesting that targeted programs may aid reduce gender-based financial exclusion among the physical challenged entrepreneurs.

Loan Access by Gender

Table 3: Intension To Scale Up.

Region	Male	Female	Frequency %
Bondo	8	7	15.31
Mbale	5	8	13.27
Muhoroni	6	8	14.29
Siaya	4	4	8.16
Serem	8	6	14.29
Sondu	9	3	16.54
Ugunja	7	5	12.24
Luanda	6	4	10.20
Total	53	45	100%

Table 3 depict that various county was sample both to train the disable entrepreneurs with an intension to scale up the implementation by offering loan to the

disable. 15.31% come from Bondo ,13.27 % from Mbale 14.29% from Muhoroni 12.78 from Siaya 8.16 from Serem14.29 % from Sondu 16.54% from Ugunja and 10.20 % from Luanda. This implies that Serem had the majority of the disables who managed to complete the training and upscaled to loan disbursement.

Table 4: Loan Access by Education Level

Region	college and above	Form 4 and below	Frequency %
Bondo	9	10	14.29
Mbale	8	8	12.30
Muhoroni	6	12	13.53
Siaya	12	9	15.79
Serem	11	9	15,4
Sondu	11	10	15.79
Ugunja	3	6	6.77
Luanda	5	5	7.52
Total	65	68	100%

Table 4 show that in Bondo (19) participants were people leaving with disability showing 14.29, Mbale were (16), 13.53% Muhoroni, (18), 13.53, Siaya (21), 15.79% Serem (20), 15,4% Sondu (21), 15.79%, Ugunja (9) 6.77% and Luanda (10). 7.52% This indicates a clear education slant in loan access. Entrepreneurs with college and university education were more likely to access loans than those with lower levels of education. This finding highlights the interdependent role of human capital in modifying capacity-building interventions into financial outcomes and the need to stimulate PWds to study. It also informs the levels, challenges and risk PWds goes through and the need to access to finance to enable them finance their continual education.

Disability Type and Geographic Distribution

Majority of the trained disable were from Sondu centre. Loan access was observed exclusively among entrepreneurs reporting no functional disability, while none of the entrepreneurs with physical, sensory, or multiple disabilities accessed loans even after training this could be attributed to the nature of business these entrepreneurs undertake. Moreover, loan uptake was geographically concentrated in eight counties, indicating significant spatial disparities in inclusive finance outreach.

DISCUSSION

The findings provide important insights into the role of capacity-building interventions in promoting financial inclusion for entrepreneurs with disabilities. First, the results suggest that not all training is equal and the more the trainer participated in training the more access to finance. While onboarding and boot camps may improve general awareness and skills, they appear insufficient on their own to facilitate access to finance. This show that entrepreneurs with disability tend to operate business whose capital is less than 10000 shillings and could not afford to attend all the training session. In contrast, one-on-one

coaching and group discussions interventions that emphasize relational engagement are associated with improved loan access. This could be attributed to the reason that the Business Development Trainers had visited the groups to their premises and PWds where not required to incur any expenditure for traveling.

The extremely low overall loan uptake highlights the limitations of training-only approaches. Structural barriers within financial markets, including discriminatory lending practices and lack of accessible financial products, likely persist despite improved entrepreneurial capacity.

The observed disparities by education, disability type, and geography suggest that capacity-building interventions interact with broader socio-economic factors. PWds Entrepreneurs with higher education levels may be better positioned to leverage training into tangible financial outcomes, while those with more severe disabilities face compounded exclusion.

CONCLUSION AND POLICY IMPLICATIONS

This study examined the relationship between capacity-building interventions and access to loans among entrepreneurs with disabilities in Kenya. The findings indicate that personalized and relational interventions particularly one-on-one coaching and group discussions are associated with improved access to finance. However, the overall level of loan uptake remains extremely low, underscoring the persistence of structural barriers.

The study has several policy implications. First, capacity building programs should prioritize personalized support mechanisms alongside traditional training. Second, financial institutions must be incentivized to develop disability-inclusive lending products. Third, policymakers should address geographic disparities by expanding inclusive finance initiatives beyond urban and better-served counties.

Future research should employ longitudinal data and quasi-experimental designs to establish causal relationships and assess long-term impacts on enterprise growth and employment.

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