

DIGITAL ENTREPRENEURSHIP AND ITS ROLE IN ECONOMIC TRANSFORMATION IN KENYA

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ABSTRACT

Digital entrepreneurship has emerged as a powerful driver of economic growth, innovation, and job creation in developing economies. In Kenya, the rapid adoption of digital technologies, mobile platforms, and internet-based services has transformed traditional entrepreneurial activities and enabled the growth of technology-driven startups. This article examines the concept of digital entrepreneurship in the Kenyan context, focusing on digital infrastructure, innovation, financial inclusion, policy support, and sustainability. It highlights how digital entrepreneurship contributes to economic development while addressing challenges such as skills gaps, access to finance, and regulatory constraints.

Key words: Digital Entrepreneurship, Innovation, Startups, Technology Adoption, Kenya.

INTRODUCTION

Entrepreneurship is a key engine of economic development, and its digital transformation has opened new opportunities for business creation and growth. Digital entrepreneurship refers to entrepreneurial activities that rely on digital technologies such as mobile applications, e-commerce platforms, and online services (Agbavor, 2019). In Kenya, often referred to as the “Silicon Savannah,” digital entrepreneurship has become a critical component of national development strategies.

Digital entrepreneurship involves the use of digital technologies to create new business models, products, and services (Al Zaidanin & Al Zaidanin, 2021). In Kenya, entrepreneurs increasingly leverage mobile and internet technologies to reach wider markets and improve efficiency.

Kenya’s digital infrastructure has supported the growth of digital enterprises. Widespread mobile phone usage and internet connectivity have enabled startups to operate at lower costs and scale rapidly (Albeldawi, 2023).

Mobile financial services play a central role in digital entrepreneurship. Platforms such as mobile money systems have enhanced financial inclusion and enabled entrepreneurs to conduct transactions securely and efficiently.

Innovation hubs and technology incubators contribute significantly to Kenya’s digital entrepreneurial ecosystem. These institutions provide mentorship, training, and networking opportunities for emerging entrepreneurs.

Digital entrepreneurship has created new employment opportunities, particularly for youth. Online platforms allow young entrepreneurs to offer services, develop applications, and participate in the digital economy (Alden, 2023).

Government policies and regulatory frameworks influence the growth of digital entrepreneurship. Supportive policies related to ICT development and innovation funding have encouraged startup formation in Kenya.

Despite its growth, digital entrepreneurship faces challenges such as limited access to capital, cybersecurity risks, and digital skills shortages. Addressing these issues is essential for sustainable development (Ali & Dhiman, 2019).

Education and digital skills training are critical for strengthening digital entrepreneurship. Universities and training institutions in Kenya play an important role in developing entrepreneurial and technological competencies.

Sustainability is becoming an important focus for digital entrepreneurs. Many Kenyan startups integrate social and environmental objectives into their digital business models.

Digital entrepreneurship enhances Kenya's global competitiveness. By connecting local entrepreneurs to international markets, digital platforms support export growth and innovation.

CONCLUSION

Digital entrepreneurship has become a transformative force in Kenya's economic development. Through the integration of technology, innovation, and entrepreneurship, digital startups contribute to job creation, financial inclusion, and sustainable growth. Strengthening digital infrastructure, skills development, and policy support will further enhance the impact of digital entrepreneurship. As Kenya continues to embrace digital transformation, digital entrepreneurship will remain a key driver of inclusive and resilient economic progress.

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