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Beyond Livelihoods: How Youth-Led Social Innovation Drives Community Transformation in Nakuru, Kenya

Kimunya Victoria Nduku^{1*}, Daniel M. Kitonga², Shem N. Mwalw'a²

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ABSTRACT

In Kenya, youth unemployment remains a critical socioeconomic challenge, frequently forcing young people into informal or community-based survivalist enterprises. While youth entrepreneurship is widely recognized as an essential livelihood option, limited research explores the capacity of youth-led social innovations to catalyze broader community transformation. This paper analyzes the effect of social entrepreneurial innovation on community change within youth-led enterprises in Biashara Ward, Nakuru County, Kenya. The study adopted a quantitative cross-sectional survey design. Primary data were collected via structured questionnaires from 137 participants across 13 registered youth social enterprises. Social entrepreneurial innovation was operationalized through new ideas, processes, products, and services. Community transformation was evaluated using dimensions of empowerment, livelihood improvement, access to services, poverty reduction, and social cohesion. The empirical findings confirm that youth-led social innovation significantly drives community change. Young social entrepreneurs successfully generated practical localized solutions, optimized operational efficiencies, and developed products and services that directly address pressing social needs. The study demonstrates that social innovation operates simultaneously as an economic survival mechanism and a vehicle for youth-led community development. The study highlights the need for macro-level policy frameworks that are locally responsive to semi-urban ecosystems. It recommends that policymakers and development actors provide targeted mentorship, localized innovation support, and technical product-development assistance to youth-led social enterprises.

INTRODUCTION

Background to the Study

Youth entrepreneurship is widely recognized as a catalyst for economic growth, employment generation, and systemic social change, particularly within developing economies characterized by deep-seated structural unemployment and social exclusion (Chigunta, 2017). While conventional frameworks traditionally anchor entrepreneurship to profit maximization, social entrepreneurship—which deploys entrepreneurial mechanisms to solve deeply entrenched social, cultural, and environmental challenges—has emerged as a foundational pillar of sustainable community development (Dastane, 2020b). Distinct from purely commercial ventures, social enterprises operate under a dual mandate: they generate financial value while simultaneously executing social missions targeting marginalized or vulnerable demographics (Gupta, 2020b; Madu and Yusof, 2015). This dual-orientation positions social entrepreneurship not merely as a micro-economic intervention, but as a holistic pathway for fostering resilience, self-agency, and structural social inclusion among young populations. Within the sub-Saharan African context, social entrepreneurship has assumed substantial policy relevance as a strategic vehicle to mitigate youth unemployment, systemic poverty, and socio-spatial marginalization (Chigunta, 2017). To stimulate youth economic

participation, governments and non-governmental organizations (NGOs) have introduced a variety of microfinance interventions, business incubators, and digital enablement platforms. However, the scalability, resilience, and long-term viability of youth-led social ventures remain severely bottlenecked by institutional and structural deficits. These include low levels of business and financial literacy, inadequate infrastructure, and fragmented regulatory frameworks (Mwangi and Ngugi, 2020). Crucially, contemporary literature continues to be dominated by macro-level, national trends. Consequently, there remains a critical gap in empirical understanding regarding the localized, community-scale dynamics through which youth groupings translate collective entrepreneurial behaviors into tangible, sustainable social transformation (Dastane, 2020b; Gupta, 2020a).

In response to these challenges, the Government of Kenya has launched targeted institutional mechanisms designed to stimulate youth entrepreneurship, notably the Youth Enterprise Development Fund (YEDF), the Uwezo Fund, and the Ajira Digital Programme (GOK, 2020). Although these initiatives aim to improve capital access, structured mentorship, and digital skill acquisition, grassroots youth-led social enterprises continue to struggle with prohibitive operational overheads, complex regulatory hurdles, and limited market penetration (Wamalwa and Muturi, 2022). The broader Kenyan entrepreneurial ecosystem remains

¹ PhD Candidate, Institute for Social Transformation, Tangaza University, Nairobi, Kenya

² Department of Social Transformation, Institute for Social Transformation, Tangaza University, Nairobi, Kenya

* Corresponding author's e-mail: kimunya.nduku@gmail.com

highly fragmented and lacks the institutional coordination required to support the long-term sustainability of social enterprises, particularly those situated within semi-urban and peri-urban geographies (Maina, 2020; Nteere, 2021). Nakuru County offers an incredibly dynamic yet under-researched setting for exploring youth-led social entrepreneurship. As one of the fastest-growing economic hubs in Kenya, the county is characterized by rapid urbanization, a demographic bulge of young people, and a progressively diversifying marketplace (County Government of Nakuru, 2022). Despite these opportunities, young change-makers—especially those residing within informal and low-income settlements—face steep barriers to entry, including acute shortages of seed capital, financial illiteracy, and exclusion from formalized value chains.

These structural boundaries have paradoxically triggered vibrant, organic grassroots entrepreneurial movements within Biashara Ward. This localized landscape provides an ideal environment where youth-led social enterprise serves both as an immediate livelihood strategy and a mechanism for wider community development. Nevertheless, this specific semi-urban ward remains profoundly underrepresented in empirical academic literature, leaving the community-level mechanisms through which social entrepreneurship translates into sustainable change poorly understood (Kokown *et al.*, 2023; Mwangi and Ngugi, 2020).

Statement of the Problem

Kenya possesses a highly dynamic entrepreneurial potential, propelled by a youthful and increasingly literate population demographic (GOK, 2020). Yet, youth unemployment persists as a complex, chronic socioeconomic challenge. The formal labor market lacks the structural capacity to absorb the expanding cohorts of school leavers and tertiary graduates entering the economy annually. This mismatch compels millions of young citizens to secure livelihoods through volatile, informal, and occasionally illicit survival strategies. Approximately 500,000 youth exit the formal education pipeline every year without viable pathways to meaningful, secure employment (GOK, 2019, 2020), which continually exacerbates localized poverty and compromises macro-level social stability.

Within Biashara Ward in Nakuru County, youth confront a dense matrix of overlapping socioeconomic constraints. These include high structural unemployment, household poverty, disparate access to quality healthcare and basic infrastructure, and systemic underrepresentation in localized economic planning processes. While social entrepreneurship is globally lauded as a transformative paradigm for driving inclusive economic growth and lowering social inequality, its systematic adoption and institutional backing within Biashara Ward remain highly constrained (Madu & Yusof, 2015). Existing localized policy architectures and micro-support mechanisms routinely fail to align with or reflect the operational realities, constraints, and socio-economic aspirations of

young grassroots social entrepreneurs (Wamalwa and Muturi, 2022; Nteere, 2021).

Furthermore, despite a rising volume of international academic literature focusing on entrepreneurship as an instrument for international development, there is a pronounced deficit of highly localized, empirically grounded data explaining the specific mechanics of youth-driven social innovation within Kenyan semi-urban contexts.

Purpose of the Study

The purpose of this study was to examine how youth-led social entrepreneurship practices drive community transformation beyond individual livelihoods in Biashara Ward, Nakuru County. Specifically, the study sought to investigate how social capital — encompassing trust, resource sharing, collective action, and mentorship — and entrepreneurial culture — anchored in values of teamwork, resilience, innovation, and self-reliance — contribute to broader social transformation outcomes including community empowerment, social cohesion, and inclusive socioeconomic participation. By identifying the key enablers and constraints shaping these processes, the study aimed at providing insights that can inform policy interventions and strategic programmes designed to maximize the community-level impact of youth-led social enterprises.

Significance of the Study

The findings of this study carry significant implications for multiple stakeholders. For policymakers — including the Ministry of Youth Affairs, the Ministry of Trade and Industrialization, and the Nakuru County Government — the study provides evidence-based insights into how social entrepreneurship drives community transformation, thereby informing the design of more inclusive, youth-responsive, and community-centered policy frameworks (Eniola & Entebang, 2015; Odongo & Were, 2022).

For development organizations and NGOs working in youth empowerment, entrepreneurship training, and social innovation, the study identifies the specific mechanisms — particularly social capital structures and entrepreneurial cultural values — through which youth groups generate collective social impact beyond individual economic gain. This knowledge can sharpen programme design and resource allocation (Mwangi & Ngugi, 2020; Ferdousi *et al.*, 2023).

For young entrepreneurs and aspiring social innovators, the study offers practical knowledge on how collective values, trust-based networks, and community collaboration can be leveraged not merely for enterprise survival but for meaningful community change. For the academic community, the study contributes to the growing body of literature on social entrepreneurship and community transformation in semi-urban Kenyan contexts, addressing a significant geographical and contextual gap in the existing scholarship (Chairoel, 2015; Dastane, 2020b; Maina, 2020).

LITERATURE REVIEW

Theoretical Framework

The research is based on three theoretical frameworks that interact to give the understanding of how the youth-led social entrepreneurship can bring about community change beyond individual livelihoods: Human Capital Theory, Social Transformation Theory, and Social Entrepreneurship Theory.

According to Holden (2016), Human Capital Theory assumes that investments in the knowledge, skills, and competencies of people, gained through education, vocational training, and other experience-based learning, contribute to their productive potential and innovative abilities. In the Biashara Ward context, this theory sheds light on the ways youth acquire personal and professional qualities that would enable them to become actively engaged in entrepreneurship and socioeconomic transformation. Importantly, it answers the question of why certain young people are more equipped to start and maintain business ventures that can be beneficial to their communities. Nevertheless, the weakness of the theory is that it focuses on individual attributes and, therefore, overemphasizes the internal, structural, and relational factors, including community networks and institutional support that also influence the entrepreneurial performance (Gupta, 2020a). The two complementary structures below deal with this limitation.

The Social Transformation Theory offers a wider perspective of how the social structure, relationships, values and norms in the society change in a sustained manner due to collective action and initiatives that are socially motivated. The theory highlights how the marginalized groups, such as unemployed and underrepresented youth, could become central agents of change in their respective communities by breaking the status quo, proposing new solutions, and creating inclusive social relations. Such an attitude is especially applicable to the case of Biashara Ward where youth entrepreneurship is not only an economic survival tactic but also a grassroots way of transforming the community structure and alleviating the structural inequalities (Gupta, 2020b; Madu & Yusof, 2015). The theory promotes an emphasis on long term shifts in community relations, social norms, and forms of governance - the very transformative effects that this study aims to analyze - instead of short-term economic gains.

As expanded by Dastane (2020b) and Gupta (2020b), Social Entrepreneurship Theory deals with the intersection of social purpose and business, where an entrepreneur recognizes the opportunity and takes advantage of it without undermining financial feasibility to generate social value. This theory focuses on twofold mandate, which is creating economic sustainability and social missions, which are aimed at marginalized communities. It is especially applicable in the context of informal settlements such as Biashara Ward where market failures and institutional inadequacies restrict access to basic services, forcing young people to become innovative

in a manner that fulfills the needs of the community and creates livelihoods at the same time. The theory also emphasizes the position of social capital networks, trust and relationships as facilitating or inhibiting factors of the success of social enterprises and government programs (Zahra *et al.*, 2020).

Collectively, these three paradigms offer a consistent analytical framework: Human Capital Theory describes individual capacity at the individual level; Social Transformation Theory describes how those capacities are implemented in structural community change; and Social Entrepreneurship Theory describes the processes by which youth-led enterprises can create both social and economic value in a community context.

Empirical Literature Review

Entrepreneurial Culture and Social Transformation

Entrepreneurial culture - the values, attitudes, norms, and social practices that promote entrepreneurial activity - has a background role to play in influencing youth participation in social enterprises and community development (Kibicho, 2017). It includes common ideologies of innovation, risk-taking, recognizing opportunities, and self-reliance, and in combination with social capital, generates an enabling environment where youth-led initiatives can solve problems facing the community and inclusive development (Coppe, 2022a).

At the international scale, research shows that institutional cultures that foster creativity, risk tolerance, and peer mentoring, are major factors that motivate young people to get involved in social ventures. In less-resourced contexts, such as informal settlements in developing countries, community networks and mentoring by established entrepreneurs have been found to assist young people in overcoming financial and infrastructural barriers, showing that the application of culturally-internalized entrepreneurial norms can be useful in resource-constrained settings (Dastane, 2020a).

In Africa, studies in Rwandan communities discovered that youth who were integrated into trust-based networks of encouraging collaboration and local leadership were more prone to forming social enterprises to meet urgent community needs to cultivate a culture of societal responsibility (Mwangi & Ngugi, 2020). Equally, in South African cities, young entrepreneurs who had wide social networks were more successful in the identification of business opportunities and accessing resources to develop sustainable business ventures, which highlights the value of social capital in cultivating entrepreneurial culture in cities (Ezzaouia, 2022).

Kibicho (2017) discovered in Kenya that a pro-entrepreneur culture among urban populations promoted self-employment, creativity, and community problem-solving among the youth, which were translated into ventures that solved problems of unemployment and poverty. In line with this, Odongo and Were (2022) studied how the entrepreneurial culture and social capital of youth entrepreneurs are mutually dependent in Nakuru

County, in particular, and revealed that communities with high levels of entrepreneurship culture and availability of social networks showed higher youth entrepreneurial activity and social innovation. But the particular processes by which these cultural values are absorbed and converted to inclusive community development in peri-urban areas like Biashara Ward have not been thoroughly studied.

Social Capital and Social Transformation

Social capital encompassing the networks, relationships, trust, and shared norms that facilitate cooperation among individuals within a community is widely acknowledged as a crucial resource in the success of social entrepreneurship, particularly where material resources are limited (Coppe, 2022b; Ezzaouia, 2022). For youth entrepreneurs, social capital provides vital access to resources, information, and support systems necessary to launch and sustain ventures that effect social transformation.

Globally, Kokown *et al.* (2023), in a study conducted specifically in Nakuru County, found that both necessity-driven and opportunity-driven entrepreneurial motivations positively influenced aspects of social capital including relational trust and self-confidence which in turn enhanced young entrepreneurs' capacity to overcome challenges, mobilize resources, and contribute to community development. This study's agribusiness focus, however, limits insights into how social capital operates across diverse sectors in more urbanized community settings.

Chairoel (2015) highlights the importance of distinguishing between bonding social capital strong ties within close-knit groups and bridging social capital connections spanning diverse social groups as both forms are essential to innovation and community growth. Yet empirical work examining how these distinct forms interact within youth-led social enterprises to foster sustainable transformation, particularly in resource-constrained semi-urban communities, remains limited.

At the continental level, Mwangi and Ngugi (2020) demonstrated that youth embedded in strong community networks accessed critical support including financial aid, mentorship, and collaboration, which enhanced the sustainability and social impact of their enterprises. Despite affirming the general importance of social capital, their study did not fully investigate how these networks

operate within peri-urban environments like Biashara Ward, nor did it delineate the specific pathways through which social capital translates into social transformation beyond enterprise performance.

Within Kenya, Nteere (2021) pointed out that fragmented or weak networks impede youth entrepreneurs' access to vital resources and support, and that where trust is low or networks are exclusionary, social capital may reinforce rather than reduce inequalities. This nuance is important: social capital is not inherently transformative; its outcomes depend heavily on the inclusivity and governance quality of the networks involved (Mwangi & Ngugi, 2020; Chairoel, 2015).

Research Gaps

The foregoing review reveals several critical gaps that this study seeks to address. Conceptually, while social capital is frequently cited as a key enabler of social entrepreneurship, scholarly focus has largely remained confined to narrow dimensions such as interpersonal trust and basic organizational affiliation. Critical facets such as network density, reciprocity, and the interplay between bonding and bridging capital have received limited attention despite their potential influence on community transformation (Chairoel, 2015; Ezzaouia, 2022). Empirically, existing studies tend to present aggregate entrepreneurial impacts without sufficiently disaggregating the specific mechanisms through which social capital and entrepreneurial culture facilitate or constrain community-level transformation (Dastane, 2020b; Mambwe, 2020). Contextually, research relevant to semi-urban Kenya — and Nakuru County in particular — remains significantly underrepresented, with most studies focusing on Nairobi or larger urban centres, limiting the transferability of findings to settings like Biashara Ward (Maina, 2020; Kokown *et al.*, 2023). This study addresses these gaps by focusing specifically on the community-level mechanisms through which entrepreneurial culture and social capital drive transformation beyond individual livelihoods in Biashara Ward.

Conceptual Framework

The conceptual framework shows that social entrepreneurial innovation is the independent variable, measured through new ideas, new processes, and new

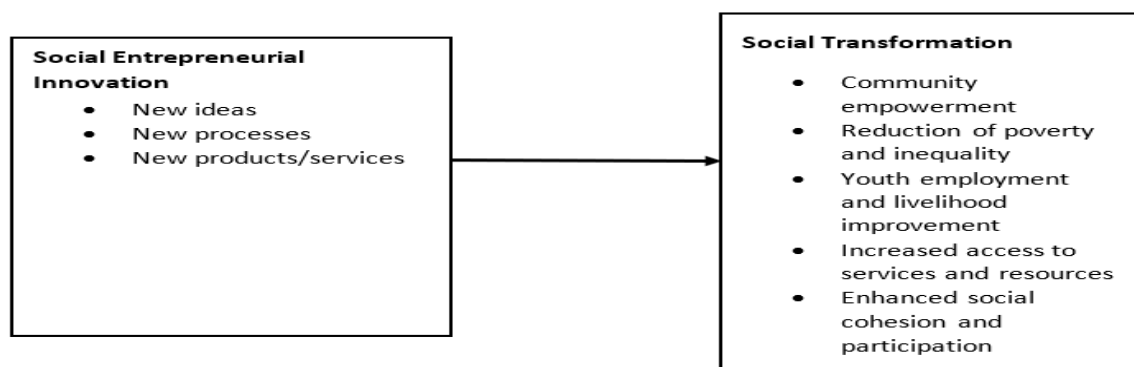


Figure 1: Conceptual Framework

products/services.

These innovation dimensions are expected to influence social transformation, reflected in community empowerment, poverty and inequality reduction, youth employment and livelihood improvement, access to services and resources, and enhanced social cohesion and participation. Therefore, the framework assumes that youth-led innovation contributes to broader community change beyond individual livelihood outcomes.

Research Methodology

The study employed a quantitative cross-sectional survey design to examine how youth-led social entrepreneurial innovation drives community transformation in Biashara Ward, Nakuru County, Kenya. Data were collected from 137 active members of thirteen registered youth social enterprises using a structured, self-administered questionnaire organized into two substantive sections. The independent variable, social entrepreneurial innovation, was operationalized through three theoretically grounded sub-scales: New Ideas (B1; 3 items), capturing the extent to which youth groups generate and encourage creative ideas; New Processes (B2; 3 items), measuring the adoption of improved operational methods and workflows; and New Products and Services (B3; 3 items), assessing the development of novel offerings that address community needs. The dependent variable, social transformation, was operationalized as a composite index derived from five sub-scales — community empowerment (C1), reduction of poverty and inequality (C2), youth employment and livelihood improvement (C3), increased access to services and resources (C4), and enhanced social cohesion and participation (C5) each comprising three items, yielding fifteen items in total. All items were rated on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). To mitigate acquiescence bias, one item per sub-scale was negatively worded and subsequently reverse-scored prior to analysis (i.e., a raw response of 1 was recoded as 5, and vice versa), resulting in eight reverse-coded items

distributed equally across the independent and dependent variable scales. Internal consistency for all eight sub-scales was assessed using Cronbach's alpha, with all values exceeding the conventional threshold of 0.70 (range: $\alpha = 0.748$ to 0.821), confirming adequate reliability. The social transformation composite was computed as the mean of the five DV sub-scale means. Inferential analysis comprised Pearson product-moment correlation to assess bivariate associations between each innovation sub-scale and the transformation composite, followed by multiple linear regression to estimate the joint predictive contribution of the three innovation constructs to social transformation. All analyses were conducted in Python using the stats models and scipy libraries, with a significance threshold of $p < .05$.

RESULTS AND DISCUSSION

This study examines the influence of social entrepreneurial innovation on community transformation among youth-led social enterprises in Biashara Ward, Nakuru County. The findings are presented based on the core constructs of the study, namely new ideas, new processes, new products and services, and social transformation. The analysis begins by presenting descriptive statistics to show the general levels of social entrepreneurial innovation and community transformation among the respondents. It then presents correlation analysis to establish the strength and direction of association between innovation dimensions and social transformation, followed by regression analysis to determine the predictive effect of social entrepreneurial innovation on community transformation.

Descriptive Statistics

Table 1 presents the descriptive statistics for the three social entrepreneurial innovation sub-scales and the social transformation composite ($n = 137$). Sub-scale means for the independent variable ranged from 3.60 to 3.65 on the five-point scale, indicating that respondents generally

Table 1: Descriptive Statistics

Variable	N	M	SD
Independent Variable			
New Ideas (B1)	137	3.65	0.63
New Processes (B2)	137	3.61	0.56
New Products & Services (B3)	137	3.60	0.55
Dependent Variable (Composite)			
Social Transformation	137	3.62	0.56
Community Empowerment (C1)	137	3.62	0.61
Poverty & Inequality Red. (C2)	137	3.61	0.62
Youth Employment & Livelihood (C3)	137	3.61	0.59
Access to Services & Resources (C4)	137	3.64	0.61
Social Cohesion & Participation (C5)	137	3.62	0.63

Note. M = Mean; SD = Standard Deviation; α = Cronbach's alpha. Min/Max reported for IV sub-scales and the composite DV only. — = not applicable.

agreed that their youth groups engaged in innovative practices across all three dimensions. New Ideas recorded the highest mean ($M = 3.65$, $SD = 0.63$), followed by New Processes ($M = 3.61$, $SD = 0.56$) and New Products and Services ($M = 3.60$, $SD = 0.55$). The Social Transformation composite yielded a mean of 3.62 ($SD = 0.56$), with sub-scale means ranging narrowly between 3.61 and 3.64, suggesting consistent levels of perceived transformation across all five dimensions. The relatively modest standard deviations across all variables indicate homogeneity in respondents' perceptions, consistent with a shared membership context within registered

youth enterprises

Pearson Correlation Analysis

Table 2 presents the Pearson correlation coefficients between each innovation sub-scale and the social transformation composite. All three sub-scales were positively and significantly correlated with social transformation at the $p < .01$ level.

New Ideas demonstrated the strongest association with social transformation ($r = .667$, $p < .001$), followed by New Products and Services ($r = .576$, $p < .001$) and New Processes ($r = .546$, $p < .001$). Among the innovation

Table 2: Pearson Correlation Matrix: Social Entrepreneurial Innovation Sub-Scales and Social Transformation ($n = 137$)

Variable	1	2	3	4
1. New Ideas (B1)	—			
2. New Processes (B2)	.395**	—		
3. New Products & Services (B3)	.259**	.332**	—	
4. Social Transformation (composite)	.667**	.546**	.576**	—

Note. ** $p < .01$ (two-tailed). Correlations are Pearson product-moment coefficients. Social Transformation is the composite mean of five sub-scales (C1–C5).

sub-scales themselves, New Processes and New Products/Services shared a moderate positive correlation ($r = .332$), while New Ideas and New Processes were also moderately correlated ($r = .395$). The weakest inter-construct association was between New Ideas and New Products/Services ($r = .259$), suggesting that while the three dimensions of social entrepreneurial innovation are conceptually related, they retain sufficient discriminant validity to function as distinct predictors in regression analysis. None of the inter-predictor correlations approached levels indicative of multicollinearity (all $r < .50$).

Multiple Linear Regression Analysis

To assess the joint predictive contribution of the three

social entrepreneurial innovation sub-scales to social transformation, a simultaneous multiple linear regression was conducted with New Ideas (B1), New Processes (B2), and New Products and Services (B3) entered as predictors and the social transformation composite as the outcome variable. Tables 3, 4, and 5 present the model summary, ANOVA, and regression coefficients respectively.

As shown in Table 3, the model explained 66.2% of the variance in social transformation ($R^2 = .662$, Adjusted $R^2 = .655$), with a multiple correlation coefficient of $R = .814$.

This constitutes a large effect size by conventional standards (Cohen, 1988) and confirms that the three innovation dimensions collectively account for a substantial portion of the variation in community-level

Table 3: Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of Estimate
1	.814	.662	.655	.329

Note. Predictors: (Constant), New Ideas (B1), New Processes (B2), New Products & Services (B3). Dependent Variable: Social Transformation composite.

social transformation outcomes. The overall model was statistically significant, $F(3, 133) = 86.941$, $p < .001$ (Table 4), indicating that the innovation sub-scales jointly predicted social transformation well beyond chance.

Examination of the individual coefficients (Table 5) reveals that all three predictors contributed uniquely and significantly to the model. New Ideas was the strongest predictor ($\beta = .478$, $t = 8.624$, $p < .001$), indicating that

Table 4: ANOVA

Source	Sum of Squares	Df	Mean Square	F	p
Regression	28.238	3	9.413	86.941	< .001
Residual	14.399	133	0.108		
Total	42.637	136			

Note. Dependent Variable: Social Transformation composite.

the capacity of youth groups to generate and act on new ideas is the most influential dimension of social innovation in driving community transformation. New Products and Services was the second-strongest predictor ($\beta =$

.375, $t = 6.949$, $p < .001$), underscoring the importance of tangible innovative outputs in producing observable transformation outcomes. New Processes made a smaller but statistically significant independent contribution ($\beta =$

Table 5: Regression Coefficients

Predictor	B	SE B	B	t	p	Sig.
(Constant)	-0.141	0.240	—	-0.586	.559	
New Ideas (B1)	0.424	0.049	0.478	8.624	< .001	**
New Processes (B2)	0.234	0.057	0.232	4.088	< .001	**
New Products & Services (B3)	0.380	0.055	0.375	6.949	< .001	**

Note. B = unstandardised coefficient; SE B = standard error of B; β = standardised coefficient. Dependent Variable: Social Transformation composite. ** $p < .01$.

.232, $t = 4.088$, $p < .001$). Together, these findings confirm that social entrepreneurial innovation across its ideational, procedural, and product dimensions is a significant and substantial driver of community transformation among youth-led enterprises in Biashara Ward.

Discussion of Findings

The results reveal that social entrepreneurial innovation has a significant impact on the transformation of the community for youth entrepreneurs in Biashara Ward. Descriptively, respondents indicated moderate to high engagement in innovation practices with New Ideas having the highest mean ($M = 3.65$, $SD = 0.63$) followed by New Processes ($M = 3.61$, $SD = 0.56$) and New Products and Services ($M = 3.60$, $SD = 0.55$). The social transformation composite also was positive ($M = 3.62$, $SD = 0.56$), which means the youth-led innovation is linked to empowerment, better livelihoods, better access to services, and social cohesion. This reinforces the idea that social entrepreneurship is more than just making money; it is about making a difference in the community by taking action and solving social and economic issues in creative ways (Dastane, 2020b; Gupta, 2020b; Madu & Yusof, 2015).

This interpretation is further confirmed by the results of correlation. Social transformation was associated with the strongest positive relationship with New Ideas ($r = .667$, $p < .001$); followed by New Products and Services ($r = .576$, $p < .001$) and New Processes ($r = .546$, $p < .001$). The findings suggest that more creative youth groups are more likely to create wider community-based benefits when they introduce new activities and/or refine their practices and processes. This aligns with Social Entrepreneurship Theory which asserts that innovation is at the core of the generation of social value in underserved communities (Zahra *et al.*, 2020). The regression results confirm this further, with the model explaining 66.2% of the variance in social transformation ($R^2 = .662$; Adjusted $R^2 = .655$; $F(3,133) = 86.941$, $p < .001$). Individually, New Ideas was the strongest predictor ($\beta = .478$, $p < .001$), followed by New Products and Services ($\beta = .375$, $p < .001$) and New

Processes ($\beta = .232$, $p < .001$). This validates Human Capital Theory that emphasizes the importance of skills, creativity and learning capacity to productive community outcomes, and confirms that innovative thinking by young people is a viable means of social change in semi-urban Kenya (Holden, 2016; Kokown *et al.*, 2023; Mwangi & Ngugi, 2020).

CONCLUSION

Social entrepreneurial innovation is an essential pathway in which youth-led enterprises can make a difference to Biashara Ward community transformation in Nakuru County. The results show that youth groups are not only participating in enterprise activities aimed at livelihood survival, but also facilitating other social outcomes like community empowerment, improved livelihood, access to services, poverty reduction, and social cohesion. The research also finds that the idea generation dimension plays the most influential role in determining social entrepreneurial innovation, the more youth groups promote creativity and problem-solving, the more likely they are to be able to meet community needs. The arrival of new products and services also has a significant impact, as it brings innovative ideas to fruition in products and services, and better processes build the efficiency, organization and sustainability of youth-led projects. In general, the study found that youth-led social innovation is an economic and community-development approach in semi-urban Kenya contexts.

Recommendations

The study suggests that youth development agencies, the Nakuru County Government, NGOs and enterprise support institutions should augment the platforms that facilitate idea generation among youth-led social enterprises. These can be done by innovation hubs, mentorship clinics, community problem solving forums, incubation programmes and formal training on opportunity identification. This would allow youth groups to turn local issues into real and socially relevant solutions to enterprise problems.

The study also recommends the support of youth led enterprises, and to develop new products and services that will directly address community needs. This necessitates seed funding, product development training, market linkages, branding assistance and community pilot programmes. The interventions would help youth groups to go beyond small-scale survival activities and come up with solutions that would be more clearly contributing towards livelihoods, access to service and poverty reduction.

Youth groups also need assistance to enhance their processes and system and the way they operate. Record keeping, financial management, governance and teamwork, digital tools, monitoring, and service delivery training would enhance the sustainability and accountability of youth-led enterprises. Youth groups would also be better able to manage resources, coordinate activities and have long-term community impact by improving processes.

Last but not least, policy makers should create youth entrepreneurship policies that acknowledge the importance of social innovation for the transformation of communities as well as the creation of jobs. The financing, mentorship, innovation training, market access, and community participation of supporting frameworks need to be connected. This would facilitate the expansion of youth led enterprises as locally-based institutions which generate economic and social value.

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