

**EFFECTIVENESS OF THE YOUTH ENTERPRISE
DEVELOPMENT FUND IN JOB CREATION**

A CASE STUDY OF WESTLAND'S CONSTITUENCY

BY

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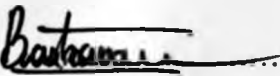
COLLECTION

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DECLARATION

This research project is my original work and has not been presented for a degree at any other university.

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This research project has been submitted for examination with my approval as the candidate's University Supervisor.

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DEDICATION

This study is dedicated to my loving daughter Stephanie, who is my strength hold. Your smile brightens my day. God bless you in all your endeavors.

DEDICATION

ACKNOWLEDGEMENT

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ABSTRACT

Youth Enterprise Development Fund (YEDF) is one of the ingenious innovations of the National Rainbow Coalition (NARC) Government of Kenya. It was instigated to ensure that a specific portion of the Government annual ordinary revenue is devoted to the constituencies for the purpose of development and in particular in the fight against unemployment.

This study was carried out to analyze the influence of YEDF towards job creation targeting Westland's constituency in Nairobi. The main objective of this study was to establish whether youth enterprise development fund had made significant contribution towards job creation. This was done by measuring independent variables of YEDF (Training, Capital, type of enterprise and size and market infrastructures) against dependent variable of job creation.

The data was collected from 26 youth groups and 8 youth fund disbursement committee members. The sample size calculator was used to come up with a sample size of 172 youth members using 95% confidence interval. Questionnaires and key informant interview guide were the data collection tools used and the data was analyzed using measures of central tendencies, correlations and regression analysis.

The study found that YEDF has contributed to job creation based on its support for enterprise development. YEDF, for instance, is a source of business capital to entrepreneurial youths, provides training on business development and management and organizes trade fairs for the beneficiaries. This provides fundamental source of self employment for the youths and fosters business sustenance and growth which positively correlates with job creation. The study recommends that follow ups should be made on loans, separation of politics with loan allocation, increase of loan amount with relations to group size and capital requirements, relevant business/entrepreneurial training for the youths and more trade fairs to be organized for the beneficiaries.

APPENDIX A ABBREVIATIONS

C-YES	-	Constituency Youth Enterprise Scheme
DNA	-	Data Network Association
GDP	-	Growth Domestic Product
KIE	-	Kenya Industrial Estate
KNAO	-	Kenya National Audit Office
KNYP	-	Kenya National Youth Policy
LPO	-	Local purchase order
MFI s	-	Micro-finance institutions
NARC	-	National Rainbow Coalition
OECD	-	Organisation for Economic Co-operation and Development
PRSP	-	Respective Poverty Reduction Strategy Papers
SACCO s	-	Savings and credit co-operative organizations
SAP s	-	Structural Adjustment Programs
SME s	-	Small and medium Enterprises
SPSS	-	Statistical Package for Social Sciences
YEDF	-	Youth Enterprise Development Fund
YES	-	Youth Employment Summit

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Youth unemployment has become a major challenge in the 21st Century. The Sub-Saharan Africa is one of the regions highly affected by youth unemployment. It is estimated to be more than 21% (ILO: 2003). According to ILO projection, Sub-Saharan Africa will witness substantial growth in additional labour force of 28 million - 30 million between 2003 and 2015. While contending that the current economic growth in Sub-Saharan Africa countries will not cope with the growing number of unemployed youth in the region, alternative strategies need to be developed before situation gets out of control.

In Kenya, youth unemployment is a serious development issue. It is estimated that 64% of unemployed persons in Kenya are youth. Interestingly only 1.5% of the unemployed youth have formal education beyond secondary school level and the remaining over 92% have no vocational or professional skills training and the majorities are found in the rural Kenya. Due to inadequate employment and livelihood opportunities in rural areas the tendency is that they migrate to urban centre's to look for such opportunities.

Kenyan economy heavily depends on Agriculture (30% of GDP), which is basically rural-oriented sector. Surprisingly, Kenyan agriculture is still labour-intensive thus the out-migration of young and productive labour force from rural to urban centers has a direct negative impact on agricultural production hence job creation in other sector will be reduced. Poverty is widespread because of the rapid urbanization posing enormous challenges for the urban social and physical environment. Many of the urban poor live in slums and squatter settlement with overcrowded, unhealthy housing and lack of basic needs, Ochola and Dzikus (2000). To ensure survival and achieving of Millennium Development Goals, organizations need to develop the capacity to manage the challenges associated with unemployment. This requires formulation of strategies and implementing them accordingly, Muir *et al.*, (2001), Hussey (2000) talk of this as been innovation. The Youth Enterprise Development Fund (YEDF) is one of the NARC's innovations in combating the challenge of poverty.

1.1.1 Youth Enterprise Development Fund

Youth Enterprise Development Fund (YEDF) is one of the ingenious innovations of the National Rainbow Coalition (NARC) Government of Kenya. It was instigated to ensure that a specific portion of the Government annual ordinary revenue is devoted to the constituencies for the purpose of development and in particular in the fight against poverty at the constituency level: Although this meaning of development has been found to be weak because it creates a government-dependent society. Development must therefore mean enhancing the capacity of the society to cope with challenges and meet its needs. The contribution of the YEDF program must therefore be assessed against the background of the latter meaning of development. In addition to advancing the welfare of the people through community projects, YEDF has a salutary effect on participation which is in it self pivotal to empowerment of communities.

The keys to job creation are small entrepreneurial firms/self employment. Economies that provide the proper environment for start-ups, and existing firms to expand, grow and flourish whereas those that fail to provide such an environment languish, Corman *et al.*, (1996). Porter (1991) contended that the economic imperative is the need to create vast numbers of jobs. With large businesses downsizing, rightsizing and re-engineering, many people are looking to small businesses as a means of economic expansion.

1.1.2 Youth Enterprise Fund Launch

In June 2006, six months after the establishment of the Ministry of Youth Affairs, the Finance Minister announced the creation of the Youth Enterprise Development Fund (YEDF) and allocated \$14,29mn (Ksh1bn) in his budget to be disbursed as loans to the youth to set up enterprises at concessionary rates and without collateral.

Come September 2006 and the nascent Ministry of Youth Affairs hosted the Youth Employment Summit (YES) in Nairobi to seek ways and means of empowering the youth economically. On 8 December 2006, the Finance Minister gazetted the rules on how the Youth Enterprise Fund would operate and on 1 February 2007, President Mwai Kibaki officially launched the initiative

to pave the way for the disbursement of funds, Ombok (2007).

Faced with an increasingly young labor force, limited economic growth which can only absorb 25% of the 500,000 young people joining the labor market annually, leaving majority of the 75% unemployed, the Fund is a viable solution to the unemployment problem in the country. Current statistics indicate that 67% of all those who are unemployed are young people below the age of 30 years old and 45% are below 24 years. Clearly unemployment in Kenya is a youth problem. The Youth Enterprise Development Fund has been proposed due to the recognition that many jobs would be created through funding youth owned ventures especially in the SME sector (KIE, 2007). But prior to the recent developments, not many people were aware that the then Ministry of Home Affairs, Heritage and Sports first drafted the Kenya National Youth Policy (KNYP) in December 2002. The goal of the policy is to promote youth participation in community and civic affairs and to ensure that government programmes are youth-centered and engaged the youth. The YEDF lends money to young people in two ways, through the Constituency Youth Enterprise Scheme (C-YES) and through Financial Intermediaries like Kenya Industrial Estate (KIE). YEDF has so far engaged 34 financial intermediaries to disburse loans to young people on its behalf. Only three (3) commercial banks are involved in disbursement of the funds. The rest are Micro-Finance Institutions, NGO's, Community Based Organizations, Foundations, and Cooperatives who have been chosen due to their ability to reach young people at the grassroots. Kenya Industrial estates (KIE) Ltd is one of the financial intermediaries in partnership with the fund and was selected due to its long experience with the SME sector and a national branch network covering all parts of the country.

1.1.3 Youth Funds Allocation

Under the rules of the fund, 50 percent of the \$14,29mn (Ksh1bn) is disbursed to newly formed youth groups in Kenya's 210 constituencies. New groups, which should be registered and must have been in operation for at least three months, are required to send business proposals to the divisional social development committees. The groups that are to benefit from the fund are required to have a minimum of 12 members and can draw \$726 (Ksh.50000), which should be

repaid within 12 months, Ombok (2007).

The other part of the fund is disbursed through 15 Micro Finance Institutions for onward lending to established youth groups that can draw up to \$7 262 (Ksh 500 000). The government has extended the funds to the MFIs as loans payable over three years. In turn, youth who benefit from the fund, through MFIs, are charged an interest rate determined by individual lending institutions, but on a reducing balance basis which currently stands at 8%, YEDF (2007).

The Fund has so far allocated Kshs. 2 million to every constituency, irrespective of its size or population bringing the total to Kshs. 420 million. Further disbursement to the constituency will be based on repayment performance. Westland's Constituency, an electoral constituency in Kenya, is one of the eight constituencies in Nairobi. The constituency currently consists of 10 wards. According to the Nairobi District YEDF (2008), the funds had been allocated and disbursed to 26 group projects within the constituency.

1.2 Statement of the Problem

Faced with an increasingly limited economic growth which can only absorb 25% of the 500,000 young people joining the labor market annually, the Fund is a viable solution to the unemployment problem in the country. Current statistics indicate that 67% of all those who are unemployed are young people below the age of 30 years old and 45% are below 24 years. Clearly unemployment in Kenya is a youth problem. The YEDF has been proposed due to the recognition that many jobs would be created through funding youth owned ventures especially in the SME sector (KIE, 2007).

The fund has developed its 3-year strategic plan to guide its operations. Kshs One billion was allocated in the 2006/07 budget to fast-track this noble and timely initiative and was increased by a further Ksh.750 Million in the 2007/2008 budget and an additional budgetary outlay of Ksh.0.5 billion in the 2008/2009 financial year.

Despite the impressive performance recorded within a year of its operation the Fund has faced various problems in its attempt to mitigate unemployment in the country. According to Mariam

(2009), YEDF has faced problems of government interference impacting negatively on its purpose. These problems are compounded by allegations of misappropriation of the funds in some constituencies. While EAS (2009) noted mismanagement at the youth fund, DNA alleged that Ksh. 300 million of YDF was misappropriated through loan scandals.

The study targets Nairobi Province because of its proximity and budget issues and within Nairobi the researcher targeted Westland's Constituency. Disbursement of YDF has been slow in some constituencies though Westland's constituency is reported to be leading in Nairobi, YDF (2008). Notwithstanding nothing positive has been reported on Westland constituency in line with use, adoption and efficiency of this youth fund.

This study therefore seeks to evaluate the performance of YEDF projects on job creation and the growth of youth businesses at a local level. The purpose of the study is therefore to investigate, analyze and document on how the youth YDEF has been effective in creating jobs in Kenya taking a case study of Westland's constituency.

1.3 Purpose of the study

This study targeted to investigate effectiveness of YEDF projects in job creation in Westland's constituency.

1.3.1 Specific Objectives of the Study

- i. To establish the extent to which training the youth help in job creation.
- ii. To investigate the contributions of YEDF enterprises in job creation
- iii. To establish the benefits of YEDF infrastructures towards job creation
- iv. To identify effect of capital in implementation of YEDF

1.4 Research Questions

- i. How has YEDF training of youth affected job creation?

- ii. What are the types and forms of enterprises created by YEDF and what are their effects on job creation?
- iii. How has the YEDF laid down infrastructures contributed to job creation?
- iv. What are the effects of capital on implementation of YEDF?

1.5 Justification of the Study

Though the YDF has faced many of the challenges of misappropriation and government interference impacting negatively on its purpose, there is evidence of job creation in Westland's constituency where the youth group members received capital loan from the constituency office. The study focused on the youth fund effectiveness in job creation bringing out the benefits of income, employment opportunities for the youth, training opportunities and involvement in trade fairs and industrial parks creating market opportunities for products and services offered. Recommendations stipulated are expected to assist in policy making to enhance productivity of the fund.

1.6 Limitation and Delimitations of the Study

- i. Inadequate information from both the Fund Management Board (FMs) and the Youth in Westland's constituency. However given the scope of the sampling size at least adequate data was collected.
- ii. Business language barrier among the school drop outs among the youth in the constituency. The researcher however conducted the data collection with an assistant who was well conversant with the language.
- iii. Time and costs spent to carry out the field exercise as part of the research.
- iv. There was a challenge in securing the respondents precious time considering their busy working schedules. The researcher made proper arrangements with the respondents to avail themselves for the study off-time hours as well as motivated them on the value of

the study. The researcher also had to exercise utmost patience and care and in view of this the researcher had to make every effort possible so as to acquire sufficient data from respondents.

1.7 Scope of the Study

The main focus of this study targeted Westland's constituency where its resident youth members were the key subjects of the research. Data was specifically collected from twenty six youth groups funded by the YEDF and youth officers involved in disbursement within the constituency. These youth groups are considered as the major respondents of the study. The aim was to collect data from the respondents with a view to establish the effectiveness of the youth enterprise development fund in job creation in Westland's constituency.

The pilot study was carried out in the neighboring Starehe constituency to allow for pretesting of the research questionnaire and interview guide.

1.8 Definition of significant terms

The key terms are referring to the significant phrases that are important towards understanding of this research.

Job Creation

Job creation refers to an instance where a new job was created or an employment of an expert creating a job. It also refers to creation of hard skills that can enable one to operate a business or run significant roles in his sector.

Market infrastructures

The infrastructures refer to the efforts put in by the funds to enhance marketability and growth of the youth businesses; in this case the focus is on trade fairs and industrial parks.

Youth groups

This refers to the groups that benefited from the youth enterprise development fund loan. Mainly targeting on the constituency loan of 50,000 as tabulated by the funds guidelines

Committee members

This are the members chosen and approved by the fund to be involved in the assessing and approval of the youth proposals and approval of the disbursement of the funds

1.9. Assumptions of the study

The study made an assumption that the selected group members gave a fair representation of the perception of all the other group members. Random sampling was taken into place where only seven group members per group were involved in the survey.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are The Youth Enterprise Development Fund (YEDF), allocation of the funds, enterprise size and development, enterprise training, Capital, Market infrastructures, Job creation, empirical review and conceptual framework.

2.2 Capital

The MOYA strives to ensure that the youth in all areas of the country have access to the Fund to start or scale up their group business. Hence, this Fund is solely for financing viable enterprises of youth groups within the respective divisions. The funding will be in the form of a loan repayable in one year after a three month grace period. (2008, YEDF Report)

The on-lending component of the Fund mainly works through Financial Intermediaries such as banks, Non Governmental Organizations, Savings and Credit Cooperatives and Micro Finance Institutions, from which the Youth access funds to start or expand viable businesses. The Financial Intermediaries manage funds allocated to the district from which the youth will access funds directly either as individuals or as organized entities such as groups, cooperatives, companies among others.

A second component is the Constituency Youth Enterprise Scheme that is meant for funding enterprises of youth groups in all constituencies. The Divisional Youth Enterprise Development Fund Committee has been formed to effectively identify, and recommends viable youth group enterprises for loans. The funds, managed by the Divisional YEDFC with the District Youth Enterprise Development playing an oversight role, are only those allocated to the respective constituencies (YEDF 2008, guideline for the district youth enterprise)

2.3 Enterprise type and size

Developing economies have a small percentage of their labor forces in large-scale businesses and a large share engaged in small-scale and informal sector enterprises. Small-scale enterprises have been the primary sources of labor absorption in cities in developing countries and will continue to play a crucial role in the future. Experience has shown that policies for improving the capacity of small-scale enterprises to generate jobs have had only mixed results in developing countries. (Kasarda & Rodinelli, 2007)

There is entrepreneurial skills training in the district and at institutions of learning whose focus is on provision of sustainable and integrated training system that would build the business and entrepreneurial capacities of the youth and provide them with opportunities for employment. (2008 YEDF Report)

Current research expresses that governments need to move on in their thinking and development and move on from the traditional, historical university, steeped in research as purported in Jones' statement by common agreement, the concept of entrepreneurship is that of undertaking a business-like activity, with the chance of profit or loss. In the accepted or historic model of a government such ideas have been alien. Universities have been institutions for scholarship, for research and for advanced levels of teaching; none of these activities however challenging might be intellectually, creatively or conceptually be considered to be entrepreneurial, Jones, (2003). Furthermore, according to Kirby (1992) there is a need to develop more entrepreneurial graduates using a more enterprising approach to learning, which is student centered, action and process orientated rather than traditional. The universities have addressed this and concurred with this model to develop entrepreneurial programmes. These programmes have been running since, and are visibly different from other programmes within the business schools. They do not operate over an academic year, have several intakes of youths per year and have dedicated teachers, which is used for teaching and project work. Learning is developed through traditional teaching, tutorial contact time as well as project work, which is supervised by members of the

academic team. The live projects enable students, individually and in groups, to work in real SME situations, thus obtaining the critical near entrepreneurial experience.

2.4 Enterprise Training

There are technical skills training offered by rehabilitated Youth Polytechnics and the National Youth service. Enterprise education has developed considerably over the past decade and is still in a state of dynamic change. Much of the progress has been driven by a commitment to the notion that education at all levels can contribute to the development of an enterprise culture and the need for this is founded on the premise that entrepreneurship is the engine that drives the economy, Jack and Anderson (1999). This is particularly relevant within higher education where universities have the opportunity to enhance entrepreneurship by developing people with higher-level skills and analytic ability, which can create high value small and medium sized businesses (SMEs). Whilst academic debate has moved beyond the question of whether entrepreneurship can be taught, Gibb (2001) there is still concern as to the best or most appropriate methods of delivery.

Using Rae's entrepreneurial capability sources of learning model as a basis, governments are faced with the challenge of finding innovative ways of teaching entrepreneurship whilst retaining rigorous academic standards of measurement and assessment. Gibb (1993) argues that only programmes delivered in an enterprising way can truly be labeled entrepreneurship programmes. There is also a dilemma in that a first-class degree in entrepreneurship does not guarantee a successful entrepreneurial career or the development of an effective and efficient enterprise. Similarly, not all-successful entrepreneurs are capable of completing a degree or postgraduate programme in entrepreneurship, although the self-employed do tend to have higher levels of educational achievement than employees, Daly (1991; Meager (1991). Furthermore the educational level of the self-employed is increasing, particularly at degree or postgraduate levels Brooksbank (2000). Gender differences indicate that women in self-employment tend to be more qualified than men, Brooksbank (2000) and this is particularly the case in Industrial South Wales where a study of female entrepreneurs revealed that 69 per cent of questionnaire respondents had

a technical, professional, degree or postgraduate qualification Muir *et al.*, (2001). Women find indicators of professional standards and qualifications particularly important and they tend to have a higher commitment to continuing professional development. When this has been questioned it has been found to relate to credibility and reputation, aligned to overcoming prejudices about women's capabilities in the enterprise economy. However, irrespective of gender, higher education can contribute to the development of added value entrepreneurship where high levels of knowledge, skills and analytic ability are required.

Curriculum developments vary across universities, ranging from entrepreneurship as an optional module within business courses to specific courses that focus upon entrepreneurship. In his study of entrepreneurship education in England, Levie (1999) found that two main types of entrepreneurship course are evident: courses for entrepreneurship and courses about entrepreneurship. The latter courses tended to be distinguishable from traditional university teaching only in their content which focused upon entrepreneurship theories relating to management and growth of SME's. Furthermore, Cresswell (1999) carried out a review of enterprise education and identified three types of enterprise education.

2.5 Market infrastructures (Trade fairs and industrial parks)

Trade shows are designed to let entrepreneurs meet many potential customers face-to-face in a brief period of time inexpensively. (1994, Trade Show Bureau)

Trade shows help level the playing field for smaller firms, since booth space is generally inexpensive (\$13 per square foot on average, with the typical small booth covering 100 square feet), and even small companies can usually afford attractive displays. With creative marketing and booth design, small businesses can actually appear as substantial as much larger corporations. (1995, Trade show bureau) The Trade Show Bureau reports that of the firms exhibiting at business-to-business shows, 44% have fewer than 50 employees. Sophisticated exhibitors do well at trade shows no matter what their size, while the naive and inexperienced

can waste thousands of dollars and countless hours - and possibly do more harm than good. Using trade shows effectively takes only a little effort and planning.

Due to the fact that not all young people are interested in entrepreneurship, the fund's mandate includes facilitating employment of semi-skilled /skilled young people in external labor markets. This mandate entails but is not limited to job search abroad, facilitating travel documentation and financing of relocation. (2008, YEDF Report) The trade shows give an avenue for demonstration of talent and expansion of market. Trade shows represent a significant opportunity to enhance brand and product visibility, promote new and existing products, generate leads and drive incremental sales. (Trade show advisor.com)

2.6 Job Creation

The new Kenya vision 2030 has the twin objective of accelerating growth and reducing poverty through income generation. This approach is not new as it was advocated for by the IMF and the World Bank, since the Libreville conference held in January 2000 with the participation of several African Heads of State and Government, of aiming at achieving higher economic growth rates and, at the same time, reducing poverty is a most welcome development. Several countries are in the process of formulating their respective Poverty Reduction Strategy Papers (PRSP).

Unemployment is one of the most daunting economic challenges facing Kenya. The government has placed job creation at the top of policy agenda in recognition of this fact. The Youth, defined as age 15 to 30 years constitute two thirds (2/3) of the economically active population. The Youth account for 61% of the unemployed. Ninety two percent (92%) of the unemployed Youth have no job training other than formal schooling. Hence, unemployment is not just a lack of jobs, but also a lack of job skills due to inadequacy of the training infrastructure as well as the means to acquire skills due to poverty. (2007, YEDF Div Guide)

The success or otherwise of government intervention has exercised researchers who have been concerned about whether policies are appropriate or are meeting their objectives and providing value for expenditure. Rutherford and Weller (2002) have stated that, since small business

research gained significant momentum in the early 1970s, the importance and contribution made by small firms in an economy has attracted widespread attention from researchers. Several researchers such as Storey (1990), Foley (1992), Robinson and Wren (1987) have considered the evaluation of government policy for the small business sector. Evaluation has been broadly defined by Turok (1990), as monitoring and assessment of the impact and effectiveness of policies and programmes. It differs from policy appraisal which is the term normally used for an analysis before a policy is launched, Foley (1992). According to Foley, a growth in the level of interest in economic development policy evaluation has been founded on a number of factors including the need to: display accountability; understand the impact of policy; and demonstrate cost efficiency and cost effectiveness.

Most evaluation studies have focused on job creation and the cost effectiveness of job creation because jobs are regarded as the principal policy objective of most policies Turok and Wannop, (1990). While this has been true of policy initiatives, Foley (1992) tells us that for most firms an increase in employment is not a primary concern and if it occurs it is a consequence of other changes in the firm. It is a valid indicator for evaluation in that it is fair to assert that the principle objective of spatially differentiated aid to business is to increase employment over and above what it would otherwise have been, Willis (1985).

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The range and sophistication of evaluation methodologies has become wide and elaborate over time. The methodologies described by Storey (1998) in his "Six steps to heaven" ranges from a basic step 1 which measures the take up of schemes to step 6 which measures the effect of schemes by comparing the performance of assisted firms with non assisted "match" firms, while taking account of selection bias. The ultimate evaluation process, i.e. step 6, demands that any scheme or policy to be evaluated by these methods needs to have the substantial costs of evaluation factored in to the financial provisions of the particular policy in advance. Robinson and Wren (1987) have suggested that evaluation which becomes too complex should be avoided as it will not provide the results required by policy makers which at all times should be usable. Rutherford and Weller (2002) have examined the emergence of "evidence based policy making"

and the complexity both of the policy making process and the body of knowledge from which evidence is drawn.

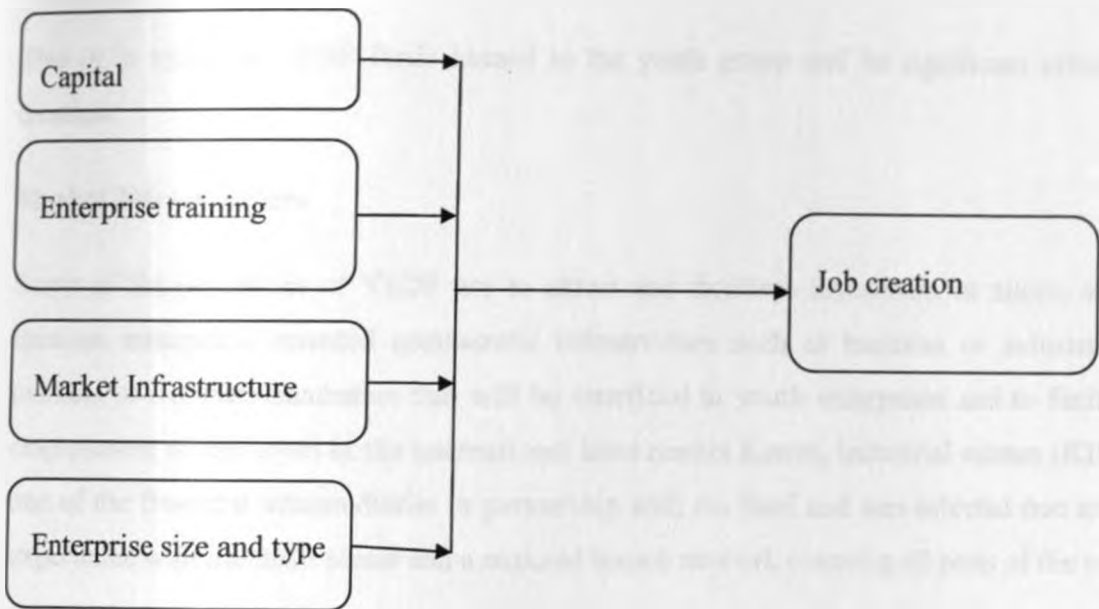
Micro enterprise policy undertook a distinct bottom up approach unlike previous centralized policies. An understanding and explanation for this break with tradition was required. Micro enterprise policy mixed enterprise objectives with regional development aspirations. It was deemed important to acquire an understanding of the effectiveness of this dynamic. (Turok, 2002)

2.7 Conceptual Framework

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel and Ramey, 1987). A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. A conceptual framework is used in research to outline possible courses of action or to present a preferred approach to an idea or thought.

The independent variables in this study are as follows and are shown in the figure 1 below: Capital, Training on enterprise, Infrastructure and Enterprise size and type. A dependent variable is a variable dependent on another variable: the independent variable. A dependent variable is what you measure and what is affected by the presence or absence of independent variable. The dependent variable responds to the independent variable. The dependent variable in this case is Job creation

Figure 2.1: Conceptual Framework



Independent (YEDF) Variables

Dependent Variable

Source: Author, 2010

In the proposed study, causal construct is the presence or absence of the YEDF hence this is the independent variable. The effect constructs comprise the presence or absence of youth entrepreneurs in Westland's constituency.

The order of events in which the cause precedes the effect is generally as follows: When the cause is present, the effect occurs and when the cause is not present the effect does not occur however we also need to eliminate any alternative explanation for the effect i.e. nothing other than the causal variable would be responsible for the observed effect.

Where this is not possible we should be aware of potential confounding variables that could actually be the cause of the effect (and not the independent variables).

Capital

This is in terms of YEDF funds loaned to the youth group and its significant effect on job creation.

Market Infrastructure

Some of the objectives of YEDF are to attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises and to facilitate the employment of the youth in the international labor market Kenya. Industrial estates (KIE) Ltd is one of the financial intermediaries in partnership with the fund and was selected due to its long experience with the SME sector and a national branch network covering all parts of the country.

Training

One needs to undergo five days training at a small fee, after which at the end of the training, they fill out a business plan which will be used to approve or defer their loan application. There are also other efforts put towards training of the youth by the youth fund.

Enterprise size and type

This is in terms of size and type of enterprise and the effect it will have on job creation, whether positive or negative.

2.8 Operationalization of Variables

Objective	Variables	Indicators	Measurement	Measuring Scale	Type of Analysis	Tools of Analysis
The extent to which enterprise size and type contribute towards job creation	Dependent variable:- Job creation	Capital Availability Employment New businesses	-Capital amount -No of new employees -Number of new businesses	Ordinal Ordinal Ordinal	Descriptive & Inferential Statistics	Regression Analysis Correlation
	Independent variable:- Enterprise size and type	Size of business Business Assets Employees	-Value of business -Value of the assets -No of employees	Interval Interval ordinal		
The extent to which training the youth help in job creation	Independent variable:- Enterprise training	Skills acquired Quality of skills Usefulness of the skills	-Level of skills -Skills Application -Type of skills	Ordinal Nominal Nominal	Descriptive	Mode
The extent to which YEDF market infrastructures influence job creation	Independent variable:- YEDF infrastructures	Trade fairs & industrial parks	-Frequency of Trade fairs -Benefits of the trade fairs	Ordinal Ordinal	Descriptive	Mode Median
The extent to which YEDF capital (Loan) influence job creation	Independent variable:- Capital	Loans offered Repayment of loan Source of the loan	-Value of loan -Application into business	Nominal Ordinal	Descriptive	Mean

Figure 2.2: Operationalization of Variables

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. In this stage, most decisions about how research was executed and how respondents were approached, as well as when, where and how the research was completed. Therefore in this section the research identifies the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections were included; research design, target population, sampling design, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design

The research design to be adopted was a descriptive survey approach which assisted the study to obtain the general and specific objective of the study. The descriptive survey is a method which enabled the researcher to summarize and organize data in an effective and meaningful way. It provided tools for describing collections of statistical observations and reducing information to an understandable form.

The descriptive survey method enabled the collection of data from the population and helped the researcher to get the descriptive existing phenomena by asking individuals about their perceptions, attitudes, behavior or values. It allowed making decisions on what type of data was required, finding the data, techniques of data collection, analysis and interpretation.

3.3 Population and Sampling Design

According to Ngechu (2004) a study population is a well defined or specified set of people which are being investigated. Mugenda and Mugenda, (1999), explain that the population should have some observable characteristics which the researcher generalizes the results of the study.

3.3.1 Population

The population should fit a certain specification, which the researcher is studying and the population should be homogenous. The target population of the study consisted of twenty six youth groups funded by the YEDF and the YEDF Committee members within the constituency. The 26 youth groups selected in Westland's constituency consisted of an average of 12 members per group; the study's population thus was approximately 312 youth beneficiaries.

3.3.2 Sampling Design

Ngechu (2004) underscores the importance of selecting a representative sample through making a sampling frame.

From a target population of 312, a sample size of 182 youths was picked where 7 members per group randomly selected. This was established through use of a sample size scientific calculator at a confidence level of 95% and confidence interval of 0.05. The target population of the study was stratified into youth group's members and YEDF Committee within the Westland's constituency.

3.4 Data Collection Method and Instruments

The data collection instruments used was a questionnaire and key informant interview guide. The questionnaire contained both open and closed ended structure questions developed by the researcher and developed with questions based on the variables developed in the conceptual framework (strategic planning, targets and standards and government role in YEDF implementation). The researcher preferred the method as it was easier and the response was given fully and it ensured that the target population represented the entire population. The questionnaires were used on the sample consisting of the youths and the disbursement committee. An interview guide for key informants was also used in gathering information on the subject matter. Permission to conduct the research was obtained from the relevant authorities and

the execution of the distribution of the survey was in 7 weeks.

3.4.1 Pilot Test

A pilot study was carried out to pretest and validate the questionnaire and the interview guide. This was in line with a qualitative research design methodology employed in this research project. The researcher selected a pilot group of 10 youth groups in the neighboring Starehe constituency to test for the reliability of the research instrument. The pilot data is not included in this report but it allowed for pre-testing of the research instrument. The clarity of the instrument items to the respondents was established to enhance reliability.

The pilot study enabled the researcher to be familiar with research and its administration procedure as well as identifying items that required modification.

3.5 Data Analysis

Data analysis method took on both descriptive statistics and qualitative analysis by use of key informant's interview report. The structured questionnaire was coded in respect to questions for ease of electronic data processing prior to the commencement of the fieldwork. After tabulation, the data was coded to facilitate statistical analysis. On the quantitative data, SPSS (Statistical Package for Social Sciences) package was used to analyze the data. While on the qualitative data, an in-depth content analysis was used to analyze the data and the result presented in prose form. The information was displayed by use of frequency tables and reported in prose-form. Cross tabulation was used to capture chi square (χ) statistics aimed testing the proposition that YEDF positively relates to job creation.

Besides descriptive and chi-square test, regression analysis was also performed to see how training, YEDF infrastructure and obtained capital influence job creation. The regression analysis was in the form:

$$JC = \beta_0 + \beta_1 I + \beta_2 T + \beta_3 C + \epsilon$$

Whereby JC was the job creation variable established as the number of additional employees added to the enterprise following YEDF. β_0 is the constant or y-intercept while β_1, \dots, β_3 are the coefficients of the independent variables while I, T and C are the independent variables (infrastructure, training and capital of YEDF respectively), ϵ is the model significance level.

CHAPTER FOUR

DATA FINDINGS, ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter presents analysis of data found on the effectiveness of YEDF on job creation. The data collection was done in Westland's Constituency whereby youth groups were targeted by the study. At the time of the study there were 44 youth groups registered in Westland's Constituency each group comprised of an average membership of 12 persons. However, 18 groups could not be reached as some of them dissolved during the 2007 political instability. Therefore, the study targeted a total population of 312 (26 groups). Using a scientific sample size calculator to calculate the sample size, the study arrived at an average of seven members per group making a sample size of 182 members who were served with questionnaires. However, from the sample established, 172 questionnaires were fully filled-in and returned making a response rate of 94.5%. This response rate was excellent for statistical inference as it conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting, a rate of 60% is good and a response rate of 70% and over is excellent. The commendable response rate was only feasible after the researcher made personal calls to the respondents informing them of her intent and personally administering the questionnaires.

An interview of the officials involved in disbursement of the fund was also carried out where 8 youth members sampled by the study were interviewed. The questions addressed to the members were on disbursement issues, composition of the committee members and their general view on job creation through YEDF in Westland's Constituency. This interview was done to provide background information on the study and also to get the experts view on issues surrounding effectiveness of YEDF on job creation.

4.2 General Findings

Table 4.1: Gender of the Respondents

Gender	Frequency	Percentage
Male	111	64.5
Female	61	35.5
Total	172	100.0

The study established that the 64.5% of the respondents were male while 35.5% were female. This depicts that majority of the respondents who are youth group members are male and, thus, majority of the beneficiary of YEDF are male.

Table 4.2: Age Bracket of the Respondents

Age in Years	Frequency	Percentage
18-25yrs	31	18.0
26-35yrs	141	82.0
36-45yrs	0	0.0
Above 45yrs	0	0.0
Total	172	100.0

The study sought to establish the age bracket of the youth group members so as to establish which age group benefits from YEDF as a platform for self employment. According to the data findings, 82% of the respondents were aged between 26 and 35 years while 18% were aged between 18 and 25 years. This depicts that most of the YEDF beneficiaries were aged between 26 and 35 years. This is in line with the study's target of youths which YEDF policy establishes to ranges from 18 to 35 years.

Table 4.3: Educational Level of the Respondents

Educational Level	Frequency	Percentage
Primary	7	4.1
Secondary	70	40.7
College	95	55.2
Total	172	100.0

The study further asked the respondents to indicate their highest attained educational level,

findings of which were presented in table 4.3 above. According to the table, 55.2% of the respondents had college and tertiary intuitions' education, 40.7% had secondary education while 4.1% had primary education as their highest attained educational level. This means that majority of the YEDF beneficiaries were college graduates.

Table 4.4: Number of Years as a YEDF Beneficiary

Years	Frequency	Percentage
1 year	57	33.1
2 years	107	62.2
3 years	4	2.3
More than 3 years	4	2.3
Total	172	100.0

The study also sought to establish the length of time that the respondent had benefitted from YEDF data of which is presented in table 4.4. According to the data findings, 62.2% of the respondents had benefitted from YEDF, 33.1% had benefitted for not more than a year while 4.6% had benefitted for more than 3 years. This indicates that majority of the YEDF beneficiaries had benefitted for less than 2 years.

Table 4.5: Whether the Business was Started after Obtaining YEDF Loans

Response	Frequency	Percentage
No	31	18.0
Yes	141	82.0
Total	172	100.0

The study sought to establish whether the respondent started the business after obtaining YEDF loans. This was aimed at establishing the contribution of YEDF on job creation. According to the findings presented 4.5, 82% of the respondents started their own business after obtaining YEDF

and thus used the fund for opening their business ventures while others used the same for business expansion. Those that had established their business enterprises were operating nursery schools, kiosks or general shops, fruit hawking (mobile shops), phone and accessory shops, green grocery, mechanic, milk distribution, handcraft, cub services, dress making/tailoring, chemist, bar and entertainment joints.

4.3 Effect of YEDF on Job Creation

Table 4.6: Type of Enterprise the Respondent is Running

Type of Enterprise	Frequency	Percentage
Kiosk/Shop	89	51.7
Carwash	0	0.0
Hair Salon	5	2.9
Other	78	45.3
Total	172	100.0

Table 4.6 presents the data findings on the type of enterprise the respondent is running. The findings indicate that, 51.7% of the respondents had established kiosks/shops while 2.9% had established hair salons. However, 45.3% of the respondents had established other enterprises not captured by the questionnaires. These enterprises included nursery schools, hawking, bodaboda, garage, dress making/tailoring, chemist, night club and entertainment joint.

Table 4.7: Number of Employees before and after Inception of YEDF

Number of Employees Who Were Working at the Enterprise Before Inception of YEDF	Employees that Were Added after Inception of YEDF				
	ONE	Two	Four	Other	Total
One	82.1	16.4	.0	1.5	100.0
Two	33.3	0.0	66.7	0.0	100.0
Three	0.0	0.0	100.0	0.0	100.0
Four	100.0	0.0	0.0	0.0	100.0
Other	100.0	0.0	0.0	0.0	100.0
Total	73.3	12.8	12.8	1.2	100.0

The study sought to establish the relationship of the YEDF in job creation by inquiring on the number of employees before and after establishment of YEDF. The findings were then cross tabulated (employees at the enterprise before inception of YEDF versus the number after

benefitting from YEDF) and presented in table 4.7. The cross tabulation table, 82.1% of the enterprises that had one employee prior to receiving YEDF added an addition of one employee and 16.4% added two employees. 66.7% of the respondents who had two employees prior to receiving YEDF added four employees and 33.3% added one employee. All the ones that had three employees added an addition of four employees while all those who had previously had four employees added a single employee.

To show the relationship more clearly, the study conducted a Chi-square test to test the proposition that YEDF is effective in job creation.

Table 4.8: Chi-Square Distribution Table

Chi-Square	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	114.690a	12	0.000
Likelihood Ratio	99.283	12	0
Linear-by-Linear Association	12.873	1	0
N of Valid Cases	172		

According to table 4.8, the p-significance value of the chi-square distribution is less than 0.001 ($p < 0.001$). This therefore, means that that YEDF was effective in job creation since the same was incidental to employment of more people into the enterprise.

Table 4.9: Whether the Respondent Has Opened any Other Enterprise Aided by the YEDF

	Frequency	Percentage
No	156	90.7
Yes	16	9.3
Total	172	100.0

The study sought to establish whether the respondent had opened any other enterprise aided by the YEDF of which the data is presented in table 4.8. According to the data findings, 90.7% of the respondents had not opened other enterprises aided by the YEDF while 9.3% had. This depicts that YEDF funding is prohibitive many enterprises as the implementation of the same is still at its nascent stage.

4.4 Accessibility of YEDF

Table 4.10: Where the Respondents Access YEDF Funding

Institution	Frequency	Percentage
Banks	10	5.8
Constituency Office	158	91.9
Other	4	2.3
Total	172	100.0

The study inquired about the medium through which the respondents acquired YEDF funding, the findings of which is presented in table 4.10. According to the table, 91.9% obtained the funds from constituency offices, 5.8% obtained the same from banks while 2.3% obtained the same from other intermediaries not captured by the study. This point to the fact that most youths in Westland constituency do obtain YEDF funds from the constituency office.

Table 4.11: Requirements when Obtaining YEDF

Requirement	Frequency	Percentage
Guarantor	14	8.1
Security (e.g title deed)	10	5.8
Business License	32	18.6
Other	116	67.4
Total	172	100.0

The study further sought to establish the requisites for obtaining YEDF funds, of which table 4.11 indicates that 18.6% did consider business licence as a significant requirement, 8.1% vouched for having a guarantor as the most important requisite while 5.8% did state that security or collateral is the most significant requirement. However, 67.4% of the respondents confided in their being other requirement; these include business proposals, feasibility of the business to be ventured into, must belong to a group, must a youth et cetera.

Table 4.12: Ease of Obtaining YEDF

	Frequency	Percentage
Very Difficult	4	2.3
Difficult	66	38.4
Easy	98	57.0
Very Easy	4	2.3
Total	172	100.0

The respondents were required to rate the ease of obtaining YEDF funds given their experience on the same. According to the data findings on the same, 57% stated that the obtaining YEDF was easy, 38.4% thought obtaining YEDF to be difficult while 2.3% rated the same to be either very difficult or very easy. The findings therefore show that the youths find it somewhat easy to get YEDF.

Table 4.13: Duration Taken For Funding To Be Processed

	Frequency	Percentage
1 Week	5	2.9
2 Weeks	13	7.6
3 Weeks	79	45.9
above a month	75	43.6
Total	172	100.0

The study sought to establish the duration it takes for the YEDF funding to be processed; of which 45.9% stated that processing of funds takes 3 weeks, 43.6% averred that the same takes over a month, 7.6% stated the same to take 2 weeks while 2.9% stated the processing of the funds to take 1 week. This therefore depicts that overall, YEDF funding do take 3 weeks and above to be processed.

Table 4.14: Whether the Respondents Incurred Extra Cost in Accessing YEDF

	Frequency	Percentage
No	26	15.1
Yes	146	84.9
Total	172	100.0

To the question on whether the respondents do incur extra cost in accessing YEDF, the study findings indicated that 84.9% were affirmative that they do incur extra cost while 15.1% did confide that they do not. The presented in table 4.14 therefore do indicate that the respondents do incur an extra cost in accessing YEDF.

Table 4.15: Type of Extra Costs the Youths Incurred

Type of Cost	Frequency	Percentage
Processing costs	12	7.0
Transport cost	118	68.6
Photocopy cost	29	16.9
Other	13	7.6
Total	172	100.0

Based on the findings presented in 4.15 above, 68.6% of the youths do incur transport costs, 16.7% do incur photocopy costs while 7.0% do incur processing cost. This therefore depicts that majority of the youths do incur transport related cost as an extra cost in accessing YEDF.

Table 4.16: Effectiveness of YEDF in Increase Earnings

Amount of Money Earned Before Benefitting YEDF	Additional Money the Earned after Benefitting from YEDF				Total
	Less Than 500	500 - 1000	1000 - 2000		
Less than 500	65.0	35.0	.0		100.0
500-1000	11.4	25.0	63.6		100.0
1000-2000	.0	100.0	.0		100.0
More than 2000	100.0	.0	.0		100.0
Total	52.3	31.4	16.3		100.0

The study sought to establish the effectiveness of YEDF in increasing earnings of the respondents from enterprise by inquiring about their earnings before and after benefitting from YEDF. According to the data presented in table 4.16 above, 65% of those that used to less than Ksh 500 had their earnings increase by less than Ksh500 while earnings of 35% increased by Ksh500 to 1000. Of those that used to earn between Ksh500 and 1000, 63.6% increased their

earnings by between Ksh1000 to 2000, 25% increased their earnings by between Ksh500 and 1000 while 11.4% increased their earnings by less than Ksh500. However, those that used to earn Ksh1000-2000 and above 2000 increased their earning by Ksh500-1000 and less than Ksh500 respectively.

Table 4.17: Chi-Square Test of the Effectiveness of YEDF in Increasing Earnings of the Beneficiaries

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	107.578a	6	.000
Likelihood Ratio	110.414	6	.000
Linear-by-Linear Association	14.400	1	.000
N of Valid Cases	172		

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .16.

Conducting a chi-square test, the study obtained the p-value at $p < 0.000$. This means that YEDF did increase the Earnings of the beneficiaries.

Table 4.18: Correlation Tests

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Pearson's R	0.290	0.091	3.954	.000 ^c
Spearman Correlation	0.482	0.075	7.170	.000 ^c
N of Valid Cases		172		

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

The study ran symmetric measures so as to establish the correlation between the YEDF and more income being earned; the results were presented in table 4.18 above. The spearman correlation (based on ordinal scale) was established at 0.482 which means that there is a positive relationship between YEDF and increase in earnings. However Pearson's correlation (based on interval scale) was established at 0.29 which further reiterate the positive relationship between YEDF and additional income being earned. The t-significance value, established at $p < 0.000$, indicate that the correlation were statistically significant.

Table 4.19: YEDF and Assets or Operating Equipments Acquisition

	Frequency	Percentage
No	85	49.4
Yes	87	50.6
Total	172	100.0

On whether the YEDF related to assets acquisition, the study findings presented in table 4.19 indicate that 50.6% acquired more assets being beneficiary of YEDF and 49.4% did not acquire more assets. This shows that most of the youth beneficiaries of YEDF have used the fund to buy more assets.

Table 4.20: Type of Assets or Operating Equipments Acquired

Response	Frequency	Percentage
Machines	33	19.2
Land	13	7.6
Operating Equipments	32	18.6
Others	94	54.7
Total	172	100.0

On the type of assets or operating equipments the business acquired after benefitting from YEDF, the data findings were presented in table 4.20. From table 4.20, 19.2% of the respondents bought machines, 18.6% of the respondents bought operating equipments, 7.6% of the respondents bought land.

Table 4.21: Whether the Extra Assets Have Had a Positive Contribution to the Business

Response	Frequency	Percentage
No	84	48.8
Yes	88	51.2
Total	172	100.0

Table 4.21 above presents the data findings on whether the extra assets bought have had a positive contribution to the business. From the table, 51.2% affirmed having had positive contribution of the extra asset bought on the enterprise while 48.8% thought otherwise. This points to the fact that YEDF enables the youth to acquire more assets which leads to more earnings and need to create vacancies to run the machineries.

4.5 Infrastructure

Table 4.22: Trade Fair or Industrial Park attendance Facilitated by YEDF

Response	Frequency	Percentage
No	140	81.4
Yes	32	18.6
Total	172	100.0

On whether the respondents (YEDF beneficiaries) had attended any trade fair or industrial park facilitated by the YEDF, the data findings are presented in table 4.22. From the table, 81.4% had not attended any trade fair nor industrial park organized by YEDF while 18.6% of the responded had attended. This point shows that there is little initiative being taken by the YEDF to teach/educate the youth how to implement/utilize the trade fair.

Table 4.23: Type of Trade Fair/Industrial Park Attended

	Frequency	Percentage
Local	17	53.1
Regional	13	40.6
International	2	6.3
Other	0	.0
Total	32	100.0

Table 4.23 indicate the 53.1% of the trade fair and industrial parks attended were locally organized, 40.6% were regionally organized while 6.3% were international trade fairs and industrial parks. This depicts the extent to which the YEDF management committee strives to

promote the effective utilization of funds obtained as it organizes regional trade fairs and industrial parks besides local ones for the beneficiaries.

Table 4.24: Trade Fairs and Industrial Parks Benefits

	Frequency	Percentage
Income	8	25.0
Training	24	75.0
Networks	0	0
Advertising	0	0
Others	0	0
Total	32	100.0

From table 4.24, 75% of the respondents benefitted from the trade fairs and industrial parks through training and 25% of the respondents, through income generation. However, these trade fairs and industrial parks do not benefit the beneficiaries through network establishments and as advertizing or marketing avenues.

4.6 Capital

Table 4.25: Requirements for One to Qualify for YEDF Funds

	Frequency	Percentage
Must be a Youth	104	60.5
Must be a Group Member	64	37.2
Must be Educated	2	1.2
Know Somebody	2	1.2
Total	172	100.0

The study sought to establish the requirements for one to be eligible for YEDF and the data

findings presented in table 4.25. Table 4.25 indicate that, as a requirement, one has to be a youth (60.5%), one must be a member of a group (38.4%) and one has to be educated (1.2%) and know someone (1.2%). This indicates that for one to be eligible for YEDF fund, he/she has to be a youth (18 to 35 years) and has to have a group which takes priority while educational level and 'knowing someone' are not taken into serious consideration.

Table 4.26: Duration That One Is Expected To Repay the Loans

	Frequency	Percentage
Less than 1 year	0	0.0
1 Years	80	46.5
2 Years	91	52.9
3 years	0	0.0
More Than 3 Years	1	0.6
Total	172	100.0

To the question on the duration that YEDF takes before repayment, the study findings were presented in table 4.26. According to the table, 52.9% of the respondents are expected to repay the loans obtained from YEDF in two years, 46.5% expect to repay the YEDF loans in 1 year while 0.6% expect to repay in more than 3 years. This depicts that most of the YEDF beneficiaries are expected to repay their loans in 1 to 2 years.

Table 4.27: Difficulties in Repaying the Loan

	Frequency	Percentage
No	41	23.8
Yes	131	76.2
Total	172	100.0

The study sought to establish whether the YEDF beneficiaries (respondents), 76.2% of the respondents pointed to facing difficulty in Loan repayment and 23.8% thought otherwise. This indicates that majority of the YEDF beneficiaries do experience difficulty in repaying YEDF loan. The study thus sought to establish the type of challenges these beneficiaries do face; the

findings of which is presented in table 4.28.

Table 4.28: Type of Challenges Experienced When Repaying the Loan

	Frequency	Percentage
High Interest Rates	32	24.4
Market issues	65	49.6
Domestic Needs	0	0.0
Others	34	26.0
Total	131	100

To the question on the type of challenges experienced when repaying the loans, the findings indicate that 49.6% of the respondents do experience difficulty related to business turnover, 24.4% do experience difficulties owing to high interest rates while 26.0% do experience other difficulties not disclosed by this study such as mismanagement of funds, relocation by city council e.t.c.

Table 4.29: Whether the Respondent Used YEDF for Personal Needs

Response	Frequency	Percentage
No	46	26.7
Yes	126	73.3
Total	172	100.0

The study sought to establish whether YEDF is at times used by the respondents to solve personal issues; findings of which are presented in table 4.29. Table 4.29 shows that 73.3% have indeed used YEDF for personal needs while 26.7% used the fund exclusively for intended purposes (business). This indicates that YEDF are mostly used for personal needs (presented in table 4.30) than for intended purposes which might lead to defaults.

Table 4.30: Types of Personal Needs that the Respondent Channels YEDF to

Needs	Frequency	Percentage
Domestic needs	99	78.6
Paying school fees	22	17.5
Other	5	4.0
Total	126	100

On the type of personal needs that the respondent channels YEDF to, the finding presented in table 4.30 indicate that 78.6% of those who used YEDF for personal need channeled the same for domestic consumption, 17.5% channeled YEDF for paying school fees and 4.0% channeled YEDF for other purposes. This indicates that most of the YEDF beneficiaries do use the loans for domestic purposes rather than intended business start-up nor expansion.

Table 4.31: Source of Knowledge from Which the Respondent Came to Know YEDF

Knowledge source	Frequency	Percentage
Friends	77	44.8
Relatives	8	4.7
Politicians	14	8.1
Other	73	42.4
Total	172	100.0

Table 4.31 presents data findings on the source of information from which the respondents learnt about the existence of YEDF which illustrates that 44.8% of the respondents learnt of YEDF from friends, 8.1% learnt the same from politicians, 4.7% learnt of YEDF existence from relatives and 42.4% learnt of the YEDF from other sources such as ministry of gender/sports, mass media, constituency offices and advertisements.

4.7 Training

Table 4.32: YEDF Training

Response	Frequency	Percentage
No	108	62.8
Yes	64	37.2
Total	172	100.0

To the questions on whether the respondent had undergone through any form of training organized by YEDF, the data findings presented in table 4.32 shows that 62.8% of the respondents stated that they had not undergone any training through YEDF while 37.2% of the respondents had received training through YEDF. This point to the fact that there is laxity in conducting trainings on YEDFs which might leads to the afore-mentioned misuse of the loan for personal needs.

Table 4.33: Type of Training In the Last One Year through YEDF

Areas of Training	Frequency	Percentage
Computer skills	2	3.1
Personnel management	4	6.3
General business management	28	43.8
Record/book keeping	18	28.1
Others	12	18.8
Total	64	100.0

The study inquired from those who had admitted to attending training on YEDF on what the training was about. The findings were presented in table 4.33 which shows that 43.8% of the respondents had been trained on general business management through YEDF, 28.1% on record/book keeping, 6.3% personnel management while 3.1 % were taught on computer skills. This shows that though trainings are not normally conducted, when conducted, they tend to be more skewed towards general business management.

Table 4.34: Duration of the Training

Duration	Frequency	Percentage
1 Week	9	14.1
2 Weeks	21	32.8
3 Weeks	28	43.8
Others	4	6.3
Total	62	96.9

Table 4.34 above illustrates the duration the trainings takes. The findings indicates that of all the respondents that had attended YEDF training, 43.8% lasted for 3 weeks., 32.8% indicated that trainings do take 2 weeks while 14.1% indicated that it does take a week. From the findings, it can be concluded that YEDF do take 3 weeks.

Table 4.35: Extend of Application of Knowledge Gained From Training

Response	Frequency	Percentage
Not at all	7	10.9
Slight extent	5	7.8
Moderate extent	13	20.3
Great extent	39	60.9
Total	64	100.0

The study inquired about the extent to which the respondent had applied the knowledge gained from training inn running his or her enterprise. According to table 4.35, 60.9% had applied the knowledge gained from YEDF training to a great extent in running the enterprise, 20.3% had applied the same to a moderate extent, and 7.8% had applied the knowledge gained slightly while 10.9% had not applied the knowledge gained at all. This depicts that majority of the YEDF trainees do apply the knowledge gained and the training is quite significant.

Table 4.36: Usefulness of the Training to the Running of the Business

Response	Frequency	Percentage
Not useful	7	10.9
Slightly useful	3	4.7
Useful	20	31.3
Very useful	34	53.1
Total	64	100.0

So as to establish the effectiveness/relevance of the knowledge gained through YEDF training in running the business, the respondents were asked to rate the usefulness of the knowledge they gained and the data presented in table 4.36. From the table, 53.1% of the respondents found the knowledge gained to be very useful, 31.3% found the knowledge to be useful while 10.9% of the respondents found the knowledge to be un useful and 4.7% found the knowledge to be slightly useful. Thus, it can be concluded that YEDF training is useful as well as relevant to the management of business.

Table 4.37: Areas the Respondent has Applied the Training

	Frequency	Percentage
Management	27	42.2
Accounting	4	6.3
Procurement	0	0.0
Book keeping	20	31.3
Others	13	20.3
Total	64	100.0

To the question on the areas the respondents had applied the YEDF training they obtained, table 4.37 indicate that 42.2% had applied the knowledge on management, 31.3 had applied the same on book keeping, 6.3% had applied the training on accounting while 20.3% had applied the knowledge on areas like advertizing and marketing, networking and public relations.

4.8 Benefits and Challenges of YEDF

Table 4.38: Benefits Realized as a Result of YEDF Implementation

Benefits	Frequency	Percentage
Business Expansion	84	48.8
Training	18	10.5
Capital	29	16.9
Income	32	18.6
Other	9	5.2
Total	172	100.0

On the benefits realized as a result of YEDF implementation, the data findings presented in table 4.38 indicate that 48.8% of the respondents stated that YEDF benefits have been seen in business expansions, 18.6% of the respondents indicated that YEDF has led to more income generation/increase, 16.9% stated that YEDF has improved the ease of access of capital and 10.5% stated that YEDF has led to more trainings.

Table 4.39: Main Challenges Encountered in YEDF by the respondent

Challenges	Frequency	Percentage
Paying of Loan Interest	50	29.1
Business Hardship	62	36.0
Market Issues	55	32.0
Other	5	2.9
Total	172	100.0

On the main challenge encountered by respondent by way of being a beneficiary of YEDF, the findings were presented in table 4.39. From the findings, 36% of the respondents faced business hardships, 32% faced market issues and 29.1% faced difficulty in loan interest repayments. This indicates that while YEDF has benefitted the respondents, they faced challenges like business hardships.

4.9 Correlation and Regression Analysis

The study conducted a correlation analysis of the specific objectives of the study training, infrastructure, capital of YEDF and job creation. So as to compute the training variables, an average value of the respondents' answers on whether they have received any training and the usefulness of the training in business management was established. YEDF infrastructure were proxied by average of the questions on trade fair and industrial parks (as market infrastructure) and ease with which the respondents obtained YEDF loans and YEDF challenges proxied as the respondents' responses on difficulties they encounter in loan repayment and the general challenges they have encountered in YEDF.

A 2-tailed Pearson Correlation test was done at 99% and 95% confidence levels and the analysis presented in table 4.40 below.

Table 4.40: Correlations Table

		Training	Infrastructure	Capital
Training	Pearson Correlation	1		
Infrastructure	Pearson Correlation	.162*	1	
Capital	Pearson Correlation	.008	.128	1
Job Creation	Pearson Correlation	.155*	.222**	.522
	Sig. (2-tailed)	.042	.003	.049

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

From correlation table, it is established that there was a positive but weak relationship between job creation and training (0.155) and YEDF infrastructure (0.222). However, the same established a moderately strong relationship between capital obtained by the YEDF beneficiaries and job creation. Which means that while training and good YEDF infrastructure do lead to enterprise sustenance, they need to be implemented to promote business growth which would in turn lead to recruitment of more employees. Capital obtained from YEDF has a direct relationship with job creation as it determines the size of the business venture (number of employees) established, hence the strong positive relationship.

4.9.1 Regression Analysis

The study further conducted a regression analysis of job creation (dependent variable) against infrastructure, training and YEDF capital (independent variables). The regression model was in the form of:

$$JC = \beta_0 + \beta_1 I + \beta_2 T + \beta_3 C + \varepsilon$$

Whereby JC was the job creation variable established as the number of additional employees added to the enterprise following YEDF. β_0 is the constant or y-intercept while β_1 ... β_3 are the coefficients of the independent variables while I, T and C are the independent variables (infrastructure, training and capital of YEDF respectively), ε is the model significance level. The model statistics are presented in tables below:

Table 4.41: Model Strength and ANOVA Table

	R	R Square	Adjusted R Square	R Std. Error of the Estimate	Durbin Watson
Statistics	0.265	.070	.053	1.04801	1.697
	Sum of Squares	of df	Mean Square	F	Sig.
Regression	13.901	3	4.634	4.219	.007
Residual	184.518	168	1.098		
Total	198.419	171			

Table 4.41 presents the model strength (correlation and coefficient of determination) and ANOVA (analysis of variance). The model correlation, R, (relationship between job creation and independent variables) was established at 0.265 which depicts a positive relationship between job creation and infrastructure, training and capital of YEDF. The coefficient of determination (R squared), having a value of 0.07, also points at the same. Testing the model significance level (ε) from ANOVA statistics, the regression model was significant at 0.007 being that it is less than

0.05 (f-sig<0.05). This means that the regression model establish lacks only 0.7% precision hence has statistical significance as the population parameter.

Table 4.42: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.068	.670		.102	.919
Training	.325	.203	.121	1.607	.110
Infrastructure	.203	.221	.212	2.793	.006
Capital	.618	.189	.081	1.074	.285

The regression coefficients are presented in table 4.42. From the table, the regression model becomes:

$$JC = 0.325I + 0.203 T + 0.618C - 0.068$$

From regression table established, it is noted that when the infrastructure, enterprise training on YEDF and related capital cease to exist, job creation would be negative with a value of 0.068. When other factors are kept constant, a unit increase in training would lead to a 0.203 increase in job creation, a unit increase in infrastructure would lead to a 0.325 increase in job creation and a unit increase in YEDF related capital would lead to a 0.618 increase in job creation. This reinforces the study's earlier findings that YEDF infrastructure, training and capital increase job creation.

4.10 Key Findings from Interview on Key Informants

To the question on the composition of the Divisional YEDF Committee, the interviewees responses indicated that Divisional YEDF are composed of the district officer who is the chairman, Divisional Youth Development Officer (Secretary), Community Development Assistants, representatives of the dominant faith-based organizations in the division and representatives of youth groups (male and female from the groups that have applied for funding.)

who are members of the committee and local area Member of Parliament who is an Ex-Official and a member.

On the beneficiaries of YEDF loans in Westland's Constituency since its inception and the modalities of lending and repayment, the interviewees stated that 44 youth groups had benefitted from the YEDF. According to the interviewees, the first 20 groups received the youth fund in 2007 while the 2nd group received in 2008. They further reiterated that as per the rules of the fund, Ksh50,000 obtained as a loan were to be repaid within one year of operation hence these two groups should have had cleared the payment by the year 2009. The repayment was to assist other applicants in the subsequent years. However, the interviewees confided that, the payment has been slow and in the Constituency there were no recorded beneficiaries in the year 2009 and 2010. Only 10 out of the 44 groups that benefitted from the constituency funds had cleared the loan repayment with 18 groups having made no effort towards repayment of this loan and according to the interviewees had ceased to exist. They noted that the groups that were in business before reception of the YEDF funds were better in management and payment than newly formed groups.

The interviewees averred that the on-lending component of the Fund mainly works through Financial Intermediaries such as banks, Non Governmental Organizations (NGOs), Savings and Credit Cooperatives (SACCOs) and Micro Finance Institutions (MFIs), from which the Youth access funds/loans to start or expand viable businesses. These Financial Intermediaries manage funds allocated to the district from which the youth access funds directly either as individuals or as organized entities such as groups, cooperatives, companies among others. From the interviewees' responses, some of the funds are also disbursed through the Constituency Youth Enterprise Scheme (C-YES) which is accessible only to youth groups operating within the parliamentary constituency and the maximum loan amount per group is Ksh50,000. The loans advanced through C-YES attract no interest but has an administration fee of 5% deductible upfront from the approved loan. Proposal Screening, recommendation and approval is done by the Youth Enterprise Development Fund (YEDF) committees at divisional and district levels. C-YES in Westland's constituency had an allocation of Ksh2, 000,000 in the 2007/2008 financial

year.

To the question on the challenges facing YEDF, the interviewees averred that there was a major challenge in the lending approach especially in groups where the members were so many for instance, a group of 20 members receiving the minimum Ksh50, 000 to run their business. Due to group lending approach, issues of conflict among members arose where the interviewees reported that the group leaders were accused of squandering the money for their own gains. Some interviewees stated that there was also the issue of income which is divided among all the members leaving little or none to be put back into the business putting a negative effect on sustainability of the business. There is lack of accountability according to the interviewees, all members default in repayment if one member defaults hence hiding the blame into the group.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key findings as per the specific objectives, conclusions and recommendations there to. The chapter is thus structured into summary of the findings, conclusions, recommendations and areas for further studies.

5.2 Summary of the Findings

Based on the findings presented in chapter four the following were the key findings:

5.2.1 Youth Training

From the data findings, the study findings showed that 37.2% of the youths had undergone through training organized through YEDF meant for the beneficiaries of the same. These beneficiaries had been trained on general business management (43.8%), record keeping (28.1%) the most while other are trained on personnel management and computer skills (information technology); these trainings do take two to three weeks (32.8% and 43.8% respectively). However, the study established that the YEDF beneficiaries do apply the knowledge gained from trainings (81.2%) on management of the business (42.2%), book keeping (31.3%), advertizing, marketing, networking and public relations which they find to be useful or effective (84.4%).

5.2.2 YEDF Infrastructure

On YEDF infrastructure, the study found that the 18.6% of the beneficiaries had attended the trade fair and industrial parks facilitated for YEDF while 81.4% had not, which were both local and regional trade fairs and industrial parks. From the findings, these trade fair and industrial parks had training/education and income generation relevancies to the beneficiaries.

5.2.3 YEDF and Job Creation

On the effectiveness of YEDF and Job creation, data findings indicate that 82% of the beneficiaries of YEDF started business enterprises after obtaining YEDF loans. From the findings, these respondents used YEDF loans to establish: nursery schools, kiosks or general shops, fruit hawking (mobile shops), phone and accessory shops, green grocery, mechanic, milk distribution, handcraft, cub services, dress making/tailoring, chemist, bar and entertainment joints. The data findings further indicated that YEDF loans enabled the beneficiaries add at least an additional employee into the business; for example, 82.1% of the enterprises that had one employee prior to receiving YEDF added an addition of one employee and 16.4% added two employees. 66.7% of the enterprises that had two employees prior to receiving YEDF added 4 employees and 33.3% added one employee. Chi-square test showed that the YEDF did lead to job creation as the number of employees in the business before and after benefitting from YEDF had a p value less than 0.001 ($p < 0.001$).

Besides these, the study also found that only 9.3% of the beneficiaries had used the YEDF fund to start more than one business venture while 90.7% had not.

5.2.4 Benefits and Challenges of YEDF

The data findings established that 48.8% of the beneficiaries had benefitted from YEDF through business expansions, YEDF led to income generation (18.6%), 16.9% of the beneficiaries considered themselves to have benefitted more from YEDF through capital formation and 10.5% by fulfilling their training needs. However, the findings indicate that these beneficiaries face a lot of challenges manifested in difficulties in paying loan interests, business hardships and market related issues.

5.3 Discussions

Training refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. It forms the core of apprenticeships and provides the backbone of content at institutes of technology. In addition to the basic training required for a trade, occupation or profession there is a need to continue training beyond initial qualifications to maintain, upgrade and update skills throughout working life. Some youths or YEDF beneficiaries in Westland's constituencies are trained on business management training, personnel training and book keeping. The study established that training has a positive relationship with job creation as it ensures proper business management. Gibb (1993) found entrepreneurship programmes to culminate into development of an effective and efficient enterprise which will in turn minimize business failure and foster growth leading to more self-employment and recruitment of more labour force.

The study also found YEDF infrastructure to relate to job creation, taking an example of trade fairs and industrial parks as market infrastructure used by YEDF. A trade fairs is organized so that the youth group members can showcase and demonstrate their products, service, study activities of rivals and examine recent market trends and opportunities. Trade shows also enables entrepreneurs meet many potential customers face-to-face in a brief period of time inexpensively. Trade fairs thus forms an avenue for marketing YEDF beneficiary products and thus enhances business growth and sustainability which in turn leads to job creation through business expansion. Trade Show Bureau reports that of the firms exhibiting at business-to-business shows, 44% have fewer than 50 employees. Sophisticated exhibitors do well at trade shows no matter what their size, while the naive and inexperienced can waste thousands of dollars and countless hours - and possibly do more harm than good. Using trade shows effectively takes only a little effort and planning.

The main source of capital utilized by the youths in Westland's constituency was reported to be the Constituency Youth Enterprise Scheme that was awarded to 44 youth groups according to the

interview results. The Divisional Youth Enterprise Development Fund Committee (Divisional YEDFC) was formed to effectively identify and recommend viable youth group enterprises for loans. The funds managed by the Divisional YEDFC with the District Youth Enterprise Development Fund (District YEDFC) playing an oversight role are only those allocated to the respective constituencies. The Constituency Youth Enterprise Scheme (C-YES) had an allocation of Kenya shillings two million in Westland's constituency and only targeted viable enterprises of youth groups within the constituency.

The other lending component of the Fund was through Financial Intermediaries such as banks, Non Governmental Organizations (NGOs), Savings and Credit Cooperatives (SACCOs) and Micro Finance Institutions (MFIs), from which the Youth accessed funds to start or expand viable businesses. The Financial Intermediaries manage funds allocated to the district from which the youth access funds directly either as individuals or as organized entity such as groups, cooperatives, companies among others.

The respondents reported to have obtained most of the capital from the constituency fund while only a few of the youth groups had gone ahead to obtain more capital from the financial intermediaries. The interview guide revealed that 10 out of the 44 groups that benefitted from the constituency funds have cleared the loan repayment, 18 groups had not made an effort towards repayment of this loan and there is no evidence to show their existence by the time this research was done. It was noted that the groups that were in business before reception of the YEDF funds have proved to be better payers than the newly formed businesses.

The youths are being affected by several challenges in running their businesses, among them as they reported are: business hardships, payment of loan interest and market issues mentioned as the main challenges affecting their productivity. There is inadequate communication by the fund to stakeholders on issues surrounding the funds; lack of facilitation of access to markets by youth and linkages with large organizations is still required. Other issues of Lack of guidance and counseling programs have affected the running of the businesses as majority of the beneficiaries are first timers.

The committee members are also been affected by several issues regarding the fund among them been the negative public perception and attitude mainly influenced by the timing of the fund's establishment. The fund was established on the eve of a general election year and was perceived as a political move to influence voting patterns particularly among the youth. The interviewees suggested that this could be one of the reasons why some groups failed to pay back especially the initial 2007 beneficiaries. There is also the issue of insufficient funds to cater for high demand and expectations of the youth, the government allocation was thought to be adequate for all youth and was thought as an instant panacea for youth unemployment. The youth officers do not have the adequate capacity in training and mobility to manage the youth enterprise across the country. The fund is also faced with the issues of Weak governance structures to enhance community ownership, public accountability and transparency not forgetting the inadequate monitoring and evaluation system.

It was noted that enterprise size and type had no significant measurable contribution as all the businesses were small scale as a number of them are still in the nascent stage. For this variable to be measurable different levels of business as depicted by YEDF goals should be in place (2007 YEDF report).

5.3 Conclusion

The conclusion derived from the research is that youth enterprise development fund has had an effect on job creation in Westland's constituency in respect to the capital loaned, training offered, enterprise size and type and the market infrastructures offered. These results can be used to generalize trends in other areas in Nairobi province as well as other regions of Kenya. In summary it has come out quite clearly that capital alone is not sufficient in job creation and it's a panacea held by most of our youth that it's a sufficient solution to unemployment. More effort should be put towards sensitizing the youth on the importance of the other variables of the fund which include training, trade fairs and industrial parks.

The youth development fund is actually a noble course in fighting the unemployment existing in

Westland's constituency but a lot of effort is still required to make it more productive. This is seen in the fact that despite the many defaulters no effort has been reported to have been carried out to catch up with the defaulters.

Based on the findings highlighted in the previous sections, several conclusions can be made. To begin with, the study concludes that YEDF has succeeded as an avenue for training the youths in business management and record keeping which has played an excellent role in reducing unemployment by promoting self employment as some youths form start-up businesses through the skills gained while others expand their business by acquiring more assets and employing more people. These business establishments range from green groceries to entertainment joints such as video shops and bars, milk distribution, general and mobile phone and accessories shops, chemists, tailoring and craft shops. Using chi-square the study accepted the afore-mentioned proposition at $p < 0.000$ significance level.

To ensure sustenance of the business ventures established the YEDF management does organize local and regional trade fair and industrial parks for some of the beneficiaries. This leads to more income generation and increased turnover as shown by a p-significance value of $p < 0.000$. Correlation also showed a positive value at 0.482.

5.4 Recommendations

Based on the findings, the study made recommendations in accordance to the afore-mentioned research objectives. On YEDF capital, the study recommends that YEDF management should make follow ups on loans given to the beneficiaries as some of them use the loans to settle their personal needs, these undermine the very fundamental reasons for creation of the YEDF which is meant for business ventures and expansions. Mismanagement of loans by the youths leads to business ventures failure with some groups collapsing while most of them get a lot of challenges in repaying the loans. Hence job creation through self-employment and additional recruitment of employees by the beneficiaries' enterprises become elusive. The study further recommends that YEDF loan awards should not be politicized as some claim that the loans are allocated based on 'who you know'. This unprofessional conducts locks some needy, entrepreneurial youths from

obtaining YEDF loans and could also lead to loan defaults. The study further recommends that the loan capital advanced per group should be increased with accordance to the group size and capital outlay for the enterprise. A business capital of Ksh50,000 is barely enough capital for capital intensive enterprises and more inadequate for a group of more than 12 members.

On youth training, the study recommends that there is need to carry out training needs analyses amongst the youth. This owes to the fact that some the trainees either do not apply the knowledge gained or find it not useful in running their businesses. There is also need to sensitize the members on the importance of this trainings taking place in there constituency. Members should also be encouraged to personally pursue education that is important in running of there businesses.

On YEDF infrastructure, the study recommends the constituency YEDF committee should organize more trade fairs for the potential and current YEDF beneficiaries. It is from the trade fairs that the youths exchange business ideas and experiences besides marketing their products and services. According to the findings, very few beneficiaries had attended the trade fairs.

5.5 Areas for Future Studies

The study recommends that further research on job creation should be done on the other development funds such as Women Enterprise Fund, Constituency Development Fund (CDF) et cetera, so as to get comprehensive information on how the development funds apart from YEDF have been effectiveness in job creation.

Further studies should also be carried out in the financial intermediaries charged with YEDF disbursement to establish how the YEDF beneficiaries are managing with loan repayment and why only a small fraction of youths obtain funds from the institutions.

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APPENDICES

Appendix I: Introductory Letter

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

REF: REQUEST TO CARRY OUT RESEARCH

I am a student at the University of Nairobi pursuing a master's degree in business administration. As a requirement in fulfilment of this degree, I wish to carry out a study an evaluation of the Youth Enterprise Development Fund (YEDF) in Job Creation by taking the case of Westland's Constituency.

This questionnaire seeks to collect information on the extent to which the YED has contributed to new job creation. Any information given shall be treated as confidential and will be used purely for the purpose of this research.

Your cooperation will be highly appreciated.

Yours Faithfully,

Barbara Nyambura.

Appendix II: Questionnaire

Section A: Personal Profile

1) Gender

Male Female

2) Age bracket

18 – 25 years 26 – 35 years

36 – 45 years above 45 years

3) Education Level

Primary Secondary

College Other (Specify)

4) Number of years that YEDF has benefited you

1 Year 2 Years

3 Years More than 3Years

5) Did you start your business after obtaining YEDF?

Yes

No

If Yes which business _____

Section B: Effects of YEDF on Job creation

Questions on Enterprise size and type

1) What type of enterprise are you running?

i. Kiosk/shop

ii. Car wash

iii. Hair salon

iv. Other Specify

2) How many members are there in your group?

3) How many employees were working at the enterprise before inception of YEDF?

Specify _____

4) What is the additional no of Employees after the inception of YEDF?

One two three

Four Other (Specify)

5) Have you opened any other enterprise aided by the YEDF?

Yes

No

6) If yes, what is the type of the enterprise?

Questions on Accessibility of YEDF

7) Where do you get the YEDF funding?

From the banks

From the constituency's office

Other (specify) _____

8) What are the requirements when getting the money?

Guarantor

Security (e.g. title deed)

Business license

Other (specify) _____

9) How easy is it to get the money in your own experience?

i. Very easy

ii. Easy

iii. Difficult

iv. Very difficult

10) How long does it take for the funding to be processed?

i. 1 week

ii. 2 weeks

iii. 3 weeks

iv. Above a month

11) Do you incur any extra cost in accessing the money?

1. Yes

2. No

10b) If yes, mention it

ii. Processing cost

iii. Transport cost

iv. Photocopy cost

v. Other (Specify)

12) Approximately how much were you earning before opening this business per day?

Less than 500

500-1000

1000-2000

More than 2000

11b)...With inception of YEDF, approximately how much more do you get per day?

Less than 500

500-1000

1000-2000

More than 2000

13) Have your business been able to acquire some assets or operating equipment?

Yes No

14) If yes, which ones?

i. Machines

ii. Land

iii. Operating equipments

iv. Others (specify) _____

13b) Have the extra assets had a positive contribution to your business?

Yes

No

Which ones (Specify) _____

Questions on Infrastructure

14a) Have you participated in any trade fair or any industrial park facilitated by YEDF?

Yes No

b) If yes, which ones?

i. Local

ii. Regional

iii. International

iv. Other (Specify)

15) How did you benefit from the facility above?

I. Income

II. Training

III. Networks

IV. Advertising

V. Other (Specify)

Questions on Capital (YEDF)

16) What are the requirements for one to qualify for the YEDF funds?

i. To be a youth

ii. Be in a group

iii. Know somebody

iv. Be educated

v. Other (specify)

17) How long are you expected to repay this loan?

i. Less than 1 year

ii. 2 years

iii. 3 years

iv. Above 3 years

18) Do you experience difficulties in paying back the loan?

Yes No

b) If yes, what challenges do you experience in paying back the money?

- i. High interest rates
- ii. Business not doing well
- iii. Domestic needs
- iv. Others (specify) _____

19) Apart from using the YEDF in business, do you sometimes use it to solve other urgent personal needs?

Yes No

19b) If yes, which ones?

- i. Domestic needs
- ii. Paying school fees
- iii. Other (Specify) _____

20) How did you come to know about YEDF?

- i. Friends
- ii. Relatives
- iii. Politicians
- iv. Other (Specify) _____

Questions on Training

21) Have you undergone any form of training through YEDF?

Yes

No

22) What type of training have you attended in the last one year through YEDF support?

- i. Computer skills
- ii. Personnel management
- iii. General Business management
- iv. Records/book keeping
- v. Any other (specify) _____

23) What was the duration of the training?

- i. 1week
- ii. 2Weeks
- iii. 3 weeks
- iv. Other (Specify)

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24) To what extent have you applied the knowledge gained from the training in running your enterprise?

- i. Great extent
- ii. Moderate extent

iii. Slight extent

iv. Not at all

25) How useful is the training to the running of the business?

i. Very useful

ii. Useful

iii. Slightly useful

iv. Not useful

26) In which areas have you applied this training?

i. Management

ii. Accounting

iii. Procurement

iv. Book keeping

v. Other (specify) _____

Section C: Benefits and Challenges

27) . Mention some benefits realized as a result of YEDF initiatives in your area

i. Business expansion

ii. Training

iii. Capital

iv. Income

v. Other (Specify) _____

28). Kindly list down the main challenges that you have encountered in YEDF

a. Paying of loan interest

b. Business Hardship

c. Market issues

d. Other (Specify)

Thanks for Your Participation

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Appendix III: Interview Guide

1. Could you please tell me your name?
2. Could you please mention your occupation?
3. What's the composition of the YEDF committee?
4. What are the requirements for loan approval?
5. In what capacity do you work in the YEDF committee?
6. What is the response rate of the youth to YEDF and what effect does this have on job creation in your constituency?
7. What infrastructures have you put in place to support the youths in their enterprise development?
8. What challenges are the youths and yourself facing in running of the fund?
9. What are the kinds of enterprises developed by the youths in your area?
10. What amount do the constituency allocate and disburse to the youth annually?
11. How has the fund created jobs in the constituency?
12. What types of jobs and how many jobs have been created annually approximately?
13. Do you train the youths on enterprising before disbursement of funds? If yes what does the training entail?