

**FACTORS INFLUENCING REPAYMENT OF CONSTITUENCY YOUTH
ENTERPRISE SCHEME LOANS(C-YES): A CASE OF KITUI CENTRAL
CONSTITUENCY IN KITUI COUNTY, KENYA**

MATHEKA AUGUSTINE NTHIWA

**A Research Report submitted in partial fulfillment of the requirement for the award of
Degree of Masters of Arts in project planning and management of the University of
Nairobi.**

2013

DECLARATION

This research project report is my original work and has not been presented for an academic Award in any other University or institution of higher learning.

Sign

Date.....

MATHEKA AUGUSTINE NTHIWA

REG.NO. L50/77372/2012

This research project report has been submitted for examination with my approval as the University supervisor.

Supervisor's signature..... Date

DR. MULWA ANGELINE

Lecturer,

Department of Extra-Mural studies,

University of Nairobi.

DEDICATION

This study is dedicated to my beloved wife Viginia Muthenya, Parents Mr. and Mrs. Francis Matheka and Brothers Onesmus, Stephen and Alfred for their inspiration, support and understanding during my study time.

ACKNOWLEDGEMENT

I am grateful to the Almighty God who gave me strength, courage and good health throughout the time of undertaking this study. Special thanks go to my supervisor Dr. Angeline Mulwa for her brilliant guidance and suggestions which made it possible for me to successfully undertake this study within the University of Nairobi (UON), required (MA) Degree research completion period of six months.

I greatly thank the selected Kitui Central constituency youths who participated as respondents in this study. I also appreciate the efforts of my colleagues who are post graduate students in Masters of Arts in Project Planning and Management (Kitui sub-centre) for their encouragement, assistance and moral support which helped me greatly in developing this research study. I am also grateful to Mr. Caleb Kiilu of Calsoft systems in Kitui town for his dedication and expertise which helped me greatly in printing this research study. Finally I acknowledge the patience and moral support from my wife Viginia Muthenya during my entire course of study.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURES	viii
ABBREVIATIONS AND ACRONYMS	x
ABSTRACT.....	xi
CHAPTER ONE: INTRODUCTION	1
1.1: Background to the study	1
1.2: Statement of the Problem.....	3
1.3: Purpose of the study.....	4
1.4: Objectives of the study	4
1.5: Research Questions.....	4
1.6: Hypothesis of the Study	5
1.7: Significance of the study.....	5
1.8: Limitation of the study.....	6
1.9: Delimitation of the study	6
1.10: Assumptions of the study.....	6
1.11: Definition of significant terms	7
1.12: Organization of the study.....	8
CHAPTER TWO: LITERATURE REVIEW	9
2.1: Introduction.....	9
2.2: Background of the Youth enterprise development	9
2.3: The Influence of enterprise growth on repayment of youth enterprise scheme loans(C-yes).	10
2.4: Influence of Youth focused self employment promoting policy on repayment of Constituency.....	13
2.5: The influence of group leadership on repayment of Constituency youth enterprise scheme.....	17
2.6: Effect of the level of Education on repayment of Constituency youth enterprise scheme loans.	18

CHAPTER THREE: RESEARCH METHODOLOGY	23
3.1: Introduction.....	23
3.2: Research Design	23
3.3: Target population.....	23
3.4: Sample size and sampling procedure.....	24
3.5: Research Instruments.....	25
3.6: Validity of Research Instruments.	25
3.7: Reliability of study.....	25
3.8: Data collection procedures.....	26
3.9: Data analysis techniques.....	26
3.10: Ethical Issues	26
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION	30
4.1: Introduction.....	30
4.2: Questionnaire return rate.	31
4.3: Distribution of respondents by gender.....	31
4.4: Age Distribution of respondents	32
4.5: Group membership	32
4. 7: Influence of enterprise growth on repayment of constituency youth enterprise scheme loans.	34
4.7.1: The relationship between enterprise growth and repayment of YEDF loans	36
4.8: Youth focused self employment promoting policy on the repayment of constituency youth.....	38
4.8.1: Pearson’s Correlation Coefficient to determine the relationship between Youth	39
4.9: Influence of group leadership on repayment of youth Enterprise scheme loans.	40
4.9.1: Relationship between group leadership and repayment of YEDF loans	41
4.10: Education level and repayment of Constituency youth enterprise scheme loans.	42
4.10.1: The relationship between the level of education and repayment of YEDF loans.....	43
CHAPTER FIVE :SUMMARY, DISCUSSION OF FINDINGS, CONCLUSION & RECOMMENDATIONS	44
5.1: Introduction.....	44
5.2: Summary of the Findings.....	44
5.3: Discussion of the findings.....	46
5.4: Conclusions of the study.....	48

5.5: Recommendations of the study.....	49
5.6: Suggestions for further research	50
REFERENCES	51
Appendix 1: Transmittal letter	55
Appendix 2: Questionnaire for the Youths on Repayment of Constituency Youth Enterprise	56

LIST OF TABLES

Table 3.1: status Report on the C-yes repayment rates in Kitui County (2007-2013).....	24
Table 3.11: Operationalization Table	28
Table 4.1: Questionnaire Return rate	31
Table 4.2: Distribution of respondents by gender.....	31
Table 4.3: Age distribution of respondents.....	32
Table 4.4: Group membership	33
Table 4.5: Age the group	33
Table 4.6: Amount of loan allocated.....	34
Table 4.7: Group investment activities	35
Table 4.8: Enterprise growth and repayment of constituency youth enterprise scheme loans.	36
Table 4.9: Pearson’s Correlation Coefficient for relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.	37
Table 4.10: Youth focused self employment promoting policy on the repayment of constituency youth enterprise scheme loans.	38
Table 4.11: Pearson’s Correlation for Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency.	39
Table 4.12: Group leadership and repayment of constituency youth enterprise scheme loans	40
Table 4.13: Pearson’s correlation between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.	41
Table 4.14: Education level and repayment of C-yes loans	42
Table 4.15: Pearson’s Correlation Coefficient showing the relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.	43

LIST OF FIGURES

Figure 1

Conceptual framework.....21

ABBREVIATIONS AND ACRONYMS

ASAL	-	Arid and Semi arid lands
C-YES	-	Constituency Youth Enterprise Scheme
DYO	-	District Youth Officer
GOK	-	Government of Kenya
MOYAS	-	Ministry of Youth Affairs and sports
YEDF	-	Youth enterprise development fund
SMES	-	Small and micro-enterprise Scheme
GDP	-	Gross Domestic product
ILO	-	International Labour Organization
ROK	-	Republic of Kenya.

ABSTRACT.

Despite the continued increase in financial support to youth led enterprises by the government through youth enterprise development fund, there is still a persistent failure and ultimate collapse of Youth Projects in Kenya. Current reports for Kitui central constituency states that repayment of C-yes loans stands at 45% which is the lowest compared to other constituencies in the county. This poses a serious risk of extinction yet it was meant to be a revolving fund to help create jobs and help youths run their own projects responsibly and sustainably. This research study therefore seeks to establish the causes of the high rates of default in the repayment of C-yes funded loans among youth groups in Kitui central constituency, Kitui County, Kenya. Relevant literature was reviewed while focusing on the background of the youth fund. The specific objectives was to establish the influence of enterprise growth on repayment of YEDF loans among C-yes funded youth groups in Kitui central constituency, to assess the influence of youth focused self employment promoting policy on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency, to establish the influence of group leadership on repayment of YEDF loans among C-yes funded youth groups in Kitui central constituency and to evaluate the influence of the level of education on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. Kitui central constituency formed the geographical scope of the study where target population was the officials of the youth groups who benefited from the C-yes loans. This study was conducted using a descriptive survey design on a sample of 30 youth groups out of the 99 groups who benefited from the C-yes loans in the previous three years in the constituency. In data collection, structured questionnaire was developed and utilized in the study. Data collected was analyzed using both descriptive and inferential statistics. This research study is hoped to inform government policy especially regarding youth enterprise development fund on how to enhance and instill proper controls and discipline to ensure accurate and total repayment of C-yes loans for sustainability of the fund. The study revealed that the factors influencing the repayment of C-yes loans among Youth groups includes lack of enterprise growth, lack of Youth focused self employment promoting policy, poor group leadership and low education levels among youth group members. In view of the research findings the researcher recommended that the government should establish more commercial linkages for youth enterprises so that they are able to realize more profits and further a policy should be put in place to award a portion of government tenders towards youth owned enterprises. The government should form partnerships with other key stakeholders involved in youth development programmes so that they can enhance youth owned enterprises through skills training like entrepreneurship, group dynamics, mentorship and business incubation. The researcher further recommended the need for the repayment periods for the loans to be increased to enable the youth groups to accumulate enough funds for repayment. A public private partnership approach to boost youth owned enterprises should be put in place to come up with strategies like building of sheds to retail and market both products and services. Besides the youths should embrace modern marketing and selling techniques which involve use of information technology for example e-marketing. This will enable them market their products and services competitively locally and globally.

CHAPTER ONE

INTRODUCTION

1.1: Background to the study

Creation of adequate employment opportunities remain one of the greatest challenges in Kenya and indeed in many other countries of the world. A Report by the international labour organization (ILO) of 2009 estimated that the world unemployment has remained almost constant at an average of 6.1 percent over eleven year period between 1998 and 2008. In 2008, the world unemployment stood at 6% up from 5.7% in 2007. Globally, the number of youth unemployed increased to 76 million with the youth-adult employment ratio remaining almost constant at 2:8 (ILO, 2009).

According to the report, the rate of unemployment in sub-Saharan Africa eased marginally from an eleven year (1998-2008) average of 8.1 percent to 7.9 percent in 2008, with the youth bearing a relatively large burden of the unemployment. The scenario is not any different in Kenya where the employment challenge has been growing overtime with the youth being main causalities. (Republic of Kenya 2008b and c). At independence in 1963, the Kenya government identified poverty and unemployment as the twin challenges facing the country. Fifty years later, and despite numerous policy efforts, poverty and unemployment continues to afflict many Kenyans. Millions of Kenyans especially youth are unemployed, underemployed or are in the swelling ranks of the working poor. (Republic of Kenya 2008b and c)

According to the Kenya integrated Household Budget survey (kihbs, 2005/06). 12.7 million out of the 14.6 million labour force were reported as employed with the remaining 1.9 million people being openly unemployed. Approximately 67 percent of the unemployed in the country were the Youth (Republic of Kenya, 2008c). In 2003, the government of the National Rainbow coalition (NARC) formulated a five year development strategy, Economic

recovery strategy for wealth and employment creation, (2003-2007). This strategy put a case for empowerment of the people through creation of employment and other income earning opportunities.

Despite many interventions, creation of adequate, productive and sustainable employment continues to be the greatest challenge and has, particularly been aptly recognized in the country's long-term development blue print., Vision 2030, the medium term plan (2008-2012) and labour, Youth and human resource development sector plan (2008-2012).

About 500,000 Youths graduate from various tertiary institutions ready to enter the job market every year in Kenya. However, due to the slow economic growth coupled with corruption and demand for experience by potential employers, 75% remain unemployed (ROK, 2007). It is against this background that Ministry of Youth affairs and sports was created towards addressing unemployment problems and create an environment where the youth could exploit their potential through value adding initiatives (Ibid, 2007).

The Youth enterprises development fund came legally into operation in 2006 through legal notice no.167. It was transformed into a state corporation in 2007 through legal Notice no. 63 (GOK, 2009). The fund was established in order to:

Provide loans for on-lending to Youth enterprises, Attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure that was beneficial to youth enterprises, Support the youth oriented micro, small and medium enterprises to develop linkages with large enterprises, Facilitate employment of youth in the international labour market and Provide business development services to youth enterprises. (C-yes targets young Kenyans aged 18-35 years in groups (ROK, 2007).

1.2: Statement of the Problem

The establishment of the Youth Enterprise Development Fund (YEDF) in 2006 by Government of Kenya (GOK) was meant to address youth unemployment but despite the effort it seems the fund is facing serious problem. The fund was created as a revolving instrument and, therefore, depends on repayment in order to be able to continue lending. Six years after its establishment, most youth groups have failed to repay the loans in full and unemployment has escalated from 62% to 65% (Margret W.M .2010). A number of initiatives have been set up with substantial funding from corporate business to support enterprise development in general and youth enterprises. These together with other government enterprise allowance schemes are aimed at combating high levels of youth unemployment by facilitating transition from unemployment and this contributing to the creation of an enterprise culture (Amenya et al, 2011).

In Kenya, the level of unemployment is very high with most affected being the youth who are graduating from universities and other institutions of learning who fail to secure formal employment opportunities and hence fail to gainfully contribute to economic development drive (Sagwe, Gicharu and Mahea, 2011). Although studies have been done on causes of projects failure in Kenya, many have not focused on the reasons why the youth in ASAL AREAS have high loan default rates. Kapteka (2011) on his study on factors influencing repayment of C-yes loans among the youth in Wajir East constituency found that infrastructural network, entrepreneurial knowledge and skills, social cultural factors and youth group leadership have great influence on loan repayment among the youth groups. Therefore, this study is focusing on factors influencing repayment of constituency youth enterprise scheme (C-yes) loans among the youth groups in Kitui central constituency, Kitui county, Kenya.

1.3: Purpose of the study

This study intends to establish the factors influencing the repayment of C-yes loans among Youth groups in Kitui central constituency. It seeks to investigate why there is a high rate of loan defaulters among the C-yes funded youth groups in Kitui central constituency and provide the way forward through recommendations.

1.4: Objectives of the study

This study is guided by the following objectives:-

1. To establish the influence of enterprise growth on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.
2. To assess the influence of Youth focused self employment promoting policy on the repayment of C-yes funded loans in Kitui central constituency.
3. To establish the influence of group leadership on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.
4. To evaluate the influence of level of education on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

1.5: Research Questions

The following were the research questions for the study.

1. What is the influence of enterprise growth on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency?
2. What is the influence of youth focused self employment promoting policy on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency?
3. What is the influence of group leadership on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency?
4. To what extent does the level of education affect repayment of YEDF loans among the c-yes funded youth groups in Kitui central constituency?

1.6: Hypothesis of the Study

1. **H₀:** There is no significant relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

H₁: There is a significant relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

2. **H₀:** There is no significant relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency.

H₁: There is a significant relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency.

3. **H₀:** There is no significant relationship between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency

H₁: There is a significant relationship group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency

4. **H₀:** There is no significant relationship between the level of education and repayment of YEDF loans among the c-yes funded youth groups in Kitui central constituency.

H₁: There is a significant relationship between the level of education and repayment of YEDF loans among the c-yes funded youth groups in Kitui central constituency.

1.7: Significance of the study

The study seeks to provide useful information to youth enterprise board, the Ministry of youth Affairs in Kitui central constituency and Kitui county at large, youth groups in Kitui central constituency, stakeholders involved in micro-financing of youth groups as the reasons why loans repayment was very low among the c-yes funded youth groups and suggest ways of reversing the trend.

1.8: Limitation of the study

This study was limited by inadequate time and funds in facilitating the research process. To overcome this, the researcher ensured that time and resources present were utilized efficiently and effectively. This study was also limited by little literature available on youth group's leadership. Variation in youth characteristics was an inevitable limitation.

1.9: Delimitation of the study

This research study was conducted only among the youth groups who have benefited from the C-yes loans in Kitui central constituency during the period 2010-2013. Kitui central constituency has a wide variety of youth entrepreneurs funded under C-yes loans and the researcher was well conversant with the physical location of the youth groups in the constituency.

1.10: Assumptions of the study

This study assumed that the youth groups, who benefited from the C-Yes loans still operate together, are accessible for interview. It also assumed that the youth groups funded under C-yes were willing to participate and give true information and be receptive to the researcher and hence assist in data collection and make the study successful.

1.11: Definition of significant terms

Youth	In this study the term Youth is used to refer to any person (Male or female) aged between 18-35 years and living or Operating business in Kitui central constituency.
Constituency youth enterprise scheme	Refers to the loans disbursed to youth groups in Kitui central Constituency, each receiving a maximum of fifty thousand shillings for group business Start ups or expansion.
Constituency	This refers to the political area called Kitui central constituency which is represented by a member of Parliament.
Youth enterprise development fund	Refers to the youth enterprise Development fund board that provides Loans to youth groups in Kitui Central constituency.
Study	Refers to the research conducted on the factors influencing the repayment of constituency youth enterprise scheme loans among youth groups in Kitui Central constituency.
Employment	Refers to the accessibility of opportunities for the youths in Kitui central constituency to run a decent and honest living through formal and informal jobs.
Fund	Refers to youth enterprises development fund.

1.12: Organization of the study

This study is organized in five chapters: Chapter one is the introduction of the study and it consists of the background to the study: Statement of problem, Purpose and objectives of the study, Research questions, significance; limitations, delimitations, assumption of the study and operational definition of terms. Chapter two is the literature that supports the study and it comprises of introduction of the chapters content, Literature review is presented according to the objectives of the study and the conceptual framework is presented at the end of the chapter.

Chapter three is the research methodology and it consists of the research design, target population, sampling procedure, and sample size, research instruments and their reliability and validity, data collection procedures and analysis and ethical consideration of the study variables.

Chapter four is data presentation, analysis and interpretation while chapter five is summary, discussion, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1: Introduction

In this section the research study has provided the needed background information on constituency youth enterprise scheme loans (C-yes) among the youth groups in Kitui central constituency. Effects of enterprise growth on repayment of C-yes loans among youth groups, effects of youth focused self employment promoting policy on repayment of C-yes loans among youth groups, effects of group leadership on repayment of C-yes funded loans among youth groups and effects of the level of education on repayment of C-Yes loans among youth groups is discussed in detail.

2.2: Background of the Youth enterprise development

Ministry of Youth Affairs and sports (MOYAS), in 2005 was established to coordinate, represent and address youth concerns in Kenya. The current mandate of the ministry is derived from the presidential circular no. 1/2007 on organization of the government of the Republic of Kenya.(NYP,2006) According to the circular, the Ministry is responsible for the National Youth policy (NYP), Nation Youth service (NYS), Youth resource centers and the youth enterprise development fund (YEDF).

The promotion of self employment has been increasingly gaining popularity around the world. The heavily targeted group has been the youth, a fear that can be attributed to the current unemployment phenomenon among the youth internationally. Indeed the international labour organization (ILO) figures, according to the world youth report (2005) collaborate that youth unemployment in the world increased from 11.7% percent in 1993 to historical high of 14.4 percent 88million) in 2003. Regionally in the recent past Youth unemployment has been recorded highest in western Asia, North and Sub-Saharan Africa all recording unemployment

rate more than 20 percent. This situation has attracted the attention of policy makers and development partners in finding a solution to the problem facing a significant fraction of the society, the youth being high on the list .A solution is the endorsement of self-employment and entrepreneurship.

Internationally, the need to promote youth entrepreneurship has witnessed the convention of two most notable high level meetings, Chigunta et al (2005) at the turn of the millennium. The youth employment Network (YEN) by the secretary general of the United Nations as well as civil society – driven Youth employment summit (YES). These assemblies got together with emerging concern of youth (unemployment) high on their agenda .Both identified entrepreneurship as key priority in the promotion of livelihoods and employment.

2.3: The Influence of enterprise growth on repayment of youth enterprise scheme loans(C-yes).

The development and growth of enterprise is important in any country as it results in social and economic growth. Enterprise growth can be defined as applying entrepreneurship for growth of enterprises to grow and be profitable – the strategy is to promote an enterprise development culture that promotes ideas that are turned into profitable growing business by development of programs for mentoring, coaching and incubation (Kauffman foundation et al, (2005).

Opportunity (a gap in the market), is turned it into a business by gathering and applying resources, and then giving the business to make a profit (University of Pretoria 2005). Generally, entrepreneurship is regarded as a process of starting a new business while an entrepreneur is viewed as someone who creates new independent organizations. In a more practical sense,(Schumpeter) defines entrepreneurs as innovators who implement entrepreneurial change within market in five manifestations: The introduction of new (or

improved); the introduction of new method of production; opening of new market; exploitation of new source of supply; and, re-engineering of business management processes.

Most countries in Africa region are undergoing reforms that are opening their economies to greater international competition. However, domestic factor markets are not adequately developed to ensure the successful adaptation of small and microenterprise schemes to this new competitive environment. Unlike larger firms, which can more easily absorb the transaction costs, SMEs are at a disadvantage and require specific compensatory assistance. The importance of SMEs to longer-term economic stability derives from their size and structure which, under adequate conditions such as well developed factors markets, allow them the flexibility and ability to weather adverse economic conditions. SMEs are more labor-intensive than larger firms and, therefore, have lower capital costs associated with the creation of jobs. Consequently, SMEs play an important role in fostering income stability, growth, and employment.

Economic growth is a key issue both in economic policy making and in economic research. In African countries, the interest in economic growth is growing fast in view of the persistently high rates of unemployment and poverty levels. Neo-classical theory explained economic growth by accumulation of production factors and by exogenous technological change. Modern economies operate as complex networks of firms in which a firm's competitive position depends, in part, on the efficiency of its suppliers. Therefore SME's improve the efficiency of domestic markets and make productive use of scarce resources, such as capital, facilitating long-term economic growth.

In recent years renewed attention has been given to the role of entrepreneurship in economic development. This is related to the aforementioned shift to supply side economics. Many

economists and politicians now have an intuition that there is a positive impact of entrepreneurship on the growth of Gross Domestic Product and employment. Furthermore, many stress the role of the entrepreneur in implementing innovations. Economies that provide a conducive 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). Additionally, Porter et al. (2002) contends that the economic imperative is the need to create vast numbers of jobs. One of the keys to job creation is small entrepreneurial firms. With large businesses downsizing, rightsizing and re-engineering, many people are looking to small businesses as a means of economic expansion.

Youth unemployment in Africa is part of a much bigger problem of unemployment and underdevelopment from which most countries are yet to find a way out. Worst still is the youthfulness of the population implying a high dependency ratio. Yet those who are depended are scraping a living in the low productivity area such as agriculture and the informal sector. In the wake of the structural adjustment policies of the 1980's most state-owned enterprises that had been a major source of employment were either privatized or wound up. This led to massive retrenchment and lack of opportunities for employment leading to seeking refuge in the sprawling informal sector whose performance dependent very much upon the health of the economy (Egulu, 1999). In Kenya, poverty and unemployment are a major challenge to social and economic development. Youth in Kenya face serious challenges including high rate of unemployment and under employment. The overall unemployment rate for the youth is double the adult average at 21%. Statistics on joblessness suggest that the magnitude of unemployment problems is larger for youth with 38% of youth neither in school nor work. The problem of youth unemployment has become a matter of serious policy concern in the country (Amenya et al, 2011). To ensure survival and

achievement of Millennium development goals, a wide range of measures have been developed to manage the development challenges. These required formulation and implementation of strategies to deal with the challenges Accordingly (Muir et al, 2001).

The Youth Enterprises Development Fund (YEDF) is one of the governments of Kenya's innovations in combating the challenge of poverty and youth employment. The government's interest in promoting entrepreneurship has various motivations. While seen as a means of combating unemployment and poverty, the promotion of entrepreneurship is perceived to yield additional benefits such as raising the degree of competition in a given market, fueling the drive for new economic opportunities and helping to meet the challenges of rapid change in a globalizing economy.

A reliance on private initiative as a source of employment creation is also clearly attractive in a context both of restricts public expenditures and a preference among many policymakers for supply-side solutions to unemployment. Promoting entrepreneurship is thus viewed as part of a formula that will reconcile economic success with social cohesion (Foley, 1999); and Kathleen, 2008)

Enterprise development is also emphasized in Kenya vision 2030 development blueprint for 2008 to 2030 which aims at making Kenya a newly industrializing "middle income country providing high quality life for all its citizens by the year 2030" (NESC, 2007). It has the twin objective of accelerating growth and reducing poverty through income generation. The plan is to be implemented in successive five-year terms with the first plan covering 2008-2012

2.4: Influence of Youth focused self employment promoting policy on repayment of Constituency youth enterprise scheme loans (C-yes).

Before the International labour organization Employment mission to Kenya, the now called informal sector was in existence as is captured by two important reports, King (1995) the East

Africa Royal commission of 1953 and the Kericho Report of 1966 on education, employment and rural development. These reports were perceptive of the clusters of settlements at the boundaries of the main towns in the country. They claimed that they were not really hideous but were in fact important centers for African trade. They were meant to solve problems including that of land, marketing and credit. The rising number of primary school leavers was also raised as an issue due to the emerging fact that there were not enough jobs to match the school leavers and this was causing a crisis.

As if taking a cue from these reports, the International Labour Organization Employment Strategy Mission came to the scene in 1972. It is during this period that the concept of informalization was brought to the fore and saw the inception of many debates around this issue, however, on a deeper investigation it is indeed the works of Hart in Ghana before the International Labour Organization 1972 Report that first used the word when he argued that, Sindzingire (2006) the informal economy 'was a sector of urban opportunities that was able to provide employment prospects for a big number of the new urban poor even though the quality of the income was not the best. Seemingly building on the earlier works already done on this group of traders that perceived them as important only facing some hurdles, the International Labour Organization 1972 Mission on Employment was positive and claimed that these activities should be considered as any other work and not looked at or handled in isolation.

They saw the activities in this sector as a good example of the self-reliance spirit that is obvious in other sectors of Kenyan life, King (1995) and instead should be supported. This however, saw the beginning of the debate on whether the sector should be left alone or should be supported. There were those who were of the view that intervening will, instead of

making the sector robust, undermine it and damage its creativity and self-reliance King (1995).

This tension was influential in the following years after the international labour organization mission and loomed in the policies made around this matter. Development plans and even sessional papers on employment were done shortly after the International labour organization mission. There was an effort of having records of the sector with the figures of the size of the sector being produced. There was also an attempt to categorize the sector where the definition of small and cottage industries were given. Another concern by the government was seen in its effort to support the sector in the id 1980's when it decided to exert major changes in the educational sector. Education changed its focus to the more applicable subjects that would help in self-reliant; it put an emphasis of training in the vocational, scientific and technological development.

On the economic sector, policies at the macro-level were being adjusted to include the informal sector and the crucial role it played in the economy. There were visible interests in the informal sector with the then president making some visits to the locations and making promises which showed that the government was indeed aware of the importance of the sector and was willing to support it. Such assurances included free sheds to protect them from the hot sun and extension of subcontracts from the government that their expertise could handle such as vehicle repairs. Cabinet discussions were also made. Following these activities was the publication of sessional paper NO.1 of 1986 *Economic Management for Renewed Growth which reflected the promises made.*

It is this sessional paper No.1 of 1986 Economic Management for Renewed Growth, which brought back to the centre of attraction the informal sector at the policy levels. The logic for the reappearance of this sector as a major factor in the economy was explained on several grounds. Among them was the high cost of providing jobs in the modern formal sector. What is more, it was important because the inspiration, unlike before was made at the macro-level and on policies aimed at the whole economy. These policies sought to lower tariffs, raise the sector's productivity and income. Also direct assistance was made to individuals through flexible credit, and encouraged technical graduates into the sector.

The effort to put informality at the centre of the country's economy was sustained and in the same spirit in 1989 a policy project on small enterprise development which was composed of various stakeholders including the relevant ministries and organizations and the private sector was established an industrial zone with the hope of joining the newly industrialized countries. This was aimed to be accomplished through easing the identified constraints of credit, infrastructure, land, training, access to information and technology. To make this possible collaboration with other sectors including the private and civil society was encouraged. The most recent policies are focused on relying on the sector to expanding job opportunities as is seen in the publication of micro and small enterprises for employment creation and poverty reduction and the 2003b on Economic recovery strategy for wealth and employment creation. These reflect a belief in self employment especially among the youth whom the new government had promised to create 500,000 jobs for per year. Complementing the policies are the poverty reduction strategic paper (PRSP) and Vision 2030 that are aimed at among the youth. These policies saw the inception of self-employment promoting program, the youth enterprise development fund (YEDF).

Drawing from this historical background, it is apparent that since the period that self-employment in the informal sector came to limelight when ILO mission was sent to Kenya in 1972 the government has been trying to promote the development of the sector by putting various measures in place, this is noted in the range of sessional papers mentioned above that were dwelling on this issues. The emphasis is notably on the need to create an enabling environment and putting in place support and facilitative measures all in a bid to promote the growth of the sector. However, these measures seem to have not to have clicked on the right button to deal with the issues at stake, a sentiment echoed by the sessional paper No.2 (2005) that argues despite the numerous policy prescriptions over the years the sector has seem to have stagnated.

2.5: The influence of group leadership on repayment of Constituency youth enterprise scheme loans (C-yes).

The growth in new knowledge has increased the complexity of projects because projects encompass the latest advances. Project managers should use different techniques and tools that are useful to manage projects efficiently and that lead to better chance of project success (Mahoney, 2000).According to Mahoney (2000), there are top four factors that contribute to project success; user involvements, executive management support, clear statement of requirements and proper planning which are all reflected as leadership roles in development.

A vast body of literature supports the view that borrower characteristics are highly influential determinants of repayment. There is also strong evidence that institutional characteristics are equally important and that both factors need to be taken into account if loan default is to be minimized (Derban, Binner and Mullineux, 2005). Group leadership therefore plays a key role in loan repayment among the c-yes funded youth groups. Youth groups which experience Persistent wrangles will not invest their loans properly therefore delay in repayment or even complete non-repayment.

2.6: Effect of the level of Education on repayment of Constituency youth enterprise scheme loans (C-yes).

The number of years of formal schooling is an indicator of human capital which affects positively efficiency, (Gershun et al, 1988). In addition to this, educated youths are expected to adopt new production techniques that increases returns form enterprises (Arene 1992, Njoko, 1997). For these reasons, education would be an indicator of credit worthiness and would increase repayment capacity of the borrowers.

Most youths in Kitui central constituency are generally not aware of government new initiatives of spearheading development through the bottom-up approach of engaged governance. This is mainly due to failure on part of the government in rising above board in building public confidence in the new institutions of development.

Despite the shortcomings that affected devolved democratic structures of development in Kenya, both the critics and sympathizers of the government cannot ignore one fact that the shared responsibility between the government and the citizens and its success or failure lies in the hands of all players in policy making including the citizens.

Since the inception of this approach of development in the country, more gains have been seen at the grassroots in terms of employment opportunities, school enrolments and increased construction of local infrastructures than any other time in the history of Kenya, but in order to make these initiatives last the test of time serious checks and balances must be put in place to ensure that this holistic development approach of engaged governance is watertight from abuse and easy manipulations by people with less regard for the wider society (Bekaga, 2008).

In addition, young entrepreneurs, especially those in poor countries, are concentrated in low value local markets, such youth also lack access to information on product and input markets thus promoting the viability of such enterprises will require facilitating the access of youth information on product and input markets and linking them to global value chains. This will require encouraging youths to explore existing global initiatives aimed at promoting trade between developed and developing economies (Guel, 2006).

The school environment can have an important impact upon youths and is a significant influence on their life and career aspirations. “Enterprise education”, I.e. enterprises focused curriculum and experiences that allow young men and women to explore and consider the self employment option, has become an important part of much education and training institutions around the world. Understanding self employment as a career is an important ingredient in preparing youths from their movement from school, college or university to the work place (King, 1997).

There are two types of enterprise education. The first is learning about business development, administration and management. The second is developing the skills of enterprise through teaching methods that encourage responsibility, initiative and problem solving. The purpose of enterprise education can vary according to the type and level of education institution involved. In schools for example, its main objectives are to teach and encourage enterprise to students and to foster their personal development, in higher education institutions such as colleges and universities, students may be exposed to learning situations which develop their skills for action planning and implementation to encourage creativity and to develop their skills in time and personal management (Bailey, 1995).

The review of various international models of youth enterprise promotion program has found that the promotion of youth enterprise should involve two basic education related steps first it should create awareness and understanding of what enterprise is and what it takes to own and manage a business so that young man and women (youth) can consider self-employment realistically as a career option. Then should youth decide to explore further, or to start their own businesses, the second step, the provision of practical support services like training, advice can be provided. Some Youth enterprise programs attempt to take the second option for event are and forgetting that successful enterprise development begins with initiative-initiative coming, that is from Youths themselves (white 1997).

When designing program services for Young men and women interested in starting their own businesses it is important to identify their specific areas of need and opportunities. Youths share many of the problems the general population experience in small business and management skills and abilities, inadequate, inaccurate or non-existent financial records, in ability to cope effectively with fluctuating costs and prices as well as taking too much money from the business for personal use. In addition many youths in Kitui central constituency have limited language and communication skills as well as poor education which can affect their ability to deal with numbers for example book keeping and stock control (Owino, 2005).

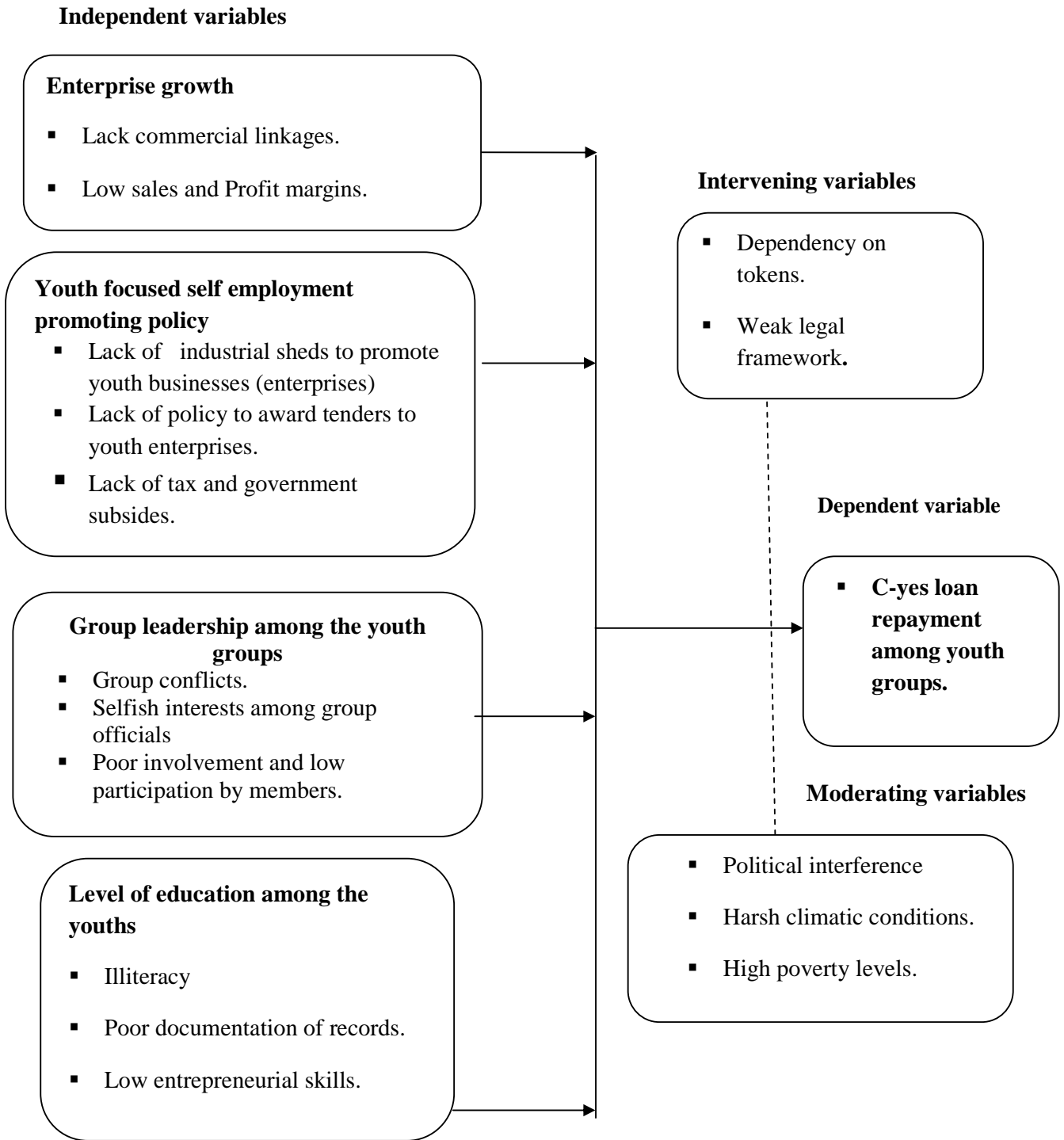


Figure 1: Conceptual Framework

A conceptual definition is an element of the scientific research process in which a specific concept is defined as a measurable occurrence or in measurable terms. Basically gives one the meaning of the concept. According to Mugenda and Mugenda (2003), conceptual framework is the conceptualization of the relationship between variables in the study and shows the relationship graphically or diagrammatically. According to the framework of my research study the independent variables are enterprise growth; Youth focused self employment promoting policy, group leadership and the level of education among the youths while the dependent variable is repayment of C-yes loans among the youth groups.

Poverty levels amongst the Youth, political interference and harsh climatic conditions are moderating variables in the study, that is, variables which changes (Increases or decreases) the otherwise established effect of the independent variables upon the dependent variables.

Intervening variables are the variables which might affect the relationship between the dependent and independent variables, though it is hard to establish the actual degree of effect on the dependent variable. They include dependency on tokens and weak legal framework on repayment of C-yes loans.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1: Introduction

This chapter presents the study area, Research design and methodology. Included in this chapter is also target population, sample size, sampling procedure and techniques. A research instrument, criteria for selection and training of enumerators, validation of research instrument is also explained in this chapter. Data collection procedure, processing, analysis and presentation as well as ethical consideration and dissemination strategy are also elaborated in this chapter.

3.2: Research Design

This research study was conducted using a descriptive survey design. The survey is a non-experimental, descriptive research method. It is the collection of information from a group through interviews or the application of questions to a represent sample of that group. The design is preferred because very large samples are feasible, making the results statistically significant even when analyzing multiple variables. Surveys are useful in describing the characteristics of a large population. Additionally, high reliability is easy to obtain by presenting all subjects with a standardized stimulus which ensures that observer subjectivity is greatly eliminated (Mugenda and Mugenda, 1999).

3.3: Target population

Population is the aggregate of all that conforms to a given specification (Mugenda & Mugenda 2003). This definition assumes that the population is not homogenous. The total number of C-yes funded groups is 99 as per the report from the district Youth office by January 31st, 2013. This research study therefore focused on 30 youth groups that have benefited from the C-yes funds where each group has received up to a maximum of Ksh

50,000. Each group has an average of 15 members, so the target population of this research study was 450 members.

Table 3.1: status Report on the C-yes repayment rates in Kitui County (2007-2013).

Constituency	No. of Groups	Amount Disbursed(Ksh)	Repayment rate in%
Mutito	160	7,239,000	68.51
Kitui west	123	5,700,000	72.53
Mwingi North	102	4,702,499	68.80
Kitui central	99	4,616,250	45.14
Mwingi South	61	2,945 ,000	69.01
Kitui south	89	3,753,683	79.53

Source: Ministry of youth affairs and sports; youth enterprise development fund report (January 2013)

3.4: Sample size and sampling procedure

Sampling is a process used by a researcher to identify people, places or things to study (Kombo and Tromp, 2006). The sampling frame describes the list of all population units from which the sample is selected (Cooper and Schindler, 2003).

The basic idea of sampling is that by selecting some of the elements in a population, conclusions about the entire population can be drawn. Stratified sampling technique was used to select the sample. In such a way that the existing sub-groups in the population are more or less represented in the sample (Bryman, 2008). Stratified random sampling technique is chosen for its advantages of focusing on important sub-populations and allows use of

different sampling techniques for different sub-populations thereby improving the accuracy of estimation. Bryman (2008) hypothesized that at least 10% of the population is appropriate to be used as a sample of study. Therefore a sample of 50 respondents was utilized in this study.

3.5: Research Instruments

Structured questionnaire was developed and utilized in this study. The questionnaire had both open and close ended items for collection of primary data. The preference for a questionnaire for use is based on the fact that respondents are able to complete them without help, unanimously and it is cheaper and quicker than other methods while reaching out of larger sample (Bryman, 2008, Cohen et al.;2007)

3.6: Validity of Research Instruments.

Validity of the instrument is critical in all forms of researches and the acceptable level largely depends on logical reasoning, experience and professionalism of the researchers who should have good understanding of the various quality control techniques (Oso, 2005). Biry and Gall, (1989) define validity as the degree to which sample of test items represent the content that is designed to measure. To ensure validity, the instruments used in this study were examined by the supervisor and other academic experts in the department. Corrections identified were incorporated in the instruments so as to increase the validity (Mugenda and Mugenda, 2003). In addition the researcher pre-tested the instruments (questionnaire) so as to enhance data validity. To avoid the “hallo” effect the researcher did not use the respondents used in pre-testing in the actual study.

3.7: Reliability of study.

Reliability of the research instruments refers to the degree to which the instrument gives/yields consistent or the same results on data when repeatedly administered (Mugenda and Mugenda, 2003). The researcher ensured reliability of the instruments by using split-half

method. During this process the questionnaires were administered on random sample of 22 respondents who are beneficiaries of C-Yes Loans in the constituency. The participants in the pilot study were not included in the actual sampling of the study. The location for the pilot study was purposively chosen by the researcher to minimize costs.

3.8: Data collection procedures

The researcher personally visited the respondents and explained the purpose of the questionnaire. This was meant to assure the respondents of their confidentiality of their responses. With the help of a trained research assistant, the researcher and the assistants distributed the questionnaires to the respondents. This was done with the help of youth group officials. The respondents were required to respond to them for a period not exceeding one hour. The researcher obtained approval from University department to conduct the study.

3.9: Data analysis techniques

According to Kombo (2004), a Data analysis technique is the examining of what has been collected in a research and making deduction and inference. Bryman and Cramer (1997) noted that data analysis seeks to fulfill research objectives and provide answers to research questions. The researcher used percentages, correlation coefficient and tables in the presentation of data. Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. Data collected was both quantitative and qualitative.

The researcher analyzed data using both descriptive and inferential statistics using SPSS that involved frequency distribution tables, percentages and Pearson's product moment correlation to analyze the data quantitatively.

3.10: Ethical Issues

Ethics involves the study of right and wrong conduct (Dooley, 2007). Proper care was taken to ensure that all information from the respondents was treated with maximum confidentiality.

To increase the degree of confidence among the respondents no names or personal identification details was required for the purpose of filling the questionnaires. The sources of data and other information for literature review have been acknowledged effectively in this study.

Table 3.11: Operationalization Table

Objectives	Independent variable	Dependent variables	Indicators	Measurements	Level of scale	Tools of analysis.
To establish how growth of enterprises affect repayment of C-Yes Loans among Youth groups.	Influence of growth of enterprises.	C- yes loan repayment	Increased repayment of C-Yes loans. Increased profit margins.	Number of youth groups repaying. Increased growth of youth businesses	Nominal Nominal	Descriptive statistics. Inferential statistics
To assess how youth focused self employment promoting policy affect repayment of C-Yes loans.	Influence of youth focused self employment promoting policy.	C-yes loan repayment.	Increased industrial sheds. Access to tenders in government institutions.	Increased number of youth owned businesses Increased sales volumes	Nominal Nominal	Descriptive statistics. Inferential statistics.
To determine the influence of group leadership on repayment of C-Yes	Group leadership	C-yes loan repayment.	Improved group cohesion Increased group participation	Decreased group conflicts Improved decision making	Nominal Nominal	Descriptive statistics Inferential statistics

loans.						
To determine the influence of the level of education on repayment of C-yes loans.	Level of education	C-yes loan repayment	Improved record keeping. Improved Entrepreneurship skills.	Improved group business management Increased innovation and creativity	Nominal Nominal	Descriptive statistics. Inferential statistics.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1: Introduction

This study is intended to establish the factors influencing the repayment of Constituency youth enterprise scheme loans (C-yes) loans among Youth groups in Kitui central constituency. It seeks to investigate why there is a high rate of loan defaulters among the C-yes funded youth groups in Kitui central constituency and provide the way forward through recommendations.

Data was collected using the questionnaires as the main research instruments. The questionnaires were subjected to 50 respondents that have benefited from the C-yes funds where each group has received up to a maximum of Ksh 50,000. The researcher sought to establish the influence of enterprise growth on repayment of YEDF loans among the C-yes funded youth groups, to assess the influence of Youth focused self employment promoting policy on the repayment of C-yes funded loans, to establish the influence of group leadership on repayment of YEDF loans among the C-yes funded youth groups, to evaluate the influence of level of education on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

The collected data was analyzed using both descriptive and inferential statistics where frequency distribution tables were created using Statistical package for social scientist (SPSS) followed by data interpretation

4.2: Questionnaire return rate.

Questionnaire return rate is the proportion of the sample that participated in the survey and returned their questionnaires as intended by the researcher. The results on questionnaire return rate are presented in Table 4.1

Table 4.1: Questionnaire Return rate

Response rate	Frequency	Percentage (%)
Returned	50	100
Not returned	0	0
Total	50	100

Table 4.1 shows that 100% of the questionnaires were returned. This shows that the researcher had good rapport with the respondents and that the respondents were taking the research seriously. Also the researcher made a good follow up of the distributed questionnaires hence getting a good data for analysis.

4.3: Distribution of respondents by gender

The respondents were asked to indicate their gender with the aim of establishing whether the study was gender sensitive and to establish if gender influenced poultry farming. The results are shown in Table 4.2

Table 4.2: Distribution of respondents by gender

Gender	Frequency	Percentage (%)
Female	14	28
Male	36	72
Total	50	100

Table 4.2 shows that 72% of the respondents were male while 28% were female. This indicates that the number of male respondents were more than the female. There is no gender balance in the respondent's distribution.

4.4: Age Distribution of respondents

The researcher sought to investigate the age distribution of the respondents. The results are presented on Table 4.3

Table 4.3: Age distribution of respondents

Age in years	Frequency	Percentage (%)
Less than 18	4	8
19-24	10	20
25-30	20	40
31-35	9	18
Above 35	7	14
Total	50	100

Table 4.3 shows that majority of the respondents (40%) were aged between 25-30years. This was followed by those who were aged between 19-24 years with 20%. This was followed by those aged between 31-35years (18%) and above 35 with 14%. The least were those aged less than 18 years with 8%. Majority of the respondents were between 19 and 35 years.

4.5: Group membership

The researcher sought to establish the number of group members in the youth groups investigated. The responses are presented in Table 4.4.

Table 4.4: Group membership

Number of groups	Responses	Percentage (%)
1-12	15	30
13-20	30	60
21-30	4	8
31-50	1	2
More than 50	0	0
Total	50	100

Table 4.4 revealed that majority of the groups (60%) had 13-20 members. This was followed by the groups with 1-12 members (30%). The least were the groups with 21-30 (8%), 31-50 (2%) and over 50 with (0%).

4.6: Group age in years

The researcher sought to investigate the group age in years. The responses are shown in Table 4.5

Table 4.5: Age of the group

Age in years	Frequency	Percentage (%)
Less than 1	0	0
1 – 3	15	30
4-8	35	70
9-12	0	0
More than 12	0	0
TOTAL	50	100

Table 4.5 revealed that majority of the groups (70%) had operated for 4-8 years followed by 30% which had operated for 1 – 3. However none of the groups had operated for less than one year or more than 9 years.

4. 7: Influence of enterprise growth on repayment of constituency youth enterprise scheme loans.

The first objective for this study was to investigate the influence of enterprise growth on repayment of YEDF loans among the C-yes funded youth groups. To achieve this objective the researcher investigated the amount of loan allocated to the respondent and the group activities.

The responses are presented in Table 4.6

Table 4.6: Amount of loan allocated

Amount in Ksh	Frequency	Percentage (%)
Less than s10,000	0	0
10,000 – 30,000	6	12
31,000 – 50,000	44	88
More than 50,000	0	0
Total	50	100

According to Table 4.6, majority of the groups (88%) had a current Sloan of Ksh 31,000 - 50,000 over while 12% had a loan of shs 10,000- 30,000. However none of the groups had a loan of less than shs 10,000 or more than shs.50, 000.

Further the researcher sought to investigate the group’s investment activities. The responses are presented in Table 4.7.

Table 4.7: Group investment activities

Activity	Responses	Percentage (%)
Business	30	60
Agriculture	14	28
Others	6	12
TOTAL	50	100

Table 4.7 revealed that majority (60%) of the groups had invested their loans in business which included shops, buying and selling goats, cereal business, and hair salon, among others activities while 28% were had invested in agricultural activities such as goat keeping, poultry keeping, and bee keeping among others. 12% had invested their loans in other activities like the merry go round.

The respondents were further required to fill a 5-likert scale concerning enterprise growth and loan repayment showing the extent to which they agreed or disagreed with the following statements ;1 = Strongly agree, 2 = Agree, 3 = Disagree, 4 = Strongly disagree, and 5 = Undecided. The responses are presented in Table 4.8

Table 4.8: Enterprise growth and repayment of constituency youth enterprise scheme loans.

	1	2	3	4	5	Percent
Low growth of commercial enterprise affects repayment of loans	40	20	20	20	0	100
Lack of commercial linkages affects loan repayment	20	32	20	8	22	100
Low profit margin due to low sale volume affects loan repayment	24	40	20	16	0	100
Low demand for products/services affects enterprise income.	20	38	28	14	0	100

Some of the factors identified as affecting enterprise loan repayment were low growth of commercial enterprise with (40%) strongly agreeing and 20% agreeing, lack of commercial linkages with 20% strongly agreeing and 32% agreeing, low profit margin due to low sales volumes with 24% strongly agreeing and 40% agreeing and low demand for products/services with 20% strongly agreeing and 38% agreeing.

4.7.1: The relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

The researcher used Pearson’s Correlation Coefficient to determine the relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. This was done by testing the hypothesis below.

H₀: There is no significant relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

H₁: There is a significant relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

Table 4.9: Pearson’s Correlation Coefficient for relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

		Enterprise growth	Repayment of YEDF loans
Enterprise growth	Pearson Correlation	1	0.72
	Sig. (2-tailed)		0.064
	N	50	50
Repayment of C-YES funded loans	Pearson Correlation	0.72	1
	Sig. (2-tailed)	0.064	
	N	50	50

Table 4.9 shows that the correlation between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency is 0.72. This shows that there is a very strong relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. We therefore reject the hypothesis that there is no significant relationship between enterprise growth and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

4.8: Youth focused self employment promoting policy on the repayment of constituency youth enterprise scheme loans.

The second objective for this study was to assess the influence of Youth focused self employment promoting policy on the repayment of C-yes funded loans in Kitui central constituency. To achieve this objective, the respondents were required to fill a 5-likert scale indication the level to which they agreed or disagreed with the given statements; 1 = Strongly agree, 2 = Agree, 3 = Disagree, 4 = Strongly disagree, and 5 = Undecided. The responses are presented in Table 4.10

Table 4.10: Youth focused self employment promoting policy on the repayment of constituency youth enterprise scheme loans.

Factor	SA	A	D	SD	U	Percent(%)
Lack of industrial sheds to promote youth enterprises.	80	20	0	0	0	100
Lack of policy toward government tenders for the youths.	90	10	0	0	0	100
Lack of tax and government subsidies to promote youth enterprises.	100	0	0	0	0	100

Table 4.10 revealed that the factors influencing Youth focused self employment promoting policy on the repayment of C-yes funded loans includes lack of industrial sheds to promote youth enterprises (80%),lack of policy toward government tenders for the youths (90%) and lack of tax and government subsidies to promote youth enterprises (100%).

4.8.1: Pearson’s Correlation Coefficient to determine the relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency.

The researcher further used Pearson’s Correlation Coefficient to determine the relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency. This was done by testing the hypothesis below.

H₀: There is no significant relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency.

H₁: There is a significant relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency.

Table 4.11: Pearson’s Correlation for Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency.

		Youth focused self employment promoting policy	Repayment of C-yes funded loans
Youth focused self employment promoting policy	Pearson Correlation	1	0.70
	Sig. (2-tailed)		0.0584
	N	50	50
Repayment of C-YES funded loans	Pearson Correlation	0.70	1
	Sig. (2-tailed)	0.0584	
	N	50	50

Table 4.11 shows that the correlation between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency is 0.70. This shows that there is a very strong relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans in Kitui central constituency. We therefore reject the hypothesis that there is no significant relationship between Youth focused self employment promoting policy and the repayment of C-yes funded loans.

4.9: Influence of group leadership on repayment of youth Enterprise scheme loans.

The third objective for this study was to assess the influence of group leadership on repayment of YEDF loans among the C-yes funded youth groups. The respondents were required to fill a 5-likert scale indicating the extent to which they agreed or disagreed with the given statements; 1 = Strongly agree, 2 = Agree, 3 = Disagree, 4 = Strongly disagree, and 5 = Undecided. The responses are presented in Table 4.12.

Table 4.12: Group leadership and repayment of constituency youth enterprise scheme loans

Factor	SA	A	D	SD	U	%
Selfish interests among the group officials.	60	40	0	0	0	100
Poor leadership among committee members	50	50	0	0	0	100
Poor involvement/participation by members	46	50	4	0	0	100

Table 4.12 identified some of the factors under group leadership affecting loan repayment as selfish interests among the group officials with (60%) strongly agreeing and 40% agreeing, Poor leadership among committee members with 50% strongly agreeing and 50% agreeing and poor involvement/participation by members and with 46% strongly agreeing and 50% agreeing.

4.9.1: Relationship between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

The researcher further used Pearson’s Correlation Coefficient to determine the relationship between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. This was done by testing the hypothesis below.

H₀: There is no significant relationship between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency

H₁: There is a significant relationship group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency

Table 4.13: Pearson’s correlation between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

		Group leadership	Repayment of YEDF loans
Group leadership	Pearson Correlation	1	0.80
	Sig. (2-tailed)		0.0684
	N	50	50
Repayment of C-YES funded loans	Pearson Correlation	0.80	1
	Sig. (2-tailed)	0.0684	
	N	50	50

Table 4.13 shows that the correlation between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency is 0.80. This shows that there is a very strong relationship between group leadership and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. We therefore reject the hypothesis that there is no significant relationship between group leadership and

repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

4.10: Education level and repayment of Constituency youth enterprise scheme loans.

The last objective for this study was to assess the influence of education level education on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. To achieve this objective the respondents were required to rate the factors resulting to low constituency youth enterprise scheme loan repayment by filling a 5-likert scale concerning enterprise growth and loan repayment showing the extent to which they agreed or disagreed with the following statements; 1 = strongly agree, 2 = Agreed, 3 = Disagree, 4 = Strongly disagree, and 5 = Undecided .

Table 4.14` : Education level and repayment of C-yes loans

Factor	SA	A	D	SD	U	Percent
a) Illiteracy	40	40	20	0	0	100
b) Poor record keeping	70	30	0	0	0	100
c) Low entrepreneurial skills	56	40	4	0	0	100

Table 4.14 revealed majority of the respondents (70%) strongly agreed that that poor recording skills affected loan repayment. This was followed by 56% and 40% of the respondents who strongly agreed low entrepreneurial skills and illiteracy respectively affected loan repayment.

4.10.1: The relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

The researcher further used Pearson’s Correlation Coefficient to determine the relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. This was done by testing the hypothesis below.

H₀: There is no significant relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

H₁: There is a significant relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

Table 4.15: Pearson’s Correlation Coefficient showing the relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

		level of education	Repayment of YEDF loans
level of education	Pearson Correlation	1	0.78
	Sig. (2-tailed)		0.074
	N	50	50
Repayment of C-YES funded loans	Pearson Correlation	0.78	1
	Sig. (2-tailed)	0.074	
	N	50	50

Table 4.15 shows that the correlation between the level of education and repayment of YEDF loans among the C-yes funded youth groups is 0.78. This shows that there is a very strong relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. We therefore reject the hypothesis that there is no significant relationship between the level of education and repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1: Introduction

This study is intended to establish the factors influencing the repayment of c-yes loans among Youth groups in Kitui central constituency. It seeks to investigate why there is a high rate of loan defaulters among the C-yes funded youth groups in Kitui central constituency and provide the way forward through recommendations.

The researcher sought to establish the influence of enterprise growth on repayment of YEDF loans among the C-yes funded youth groups, to assess the influence of Youth focused self employment promoting policy on the repayment of C-yes funded loans, to establish the influence of group leadership on repayment of YEDF loans among the C-yes funded youth groups, to evaluate the influence of level of education on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

The data collected was analyzed using both descriptive and inferential statistics. Frequency tables were constructed following the research objectives

5.2: Summary of the Findings

The purpose of this study was to investigate the factors influencing the repayment of c-yes loans among Youth groups in Kitui central constituency. This was in the light of the fact that despite the fact that the Government of Kenya giving loans to youths in the country there is a high rate of loan defaulters among the C-yes funded youth groups.

The researcher first sought to establish the influence of enterprise growth on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. The study revealed majority of the groups (88%) had a current loan of Ksh 31,000 -50,000 over while 12% had a loan of shs 10,000- 30,000. However none of the groups had a loan of less than

shs 10,000 or more than shs.50, 000. It was also revealed that majority (60%) of the groups had invested their loans in business which included shops, buying and selling goats, cereal business, and hair salon, among other activities while 28% were had invested in agricultural activities such as goat keeping, poultry keeping, and bee keeping among others. 12% had invested their loans in other activities like the merry go round. The factors identified as affecting enterprise loan repayment were low growth of commercial enterprise with (40%) strongly agreeing and 20% agreeing, lack of commercial linkages with 20% strongly agreeing and 32% agreeing, low profit margin due to low sale volume with 24% strongly agreeing and 40% agreeing and low demand for products/services with 20% strongly agreeing and 38% agreeing.

The study also sought to assess the influence of Youth focused self employment promoting policy on the repayment of C-yes funded loans in Kitui central constituency. It was revealed that the factors influencing Youth focused self employment promoting policy on the repayment of C-yes funded loans includes lack of industrial sheds to promote youth enterprises (80%), lack of policy towards government tenders for the youths (90%) and lack of tax and government subsidies to promote youth enterprises (100%).

The study also sought to establish the influence of group leadership on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. It was revealed that the factors under group leadership affecting loan repayment are selfish interests among the group officials with (60%) strongly agreeing and 40% agreeing, poor leadership among committee members with 50% strongly agreeing and 50% agreeing and poor involvement/participation by members and with 20% strongly agreeing and 38% agreeing.

Finally the study sought to evaluate the influence of the level of education on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency. The study revealed that majority of the respondent (70%) strongly agreed that poor recording skills affected loan repayment. This was followed by 56% and 40% of the respondents who strongly agreed low entrepreneurial skills and illiteracy respectively affected loan repayment.

5.3: Discussion of the findings

This study sought to establish the influence of enterprise growth on repayment of YEDF loans among the C-yes funded youth groups in Kitui central constituency.

The factors identified as affecting enterprise loan repayment were low growth of commercial enterprise, lack of commercial linkages, low profit margin, and low demand for products/services. This agrees with corman et al, (1996) who argued there is a positive impact of entrepreneurship growth on loan repayment.

This growth can be brought about by growth of commercial enterprise, commercial linkages, high profit margin, and high demand for products/services. This would lead to growth of GDP and employment which contends that the economic imperative is the need to create vast numbers of jobs. Thus, one of the keys to job creation is small entrepreneurial firms. With

large businesses downsizing, rightsizing and re-engineering, many people are looking to small businesses as a means of economic expansion.

The study also sought to assess the influence of Youth focused self employment promoting policy on the repayment of C-yes funded loans. It was revealed that the factors influencing Youth focused self employment promoting policy on the repayment of C-yes funded loans includes lack of industrial sheds to promote youth enterprises, lack of policy towards government tenders for the youths, and lack of tax and government subsidies to promote youth enterprises. This agrees with the sessional paper No.1 of 1986 of Economic Management for Renewed Growth, which brought back to the centre of attraction the informal sector at the policy levels. These policies sought to lower tariffs, raise the sector's productivity and income. Also direct assistance was made to individuals through flexible credit, and encouraged technical graduates into the sector. The effort to put informality at the centre of the country's economy was sustained and in the same spirit in 1989 a policy project on small enterprise development which was composed of various stakeholders including the relevant ministries, and organizations and the private sector was established industrial zone with the hope of joining the newly industrialized countries. This was aimed to be accomplished through easing the identified constraints of credit, infrastructure, land, training, access to information and technology.

The study also sought to establish the influence of group leadership on repayment of YEDF loans among the C-yes funded youth groups. It was revealed that the factors under group leadership affecting loan repayment are selfish interests among the group officials, poor leadership among committee members, and poor involvement/participation by members. This agrees with Mahoney (2000), who argued that, there are top four factors that contribute to

project success; user involvements, executive management support, clear statement of requirements and proper planning which are all reflected as leadership roles in development. A vast body of literature supports the view that borrower characteristics are highly influential determinants of repayment. There is also strong evidence that institutional characteristics are equally important and that both factors need to be taken into account if loan default is to be minimized (Derban, Binner and Mullineux, 2005). Group leadership therefore plays a key role in loan repayment among the c-yes funded youth groups. Youth groups which experience Persistent wrangles will not invest their loans properly therefore delay in repayment or even complete non-repayment.

Finally, the study sought to evaluate the influence of the level of education on repayment of YEDF loans among the C-yes funded youth groups. The study revealed that poor recording skills, low entrepreneurial skills and illiteracy affected loan repayment. This agrees with (King, 1997) who argued that the school environment can have an important impact upon youths and is a significant influence investment and management. "Enterprise education", I.e enterprises focused curriculum and experiences that allow young men and women to explore and consider the self employment option, has become an important part of much education and training institutions around the world. Understanding self employment as a career is an important ingredient in preparing youths from their movement from school, college or university to the work place.

5.4: Conclusions of the study

The study revealed that the factors influencing the repayment of c-yes loans among Youth groups includes low growth of commercial enterprises, lack of commercial linkages, low profit margins and low demand for products/services. It was also revealed that, the factors

influencing Youth focused self employment promoting policy also influenced the repayment of C-yes funded loans. These includes lack of industrial sheds to promote youth enterprises, lack of policy towards government tenders for the youths, and lack of tax and government subsidies to promote youth enterprises .

The study also revealed that group leadership also affected repayment of YEDF loans among the C-yes funded youth groups. It was revealed that the factors under group leadership affecting loan repayment are selfish interests among the group officials, poor leadership among committee members and poor involvement/participation by group members. Finally the study revealed that education level influenced repayment of YEDF loans among the C-yes funded youth groups. The study revealed that lack of recording skills, low entrepreneurial skills and illiteracy affected loan repayment.

5.5: Recommendations of the study

In view of the research findings, the research recommends the following:

The government should establish more commercial linkages for youth enterprises so that they are able to realize more profits and further a policy should be put in place to award a portion of government tenders towards youth owned enterprises. The government should form partnerships with other key stakeholders involved in youth development programmes so that they can enhance youth owned enterprises through training of skills like entrepreneurship, group dynamics, mentorship and business incubation. The researcher further recommended the need for the repayment periods for the loans to be increased to enable the youth groups to accumulate enough funds for repayment.

A public private partnership approach to boost youth owned enterprises should be put in place to come up with strategies like building of sheds to retail and market both products and services. Besides the youths should embrace modern marketing and selling techniques which

involve use of information technology for example e-marketing. This will enable them market their products and services competitively locally and globally.

5.6: Suggestions for further research

Based on the findings of the study, the researcher makes the following suggestions for further research; Factors affecting access to youth funds, factors influencing allocation of youth funds and the impact of youth fund on development.

REFERENCES

- Amenya, S. et al, (2011), *An Analysis of the challenges facing youth Enterprise Development fund: case study of Nyaribari Chache constituency.*
- Bailey,.(1995)”Transforming Australia through enterprise education”, in Victorian Industry Education Partnerships.
- Bakaga , O. (2008). Fiscal decentralization in Kenya: The constituency development fund and the growth of Government (October 23 , 2008). Proceedings of 20th annual conference of the association the Budgeting and Financial Management, Chicago , October 23-25, 2008.
- Bryman, A . (2008) , social research Methods (3rd ed) . Oxford: Oxford University press.
- Chigunta, F.et al.,2005 ,`Being “ real ” about youth entrepreneurship in Eastern and Southern Africa: Implication for adults, institutions and sector structures; SEED working paper 72, ILO, Geneva.
- Cohen, L . , Manion , L . and Morrison , K . , 2007 . Research Methods in Education, Routledge.
- Cooper, D . R & Schindler , P.S. (2003). Business research Methods (8th ed.) Boston: Mc Grow-Hill Irwin.
- Corman,J.,Lussier,R.N. and Nolan.(1996),”Factors that that encourage entrepreneurial start-ups and existing firm expansion: A longitudinal study comparing recession and expansion periods”, Academy of journal.
- De Mel, D. McKenzie and C. Woodruff (2008) : *Who are Microenterprise Owners? Evidence from Sri Lanka on Tokman v. De Soto.*
- Debra, Y.A (2007) ,`Promoting the informal sector as a source of gainful employment in developing countries: insights from Ghana’ *The International Journal of Human Resource Management.*
- Derban, W.K . , Binner, J.M., and Mullineux, A, (2005) . Loan repayment performance in community development Finance Institutions in the UK , small Business economics , 25 , 319-332.
- Dobly, N. and F. Rizvi (eds) (2008): *Youth moves: identities and education in global perspective. Routledge.*
- Dowson, A. Henley and P. Latreille (2009): *Why do individuals choose self employment?.* The Institute for the study of labour (IZA), Bonn. IZA.
- Economic Commission for Africa (2002): *Youth and Empowerment in Africa Entwisle R. (2008) paper prepared for and presented at the Youth employment summit Alexandria, Egypt September 7-11, 2002.*

- Economic report on Africa (2005): *Economic Commission for Africa Entwisle R. (2008) Entrepreneurship and Youth: The Critical Role of the Christian Community in Development. A paper presented at the Baylor symposium on faith and Culture Bottom-up Approaches to Global poverty: Appropriate Technology, Social Entrepreneurship, and the church October 23-25th, 2008 Waco, Texas.*
- Egulu, L. (1999): *The African perspective on youth employment*, <http://ilomirror.library.cornell.edu/public/English/dialogue/actrav/publ/136/7.pdf>.
- Fischer (1994) *Banking on the Edger: Towards on Open Ended Interpretation of Informal Finance in the Third World.*
- Foley, M.W., Edwards.(1999).Is it time to Disinvest in social capital ?*Journal of Public Policy* 19,141- 143
- Gahi, D (2006) “*Decent Work: Objectives and Strategies*. ILO publications.
- Gahi, D. (2002) *Decent work: concepts, models and indicators” Education and outreach programme. Geneva: International Institute for Labour studies.*
- Gunatilaka, R, M. Mayer, & M Vodopivex (eds) (2010). *The challenge of youth unemployment in Srilanka, the international Bank for Reconstruction and Development/World Bank.*
[http://www.citiessalliance.org/files/CA/Docs/resources?Nairobi%20Inventory/Executive% Summary .pdf](http://www.citiessalliance.org/files/CA/Docs/resources?Nairobi%20Inventory/Executive%20Summary.pdf)
<http://www.upjohninst.org/entrepresereseach/cost/workshop/panospdf/>
<http://www.begakwabega.com/documenti/Nairobi-HabitatReport2003.pdf>
 ILO (2000) *World Employment Report*, Geneva: ILO.
- International Labour Organization (2009): *Key Indicators of the labour Market,KILM 2009, 6th Edition, Geneva.*
- Itzigsohn J (2000): *Development poverty: the state labour Market Deregulation, informal Economy in Costa Rica and the Dominican Republic.*
- James Mahoney. (2000), ; “ *Strategies of Causal inference in Small- N Analysis*, “ *sociological Methods and research* 28 : 4 , pp. 387- 424.
- Jones S.(1998) : *Black Culture, white Youth: The Reggae Tradition from JA to UK. Macmillan.*
- Kapteka W. A (2011). *Factors influencing repayment of constituency youth enterprise scheme(C-yes) loans among the youth in Wajir East .*
- Kenya Economic Report 2009 (KIPRA).
- Kenyon, P. and White, S. (1996). *Young people and self-employment in Australia, National youth Affairs Research Scheme, National Youth Affairs clearinghouse, Tasmania.*

- Kenyon, P. and White, S. (2001). *Working paper no. 1 on Enterprise based youth employment policies, strategies and programmes: Initiatives for the development of enterprise action and strategies.*
- King, K., McGrath. S. and Oketch, H (2002) *'Learning to Compete in Kenya:*
- King, KJ. (1995): *Jua Kali Kenya: Change land Development in an informal economy, 1970-1995. Athens: Ohio University Press.*
- Klein, P.G, J.T Mahoney, A.M McGahan and C.N. Pitelis (2010): *European management Review 2010 EURAM Macmillan Publishers Ltd. Palgravejournals.com/emir*
- Knut (2008) Entrepreneurship in post-conflict Transition: *The role of Informal and Access to Finance access pm 15th September 2010.*
- Kombo, D, Tromp, D (2006) : proposal and Thesis writing – An introduction ; paulines Publications , Nairobi.
- Kruger M.E (2004) :*Creativity in the entrepreneurship domain*
<http://upetd.up.ac.za/thesis/available/etd08242004145802/unrestricted/02chapter2pdf>
- Kunt, AD., LF. Klapper and G.A Pano, (2006) *The origins of Self-Employment.*
- Margret W.M (2010). *Tackling youth unemployment in Kenya. OSI New African voices scholar, Woodrow Wilson Center.*
- Ministry of Planning and National development, Kenya vision 2030, (July –August 2007).
- Mizen, P (2004) : *The changing State of south. Palgrave Macmillan.*
- MOYAS: *National youth policy (2006).*
- Mugenda, O. and Mugenda, A. (1999, 2003, and 2008): *Research method: quantitative and qualitative approaches, Acts press, Nairobi.*
- Non-formal education seed working paper No.59 series on Youth and Entrepreneurship. International Labour Office, Geneva.
- OECD (2001) *putting the youth in Business: policy challenges for youth entrepreneurship. LEED Note book No. 29 Organization for Economic cooperation and development.*
- Okwany A. (2010): *Transformative Development: Harnessing the Cooperative Entrepreneurship Advantage for women and Youth in Africa.*
- Owino J, (2005): *The Evolution of East Africa's Rural labor Markets during the Reforms, Journal of Comparative Economics, Vol.30, No 2,329-353, June 2007.*
- Parker S.C (2004): *The economics of Self-Employment and Entrepreneurship.* Cambridge University press.
- Pollin R.G Mwangi and J. Heintz (2007): *An employment –Targeted Economic Programm fro Kenya. Political Economy Research Institute (PERI) University of Massachusetts-Amherst.*

- Republic of Kenya (2003) ,*Economic Recovery Strategic for wealth and employment creation, 2013-2007. Government Printer: Nairobi.*
- Republic of Kenya (2003): *Report of 1998/99 labour force survey, central Bureau of statistics: Ministry of planning and National Development Nairobi: Government printer.*
- Republic of Kenya (2005): *Key Gender and Employment Issue in Agriculture and rural development as Aspects of poverty Reduction strategy: Kenya.*
- Republic of Kenya (2007). *Vision 2030 Strategy for National Transformation:*
- Republic of Kenya (2008a). *Analytical Report: 2005-06 labour Force survey: central Bureau statistic: Ministry of planning and National development. Nairobi: government Printer.*
- Republic of Kenya (2008b). *Sector plan for labour, Youth and Human resource Development, 2008-2012, Ministry of labour, Nairobi.*
- RoK (2007); *Ministry of Youth Affairs and sports strategic plan for the period 2007-2012, Government Printers, Nairobi.*
- Sagwe, J. Gicharu, S. Mahea, T., (2001) . *A study on youth and Women entrepreneurs' preparedness in Kenya, A case study of the Kenya Youth Enterprise Development Fund and European Journal of Economics Finance and Administrative Sciences . Issue 54(2012).*
- Schindler, P. (2003): *Business Research Methods 8th Edition, McGraw Hill, Boston.*
- Schumpeter, JA. (1934). *The theory of Economic Development: An Inquiry into profits, Capital, Credit, Interest, and the Business Cycle. Cambridge, MA: Harvard University press.*
- Shane, S (2007), *A General theory of entrepreneurship: The individual-opportunity Nexus, Edward Elgar, Adershot.*
- Shane, S. & Venkataraman, S., (2000). *The promise of entrepreneurship as a field of research Academy of Management Review, 25, pp.217-226.*
- White, S. (1997). *Youth enterprise Manual, National Youth Council of Namibia, Windhoek, Namibia.*
- World youth report 2005: *Employment: Accessed on 19th October 2010.*
Wyn, J.and R. White (1997) *Rethinking Youth. Australia: sage publications.*
Youth Enterprise development Fund, <http://www.youthfund.go.ke>

Appendix 1: Transmittal letter

Augustine Nthiwa Matheka

P.O. Box 1- 90200

Kitui.

To the youth Kitui central constituency

Dear Respondents,

Request for Permission to collect data from C-Yes funded Youth groups in Kitui Central constituency, Kitui County.

I am a final year masters students at the University of Nairobi, department of extra Mural studies, Kitui sub-centre.

As partial fulfillment of my masters in Arts degree (project planning and management) I intend to carry out research on factors influencing repayment of Constituency youth enterprise scheme loans (C-Yes) among youth groups in Kitui central Constituency, Kitui County. Being one of the youth groups who benefited from the loans your group has been selected together with other groups in Kitui central constituency to participate in this study. The study is purely academic and therefore any information provided was treated with confidence it deserves.

I am requesting for your well deserved permission to authorize me do this necessary study on the Youth groups who have benefited from the loans.

Thanks in advance.

Augustine Nthiwa Matheka

RESEARCHER.

Appendix 2: Questionnaire for the Youths on Repayment of Constituency Youth Enterprise Scheme (C-Yes) Loans.

This questionnaire is made to collect information to assist in conducting a study on the factors affecting repayment of C-yes loans among youth groups in Kitui central constituency, Kitui county Kenya.

I kindly request you to complete the questionnaire honestly and objectively giving necessary details. Use tick (√) to correct value among the multiple .i.e choices given.

Section 1: Personal information/Enterprise Information.

Tick the appropriate box

1. What is your gender?.

a. Male ()

b. female ()

2. How old are you? Tick the appropriate age bracket below.

a) Below 18 years ()

b) 19-24 years ()

c) 25-30 years ()

d) 31-35Years ()

e) Above 35years ()

3. What is your position in the youth group? Tick in the appropriate space provided below.

a) Chairperson ()

b) Secretary ()

c) Treasurer ()

d) Member ()

e) Any other official ()

4. How many members does your group have?

- a) 1-12 ()
- b) 13-20 ()
- c) 21- 30 ()
- d) 31 – 50 ()
- e) More than 50 ()

5. For how long has your group been in existence?

- Less than one year ()
- a) 1-3 years ()
- b) 4-8 years ()
- c) 9 – 12 years ()
- d) Above 12 years ()

6. Is your group currently undertaking common business /project

Yes () No ()

If yes state the nature of the business/Project.

.....

Which year did your group receive C-Yes loan...

.....

State the amount received.

.....

7. Which business did you invest the loan?

.....

8. Was it a startup/ existing business?

9. Has your group fully repaid the loan? Yes () No ()

If No, state the amount so far repaid. ksh

.....

Section 2

Influence of Enterprise growth on repayment of constituency Youth enterprise scheme

Loans.

10. How did the group use the money acquired through the Constituency youth enterprise loans?.....

.....

.....

.....

11. If it was invested, state the kind of business.

.....

.....

.....

.....

12. How would you rate the following factors as the reasons behind the slow repayment of the constituency Youth Enterprise loans by your group?

Key:

- a. SA = strongly agree
- b. D= Disagree
- c. A = Agree
- d. SD= strongly disagree
- e. U = Undecided

Tick appropriately

		SA	A	D	SD	U
a)	Low growth of commercial enterprise					
b)	Lack of commercial linkages					
c)	Low profit margin due to low sale volume					
d)	Low demand for products/services					

Section 3: Influence of youth focused self employment promoting policy on repayment of Constituency Youth Enterprise Loans.

13. Are you aware of any government youth focused self employment promoting policy in the country.

a. Yes ()

b. No ()

14. How would you rate the below factors as the reasons behind slow repayment of constituency youth enterprise loan by your group?

Key:

a. SA = Strongly Agree

b. A = Agree

c. SD= strongly Disagree

d. D = Disagree

e. U= undecided

(Tick appropriately)

	Factor	SA	A	D	SD	U
a)	Lack of industrial sheds to promote youth enterprises.					
b)	Lack of policy toward government tenders for the youths.					
c)	Lack of tax and government subsidies to promote youth enterprises.					

Section 4: Influence of Group leadership on repayment of Constituency youth enterprise loans?

15. Does your group have a committee?

If Yes, Number of Males

Female

Total

16. Has your group experienced any conflicts among the members? If yes state source of the conflict.

.....

.....

.....

.....

17. How would you rate following factors as the reasons for low repayment of constituency youth enterprise scheme loans by your group?

Key:

- a. SA = Strongly Agree
- b. A = Agree
- c. SD= strongly Disagree
- d. D = Disagree
- e. U= undecided

	Factor	SA	A	D	SD	U
a)	Selfish interests among the group officials.					
b)	Poor leadership among committee members					
c)	Poor involvement/participation by members					

SECTION 5: Influence of education levels on repayment of Constituency youth enterprise scheme loans.

17. How many members of the group have the following levels of education?

Level	Male	Female	Total
a) Tertiary			
b) Secondary			
c) Upper Primary			
d) Lower Primary			
e) Illiterate			

18. How would you rate following factors as reasons resulting to low constituency youth enterprise scheme loan repayment by your group?

Key:

- a. SA = Strongly Agree
- b. A = Agree
- c. SD= strongly Disagree
- d. D = Disagree
- e. U= undecided

(Tick appropriately)

Factor		SA	A	D	SD	U
a)	Illiteracy					
b)	Poor record keeping					
c)	Low entrepreneurial skills					

SECTION 6.

(19) Briefly explain how the following factors have affected the repayment of the Constituency youth enterprise scheme loans by your group.

(i) Dependency on tokens.

.....
.....
.....
.....

(ii) Lack of legal framework on C-Yes loans.

.....
.....
.....
.....

(iii) Political interference.

.....
.....
.....
.....

(iv) Harsh climatic conditions.

.....
.....
.....
.....

(v) High poverty levels among the youths.

.....
.....
.....
.....

20) In your own view which other factors may have contributed to the delay in the repayment of the Constituency youth enterprise scheme loans in your group

.....
.....
.....
.....

21. In your own opinions what should be done to increase or improve the level of loan repayment in your group

.....

.....

.....

Thank you.