FACTORS INFLUENCING THE UPTAKE OF YOUTH ENTERPRISE DEVELOPMENT FUND LOANS IN KIENI EAST DISTRICT, NYERI COUNTY.

BY

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A Research Project Report Submitted in Partial Fulfillment of the Requirements for the award of the Degree of Master of Arts in Project Planning and Management, University of Nairobi

2012
DECLARATION

I declare that this is my original research work and has not been submitted for the award of any degree in any other university.

Isaac Mungai Njoroge

L50/60685/2011

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

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DEDICATION

To My Country and the Youth of Kenya, my wife Sarah Elizabeth Wanjiku and my children
Ruth Beula Wambui, James Muigai, James Ngugi and Monica Ng’endo.
ACKNOWLEDGEMENT

I am grateful to the Almighty God for his unfailing love, provision, protection and mercy.

Special thanks to the University of Nairobi Management for providing me with a conducive environment which has enabled me to complete my course work successfully and to carry out this study. Thanks to my supervisor Dr Christopher Gakuu who has gladly shared his expertise and experience and provided me with constant guidance during the working time. Thanks to all the lecturers who ably guided us through all the courses. I highly appreciate all the help and support given.

Last but not least, I would like to express my deepest gratitude to my colleagues and classmates for their encouragement, support and advice.
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LIST OF ABBREVIATIONS AND ACRONYMS

ARE - Adult Run Organizations
CBO - Community Based Organization
DC - Developed Countries
FBO - Faith Based Organization
GoK - Government of Kenya
HIV/AIDS - Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT - Information Communication Technology
ILO - International Labour Organization
LDC - Less Developed Countries
MFI - Micro Finance Institutions
NACADA - National Campaign Against Drug Abuse
NCCK - National Council For Churches Kenya
YEDF - Youth Enterprise Development Fund
NGO - Non-Governmental Organization
YRE - Youth Run Enterprises
YRO - Youth Serving Organization
NYP - National Youth Council
TVET - Technical And Vocational Education Training
YEDF - Youth Enterprise Development Fund
YSO - Youth Serving Organization
Youth entrepreneurship is a pet subject in the world today. Indeed the global focus on employment and wealth creation is the continued development of small and medium enterprises sector (SMEs) which forms the core of entrepreneurship. One of the biggest challenges facing the youth entrepreneurs is lack of start-up capital. To address this problem the Government of Kenya created youth enterprise development fund kitty in June, 2006. The funds main objective is to promote all forms of youth owned enterprises. However a close look at the Constituency Youth Enterprise Scheme (C-YES) loan component which is administered by the Youth Enterprise Development Fund, directly to the youth through the Ministry of Youth Affairs and Sports shows that it has not lived to this billing. According to Youth Enterprise Development Fund (YEDF) status report for November, (2011), the fund allocated Kenya Shillings 1,569,024,740 for lending to the youth through Constituency Youth Enterprise Scheme (C-YES) country wide. Out of this a total of Ksh 602,642,163.9 was disbursed to 13,087 youth groups representing 38.41 percent. The recovery rate for these loans stands at 32.76 percent. Nyeri County, received a total of Ksh 42,301,230, and Ksh. 16,433,870 was disbursed to 326 youth groups, representing 38.85 percent. The recovery rate of the loans stands at 33.08 percent. Kieni constituency received Ksh 6,871,134 and disbursed Ksh 3,733,200 to 71 youth groups. This represents 54.33 per cent and the repayment rate stands at 25.25 per cent. This analysis shows a clear pattern of low uptake and repayment of Youth Fund all over Kenya. This could be an indicator of serious challenges that require a study to bring them to light. The purpose of this study was to investigate the factors that influence the uptake of Youth Enterprise Development Fund, in Kieni East District. The main objectives of this study were, to establish to which extent the level of education, attitude of the youth towards loans, political leadership in Kieni East District, awareness and information on youth fund, and entrepreneurial skills among the youth influences the uptake of Youth Enterprise Development Fund loans. This study employed descriptive survey design. The study targeted a population of 42 youth groups from Kieni East District who had shown interest in Youth Enterprise Development Fund. Stratified random sampling technique was used to pick 18 youth groups that were studied. A survey questionnaire with open and close ended questions was used to collect data. Descriptive statistics was used for data analysis. It was found out that education level among the youths in Kieni East District influenced the uptake YEDF loans. The majority of those who had benefitted had form four education and above. There was a positive attitude towards YEDF loans and youths were willing to take more loans in future. The political leaders do not influence YEDF loans uptake because their input regarding YEDF loans was insignificant. Slight majority of the youth were well informed about YEDF loans. On the other hand 45 per cent said they were not well informed about the same. Entrepreneurial skills among the youth was found to influence the uptake of YEDF positively because youths with these skills are more likely to run more successful businesses which would require expansion with time hence the need for YEDF loans. Based on the research findings, the researcher recommended that education up to form four be made compulsory for all learners to enhance their understanding of basic concepts and communication skills. Political leaders should take an initiative of popularizing YEDF to the youth. For the youth fund to benefit the youth across the board, YEDF policy should be reviewed to become more youth friendly. There should be more seminars and workshops on entrepreneurship to equip the youth with better skills to run their businesses. There is need to sensitize the majority of youth about youth fund and what it has to offer. The researcher suggested that a similar study should be carried out in other regions in Kenya.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Kenya has a population of over 40 million people, 75 per cent of these people are under the age of 30 years. Young people account for 67 per cent of the unemployed and they are more exposed to poverty than other age groups (Kenya Bureau of Statistics, 2010). This situation, known in technical parlance as the youth bulge is the largest and perhaps the most inadequately addressed challenge to the attainment of Kenya's national agenda, Kenya Vision 2030. Yet a large youthful population can turn out to be a great opportunity or a great danger, depending on the choices Kenya makes (GOK, 2007). The youth can exercise the power of social capital theory to liberate themselves from marginalization.

In 2010, UN secretary-general, Ban ki-Moon, declared the year 2011 the International Year of Youth (UN-HABITAT, 2010). The global importance of the youth employment challenge cannot therefore be overemphasized. In 2001 just after the UN Millennium Earth Summit in 2000, which gave birth to the Millennium Declaration – mother of the now famed Millennium Development Goals (MDGs) - the Youth Employment Network (YEN) was established. YEN is an interagency partnership of the United Nations (UN), International Labour Organization (ILO) and the World Bank (WB). It was set up to find new and durable solutions to the youth employment challenge. It is a global network which seeks to fulfil its mandate by helping prioritize youth employment in the development agenda of UN member states through exchange of knowledge on effective policies and programmes to improve youth employment, (UN-HABITAT, 2010). In recognition of and in solidarity with the global youth employment agenda, the 7th Ordinary Session of the Assembly of the African Union, held in Banjul,
Gambia, adopted on 2nd July 2006 the ‘African Youth Charter’ (AYC) as the first legal framework of action for the African Youth and invited Member States to take appropriate steps for the signing and ratification of the AYC, as well as its popularization (AYC, 2006). According to ILO (2006) Working Paper No 76, the world’s population is growing at time when traditional stable labour markets are shrinking. More than one billion people today are between 15-24 years of age and nearly 40 percent of the world populations are below the age of 20 years. The ILO estimates that 47 percent of the unemployed persons globally are young women and men and 660 million young people will either be working or looking for work. Over a quarter of all youth in sub-Saharan Africa are unemployed.

Internationally there is no generalized definition of the term youth. Each country has established its own definition of youth based on different cultural, social and economic influence. In Kenya, a youth is defined as an individual within the age bracket of 18-35 years; this definition takes into account the physical, psychological, social, cultural, biological and political definitions of the term (GoK, 2006). According to World Bank Report (2006) on Youth Development in Kenya, youth literacy was improved by high enrolment with the introduction of free primary education. However, secondary school enrolment remains extremely low with fewer than 25 per cent of eligible students enrolled.

According to the National Youth Policy (2006) Kenya has limited availability of employment opportunities and skills training for the Kenyan job market. More opportunities for youth apprenticeships, interns and business mentoring are needed. The youth face a myriad of health related problems, including widespread malaria, malnutrition, HIV/AIDS and sexually transmitted infections (STIs) as well as poor access to health services. The HIV/AIDS
pandemic is more prevalent among the youth under 30 years of age. Available statistics show that the youth make up 33 per cent of Kenyan infected with AIDS.

Over 50 per cent of all convicted criminals in Kenya are young males aged between 16 and 25 years. Just like other African countries, most crimes committed by young people in Kenya are financially motivated (United Nations, 2004). Drug and substance abuse has been identified as one of the greatest problems affecting youth in Kenya today. The most common substances abused by young are alcohol, tobacco, marijuana (bhang), Miraa (khaat/Chyat), and inhalants such as glue (NACADA, 2006).

Sexual abuse rates reported by young people are alarmingly high, as many as 21 percent of 10 to 24 year olds report having been sexually abused. Physical abuse is also very common. Many young women are victims of violence with 40 percent of women aged 15 to 29 reporting having experienced violence since the age of 15 (Kehya Bureau of Statistics, 2004).

Despite their numerical superiority, youth are least represented in political and economic spheres due to societal attitudes, socio-cultural and economic barriers and lack of proper organization. The youth have limited information communication technology (ICT); therefore, they are not in a position to exploit opportunities in business, career development and employment. The high costs and unavailability of ICT facilities especially in rural areas is cause for concern. Many youths and especially those in the urban areas do not have access to descent housing in environments that favour healthy living.

Sports and recreation facilities provide the youth with an opportunity to socialize and spend their time productively, strengthening and developing their character and talents. However, such facilities are scarce and where they are sometimes are not accessible to the youth.
Prompted by the realization that no meaningful development can take place without taking the youth on board the GoK has instituted some measures to mainstream youth issues into national development agenda. These include the creation of Ministry of Youth Affairs and Sports in 2005 followed closely by establishment of Youth Enterprise Development Fund in 2006. The formulation of National Youth Policy in the year 2006 and consequently the passing of National Youth Council Act in 2009 to pave way for the creation of National Youth Council to facilitate, coordinate, monitor, advocate and promote youth issues. The formulation of the National Youth Policy in 2006 was the culmination of concerted efforts made by civil societies and the GoK in addressing youth issues.

According to the third YEDF, anniversary report (2010), Youth Enterprise Development Fund was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. The fund targets to boost all forms of youth owned enterprises. According to YEDF status report for November, 2011, the fund allocated Kenya Shillings 1,569,024,740 for lending to the youth through Constituency Youth Enterprise Scheme (C-YES). Out of this a total of Ksh 602,642,163.9 was disbursed to 13,087 youth groups representing 38.41 percent. The recovery rate for these loans is at 32.76 percent.

Nyeri County received a total of Ksh 42,301,230, where Ksh. 16,433,870 was disbursed to 326 youth groups, representing 38.85 percent of the total amount allocated to the county. The recovery rate of the loans stands at 33.08 percent.

Kieni Constituency was allocated Ksh 6,871,134 by the end of 2010/2012 financial year, out of this Ksh 3,733,200 was loaned out to 71 youth groups representing 54.33 percent. This compares poorly with the least performing constituency in the county; Tetu was allocated Ksh 6,910,469 and loaned out Ksh1, 4991,910 representing 21.6 percent. The recovery rate for Kieni East District stands at 25.25 percent, the lowest in the county. Mathira constituency has
the best recovery rate at 52.03 percent. The analysis above, points to some key issues, one, generally there is poor uptake of YEDF loans, nationally which stands at 38.41 percent. The recovery rate of these loans is also poor at 32.76 percent. Nyeri County’s uptake and recovery of loans are at tandem with the national rates.

Kieni Constituency has the highest loan uptake in, Nyeri County at 54.33 percent, but on the other hand it has the lowest recovery rate standing at 25.25 percent. One of the main challenges facing the youth has always been cited as lack of start-up capital to venture into entrepreneurship. This is the main reason among others that led to the establishment of youth enterprise development fund kitty. However, from the available records, the uptake rate is disappointing. This study aimed to establish the factors that influence the uptake of YEDF Loans in Kieni East District

1.2 Statement of the Problem

According to the study done by Youth Business International (YBI) at least 20 per cent of the approximately 300 million youth in the world are unemployed and underemployed, young people aged 16 to 30 years have the potential to become entrepreneurs but only 5 per cent do. Kenya’s economic growth rate has not been sufficient enough to create enough employment opportunities to absorb the ever increasing labour force of about 500,000 youth annually. Of the 500,000 youth only 25 per cent are absorbed leaving 75 per cent to bear the burden of unemployment (GoK, 2006). In the face of this high unemployment problem the GoK conceived the idea of Youth Enterprise development Fund. The concept was based on the premise that micro, small and medium enterprise development initiatives by the youth are likely to have the biggest impact on job creation.
The Youth Enterprise Development Fund was established on 8th December 2006. This fund has been in operation for last five years. It has advanced loans worth Ksh 5.96 billion to 157,538 youth enterprises country wide. Nyeri County has disbursed a total of Ksh 16,433,870 out of Ksh 42,301,230. Kieni Constituency got an allocation of Ksh 6,871,134 and disbursed Ksh 3,733,200 to 71 youth enterprises.

The study aimed to establish the factors that influence the uptake of YEDF in Kieni East District. Although, YEDF plays a crucial role in the development of youth entrepreneurship, the literature reviewed did not show any efforts to understand the realities that influence the youth as they seek to access YEDF. This study sought to establish the factors that influence the uptake of YEDF in Kieni East District.

1.3 Objectives of the Study

The study aimed at achieving the following objectives:

1. To establish the extent to which the level of education among the youth influences uptake of Youth Enterprise Development Fund loans in Kieni East District
2. To establish the extent to which attitude of the youth towards loans influence uptake of Youth Enterprise Development Fund loans in Kieni East District.
3. To establish the extent to which the political leadership in Kieni East District influence uptake of Youth Enterprise Development Fund loans
4. To establish the extent to which awareness and information of youth fund influence uptake of Youth Enterprise Development Fund loans in Kieni East District.
5. To examine the extent to which entrepreneurial skills among the youth influence uptake of Youth Enterprise Development Fund in Kieni East District.
1.4 Research Questions

The study sought to answer the following questions:

1. How does education levels influence the uptake of Youth Enterprise Development Fund loans in Kieni East District?

2. How does youth attitude towards loans influence the uptake of Youth Enterprise Development Fund loans in Kieni East District?

3. How does political leadership influence the uptake of Youth Enterprise Development Fund loans in Kieni East District?

4. To what extent does information and awareness of youth fund among the youth influence the uptake of Youth Enterprise Development Fund loans in Kieni East District?

5. How does entrepreneurship skills among the youth influence the uptake of Youth Enterprise Development Fund loans in Kieni East District?

1.5 Hypothesis Testing

Mugenda and Mugenda (1999) defines hypothesis as a researchers prediction regarding the outcome of the study.

Hypothesis 1

H₀; The level of education among the youth does not influence the uptake of youth enterprise development fund loans.

H₁; The level of education among the youth influences the uptake of youth enterprise development fund loans.

Hypothesis 2
H₀; Political leaders in Kieni East District do not influence the uptake of youth enterprise development fund loans among the youth.

H₁; Political leaders in Kieni East District do influence the uptake of youth enterprise development fund loans among the youth.

1.6 The Purpose of the Study

The purpose of this study was to seek factors that influence the uptake of youth enterprise development fund loans in Kieni East District, of Nyeri County.

1.7 Significance of the Study

This study provided empirical evidence on the factors that influence the uptake of Youth Enterprise Development Fund among the Youth in Kieni East. The findings of this study could be used by the policy makers to formulate policies on youth empowerment, especially where loans are involved. The policy makers at the district level might use the findings of this study to formulate policies for the disbursement of YEDF. The findings of this study could also be useful to the Ministry of Youth Affairs and Sports, Ministry of Planning and Vision 2030, Provincial Administration, NGOs, CBOs, and FBOs. At national level the findings could be used to formulate a national policy for disbursement of Youth Enterprise Development fund. This study might also be important to future studies in the related fields.

1.8 Scope of the Study

The study was limited to youth groups from Kieni East District, which have accessed YEDF; those that have tried and failed and finally those groups that are in the process of applying for the loan. It focused on factors that influence the uptake of youth enterprise development fund
loans among the youth in Kieni East District. Only selected individuals of between the age 18-35 years were sampled.

1.9 Limitation of the study
The study took into account that time and financial resources may constrain and affect the geographical coverage of the study. In addition it was not possible to study the whole population thus the study was limited to youth groups that have accessed C-YES, those that have tried and failed, and those that were in the process of applying. The main reason was that, their data could be obtained from the District Youth Development Officer, Kieni East.

1.10 Delimitation of the Study
The study was limited to Kieni East District, Nyeri County of Kenya. Data accuracy depended on respondents’ honesty in answering all the questions. However, to minimize any effect, complete instructions were given in each section of the questionnaire. The researcher carried an introductory letter from the authority as he made a request for permission to collect data. The researcher informed the respondents of the intended exercise in advance.

1.11 Study Assumptions
This study took into consideration the assumption that variables used in the study would not change in the cause of the research period and that the respondents would give correct and varied information so as to get valid data. It also assumed that the questionnaires issued would be returned on time and dully completed.
1.12 Definition of Operational Terms

Constituency Youth Enterprise Scheme is a constituency based loan, administered by Youth Enterprise Development Fund directly to youth groups through the ministry of Youth Affairs and Sports structures and targets the start up groups. It has very easy loan disbursement conditions.

Education level: The standard to which the youth have been educated in Kieni East District.

Entrepreneurship: Is the ability to do business well as result of experience and training.

Youth Attitude: The feelings and opinion of the youth towards loans towards Loans:

Leadership in the District: The people holding positions of responsibility in Kieni East District.

Uptake of Youth Enterprise Development Fund: The number of youth groups and individual youth accessed Youth Enterprise Development Fund.

Youth Enterprise Development Fund: Strategic youth loan kitty aimed at boosting all forms of youth owned enterprises.

Youth entrepreneurship: Practical application of enterprise qualities, such as initiative, innovation, creativity, and risk taking into the work environment, either in self employment or employment in small start-up firms, using the appropriate skills necessary for success in that environment and culture.

Youth: Individuals within the age bracket of 18-35 years.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter discussed literature related to youth, youth entrepreneurship and loans. It also looked at the levels of education among the youth, attitude towards loans, levels of awareness, leadership and entrepreneurship skills among the youth. The approach took a global perspective narrowing down to Kenyan situation. It also looked at the conceptual framework and operationalization of key variables.

2.2 Entrepreneurship Education and training

According to UN-HABITAT (2007) Youth entrepreneurship is a source of job creation, empowerment and economic dynamism in a rapidly globalizing world. Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities.

Entrepreneurship has been recognized as an important aspect and function of an organization and economies. It contributes in an immeasurable ways toward creating new jobs, wealth creation, poverty reduction and income generating for both government and individuals (Dickson et al, 2008). According to Alberti et al (2004) entrepreneurship education and training can be defined as the purposeful intervention by an educator in the life of the learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business.
ILO (2005) specialists on entrepreneurship proposes that, Entrepreneurship Education is a form of both formal and non formal education which seeks to provide individuals with the knowledge, attitudes, skills and competencies necessary for the development of positive attitudes towards entrepreneurship. The final purpose is to help current and future active populations increase their employability by expanding their work and life perspectives by raising their awareness of entrepreneurship and contribute to the overall development of a positive culture to sustainable enterprises within societies.

Society’s approach to education of young people in terms of taught values, self-employment skills, attitudes and forms of learning is also a crucial factor for entrepreneurial activity. Skills training have precisely to match market needs. It is alleged that there is a crisis in education that impedes youth from gaining the skills necessary to survive in the innovation economy. According to Kellogg (2006) the traditional school system is failing to meet the needs of youth in this segment, in several dimensions: overall, the system fails to engage vulnerable youth in learning experiences they find meaningful and challenging. Boredom is rampant in the system and a major cause of high dropout rates. On the other hand, the system is not designed to develop knowledge, skills and attitudes that are important to entrepreneurial success. Even in the best schools, the penetration rate on entrepreneurial education rarely exceeds 2 per cent.

According to Haftendorn and Salzano (2003), many countries, particularly in developing and transition countries, enterprise education simply does not exist or has not been sufficiently adopted. When not applied in a holistic manner, it is often not including both in-school and out-schools youth. They further suggest that learning should be directed towards developing in young people those skills, competencies, understandings, and attributes which equip them
to be innovative, to identify, create, initiate and successfully manage personal, community business and work opportunities.

Successful youth entrepreneurship programs approach requires learning in an interactive, experiential manner that connects real-life economic decisions to the institutional leaning experience; these programs incorporate technology, mentoring, planning and start up of stimulated and real businesses to produce tangible results. Youth graduating from these programs exhibit higher levels of achievement and are more prepared to take calculated risks and have increased economic opportunities (Kellogg, 2006).

According to a survey done on SMEs by Central Bureau of Statistics (1999), an investigation into levels of entrepreneurship development within Kenya which focused on the types of training entrepreneurs received outside of academic schooling for example, management, technical training, marketing and business counselling showed that training in entrepreneurship is generally lacking in the micro and small enterprise (MSE) sector. On the whole, 85 per cent of the entrepreneurs surveyed had not received any entrepreneurial skills training. For the few that had received training, most received technical non-business training.

According to Nelson and Scott (1997) accelerated industrialization, particularly through small-scale enterprises, requires an increased supply of individuals with entrepreneurial capabilities. As Kenya moves from over dependence on an agrarian economy to a more diversified industrial society, the supply of entrepreneurs involved in manufacturing and technology-related businesses must increase. Technical training institutions are capable of preparing potential entrepreneurs by adding entrepreneurship education to their curriculum. Capital is a scarce resource for economic development that needs to be used wisely. Care
should be taken to ensure that the individuals who receive loans actually possess the technical and entrepreneurial skills needed to succeed. The emergence of limited numbers of enterprises, the high mortality rate of those that start and the slow or stagnated growth of those that survive are clear indications that increased efforts are needed to prepare more competent entrepreneurs.

One can therefore argue that there is a strong relationship between the kind of entrepreneurship skills and training that one has acquired before starting a business and its success. Experiential learning and continued acquisition of entrepreneurship skills are important for businesses success.

2.3 Youth attitudes towards loans

A loan has been defined as an arrangement in which a lender gives money or property to a borrower and the borrower agrees to return the property or repay the money, usually along with interest, at some future points in time. Usually, there is a predetermined time for repaying a loan and generally the lender has to bear the risk that the borrower may not repay a loan.

In Africa, most youth proprietors have no mentor support for their operations. Mentor support is a form of informal piece of advice and guidance from someone who has good business experience and in some cases, business networks and may need support (White and Kenyon, 2000). According to Doni-Kwame (2006), most young people graduate from school and tend to seek for, white colour jobs which they rarely get. In addition, the educational system does not teach students entrepreneurship and how to start their own businesses after their cause of study. They end up in informal sector which is characterized by ease of entry of small scale
operators, unregulated markets, and reliance on indigenous resources and outdated technology. Other features include family ownership, lack of access to credit, self-employment, and a small element of wage employment, labour intensity and low productivity. Kenya is in the process of increasing the supply of entrepreneurship, it is necessary to understand and address that which affects the supply of local entrepreneurs.

According to Mahinda (2004) she explains that the supply of entrepreneurs at its most basic level is determined by two factors, namely opportunity and willingness to become an entrepreneur. She describes opportunity as the possibility to become self-employed. She goes on to explain that the primary factors affecting opportunity include one's intrinsic entrepreneurial ability, starting capital, ease of entry into the market and the general macroeconomic environment. According to Shané (2003) business environment provides opportunity for entrepreneurial activities to those entrepreneurs who could identify them, and their decision to exploit such opportunities leads to the demand for micro-finance in terms of resource acquisition. Acquisition of resources could also lead to opportunity for entrepreneurial activity. Appropriate use of acquired resources through good business strategy and organizational design could lead to business performance (Brana, 2008)

According Besnard (2010) in a research done in Dar es Salam, Tanzania on reducing mistrust between the MFIs and the youth engaged in entrepreneurship activities, she identified five barriers that make youth mistrust MFIs. These include, high requirements which make the youth to view MFIs as profit-orientated organizations instead of organizations whose goal is to help people out of poverty, high collateral requirements, the high interest rates, short repayment period and corruption when applying for a loan. According to ILO (2008), factors that inhibit credit availability to women in Kenya are lack of start up (seed) capital, lack of
awareness of existing credit scheme, high interest rates, lengthy and vigorous procedures for application and lack of collateral or security.

2.4 Youth and leadership

Leadership has been defined as the process of directing or influencing the behaviour of another person or persons towards the accomplishment of some objective. According to Libby et al (2005) youth should be seen as “experts” who are very much aware of what occurs among peers within their communities. Service to the community can move young people beyond their idealistic worlds, thus allowing them to be empathetic to the needs of others. As a result, there is a sense of urgency to embrace the concept of being a leader. While many youth programs should be commended for the support they provide, several struggle with capitalizing on the intrinsic leadership abilities possessed by youth. There is often a focus on building skills instead of giving an opportunity to assess how much their leadership abilities have progressed within a given period of time. Their perspective on what young people need is invaluable and should be considered by those youth development specialists who have the task of planning programs. Accordingly, most of the youth participants are given opportunities to practice and refine those skills while building confidence and stronger positive relationships with peers.

According to Jones (2009), Jones and Perkins (2006), Libby et al, (2005), and Jones (2006) evidence has revealed the importance of adults providing critical support to youth so that they have opportunities to hone in on their skills and are not beset by frustrations that may arise in the decision-making process. They further argue that intentional form of leadership development affords youth with the ability to overcome any hesitation to take on leadership
roles. This is an initial stage in equipping one with what is needed to be an effective leader. This supports the notion that just having positive attributes is not enough. Youth must be given the chance to develop those skills that undergird a civic-minded society. Youth development, at its core, involves participation of young people at some level to make the transition from childhood to adulthood. When adult support is present, youth in youth-led collaborations are significantly more positive towards their ability to serve as leaders in communities. Perkins and Borden (2003) define this time as any structured learning activity offered out of school and within programs where youth can serve their communities and connect with positive peers and adults.

The youth leadership development is nurtured within community leadership through experiential learning. They should be viewed as knowledgeable in matters that affect and influence their peers. This is where the youth are involved in decision making and task execution in community projects. The youth should be given an opportunity to put into practice their leadership qualities.

2.5 Information and awareness

According Shroeder et al (2011) Making education relevant to young entrepreneurs, the earlier, the better for their academic success and preparation for adulthood. An essential element in this work is entrepreneurship education. Ideally, entrepreneurial concepts should be integrated into curriculum from elementary school to post-secondary education. Starting early is important because young entrepreneurs begin expressing their traits at a very young age. Waiting until the junior or senior year of high school is really too late for these students. Either they try to figure things out on their own, and in the process take their focus off school,
or they will give up and join the mainstream path of college prep classes with the hope of finding a job that allows them to use their creative entrepreneurial talents.

According to ILO (2006) a generation without the hope of a stable job is a burden for the whole society. Poor employment in the early stages of a young person’s career can harm job prospects for life. The economic investment of governments in education and training will be wasted if young people do not move into productive jobs that enable them to pay taxes and support public services. Self-employment and micro and small enterprise creation are routes that young people can actively explore to forge their futures. Enterprises are the places where the jobs are. Promoting a positive enterprise culture is also a way to facilitate youth employment. However this may not be possible without information and awareness on where to get necessary basic preparation for one to start off as an entrepreneur.

According to Labrum et al, (2005) in study on young people and their financial needs, overall there is a very low level of financial knowledge and extremely low levels of engagement with financial information. Within the younger respondents and those still living at home there is very low understanding of even the basics relating to terminology and managing finances. When it comes to identifying information needs, many of the respondents felt that financial decision making did not yet affect them and was something to be considered when one is older. Labrum et al, (2005) further postulates that parents have a huge influence as sources of financial information for the younger generation. Regardless of background or living circumstances, parents were likely to be the first port of call for information regarding any financial decision. Beyond parents, other people whom they could talk to for advice, include their extended family, friends or others within their personal network. Outside this network other preferred source of information was internet.
According to Salzano (2004) entrepreneurship interventions at secondary level are designed to impart a spirit of entrepreneurship and teach business concepts through team-based, experiential learning. Entrepreneurship and enterprise can be integrated throughout the curriculum, as an optional subject or as an after-school activity. Activities in the classroom are based on managing a project and are often presented through the simulation of how an entrepreneur operates when setting up and running a small business, as distinct from operating in a large company where individual roles and responsibilities are clearly designated.

According to Shroeder et al, (2011) to be successful in youth entrepreneurship, you need to start young and implement a comprehensive strategy that ties together education, real world experience and community support. You need to develop effective ways of engaging with young entrepreneurs.

In industrialized countries such as Australia, Canada and the United States, there are numerous examples of enterprise education at secondary level. Curriculum guidelines, materials and resources for enterprise programmes and interventions are at a fairly advanced level, relying on specially designed supplementary course materials, multimedia and Internet. These are either designed or supplied by national education systems (often the case in Europe) or are purchased from not-for-profits specializing in enterprise education (as is often the case in the United States).

In developing and transition countries, education systems are overwhelmed by problems of implementing proposed reforms, scant resources, lack of materials and overcrowding. According to Dickson, et al (2008) having understood the vital role of entrepreneurship in economic development, it become apparent that careful attention is needed to invest and promote entrepreneurship. Education is also seen as one of the preconditions for
entrepreneurship development particularly in a place where the spirit and culture is very minimal. It is said to be an important determinant of selection into entrepreneurship, formation of new venture and entrepreneurial success. It is equally assumed that there is a positive relationship between education and individual's choice to become an entrepreneur as well as the result and outcome of his or her entrepreneurial activity.

Akpomi, (2009), postulates that any country to foster genuine economic growth and development, its education system must be considered as basis and essential ingredient. Education is undisputedly considered as the bedrock of any meaningful development, be it economic, social or political. The developing countries policy on education should be made clear on the need for functional education, to be relevant, practical and acquisition of appropriate skills and development of competencies as equipment for the individuals to live in and contribute to the development of his/her country.

Salzano (2004) further postulates that many countries are reforming their technical and vocational education and training systems (TVET) as part of efforts to reorient national training systems towards new areas of growth in national economies. TVET is becoming more targeted towards the needs of the business community with a less rigid emphasis on training for waged employment. In the area of enterprise education, students obtain direct experience in applying their technical knowledge in a commercial environment, or participate in creating and developing a real company that markets its own products. Reforms in developing and transition countries are taking place with the assistance of inter-governmental and bilateral technical assistance partners. Private sector firms also occasionally supply curriculum guidelines and materials, or subsidize courses as part of a particular sponsorship program.
Dickson et al (2008) after reviewing and analysing research on education relevance concluded that “in both developing and industrialized countries there is evidence to support a positive and significant relationship between education and entrepreneurial performance, whether performance is measured as growth and profit or earning power of the entrepreneur.

2.6 Youth Entrepreneurship

According ILO (2006) Youth Entrepreneurship is defined as recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity. While concepts such as “innovation” and “risk taking” in particular are usually associated with entrepreneurship, they are not necessary to define the term.” This broad definition embraces the potential wider benefits of entrepreneurship as it encompasses different entrepreneurship types; economic, social and public entrepreneurship as well as co-operative entrepreneurship and does not constrain the concept to the process of commencing a new venture or creating a new entity.

The challenge of creating employment for the youth has been identified as a major priority by the international community. In the Millennium Declaration adopted by the General Assembly in September 2000, Heads of State and Government discussed the problem of youth unemployment and resolved to cut youth unemployment by a half by the year 2015. Therefore there is need to develop and implement strategies that give young people everywhere a real chance to find decent and productive work. According to ILO (2005) it has strengthened its activities on policy recommendations, programmes and tools targeting the reduction of youth unemployment. It is exploring ways to increase youth employment which will help end the vicious cycle of poverty and social exclusion. ILO member states, employers and workers organizations are being made aware of youth employment issues, which help them formulate
effective policies and programmes. Research on youth employment found out that potentially 20 per cent of the youth population could become self-employed or start a micro enterprise if they are well prepared for this career option. Entrepreneurship education stimulates young people to think about entrepreneurship and the role of the business community in economic and social development.

ILO (2006) postulates that within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship are increasingly accepted as an important means and a useful alternative for income generation in young people. As traditional job-for-life career paths become rarer, youth entrepreneurship is regarded as an additional way of integrating youth into the labour market and overcoming poverty. Supporting this shift in policy is the fact that in the last decade, most new formal employment has been created in small enterprises or as self-employment. Given global demographic trends, it is important that the social and economic contributions of young entrepreneurs are recognized. Entrepreneurship can unleash the economic potential of young people. Barnabas and Durkwa (2007) asserted that “development in any society is anchored primarily to education process”. Sule (2004) is of the opinion that education is a sure pathway to liberation of the mind and the improvement of socio economic status of people.

Chigunta (2002) sums up a number of reasons for the importance of promoting youth entrepreneurship such as, creating employment opportunities for self-employed youth as well as the other young people they employ, bringing alienated and marginalized youth back into the economic mainstream and giving them a sense of meaning and belonging, helping address some of the socio-psychological problems and delinquency that arises from joblessness, helping youth develop new skills and experiences that can then be applied to other challenges in life, promoting innovation and resilience in youth, promoting the revitalization of the local
community by providing valuable goods and services and capitalizing on the fact that young entrepreneurs may be particularly responsive to new economic opportunities and trends.

Young entrepreneurs face specific constraints during the start-up process that differ from those of adults. At the same time incentives stimulating entrepreneurship often vary between these age groups. According to ILO, (2008) in research titled, factors affecting women entrepreneurs in micro and small enterprises in Kenya some of the challenges faced by women entrepreneurs by extension youth entrepreneurs are legal and regulatory barriers, lack of appropriate technology, limited entrepreneurial culture and management skills, lack of mitigation mechanisms in SMEs, and lack of information on existing business development services. According to Osei, (1993) other challenges faced by youthful entrepreneurs in Ghana include, Lack of start up finance or capital, administration and regulatory requirements, finance for growth, discrimination by financial providers, access to lucrative markets, marketing and branding skills, access to technology, lack of access to suitable working space, lack intellectual property protection, awareness of business support, discrimination by support providers, management skills, and access to business support, inaccurate and non-existent financial records and lack of new product development. In addition, YREs, 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 YREs will require facilitating the access of youth to information on product and input markets and linking them to global value chains. This will require encouraging them to explore existing global initiatives aimed at promoting trade between DCs and LDCs.

According to Chigunta (2002) youth entrepreneurship can be categorized into three categories. Pre-entrepreneurs, those entrepreneurs aged between 15 to 19 years. This is the formative
stage. These younger youth are often in transition from the security of the home or education to the work place. Budding entrepreneurs, entrepreneurs aged between 20 to 25 years. This is the growth stage. These youth are likely to have gained some experience, skills and capital to enable them run their own enterprises. They often face three enterprise pathways, remaining stuck in marginal activities, going out of business and running successful enterprises. Emergent entrepreneurs, those aged between 26 to 29 years. This is the prime stage, with valuable experiences in business; Emergent entrepreneurs have a higher level of maturity than youth in the lower age groups. Hence they are more likely to run more viable enterprises than younger people.

2.7 Access to capital/Start-up financing

Lack of adequate start-up finance is one of the most prominent (at least most talked about) impediments to young people seeking to create their own business. According to the Eurobarometer Survey (2004), young people aged 15-24 seem to be the strongest supporters of the perception that the lack of available financial support is an obstacle to setting up a business. While potential youth entrepreneurs and existing YREs generally lack access to credit in both DCs and LDCs, the problem is particularly acute in the latter. Not only are there few microfinance institutions in many countries, but those specifically targeted at youth are even fewer. A review of 902 organizations in 96 countries listed under micro credit summit’s council of practitioners revealed only 21 organizations with youth in their title Curtain (2000). Admittedly, there are credit schemes directed at young people in the mainstream micro credit organizations, but surveys reveal that youth are underrepresented group. Lack of sufficient collateral, experience and biases further disadvantage young people Curtain (2000). He further postulates that many micro-credit schemes especially those serving the have failed in countries. This is a strong pointer to inherent weaknesses especially in, financial viability and
appropriate design. A number of reasons have been given to explain these failures. According to Schoof (2006) lack of knowledgeable staff, legal barriers, lack of self sustaining resources and difficulties among the youth to provide collateral are given as some of the major reasons for failure.

In Kenya micro-finance institutions are faced with a lot of challenges. According to Wanjohi and Mugure (2008), King and McGrath (2002) and Kinyanjui, (2000) micro-finance institutions face variety of problems which include, lack of managerial training and experience, inadequate education and skills, lack of access to credit, national policy and regulatory environment, technological change, poor infrastructures and scanty markets information. With all these challenges it is expected that the MFIs may not offer their services as smoothly as expected. Therefore their customers especially the marginalized groups like the youth may find it hard to access their services.

According to Schoof (2006) young entrepreneurs often launch their businesses without carefully estimating the amount of capital (start-up and working capital) they will need to actually get started. Many insist that passion and enthusiasm will be enough to get them through the rough periods. De (2001) argues that young entrepreneurs are often not aware of all available types of finance, funding forms and special support programmes.

2.8 Youth Enterprise Development Fund (YEDF)

The Youth Enterprise Development Fund (YEDF) came legally into existence on 8th December 2006, through a legal notice number 167. The 11-member Advisory Board was gazetted on 31st January 2007 and is 60 per cent private sector dominated. The YEDF was
officially launched on 1st February 2007. This launch marked the beginning of the Fund disbursement process to the youth enterprises through the Financial Intermediaries and the Constituency Youth Enterprise Scheme (C-YES). On 11th May 2007 the fund was transformed into a state corporation. The Fund facilitates youth employment through enterprise development and structured labour export.

According to the YEDF fifth anniversary report, (2012) the fund has advanced loans worth Ksh 5.96 billion to 157,538 youth enterprises. Out of this amount Kshs 614.8 million has been advanced to 13,341 group projects while Kshs 66.1 million has been disbursed to 2,645 individual enterprises at the constituency level. Through financial intermediaries the fund has financed 141,552 group and individual enterprises to a tune of Kshs 5.3 billion.

According to YEDF status report for November 2011; the fund allocated Kshs 1,569,024,740 for lending to the youth through Constituency Youth Enterprise Scheme (C-YES). Out of this a total of Kshs 602,642,163.9 was disbursed to 13,087 youth groups representing 38.41 percent. The recovery rate for these loans is at 32.76 percent. Nyeri County which is made up of six constituencies, by the end of 2010/2011 financial year had received a total of Ksh 42,301,230. A total of Ksh. 16,433,870 was disbursed to 326 youth groups. This represents 38.85 percent of the total amount allocated to the county. The recovery rate of the loans stands at 33.08 percent.

Kieni Constituency has the highest uptake rate of the C-YES loans in Nyeri County. The district was allocated Ksh 6,871,134 by the end of 2010/2012 financial year, out of this Ksh 3,733,200 was loaned out to 71 youth groups. This represents 54.33 percent, this compares poorly with the least performing constituency in the county, Tetu which was allocated Ksh 6,910,469 and loaned out Ksh 1,499,190 representing 21.6 percent. The recovery rate for
Kieni East District stands at 25.25 percent, the lowest in the whole county. This compares poorly with Mathira, the best performing constituency which has the best recovery rate at 52.03 percent.

According to Youth Enterprise Development Fund Guide (2009) the objectives of the YEDF are, to provide loans to youth owned enterprises, attract and facilitate investments in infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises. Support youth enterprises to develop linkages with large enterprises to facilitate marketing of products and services of youth enterprises both in domestic and the international markets. To provide business development services to youth enterprises and to facilitate employment of youth in the international labour market.

According to the YEDF (2012) status report, challenges of administering the fund include, negative public perception and attitude mainly influenced by its establishment. The Fund was established on the eve of a general election year and hence, perceived as a political organization out to influence voting patterns particularly among the youth. The loans given out were therefore considered political goodies in some parts of the country, resulting in poor loan repayment. Insufficient policy and legislative frameworks to support growth of youth enterprises is another issue. The fund’s sustainability in conformity with the scale and complexity of the youth unemployment problem is a major problem. For instance, there is no legal framework guiding the operation of youth labour migration. The capital investment in providing non-credit services to the youth entrepreneurs is huge vis-à-vis the actual loans disbursed. These services include business development services, market support, operational overheads, and public sensitization and education. But the public focus is largely on the loans disbursed not so much the quality of those loans. Inadequate disbursement and repayment
infrastructures in some parts of the country particularly in remote areas pose a major challenge to disbursement and loan repayment. Lack of financial intermediaries and loan repayment avenues in most areas disadvantages the youth in those areas. Insufficient funds to cater for high demand and expectations of the youth are a challenge. The government allocation was thought to be adequate for all youth and is an instant panacea for youth unemployment. There was public perception that Ksh. 50,000 for a youth group was too little. Large portfolio of financed youth enterprises creates monitoring problems as youth officers have inadequate mobility capacity. This situation affects service provision and management of the loans.

2.9 Theoretical Framework

This study looked at two theories that explain the situation the youth find themselves in Kenya. The youth bulge theory captures the essence a social phenomenon that refers to societies with a population of youth comprising upwards of 30 per cent of the total population. According to Kenya Bureau of Statistics (2010), Kenya has a population of over 40 million people, 75 per cent are aged below 30 years. The youth, those aged between 18-35 years are 35 per cent of the total population. This theory connects us to the second, the social capital theory. The high youth population comes with its own challenges, unemployment, high crime rates, drug and substance abuse, social marginalization, rebel militia and so on. The youth can exercise the power of social capital theory to liberate themselves.

2.9.1 The Youth Bulge Theory.

This theory captures the essence of a social phenomenon that refers to societies with populations of youth, comprising upwards of 30 per cent of the total population. Arising mainly out of high fertility rates and reduced infant mortality, such youthful populations are
often characterized by rampant unemployment, in the absence of deliberate policy interventions to harness the energies and numbers of the youth, enabling them become useful members of society. Kenya among other developing countries is experiencing this phenomenon. The term ‘youth bulge’ was coined by German social scientist Gunnar Heinsohn in the mid-1990s. It has in recent years, gained currency largely thanks to the work of American political scientists Gary Fuller and Jack Goldstone. Fuller and Goldstone argue that developing countries undergoing a “demographic transition” - those moving from low to high fertility and low mortality rates - are especially vulnerable to civil conflict.

According to Cincotta, (2009), a consultant to the U.S. National Intelligence Council’s Long Range Analysis Unit, a large proportion of young adults and a rapid rate of growth in the working-age population tend to place great demands on the capacity of a nation to create employment. This comes with an increased dependency on parents, a state of affairs that diminishes the self-esteem of the youths concerned, fuelling their frustrations.

Where there are no proper mechanisms put in place to deal with the youth challenges large sections of young adults become disaffected and therefore susceptible to antisocial behaviour. Such behaviour may include crime, vigilantism, rebel militia and, in extreme cases, terrorist groups. Kenya has its fair share of these groups in criminal gangs such as Mungiki, Sungu Sungu, Chinkororo, Baghdad Boys and Jeshi La Mzee.

2.9.2 Social Capital Theory

Social capital, as a theoretical concept, is traced to the work of L. Judson Hanifan, a young progressive educator and social reformer who worked on overcoming poverty in rural Appalachia nearly a century ago. According to him the individual is helpless socially, if left to himself but if he comes into contact with his neighbour, and they with other neighbours,
there will be an accumulation of social capital, which may immediately satisfy his social needs and which may bear a social potentiality sufficient to the substantial improvement of living conditions in the whole community.

This theory has been popularized by other scholars. Bourdiue (1985) argues that inclusion and exclusion are some of the most invisible, pervasive, and effective forms of marking social and cultural distance, leveraging privilege, and creating and maintaining unequal access to institutional resources, especially when combined with other forms of capital. Inclusive social networks can lead directly to economic resources like well-paying jobs, subsidized loans, and cheaper goods and services. Conversely, social exclusion or lack of social capital in the form of social networks can lead to social isolation, decreased opportunities, and more expensive goods and services. The youth in our country are marginalized socially, economically and politically. If they come together in forms of youth groups and clubs they will acquire social capital and social justice to lift themselves from their current status to higher status.

2.10 Conceptual Framework

Figure 2.1 shows the conceptualization of the dependent and independent variables of the study. The independent variables for this study show what influences the uptake of youth enterprise development fund loans.

Level of education is likely to influence the uptake of youth fund loans. The literature reviewed shows that youth who have higher education have higher information and awareness levels. They are also likely to seek skills in entrepreneurship. These translate to higher uptake of loans.
Leadership in the District, where the people holding positions of responsibility encourage and incorporate youth to participate in community development, leadership in young people is nurtured. This is reflected in the increased number of youth leaders, youth initiatives and most likely higher uptake of loans by young people.

Attitude towards loans- Youth attitude and opinion towards loans is shaped by the information access, their personal experiences, information gathered from their peers and other sources and their experiences with financial institutions. The attitude and opinion formed inform the youth while seeking for loans.

Entrepreneurial skills, is the ability to do business well as result of training and experiences where we have youth with entrepreneur skills it will translate to higher uptake of loans.

Information is equated to power; therefore a well informed person makes informed decisions where young people have accurate information about loans they are likely to go for them.
Independent Variables

- Level of Education
  - Primary
  - Secondary
  - University / Tertiary College

- Political Leadership in the district
  - No of political leaders supporting youth
  - Type of support offered

- Attitude towards youth fund loans
  - No of loans accessed
  - Types of the loan

- Entrepreneurial skills
  - Entrepreneurial skills held (certificate, diploma)
  - Workshops/Seminars on

- Level of awareness and information on youth fund
  - Types of loans available
  - Application procedures
  - Sources of information on youth fund

Dependent Variables

- Loan uptake by the youth (Youth Enterprise Development Fund)
  - No of inquiries made on youth fund
  - Number of applications received
  - No of loans given

Figure 2.1: Conceptual Framework
2.10 Summary

In general, the literature reviewed showed that, young people generally lack entrepreneurial skills. They are also not well informed on existing credit schemes and how to access the funds. They have limited knowledge on how to start a new business or developing viable business proposal. They tend to give up first when they face challenges. They have a tendency to rely on second hand information from peers, friends and relatives which in most cases is incorrect. There is a low tendency to seek professional advice before engaging in business enterprise and low adoption of latest appropriate technology. Most young people start their enterprises with lower levels of initial capital. Most enterprises owned by young people have a lower market value or inventory and are engaged in a narrower range of activities. More young people tend to operate from homes or streets for lack of access to space. Young people entrepreneurs do not have experience and contacts to the business and more enterprises owned by youth tend to rely on simple tools or have no equipment at all. The youth serving micro-finance institutions are few in number and in most cases they have a variety of challenges.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the procedures that will be used in conducting the research. The following topics will be discussed; research design, population, sampling, measurement and instrumentation, data collection and data analysis.

3.2 Research design
Descriptive survey design was used when carrying out the study. It was seen as appropriate because it involved collecting data in order to answer questions on current status of subjects of the study. Kothari (1985) recommends descriptive design as it allows the researcher to describe, record, analyze and report conditions that exist or existed. Survey design is particularly assumed to be well suited to research which studies the individual as a unit of analysis it is an excellent vehicle of measuring for generalization (Borg & Gall, 1999). The survey design was suited for this study because the population in question was large and it was difficult to observe the characteristics of each individual. It also helped in collecting original data on youth since data on this area was scarce. This design allowed the researcher to generate both numerical and descriptive data that would be used in measuring the relationship between variables. The method was suited for the study because it would assist the researcher to produce statistical information on factors that influence the uptake of youth enterprises development fund (Mugenda and Mugenda, 1999).

3.3 Study Population
The study population consisted of all young entrepreneurs of between the age of 18-35 years from Kieni East District of Nyeri County Kenya, who are interested in youth enterprise
development fund. They were categorized into three sub-groups, those who have accessed funds, those who have tried and failed and those who are in the process of applying. This consisted of youth out of school who are members of youth groups operating within Kieni East District.

3.4 Accessible population
The study targeted forty two (42) youth groups that had a relationship with youth enterprise development fund. The data was accessed at the district youth office. The respondents were drawn from 21 youth groups.

Table 3.1 No. of groups per Division

<table>
<thead>
<tr>
<th>Division</th>
<th>Number of groups with average of 12 members each</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accessed</td>
</tr>
<tr>
<td>YEDF</td>
<td></td>
</tr>
<tr>
<td>Kieni East</td>
<td>6</td>
</tr>
<tr>
<td>Central</td>
<td>8</td>
</tr>
<tr>
<td>Chaka</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: District youth office, (2011)

3.5 Sample size
Out of the targeted forty two (42) youth groups a sample of twenty one (18) youth groups was selected to participate in the study. This represented a half of the target population.
According to Kasomo Daniel, (2007) it is recommended that researchers use the largest sample possible because statistics calculated from a large sample are more accurate. The larger the sample, the more likely are its mean and standard deviation to be representative of the mean and standard deviation of the target population.

3.6 Sampling procedure

In selecting the sample all the forty two groups will be included in the study. Stratified random sampling technique will be used. To get the sample size we use Fox et al (2007), formula developed for use by National Institute for Health Research, to calculate the sample sizes for a mean (or point) estimate

\[ N = \left( \frac{SD}{SE} \right)^2 \]

N = required sample size
SD = the Standard deviation
SE = the standard error of the mean

My confidence level is 95% Standard acceptable margin for Random Error (MRE) is 2.

To obtain standard Error (S.E)

\[ S.E = \frac{MRE}{Constant (1.96)} = \frac{2}{1.96} = 1.02 \]

\[ N = \left( \frac{SD}{SE} \right)^2 \]

\[ S.D = \sqrt{\frac{\Sigma x}{\Sigma f}} \]

\[ x = \text{Target population} \]

\[ f = \text{Stratus} \]
16 to the nearest person
16±2 or -2
14, 15, 16, 17 or 18

Therefore eighteen youth groups were sampled to participate in the study. To get the numbers to work with percentages were used. Every chairperson of every group had a chance of being selected. The chairperson is an official of the group and is expected to have the required information since he/she is charged with the responsibility of managing the group affairs. In situations where the chairperson was not accessible the secretary or treasurer of the group was selected so as to enhance response. This gave a sample of twenty one respondents as shown in the table below.
Table 3.2 No. of respondents selected from every Division

<table>
<thead>
<tr>
<th>Division</th>
<th>Sample selected from groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accessed</td>
</tr>
<tr>
<td>YEDF</td>
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<tr>
<td>Kieni East</td>
<td>2</td>
</tr>
<tr>
<td>Central</td>
<td>4</td>
</tr>
<tr>
<td>Chaka</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

3.7 Research instruments

A survey questionnaire was developed to measure variables. The questionnaire consisted of open ended and close ended questions. There were three different parts in the questionnaire each targeting the three identified sub-groups. That is youth groups that have accessed youth fund, those groups that have applied but were not successful and those groups that are in the process of applying. The questionnaires was used to collect data from the respondents to establish to what extent education levels, attitudes towards loans, leadership in the district, awareness and information and entrepreneurship skills among the youth influences the uptake of youth enterprise development fund loans. Part of the questionnaire asked general information about the respondent and his/her group, while the other parts were customized to the different cohorts. The variables included in the questionnaires were developed based on the objectives.
The researcher proposed to use survey questionnaire because it was easy to reach a large group of respondents within a short time and with little cost. Respondents were likely to give honest answers because there was no fear of giving answers that the interviewer may not want to hear. Personal biases of the interviewer were avoided and respondents had enough time to reflect and consult where necessary.

3.8 Instrument Validity

Mugenda and Mugenda (1999), defines validity as the accuracy and meaningfulness of inference which are based on the research results. Validity is the degree to which results obtained from analysis of the data actually represent the phenomenon under the study. It is the correctness and reasonability of data. Validity refers to getting results that accurately reflect the concept being measured. In order to improve validity of the instruments, the researcher first did a peer to peer review with fellow students and consulted lecturers at the University of Nairobi. Secondly a pre-test of the questionnaire was done in a pilot study. The responses from the pilot study were used to guide the researcher in making some changes in the questionnaires in-order to enhance its validity.

3.9 Instrument Reliability

According to Kasomo (2007) instrument reliability refers to how consistent research procedure or instrument is. To ensure reliability the researcher did a test-retest test. The respondents understood the construct that was being researched on. All of them had relationship with youth enterprise development fund and they were leaders in their youth groups. Clear instructions were given to the respondents and the number of questionnaires was forty.
3.10 Piloting

The questionnaires were pre-tested in selected sample of five respondents who were selected from Mweiga Division of Kieni West District. This area was chosen because it had similar characteristics and it is outside the study area. Questions interpreted differently during pre-testing were rephrased so that they had the same meaning to all respondents. In addition comments that were made by respondents during pre-testing were analyzed and considered in order to improve the questionnaires.

3.11 Data collection

The researcher obtained authorization letter to carry out research from The University of Nairobi. The questionnaires were delivered to the respondents together with an introduction letter. The respondents were given time to fill in the questionnaires which were later picked at an agreed time at drop off point.

Table 3.3 Operationalization of Variables

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Independent variables</th>
<th>Indicators</th>
<th>Measurement</th>
<th>Measurement Scale</th>
<th>Mode of measure</th>
<th>Type of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>To establish the extent to which the level of education among the youth influences uptake of YEDF</td>
<td>1. level of education</td>
<td>1. Primary</td>
<td>- No KCPE certificate.</td>
<td>Ordinal scale</td>
<td>Frequencies</td>
<td>Descriptive analysis</td>
</tr>
<tr>
<td></td>
<td>2. Secondary</td>
<td>- No KSCE certificate.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Tertiary level</td>
<td>- No of degrees, diplomas and certificates holders</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. University/college</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish the extent to which political leadership influences uptake of YEDF in the District</td>
<td>2. leadership</td>
<td>1. Leaders supporting youth</td>
<td>-No of leaders supporting youth in the district.</td>
<td>Ordinal scale</td>
<td>Frequencies</td>
<td>Percentages</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>2. Type of support offered</td>
<td>-Types of support.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish the extent to which attitude of the youth influences the uptake of YEDF towards loans</td>
<td>3. Attitude towards loans</td>
<td>1. Loans accessed</td>
<td>-No of loans accessed</td>
<td>Ordinal scale</td>
<td>Frequencies</td>
<td>Percentages</td>
</tr>
<tr>
<td></td>
<td>2. Types of loans</td>
<td>-Types of Loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish the extent to which awareness and information of YEDF among the youth</td>
<td>4. Entrepreneurship skills</td>
<td>1. Entrepreneurship skills held</td>
<td>-Types of certificate held</td>
<td>Ordinal Scale</td>
<td>Frequencies</td>
<td>Percentages</td>
</tr>
<tr>
<td></td>
<td>2. Workshop/seminars attended</td>
<td>-No of workshops/seminars attended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 3.12 Data Analysis

After administering the questionnaires the raw data was pre-processed by correcting problems that were identified. This included elimination of unusable data, interpretation of ambiguous answers and contradictory data from related questions. Quantitative and qualitative methods were used for data analysis. Data was tabulated and classified into subsamples for common characteristics with responses being coded to facilitate basic statistical analysis. The SPSS data processing software was used for data analysis. Descriptive statistics was used to answer the research questions and objectives in relation to the research area. According to Orodho, (2003) the simplest way to present data is in frequency or percentage table, which summarizes data about a single variable. Therefore data was presented using tables, charts and bar graphs. Qualitative data was edited and discussed as per the responses. Descriptive statistics was used to analyze data collected with the aim of generalizing to the whole population. Quantitative approach of data analysis was used on aspects that can be quantified such as age, number of loans and number of number of leaders supporting the

<table>
<thead>
<tr>
<th>Youth influences the uptake</th>
<th>To Examine the extent to which Entrepreneurship skills among the youth influences uptake of YEDF</th>
<th>5. Level of awareness and information</th>
<th>1. Market information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- No of markets for a given product known</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No of business assistance/support or incubation known</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ordinal Scale</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Frequencies Percentages</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Descriptive analysis</td>
<td></td>
</tr>
</tbody>
</table>
youth to access loans. Qualitative approach of data analysis was used in describing and discussing data pertaining to perception and attitude of youth towards entrepreneurship. In analyzing the data qualitatively the researcher identified the trend, patterns and relations of different attributes of entrepreneurs such as information and awareness, attitudes and challenges that entrepreneurs face.

3.13 Ethical Issues

In this research, subjects were informed about the nature and the purpose of the research. All the respondents’ information and identity were kept confidential and information gathered would only be used for the purposes of this study. A copy of the findings would be availed to any willing institution on request.
CHAPTER FOUR
DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction
This chapter presents results and discussions of the research findings. The study was guided by the following research questions: How do education levels influence the uptake of Youth Enterprise Development Fund loans? How does youth attitude towards loans influence the uptake of Youth Enterprise Development Fund loans? How does political leadership in the district influence the uptake of Youth Enterprise Development Fund loans? To what extent does information and awareness of youth fund among the youth influence the uptake of Youth Enterprise Development Fund loans? How do entrepreneurship skills among the youth influence the uptake of Youth Enterprise Development Fund loans? For each of the research questions, the data collection instruments had several items aiming at answering each specific research question.

4.2 Response rate
Out of the 18 respondents, all of them returned completely filled questionnaires. Therefore, the response rate was 100%. This implies that the results of data collection can be relied on. According to Peil (1995), questionnaire return rate above 50 per cent is considered good for study.

4.3 Demographic Information of the respondents
The researcher sought for the following demographic information: respondents' age, gender, age of the youth group and youth group's main activity. The responses regarding the same are as shown in the following paragraphs.
4.3.1 Respondent's age

It was imperative to establish the age of the respondent to ensure that they were youths (between 18 and 35 years) as shown in Table 4.1.

Table 4.1 Respondent's age

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>22-25</td>
<td>2</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>26-29</td>
<td>8</td>
<td>44.4</td>
<td>55.6</td>
</tr>
<tr>
<td>33-35</td>
<td>8</td>
<td>44.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 4.1, 2(11.1%) of the youths were aged between 22 and 25 years, 8(44.4%) were between 26 and 29 years old, 8(44.4%) were between 33 and 35 years. Most of the youths were aged between 26 and 35 years. This probably because most the youth at this age are out of school and therefore they engage in various money generating activities to uplift their lives. To boost their activities the youth have formed youth groups to help themselves.

4.3.2 Respondent's gender

In relation to gender, most of the respondents 14(77.8%) were male while the other 4(22.2%) were female. The difference in gender could be because there are more males who are ready to join youth groups and benefit from them compared to females. On the other hand, it could mean that even if there were many females in the youth groups, the leadership positions were mostly held by men because of gendered role construction that men, are supposed to be leaders.
4.3.3 Age of the Youth Group

It was important to establish the length of time that the youth groups had been operating because the longer the time, the higher the chances of having tried to apply for YEDF loans.

Table 4.2 Age of the Youth Group

<table>
<thead>
<tr>
<th>Time</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>1</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>1-2 years</td>
<td>6</td>
<td>33.3</td>
<td>38.9</td>
</tr>
<tr>
<td>3-4 years</td>
<td>9</td>
<td>50.0</td>
<td>88.9</td>
</tr>
<tr>
<td>5-6 years</td>
<td>2</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

As shown in the Table 4.2, 1(5.6%) of the youth groups have been operating for less than one year, 6(33.3%) have operated for 1 to 2 years, 9(50%) have been in operation for 3 to 4 years while 2(11.1%) have operated for 5 to 6 years. The majority of the youth groups 17(88.9%) are over one year old. This implies that the older the group the more likely it is to apply youth fund. This could mean that there are benefits accruing from being a member of a youth group. This could be the reason why some youth groups have operated for long, while new ones are being formed.

4.3.4 Youth group's main activity

It was important to establish the kind of activity carried out by the youth groups because some activities require more capital and operating costs as well as technical knowhow than others.
Table 4.3 Youth Group’s Main Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horticulture farming</td>
<td>1</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Livestock rearing</td>
<td>3</td>
<td>16.7</td>
<td>22.2</td>
</tr>
<tr>
<td>Agricultural farming</td>
<td>1</td>
<td>5.6</td>
<td>27.8</td>
</tr>
<tr>
<td>Fish farming</td>
<td>1</td>
<td>5.6</td>
<td>33.3</td>
</tr>
<tr>
<td>Commercial business</td>
<td>8</td>
<td>44.4</td>
<td>77.8</td>
</tr>
<tr>
<td>Service industry</td>
<td>3</td>
<td>16.7</td>
<td>94.4</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>5.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3 shows the main activities carried out by the youth where 1(5.6%) are into horticulture farming, 3(16.7%) practice livestock rearing, 1(5.6%) are into agricultural farming and fish farming each, 8(44.4%) practice commercial business while 3(16.7%) are in the service industry and 1(5.6%) practice other activities. The majority of youth groups are engaged in commercial businesses mostly established in towns, markets and shopping centre. These perhaps illustrate the youth readiness to seize and utilize the emerging opportunities at their local areas. Youth groups have been formed in many sectors but majority of them 10(55.6%) lean towards agriculture. This could be because agriculture is the main economic activity in Kenya and Kieni East District. It could also be attributed to the fact that agriculture does not require specialised skills therefore it can be practiced by people with lower levels of academic achievement.
Uptake of Youth Enterprise Development Fund loans (Dependent variable)

To find out how many groups had accessed youth fund, those who had tried and failed and those who were in the process of applying, items seek these information were included in the questionnaire

Table 4.4 Uptake of Youth Enterprise Development Fund Loans (Dependent variable)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groups that have accessed YEDF</td>
<td>9</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Groups that tried but failed</td>
<td>4</td>
<td>22.22</td>
<td>72.22</td>
</tr>
<tr>
<td>Groups that are in application process</td>
<td>5</td>
<td>27.78</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 4.4, 9(50%), of the youth groups that have had a relationship with YEDF, successfully applied for loans and they were funded. 4(22.22%), applied for loans but they were not successful, 5(27.78%) are in the process of applying for loans. This implies that the majority of youth groups that applied for loans were funded. On the other hand a significant number, applied for loans and failed, while a good percentage, 27.78 percent are in the process of applying. This shows that while majority of youth groups have been successful in accessing loans a significant number failed. This implies perhaps there issues that need to be addressed. A good percentage of 27.78 percent are in the process of application, some have taken more than six months; this could also be an indicator of some issues that require attention.

4.4.1 Youth groups which have applied for youth fund

The youth groups which had already applied for youth fund were asked about the same and their responses are in the paragraphs below.
4.4.1.1 Whether the groups had ever applied for other loans other than youth fund.

When asked whether the group had ever applied for other loans other than YEDF, 12(66.7%) of the respondents said “yes” while the other 2(11.1%) said “no”. The other, 4(22.2%) were in the process of applying for the first time. In relation to the number of times that the group had applied for such loans, 11(78.6%) said 1 to 2 times, and 1(7.1%) 3 to 4. This implies that many youth groups do not apply for loans. In connection to the number of times that they were successful, 1(7.1%) said none while the other 11(78.6%) said 1 to 2 times. This shows that there are issues which are preventing the youths from successfully accessing the loans. Of those who successfully applied and got the youth fund loan, 7(50%) said that it helped the group to achieve its activities, 4(28.6%) said it somehow did help them while the other 1(7.1%) said that it did not help. This implies that only half of those who apply for youth fund benefit from it fully. The ones who do not benefit could be because of the challenges encountered once they get the loan.

4.4.1.2 Reasons as to why youth groups fail to apply for loans

To understand why youth fail to apply for loans items on the same were factored in the questionnaire. Common problems affecting youth groups were given and the youth were asked to rank them according to their experiences.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of information to where to access the loans</td>
<td>6</td>
<td>42.9</td>
<td>42.9</td>
</tr>
<tr>
<td>Fear of loans</td>
<td>2</td>
<td>14.3</td>
<td>57.1</td>
</tr>
<tr>
<td>Lack of collateral</td>
<td>2</td>
<td>14.3</td>
<td>71.4</td>
</tr>
<tr>
<td>Long and complicated application procedures</td>
<td>1</td>
<td>7.1</td>
<td>78.6</td>
</tr>
<tr>
<td>Group wrangles and disagreements</td>
<td>1</td>
<td>7.1</td>
<td>85.7</td>
</tr>
<tr>
<td>Weak group leadership</td>
<td>2</td>
<td>14.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

When asked about why youth groups fail to apply for loans, 2(14.3%) said that it is due to lack of information on where to access the loans, fear of loans and lack of collateral each
while 1(7.1%) said it is due to long and complicated application procedures and group wrangles and disagreements each while 2(14.2%) said that it is due to weak group leadership.

4.4.1.3 Reasons why youths fail to secure loans

To understand why youth groups fail to secure loans a number of known reasons were put to the youth and they were asked to rank them according to their experiences.

Table 4.6 Reasons why youths fail to secure loans

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High interest rates</td>
<td>3</td>
<td>21.4</td>
<td>21.4</td>
</tr>
<tr>
<td>Lack of collateral</td>
<td>4</td>
<td>28.6</td>
<td>50.0</td>
</tr>
<tr>
<td>Short repayment period</td>
<td>4</td>
<td>28.6</td>
<td>78.6</td>
</tr>
<tr>
<td>Lengthy and rigorous procedures</td>
<td>1</td>
<td>7.1</td>
<td>85.7</td>
</tr>
<tr>
<td>Unviable group project</td>
<td>2</td>
<td>14.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 4.6, 3(21.4%) of the youths said that the reason as to why youth groups do not secure loans is the high interest rates, 4(28.6%) said it is due to lack of collateral, another 4(28.6%) said it is due to short repayment period while 1(7.1%) said it is due to lengthy and rigorous application procedures and another 1(7.1%) said it is due to unviable group projects. This shows that even if the youth fund loans are available, the youth groups might not fully benefit from the same due to the sited issues above.

4.4.2 New applicants

When asked why they are applying for the loan, all the youth groups 4(100%) said that they wanted to expand their projects.
4.4.2.1 Reasons for choosing YEDF

When asked why they chose YEDF, the youth groups gave the following reasons.

Table 4.7 Reasons for choosing YEDF

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>It does not charge interest</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>There is no collateral required</td>
<td>1</td>
<td>25.0</td>
<td>50.0</td>
</tr>
<tr>
<td>The officers involved are friendly and willing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to visit youth groups where they are</td>
<td>1</td>
<td>25.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Easy loan terms</td>
<td>1</td>
<td>25.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Total 4 100.0

As shown in Table 4.7, 1(25%) said that they prefer YEDF because it does not charge high interest, another 1(25%) said that there is no collateral required, 1(25%) said that the officers involved are friendly and willing to visit youth groups where they are located, while 1(25%) said that they have easy loan terms. This shows that the groups may have borrowed money or they are aware of conditions from other financial institutions and this is why they were able to find the benefits of applying for the youth fund loan.

4.4.2.2 When the group started the process of loan application

When the groups were asked when they started the process of application, they responded as follows.

Table 4.8 When the group started the process of loan application

<table>
<thead>
<tr>
<th>Time</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 months</td>
<td>1</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>3-4 months</td>
<td>2</td>
<td>50.0</td>
<td>75.0</td>
</tr>
<tr>
<td>5-6 months</td>
<td>1</td>
<td>25.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Total 4 100.0
As shown in Table 4.8, 1(25%) youth groups started applying for a loan 1 to 2 months ago, 2(50%) started 3 to 4 months ago while another 1(25%) started 5 to 6 months ago. This shows that the application process takes a long time and this could be discouraging to the youths. This might contribute to negative attitude towards YEDF loans. All the new applicants 4(100%) said that the main challenge when going through the application process is coming up with viable group projects. However, 3(75%) of the respondents strongly agreed that the ministry of youth affairs officers are helpful while 1(25%) agreed to the same. This shows that even if there are challenges which the youths might be encountering in the process of applying for youth fund loans, the ministry officers have been helping them and this might have increased their rate of YEDF loans uptake.

4.5 How does education level influence the uptake of Youth Enterprise Development Fund loans?

Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities.

4.5.1 Respondents' education level

The researcher sought to find out the respondents' education level and the findings are as shown in Table 4.9

<table>
<thead>
<tr>
<th>Education level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary school</td>
<td>3</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Secondary school</td>
<td>11</td>
<td>61.1</td>
<td>77.8</td>
</tr>
<tr>
<td>Tertiary level</td>
<td>1</td>
<td>5.6</td>
<td>83.3</td>
</tr>
<tr>
<td>College/university</td>
<td>3</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>
As shown in Table 4.9, 3(16.7%) of the respondents were primary school graduates, 11(61.1%) finished school at secondary school level, 1(5.6%) went up to tertiary level while 3(16.7%) were college and university graduates. This implies that majority of the members of youth groups 11(77.8%) have gone up to secondary level. The implication is that the education level is affecting the uptake of YEDF to a great extent. When asked about the things that the youths would like to be improved about youth fund application process, some said that the language in the application form should be simplified. This is because some of the applicants were not able to understand some sections in the application form, but this is due to their low education level. This means that low education level among the youths is negatively affecting uptake of YEDF loans. This is in line with Kellogg (2006) that youths graduating from these programs exhibit higher levels of achievement and are more prepared to take calculated risks and have increased economic opportunities.

4.5.2 Does education influence the uptake of youth fund?

When asked whether their education level influences the uptake of youth fund, 12(66.7%) said “yes” while 6(33.3%) said “no”. This implies that to a great extent the education level affects the uptake of youth fund.

4.5.3 Effect of education on uptake of youth fund

When asked to explain briefly how the education level influences the uptake of youth fund, 3(16.7%) said that they do not know, 7(38.9%) said that the educated people have an advantage, 4(22.2%) said that it has no effect, 1(5.6%) said that educated people are conmen while 2(11.1%) said that educated people are boastful and they think that they know everything and another 1(5.6%) said that education is everything. This is an indication that education influences the uptake of youth fund.
4.6 How does youth attitude towards loans influence the uptake of Youth Enterprise Development Fund loans?

In order to answer this research question, several items were used as shown in the following paragraphs

4.6.1 Whether YEDF loans are youth friendly

The youth groups were asked whether the YEDF loans are youth friendly and they responded as follows:

Table 4.10 Whether YEDF loans are youth friendly

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>66.7</td>
<td>94.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>5.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

As shown in table 4.10, 5(27.8%) of the youths strongly agreed that the YEDF loans are youth friendly, 12(66.7%) agreed they are youth friendly while 1(5.6%) disagreed to the same. This implies that most youths have a positive attitude towards the YEDF loans. This is probably because they have experience with other financial institutions that are not youth friendly. On the other hand probably they have seen other youth groups succeed while using youth fund. This positive attitude may influence the youths towards higher uptake of YEDF loans.

4.6.2 What is your opinion about youth fund?

When asked about their opinion on youth fund, 6(33.3%) said that it is meant to uplift the youth and the idea is timely, 2(11.1%) said that it is the government’s way of buying the youth to support it, 1(5.6%) said that it is a way of containing the youth after the post election
violence, 4(22.2%) said that it is a good way of taming economic hardships and unemployment among the youth while 1(5.6%) said that they had no idea and 3(16.7%) said that it is a way of taming rural-urban migration. This means that most youths think about the youth fund positively. This increases their chances of applying for youth fund.

4.6.3 Do you think that youth fund is helpful to the youth?
When asked whether the youth fund is helpful to the youth, 12(66.7%) said “yes” while the other 6(33.3%) said no. While 2(11.1%) said they had no idea. This implies that majority of the youth were of the opinion that youth fund is helpful to the youth. For the ones who said that it is helpful, they gave the following reasons; it has helped them to set up money generating businesses, it is one of the cheapest loans a youth can get in Kenya, the officers are friendly and they are always ready to listen to the youth. The application procedures and repayment are very easy and it is youth friendly. The ones who said no gave the following reasons; it is for the lucky few, it is very difficult to get, it is meant for big groups which are difficult to form, the application procedure is cumbersome, long and it takes too long to get the said funds. The reasons given by the respondents who said no lean more towards negative attitude than the reality on the ground.

4.6.4 Youths’ attitude towards youth fund
When asked about their attitude towards the youth fund, 3(16.7%) of the respondents said very positive, 8(44.4%) said positive, 3(16.7%) were neutral while another 3(16.7%) had a negative attitude and 1(5.6%) had a very negative attitude towards the youth fund. This implies that majority of the youths (61.1%) have a positive attitude towards the youth fund.
4.6.5 Whether the group planned to apply for a loan again

When asked whether their youth groups planned to apply for a loan in future, 12(85.7%) said “yes” while the other 2(11.1%) said “no”. For the ones who said “yes”, they gave various reasons for the need to apply for a loan: 8(57.1%) said it is for expansion, 1(7.1%) said that it because they cannot raise the required funds on their own while 3(21.4%) said that they want to start up a new project. For the ones who said that they will not apply for a youth fund loan, they gave the following reasons; 1(7.1%) said that after group analysis, they had realized they could do without a loan and the other 1(57.1%) gave unidentified reason. These findings show that most youth groups need youth fund for start-up capital and operational costs as well as for expansion. The reason they rely on youth fund could be because most of them are unemployed hence cannot come up with the money required to run businesses. On the other hand, since majority of the youth groups would apply for loans in future, it means that they have a positive attitude towards the YEDF loans.

4.7 How does political leadership in the district influence the uptake of Youth Enterprise Development Fund loans?

The researcher wanted to find out how political leadership in the district influence the uptake of YEDF loans and the findings are as follows.

4.7.1 Whether youths get support from political leaders

When asked whether they get support from political leaders, 2(11.2%) of the youth said “yes” while 16(88.8%) said “no”. This implies that politicians are not there to help the youth.
Table 4.11 The kind of support that the youths get

<table>
<thead>
<tr>
<th>Support</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>16</td>
<td>88.9</td>
<td>88.9</td>
</tr>
<tr>
<td>Monetary</td>
<td>1</td>
<td>5.6</td>
<td>94.4</td>
</tr>
<tr>
<td>Advice</td>
<td>1</td>
<td>5.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 4.11, 16(88.9%) of the youth groups do not get any support from political leaders while 1(5.6%) get monetary support and another 1(5.6%) gets advice from the political leaders. The number of youth groups getting support from the political leaders is negligible and this implies that the political leaders do not go out of their way to assist the youths.

Table 4.12 Number of political leaders that have given the youths support

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>16</td>
<td>88.9</td>
</tr>
<tr>
<td>One</td>
<td>1</td>
<td>5.6</td>
</tr>
<tr>
<td>Two</td>
<td>1</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

When asked about the number of political leaders who have given them support, 16(88.9%) said none, 1(5.6%) said one and another 1(5.6%) said two political leaders. This implies that although there many political leaders in Kieni East District, there are only a few who are willing to help the youth.

4.7.2 Whether political leaders give the youth groups support to access YEDF

The researcher wanted to know whether the political leaders give the youth groups support to access YEDF. Their responses were as recorded in Table 4.13.
Table 4.13 Whether political leaders give the youth groups support to access youth enterprise development fund

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>2</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Agree</td>
<td>1</td>
<td>5.6</td>
<td>16.7</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>16.7</td>
<td>33.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>33.3</td>
<td>66.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>33.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

When asked whether the political leaders give the youth groups support to access YEDF, 2(11.1%) strongly agreed, 1(5.6%) agreed, 3(16.7%) were neutral, 6(33.3%) disagreed and another 6(33.3%) strongly disagreed. Majority of the youth groups 15(83.3%) did not agree that political leaders help them to access YEDF. This means that regarding helping the youth to access YEDF, the political leaders' assistance is negligible.

4.7.3 Whether political leaders are interested in developing youths from Kieni East District.

When the groups were asked to rate the politicians interest in developing the youth from Kieni East District, they responded as shown on Table 4.14
Table 4.14 Whether political leaders are interested in developing youths from Kieni East District

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Agree</td>
<td>6</td>
<td>33.3</td>
<td>61.1</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
<td>5.6</td>
<td>66.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>22.2</td>
<td>88.9</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 4.14, 5(27.8%) of the respondents strongly agreed that the political leaders are interested in developing youths from Kieni East District, 6(33.3%) agreed, 1(5.6%) were neutral and 4(22.2%) disagreed while 2(11.1%) strongly disagreed. This shows that there is a significant number of political leaders 11(61.1%) who are interested in the youths in Kieni East District. Though with high interest level, the support they give to the youths is negligible.

4.7.4 Whether other government ministries and agencies support youth groups

When asked whether other government ministries and agencies support youth groups, in their quest to access youth fund, 14(77.8%) said “yes” while 4(22.2%) said “no”. This shows that at least most of the government officers support the youth.
Table 4.15 The kind of support given by other government ministries and agencies

<table>
<thead>
<tr>
<th>Support</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>4</td>
<td>22.2</td>
<td>22.2</td>
</tr>
<tr>
<td>Advice</td>
<td>9</td>
<td>50.0</td>
<td>72.2</td>
</tr>
<tr>
<td>Information and awareness</td>
<td>2</td>
<td>11.1</td>
<td>83.3</td>
</tr>
<tr>
<td>All of the above</td>
<td>3</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

On the kind of support given by other government ministries and agencies, 4(22.2%) said none, 9(50%) said advice, 2(11.1%) said information and awareness, while 3(16.7%) said both advice and information and awareness. This shows that other government ministries and agencies have stepped forward to assist the youth with advice and information. This would help them to access the youth fund more easily as well as benefit from it.

4.8 To what extent does information and awareness of youth fund among the youth influence the uptake of Youth Enterprise Development Fund loans?

In an effort to answer this research questions, several items were used as follows:

4.8.1 How the group learnt about Youth Enterprise Development Fund

Table 4.16 How the group learnt about YEDF

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>From friends</td>
<td>2</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>District officer/ YEDF officer</td>
<td>12</td>
<td>66.7</td>
<td>77.8</td>
</tr>
<tr>
<td>From the media</td>
<td>3</td>
<td>16.7</td>
<td>94.4</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>5.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

60
When asked about how the youth group learnt about YEDF, 2(11.1%) said from friends, 12(66.7%) said from district or YEDF officer, 3(16.7%) learnt from the media while 1(5.6%) got information from other sources. The largest group got it from the district and YEDF officers. This implies that these officers are doing their work by notifying the youth about the youth fund. The media has also been creating awareness about youth fund. Sources from friends could mean that there are people who have applied for youth fund and probably succeeded hence inform others about the same.

4.8.2 Whether the youths are well informed about YEDF

To know whether the youth are well informed about youth fund the above question was asked.

**Table 4.17 Whether the youths are well informed about YEDF**

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>3</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Agree</td>
<td>7</td>
<td>38.9</td>
<td>55.6</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>27.8</td>
<td>83.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

On youths being informed about YEDF, 3(16.7%) strongly agreed, 7(38.9%) agreed, 5(27.8%) were neutral and 3(16.7%) disagreed. Slight majority of the youths 10(55.6%) at least agreed that they are informed about youth fund. However a significant number 8(44.4%) were of the opinion that the youth are not well informed about youth fund. Therefore there is need to intensify information dissemination about youth fund. This means that there could be youth groups that fail to apply for loans because of lack of information.
4.8.3 How to improve youth fund loans

When asked how the youth fund loans can be improved, the respondents said that on application: the number of members per group should be reduced from ten to four or five members to make the process simpler. It should also cater for individual applicants to enable the people who have individual projects to benefit. The office where the loans are applied should be decentralised to location level. The information on application should be done in simplified language to enable people who have low levels of education to benefit from the same. On waiting period the respondents said that it should be adjusted to a month or less so that the funds can reach the youth groups on time. They also reported that when the waiting period is too long, members tend to drift away leading to group disintegration. On cheque delivery, the youths said it is good but it should be presented to the group with all the members present. Some respondents prefer that the money is deposited to the group’s account rather than being issued with a cheque. On repayment process, youths reported that the banks repayment should be done through SACCOS which are nearer to them than the commercial banks which are far. On amount of loan given, it should be pegged to what a youth group has requested to enable it achieve its objectives. The maximum amount for loans should be increased to allow the youth to venture into bigger projects. If these suggestions are considered, YEDF loans would be improved and more youths would access the same.

4.8.4 Whether youths know of other financial institutions offering loans to youths

When asked whether they know of other financial institutions offering loans to youths, 13(72.2%) said “yes” while the other 5(27.8%) said “no”. 
In relation to the number of financial institutions giving loans that the youths know, 5(27.8%) said none, 9(50%) said 1 to 2 while 4(22.2%) said 3 to 4. This implies that the youth groups are aware of other financial institutions giving loans. This further means that the youths do not fail to apply for loans due to lack of information but due to other reasons.

### 4.8.5 Whether the group has applied for loan from other financial institutions

When the youths were asked whether their group had applied for loans from other financial institutions, 3(16.7%) said “yes” while the other 15(83.3%) said “no”. For the groups that had applied for these loans, only 1(5.6%) were successful and 2(11.1%) failed to get the loan.

### 4.9 How do entrepreneurship skills among the youth influence the uptake of Youth Enterprise Development Fund loans?

In an attempt to answer the above research question, the following items were used.

#### 4.9.1 The entrepreneurial skills that the youths hold

In order to know the entrepreneurial skills held by the youth, they were asked to state what skills they hold.

---

**Table 4.18 Number of financial institutions giving loans that the youths know**

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>5</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>1-2</td>
<td>9</td>
<td>50.0</td>
<td>77.8</td>
</tr>
<tr>
<td>3-4</td>
<td>4</td>
<td>22.2</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>
Table 4.19 The entrepreneurial skills that the youths hold

<table>
<thead>
<tr>
<th>Skills</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>8</td>
<td>44.4</td>
<td>44.4</td>
</tr>
<tr>
<td>Diploma</td>
<td>1</td>
<td>5.6</td>
<td>50.0</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>5.6</td>
<td>55.6</td>
</tr>
<tr>
<td>None</td>
<td>8</td>
<td>44.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 4.19, 8(44.4%) have a certificate, 1(5.6%) has a diploma while 1(5.6%) has other qualifications. The rest 8(44.4%) of the youths did not have any entrepreneurial skills. This means that there are many youths who are carrying out entrepreneurial ventures but are not well equipped for the same. This could explain why some businesses set up by the youth fail within a short time after starting.

4.9.2 Whether the youths have attended any workshop/seminar on entrepreneurship

When asked whether they had attended any workshop/seminar on entrepreneurship, 13(72.2%) said “yes” while 5(27.8%) said “no”. This means that there are youths who are interested in improving their entrepreneurial skills and hence they attend seminars and workshops to achieve the same.

Table 4.20 Time taken in the workshop/seminar

<table>
<thead>
<tr>
<th>Time taken</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 days</td>
<td>6</td>
<td>33.3</td>
<td>33.3</td>
</tr>
<tr>
<td>3-4 days</td>
<td>5</td>
<td>27.8</td>
<td>61.1</td>
</tr>
<tr>
<td>3-4 weeks</td>
<td>2</td>
<td>11.1</td>
<td>72.2</td>
</tr>
<tr>
<td>None</td>
<td>5</td>
<td>27.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
As shown in Table 4.20, 6(33.3%) of the respondents said that they had taken 1 to 2 days in the seminar/workshop, 5(27.8%) said it took them 3 to 4 days while 2(11.1%) said they trained for 1 to 2 weeks. The other 5(27.8%) had not attended any training on entrepreneurship. The period of time used for training is very short for the youth to benefit fully. However, the youths who attended training for however short the period, are better off in terms of entrepreneurship skills than the ones who had not trained at all.

4.9.3 Have the skills learnt helped the youth to become better entrepreneurs

To whether the youth have benefited from the skills they hold the above question was asked.

| Table 4.21 Have the skills learnt helped the youth to become better entrepreneurs |
|-----------------|--------|----------------|
| Frequency      | Percent| Cumulative Percent |
| Strongly agree | 3      | 16.7            | 16.7 |
| Agree          | 10     | 55.6            | 72.2 |
| Neutral        | 2      | 11.1            | 83.3 |
| Not applicable | 3      | 16.7            | 100.0 |
| **Total**      | **18** | **100.0**       |

When asked whether the skills that they had learnt helped them to become better entrepreneurs, 3(16.7%) strongly agreed, 10(55.6%) agreed, 2(11.1%) were neutral while 3(16.7%) did not have such skills. This shows that entrepreneurship training helps the youth to gain skills which help them to become better entrepreneurs.

4.10 Hypothesis Testing

Hypothesis I

The hypotheses were tested at 0.05 level of significance using P-value. They stated that:
H₀: The level of education among the youth does not influence the uptake of youth enterprise development fund loans.

H₁: The level of education among the youth influences the uptake of youth enterprise development fund loans.

<table>
<thead>
<tr>
<th>Respondent's education level *Youth fund loan uptake cross tabulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Respondent's education level</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

**Chi-Square Tests**

<table>
<thead>
<tr>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>3.801&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>4.560</td>
<td>3</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.112</td>
<td>1</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>18</td>
<td></td>
</tr>
</tbody>
</table>

7 cells (87.5%) have expected count less than 5. The minimum expected count is .28.

Results: P < 0.284

Decision: The null hypothesis was rejected.

Conclusion: The level of education among the youth influences the uptake of youth enterprise development fund loans. It was found out that insignificant number of youth who successfully applied and secured youth fund loans were primary school graduates, that is 3(16.7%). 11(61.1%) were secondary school leavers, 1(5.6%) went up to tertiary level, while 3(16.7%) were college and university graduates. This means that most of the successful loan
applicants had secondary school education and above. This implies that education level has influence on the uptake of youth fund.

Hypothesis II

H₀: Political leaders in Kieni East District do not influence the uptake of youth enterprise development fund loans among the youth.

H₁: Political leaders in Kieni East District do influence the uptake of youth enterprise development fund loans among the youth.

<table>
<thead>
<tr>
<th>Whether youths get support from political leaders</th>
<th>youth fund loan uptake cross tabulation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>yes</td>
</tr>
<tr>
<td>Whether youths get support from political leaders</td>
<td>0</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>.407a</td>
<td>1</td>
<td>.523</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correctionb</td>
<td>.000</td>
<td>1</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>.673</td>
<td>1</td>
<td>.412</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td>1.000</td>
<td></td>
<td>.722</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.385</td>
<td>1</td>
<td>.535</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3 cells (75.0%) have expected count less than 5. The minimum expected count is .28.

Results: P > 0.523

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Decision: The null hypothesis was not rejected.

Conclusion: Political leaders in Kieni East District do not influence the uptake of youth enterprise development fund loans among the youth.

This was supported by the findings which showed that 16(88.8%) of the respondents reported that the political leaders do not help them. On the number of political leaders who have ever supported the youth, 16(88.9%) said none, 1(5.6%) said one and another 1(5.6%) said two political leaders. When asked whether the political leaders give the youth groups support to access YEDF, 2(11.1%) strongly agreed, 1(5.6%) agreed, 3(16.7%) were neutral, 6(33.3%) and another 6(33.3%) strongly disagreed. The support given by political leaders to the youths in relation to YEDF was insignificant. This means that political leaders have no influence on the uptake of YEDF loans among the youth.
CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusions and recommendations of the study.

5.2 Summary of the major findings

Table 5.2 presents the objectives, summary of the major findings and the remarks.

Table 5.2 Summary of the major findings

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Findings</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How education among the youth influence the uptake of youth fund loans</td>
<td>3(16.7%) Primary school leavers</td>
<td>Majority 15(83.3%) of applicants have attained secondary or higher levels of education. Therefore education level has influence on YEDF loan Application.</td>
</tr>
<tr>
<td></td>
<td>11(61.1%) Secondary school graduates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1(5.6%) Tertiary level</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3(16.7%) college &amp; University</td>
<td></td>
</tr>
<tr>
<td>2. How attitude of the youth towards YEDF loans influences the uptake youth fund loans.</td>
<td>17(94.5%) Agreed that YEDF is youth friendly.</td>
<td>The youth have very positive attitude towards YEDF. 94.5% agreed that YEDF is youth friendly.</td>
</tr>
<tr>
<td></td>
<td>1(5.6%) Disagreed that YEDF is youth friendly.</td>
<td></td>
</tr>
<tr>
<td>3. How political leaders in Kieni East District influences the uptake of youth fund.</td>
<td>15(83.3%) Said that politicians do not help them access YEDF.</td>
<td>The politicians have very little or no influence on the uptake YEDF. 15(83.3%) said politicians do not help them.</td>
</tr>
<tr>
<td></td>
<td>2(11.2%) Said they got support from politicians to access YEDF.</td>
<td></td>
</tr>
<tr>
<td>4. How awareness and information on youth fund influences the uptake of youth fund.</td>
<td>10(55.6%) Agreed that youth are well informed about YEDF</td>
<td>Slight majority 10(55.6%) agrees that youth are well informed. While 45% are not sure or disagree. This shows that the youth are not well informed</td>
</tr>
<tr>
<td></td>
<td>5(27.8%) were neutral.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3(16.7%) disagreed.</td>
<td></td>
</tr>
</tbody>
</table>
5. How the entrepreneurship skills among the youth influences the uptake of youth fund.

<table>
<thead>
<tr>
<th>Agree that entrepreneurship training has helped them become better entrepreneurs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>13(72.2%)</td>
</tr>
<tr>
<td>2(11.2%) Were neutral while 3(16.7%) had no training.</td>
</tr>
<tr>
<td>This shows that entrepreneurship training is key to becoming a good entrepreneur. 13(72.2%) said entrepreneurship skill has helped them become successful entrepreneurs.</td>
</tr>
</tbody>
</table>

### 5.3 Discussion of the Findings

The purpose of the study was to investigate the factors that influence the uptake of Youth Enterprise Development Fund, in Kieni East District. The main objectives of this study were, to establish to which extent the level of education, attitude of the youth towards loans, leadership in Kieni East District, awareness and information, and entrepreneurial skills among the youth influences the uptake of Youth Enterprise Development Fund loans. The study employed descriptive survey design. The study targeted a population of 42 youth groups from Kieni East District who have shown interest in Youth Enterprise Development Fund. Stratified random sampling technique was used to pick 18 youth groups that were studied. A survey questionnaire with open and close ended questions was used to collect data. Descriptive statistics was used for data analysis. Data was tabulated and classified into sub-samples for common characteristics with responses being coded to facilitate basic statistical analysis. The findings are as shown below.

On the level of education among the youth and uptake of YEDF loans, the findings show that 3(16.7%) of the respondents were primary school graduates, 11(61.1%) finished school at secondary school level, 1(5.6%) went up to tertiary level while 3(16.7%) were college and university graduates. This implies that majority of the members of youth groups 11(77.8%) have gone up to secondary level. The implication is that the education level influences the
uptake of YEDF to a great extent. This is because youths with low levels of education may not fully understand the information used in the application process making the process more difficult for such youths. The findings were in line with UN-HABITAT (2007) and Nelson and Scott (1997) findings which linked education with success in life after school.

Findings on youths' attitude towards loans and the uptake YEDF loans showed that 5(27.8%) of the youths strongly agreed that the YEDF loans are youth friendly, 12(66.7%) agreed they are youth friendly while 1(5.6%) disagreed to the same. This implies that most youths have a positive attitude towards the YEDF loans. This positive attitude may influence the youths towards taking up YEDF loans. This can explain why when asked whether the youth group is planning to apply for a loan in future, 12(85.7%) said “yes” while the other 2(11.1%) said “no”. Since majority of the youth groups would apply for loans in future, it means that they have a positive attitude towards the YEDF loans. For the youths who might be having a negative attitude towards YEDF, it could be due to lack of full information regarding the same and the challenges of using YEDF loans as supported by Besnard (2010) and YEDF (2012).

In relation to political leadership in Kieni East District and uptake of YEDF loans, findings show that most political leaders do not support the youth 16(88.8%). When asked about the number of political leaders who have given them support, 16(88.9%) said none, 1(5.6%) said one and another 1(5.6%) said two political leaders. Majority of the youth groups 15(83.3%) disagreed that political leaders help them to access YEDF loans. This means that political leaders have no influence on uptake of YEDF loans. However, other government ministries and agencies have stepped forward to assist the youths with advice and information. This would help them to access the youth fund more easily as well as benefit from it.
Findings on awareness and information of youth fund and the uptake of YEDF loans showed that some youths learnt about YEDF from friends 2(11.1%), others from district or YEDF officers 12(66.7%) while others got it from the media 3(16.7%) and 1(5.6%) got information from other sources. The majority of the youths at least agreed that they are informed about youth fund. This means that they do not fail to apply for the same because of lack of information about the same but probably due to other reasons. When asked whether they know of other financial institutions offering loans to youths, 13(72.2%) said “yes” while the other 5(27.8%) said “no”. This means that youths are aware of other sources of loans and hence they can compare with YEDF loans and take the loan that is most beneficial to them.

Findings on entrepreneurial skills among the youth and the uptake of YEDF loans showed that there is a substantial number of youths who have acquired education on entrepreneurial skills with 8(44.4%) having a certificate, 1(5.6%) having a diploma while 1(5.6%) having other qualifications. Most of them have also attended workshops and seminars on entrepreneurship 13(72.2%). However, most of them attended for such a short period with 6(33.3%) of the respondents having taken 1 to 2 days in the seminar/workshop, 5(27.8%) took 3 to 4 days while 2(11.1%) trained for 3 to 4 days. 3(16.7%) strongly agreed that the skills acquired in the entrepreneurship training have helped them become better entrepreneurs, while 10(55.6%) agreed. 2(11.1) were neutral and 3(16.7%) had no training in entrepreneurship. The period of time used for training is very short for the youth to benefit fully. Labrum et al, (2005) supported the findings by saying that overall there is a very low level of financial knowledge among young people and extremely low levels of engagement with financial information. Nevertheless, the youths who attended training; for however short the period; are better off in terms of entrepreneurship skills than the ones who have not
trained. When asked whether the skills acquired training have helped them to become better entrepreneurs, most of the youths admitted that such trainings improved their entrepreneurial skills.

5.4 Conclusions

On the education level of the youth and its influence on uptake of YEDF loans, it can be concluded that it influences. Low level of education makes the youths shy away from applying for the youth fund loans since they lack confidence, requisite understanding of basic concepts and communication base in official language of which they are not very conversant. This would not cause problems if youth had higher education levels.

Regarding attitude of youths towards YEDF loans, it can be concluded that they have a positive attitude towards it and that is why most of them would still apply for loans in future. Aspects of negative attitude would come from lack of information or understanding the YEDF and the challenges encountered in the process and after getting the youth fund.

On political leadership in Kieni East District and uptake of YEDF loans it can be concluded that political leaders have little or no influence on uptake of YEDF loans. This is because their support and help to the youth to access youth fund is insignificant.

In relation to awareness and information of youth fund and the uptake of YEDF loans, it can be concluded that slight majority of the youths are aware about the youth fund. They mainly get the information from their friends, government officers and the media. A significant number of the youth are ignorant about youth fund. Therefore there is need for more sensitization on the same.
In connection to entrepreneurial skills among the youth and the uptake of YEDF loans, it can be concluded that entrepreneurial skills help influence the uptake of YEDF. This is because youths with these skills are more likely to run more successful businesses which would expand with time hence the need for YEDF loans.

5.5 Recommendations

Based on the research findings, the researcher recommended that education stakeholders should make secondary education compulsory for learners. This will ensure youth have acquired enough education for them to understand basic concepts, gain confidence as well as good grounding in communication especially in official language. They should also link what is learnt in class with life after school so that the learners can understand the importance of education.

The researcher also recommended that political leaders should be more involved with youth development since the youth are the majority of their constituents. The youth form some of the marginalised groups therefore politicians should give them priority. The youth should benefit from the leaders they vote for because that is the main reason behind voting in the first place.

For the youth fund to benefit the youths more, the application process should take a shorter period, the number of youths per group should be reduced, individual application of YEDF loans should be allowed and the information on application should be simplified to enable people who have low levels of education to benefit from the same. The waiting period should also be adjusted to a month or less so that the funds can be received on time.
The researcher also recommended for more trainings, seminars and workshops on entrepreneurship to equip the youths with better skills to run their businesses. This would enable them to benefit more from the youth fund.

The researcher finally recommends that YEDF should intensify information dissemination on youth fund loans in order to reach the majority of the youth.

5.6 Suggestions for further research

1. Although this research has concluded and come up with its findings and recommendations similar studies should be replicated in other parts of Kenya to ascertain whether they will come with similar findings.

2. To establish the social cultural factors that influence the uptake of youth enterprise development fund.

3. To establish the effects of group dynamics on the uptake of youth enterprise development fund.
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YEN (2004). *Decent work for young people*, (paper prepared by the secretariat of the Entrepreneurship group, Richard Street (YBI) and Justin Sykes (seconded to ILO).


Appendix 1: Committal Letter

Isaac Mungai Njoroge
P.O Box 228-10102
Kiganjo

19th June, 2012

Dear Respondent,

RE: ACADEMIC RESEARCH

I am a student at the University of Nairobi pursuing a Masters Degree in Project Planning and Management. Am conducting an academic research on factors influencing the uptake of youth enterprising development fund loans in Kieni East District, Nyeri County.

I am kindly requesting for your assistance in responding honestly to all the items in the questionnaire. Your response will be treated as confidential and will only be used for academic purposes only.

Thank you

Yours faithfully

Isaac Mungai Njoroge
Appendix 2: Questionnaire

You are requested to complete this questionnaire as honestly and objectively as possible giving details where necessary. Please tick in the box provided where necessary

Demographic information

1. Name (optional) .................................................................

1. Age: please tick your appropriate age bracket

[ ] 18-21 [ ] 22-25 [ ] 26-29 [ ] 30-33 [ ] 33-35

3. Gender: [ ] male [ ] female

4. How old is your youth group?
[ ] Less than one year [ ] 1-2 years [ ] 3-4 years [ ] 5-6 years [ ] Over 7 years

5. What is your youth group main activity?

[ ] Horticulture farming
[ ] Livestock/poultry rearing
[ ] Agricultural farming
[ ] Fish farming
[ ] Tree nursery
[ ] Commercial business
[ ] Service industry
[ ] Others

Education Level

6. What is your education level?

[ ] Primary School [ ] Secondary School [ ] Tertiary [ ] college/university
[ ] Others

7. Do you think your education level influences uptake of youth fund?

[ ] Yes [ ] No

8. According to your experience, what is the effect of education level on the uptake of youth fund?

........................................................................................................
........................................................................................................
Political leadership in the District

9. Do you get support from political leaders from Kieni East District? [ ] Yes [ ] No

10. If the answer above is “yes”, what kind of support do you get?
[ ] Monetary [ ] Material support [ ] Advice [ ] Others

11. Do you agree that political leaders give youth groups support to access Youth Enterprise Development Fund?
[ ] Strongly agree [ ] Agree [ ] Neutral [ ] Disagree [ ] Strongly Disagree

12. Do you agree that political leaders are not interested in developing youth from Kieni East District?
[ ] Strongly agree [ ] Agree [ ] Neutral [ ] Disagree [ ] Strongly disagree

13. Do other government ministries and agencies support youth groups in their quest to access loans? [ ] Yes [ ] No

14. If the answer above is “yes” please pick the appropriate box that applies to you group
[ ] Advice
[ ] Technical support
[ ] Material support
[ ] Information and awareness
[ ] Others

Attitude towards loans

15. The YEDF loans are youth friendly
[ ] Strongly agree [ ] Agree [ ] Neutral [ ] Disagree
[ ] Strongly disagree

16. What is your opinion about youth fund?

17. Do you think that youth fund is helpful to the youth?
[ ] Yes [ ] No

18. Give reason(s) for your answer in 17 above.

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

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

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19. What is your attitude towards youth fund?

[ ] Very positive     [ ] Positive     [ ] Neutral     [ ] Negative
[ ] Very negative

20. Is the group is planning to apply for a loan again?  [ ] Yes     [ ] No

**Entrepreneurial skills**

21. Do you hold any entrepreneurial skills?

[ ] Certificate
[ ] Diploma
[ ] Degree
[ ] Any other (specify)

22. Have you attended any workshop/seminar on entrepreneurship? [ ] Yes     [ ] No

23. If the answer above is “yes” please specify the time taken

[ ] 1 to 2 days
[ ] 3 to 4 days
[ ] 5 to 7 days
[ ] 1 to 2 weeks
[ ] 3 to 4 weeks
[ ] 1 month and above
[ ] Others

24. The skills learned do help one to become a better entrepreneur?

[ ] Strongly agree     [ ] Agree     [ ] Neutral     [ ] Disagree
[ ] Strongly disagree

**Level of awareness and information**

25. How did your group learn about Youth Enterprise Development Fund Loans?

[ ] From friends
[ ] District Youth office/YEDF or other Government agencies
[ ] From the media (Radio, TV. Newspapers,
[ ] Others, specify................................................................................

26. The youth are well informed about youth enterprise development fund loans
27. The Youth Enterprise Development Fund loans are youth friendly

28. In your own words what do you think should be done to improve youth fund loans?
Please explain briefly under these headings:
- Application process
- Waiting period
- Cheque delivery
- Repayment Process

29. Do you know any other organization/financial institution or agencies that offer youth business loans? [ ] Yes [ ] No

30. If the answer is "Yes" how many do you know?
[ ] 1-2 [ ] 3-4 [ ] 5-6 [ ] 7-8 [ ] over 9

31. Has your group applied for a loan from these organizations/financial institutions or agencies? [ ] Yes [ ] No

32. If the answer above is "Yes", were you successful? [ ] Yes [ ] No

Groups that have accessed loans and those who tried and failed

33. Has your group ever applied for a loan?
[ ] Yes [ ] No

34. If the answer above is "Yes" how many times have you applied?
[ ] 1-2 times [ ] 3-4 times [ ] 5-6 times [ ] 7-8 times [ ] Above 9
35. How many times were you successful?
[ ] 1-2 Times  [ ] 3-4 Times  [ ] Above 5

36. Has the loan(s) helped your group achieve its objectives?
[ ] Yes  [ ] Somehow  [ ] No

37. The following are some of the important reasons why youth groups fail to apply for loans. According to you, what do you think ranks highest among the reasons given.
[ ] Lack of information on where to access the loans
[ ] Fear of loans
[ ] Lack of Collateral
[ ] High Interest rates
[ ] Long and complicated application procedures
[ ] Group wrangles and disagreements
[ ] Weak group leadership

38. Given below are some of the reasons why youth groups may fail to secure loans. Basing it on your group’s experience, choose the most applicable reason.
[ ] High interest rate
[ ] Lack of collateral
[ ] Short repayment period
[ ] Lengthy and rigorous application procedures
[ ] Corruption while applying for loans
[ ] Unviable group project
[ ] Others

39. Are you planning to apply for a loan again?
[ ] Yes  [ ] No

40. If the answer above is “yes”, please pick from the following your reason.
[ ] For expansion
[ ] For group members to share out
[ ] We cannot raise the required funds on our own
[ ] We want to start up a new project
[ ] We believe we must get a loan to move forward
[ ] Others

41. If the answer to (No. 39) is “no”, please pick the appropriate reason.
[ ] The group has raised the required funds
We have got an alternative source of funds
We have changed the group activity
After group analysis we have realised we can do without a loan
Others

New applicants

42. Why is your group applying for a loan?
[ ] To start up a group project
[ ] We want to share out the money among group members
[ ] Because that is money meant for the youth
[ ] We want to expand our group project
[ ] We were told to apply for funds by politicians
[ ] Others

43. Why did you choose Youth Enterprise Development Fund loan? Please pick the most applicable reason
[ ] It is youth friendly
[ ] It does not charge interest
[ ] The application procedures are easy
[ ] There is no collateral required
[ ] The officers involved are friendly and willing to visit youth groups where they are
[ ] Easy loan terms
[ ] Others

44. When did your group start the process of loan application?
[ ] 1-2 months [ ] 3-4 months [ ] 5-6 months [ ] 7-8 months [ ] Over 9 months

45. What are the main challenges when going through the application process? Pick the most challenging
[ ] Coming up with a viable group project
[ ] Getting information on youth fund loans
[ ] Finding officers to explain the finer details
[ ] Filling in the loan application form
[ ] Others

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46. The Ministry of Youth Affairs and Sports officers concerned with Youth Enterprise Development Fund loan application are helpful?

[ ] Strongly agree        [ ] disagree        [ ] Neutral        [ ] Disagree
[ ] Strongly disagree

Thank you very much for your time and for the valuable information you have given. God bless you.
5 July 2012

TO WHOM IT MAY CONCERN

SUBJECT: CONFIRMATION LETTER

ISAAC MUNGAI NJOROGE - REG. NO.L50/60685/2011

This is to confirm that the above named is a bona fide student of University of Nairobi pursuing a Master of Arts Degree in Project Planning and Management - in the School of Continuing and Distance Education - Department of Extra Mural Studies.

He has completed course work and is currently writing the Research Project which is a requirement for the award of the Masters Degree.

He topic is "Factors influencing the Uptake of Youth Enterprise Development Fund Loans in Kieni East District, Nyeri County".

Any assistance accorded to him will be highly appreciated.

RESIDENT LECTURER
NYERI & MT. KENYA REGION