

**FACTORS INFLUENCING SUCCESS OF YOUTH ENTERPRISES IN
NDARAGWA CONSTITUENCY, NYANDARUA COUNTY, KENYA**

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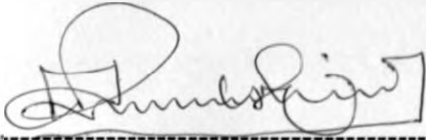
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**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF ARTS
DEGREE IN PROJECT PLANNING AND MANAGEMENT OF THE
UNIVERSITY OF NAIROBI.**

2012

DECLARATION

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



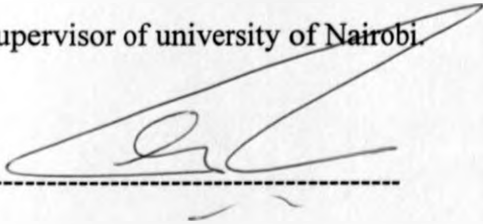
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DEDICATION

This research work is dedicated to my family for being my greatest blessing and source of encouragement throughout this research work. May the good Lord bless them abundantly.

ACKNOWLEDGEMENT

I am grateful to the Almighty Lord for his unfailing love, provision, protection and unmerited mercy. Special thanks to the entire University of Nairobi specifically to all lecturers and staff of University of Nairobi, Department of Extra Mural Studies, School of Continuing and Distance Education, for their support throughout the masters programme in general and in particular this project.

I profoundly acknowledge the role played by Dr. Christopher Gakuu, Senior Lecturer and Chairman, Department of Extra Mural Studies for his unwavering support and advice as my supervisor. His concern and sacrifice really challenged me. Special thanks to all my colleagues in the Master of Arts in Project Planning and Management class for their encouragement and concern. To all, may the good Lord bless you abundantly.

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findings based by youth by establishing the factors that influence success of youth owned enterprises. The research objectives were determined by youth. The study design was a descriptive survey design and when carrying out the study. The sample comprised 22 respondents. The study used questionnaire and interviews for the key informant findings revealed that social and cultural variables influenced youth enterprises. For example, youth had different views regarding youth perceptions towards entrepreneurship. These indicated, youth have a negative attitude towards entrepreneurship, they should join different youth groups to get to know, most of them do not realize their potential of national policies, they should be encouraged on self employment, there should be creation of awareness on the importance of entrepreneurship and that youth face rising and also lack acceptance of their ages. The key informants indicated that the youth were quite positive about entrepreneurship and were eager to learn more and see taking it positively. They were also yearning to get into business enterprises. Findings also revealed that access to entrepreneurship education, training and skills influenced youth enterprises. For example, youth respondents indicated that there was need for guiding the youth how to present their ideas among group members. There was also need to go through financial education before obtaining the entrepreneurship license, there was need for regular seminars with youths who have succeeded in businesses, the youth should be provided loans. They also indicated that entrepreneurship studies should be introduced in schools, in addition, the youth should be provided with civic education. Youth should come to school and share ideas and should also be provided with financial advice on how to raise and utilize funds. Findings further revealed that access to finance influenced youth enterprises. Findings also indicated that administrative and regulatory framework influenced success of youth enterprises while findings also indicated that business assistance and support influenced the success of youth enterprises. Based on the findings of the study, it was concluded that social and cultural variables influenced youth enterprises. For example, youth had different views regarding youth perceptions towards entrepreneurship. These indicated, youth have a negative attitude towards entrepreneurship, they should join different youth groups to get to know, most of them do not realize their potential of national policies, they should be encouraged on self employment, there should be creation of awareness on the importance of entrepreneurship and that youth face rising and also lack acceptance of their ages. The key informants indicated that the youth were quite positive about entrepreneurship and were eager to learn more and see taking it positively. They were also yearning to get into business enterprises. The study also concluded that access to entrepreneurship education, training and skills influenced youth enterprises. Youth respondents indicated that there was need for guiding the youth how to present their ideas among group members. There was also need to go through financial education before obtaining the entrepreneurship license, there was need for regular seminars with youths who have succeeded in businesses. The study also concluded that access to finance influenced youth enterprises. The study also concluded that administrative and regulatory framework influenced success of youth enterprises. Youth faced administrative procedures,

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ABSTRACT

The purpose of this study was to provide information that would help in enhancing businesses owned by youth by establishing the factors that influence success of youth owned enterprises. Five research objectives were formulated to guide the study. Descriptive survey design was used when carrying out the study. The sample comprised of 25 respondents. The study used questionnaire and interview for the key informants. Findings revealed that social and cultural attitudes influenced youth enterprises. For example, youth had different views regarding youth perception towards entrepreneurship. These included; youth have a negative attitude towards entrepreneurship, they should join different youth groups to get to know, most of them do not realize their potential of national policies, they should be encouraged on self employment, there should be creation of awareness on the importance of entrepreneurship and that youth fear risking and also lack acceptance of their ages. The key informants indicated that the youth were quite positive about entrepreneurship and were eager to learn more and are taking it positively. They were also yearning to get into business enterprises. Findings also revealed that access to entrepreneurship education, training and skills influenced youth enterprises. For example, youth respondents indicated that there was need for auditing the cash flow to prevent fraud among group members. There was also need to go through financial education before obtaining the entrepreneurship license, there was need for regular seminars with youths who have succeeded in businesses, the youth should be granted loans. They also indicated that entrepreneurship studies should be introduced in schools' system, the youth should be provided with civic education. Youth should come together and share ideas and should also be provided with financial advice on how to access and utilize loans. Findings further revealed that access to finance/start-up finance influenced youth enterprises. Findings also indicated that administrative and regulatory framework influenced success of youth enterprises while findings also indicated that business assistance and support influenced the success of youth enterprises. Based on the findings of the study, it was concluded that social and cultural attitudes influenced youth enterprises. For example, youth had different views regarding youth perception towards entrepreneurship. These included; youth have a negative attitude towards entrepreneurship, they should join different youth groups to get to know, most of them do not realize their potential of national policies, they should be encouraged on self employment, there should be creation of awareness on the importance of entrepreneurship and that youth fear risking and also lack acceptance of their ages. The key informants indicated that the youth were quite positive about entrepreneurship and were eager to learn more and are taking it positively. They were also yearning to get into business enterprises. The study also concluded that access to entrepreneurship education, training and skills influenced youth enterprises. Youth respondents indicated that there was need for auditing the cash flow to prevent the fraud among group members. There was also need to go through financial education before obtaining the entrepreneurship license, there was need for regular seminars with youths who have succeeded in businesses. The study also concluded that access to finance/start-up finance influenced youth enterprises. The study also concluded that administrative and regulatory framework influenced success of youth enterprises. Youth faced administrative procedures,

bureaucracy and red tape when registering their businesses. Other administrative hurdles included taxation regulation, tax level, competition law, and national trade policy. The study also concluded that business assistance and support influenced the success of youth enterprises. Based on the findings it was recommended that there is need to have formal training for new entrepreneurs before they start their occupation. It was also recommended that there is need to empower the youth in identifying their abilities in entrepreneurship. There is need to cultivate in the youth a positive attitude towards self employment to enable them understand that formal employment is not the only way of self development. It was lastly recommended that the education curriculum should assess the need of including entrepreneurship subjects so that the youth can be prepared to take up entrepreneurship.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Entrepreneurship is a generic term that subsumes many issues. It has therefore, been defined in very many ways. Rabboir (1995) – quoted in Schnurr and Newing (1997) lists twenty definitions of ‘entrepreneurship’ from various authorities on the subject. He concludes that efforts to reach a consensus on the subject have not been successful and various analysts are changing their definitions as work, study and experience in the field evolve. This study adopts a definition of ‘entrepreneurship’ along the lines proposed by Stevenson (1989). According to Stevenson,(1989), ‘entrepreneurship’ is “the process whereby individuals become aware of business ownership as an option or viable alternative, develop ideas for business, learn the process of becoming an entrepreneur and undertake the initiation and development of a business.

It has been argued that one of the benefits of entrepreneurship and perhaps the most significant one is that it creates employment for the young person who owns the business. This is especially the case in an economy subject to rationalization, change and restructuring. Many experts believe that this could bring back the alienated and marginalized youth into the economic mainstream, Curtain, (2000); White and Kenyon, (2000). There may also be a direct effect on employment if new young entrepreneurs hire fellow youths from the ‘dole’ queues Curtain, (2000). In this way, entrepreneurship could

help address some of the socio-psychological problems and delinquency that arise from joblessness.

Youth-Run Enterprises (YREs) also provide valuable goods and services to society, especially the local community (OECD, 2001). This results in the revitalization of the local community.

It has also been observed that new small firms tend to raise the degree of competition in the product market, thereby bringing gains to consumers, Curtain, (2000). In addition, the enterprises may create linkages between youth entrepreneurs and other economic actors, such as through sub-contracting, franchising, and so on. White and Kenyon, (2000); Youth entrepreneurship also promotes innovation and resilience as it encourages young people to find new solutions, ideas and ways of doing things through experience-based learning OECD, (2001); White and Kenyon, (2000). In certain circumstances, young entrepreneurs may be particularly responsive to new economic opportunities and trends. This is especially important given the on-going globalization process. It is increasingly accepted that youth entrepreneurs can present alternatives to the organization of work, the transfer of technology, and a new perspective to the market, White and Kenyon, (2000).

White and Kenyon (2000) further noted that social and cultural identity is promoted through youth enterprises, as is a stronger sense of community where young women and men are valued and better connected to society. According to White and Kenyon (2000), youth enterprises give young people, especially marginalized youth, a sense of 'meaning' and 'belonging'. This can shape the identity of youth and encourage others to treat them as equal members of society. A popularization and democratization of entrepreneurship

can allow the disadvantaged in society to succeed regardless of social or family background OECD, (2001).

Although entrepreneurship is increasingly being accepted as an important means and valuable additional strategy to create jobs and improve livelihood and economic independence of young people. Schoof (2006), points out that entrepreneurs seem to face challenges that hinder their success. In general, entrepreneurs appear to work in a legal and regulatory business environment that is not as conducive to entrepreneurship as more economically developed countries. For example processes around business registration are lengthy and legal requirements around import and export law are complicated. Secondly, entrepreneurs face the difficulty in accessing capital caused by financial institutions which are typically reluctant to lend to SMEs that fail to meet their high collateral requirements, especially when viewed through traditional conservative lenses that see only high risk and high transaction cost. It also appears like entrepreneurs in Kenya lack access to market information, skills and knowledge gleaned from practical experience and international best practice. This access is needed to coax potential entrepreneurs into the open, enable them to effectively interact with capital markets and help them succeed.

According to Techno serve, (2007) while general barriers to successful business launch and growth apply to youth (such as lack of access to capital); young entrepreneurs face specific challenges, often amplified in the case of adolescent girls. Techno serve, (2007) argue that beyond the general skepticism of small-business start-ups that the banks hold,

youths also face credibility constraints with potential customers and suppliers who all tend to dismiss the capacity of young people to engage in business and that most young people lack the business network of potential partners and mentors that older entrepreneurs have. In addition it appears that potential young entrepreneurs are particularly vulnerable to dissuasion from authority figures and peers who encourage talented young people to seek careers in “established” sectors and enterprises (such as the civil service or large firms). The education system also promotes routine learning and obedience rather than creativity and innovation.

According to the Kenya national youth policy (2006) a youth in Kenya is defined as one aged 15-30 years. This policy stipulates that by 2009 the population of youth in Kenya was about 11.99 million (Republic of Kenya, 2010) which accounts for 31% of the population where 51.5% of this are female and 48.5% are males. This segment of the population has a considerable potential to contribute to the development of the nation yet many enormous challenges exist that prevent them from exploiting their full potential. These challenges include among others unemployment, inadequacies of education system, Human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), Drug and substance abuse and crime.

Entrepreneurship and access to credit facilities therefore may form part of the solution to youth unemployment which is increasing in many regions and is persistently high throughout the world. In 2003, the youth unemployment rate reached the historical peak of 14.4%, 88 million young people or 47% of the global unemployed. In Kenya youth

unemployment rate is 61% of the unemployed population (ILO report, 2005). It is because of this high unemployment problem that the government of Kenya conceived the idea of institutional financing by establishing a youth kitty. The concept is based on the premise that micro, small, and medium enterprise development initiatives are likely to have the biggest impact on job creation, (Gok, 2008).

In order to stimulate youth entrepreneurship, the Kenya government established the Youth Enterprise Development Fund in the year 2006 with the sole purpose of reducing unemployment among the youth in the country. The Fund's strategic focus is on enterprise development as a key strategy that will increase economic opportunities for and participation by Kenyan youth in nation building. The government has so far released Ksh.1.75 billion to the fund with a further commitment of Ksh. 500 million in the financial year 2008/09 and Kshs. 385 million in the financial years 2009/10, 2010/11 and 2011/12(GoK-YEDFB,2011). The fund has disbursed about Ksh. 4.5 billion to finance 288,639 youth enterprises, nationally through the Constituency Youth Enterprise Scheme and Financial intermediaries components. Over Ksh. 875 million to 23501 youth enterprises as at 30th June 2011, where to date 1633 youth groups have received Kshs. 71.3 million in Central province (GOK, 2011). Youth groups in Ndaragwa constituency have received approximately Ksh. 2.5 million out of this total (GoK-YEDFB, 2011). According to GoK (2009) census report the population of youth between the ages 15-35 in Ndaragwa constituency was approximately 22753 which is 24% of the constituency's total population. Data available at the district youth office suggested that majority of

youth enterprises can be classified as SMEs mostly in the informal sector and in agriculture.

1.2 Statement of the Problem

According to a study done by youth business international (YBI), at least 20% of the approximately 300 million worldwide who are unemployed and underemployed, young people aged 16-30 years have the potential to become entrepreneurs but 5% do. Kenya's economic growth rate has not been sufficient enough to create enough employment opportunities to absorb the increasing labour force of about 500,000 annually. Of the 500,000 only 25% are absorbed leaving 75% to bear the burden of unemployment (Gok, 2006). It is because of this high unemployment problem that the government of Kenya conceived the idea of institutional financing by establishing a youth kitty. The concept was based on the premise that micro, small, and medium enterprise development initiatives are likely to have the biggest impact on job creation.

The one billion youth enterprise development fund was established on 8th, December 2006 and in 2007/2008 financial year the government added ksh.750 million. This fund has been operational for four years now. According to GOK, (2011), in central province 9,796 individual youth entrepreneurs and 1633 youth groups have benefited from the fund. In Ndaragwa constituency a total of Kshs 1,239,540 has been disbursed to 25 youth groups. Out of the amount disbursed only Kshs 361,445 has been recovered, this translates to poor loan repayment of 29%. Although data on loan disbursement and repayment is available, reasons for poor repayment of the fund are not available.

However young people who have accessed youth fund even at lower interest rate of 8% claim that their businesses barely survive their fifth month.

The study aimed at establishing whether success of youth-owned enterprises is influenced by other factors apart from those that affect enterprises owned by older entrepreneurs. Although the crucial role played by entrepreneurship in driving economic development and job creation is increasingly understood it appears like there are little efforts to look at it from youth perspective. Young people seem to be treated as part of the general adult population, while their specific needs and particularly their entrepreneurial potential as well as their critical contribution to economic and social progress are underestimated. There is still general lack of accurate and concrete data on youth entrepreneurship especially as it relates to entrepreneurial framework conditions and creation of new firms by youth (Schoof, 2006). The study sought to establish the factors that influence the success of youth enterprises in Ndaragwa constituency.

1.3 Purpose of the Study

The purpose of this study was to provide information that would help in enhancing businesses owned by youth by establishing the factors that influence success of youth owned enterprises.

1.4 Objectives of the Study

The study aimed at investigating the factors that affect the success of youth-owned enterprises in Ndaragwa constituency. The specific objectives of this study were:

- i. To establish whether social and cultural attitudes of youth towards entrepreneurship influence the success of an enterprise.
- ii. To establish whether access to entrepreneurship education, training and skills influence the success of an enterprise.
- iii. To determine whether access to finance/start-up finance influences the success of youth owned enterprises.
- iv. To determine how administrative and regulatory framework influences the success of youth owned enterprises.
- v. To assess the effect of business assistance and support on the success of youth enterprises.

1.5 Research Questions

The study sought to answer the following questions:

- i. What are the effects of social and cultural attitude of youth towards entrepreneurship in Ndaragwa?
- ii. How does access to entrepreneurship education, training and skills influence success of an enterprise?
- iii. To what extent does access to finance/start-up finance influence the success of youth owned enterprises?
- iv. How does administrative and regulatory framework of businesses in a country influence success of youth owned enterprise?
- v. To what extent does business assistance and support on youth enterprises increase their chances of survival and growth?

1.6 Significance of the Study

It has been argued that lack of capital is the greatest challenge to young entrepreneurs in Kenya. This argument is with time being challenged by lack of concrete data to support it. In addition even with the introduction of youth fund, little improvement has been achieved in making credit facilities available to the youth. This study seeks to establish other key factors that influence success of youth owned enterprises in Ndaragwa constituency.

The research findings may provide policy makers with information on factors that encourage success of enterprises owned by the youth, the obstacles that stand on the way and the policy measures that can support it. The recommendations made in this study will help in enhancing enterprise development which is an important avenue for job creation for the youth.

1.7 Assumptions of the Study

This study took into consideration the assumption that variables to be in the study would not change in the course of the research period and that the respondents would give correct and valid information so as to get valid data. It was also assumed that the questionnaires to be issued would be returned on time and dully completed.

1.8 Delimitation of the Study

The study was limited to Ndaragwa constituency of Nyandarua county of Kenya. Data accuracy depended on respondents' honesty in answering all the questions. The study was limited to youth groups which have accessed youth enterprise development fund in Ndaragwa constituency which is also a division in Nyandarua North District as well. Only selected individuals of between the ages of 15-35 years were sampled.

However, to minimize any effect, complete instructions were given in each section of the questionnaire. An interview guide was used to enhance consistency in interviewing the respondents. The researcher carried an introductory letter to the authority as he made a request for permission to collect data. The researcher informed the respondents of the intended exercise early in advance.

1.9 Limitations of the Study

The study took into account that time and financial constraint may affect the geographical coverage of the study. In addition it was not possible to study the whole population therefore the study was limited to youth groups that have accessed youth fund because it is possible to obtain data from the District Youth Office.

1.10 Definition of Significant Terms

Barriers to entrepreneurship	conditions that stand on the way of an entrepreneur making his/her efforts to create a successful enterprise to fail.
Credit access	is a situation whereby an entrepreneur or a potential entrepreneur is timely offered capital with or without collateral and on favourable terms by available financial institutions.
Economic development	activities encompassing but not limited to trade and industry towards increasing resources for access by majority of the society for their well being.
Entrepreneurship	it is the process whereby individuals become aware of business ownership as an option or viable alternative, develop ideas for business, learn the process of becoming an entrepreneur and undertake the initiation and development of a business.
Entrepreneurial framework	conditions that include the availability of financial

conditions

resources for starting new business ventures, government policies and programs to support new business ventures, the level of education and training for those who wish to be or already are entrepreneurs, access to professional support service and physical infrastructure, internal market openness, as well as cultural and social norms.

Youth

individual within the age bracket of 15-35 years.

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.

1.11 Summary

This chapter highlights the background of this study taking into consideration the statement of the problem, the objectives of the study and the research questions. By answering these research questions the objectives of the study were achieved under the assumptions of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses literature related to youth entrepreneurship. It also highlights literature related to the concept of youth entrepreneurship, status of youth entrepreneurship in developed and in developing countries, the constraints or challenges to youth entrepreneurship and youth entrepreneurship as an avenue of opportunity. The chapter will also involve conceptual framework and operationalization of key variables.

2.2 Youth in Society

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 and backgrounds, (White and Kenyon, 2001). In Kenya, a youth is defined as an individual within the age bracket of 15-30 years; this definition takes into account the physical, psychological, social, cultural, biological and political definitions of the term (Gok 2006). In legal terms a youth from the age of 15 years are defined as economic agents according to ILO convention, No. 138. However young people are often denied access to credit even through micro-credit schemes because of a requirement for clients to be the legal age (18 years and above) to sign a legal contract. Blanchflower and Oswald (1998) suggest that there are five impetuses behind supporting youth entrepreneurship: it promotes innovation, it creates jobs, it increases competition in the market place, and in addition young entrepreneurs are responsive to new opportunities

and trends and with entrepreneurship go increased self-reliance and well-being. For the purpose of this study a youth was referred to as a person aged between 15-35 years.

2.3 The Concept of Youth Entrepreneurship

Before looking at the barriers that impede youth entrepreneurship, it is important to have an understanding of what 'youth entrepreneurship' is. Related to this is the need to understand the importance of promoting entrepreneurship in general and youth entrepreneurship in particular. Thus, the key questions that this section addressed are: What is entrepreneurship? What is youth entrepreneurship? But given that this study aimed towards at least tentative suggestions for the promotion of youth entrepreneurship, it needs more definitional rigor. Without it, the issues relating to youth entrepreneurship cannot be properly debated and policy issues cannot be precisely crafted.

The definition of Entrepreneurship, and for the purpose of this study, 'youth entrepreneurship' is defined as the "practical application of enterprising qualities by youth, 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" (Schnurr and Newing, 1997). The application of these qualities, a process known as 'entrepreneurism' leads to ventures in the social, political or business spheres. The emphasis in this study is on self-employment. We define 'self-employment' as anyone who works for himself or herself but for anyone else, except under arm's-length contracts (OECD, 2001).

2.3.1 Categorization of Young Entrepreneurs

Chigunta (2002) proposes a broad categorization of young entrepreneurs into three (transitional) phases. The first category is that of pre-entrepreneurs (in the age of 15-19 years). These are youths in formative stage, are younger and often in transition from the security of the home or education to the work place. But as Curtain (2000) observes, for many young people, the transition from education to work is not a single step of leaving the educational system and entering the world of work. The second category is that of budding entrepreneurs (in the age of 20-25 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. According to Chigunta (2002), this group often faces three enterprise pathways of remaining stuck in marginal activities, going out of business and running successful enterprises. The last category according to Chigunta (2002) is that of emergent entrepreneurs (in the age of 26-29 years). This is the prime stage, youth in this group have valuable experiences in business, and 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.

However, this kind of categorization can only serve as a broad suggestion, as transitions in the process of youth enterprise development will differ from country to country and from business sector to business sector. Nonetheless, it becomes obvious that observing and recognizing the different development stages and transitions (from school to business and from work/business to business) is crucial for evaluating and designing appropriate policies and straggles to foster youth entrepreneurship.

2.4 The Status of Youth Entrepreneurship and Self-Employment

In the USA, nearly half (40 percent) of young people finishing secondary school express high interest in forming their own businesses OECD (2001). Similarly, in the United Kingdom, which according to the OECD(2001), is Europe's second most entrepreneurial large economy (to Italy) and has the fastest growing self-employment rates, more than a third of the nation's young people express a desire to start their own businesses and each year about 50,000 of them actually do it.

In France, a survey specifically focused on beginning and finishing secondary school pupils as well as those in the first year study for a BTS (Brevet de Technicien Supereur), a professional qualification, conducted in 1999 revealed that 32 percent of the respondents were seriously envisaging the creation of an enterprise as their first professional work (OECD 2001). These aspirations are also evident among youth in developing countries. Recent survey data from Malawi and Zambia suggest that slightly over half of the youth express a desire to start their own businesses. In Malawi, the research shows that about a third of the youth entrepreneurs want to expand or diversify their businesses into other ventures, with only 3.0 percent saying that they would look for a formal sector job, Kambewa (2001). Equally, in Zambia, slightly more than half (50.9 percent) of the unemployed youth want to start their own enterprises in the urban informal sector, while 19.6 percent indicated that they intend to seek informal wage employment (Chigunta, 2001). Among the youth entrepreneurs, the majority that is 63.6% of youth proprietors express a desire to grow their business ventures in the informal sector.

The expressed desire by many youth to start their own businesses seems to contradict the conventional wisdom that the majority of young people have a negative attitude towards self employment, especially in the urban informal sector. The current tendency in the literature is to portray youth as 'job seekers' who mainly view self-employment as a 'stop gap' measure as they wait for better opportunities in the formal sector (Chigunta, 2001).

Indeed, in the case of the developing countries, it is tempting to dismiss the desire of over half of the youth to set up their own businesses as arising from a lack of viable alternatives. This could be true for some youth. But, literature reveals that interest in starting or growing an enterprise among young people can be attributed to a complex combination of factors. Among others, these reflect positive changes in the political and social environment of entrepreneurship and low wages in the formal sector which act as a disincentive to job seekers with entrepreneurial aspirations (Kambewa, 2001). The great interest expressed in starting or expanding an enterprise among youth in both developed and developing countries should be seen in the context of the increasingly importance of self-employment as a source of new jobs and economic dynamism in both developed and developing countries.

2.4.1. Youth Run Enterprises in Developed Countries

While data on exactly how many youth are participating in entrepreneurially-related activities in developed countries have yet to be collected, the few available studies show that young people are actively involved in running their own businesses. In the United Kingdom, a Barclays Bank survey (1997) of young entrepreneurs aged 18-24 years

(quoted in White and Kenyon, 2000) found a 'flourishing youth enterprise culture'. The survey revealed that 65% of the youth entrepreneurs worked from home, 40% alone, and 14% had a single employee and about 17% employed six or more people. Most of the Youth Run Enterprises 71% had an annual turnover of under £100,000 (US\$158,000), but about 10% were significantly larger than others. The survey revealed that it costs youth entrepreneurs under age 25 about £5000 (\$7000) to set up their businesses, although the average cost of all new businesses in 1997 was £11000 (\$17400). In the United States of America, thousands of young people across the country participate in YREs.

In Canada, the OECD report indicates that self-employment among youth (15-24) rose rapidly in the 1990s. In 1996, it reached 7% as a percentage of the working population from 5.4% in 1989. The same source shows that in Australia, some 5.0 – 5.5% of the self-employed, on average, are aged between 15-24 years. But the youth are involved in a limited range of enterprises. Almost 70% of the youth entrepreneurs operate in four sub-sectors: construction, personnel and other services, retail trade and property and business services. Their penetration rate or share of self-employment in each sub-sector lies above the average in the first two, but below it in the second two. However, older youth aged 20-24 years tend to predominate, while those aged 15-19 years play only a small role.

These data suggest that, although there is a 'flourishing youth enterprise culture' in the OECD, overall, the participation of young people in self-employment in developed countries is very low. On average, they constitute less than 10% of the total self-

employed in developed countries. In the UK, for instance, the Barclays survey established that the 16-25 age cohorts has the lowest self-employment rate (3.3%) and people over 65 years the highest (36%).

2.4.2 Youth Run Enterprises in Developing Countries

A study done by OECD (2000) shows that in developing countries, the rate of self-employment among youth, while low compared to adults, is significantly higher than among young people in developed countries. This is particularly the case in countries with slow or stagnant economic growth. Thus, Sharif (1998) observes that the tendency towards self-employment among youth is much greater in Sub-Saharan Africa than in other parts of the world.

Recent survey data from Zambia show that a quarter of the youth (25%) are self-employed, Chigunta (2001). Most of these young people, especially younger youth, tend to be concentrated in marginal trading and service activities. However, there is significant variation according to the age category of youth. The survey results show that only 9.6% of younger youth aged between 15-19 years were engaged in enterprise activities in the informal sector as 'proprietors'. The level of youth participation in the informal sector increased to 33.4% among young people aged between 20-24 years and 57.7% among those aged between 26-29 years, respectively. This trend continued among higher age categories, though, unlike in the case of developed countries, started to fall off for those aged 40 years and above.

These findings are supported by evidence from Ghana where a survey of small scale enterprises revealed that young people owned almost 40% of the enterprises (Osei, 1993). But younger youth aged 15-25 owned only 5.5% of enterprises, while those aged between 26-35 years owned 33.8 percent. Similar evidence from South Africa suggests that the probability of self-employment among young people rises with age (Jewitt, 2001). The evidence from developing countries also suggests that the proprietary participation rate of youth significantly varies according to gender, with young men more likely than young women to be self-employed. The data for Zambia show that only 5.4% of the younger female youth in the age category 15 – 19 years were engaged in running enterprises as proprietors compared to 15.1 percent among male youth. In the age group 20 –24 years, only a quarter (25%) of female youth were involved in running enterprises compared to just under half (40.3 percent) of the male youth. Even among young adults aged between 25 – 29 years, slightly more males (60%) than females (53%) were engaged in enterprise activities.

These findings appear to suggest the existence of socio-cultural constraints which tend to affect the participation rate of female youth in self-employment. However, where such socio-cultural constraints are largely absent, as is generally the case in developed countries, the rate of female youth proprietary participation appears to be high, and in some cases even higher than that of male youth. In the UK, for instance, the Barclays Bank survey showed that some 45 percent of the entrepreneurs were female, while the rest were male. In Australia, the level of female participation in some sub-sectors was even higher than that of male youth (Weeks and Kenyon, 2000).

2.5 Factors that Influence Youth Entrepreneurship

This section delves on factors that influence youth entrepreneurship. These include but not limited to social and cultural attitude towards entrepreneurship, social and cultural influences affecting entrepreneurship, social legitimacy and perception of entrepreneurship, education, skills and training, access to capital, administrative and regulatory burdens for young people, business assistance and support and youth entrepreneurship as an avenue for opportunity.

2.6 Social and Cultural Attitude Towards Youth Entrepreneurship

The concept of entrepreneurship and especially youth entrepreneurship is not inherent to every culture or society. Creativity and innovation are not always valued traits and appreciation of self-employment by societies varies considerably. The social perception of entrepreneurship can therefore act as an incentive and a major barrier starting up in business. As cultural and social backgrounds influence an individuals' approach to life, they similarly influence entrepreneurial activity and enterprise culture. Gibb (1988) defined an enterprise culture as "set of attitudes, values and beliefs operating within a particular community or environment that lead to both "enterprising" behaviour and aspiration towards self-employment." Researchers have for long realized that cultural attitudes influence the entrepreneurial activities of a population, a country, region or ethnic group and that the interaction between culture and entrepreneurship is stronger in the case of some groups than others (Birley, 1987). According to McGrath (1992) cultural differences between nations are increasingly understood as an important determinant of a nation's level of economic and entrepreneurial development. A cultural

environment in which entrepreneurship is respected and valued, and in which business failure is treated as a useful learning experience rather than a source of stigma, will generally be more conducive to entrepreneurship (OECD, 1998).

2.7 Social and Cultural Influences Affecting (Youth) Entrepreneurship

Carswell and Rolland (2004) cite religion, cultural aspect and enterprises as having a complex interdependent relation. Religion, since it can shape the values and beliefs of a person, can have an influence on entrepreneurial behaviour in general and the nature and the type of business as well as women's participation in business in particular. However, recent studies on the influence of religion on business provide anecdotal evidence that faith does not exert as important an influence as might be expected on entrepreneurial behaviour (Basu, 2002). Carswell and Rolland (2004) show that there is no correlation between increasing ethnic diversity and associated religious value systems and a reduction of business start-up rate.

According to Hofstede (1980) culture is the system of collective values that distinguishes the member of one group from another. Hofstede conducted perhaps the most commonly employed approach to understand on how values in the workplace are influenced by culture. He developed a model that isolates four primary dimensions to differentiate cultures ("uncertainty avoidance", "individualism", "masculinity" and "power distance"). According to Hayton (2002), these values again have an influence on individual's needs and motives for example achievement, affiliation or the pursuit of individual and social goals and their beliefs, behaviour and orientation for example risk-taking. Proactiveness

and self efficacy. Therefore, differences in these values may have an influence on entrepreneurial behaviour and the decision of whether or not to become an entrepreneur. For example, uncertainty avoidance or acceptance in a culture is strongly linked to the level of risk-taking and proactiveness of an individual or an organization. Individuals (like entrepreneurs) with a high need for achievement, such as those in uncertainty accepting societies, will be more willing to take risks than individuals in uncertainty avoiding societies (Kreiser, 2003).

2.8 The Social Legitimacy and Perception of Entrepreneurship

Cultural values can have an important influence on entrepreneurial behaviour. However, that does not imply that they are enough to cause or to inhibit the rise of entrepreneurial activity. Social perceptions and perceived legitimacy of entrepreneurship are also an important factor in helping of hindering entrepreneurial behaviour. According to Wilken (1979), the degree of approval or disapproval of business activity will influence its emergence and characteristics, being favoured by those environments in which entrepreneurs enjoy greater legitimacy. How young individuals perceive entrepreneurship depends particularly upon their personal environment, their individual awareness and familiarity with the concept of entrepreneurship and the general reputation, acceptance and credibility of entrepreneurs in society.

Parents, relatives and friends can have a crucial influence on young people's opinions about entrepreneurship, playing a strong role in imparting positive or negative views of

business. Family background, in particular, plays an important role in the formation of a mindset open to self-employment and entrepreneurship (Postigo, 2003). A national survey of young adults done by development associates in 1993 in the US found that there was a strong relationship between having a role model in the form of a parent, family member, or friend, and expecting to own a business in the future. The Euro barometer survey results (2004) confirm this observation. Youths with self-employed parents are more entrepreneurial minded (52%) than those whose parents are both employees (42%).

However, according to Street and Sykes (2003), for some societies, entrepreneurship remains undervalued compared to, for example, a career in medicine, law, with a large corporation or with government. In these societies, perceptions remain that family sacrifices made to help young people gain a high level of education are not repaid if they become self-employed. The image, reputation and credibility of entrepreneurs in a society can also have a crucial influence on young people's attitude to entrepreneurship and on their decision to start up their own enterprise.

Schramm (2002) suggested that high levels of ethical misconduct like corruption and favouritism often imperil the acceptance of entrepreneurship in general and the reputation of entrepreneurs in particular. Young people, willing to engage in business, have additionally to cope with the particular reputation and stereotypes given to young entrepreneurs in society and in the business world. Due to their limited life and work experience, young entrepreneurs are often not taken seriously by older colleagues or

business contacts. According to a Barclays Bank Survey in the UK, 'not being taken seriously' and 'age discrimination by suppliers or customers' are two of the biggest problems experienced by young entrepreneurs in the course of running a business. They are perceived as being a greater problem than difficulties in attracting funding.

2.9 Education, Skills and Training

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, system is not designed to develop knowledge, skills and attitudes that are important to entrepreneurial success. In even the best schools, the penetration rate on entrepreneurial education rarely exceeds 2%.

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 the in-school and out-of-school youth. DEST (2005), suggests 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, including working for themselves.

Studies by the Gates Foundation and others show a decisive link between the decision to drop out and the lack of challenge and connection to real-life experience faced by youth in the public school system. 81% of survey respondents in the Gates Foundation study said that if schools provided opportunities for real-world learning (internships, service learning projects, and other opportunities), it would have improved the students' chances of graduating from high school. Although around 70% of youth said they are interested in starting a business, 85% of students said they had been taught "practically nothing about" or "very little about" business and how it works (Kellogg, 2006).

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

An investigation into levels of entrepreneurship development within Kenya which focused on the types of training entrepreneurs received outside 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% of the entrepreneurs surveyed had not received any entrepreneurial skills training. For the few that had received training, most received technical (non-business) training, central bureau of statistics SME survey, (1999). One can therefore argue that there is a strong relationship between the kind of skills and training that one has acquired prior to starting a business and when running and managing that business.

2.10 Access to Capital/ Start-up Financing

The 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 Euro barometer 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 micro-finance institutions in many countries, but those specifically targeted at youth are even fewer. A review of 902 organizations in 96 countries listed under the 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 an underrepresented group. Lack of sufficient collateral, experience and biases further disadvantage young people (Curtain, 2000).

It is also important to note that many micro-credit schemes, especially youth credit schemes, have failed in many countries. The overall message from the failure of these schemes suggests that success or failure in terms of financial viability and servicing the poor, in this case young people largely depends on the design of the programme, (Curtain 2000). A number of reasons to explain why micro credit has neglected young people can be identified. These include the requirement in most programs for clients to be at least 18 years old to ensure that they can sign a legal contract. Due to the lack of self-sustaining resources, the absence of a substantive credit history, sufficient collateral or guarantees to secure loans or lines of credit, young people are often seen as particularly risky investments and therefore face difficulties in accessing finance, (Schoof, 2006). In addition, funds requiring less or no collaterals (except a viable business plan) often charge significantly higher interest rates and fees.

Many programs, at least in Asia, are more likely to target married women, as opposed to unmarried women. The assumption is that there is a high risk of default for loans to unmarried girls who might stop repaying their loans once they get married. Some programs also have minimum asset requirements to qualify for participation, and this excludes adolescents for the most part, (Esim, 1999). 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. Furthermore, young entrepreneurs are often not aware of all available types of finance, funding forms and special support programmes. They often do not understand the

concept, the benefits, the possibilities and the drawbacks of the numerous forms of debt and equity (venture capital) financing, (De, 2001).

2.11 Key Administrative and Regulatory Burdens for Young People

Today, entrepreneurs face numerous administrative burdens including businesses registration, tax administration, obtaining investment approvals and business licenses, coping with copyright and patent regulations, competition law, and access to work space and long-term leases, construction and building permits, customs clearances, utility hook-ups. According to La Porta (1999) the different existing start-up procedures can be summarized in five categories: Screening procedures (for example, authenticate company deeds, open a bank account and deposit start-up capital, registering a company at Companies Registry). Tax-related requirements (register for various taxes including VAT). Labour/social security-related requirements (register with pension funds, register for social security, and register for various insurances such as accident), Safety and health requirements (pass inspections and obtain certificates related to work safety, building, fire, sanitation, and hygiene). Environment-related requirements (e.g. obtain environment certificate, register with the water management and water discharge authorities).

According to Schoof (2006), unfavourable or complex tax systems can kill off new young enterprises in the start-up phase and during their critical first few years of business. Particularly young entrepreneurs (“teen entrepreneurs”) with little experience are either put off by complex tax-regulations or are afraid of doing something wrong. Unlike adult enterprises, young entrepreneurs often cannot afford to hire an accountant to assist with

tax administration. In many countries, property rights are neither adequately defined nor protected. Registering property can be a highly time and cost consuming effort. The World Banks' Doing Business Database 2005 shows that the time needed to register property can range from 1 day in Norway up to 956 days in Croatia. Moreover, these long procedures are often associated with high levels of corruption and favouritism and red tape. Young people without experience and networks cannot pull strings and are forced to pay unanticipated bribes to accelerate the process, putting their young business at risk.

As young people/entrepreneurs in many cases cannot afford to hire a consultant (for example an accountant), it is a complicated task for them to keep track of regulatory changes. In some countries, regulatory changes practically happen on a yearly basis, sometimes even more frequently, reducing young entrepreneurs' planning reliability and putting their business at risk. According to Street and Sykes (2003), trade liberalization policies introduced in many developing countries have increased competition and therefore new businesses do not have the professional management and resources to adapt to a more competitive environment.

2.12 Business Assistance and Support and Business Development Services

The more business assistance a young entrepreneur obtains in the start-up and new business phases the better his or her chance of creating a successful and sustainable business. Support services, including mentors, support networks, business clubs and incubators can hold the key to transforming one-person youth start-ups into successful small and medium businesses. Young people, especially outside Nairobi, have few

avenues through which to access business training. An investigation into levels of entrepreneurship development within Kenya which focused on the types of training entrepreneurs received outside academic schooling (e.g., 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% of the entrepreneurs surveyed had not received any entrepreneurial skills training. For the few that had received training, most received technical (non-business) training (Central Bureau of Statistics, 1999).

According to Schoof (2006), entrepreneurial isolation, not knowing anyone in the business and the absence (or high entry barriers to) of business networks is a common obstacle to start-ups by young people. Business contacts are particularly crucial for young and inexperienced entrepreneurs. According to the Flash Euro barometer Survey (2004), the younger the entrepreneur, the more he or she sees the business idea, financial support and business contacts as being the most important criteria. The youngest age cohort (15-24 years) tends to be particularly sensitive to this factor. Young entrepreneurs require tailor-made training and counselling pertinent to their particular start-up situation, their business and the sector it operates in. In many cases, there is a lack of on-the-job training focusing on technical aspects of starting up a business (business plan preparation, project formulation, start-up administration, procedural details, forms, duration, what to do and in what order, accountancy, taxation), (Darby, 2004).

As to their age, limited life and work experience, young people demand different treatment terms of training and counselling. According to White and Kenyon (2001), counselling young women and men require skills and sensitivity quite different from those required when dealing with adults. Other important factors when counselling or advising young men and women about business include the need to help the young man or woman understand difficulties for themselves. Rather than tell a person what is wrong with their business or their idea, give them the tools (for example, techniques or market research, cash flow forecasting, and stock control) to find this out for themselves.

According to Street and Sykes (2003), enterprise and support agencies are often not responsive to these circumstances. Moreover, as they have to be self-sustaining, they often design their services to serve the more mature SME companies rather than cash-poor youth business start-ups. In general, there are very few enterprise agencies or centres which provide business advice, training, guidance and specialist access to finance exclusively to young people.

2.13 Youth Entrepreneurship as an Avenue of Opportunity

Within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a useful alternative for income generation in young people (Ryan, 2003). 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 ILO, (2004). 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.

Chigunta (2002) sums up a number of reasons for the importance of promoting youth entrepreneurship: 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. Entrepreneurship also helps in addressing some of the socio-psychological problems and delinquency that arises from joblessness by equipping youth with new skills and experiences that can then be applied to other challenges in life hence promoting innovation and resilience in youth. It can also promote revitalization of the local community by providing valuable goods and services by capitalizing on the fact that young entrepreneurs may be particularly responsive to new economic opportunities and trends (Chigunta, 2002).

Entrepreneurship and self-employment can be a source of new jobs and economic dynamism in developed countries, and can improve youth livelihoods and economic independence in developing countries. For young people in the informal economy, micro entrepreneurship is a bottom-up method for generating an income, self-reliance and a new innovative path to earning a living and caring for oneself (Maxwel, 2002).

2.14 Youth Entrepreneurship in Kenya

A sub-Saharan country located on the east coast of Africa, Kenya gained her independence from Great Britain on 12 December 1963 and became a republic on 1 June 1964. Kenya's population has increased dramatically, from 6 million people in 1950, to 9.5 million in 1965, and to 19.65 million by 1985 whereas by 1999 it had grown to 28.7 million and 2009 estimates put it at 39.4 million, pending the findings of the official census (United Nations, 2009).

According to Kenya Bureau of Statistics (2008), individuals from one to 30 years of age constitute 75 percent of the population, and those 15 to 30 years old, 32 percent. The median age is 18.7 years with a literacy rate of 85 percent.

Kenya has a diversified economy that includes agriculture, manufacturing, industries, and agriculture. The country's gross domestic product has witnessed an impressive growth rate for the last six years or so:

2.9 percent (2003), 5.1 percent (2004), 5.8 percent (2005), 6.4 percent (2006), and over 7 percent (2007) (Central Intelligence Agency (CIA) ; The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/geos/ke.html#Econ>).

In spite of these impressive figures, many people live at or below the poverty rate (e.g., 50 percent in 2000) (KNBS, 2008). Since young people make up most of this figure, about 72 percent of Africa's youth subsist on less than two dollars a day (Central Intelligence

Agency (CIA) ; The World Factbook,<https://www.cia.gov/library/publications/the-world-factbook/geos/ke.html#Econ>).

Upon its independence in 1963, Kenya made a commitment to fight the three enemies of broad-based human development: poverty, disease, and illiteracy.

Thus it became necessary to address the role of young people who, at that time, had figured prominently in the success of nationalist movements during the colonial era.

Kenya's first attempt to address youth issues came in 1964 with creation of the National Youth Service, an organization given the mandate of looking into young people's concerns and of devising ways of integrating them into the national economy. Due to the National Youth Service's limited scope and success, subsequent development plans such as "Sessional Paper No. 2 of 1992 on Small Scale and Jua Kali Enterprises, the 1997–2001 Development Plans, and the National Poverty Eradication Plan 1999-2015" included policies for dealing with national youth concerns (Government of Kenya, 2004)

However, these policies failed to meet their objectives due to:

- i. a high population growth rate that put immense pressure on available resources as the number of young people kept rising;
- ii. lack of appropriate skills among the youth;
- iii. unclear and uncoordinated youth policies and programs;
- iv. resource constraints; and
- v. youth stereotypes(Ministry of State for Youth Affairs, 2007).

The most significant attempt to address youth issues, however, came about five years ago with the creation of the Ministry of Youth Affairs and Sports, which, with a great sense of purpose and urgency, designed and developed the Kenya National Youth Policy to mainstream and coordinate youth programs in the country. The Ministry of Youth Affairs and Sports “visualizes a society where youth have an equal opportunity, as other citizens, to realize their fullest potential, productively participating in economic, social, political, cultural and religious life without fear or favour”(Ministry of State for Youth Affairs, 2007).

Moreover, it has committed itself to “creating proper conditions for the youth to empower themselves exploit their potential,” with the goal of “promoting youth participation in the democratic processes, as well as in community and civil affairs, ensuring that youth programs involve them and are youth centered” (Ministry of State for Youth Affairs, 2007).

Although this policy obligates all members of society to assist young people, it challenges the government to become the lead agent by “providing the necessary framework for young people to fulfil their obligations” (Ministry of State for Youth Affairs, 2007).

Understandably, since young people have the most potential, physical strength, and energy, and since they constitute the largest proportion of the educated population, they should be the main focus of various development and socio-economic programs, especially in Africa (Ministry of State for Youth Affairs, 2007).

Kenyan youth face many challenges (Government of Kenya, 2007). These include limited opportunities for employment, high levels of poverty, lack of finance or access to credit, disappropriate exposure to high health and social risk and lack of opportunities and mechanisms to participate in decisions that affect their lives.

The Kenya vision 2030 (Government of Kenya, 2007) outlines a number of strategies to address youth challenges.

These include among others:

- i. Training the youth in technical, vocational and entrepreneurial skills to increase their productivity to enable them to participate fully in productive activities; creative skills to deal with advances in technology and behavioural and life skills to mould their character and help them make appropriate choices in life.
- ii. Revision of education and training curriculum at all levels to enable production of skills that are demand driven and to mould character and appropriate behaviour.
- iii. Rehabilitation of youth polytechnics to raise the levels of technical and entrepreneurial skills produced to support economic development.
- iv. Development of education programmes to upgrade skills of non-formal and out of school operators.
- v. Development of targeted programmes to reduce youth unemployment.
- vi. Introduction of national programmes to recognise and reward talent and create role models.

The government's introduction of an entrepreneurship development fund with a view to encouraging the youth to venture into self employment, is a very generous move (Wanjumbi, 2006). It deserves all the support from the various stakeholders. Meanwhile, it is assumed that this is a long term measure to encourage entrepreneurship development. In this regard therefore, long term measures should be put in place to improve chances of success of the effort. Above all, the government must address the issue of nurturing entrepreneurship culture, both in the short and long run. Various approaches may be used in this respect.

Harnessing or Promoting Entrepreneurship Culture Wanjumbi, (2006) postulates.

Research indicates that most of those who succeed in entrepreneurship are either trained on the kind of businesses they venture into or continue business training as they progress. This is in consideration of the fact that every business has many facets, which every entrepreneur must be familiar with. Those who do not undergo training are unlikely to be familiar with all the facets. Furthermore, the business environment is highly dynamic, therefore requiring changing approaches to doing business.

Probably, that is why the success rate of new business is only 15% in the first 5 years.

Secondly, to prepare the recipients of the youth funds, it may be worthwhile considering the experiences of micro financial institutions.

Some have vast experience in managing micro enterprises which have graduated into SMEs having originally started from very humble beginnings. Some of the micro-

businesses were initially financed through merry go round funds, borrowed from these institutions (Wanjumbi, 2006).

If the systems and practices of such institutions are adopted in the management and disbursement of the funds, we will witness tremendous growth in entrepreneurship in Kenya particularly amongst the youth, who are endowed with energy, drive and creativity.

The experiences of the Ministry of Agriculture with its agricultural extension officers and probably that of Agricultural Development Corporation should form a good guide on the way forward, regarding adoption of the business development centers. The centers will not only enhance continued monitoring and provision of assistance to new entrepreneurs but also facilitate disbursements of the funds across the board.

The constraints that young entrepreneurs face in Kenya range across a number of topics. The most frequently encountered obstacles are the bureaucratic procedures in starting a business and corruption in the relevant government offices, both of which take time to overcome and increase the cost of starting a business. Other problems include inadequate infrastructure, which raises the cost of doing business, and risk of political instability, which specifically affects the tourism industry. Ngosiane (2010), further adds that the greatest impediment to entrepreneurs in a country like Kenya is the lack of a culture that appreciates entrepreneurship's role.

One need only to look at companies like Facebook, Twitter, Apple, and the Kenyan firm,

Safaricom to see how entrepreneurship and innovation can transform companies. One of the characteristics that these companies have in common is their ability to see opportunities, seize them, and promote innovation as part of their system. Entrepreneurial companies have extraordinary growth over a sustained period and thus strongly impact economic growth. In Kenya, Safaricom has put Kenya on the map due to innovation in mobile telephony. Safaricom offers products and services that have an impact on a huge number of people. Products include:

- i. M-Pesa, a money transfer service that was the first of its kind in the world; and
- ii. M-Kesho (offered in conjunction with Equity Bank), an upgrade that allows all M-Pesa users to operate interest earning bank accounts from their cell phones.

This service has the potential to deliver savings services to millions of poor people worldwide and boost cash movement in the Kenyan economy.

Community and youth polytechnics should also be used to educate those who do not attend university on business skills as well as technical skills. A major shift in the thought process of citizens can only succeed if Kenya's leaders implement the changes. This requires government leaders to actually support developing an entrepreneurial culture rather than simply paying lip service to the idea (Ngosiane, 2010).

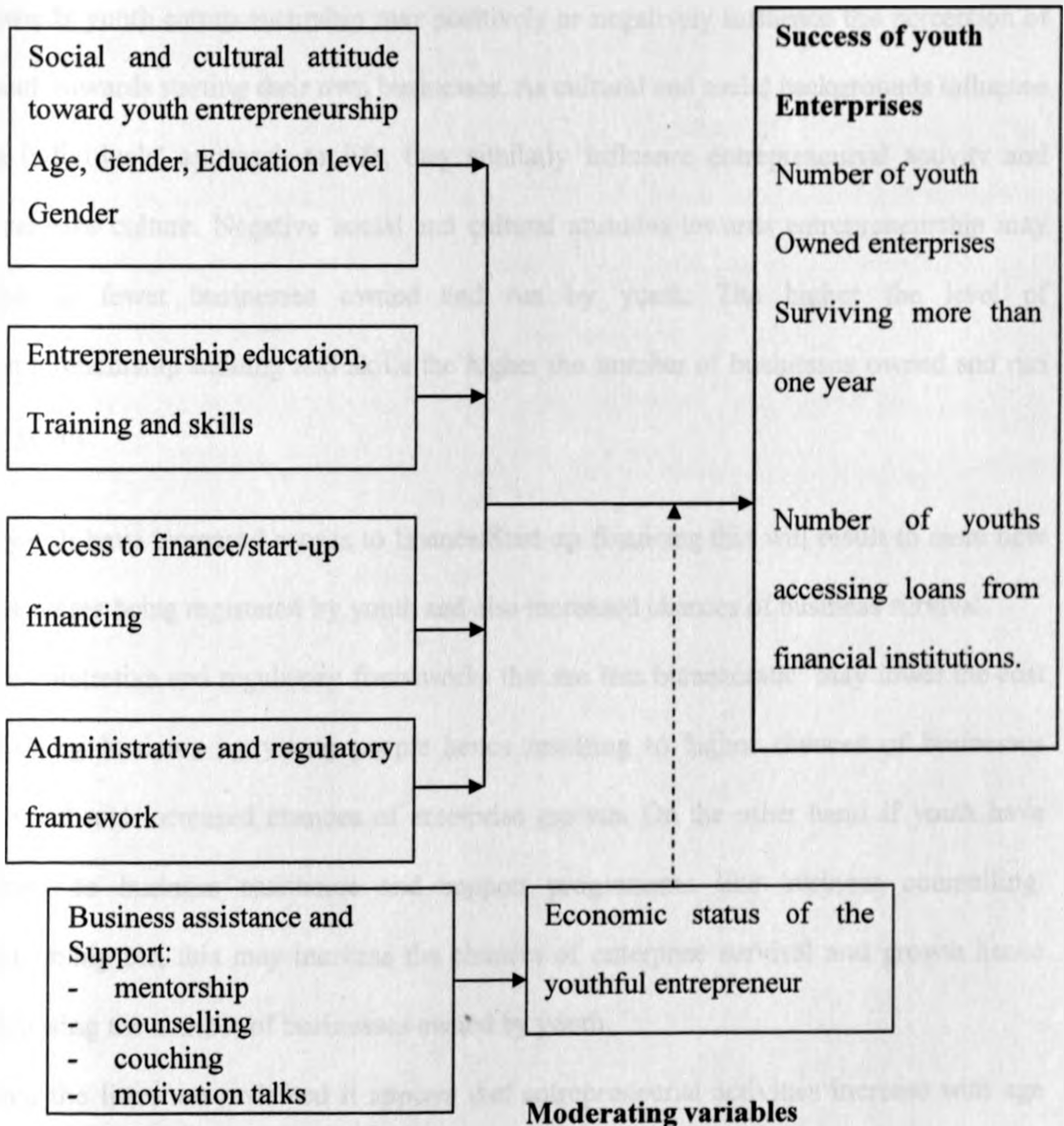
2.15 Conceptual Framework

A conceptual frame work for factors that influence success of youth owned enterprises in Ndaragwa constituency of Nyandarua County, Kenya.

Figure 2.1 Conceptual Framework

Independent Variables

Dependent variables



The above factors which refer to independent variables according to the conceptual framework tends to stand in the way of successful and prospective youth entrepreneurs when they are high. In other words, youth entrepreneurial opportunity could be enhanced and improved when these factors are low.

According to literature reviewed previously in this chapter Social and cultural attitude towards youth entrepreneurship may positively or negatively influence the perception of youth towards starting their own businesses. As cultural and social backgrounds influence an individuals' approach to life, they similarly influence entrepreneurial activity and enterprise culture. Negative social and cultural attitudes towards entrepreneurship may lead to fewer businesses owned and run by youth. The higher the level of entrepreneurship training and skills the higher the number of businesses owned and run by youth.

If youth have increased access to finance/Start-up financing this will result to more new businesses being registered by youth and also increased chances of business survival.

Administrative and regulatory frameworks that are less bureaucratic may lower the cost of doing business by young people hence resulting to higher chances of businesses survival and increased chances of enterprise growth. On the other hand if youth have access to business assistance and support programmes like business counselling, mentorship etc, this may increase the chances of enterprise survival and growth hence increasing the number of businesses owned by youth.

From the literature reviewed it appears that entrepreneurial activities increase with age and with the level of education, meaning that as one advances in years and in education

he/she is likely to venture into business. This may be because youth of between the ages 15-24 years are either in secondary schools or in colleges. According to literature more male youths than females venture into business. This may be attributed to culture.

Business assistance and support and economic status of the youthful entrepreneur are moderating variables.

2.16 Summary

In general, data suggest that, compared to adults, young people are disadvantaged in the following areas: more youth face problems of access to resources such as capital; more young people start their enterprises with lower levels of initial capital; more enterprises owned by young people have a lower market value or inventory; more youth entrepreneurs are engaged in a narrower range of activities; more young people tend to operate from homes or streets (lack of access to space); more young people do not bring experience and contacts to the business, and; more enterprises owned by youth tend to rely on simple tools or have no equipment at all.

These constraints tend to expose YREs to greater risk than AREs. The survey results from Southern Africa suggest that lack of experience and expertise, among other factors, tend to push potential youth entrepreneurs into high risk and low-value adding self-employment situations where failure is highly probable (Chigunta, 2001; Motts, 2000).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the procedures that were used in conducting the research. The following topics were 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. Survey design particularly assumed to be well suited to a research which studies the individual as a unit of analysis as an excellent vehicle in measuring for generalization, Borg and Gall (1999). Survey was best suited for this study because the population in question is large and it is difficult to observe the characteristics of each individual. It also helped in collecting original data on youth entrepreneurship since data on this area is scarce. This design allowed the researcher to generate both numerical and descriptive data that were used in measuring the relationship between variables. The method was quite appropriate for the study because it assisted the researcher to produce statistical information on factors that influence the success of youth owned enterprises (Mugenda and Mugenda, 1999). The researcher used questionnaire and structured interview guide to collect data.

In the research, the qualitative and quantitative research paradigm was used. Qualitative research allowed the researcher to exercise judgment and do appraisal and interpretation of the interrelationships that reveal themselves as constitutive of various human activities.

Such activities allowed the researcher determine and attach meaning and significance within wider paradigm of knowledge. Although it was assumed that an event is best understood and described contextually, qualitative research allowed the researcher to understand the social context better. Quantitative research was used in this study in order to obtain statistical data which enabled comparison and analysis of information using statistical methods. The researcher used both quantitative and qualitative research methods in order to reduce bias.

3.3 Target Population

The universe consists of all young entrepreneurs of between the ages 15-35 years from Ndaragwa constituency of Nyandarua County, Kenya. This consisted of youth out of school either in employment or looking for a job. The study targeted twenty five youth groups that have already accessed youth enterprise development fund. The data was available at the district youth office. The respondents were drawn from the 25 youth groups.

Table 3.1 No. of groups per location who have accessed Youth Enterprise Development Fund

Location	Number of groups With average of 15 members each
Kanyagia	3
Mathingira	4
Kahutha	8
Shamata	2
Leshau	6
Mairo-inya	2
Total	25

Source: District youth office, (2011)

3.4 Sample size and Sampling Procedure

Out of the targeted twenty five youth groups a sample of twenty five (25) youths were selected to participate in the study. The type of sampling selected for a given research will be dependent on the research method selected, the goal of the research, and the availability of population specific information. The sampling approach in this study was based on probability sampling techniques and adopted a simple random sampling since interviewers were locally recruited and did not need extensive travelling.

The sampling unit used the youth groups that had benefited from Youth Enterprise Development Fund. The random sampling approach provided a scientific technique of drawing samples from the population according to the laws of chance in which each unit has some definite pre-assigned probability of being selected in the sample. Each subject from the population were chosen randomly and entirely by chance, such that each subject has the same probability (or chance) of being chosen at any stage during the sampling process. Simple random sampling allowed externally valid conclusions to be drawn about the entire population based on the sample.

In selecting the sample all the twenty five groups were included in the study. Systematic random sampling technique was used where the chairperson of every group had a chance of being selected. The chairperson is an official of the group and will be assumed to have required information since he/she is charged with the responsibility of managing the group affairs. In situations where the chairperson was not accessible then either the

secretary or treasurer of the group was selected so as to enhance response. This gave a sample size of twenty five respondents as shown below.

Table 3.2 No. of respondents selected from every location

Locations	Sample selected from groups
Kanyagia	3
Mathingira	4
Kahutha	8
Shamata	2
Leshau	6
Mairo-inya	2
Total	25

Financial institutions, government and its agencies, youth serving organizations were purposively selected as key informants on policy issues to get qualitative data and enrich the data collected through survey.

3.5 Research Instruments

A survey questionnaire and a structured interview guide were developed to measure variables. Questionnaires were used to collect data from the respondents which mainly focussed on the attitudes of young potential and existing entrepreneurs towards entrepreneurship, motivational factors, entrepreneurship knowledge and skills, barriers to entrepreneurship and business support needs. Part one of the questionnaire asked general information about the respondent and his/her business, while part two was customized to the different cohorts.

The variables to be included in the questionnaire were developed based on the literature review. In-depth interview involved key informants who were selected for their first-hand knowledge about the topic. This research technique was used to gather information from service providers like banks, government agents, NGOs, YSO delivering business support services to young people. Their views were regarded as very important because of their experience in working with young people. It was assumed that the target group may not always be able to articulate their needs adequately because of lack of information and experience. Often, service providers working with the target group would be assumed to be in a better position to articulate their challenges and needs. A total number of 8 service providers were sampled and the 8 were purposively selected to be interviewed because they were found to be directly working with the youth.

3.6 Piloting

The questionnaires were pre-tested in selected sample of 10 respondents selected from Kiriita location. Questions interpreted differently during pre-testing were rephrased so that they could have the same meaning to all respondents. In addition comments made by respondents during pre-testing were analyzed and considered in order to improve the questionnaires which were then finalized and circulated to the respective respondents. The pre-testing of questionnaire used similar procedure like the one used during actual data collection. The pilot study was conducted in order to enhance the validity of the questionnaire.

3.7 Data Collection Procedure

During the study primary and secondary data was collected and used in making various recommendations and conclusions. Primary data for the study was gathered using a structured questionnaire and a structured interview guide. The questionnaires were sent to the respondents and others were administered by the researcher. Questionnaires that were sent to the respondents contained cell phone of the researcher for contact once ready or instructions of drop-off points. Interviews were conducted at a time and place convenient to the interviewees. Secondary data was obtained from secondary sources such as books, academic journals, magazines, newspapers and internet.

3.8 Instrument Validity

In order to improve validity of the instruments, the researcher first pre-tested the questionnaire 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

To test reliability test-retest method was applied where the same test was given to the same people after a period of two weeks. The reliability of the test (instrument) was estimated by examining the consistency of the responses between the two tests.

3.10 Operational Definition of Variables

Variables in the study were translated into measurable elements so as to develop an index of concept. The table below indicates the operational framework of the variables.

Table 3.3 Operationalization of Variables

OBJECTIVE	VARIABLE	INDICATORS	MEASUREMENT SCALE	METHOD OF DATA ANALYSIS	TYPE OF ANALYSIS
1.To establish whether social and cultural attitudes of youth towards entrepreneurship influence the success of an enterprise	Independent Variable. 1. Social and cultural attitudes towards entrepreneurship	Number of male/female youths in specific lines of business e.g. service, manufacturing, industry etc.	Ordinal scale	Frequencies Percentages Pearson's correlation coefficient	Descriptive/ inferential analysis
2.To establish whether access to entrepreneurship education, training and skills influence the success of an enterprise	2.Entrepreneurship education and skills	1.Level of education 2.Entrepreneurial skills possessed by youth	Ordinal scale	Frequencies Percentages Regression analysis	Descriptive / inferential analysis
3.To determine whether access to finance/start-up finance influences the success of youth owned enterprises	3.Access to finance/start-up finance.	1. Number of youth who have accessed funds from financial institutions. 2.Minimum and maximum amount each youth has accessed	Ratio scale	Frequencies Percentages Regression analysis	Descriptive / inferential analysis
4.To determine how administrative and regulatory framework influences the success of youth- owned enterprises	4.Administrative and regulatory framework	1. Level of taxation 2.Time taken to register a business and other legislations	Ordinal scale	Frequencies Percentages Regression analysis	Descriptive inferential analysis

OBJECTIVE	VARIABLE	INDICATORS	MEASUREMENT SCALE	METHOD OF DATA ANALYSIS	TYPE OF ANALYSIS
5. To assess the effect of business assistance and support on the success of youth enterprises	5. Business assistance and support	1. Number of youth in support programmes such as training, business incubation, mentorship etc. 2. Number of organizations offering business assistance and support	Ordinal scale	Frequencies Percentages Regression analysis	Descriptive /inferential analysis
	Dependent Variable. Enterprise success.	1. Number of youth owned enterprises surviving for more than 12 months 2. Number of youth owned enterprises repaying their loans within the agreed period	Ordinal scale	Frequencies Percentages Pearson's correlation coefficient	Descriptive / inferential statistics

3.11 Methods of Data Analysis

Many methods of data analysis are available and the decision to use any of them depends on the nature of problem being investigated, the nature of data, the measurements used and the level of precision required among much other considerations. Characteristics of a variable would determine the suitability of the method used in its analysis. Data was gathered and organized for manipulation through SPSS computer package.

Quantitative and qualitative methods were used for data analysis. Data was tabulated and classified into sub samples for common characteristics with responses being coded to facilitate basic statistical analysis. Descriptive statistics were used to answer the research questions and objectives in relation to the research area.

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 motivation, attitudes and challenges that entrepreneurs face. The study adopted both parametric and non parametric method based on the data measurement. Where measurement is nominal or ordinal, non parametric methods were adopted while parametric method was used where data measurement is interval or ratio.

The extent to which motivation influences success of youth enterprises and the extent to which attitude influences their success was established using spearman rank correlation

coefficient. The extent of influence between variables was expressed by correlation coefficient between -1 and +1 where -1 indicates strong negative correlation coefficient, +1 indicates strong positive correlation coefficient, and zero correlation coefficient indicated no relationship between variables. The strength of the relationship between training and skills of youth and success of their enterprises was established using simple regression analysis.

3.12 Summary

This chapter has highlighted that the study adopted a descriptive survey design to assess the factors influencing the success of youth-owned enterprises. Systematic random sampling was done in order to give every entrepreneur an equal chance of being represented. Questionnaires were used as the instruments of data collection and they were pre-tested for validity and reliability. While this research contributed to the knowledge of how to enhance success of youth owned enterprises, it also maintained utmost confidentiality about the respondents. The respondents were given a free will to participate and contribute to the study.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

Presented in this chapter are the findings of the data analysis of the study together with their interpretations. All of the data presented in this chapter was processed using Statistical Package for Social Sciences (SPSS). All themes discussing the same research questions were presented and analyzed together. The analysis of data was presented in both narrative and tabular forms.

4.2 Response Rate

A total of 25 questionnaires were administered to 25 with each group receiving one questionnaire. The 25 questionnaires were duly filled and returned to the researcher. This implies the response rate was 100 percent.

The 8 key informants targeted in the study gave the researcher an opportunity to interview each one of them. This implies also the response rate was 100 percent.

4.3 Demographic data of the respondents

The demographic data of the respondents was based on their age, gender, level of education, the sector they were involved in, current situation of the enterprise, reasons for operating own enterprise, current situation of the enterprise, duration in the enterprise and legal status of the enterprise. The data is presented in the following section. To establish

the age of the respondents, they were asked to indicate the same. Their responses are presented in table 4.1.

Table 4.1 Age distribution of the youth

Age	F	%
19 -22 years	3	12.0
23 -26 years	7	28.0
27-30 years	10	40.0
31 -35 years	5	20.0
Total	25	100.0

Data on the age of the youth entrepreneurs showed that 3 (12%) were aged between 19 and 22 years, 7 (28.0%) were aged between 23 and 26 years, 10 (40%) were aged between 27 and 30 years while 5 (20%) were aged between 31 and 35 years. The data shows that the youth entrepreneurs were of various ages hence a larger category was focused in the study. They were also asked to indicate their gender. Data on their gender is presented in table 4.2.

Table 4.2 Distribution of youth entrepreneurs by gender

Gender	F	%
Male	18	72.0
Female	7	28.0
Total	25	100.0

Data showed that there were more males than females as showed by 18 (72%) versus 7 (28%) respectively. The data implies that more males were likely to take on entrepreneurial activities than females. Asked to indicate their level of education, the respondents in the study indicated as shown in table 4.3.

Table 4.3 Distribution of youth by level of education

Level of education	F	%
Below high school	4	16.0
Secondary school	12	48.0
Technical and vocational education	9	36.0
Total	25	100.0

Data on the level of education showed that majority had secondary education and technical and vocational education as shown by 12 (48%) and 9(36.0%) respectively. These are the youth who are encouraged to take up businesses. They were also asked to indicate whether they preferred being mentioned in a later publication. Data showed that majority 15 (60%) preferred as opposed to 10 (40%) who did not prefer. The researcher was interested in establishing the sector or activity that the respondents were involved in. Their responses are presented in table 4.4.

Table 4.4 Sector of activity that the youth activities were involved

Sector of activity	F	%
Wholesale trade	1	4.0
Retail distribution	5	20.0
Transport, Communication	5	20.0
Personal services (hotels and restaurants, health and social work)	6	24.0
Agriculture.	8	32.0
Total	25	100.0

Data indicated that they were involved in a variety of activities in various sectors which included wholesale trading (20%), retail distribution (20%), transport and communication (20%), personal services such as hotels and restaurants and health and social work (24%) and also in agriculture as shown by 8 (32.0%). The study also sought to establish whether the enterprises were located in rural areas or in urban areas. Data showed that 13 (52%) were in town while 12 (48.0%) were located in the village. The data implies that there was an almost equal distribution of the enterprises in rural and urban areas. Data on the legal status of the business is presented in Table 4.5.

Table 4.5 Legal status of the enterprise

Legal status	F	%
Sole proprietor	14	56.0
Private limited enterprise	4	16.0
Partnership	7	28.0
Total	25	100.0

Data on the legal status of the enterprise indicated that majority 14 (56.0%) of the enterprises were sole proprietors while 7 (28%) were partnerships and 4 (16.0%) were private limited enterprises. The data shows that majority of the youth preferred sole proprietorship. Asked to indicate their years of establishment, they responded as indicated in Table 4.6.

Table 4.6 Duration in the enterprise

Date of establishment	F	%
Less than 1 year	3	12.0
1 year	11	44.0
2 years	3	12.0
3 years	4	16.0
4 years	1	4.0
5 years	0	0.00
More than 5 years	3	12.0
Total	25	100.0

Data showed the youth had been in the enterprise for a number of years with most 11 (44.5%) having been in business for one year. There were however 3 (12.0%) who had been in business for more than 5 years which ought to have provided them with information on the factors that have influenced the successes on their enterprises. The study also sought to establish the current situation of the business enterprise. Data is presented in Table 4.7.

Table 4.7 Current situation of the enterprise

Current situation	F	%
Critical	3	12.0
Struggling to survive	9	36.0
Growing	13	52.0
Total	25	100.0

Data showed that majority 13 (52.0%) of the enterprises were growing while a relatively lesser number 9 (36%) were struggling to survive. The data shows that since most of the enterprises were relatively new, they were in the wake of struggling before they pick up. Asked whether they were operating their own businesses, majority 18 (72%) indicated that they were which confirms previous findings that majority of the businesses were sole proprietorship. Asked to indicate why they preferred operating their own businesses, they responded as indicated in Table 4.8.

Table 4.8 Reasons for operating own enterprise

Motivation for starting up	F	%
To be your own boss	5	20.0
To seek the challenge	5	20.0
To be respected	1	4.0
To do something new	1	4.0
To realize your ideas/vision	10	40.0
To connect your job/business with your Passion/hobby	3	12.0
Total	25	100.0

Data indicated that the respondents had various reasons for establishing their own businesses which included being self boss, seeking challenge, to realize ones vision as indicated by majority 10 (40%). The data shows that youth entrepreneurs had different reasons for choosing to start own businesses. Data further indicated that the respondents had other options rather than starting a business but recognized a business opportunity which they sought to embrace. This was responded by 21 (84.0%).

4.4 Factors influencing success of youth enterprises in Ndaragwa constituency, Nyandarua county, Kenya

The purpose of this study was to provide information that would help in enhancing businesses owned by youth by establishing the factors that influence success of youth

owned enterprises. The following section presents data analysed from the field work. The data analysed was collected by use of questionnaires and interview.

4.4.1 Influence of social and cultural attitudes on youth enterprises

The study sought to establish the influence of social and cultural attitudes on youth enterprises. The respondents were for example asked to indicate their perception regarding their attitudes towards entrepreneurship. The data is presented in Table 4.9.

Table 4.9 Respondents perception regarding entrepreneurship

Perception	F	%
They have a negative attitude towards entrepreneurship	2	8.0
To encourage them to join different youth groups to get know	3	12.0
Most of them do not realize their potential of national policies	2	8.0
Youth to be encouraged about self employment	3	12.0
Youth to be encouraged to utilize the knowledge gained fully	3	12.0
Low job opportunity, entrepreneurship should be encouraged	3	12.0
Create awareness on importance of entrepreneurship	3	12.0
Through workshop and visiting new places	2	8.0
Fear of risking and lack of acceptance of their age	3	12.0
Lack of capital to expand business	1	4.0
Total	25	100.0

Data indicated that youth had different views regarding youth perception towards entrepreneurship. These included that youth have a negative attitude towards entrepreneurship, they should join different youth groups to get to know, most of them do not realize their potential of national policies, they should be encouraged about self employment, there should be creation of awareness on the importance of entrepreneurship and that youth fear risking and also lack acceptance of their ages.

The key informants were also asked to indicate their perception regarding the attitude of (young) people towards entrepreneurship. Their responses indicated that the youth were quite positive about entrepreneurship and were eager to learn more and are taking it positively. They were also yearning to get into business enterprises

They were further asked to indicate what in their opinion, were measures that could improve the acceptance and appreciation of entrepreneurship in society and in particular among young people. Their responses indicated that there was need to eradicate the negative culture of the society, there was need for training the youth on entrepreneurship; offering them training on business management; educating, counselling the youth on how to manage family affairs which affect business; providing entrepreneurship training and availability of funds , mentoring them and evaluation of young people's projects.

The study further sought to establish who had influenced the youth to starting business. Their responses are presented in Table 4.10.

Table 4.10 Response on who influenced the respondents into starting a business.

Response	F	%
Parents and family	3	12.0
Career advisors	8	32.0
Friends	5	20.0
Entrepreneurs	8	32.0
Motivation from motivation books Author	1	4.0
Total	25	100.0

Data indicated that most 8 (32%) had been influenced by a career advisor and the same number had been influenced by other entrepreneurs while others 5 (20%) had been influenced by friends and others by parents and family members as indicated by 3 (12%). The data therefore shows that the youth had been influenced by other parties which show that the community or the people that they lived with had a positive attitude towards youth entrepreneurship.

To analyse whether social and cultural attitudes influenced youth enterprises, Pearson Product Moment Correlation Coefficient was used. The data is presented in Table 11.

Table 4.11: Correlations for Influence of social and cultural attitudes on youth enterprises

		Mean scores	Cultural attitude
Pearson Correlation	Cultural attitude	1.000	0.71
	Mean score	0.71	1.000
Sig (1-tailed)	Cultural attitude	1.000	0.71
	Mean score	0.71	1.000

Table 4.11 indicates the Pearson Product Moment Correlation Coefficient results for the relationship between social and cultural attitudes influenced youth enterprises. From the analysis it is clear that social and cultural attitudes positively influenced (0.71) youth enterprise.

4.4.2 Influence of access to entrepreneurship education, training and skills on Youth enterprises

The respondents were asked what measures in their opinion could improve the acceptance and appreciation of entrepreneurship in society and in particular among young people of their district. Their responses indicated that there was need for auditing the cash flow to prevent fraud among group members. There was also need to go through financial education before obtaining the entrepreneurship license, there was need for regular seminars with youths who have succeeded in businesses and the youth should be granted loans.

Entrepreneurship studies should be introduced in schools system, the youth should be provided with civic education. Youth should come together and share ideas and should also be provided with financial advice on how to access and utilize loans.

To statistically determine the relationship between access to entrepreneurship education, training and skills and youth enterprises, regression analysis was used. The data is presented in Table 4.12

Table 4.12: Model summary for relationship between access to entrepreneurship education, training and skills and youth enterprises

	R	R squared	R adjusted	Std. Error of estimate	Change statistics	
Model 1					R Square Change	F statistic
	0.715	0.618	0.241	2.6770	0.618	11.168

Predictor (constant) *Entrepreneurship studies should be introduced in schools system*

The results in Table 4.12 indicate that the R-square, as computed using the regression, was 0.618 showing that the predictor variable, represented by Entrepreneurship studies should be introduced in schools system, contributes more than a half (61.8%) to youth enterprises. There is thus a strong relationship between access to entrepreneurship education, training and skills and youth enterprises. In other words, independent variable contributed to 61.8% on youth enterprise.

4.4.3 Influence of access to finance/start-up finance influences on youth enterprises

The study also sought to establish the influence of access to finance/start-up finance influences on youth enterprises. The respondents were therefore asked to respond to various statements that sought to establish how access to finance/start-up finance influences on youth enterprises. For example the respondents were asked to indicate whether they obtained any form of starting up financing. Data showed that slightly more than half 14 (56%) did not obtain any form of start-up financing. Among those that had received the start up financing, majority 18 (72%) had received loans from banks, micro-credit institutions, cooperatives and youth fund. Others borrowed money from family members, government finance and from personal savings.

Asked whether it was easy obtaining the finance, majority 22 (88%) indicated that it was not. The respondents were also asked to indicate the major impediments to obtaining funding from their nearby financial institutions. They were supposed to rank some impediment listed down. The respondents rated high interest rates and fees as the majority impediments followed by lack of legal status of enterprise e.g. in the informal sector, then strict credit scoring, then methodologies/regulations, collaterals/assets or guarantees and lastly complex documentation procedures.

The key informants were asked to indicate the major impediments to obtaining start-up funding by youth who seek funding from financial institutions. Their responses indicated that there was lack of collateral to offer to secure loan facilities. The entrance of mobile money transfer services has complicated the matter. Banks generally insist on statements

which are usually not generated by such services as M-PESA, ZAP and Yu money. Some lack potential guarantors for the loans. Lack of loan security, high interest rate, fear of loss of property if they fail to pay. Some young people are illiterate and so cannot be able to manage the funds and repay well so they cannot qualify for the funds, dormant accounts which are sometimes used as a score in credit rate and youth mobility and the insecurity mentality associated with them.

The key informants were further asked to indicate whether in their opinion Youth Enterprise Development Fund has helped in increasing entrepreneurial activities in this area. All of them indicated that it had done that. They explained that it has provided financial services to the youth who have been able to become financially stable; that most of the young people have become self employed but still a lot need to be done since not all of them are either employed or self employed, they need to be educated and assisted; that through start up of business by youths and entrepreneurship training by YEDF, will make them have a positive perception of loans and that it had created awareness to the young people on the need to engage in business.

The respondents were also asked to indicate what measures in their opinion could improve access to finance by young entrepreneurs in their district. The respondents indicated that the youth should form groups to enable them access finance, there should be appointing of qualified and honest leaders who will share money. Interest rates from the lending institutions should be lowered, the youth should be given motivational talks on entrepreneurship, they should be provided with the youth enterprise fund. The government to improve on providing youth entrepreneurs with funds, there should be

clearly stated grace period of loans, youth should be educated through seminars on how to improve their related activities and lastly that there should be provision of youth fund to individuals .

Regression analysis on the influence of access to finance/start-up finance influences on youth enterprises is presented in Table 4.13.

Table 4.13: Model summary for relationship between finance/start-up finance influences and youth enterprises

R	R squared	R adjusted	Std. Error of estimate	Change statistics	
				R Square Change	F statistic
0.621	0.381	0.231	2.59900	0.381	12.158

Predictor (constant) *Have you obtained any form of starting up financing*

The results in Table 4.13 indicate that the R-square, as computed using the regression, was 0.521 showing that the predictor variable, ‘have you obtained any form of starting up financing?’ contributed to 62.1% to youth enterprise. There is thus a strong relationship between professional development and youth enterprise.

4.4.4 Influence of administrative and regulatory framework on the success of youth enterprises

The study also sought to establish the influence of administrative and regulatory framework on the success of youth enterprises. The respondents were for example asked

to indicate whether youth in Kenya faced administrative procedures, bureaucracy and red tape when registering their businesses. Data showed that they did as indicated by 18 (72.0%). They were further asked to indicate the regulations that they perceived as administrative hurdles in registering/licensing businesses. Their responses are presented in Table 4.14.

Table 4.14 Perceived as administrative hurdles in registering/licensing businesses

Item	Very serious		Serious		Less serious		Don't know	
Taxation regulations	19	76.0	5	20.0	0	00	1	4.0
Tax level	13	52.0	5	20.0	0	00	7	28.0
Bankruptcy laws	3	12.0	3	12.0	14	56.0	5	20.0
Property, copyright and patent regulations	6	24.0	5	20.0	12	48.0	2	8.0
Competition law	1	4.0	8	32.0	7	28.0	9	36.0
Subsidy policy	10	40.0	1	4.0	5	20.0	9	36.0
National trade policy	7	28.0	8	32.0	3	12.0	7	28.0

Data on perceived as administrative hurdles in registering/licensing businesses indicated that majority 19 (76.0%) were of the opinion that taxation regulation was a very serious administrative hurdle with 5 (20%) rating it as serious. Tax level was also rated as very serious hurdle by 13 (52.0%) while 5 (20.0%) rated it as serious. Competition law was rated by 8 (32.0%) as a serious hurdle while national trade policy was rated by 7 (28.0%)

as very serious hurdle and 8 (32.0%) rating it as serious. On the other hand, bankruptcy laws, property, copyright and patent regulations were not serious hurdles.

The key informants were also asked to indicate whether youth in Kenya face administrative procedures, bureaucracy and red tape when registering their businesses. Their responses indicated that a lot of bureaucracies exist and the government need to digitalize the process to enhance business registration. They also indicated that there are measures that are required to meet financial problems.

The key informants were asked what measures could improve the access to finance for young entrepreneurs. They responded that the youth could be assisted in accessing finances by providing information to the youth through media or public *barazas* of the existence of youth funds, by reducing cost of accessing the funds, by availing soft loans to individuals, frequent entrepreneurship training, by encouraging those who have benefited to be good ambassadors to their fellow youths, by reducing bureaucracy in banking sector; funds should be accessed across the country, by giving the funds on low interest rate and encouraging hard work among young people.

The youth were further asked to indicate how the regulatory framework in Kenya should be improved in favour of young entrepreneurs. Their responses indicated that there should be favourable laws and tax license to be charged, licensing of groups should be done, putting serious punishment to those regulators who fail to license their businesses. They also suggested that taxes should be reduced and other policies. Media should also

provide programmes to market their businesses, there should be improvement on tax and interest rate.

Asked how the regulatory framework in Kenya could be improved in favour of young entrepreneurs, the key informants indicated that the government should enforce requirements of given entrepreneurs; that it should limit the regulations and at least lower prices; that there should be reduction of time framework during registration, the required documents should be reduced and the number of licenses to start a business should be reduced.

The researcher carried out a regression analysis to establish the relationship between administrative and regulatory framework influences the success and youth enterprise. The data is presented in table. 4.15.

Table 4.15: Model summary for relationship between administrative and regulatory framework and youth enterprise

R	R squared	R adjusted	Std. Error of estimate	Change statistics	
				R Square Change	F statistic
Model 1	0.696	0.582	2.7432	0.582	10.217

Predictor (constant) *Administrative and regulatory framework challenges*

The results in Table 4.15: indicate that the R-square, as computed using the regression, was 0.582 showing that the predictor variable, represented by *administrative and regulatory framework challenges* contributes 58.2% to youth enterprise. However, as

highlighted in the table, the regression coefficient (R) is 0.696 or 69.6%. There is thus a strong relationship between administrative and regulatory framework and youth enterprise.

4.3.5 Effect of Business Assistance and Support on the Success of Youth Enterprises

The study also sought to establish the effect of business assistance on the success of youth enterprises. The respondents were for example asked to indicate whether they received any business support (workshops, trainings, advice, business counselling, mentoring, etc.) before or during the start-up phase of their businesses. Data indicated that slightly more than half had received as shown by 14 (56.0%). Among those that had received, they indicated that they received training on management and business skills like marketing, accountancy; driving and professional counselling. These training were provided by organisations such as chamber of commerce, young entrepreneurs club, banks, private training companies, NGOs, the Government, hired counsellor and employers' organization.

The key informants were also asked to indicate whether they offered business support services in their organizations. Their responses indicated that they offered business support such as financial management, book-keeping, record keeping and customer service and provision of funds in form of loans to finance the businesses, training customers on saving, arranging finance and how to plan businesses and importance of investing.

They further indicated that during the start-up phase of their businesses, they offered funds (loans), business planning, identifying business opportunities, finance arranging, savings, capital to start business and frequent entrepreneurship training. As the business grew, they offered book-keeping, customer satisfaction training, loan management training, financial management, importance of investment savings, expanding of business, assisted them attend business forums and also conducted monitoring and evaluation for the youth projects.

They were also asked to indicate what kind of business support services that would have been highly valuable for them as their businesses were growing. The respondents suggested they would require support in terms of accounting and marketing education/ advice, expansion capital, training on new business ventures, information on spending of funds as expected by management, progress on the training, how to sustain and maintain customers, advised on marketing procedures, how to avoid debt and risks in business, record keeping and how to handle business money.

They were also asked to indicate whether the current education system in Kenya is playing a major role in creation of entrepreneurial culture among the youth. Data showed that it was as indicated by slightly more than half 14 (56.0%).

Asked what kind of business support services that they would highly rate as valuable for the start up business, they responded as indicated in Table 4.12.

Table 4.16 Required business support

Business support services	F	%
Planning education and low interest loan for capital	4	16.0
Entrepreneurial skills	6	24.0
More seminars and regular visits	4	16.0
Site of business and commodities to the clients	3	12.0
How to manage and market the business	3	12.0
Financial management	5	20.0
Total	25	100.0

Data indicated that the youth required business support services such as planning education and low interest loan for capital, entrepreneurial skills, more seminars and regular visits, site of business and commodities to the clients, how to manage and market the business.

The key informants were asked to indicate whether the current education system in Kenya was playing a major role in creation of entrepreneurial culture among the youth. Their responses indicated that it contributed to the maximum; that it had especially done so in youth polytechnics where skills like wood work, metal work, dressmaking are imparted to the students. The skills acquired require the individual not to seek for employment but starts own business. Those who were opposed indicated that the education system trained and prepared youth for white color jobs.

The youth were further asked to indicate which experiences had been particularly useful or valuable for their business career looking at their education. Their responses indicated that their education had assisted them in budget making, debt management, business maintenance, entrepreneurs' skills and accountancy and planning. The data showed that the education the youth went through was important in starting their businesses.

The youth were also asked to suggest how the educational system in Kenya would be made more supportive for young entrepreneurs. Data indicated that the education system should advise the youth to enter into business, it should teach them how to identify business opportunities, entrepreneurship should be taught as a subject at all levels, the education system should implement other young people programs such as young farmers, and there should be provision of E-learning. The youth should also be taught on the criteria of choosing a business while business education should be introduced right from childhood.

The key informants were asked to indicate how the educational system in Kenya could be made more supportive for young entrepreneurs. They suggested that the education system could be made more supportive to the young by making sure that all the facilities required in any course and the most modern ones are available like welding machines in cases of welding classes, by introducing business related courses and technical courses in school as from the tender age. More practical courses should take a greater percentage and inclusion of entrepreneurship training into the curriculum.

To establish the effect of business assistance and support on the success of youth enterprises, Pearson Correlation Coefficient was carried out. The data is presented in Table 4.17

Table 4.17. Pearson Correlation Coefficient on effect of Business Assistance and Support on the Success of Youth Enterprises.

		School discipline	Democratic leadership
Pearson	Business assistance	1.000	0.86
Si 1 - tailed	Youth enterprise	0.86	1.000
N	16	350	

The data shows that there was a very strong positive relationship between business support and youth enterprise as indicated by 0.86.

CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND
RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, discussion and conclusions of findings and recommendations. The Chapter also presents suggestions for further research.

5.2 Summary of the Findings

The purpose of this study was to provide information that would help in enhancing businesses owned by youth by establishing the factors that influence success of youth owned enterprises.

The specific objectives of this study were to establish whether social and cultural attitudes of youth towards entrepreneurship influence the success of an enterprise; establish whether access to entrepreneurship education, training and skills influence the success of an enterprise; determine whether access to finance/start-up finance influences the success of youth owned enterprises; determine how administrative and regulatory framework influences the success of youth owned enterprises and lastly to assess the effect of business assistance and support on the success of youth enterprises. Descriptive survey design was used when carrying out the study. The sample comprised of 25 respondents. The study used questionnaire and interview for the key informants.

5.3 Discussion of the Findings

Findings revealed that social and cultural attitudes influenced youth enterprises. For example, youth had different views regarding youth perception towards entrepreneurship. These included that youth have a negative attitude towards entrepreneurship, they should join different youth groups to get to know, most of them do not realize their potential of national policies, they should be encouraged about self employment, there should be creation of awareness on the importance of entrepreneurship and that youth fear risking and also lack acceptance of their ages. The key informants indicated that the youth were quite positive about entrepreneurship and were eager to learn more and are taking it positively. They were also yearning to get into business enterprises.

This is line with Birley, (1987) who found that cultural attitudes influence the entrepreneurial activities of a population, a country, region or ethnic group and that the interaction between culture and entrepreneurship is stronger in the case of some groups than others.

Findings revealed most youth, 8 (32%) had been influenced by a career advisor and the same number had been influenced by other entrepreneurs. The data therefore shows that the youth had been influenced by other parties which show that the community or the people that they lived with had a positive attitude towards youth entrepreneurship. According to McGrath (1992) cultural differences between nations are increasingly understood as an important determinant of a nation's level of economic and entrepreneurial development. A cultural environment in which entrepreneurship is respected and valued, and in which business failure is treated as a useful learning

experience rather than a source of stigma, will generally be more conducive to entrepreneurship (OECD, 1998).

Findings also revealed that access to entrepreneurship education, training and skills influenced youth enterprises. For example, youth respondents indicated that there was need for auditing the cash flow to prevent fraud among group members. There was also need to go through financial education before obtaining the entrepreneurship license, there was need for regular seminars with youths who have succeeded in businesses, the youth should be granted loans. They also indicated that entrepreneurship studies should be introduced in schools system, the youth should be provided with civic education. Youth should come together and share ideas and should also be provided with financial advice on how to access and utilize loans. 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. The study findings agree with SME survey, (1999) on 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% of the entrepreneurs surveyed had not received any entrepreneurial skills training. For the few that had received training, most received technical (non-business) training, Central Bureau of

Statistics SME survey, (1999). One can therefore argue that there is a strong relationship between the kind of skills and training that one has acquired prior to starting a business and when running and managing that business. Further, Kellogg (2006) indicates that successful youth entrepreneurship programs approach requires learning in an interactive, experiential manner that connects real life economic decisions to the institutional learning experience. These programs incorporate technology, mentoring, planning and start-up of simulated and real businesses to produce tangible results. Youth graduating from these programs exhibit higher levels of achievement, are more prepared to take calculated risks and have increased economic opportunities.

Findings further revealed that access to finance/start-up finance influenced youth enterprises. For example, half 14 (56%) of the youth did not obtain any form of start-up financing. Among those that had received the start up financing, majority 18 (72%) had received loans from banks, micro-credit institutions, cooperatives and youth fund. Others borrowed money from family members, government finance and from personal savings. Majority, 22 (88%) further indicated the major impediments as high interest rates and fees followed by lack of legal status of enterprise e.g. in the informal sector, then strict credit scoring, then methodologies/regulations, collaterals/assets/guarantees and lastly complex documentation procedures. The key informants were asked to indicate the major impediments to obtaining start-up funding by youth who seek funding from financial institutions. The respondents further indicated that youth should form groups to enable them access finance, there should be appointing of qualified and honest leaders who will share money. Interest rates from the lending institutions should be lowered, the youth

should be given motivational talks on entrepreneurship, they should be provided with the youth enterprise fund. These findings are in line with Euro barometer Survey (2004), who found that young people (aged 15 to 24 years) seem to be the strongest supporters of the perception that the lack of available financial support is an obstacle to setting up a business. Curtain (2000) further states that admittedly, there are credit schemes directed at young people in the mainstream micro credit organizations, but surveys reveal that youth are an underrepresented group. Lack of sufficient collateral, experience and biases further disadvantage young people.

Findings also indicated that administrative and regulatory framework influenced success of youth enterprises. For example, 18 (72.0%) of the respondents indicated that they faced administrative procedures, bureaucracy and red tape when registering their businesses. Other administrative hurdles included taxation regulation as shown by 19 (76.0%), tax level was also rated as very serious hurdle by 13 (52.0%) while 5 (20.0%) rated it as serious, competition law was rated by 8 (32.0%) as a serious hurdle while national trade policy was rated by 7 (28.0%) as very serious hurdle and 8 (32.0%) rating it as serious. The key informants indicated that a lot of bureaucracies exist and the government need to digitalize the process to enhance business registration. They also indicated that there are measures that are required to meet financial problems. The findings agree with La Porta (1999) who states that the different existing start-up procedures can be summarized as screening procedures (for example, authenticate company deeds, open a bank account and deposit start-up capital, registering a company at Companies Registry). Tax related requirements (register for various taxes including

VAT). According to Schoof (2006), unfavourable or complex tax systems can kill off new young enterprises in the start-up phase and during their critical first few years of business. Particularly young entrepreneurs (“teen entrepreneurs”) with little experience are either put off by complex tax regulations or are afraid of doing something wrong. Moreover, these long procedures are often associated with high levels of corruption and favouritism and red tape. Young people without experience and networks cannot pull strings and are forced to pay unanticipated bribes to accelerate the process, putting their young business at risk.

Findings also indicated that business assistance and support influenced the success of youth enterprises. For example, slightly more than half as shown by 14 (56.0%) stated that they received any business support before or during the start-up phase of their business. Among those that had received, they indicated that they received training on management and business skills like marketing, accountancy; driving and professional counselling. These training were provided by organisations such as chamber of commerce, young entrepreneurs club, banks, private training companies, NGOs, the Government, hired counsellor and employers’ organization. The key informants indicated that they offered business support such as financial management, book-keeping, record keeping and customer service and provision of funds in form of loans to finance the business, training customers on saving, arranging finance and how to plan businesses and importance of investing.

According to Schoof (2006), entrepreneurial isolation, not knowing anyone in the business and the absence (or high entry barriers to) of business networks is an obstacle to start-ups by young people. Business contacts are particularly crucial for young and inexperienced entrepreneurs. According to the Flash Euro barometer Survey (2004), the younger the entrepreneur, the more he or she sees the business idea, financial support and business contacts as being the most important criteria. The youngest age cohort (15 to 24 years) tends to be particularly sensitive to this factor. Young entrepreneurs require tailor made training and counselling pertinent to their particular start-up situation, their business and the sector it operates in.

According to White and Kenyon (2001), counselling young women and men require skills and sensitivity quite different from those required when dealing with adults. Other important factors when counselling or advising young men and women about business include the need to help the young man or woman understand difficulties for themselves. Rather than tell a person what is wrong with their business or their idea, give them the tools (for example, techniques or market research, cash flow forecasting, and stock control) to find this out for themselves.

5.5 Conclusions

Based on the findings of the study, it was concluded that social and cultural attitudes influenced youth enterprises. For example, youth had different views regarding youth perception towards entrepreneurship. These included that youth have a negative attitude towards entrepreneurship, they should join different youth groups to get to know, most of

them do not realize their potential of national policies, they should be encouraged about self employment, there should be creation of awareness on the importance of entrepreneurship and that youth fear risking and also lack acceptance of their ages. The key informants indicated that the youth were quite positive about entrepreneurship and were eager to learn more and are taking it positively. They were also yearning to get into business enterprises.

The study also concluded that access to entrepreneurship education, training and skills influenced youth enterprises. Youth respondents indicated that there was need for auditing the cash flow to prevent fraud among group members. There was also need to go through financial education before obtaining the entrepreneurship license, there was need for regular seminars with youths who have succeeded in businesses, the youth should be granted loans. They also indicated that entrepreneurship studies should be introduced in schools system, the youth should be provided with civic education. Youth should come together and share ideas and should also be provided with financial advice on how to access and utilize loans. Society's approach to education of young people in terms of taught values, self employment have a crucial influence on their attitude towards entrepreneurship and starting up a business.

The study also concluded that access to finance/start-up finance influenced youth enterprises. Youth obtained start-up financing. Among those that had received the start up financing got loans from banks, micro-credit institutions, cooperatives and youth fund. Others borrowed money from family members, government finance and from personal

savings. The major impediments were seen as high interest rates and fees followed by lack of legal status of enterprise e.g. in the informal sector, then strict credit scoring, then methodologies/regulations, collaterals/assets/guarantees and lastly complex documentation procedures.

The study also concluded that administrative and regulatory framework influenced success of youth enterprises. Youth faced administrative procedures, bureaucracy and red tape when registering their businesses. Other administrative hurdles included taxation regulation, tax level, competition law, and national trade policy.

The study also concluded that business assistance and support influenced the success of youth enterprises. For example, slightly more than half had received business support before or during the start-up phase of their business. These training were provided by organisations such as chamber of commerce, young entrepreneurs club, banks, private training companies, NGOs, the Government, hired counsellors and employers' organization.

5.6 Recommendations of the Study

Based on the findings the following recommendations were made:

- i. There is need to have formal training for the new entrepreneurs before they start their occupation.
- ii. There is need to empower the youth in identifying their abilities in entrepreneurship.

- iii. There is need to cultivate in the youth positive attitude towards self employment to enable them understand that formal employment is not the only way of self development.
- iv. The education curriculum should assess the need of including entrepreneurship subjects so that the youth can be prepared to take up entrepreneurship.

5.7 Suggestions for Further Research

The following are suggestions for further research:

- i. A study of the factors influencing funds management by the new entrepreneurs
- ii. A study on the effects of formal training on the effectiveness of youth entrepreneurship
- iii. An analysis of the factors influencing implementation of youth development policy among young entrepreneurs.

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APPENDICES

APPENDIX 1: LETTER OF TRANSMITTAL

PETER WAMBUA MUTHINI

UNIVERSITY OF NAIROBI

DEPARTMENT OF EXTRA MURAL STUDIES

P.O. BOX 30197

NAIROBI

Dear Respondent,

I am a student of the University of Nairobi pursuing a Master of Arts Degree in Project Planning and Management. I am conducting an academic research on factors influencing the success of youth enterprises in Ndaragwa constituency of Nyandarua County, Kenya.

This questionnaire is designed to obtain more information about your perceptions, opinions, experiences and particular knowledge regarding the challenges and successes you have faced in starting and maintaining your business. Your business story and your particular experiences while setting up your own enterprise are highly valuable to this study. They will help in understanding the specific constraints and needs of young people who are engaging in business and to come up with recommendations that will effectively improve the entrepreneurial framework for youth. So please tell us your story, tell us how you succeeded and what held you back.

I will appreciate if you could answer the following questions as comprehensively as possible.

Please use the space provided to write your answer and if you need more space, feel free to add more lines or enclose an additional sheet.

If you do not want to be mentioned by name in a later publication, please tick the relevant box and I will ensure your anonymity.

Thank you for your assistance and your precious time.

Yours faithfully,

Peter Muthini.

Tel. 0722734953 Email: pmuthini@yahoo.com

APPENDIX 2: QUESTIONNAIRE FOR YOUTH GROUPS

You are requested to complete this questionnaire as honestly and objectively as possible giving as much details as possible where necessary. (Where necessary tick (✓) appropriately)

Entrepreneur and Company Information

1. Name (Optional)

2. Age in years:

15-18

19-22

23-26

27-30

31-35

3. Gender:

Male

Female

4. Education:

- Below high school
- Secondary school
- Technical and vocational education
- University or higher education

5. Do you want to be mentioned by name in a later publication?

- Yes
- No

6. Sector of activity:

- Extraction (including energy)
- Manufacturing
- Construction
- Wholesale trade
- Retail distribution
- Transport, Communication
- Producer services (financial intermediation, real estates)
- Personal services (hotels and restaurants, health and social work, other services)
- Agriculture.

7. Is your enterprise based in town or village?

Town

Village

8. Legal status:

Sole proprietor

Private limited enterprise

Public limited enterprise

Partnership

Informal

Others: (explain)

9. Starting date.....

10. Current situation of enterprise:

Critical

Struggling to survive

Growing

I. Social/Cultural attitude towards youth entrepreneurship

1. Are you operating your own business?

Yes

No

2. If yes, what has been your main incentive/motivation to start-up your own business?

To be your own boss

To seek the challenge

To be respected

To do something new

To realize your ideas/vision

To connect your job/business with your passion/hobby

Other reasons (please indicate).....

.....

3. Was starting a business your only option or did you have other options?

I did not have another choice

I had other options, but I recognized a business opportunity

4. What is your perception regarding the attitude of (young) people towards entrepreneurship?

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

5. Who influenced you to start/not to start a business?

- Parents and family
- Teachers and lecturers
- Career advisors
- Friends
- Entrepreneurs
- Media
- Others(Specify)

6. In your opinion, what measures could improve the acceptance and appreciation of entrepreneurship in society and in particular among young people of your district?

.....
.....

II. Government regulations and policies

7. Do you think youth in Kenya face administrative procedures, bureaucracy and red tape when registering their businesses?

Yes

No

8. The following regulations have been perceived as administrative hurdles in registering/licensing businesses. Please tick (√) in the appropriate column the ones that are very serious, serious, and less serious and the ones you don't know their effects.

	Very serious	Serious	Less serious	Don't know
Taxation regulations				
Tax level				
Bankruptcy laws				
Property, copyright and patent regulations				
Competition law				
Subsidy policy				
National trade policy				

9. How should the regulatory framework in Kenya be improved in favour of young entrepreneurs?

.....

.....

III. Start-up financing

10. Did you obtain any form of start-up financing?

Yes

No

12. If yes what kind of start-up financing, did you obtain?

Money borrowed from family or friends or personal contacts

Loan from banks, micro-credit institutions, cooperatives, youth fund, NGOs or others

Seed funding or subsidies from the government and other financiers.

Other sources (please indicate)

.....
.....

13. Was it rather easy to obtain financing?

Yes

No

14. The following are some of the major impediments to obtaining funding from your nearby financial institutions. (Please rank the ones that applies to your situation ranging from the strongest 1 to the weakest 6)

- Collaterals/assets/guarantees
- Strict credit scoring methodologies/regulations
- High interest rates and fees
- Complex documentation procedures
- No legal status of enterprise e.g. in the informal sector
- Others (specify).....

15. In your opinion, what measures could improve the access to finance by young entrepreneurs in your district?
.....
.....

IV. Education, skills and training

16. Do you think the current education system in Kenya is playing a major role in creation of entrepreneurial culture among the youth?

- Yes
- No

17. Looking back to your education, which experiences have been particularly useful or valuable for your business career?

.....
.....

18. How can the educational system in Kenya be made more supportive for young entrepreneurs?

.....
.....

V. Business Support (Workshops, Trainings, Advice, Business Counselling, etc.)

19. Did you receive any business support (workshops, trainings, advice, business counselling, mentoring, etc.) before or during the start-up phase of your business?

Yes

No

20. If YES, on which particular subjects have you been trained, mentored or counselled?

Information Communication Technology,

Management and business skills like marketing, accountancy, export

Others (specify).....

21. Which institution provided these services?

Chamber of commerce

Employers' organization

Young entrepreneurs club

Bank

Private training company

NGO

Government

Others (specify).....

22. What kind of business support services would have been highly valuable for you?

a) During the start-up phase of your business

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

b) As your business is/was growing

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

THANK YOU FOR YOUR ASSISTANCE AND YOUR PRECIOUS TIME!

APPENDIX 3: INTERVIEW GUIDE FOR KEY INFORMANTS

Tell us your name, your designation and the organization you work for

1. Does your organization deal with youth entrepreneurs?

I. Social/Cultural attitude towards youth entrepreneurship

2. What is your perception regarding the attitude of (young) people towards entrepreneurship?
3. In your opinion, what measures could improve the acceptance and appreciation of entrepreneurship in society and in particular among young people?

II. Government regulations and policies

4. Do you think youth in Kenya face administrative procedures, bureaucracy and red tape when registering their businesses?
5. How should the regulatory framework in Kenya be improved in favour of young entrepreneurs?

III. Start-up financing

6. According to you what are the major impediments to obtaining start-up funding by youth who seek funding from financial institutions?
7. In your opinion do you think Youth Enterprise Development Fund has helped in increasing entrepreneurial activities in this area? Why?
8. In your opinion, what measures could improve the access to finance for young entrepreneurs?

IV. Education, skills and training

9. Do you think the current education system in Kenya is playing a major role in creation of entrepreneurial culture among the youth?
10. How can the educational system in Kenya be made more supportive for young entrepreneurs?

V. Business Support services

11. Do you offer business support services in your organization? if so which ones?
12. Out of the ones you have mentioned which ones are helpful to youth entrepreneurs;
 - a) During the start-up phase of their businesses?
 - b) As their business grow?

THANK YOU VERY MUCH FOR SPARING YOUR TIME AND FOR THE VALUABLE INFORMATION YOU HAVE GIVEN. GOD BLESS YOU.

APPENDIX 4: LIST OF KEY INFORMANTS

1. Youth Enterprise Development Fund
2. K-rep bank
3. Kenya women finance trust
4. Family bank
5. Equity bank
6. Taifa sacco
7. Ministry of youth affairs and sports
8. Kenya commercial bank