

**INFLUENCE OF THE IMPLEMENTATION OF ACCESS TO
GOVERNMENT PROCUREMENT OPPORTUNITIES PROGRAMME
ON BUSINESS GROWTH IN YOUTH OWNED ENTERPRISES IN
MURANG'A SOUTH SUB COUNTY, KENYA.**

BY

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DECLARATION

This research project is my original work and has not been presented for examination in this or any other University.

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

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DEDICATION

This research project is dedicated to my wife Anne, my sons Bryson and Jason and George's family, for the support and encouragement during the period of the study.

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TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	viii
LIST OF TABLES	ix
ABBREVIATIONS AND ACRONYMS	x
ABSTRACT	xi
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the problem	3
1.3 Purpose of the study	4
1.4 Objectives of the study	4
1.5 Research questions	4
1.6 Significance of the study	4
1.7 Basic assumptions of the study	5
1.8 Limitations of the study	5
1.9 Delimitations of the study	5
1.10 Definition of significant terms used in the study	6
1.11 Organization of the study	7
CHAPTER TWO: LITERATURE REVIEW	8
2.1 Introduction	8
2.2 Provision of information on government procurement opportunities and business growth	8
2.3 Trainings on business skills and business growth	9
2.4 Competition for government procurement opportunities and business growth.....	10

2.5 Provision of credit facilities and business growth	11
2.6 Business growth	13
2.7 Theoretical framework	14
2.8 Conceptual framework	16
2.9 Knowledge gap	17
2.10 Summary of literature	17
CHAPTER THREE: RESEARCH METHODOLOGY	19
3.1 Introduction	19
3.2 Research design	19
3.3 Target population	19
3.4 Sample size and sampling procedures	20
3.5 Research instruments	21
3.6 Data collection procedures	23
3.7 Data analysis techniques	23
3.8 Ethical considerations	23
3.9 Operationalization of variables	24
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION.....	26
4.1 Introduction	26
4.2 Questionnaire response rate	26
4.3 Demographic information of respondents	26
4.3.1 Distribution of respondents by gender	27
4.3.2 Distribution of respondents by age	27
4.3.3 Respondents by Level of education	28
4.3.4 Respondents by Marital Status	28
4.3.5 Respondents by nature of business enterprises	29
4.4 Provision of information on government procurement opportunities	30

4.5 Training on business skills	31
4.6 Competition for government procurement opportunities	33
4.7 Provision of credit facilities	34
4.8 Business growth	36
4.9 Correlation analysis	37
CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS	39
5.1 Introduction	39
5.2 Summary of findings	39
5.3 Discussion of the study findings	40
5.4 Conclusion	42
5.5 Recommendations	42
5.6 Suggestions for Further Research	43
REFERENCES	44
APPENDICES	48
Appendix I: Letter of transmittal	48
Appendix II: Questionnaire to the respondents	49
Appendix III: Research Permit	54

LIST OF FIGURES

Figure 1: Conceptual Framework	16
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LIST OF TABLES

Table 3.1: Sampling procedure	21
Table 3.2: Operationalization of variables	24
Table 4.1: Response rate	26
Table 4.2: Distribution of respondents by gender	27
Table 4.3: Distribution of respondents by age	27
Table 4.4: Respondents by Level of education	28
Table 4.5: Respondents by Marital Status	29
Table 4.6: Respondents by nature of business enterprises	29
Table 4.7: Provision of information on government procurement opportunities	30
Table 4.8: Training on business skills	32
Table 4.9: Competition for government procurement opportunities	33
Table 4.10: Provision of credit facilities	35
Table 4.11: Business growth	36
Table 4.12: Pearson's correlation	38

ABBREVIATIONS AND ACRONYMS

AGPO	Access to Government Procurement Opportunities
GDP	Gross Domestic Product
GOK	Government of Kenya
ICT	Information Communication and Technology
LPO	Local Purchase Order
LSO	Local Service Order
MSEs	Micro and Small Enterprises
PPDA	Public Procurement and Disposal Act
PPOA	Public Procurement Oversight Authority
PWDs	Persons with Disabilities
YEDF	Youth Enterprise Development Fund

ABSTRACT

This study sought to establish the influence of the implementation of access to government procurement opportunities programme on business growth in youth –owned enterprises in Murang’a south sub county, Kenya. The research objectives therefore were; to establish how provision of information on government procurement opportunities influences business growth in youth -owned enterprises, to what extent trainings in business skills influences business growth, how competition for government procurement opportunities influences business growth and to what extent provision of credit facilities influences business growth in youth -owned enterprises. The study employed descriptive survey design and a sample of 83 youth owned enterprises in Murang’a south sub –county were selected from the target population of 488 youth owned enterprises to carry out the study. The study used primary data which were collected through the use of a five point likert scale questionnaire and secondary data through review of available literature. Reliability and validity of the research instrument were tested using split-half reliability test and through triangulation respectively. The researcher also used Statistical Package for Social Sciences to generate the descriptive statistics and also to generate inferential results. The descriptive statistics used included frequencies, averages and percentages while for inferential statistics, correlation analysis was used to demonstrate the relationships between variables and thus the extent to which implementation of access to government procurement opportunities programme influences business growth in youth –owned enterprises. The analysed data was tabulated for presentation. The findings on provision of information on government procurement opportunities indicated that the respondents were aware of the programme and government entities had provided the necessary information. The respondents also pointed out that although they have received training on business skills, training manuals and syllabus was lacking, they also felt that more training was needed in order to enhance their skills in their businesses. In terms of competition for government procurement opportunities, the respondents indicated that government entities were promoting competition through splitting up their purchases thus allowing youth owned enterprises to participate. On provision of credit facilities, respondents pointed out that there were financial institutions in the sub county financing youth LPOs and LSOs. The respondents also indicated that regarding business growth, youth owned enterprises have not realised growth in the short run but such a growth may be realised in the long run period. The study recommends that brochures and booklets on access to government procurement opportunities should be provided by PPOA to the target group to enhance provision of information on the programme. PPOA should also enhance its monitoring of the programme to ensure that government entities set aside 30% of their contracts to youth, women and PWDs. It also recommends that the business skills training manual and syllabus should be provided to the trainees before registration for the training to ensure that the target group register for a training they need. The implementation of access to government procurement opportunities programme should also be enhanced in the digital platforms like social media to ensure that more youth owned enterprises are brought on board. Lastly the regulations put in place concerning the complaints system structure for special groups such as the youth, women and PWDs should be revised to enhance adequacy.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Government is often the biggest customer within a country, and governments can potentially use this purchasing power to influence the behaviour of youth owned enterprises. It spends a huge percent of its budget on procurement. Governments across the world tend to spend between 8% and 25% of Gross National Product on goods, works and services. In UK, public procurement expenditure is approximately one hundred and fifty (150) billion dollars (Department of Environment, Food and Rural affairs, 2007).

The micro and small enterprises (MSEs) sector plays a pivotal role in creating innovation, wealth, employment and economic growth in industrialized and developing countries (Robson and Bennett, 2000). For example, in the UK, MSEs account for 99.8 per cent of enterprises and 52.4 per cent of employment (Small Business Service, 2008). The encouragement of entrepreneurial behaviour is therefore critical for the economy (Gray, 2006) especially given its contribution to economic prosperity within knowledge-based economies (Hannon, 2005). Analyzing the levels of enterprising activity in Ireland, the Global Entrepreneurship Monitor (2005) found that the number of individuals starting and planning new businesses increased to 9.8 per cent up from 7.7 per cent in 2004 which is equivalent to almost a quarter of a million individuals in 2005. Furthermore, the report also suggested that there is an increase in the proportion of the population in the 25-44 age groups considering entrepreneurial activity (Ita and Briga, 2008).

In Kenya, the Government is the largest single buyer of goods, services. The total volume of public procurement in 2003-2004 was established at 3.64 billion USD or 9% of the GDP (Independent procurement review Kenya, 2005). This amount is humongous and if it is well directed can drive economic growth through greater youth participation in public procurement (OECD, 2010). The Kenya's economic landscape is also changing, with a move from foreign direct investment to self-employment and entrepreneurship. This is noted in the increase in the number of individuals considering self-employment as a career option due to the high rate of unemployment.

Public procurement in Kenya is governed by the public procurement and disposal Act, 2005. The procurement law establishes procedures and guidelines for public procurement through the public procurement and disposal Act, 2005 and public procurement and disposal regulations, 2006. Its objectives among others are to: Maximize economy and efficiency, to promote competition and ensure that the competitors are treated fairly and to facilitate the promotion of local industry and economic development.

The constitution of Kenya, 2010, Article 227, requires state organs or any other public entity to be fair in contracting for procurement of public goods and services. Part 2 of this section further states: “An act of parliament shall prescribe a framework within which policies relating to procurement and asset disposal shall be implemented and may provide for all or any of the following: Firstly, categories of preference in the allocation of contracts and secondly the protection or advancement of persons, categories of persons or groups previously disadvantaged by unfair competition or discrimination”.

Further, Article 55 (b) of the Kenyan constitution requires the state to take measures that will provide for affirmative action in programmes that will give the youth opportunities to participate in economic development. Pursuant to this constitutional provision, the minister for finance gazetted legal notice No. 58 on the public procurement and disposal (preference and reservations) Regulations, 2011. These regulations broadly provide for preference and reservations in public procurement when soliciting tenders from the prescribed target groups, as; SMES, disadvantaged groups such as youth, disabled and the women owned enterprises.

In this regard, His Excellency the former president Mwai Kibaki during the 5th anniversary celebrations of the Youth Enterprise Development Fund decreed that 10 per cent of all government procurement opportunities be allocated to the youth so as to empower them and accelerate the growth of youth owned enterprises. Access to Government Procurement Opportunities (AGPO) initiative was later launched at KICC on June 29th 2012. In 2013, His Excellency the President Uhuru Kenyatta directed that the procurement rules be amended to allow 30 per cent of contracts to be given to the youth, women and persons with disability without competition from established firms. Following this directive, the public procurement and disposal (preference and reservations) Regulations, 2011, were amended vide legal notice No. 114 of 2013. Regulation 31(1) of the referenced amendment stipulates that 30 per cent of all government tenders are to be awarded to this target group.

1.2 Statement of the Problem

The Kenya government is in the process of reforming its public services in an endeavour to improve services delivery to the citizens. One of the strategies is to unlock the potential of the youth by empowering and giving them more opportunities to do business with the government. According to Ministry of Devolution and Planning report on youth access to government procurement, 2015, between March 2013 and December 2014 out of 30000 youths, women and PWDs who have registered companies only 6000 youths have benefited, while only shillings 3 billion of the shillings 63 billion expenditure reserved to the youth programme last year was used.

The low number of youth turning up to take the 30 percent government procurement tenders reserved for them indicates something is wrong on how this programme is implemented that needs urgent attention. The much applauded affirmative action to address joblessness by allowing the youth, women and people with disability to supply the government certain items is not achieving its desired objectives since those implementing it have failed to address vital aspects of programme implementation.

Despite the various efforts put by the Kenyan Government to encourage youth participation in public procurement, very few youth-owned enterprises have been able to access public procurement opportunities. There has also been no systematic attempt to look at public procurement from a youth angle in spite of its increasing recognition as a source of job creation, employment and economic dynamism in a rapidly globalizing world. The tendency has been either to subsume the youth into general adult population or to ignore their efforts to forge a livelihood through enterprise activities (Thai, 2001).

This study sought to establish the influence of the implementation of access to government procurement opportunities (AGPO) programme on business growth in youth –owned enterprises. The aspects of implementation of the programme that the study investigated included the following; provision of information on AGPO, training on business skills, competition for government procurement opportunities and provision of credit facilities.

1.3 Purpose of the Study

The purpose of this study was to establish the influence of the implementation of access to government procurement opportunities (AGPO) programme on business growth in youth - owned enterprises in Murang'a south sub county.

1.4 Objectives of the Study

The objectives of this study were as follows:

- i) To establish how provision of information on government procurement opportunities influences business growth in youth -owned enterprises.
- ii) To establish to what extent trainings in business skills influence business growth in youth -owned enterprises.
- iii) To establish how competition for government procurement opportunities influences business growth in youth -owned enterprises.
- iv) To establish to what extent provision of credit facilities influences business growth in youth -owned enterprises.

1.5 Research Questions

The research questions that guided the study were as follows:

- i) How does provision of information on government procurement opportunities influences business growth in youth -owned enterprises?
- ii) To what extent does training in business skills influences business growth in youth - owned enterprises?
- iii) How does competition for government procurement opportunities influences business growth in youth -owned enterprises?
- iv) To what extent does provision of credit facilities influences business growth in youth -owned enterprises?

1.6 Significance of the Study

This study contributes information that could guide policy makers both at national and county governments in terms of improving the youth access to government procurement opportunities with a view of making better the service delivery in the public sector. It is

envisaged that the study would inform the trainers and policy makers on what is desirable and what works for effective public service provision. Other beneficiaries include non-governmental organisations and private sector players who may wish to adopt better implementation strategies for similar programmes.

This study provides a clear understanding on how the policy is transforming the lives and fortunes of youth who make up thirty five per cent of the country's population. Lastly it also provides reference material for further research

1.7 Basic Assumptions of the Study

This study was based on the assumption that respondents during the study were available to provide information that can provide a clear understanding of the problem to the researcher.

1.8 Limitations of the Study

This study was limited by financial and time constraints in terms of all expenses incurred by the researcher in the course of the study and the time period available to carry out the study. In addition, this study focused on youth owned enterprises that are carrying out different business ventures. As such, it may not be possible to generalize the findings of the study to youth owned enterprises in other areas of the country.

1.9 Delimitations of the study

This study focused only on youth owned enterprises in Murang'a south sub county, Murang'a County. The sub county covers a wide geographical area, with both rural and urban population located here. There are diverse youth owned enterprises in the locality, and various business activities and opportunities available. The influence of the implementation of access to government procurement opportunities on business growth in these enterprises was the major concern.

1.10 Definition of Significant Terms

Significant terms that were used in this study included the following:

Business growth: This refers to the expansion of youth –owned enterprise in terms of increase in the number of new business enterprises, revenue generated by the enterprises and profitability of these enterprises.

Business skills: These are skills acquired by youths through training on how to establish business enterprises, manage and expand them to profitability through the use of available opportunities including government procurement.

Competition: Competition occurs when a number of registered youth –owned enterprises apply for consideration for contracts awards by the same government procurement entity.

Credit facilities: This refers to facilitation for financing of local purchase or service orders by a procuring entity. A procuring entity facilitates financing of enterprises owned by youth that have been awarded contracts, by authenticating their notifications of tendered awards and local purchase or service orders and subsequently entering into an agreement with the relevant financing institution with condition that shall include paying the contracted enterprise through their account opened with the financier. Government funds like UWEZO fund and youth fund also offer credit facilities through financing youth LPOs and LSOs.

Government procurement: Ordinarily, the Kenya Government does not use state-owned enterprises to manufacture goods and services that public authorities require to perform their duties. The government therefore has to purchase various goods and services from the supply market. Government procurement is the acquisition of any type of works, assets, services and goods by purchase, rental, lease, license, tenancy, franchise, or by any other contractual means. Procurement is a key economic activity of any government that significantly impacts how taxpayers' money is spent.

Implementation of access to government procurement opportunities: This refers to the process through which government and procuring entities reaches out to its suppliers and the general public in the process of providing public goods and services.

Information: This refers to documents, rules, regulation and requirements that are provided by a procuring entity to public through a medium of communication.

Youth –owned enterprises: This refers to micro and small enterprises (MSEs) owned and operated by both male and female genders aged between 18 to 35 years.

1.11 Organization of the Study

This study comprises of five chapters. The first chapter contains the background of the study, the purpose of the study, the problem statement, research objectives as well as the limitations of the study. It also indicates the significance of the study. Chapter two contains the literature review, theoretical framework as well as the conceptual framework. The third chapter describes the research design, the target population, sampling procedure and sample size as well as methods of data collection and analysis. It also deals with the validity and reliability of the research instruments and the ethical issues in research. Chapter four contains the data analysis, presentation, and interpretation of findings. Chapter five has the summary of findings, discussion, conclusions and recommendations, as well as suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains the literature review of the influence of the implementation of access to government procurement opportunities (AGPO) programme on business growth. The chapter focuses on the review of present and previous researches on implementation of AGPO as well as similar projects on the youth. The Chapter describes in detail, the influence of provision of information on government procurement opportunities on business growth, the influence of training in business skills on business growth, the influence of competition for government procurement opportunities on business growth and also the influence of provision of credit facilities on business growth. The essence of this was to examine any previous research relating to government interventions like access to government procurement opportunities that influence business growth in youth –owned enterprises. This chapter also contains the theoretical and conceptual framework of the study.

2.2 Provision of Information on Government Procurement Opportunities and Business Growth

In Kenya, it is a requirement that an advertisement on government procurement opportunities be placed in at least three daily newspapers that have wide circulation. Tender advertisements are crucial component of transparency in public procurement and tendering process. Transparency takes centre stage in access of procurement opportunities by SMEs (Kathure, 2012).

Within the global enterprise milieu, enterprises have to optimize various information systems or technologies like the internet, www and e-procurement (Gunasekaran et al., 2009). These tools are meant to standardize and automate organizational operation processes. The e-Procurement has emerged as an indispensable tool in automating procurement within a physically distributed venture milieu. The e-Procurement is important in both global operations and domestic operations because of the emphasis put on in a supply chain management in international and global operations.

Gunasekaran et al., (2009) further explained that the increased use of Information and Communication Technology (ICT) is vital given that countries are covered by the mobile telecommunication network and hence have internet accessibility. Particularly develop websites that may be helpful to SMEs by enabling cheap and quick communication, for example, downloading the contract documents and any supplementary documents without incurring copying or mailing costs. Adopting this would enable publication of public procurement notices online; multi-functional search engines; direct downloading of contract notices and accompanying documentation; electronic tendering facility enabling local governments to receive bids electronically in conformity with the PPDA (2005) regulations.

The estimated number of internet users rose by 11.6 percent to reach 16.2 million (2012) from 14.5 million users the previous quarter (2011). This increase is attributed to growing demand for internet and data services, including use of social media especially among the youth (CCK 2013). Statistics clearly show that the internet is a growing force in the media industry. As the internet becomes increasingly influential in the country, so does the need of in-depth study by scholars into it. This increase in internet usage is not reflected in the number of youth owned enterprises accessing government procurement opportunities and other public services.

2.3 Trainings on Business Skills and Business Growth

According to Gakure (2001), training is a learning activity, which is directed towards acquisition of specific knowledge & skills for the purpose of an occupation. It focuses on the job task. The training can be both formal and informal and is usually carried out to assist a person understand and perform his/her job better.

Today's business environment can be characterized as changing. The accelerated pace of advances in technology, increasing foreign competition, widespread and growing unemployment creating serious adjustment problems, and diminishing resource supplies have affected the way business is conducted. This complex and unstable environment is a way of life, which will continue far into the future (Buckley, 1993).

Rasmussen & Sorheim (2006) argue that entrepreneurship training has traditionally focused on teaching individuals, but many initiatives are increasingly becoming more action-oriented, emphasizing learning by doing. In their paper they present a number of action-based activities at five Swedish universities. The cases show that entrepreneurship education focuses less on

teaching individuals in a classroom setting and more on learning-by-doing activities in a group setting and network context.

Given that past research results have consistently found SME training to result in better company performance, even under different cultural settings such as the Netherlands, Spain, Hungary, and China (Mullei, 1999), it is expected that implementation of AGPO-related training programs will lead to higher firm performance in Youth SMEs. This statement underpins the importance of training and development in the national economic development process.

It becomes significant point of reference especially since most developing countries are responding to many challenges of the industrial development by implementing new programs, which calls for new expertise and new orientation of work. This usually means changes in specific knowledge, skills, attitudes or behaviours. Training should be designed to meet the goals of the organization while simultaneously meeting the goals of individual employees (Gakure, 2001).

2.4 Competition for Government Procurement Opportunities and Business Growth

Governments can use public procurement to achieve policy objectives. Among others for job creation and employment for example by splitting up purchases in such a way that jobs are created or requiring suppliers to use the unemployed in supplying their goods and services; SME/regional involvement for example by splitting up orders in smaller lots so that smaller companies can participate in competing for these smaller lots; Diversity (social outcomes) i.e. favouring various suppliers that include youth, disabled, women, local firms (Telgen, 2006).

Public Procurement serves as one window through which public sector interacts with the private sector. How such interaction is managed is very important in fostering a sense of fairness and widening the base of participation by private sector in public procurement (All-Party Parliamentary Small Business Group (APPSBG), 2006). Small and Medium Enterprises (SMEs) are often excluded from public procurement contracts despite the advantages that accrue from their inclusion (Obanda, 2011). Access to public procurement is clearly in the interest of SMEs. According to Odhiambo and Kamau (2003) in the three East African countries, there is a very strong feeling among the actors that SMEs have been marginalized in most of the public sector activities. While there are many reasons for lack of participation,

the main one seems to be lack of a coherent, transparent, accountable and participatory procurement policy in the three countries.

The Kenyan government through its Private Sector Development Strategy is seeking ways to promote competition, innovation and Value for Money (VFM) in the delivery of public services (Bovis, 1998). Improving procurement process through enhancement of the participation of SMEs in the public entities is one way of achieving sound procurement practices. Much could be gained by enabling more SMEs to compete. The benefits to the public entities can include better levels of service, innovative business solutions and increased competitiveness in the longer-term. In return SMEs could gain by having access to a large and stable market. SMEs may offer better value for money than larger suppliers by bringing greater competition to the public entities, lower costs, innovation and creation of employment to the youths (Simbiri, 2012).

SMEs need to have access to, and the opportunity to win, government contracts. What must not happen is that the process unintentionally favours large firms in some way and discourages small firms. It should be noted that, it is not about giving preferential treatment to SMEs but about facilitating a more level playing field. The PPOA states that the tendering/bidding process should be fair and transparent for all candidates. The contribution of small and medium enterprises (SMEs) to employment, growth and sustainable development is widely acknowledged. However, the SMEs who contribute a great percentage to the economy today have been the victims to unfair and corrupt public procurement practices and even have been barred from accessing the public procurement market. According to Vincze (2010), improved access for SMEs results in more competition, and is as one can expect likely to lead to better value for money for procurers, thus for the society.

2.5 Provision of Credit Facilities and Business Growth

Financing MSEs requires creativity (Hisrich, et al, 2005). The role of finance has been viewed as a critical element for the development of small and medium-sized enterprises (Namusonge, 2006). Smaller enterprises face higher transaction costs than larger enterprises in obtaining credit (Kimando & Sagwa, 2012). Improving access and building inclusive financial systems is a goal that is relevant to economies at all levels of development. According to Kimando & Sagwa (2012), the Micro and Small Enterprise (MSE) sector has been estimated to account for 20% of the total output and over 20% of the total labour force

in Africa. These small enterprises have enormous potential to create these much-needed employment opportunities for a country's youth population. The challenge of better access means making financial services available to all, thereby spreading equality of opportunity and tapping the full potential in an economy (Mwangi & Wanjau, 2012). Encouraging entrepreneurship as well as providing sources of sustainable and inclusive access to finance is a crucial ingredient towards achieving this goal (Oduol, et al, 2013).

Empirical research suggests that access to finance enhance the performance of firms in terms of income and employment generation (Kilonzo, 2012). It has also been established that individuals with large stocks of financial capital are most likely to start and grow new enterprises (Kimando & Sagwa, 2012). This set of research findings is usually connected to the theory of liquidity constraints. The general implication of this theory is that people with financial capital are able to acquire resources that better help them exploit entrepreneurial opportunities (Mwangi & Wanjau, 2012). Therefore, provision of financial capital may be an important predictor of the performance of youth owned enterprises (Kilonzo, 2012).

Okwany (2010) identified access to finance as one of the primary challenges youth face in trying to increase their employability or expand their business since they have been termed as risky in terms of loan repayments. Youth often obtain access to finance through a variety of informal sources, such as family, friends, selling labour, and informal money lenders

According to Chigunta (2002), young entrepreneurs face key constraints and challenges in accessing funding for their business ventures. These include lack of personal savings and resources, lack of securities and credibility (for debt financing), lack of business experience and skills (for debt financing), strict credit-scoring methodologies and regulations, complex documentation procedures, long waiting periods (time needed to decide on an application for funding), lack of knowledge, understanding, awareness of start-up financing possibilities, unfavourable firm characteristics and industry and legal status/form of enterprise.

Securing start-up finance is also often highlighted as being particularly difficult for young people to achieve due to their relatively lower securities, e.g. adequate credit history, collateral or guarantees, as well as lack of credibility as a result of limited experience compared to 'older' entrepreneurs (World Bank, 2008).

2.6 Business Growth

There are many different definitions of business growth and ways of measuring this growth (Small Business Research Centre, 2008). The Small Business Research Centre pointed that business growth is typically defined and measured, using absolute or relative changes in sales, assets, employment, productivity, profits and profit margins. Sales data are usually readily available and business owners themselves attach high importance to sales as an indicator of business performance (Small Business Research Centre, 2006). In addition, sales growth is also easier to measure compared with some other indices and is much more likely to be recorded. Sales are a good indicator of size and growth. Sales may also be considered a precise indicator of how a firm is competing relative to their market (Barringer, Jones, Neubaun & Donald, 2005).

According to Churchill and Lewis (1983) as a new small firm starts and develops, it moves through some growth stages, each with its own distinctive characteristics. Churchill and Lewis (1983) identified five stages of growth: existence, survival, success and take-off and resource maturity. In each stage of development of a business a different set of factors is critical to the firm's survival and success. The Churchill Lewis model gives an insight into the dynamics of SME growth, including the distinguishing characteristics, problems, and requirements of growing SMEs and explains business growth processes amongst SMEs.

Records have shown that small and micro enterprises (SMEs) can be found everywhere in the society. They include agribusiness farm firms, fast food enterprises, lather enterprises, bakeries, fisheries, piggeries, poultries and the related firms (Onwumere, 2008). Because of SMEs significant roles in the local and national development and growth of various economies, they have aptly been referred to as “the engine of growth” and catalysts for socio-economic transformation of any country. SMEs represent veritable vehicles for the achievement of national economic objectives of employment generation and poverty reduction at low investment cost as well as the development of entrepreneur capabilities including indigenous technology. SMEs manifests itself as a process of increasing the employment choices available to individuals, through better extension services, education, training, health and nutrition and gainful employment (Onwumere et al, 2000).

Firm performance can be measured with different indicators, such as profitability, and growth in employment, production level, or even sales. In addition, firms also have their own

performance indicators; the increase in the number of new enterprises is an indicator of growth in the industry. However, performance seems to be conceptualized, operationalized and measured in different ways thus, making cross-comparison difficult (Stevenson, et al, 2003). Among the most frequently used operationalizations are survival, growth in employees and profitability (Fadahunsi, 2012).

2.7 Theoretical Framework

A theory represents the coherent set of hypothetical, conceptual and pragmatic principles forming the general frame for reference for the field of enquiry. Theories that have been advanced in relation to the area of this study include the following.

2.7.1 Social – Economic Theory

Sutinen and Kuperan (1999) propounded the socio-economic theory of compliance by integrating economic theory with theories from psychology and sociology to account for moral obligation and social influence as determinants of individuals' decisions on compliance. According to Lisa (2010) psychological perspectives provide a basis for the success or failure of organizational compliance. Wilmshurst and Frost (2000) legitimacy theory postulates that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society. This theory, which focuses on the relationship and interaction between an organization and the society, provides a sufficient and superior lens for understanding government procurement system (Mc Crudden., 2004). From this theory, the perceived legitimacy of public procurement rules has been identified as one of the antecedents of public procurement compliance behaviour.

Governments have a responsibility of providing the public with information on its undertakings. Through this youth can obtain necessary information on procurement opportunities.

2.7.2 Strategies in Entrepreneurship

These are measures which seek to create an enabling environment for the development of successful and sustainable youth-led businesses. They aim to provide a framework which supports the rationalization and synchronization of existing policies, programmes and legislation in a way that will promote entrepreneurship among youth while identifying the

gaps and addressing them. Curtain R, (2003), recommends that small business promotion programmes should be based around four key objectives: To increase the rate of new business formation; to increase the rate of survival and success of new enterprises; to increase the rate of development of new enterprises, i.e. to help them grow faster and more efficiently; and to increase the efficiency of the dissolution process if a firm fails.

Chigunta (2012), Curtain, R (2003), defines five key elements that influence young people's decision to start and run a business: cultural attitudes, regulations, education and training, finance, and business support. While the framework of this entrepreneurship roadmap is based on the promotion of self-employment, it is important to consider these elements in designing sustainable interventions.

According to White and Kenyon, (2002), the promotion of youth enterprise should involve two basic steps. First, it should create awareness of what enterprise is and what it takes to own and manage a business. This awareness should allow young men and women to consider realistically self employment as a career option. Then, if a young person decides to explore further, or to start his or her own business, the second step – the provision of practical support services (e.g. training, advice, access to finance) – can be provided. Access to government procurement opportunities programme should highlight the success of young women and men in business, so that self employment is seen as a viable career alternative.

2.7.3 Need for Achievement

McClelland (1961) argued that individuals who are high in need for achievement are more likely than those who are low in need for achievement to engage in activities or tasks that have a high degree of individual responsibility for outcomes, require individual skill and effort, have a moderate degree of risk, and include clear feedback on performance. Further, McClelland argued that entrepreneurial roles are characterized as having a greater degree of this task attributes than other careers; thus, it is likely that people high in need for achievement will be more likely to pursue entrepreneurial jobs than other types of roles. Youth in entrepreneurship should possess the need for achievement which in turn will lead to tremendous expansion and growth in their varied enterprises. Thus need for achievement acts as a motivator to the youth in business.

2.8 Conceptual Framework

Robson (2002) defines the conceptual framework of a study as the system of concepts, assumptions, expectations, beliefs, and theories that supports and informs research as a key part of the research design. The following framework illustrates how the independent variables influence business growth of youth –owned enterprises.

Independent variables

Dependent variable

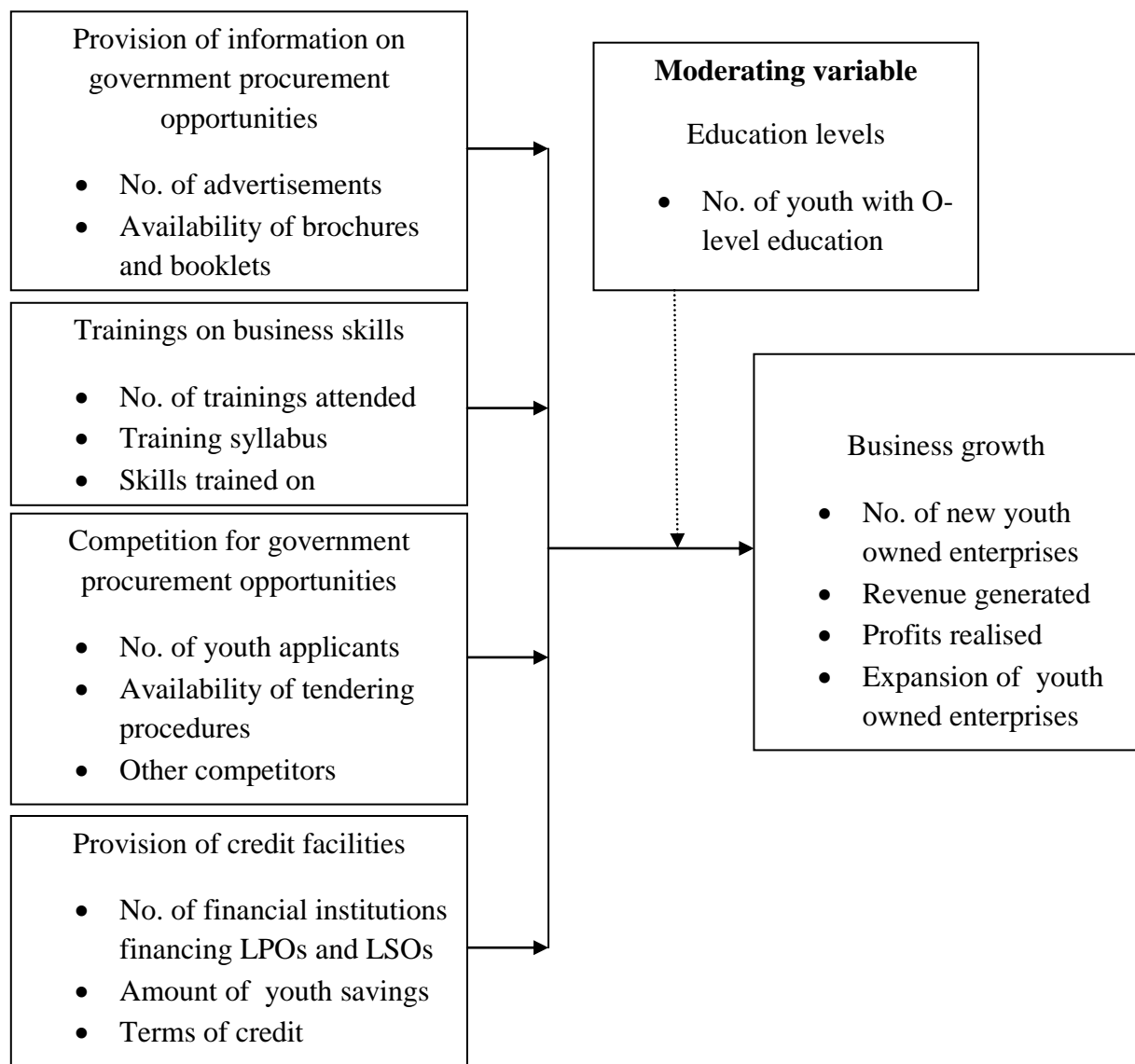


Figure 1: Conceptual framework

The conceptual framework above explains the relationship between the independent variables and the dependent variables. The independent variables; provision of information on government procurement opportunities, training on business skills, competition for

government procurement opportunities and provision of credit facilities are presumed to be the cause of the changes and influence on the dependent variable business growth.

2.9 Knowledge Gap

There are a number of studies that have been done on business growth, including studies specifically done on implementation of youth access to government procurement opportunities. Muraguri (2013) analyzed implementation of the youth preference and reservations policy in public procurement in state owned enterprises in Kenya. However he did not address the implementation aspects of providing information, training on business skills, promoting competition and providing credit facilities to youth owned enterprises since his analysis focused on state owned enterprises. Ngugi and Mugo (2007) analyzed the effect of procurement activities on the operation and effectiveness of public sectors in Kenya. However, he did not address how the implementation of preferential procurement in public procurement in Kenya influences business growth in youth enterprises since the programme was launched after the study. Also Zomboko (2012) analyzed the challenges in procurement and use of donated medical equipment in referral hospital in Tanzania but also failed to establish the influence of the implementation of preferential policy in procurement on youth enterprises. In addition Harpe (2009) assessed public procurement law in South Africa but failed to establish the influence of the implementation of directive for allocation of public procurement to special interest groups.

This study sought to find out why the young people are not readily taking advantage of the numerous opportunities available for them to empower themselves, and how the aforementioned issues are affecting them. It is hoped that the findings will inform the policy makers at national and sub county levels on effective ways of implementing youth access to government procurement opportunities programme.

2.10 Summary of Literature

This chapter has looked at business growth and an overview of implementation of youth access to procurement opportunities both globally and locally. The chapter has addressed the issue of implementation of access to government procurement opportunities by reviewing literature on provision of information on AGPO, training on business skills, competition for government procurement opportunities and provision of credit facilities. The theoretical framework addresses some theories that are relevant to the study. The conceptual framework

shows the relationship between the variables. The study addresses the knowledge gap so that policy makers can be better informed. Based on the literature reviewed, it is evident that there are knowledge gaps in studies on the influence of the implementation of access to government procurement opportunities on business growth in youth –owned enterprises. Studies conducted in Kenya in the area have focused more on the effectiveness of procurement process in general.

Therefore, there lacks conclusive studies in the area of public procurement for the special interest groups as majority of reviewed studies focuses the general procurement. This forms the research gap. It is for this research gap that this study will seek to establish the influence of the implementation of the policy on special treatment of the youth in public procurement on their varied enterprises.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is the architecture or the layout of the research framework. According to Polit and Hungler (2003) methodology refers to ways of obtaining, organizing and analyzing data. This chapter presents the research methodology that was used to carry out the study. Research methodology dictates the kind of research methodologies that was used to underpin this study and methods used in collection of data. Data was eventually used to generate new findings based on the results of data collected about different variables and involved the selection of the research design, the target population, sampling method that was used, data collection instrument and how data was analyzed, interpreted and presented.

3.2 Research Design

This study employed descriptive survey design. Descriptive survey is conducted to describe the present situation, what people currently believe, what people are doing at the moment and so forth (Baumgartner, et al 2002). According to Kothari (2004), descriptive survey design is useful in obtaining information concerning the current status of phenomenon with respect to variables or conditions in a situation. The major purpose of descriptive research design is description of the state of affairs as it exists at present. This is because the targeted respondents are best placed to provide the requisite information. This method also enables the researcher to obtain information including the respondents' perceptions, attitudes, behaviour, and values.

3.3 Target Population

Population has been defined by Sekaran (2013), as an entire group of individuals, events or things of interest for which the researcher wants to make inferences. Mugenda and Mugenda (2003), states that a population is a complete set of individuals, cases or objects with some common observable characteristics. Target population is that population which a researcher wants to generalize the results of the study.

The target population for this study was 488 micro and small enterprises (MSEs) owned by youth within Murang'a South Sub-County. This information was retrieved from the list of registered youths at the Ministry of Devolution and Planning (Directorate of Youth) in

Murang'a South Sub-County and also from PPOA database who have registered for the Access to government procurement opportunities (AGPO) programme.

3.4 Sample Size and Sampling Procedures

In this section the study outlines how sample size was determined, and the sampling procedure used.

3.4.1 Sample Size

Since population of registered enterprises was found to be 488 youth enterprises, then to determine the sample size, n , for targeted youth enterprises with a known population, N , the study adopted the formula of Israel, Glen D. (1992) as shown in equation 1.

(Equation 1)

$$n = \frac{N}{1 + N(e)^2}$$

Where; n = optimum sample size,

N = number of registered youth enterprises (known population),

e = probability of error (the desired precision, i.e., 0.1 for 90% confidence level).

Therefore the sample size was calculated as follows;

(Equation 2)

$$n = \frac{488}{1 + 488(0.1)^2}$$

$$n = 83$$

The sample size comprised of 83 respondents

3.4.2 Sampling Procedure

Youths were stratified according to nature of enterprises the youths engage in; general, small works, professional, ICT and agriculture. Each nature of business enterprise formed a stratum. To determine sample sizes, the study adopted proportionate sampling as shown in Table 3.1. Using the formula that has been indicated, samples were obtained in proportion to the number of youth in each nature of business enterprise as shown in Table 3.1.

Table 3.1: Sampling procedure

Nature of business enterprise	Target population	Sample size
General	304	52
Small works	78	13
Agriculture	12	2
Professional	53	9
ICT	41	7
Total	488	83

$$\text{Sample size} = \frac{x}{N} \times n$$

Where x= total sample size

n= target population in each business enterprise

N= total target population

3.5 Research Instruments

In this study, questionnaires were used to obtain information about the population because they save time, are economical in terms of money, convenient in that respondents can respond based on the contents, and easier to administer. The questionnaire consisted of both closed and open ended questions to address the specific objectives of the study. The open ended questions gave the responded freedom to express their opinions. A likert scale was

used with 5= Strongly agree, 4= Agree, 3= Neither Agree nor Disagree, 2= Disagree and 1= Strongly disagree. The common instruments used in social science research are questionnaires, interview schedules, observational forms, standardized test and content analysis (Mugenda & Mugenda, 2003).

Primary data was collected using a questionnaire that was administered by the researcher. The Secondary data was obtained through literature review of the Ministry of Devolution and Planning (Directorate of youth) annual reports on Access to government procurement opportunities (AGPO) programme, other relevant research on influence assessment of AGPO and also previous related studies.

3.5.1 Pilot Testing

A pilot survey was done to determine the feasibility of the data collection instrument. The pilot survey brings out the weaknesses if any of the questionnaire and the survey techniques (Kothari, 2004). It enables the researcher to assess the questions validity and reliability of data that will be collected. It will also help to determine whether the method of data analysis is appropriate. The number of people to pilot test the questionnaire depends on the research question(s), the objectives and size of the research project. This number is also dependent on the variations in the population; different scholars have divergent views on the number to pre-test the questionnaire. Saunders et al (2012) postulates that a number of 10 for a small survey are ideal. While Mugenda & Mugenda (2003) argue that the number should be large and a pre-test sample of between 1% and 10% is good depending on the sample size. Therefore for this study a pilot test sample of 10 respondents was selected to pilot test the questionnaire.

3.5.2 Validity of Instruments

Validity of a research instrument refers to its ability to obtain data that is meaningful, useful and appropriate for the study Mugenda and Mugenda (2003). Validity was enhanced by using triangulation. The questionnaires should not be ambiguous, and should be properly coded. Validity was ensured by using the objectives of the study as a guide in making the instruments, as well as obtaining experts' opinion.

3.5.3 Reliability of Instruments

Reliability refers to the consistency that is obtained when the instrument is used over a period of time. If this instrument is consistent in its measurement over time, then it is considered reliable. This study used the Split-half reliability test. This was done by dividing the test into equivalent halves, and administering the entire test to the respondents. Thereafter correlation between scores was computed on the two halves of the test using the Pearson correlation coefficient formula. A score of 0.70 or higher is acceptable as a good measure of reliability (Moore, 2004).

Using SPSS to obtain the Pearson correlation coefficient (r), the split half reliability test was carried out on the two halves of the sample and a score of 0.714 obtained, and this figure is acceptable as a good measure of reliability (Moore, 2004).

3.6 Data Collection Procedures

Data collected were of two types: primary and secondary. The researcher collected primary data from the respondents using questionnaire by visiting the selected youth owned enterprises and making prior arrangement with the youth entrepreneurs on the most appropriate time and day for the visit. During the visit for actual data collection the researcher briefed the youth entrepreneurs about the exercise and administered the questionnaire to the sampled individuals. In instances where the sample size targeted was not fully met due to absence, the questionnaire was left for collection after agreeable period.

Secondary data was also obtained to supplement primary data. This was by referring to existing official reports and document from the named entities, journals, other empirical related researches in the area and any other relevant document from the libraries and internet.

3.7 Data Analysis Techniques

In this research, descriptive statistics and correlation analysis was used. The questionnaires were edited first for accuracy, and completeness. Then the responses were coded and analysed using descriptive statistics to assess the influence of various variables on business growth. The study also used frequency distribution and percentages, and computer software-Statistical Package for Social Scientists (SPSS) as a tool of analysing data, to carry out correlation analysis to establish relationships between independent and dependent variables. The analysed data was then tabulated for presentation.

3.8 Ethical Considerations

The researcher maintained research ethics by following the procedure outlined by the University of Nairobi and by seeking permission from the relevant authorities before carrying out the study. Honesty, integrity and confidence were highly maintained throughout the study, bias of any kind was not practiced. The study ensured that the respondents gave voluntary informed consent. No one was coerced into participating in the study. In addition, the findings will be used for the intended purposes only.

3.9 Operationalization of Variables

The variables used in the study and its operational indicators are as shown in Table 3.2.

Table 3.2: Operationalization of variables

Objectives/ Research questions	Type of variable	Indicators	Measurement scale	Method of data collection	Instrument / Data collection tools	Data analysis technique
To establish how provision of information on government procurement opportunities influences business growth in youth-owned enterprises.	Provision of information on government procurement opportunities (independent variable). Business growth (dependent variable).	No. of advertisements. Availability of brochures and booklets. No. of new youth owned enterprises.	Ordinal scale.	Administering questionnaires.	Questionnaires.	Descriptive statistics. Correlation analysis.
To establish to what extent trainings in business skills influence business growth of youth-owned enterprises.	Trainings in business skills (independent variable).	No. of trainings attended.	Ordinal scale.	Administering questionnaires.	Questionnaires.	Descriptive statistics.

	Business growth (dependent variable).	Training syllabus. Skills trained on Expansion of youth owned enterprises.				Correlation analysis.
To establish how competition for government procurement opportunities influences business growth of youth-owned enterprises.	Competition for government procurement opportunities (independent variable). Business growth (dependent variable)	No. of youth applicants. Availability of tendering procedures. Other competitors. No. of new youth owned enterprises.	Ordinal scale.	Administering questionnaires.	Questionnaires.	Descriptive statistics. Correlation analysis.
To establish to what extent provision of credit facilities influences business growth of youth-owned enterprises.	Provision of credit facilities (independent variable). Business growth (dependent variable)	No. of financial institutions financing LPOs and LSOs. Amount of youth savings. Terms of credit. Revenue generated	Ordinal scale.	Administering questionnaires.	Questionnaires.	Descriptive statistics Correlation analysis.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis and findings of the study based on the stated objectives of provision of information on government procurement opportunities, training on business skills, competition for government procurement opportunities and provision of credit facilities, and how they influence business growth.

4.2 Questionnaire Response Rate

The study population of this study comprised of 83 respondents. According to Mugenda and Mugenda (2003), a response rate of 50% is considered acceptable. The response rate that was achieved is presented on Table 4.1.

Table 4.1: Response rate

	Response rate	Percentage (%)
Successful	64	77
Unsuccessful	19	23
Total	83	100

Based on Table 4.1, 64 respondents filled and returned their questionnaires, constituting 77% response rate while 19 respondents did not return their questionnaires, constituting 23%. The response rate for this study is therefore deemed adequate.

4.3 Demographic Information of Respondents

The study sought to determine the demographic information of the respondents by seeking information on gender, age, level of education, marital status and nature business enterprise engaged in, with a view to seeing how these factors are manifested and their influence on the findings.

4.3.1 Distribution of Respondents by Gender

The study asked respondents to indicate their gender since this information will be vital in the analysis of the findings. The findings are in Table 4.2.

Table 4.2: Distribution of respondents by gender

Gender	Frequency	Percentage (%)
Male	39	61
Female	25	39
Total	64	100

Based on Table 4.2, a return rate of 39 male and 25 female was realized, indicating that there were more male respondents than female.

4.3.2 Distribution of Respondents by Age

The study asked respondents to indicate their age since this will enable the research to know if there is any influence on the findings and this is indicated in Table 4.3.

Table 4.3: Distribution of respondents by age

Age bracket	Frequency	Percentage (%)
18 – 23	06	09
24 – 29	23	36
30 – 35	35	55
Total	64	100

From the findings, 06 respondents were aged between 18 - 23 years representing 09%, 23 were aged between 24 - 29 years at 36% and 35 were aged 30 - 35 years representing 55%. The majority were between ages 30 - 35 years, the age where they are expected to have gone through secondary school and tertiary institutions and have also stabilized in business. Most of those between 18 - 23 years are still in educational institutions.

4.3.3 Respondents by Level of Education

The study sought to know the level of education of the respondents since this information will assist in the analysis of the findings. The results are in Table 4.4.

Table 4.4: Respondents by level of education

Level of education	Frequency	Percentage (%)
Primary	05	08
Secondary	29	45
Tertiary/College	18	28
University	12	19
Total	64	100

Based on Table 4.4, 05 respondents had attained primary education, 29 had secondary education, 18 had college education and 12 had attained degrees. It is therefore evident that most youths who have registered for AGPO were adequately educated and could be trained in business skills.

4.3.4 Respondents by Marital Status

The study sought the marital status of the respondents as a social indicator. The findings are as tabulated on Table 4.5.

Table 4.5: Respondents by marital status

Marital status	Frequency	Percentage (%)
Single	41	64
Married	20	31
Separated/Divorced	0	0
Widowed	03	05
Total	64	100

According to the return rate, 20 respondents were married, 41 were single and 3 were widowed. The high number of single people was expected given the ages of the respondents. However, a significant number of them were also married.

4.3.5 Respondents by Nature of Business Enterprises

The respondents were asked to state the nature of business enterprise they engage in and the findings are recorded on Table 4.6.

Table 4.6: Respondents by nature of business enterprises

Nature of business enterprise	Frequency	Percentage (%)
General	42	65
Small works	10	16
Agriculture	01	02
Professional	07	11
ICT	04	06
Total	64	100

The findings on Table 4.6 indicate that 42 respondents engaged in general businesses, 10 were in small works, 01 in agriculture, 07 in professional businesses and 04 engaged in ICT businesses.

4.4 Provision of Information on Government Procurement Opportunities

The study sought to establish how provision of information on government procurement opportunities influences business growth in youth owned enterprises. The findings are tabulated on Table 4.7.

Table 4.7: Provision of information on government procurement opportunities

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std
Advertisements on government procurement opportunities encouraged youth to set up business enterprises.	2(3%)	4(6%)	7(11%)	40(63%)	11(17%)	3.85	0.88
Availability of brochures and booklets on government procurement opportunities helped in improving youth business enterprises.	5(8%)	27(44%)	9(15%)	16(26%)	4(7%)	2.8	1.13
We always know where to obtain information on Access to government procurement opportunities.	0(0%)	7(11%)	8(13%)	32(51%)	16(25%)	3.9	0.9
The website on access to government procurement opportunities contains all the requisite information.	5(8%)	6(9%)	0(0%)	25(39%)	28(44%)	4.02	1.24

Staffs providing information on AGPO are well informed and conversant with the subject matter.

	1(2%)	2(3%)	6(10%)	35(56%)	18(29%)	4.07	0.83
Average	4.2%	14.6%	9.8%	47%	24.4%	3.73	1.13

From the findings of the study a high number of the respondents 63% agreed and 17% strongly agreed that advertisements on government procurement opportunities encouraged them to set up business enterprises. This indicated that government entities were providing information on procurement opportunities to the target groups. On the other hand, a high number of the respondents 44% also disagreed and 8% strongly disagreed that availability of brochures and booklets on government procurement opportunities helped them in improving their business enterprises, indicating that a high number of respondents were unaware of availability of brochures and booklets. 51% of the respondents agreed that they knew where to obtain information on access to government procurement opportunities whereas 25% of the respondents strongly agreed on the same. A high number of the respondents 44% strongly agreed with the statement that the website on access to government procurement opportunities contains all the requisite information whereas 39% of the respondents agreed on the same. Lastly, 56% of the respondents agreed that staffs providing information on AGPO are well informed and conversant with the subject matter whereas 29% of the respondents strongly agreed with the same statement. On average a high number of respondents 47% agreed and 24.4% strongly agreed that provision of information on government procurement opportunities influenced their businesses. This is also indicated by the average mean of 3.73.

4.5 Training on Business Skills

The study sought to establish the extent to which training on business skills influences business growth in youth owned enterprises. The findings are tabulated in Table 4.8.

Table 4.8: Training on business skills

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std
We have attended more than two trainings on business skills that also sensitized us on AGPO.	3(5%)	5(8%)	2(3%)	13(21%)	39(63%)	4.29	1.17
The training offered covered all the necessary skills of running successful enterprises.	3(5%)	6(10%)	3(5%)	12(19%)	38(61%)	4.21	1.22
The business incubation and development offers practical help to those youth who have innovative ideas.	2(3%)	3(5%)	4(7%)	20(33%)	32(52%)	4.26	1.0
Training syllabus on business skills is available and is relevant to youth owned enterprises.	8(13%)	18(28%)	20(31%)	12(19%)	6(9%)	2.83	1.16
The trainings on business skills assist the youth to come up with the most suitable business ventures.	2(3%)	3(5%)	0(0%)	18(28%)	41(64%)	4.45	0.96
Average	5.8%	11.2%	9.2%	24%	49.8%	4.01	1.26

Results on Table 4.8 indicate that a high number of respondents 63% strongly agreed and 21% agreed that they have attended more than two trainings on business skills that also sensitized them on AGPO. 61% of the respondent also strongly agreed that the training offered covered all the necessary skills of running successful enterprises whereas 19% of the respondents agreed on the same. A high number of respondents 52% strongly agreed and 33% agreed that the business incubation and development offered practical help to those youth who have innovative ideas. Regarding whether training syllabus on business skills was available and was relevant to youth owned enterprises a high number of respondents 31% were neutral indicating majority of the respondents were not aware of availability of a training syllabus. Lastly a high number of respondents 64% strongly agreed and 28% agreed that the trainings on business skills assist the youth to come up with the most suitable

business ventures. On average 49.8% strongly agreed and 24% agreed that training on business skills influenced their enterprises. A mean of 4.01 was also achieved on average indicating a high level of agreement.

4.6 Competition for Government Procurement Opportunities

The study sought to establish how competition for government procurement opportunities influences business growth in youth owned enterprises. The findings are tabulated in Table 4.9.

Table 4.9: Competition for government procurement opportunities

Statement	Strongly Disagree		Neutral		Agree		Strongly	Mean	Std
	disagree						agree		
Government entities split up purchases into smaller lots so that smaller companies can participate in competing for these smaller lots.	2(3%)	2(3%)	6(9%)	33(52%)	21(33%)			4.09	0.9
The number of youth owned enterprises applying for government procurement opportunities have increased in the last one year.	3(5%)	5(8%)	18(28%)	27(42%)	11(17%)			3.58	1.03
Government tendering /bidding procedures are available and offer an opportunity to youth SMEs to win contracts.	3(5%)	7(11%)	9(15%)	28(46%)	14(23%)			3.71	1.09
The number of business competitors has grown with the implementation of access to government procurement opportunities.	4(6%)	11(17%)	5(8%)	23(37%)	20(32%)			3.72	1.25

Government entities in the sub county

have set aside 30 per cent of their

contracts to youth, women and 6(9%) 11(17%) 26(41%) 13(20%) 8(13%) 3.11 1.12

PWDs to protect them from unfair

competition.

Average	5.6%	11.2%	20.2%	39.4%	23.6%	3.64	1.13
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From the findings of the study a high number of respondents 52% agree and 33% strongly agree that Government entities split up purchases into smaller lots so that smaller companies can participate in competing for these smaller lots. 42% of the respondents also agree that the number of youth owned enterprises applying for government procurement opportunities have increased in the last one year whereas 17% strongly agree on the same. A high number of respondents 46% agree and 23% strongly agree that government tendering/bidding procedures are available and offer an opportunity to youth SMEs to win contracts. On the statement whether the number of business competitors has grown with the implementation of access to government procurement opportunities, 37% agreed and 32% strongly agreed with statement representing a higher percentage of the respondents. A high number of respondents 41% neither agreed nor disagreed with the statement that government entities in the sub county have set aside 30 per cent of their contracts to youth, women and PWDs to protect them from unfair competition. On average a high number of respondents 39.4% agreed and 23.6% strongly agreed that competition for government procurement opportunities had influenced their enterprises; this is also indicated by the average mean of 3.64.

4.7 Provision of Credit Facilities

The study sought to establish the extent to which provision of credit facilities influences business growth in youth owned enterprises. The findings are tabulated in Table 4.10.

Table 4.10: Provision of credit facilities

Statement	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Mean	Std
There are a number of financial institutions in the sub county financing youth LPOs and LSOs.	1(2%)	3(5%)	11(17%)	22(34%)	27(42%)						4.09	0.99
Government funds like UWEZO fund and YOUTH fund have assisted youths to access government procurement opportunities.	0(0%)	9(14%)	13(21%)	15(24%)	26(41%)						3.92	1.09
Amount of saving among youths in business enterprises has increased with provision of credit facilities to access government procurement opportunities.	0(0%)	9(14%)	7(11%)	14(22%)	34(53%)						4.14	1.09
Terms of credit offered by financial institutions to access government procurement opportunities is affordable to youth in business.	4(6%)	10(16%)	9(15%)	14(23%)	25(40%)						3.75	1.30
Youth entities are able to pay back loans advanced to them within the stipulated time frames.	5(8%)	3(5%)	6(9%)	13(20%)	37(58%)						4.15	1.26
Average	3.2%	10.8%	14.6%	24.6%	46.8%						4.01	1.16

Results on Table 4.10 indicate that a high number of respondents 42% strongly agree and 34% agree that there are a number of financial institutions in the sub county financing youth LPOs and LSOs. On the statement whether government funds like UWEZO fund and YEDF have assisted youths to access government procurement opportunities, a high number of respondents 41% strongly agreed and 24% agreed with the statement. 53% of the respondents strongly agreed with the statement that the amount of saving among youths in business enterprises has increased with provision of credit facilities to access government procurement opportunities whereas 22% of agreed with the same representing the highest number of

respondents. A high number of respondents 40% strongly agreed and 23% agreed that the terms of credit offered by financial institutions to access government procurement opportunities is affordable to youth in business. Lastly a high number of respondents 58% strongly agreed and 20% agreed with the statement that youth entities are able to pay back loans advanced to them within the stipulated time frames. On average a high number of respondents 46.8% strongly agreed and 24.6% agreed that provision of credit facilities influenced their business enterprises. The high number of agreement by respondents can also be indicated by average mean of 4.01.

4.8 Business Growth

The study sought to establish how implementation of access to government procurement opportunities (AGPO) influences business growth in youth owned enterprises. The findings are tabulated in Table 4.11.

Table 4.11: Business growth

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std
There are a number of new youth owned enterprises that have been established as a result of implementation of AGPO.	3(5%)	16(25%)	29(46%)	10(16%)	5(8%)	2.97	0.97
Annual revenue generated by youth owned enterprises has increased with the implementation of AGPO.	4(6%)	50(78%)	1(2%)	3(5%)	6(9%)	2.33	1.0
Profits realised by youth owned enterprises have increased as a result of implementation of AGPO.	3(5%)	47(76%)	1(2%)	7(11%)	4(6%)	2.37	0.96
Youth owned enterprises have expanded and created more job opportunities with the implementation of AGPO.	15(24%)	34(55%)	2(3%)	5(8%)	6(10%)	2.25	1.20

Youth owned enterprises have established two or more other enterprises as a result of the implementation of AGPO. 12(19%) 41(64%) 2(3%) 4(6%) 5(8%) 2.2 1.07

Average 11.8% 59.6% 11.2% 9.2% 8.2% 2.42 1.08

From the findings of the study, a high number of respondents 46% neither agreed nor disagreed that there are a number of new youth owned enterprises that have been established as a result of implementation of AGPO. On the statement whether annual revenue generated by youth owned enterprises had increased with the implementation of AGPO, a high number of respondents 78% disagreed with the statement. A high number of respondents 76% also disagreed with the statement that profits realised by youth owned enterprises had increased as a result of implementation of AGPO. Regarding whether youth owned enterprises have expanded and created more job opportunities with the implementation of AGPO, a high number of respondents 55% disagreed and 24% strongly disagreed with the statement. Lastly regarding whether youth owned enterprises have established two or more other enterprises as a result of the implementation of AGPO, a high number of the respondents 64% disagreed and 19% strongly disagreed with the statement. On average a high number of the respondents 59.6% disagreed with the statement that implementation of AGPO influenced business growth in their enterprises. The average mean of 2.42 indicates the same.

4.9 Correlation Analysis

The extent to which implementation of access to government procurement opportunities programme affected business growth in youth owned enterprises was measured using Pearson’s correlation analysis. Bivariate correlation indicates the relationship between two variables. It ranges from 1 to -1 where 1 indicates a strong positive correlation and a -1 indicates a strong negative correlation and a zero indicates lack of relationship between the two variables. The closer the correlation tends to zero the weaker it becomes (Sekaran, U. 2013). The findings are tabulated in Table 4.12.

Table 4.12: Pearson's correlation

Variable	Business growth	Provision of information	Training on business skills	Competition	Provision of credit
Business growth					
Pearson correlation	1	0.753	0.624	0.778	0.653
Sig. level 0.01(2 tailed)		0.000	0.000	0.000	0.000
Provision of information					
Pearson correlation	0.753	1	0.927	0.950	0.922
Sig. level 0.01(2 tailed)	0.000		0.000	0.000	0.000
Training on business skills					
Pearson correlation	0.624	0.927	1	0.924	0.967
Sig. level 0.01(2 tailed)	0.000	0.000		0.000	0.000
Competition					
Pearson correlation	0.778	0.950	0.924	1	0.909
Sig. level 0.01(2 tailed)	0.000	0.000	0.000		0.000
Provision of credit					
Pearson correlation	0.653	0.922	0.967	0.909	1
Sig. level 0.01(2 tailed)	0.000	0.000	0.000	0.000	

Results on Table 4.12 indicate Pearson's correlation coefficient values that indicate the relationships between the variables of study. The analysis was carried out using SPSS at significance level of 0.01. The correlations between provision of information on government procurement opportunities and business growth was 0.753, training on business skills and business growth was 0.624, competition for government procurement opportunities and business growth was 0.778 and provision of credit facilities and business growth was 0.653. Bivariate correlations between dependent and independent are close to 1 showing a strong relationship between the variables. The significance (2 tailed) value is also less than 0.05 showing there is a statistically significant correlation between the variables of study.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the findings, the discussion of the study findings, the conclusion and the recommendations that were made after data analysis was made. The chapter also gives suggestions for further research that can be carried out in relation to this research.

5.2 Summary of Findings

From the analysis the study established that there is not much disparity in terms of the gender of respondents since 61% were male and 39% were female. None of the youths were exclusive to any gender. The response rate was at 77% successful with 64 out of the 83 respondents filling out the questionnaire. A high number of the respondents were between the ages of 30-35 years at 55%. Findings on levels of education indicated that all the respondents had primary school education, and quite a number among the respondents 19% had attained university education. On marital status 64% of the respondents were single whereas 31% of the respondents were married. The findings on the nature of business enterprises the youth engaged in was that a high number of the youth 65% engaged in general businesses whereas 2% of the respondents engaged in agriculture. From the findings on provision of information on government procurement opportunities, the respondents felt that although government entities were providing all the necessary information on the programme to the target groups through staff, website and advertisements in media, there is need of using youth friendly media like social media in order to widen reach. Brochures and booklets on the programme were also mentioned to be lacking and can also widen the reach to target groups. Respondents also felt that the training on business skills should have a manual and syllabus to ensure that it achieves its desired goals and objectives, although a high number of respondents agreed that the training was beneficial to them. On competition for government procurement opportunities, the findings indicated that government entities split purchases into smaller lots so that smaller companies can participate, which in turn increased competition among youth owned enterprises. At the sub county level respondents indicated that they do not have information as to whether department set aside thirty percent of their contracts to target

groups. Regarding provision of credit facilities, respondents indicated that the financing for youth LPOs and LSOs was available, and also the government has created more avenues to finance the same. The findings on business growth point out that the growth of youth owned enterprise may not necessarily be as a result of implementation of AGPO programme.

Overall, the findings indicate that the implementation of access to government procurement opportunities programme has reached a number of youths in Murang'a south sub county, but there are aspects that will need to be addressed to ensure the expected output of expanding and increasing youth owned enterprises is achieved.

5.3 Discussion of the Study Findings

From the findings on provision of information on government procurement opportunities, it was evident that a high number of the respondents were aware of access to government procurement opportunities programme; this shows provision of information on the programme had been done. This is in compliance with PPDA (2005) regulations that recommend procuring entities to disclose information to the public. (Kathure, 2012) also suggests that transparency by procuring entities takes centre stage in access of procurement opportunities by SMEs which also agrees with this finding. However, there is need for procuring entities to increase the availability of brochures and booklets on the programme which will then increase more awareness. The use of social media is also an important avenue procuring entities can use to widen the reach.

In terms of training on business skills, the findings indicate that a high number of youths had been trained on business skills necessary to run their various enterprises. This is in agreement with literature reviewed that training is a learning activity that is directed towards acquisition of specific knowledge and skills for the purpose of an occupation (Gakure, 2001). The occupation in this case being the various youth owned enterprises. Youth in entrepreneurship should be trained and sensitized to consider their ventures as jobs (Kenya vision 2030). However a high number of the respondents were also not informed on the training syllabus they covered or they were to cover, showing the training manuals and syllabus was inaccessible to the trainees. The inaccessibility of the training syllabus could be because most of these manuals are on the digital platforms.

Findings on competition for government procurement opportunities, indicates that a high number of the respondents appreciated that their businesses had been influenced by the competition for government procurement opportunities. The splitting of purchases into smaller to favour various suppliers including youth, disabled, women and local firms is in agreement with (Telgen, 2006) ideologies. It is also in consistent with (PPDA, 2005) objective of promoting competition and ensuring that competitors are treated fairly. But when it came to government entities setting aside 30% of their contracts to youth, women and PWDs a high number of the respondents were not in a position to ascertain whether government entities were setting aside these contracts. This indicated that such groups did not have access to records that could show the same.

As regards provision of credit facilities, a high number of respondents appreciated that provision of credit facilities had improved their businesses. Respondents agreed that there were a number financial institutions in the sub county financing youth LPOs and LSOs, their terms of credit based on 39% of the respondents was affordable. Youth who get funding are also able to pay back the amounts loaned. The findings are consistent with literature reviewed of improving access and building inclusive financial systems at all levels of development Kimando & Sagwa (2012). The provision of financial capital is also an important predictor of the performance of youth owned enterprise (Kilonzo, 2012)

When it comes to business growth, a high number of the respondents were of the idea that their businesses have not grown as a result of the implementation of access to government procurement opportunities. There was a general feeling among the respondents that as much as the government had implemented the programme, the targeted business enterprises have not benefitted as expected. In terms of annual revenues generated and profits realised a high number of the respondents asserted that there was no increase as a result of the implementation of the programme. This was also the case as concerns setting up of new youth owned enterprises, where a high number of the respondents have not expanded and set up other branches of their enterprises. This was in agreement with Churchill and Lewis (1983) literature that new and small firms move through growth stages, each with its own distinctive stages, at times growth is not easy to notice. Performance of an enterprise can be conceptualized, operationalized and measured in different ways, thus making cross comparisons difficult (Stevenson, et al).

5.4 Conclusion

From the findings, the study concludes that the implementation of access to government procurement opportunities programme in Murang'a south sub county has been carried out and a number of youth owned enterprises reached. However the influence of the implementation of the programme on business growth in youth owned enterprises has not been realised based on the study findings. From youth responses, implementation of the programme that involves provision of information on government procurement opportunities, training on business skills, competition for government procurement opportunities and provision of credit facilities has been carried out; however this has not resulted in the growth of their enterprises in the short run, a high number of the respondents believe the growth will be realised in the long run period.

5.5 Recommendations

From the findings and conclusion, the study recommends the following;

1. Brochures and booklets on access to government procurement opportunities should be provided by PPOA to the target group to enhance provision of information on the programme.
2. PPOA should enhance its monitoring of access to government procurement opportunities programme to ensure that government entities set aside 30% of their contracts to youth, women and PWDs.
3. The business skills training manual and syllabus should be provided to the trainees before registration for the training to ensure that the target group register for a training they need.
4. The implementation of access to government procurement opportunities programme should be enhanced in the digital platforms like social media to ensure that more youth owned enterprises are brought on board.
5. The regulations put in place concerning the complaints system structure for special groups such as the youth, women and PWDs should be revised to enhance adequacy.

5.6 Suggestions for Further Research

This study was not exhaustive and therefore it is recommended that other studies can be carried out in the following areas;

1. To establish the involvement of other special groups like women or persons with disability in the access to government procurement opportunities programme.
2. To establish the sustainability and the long term impact of access to government procurement opportunities programme.

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APPENDICES

Appendix I: Letter of Transmittal

University of Nairobi,

Department of Extra Mural Studies,

P.O Box 30197-00100,

Nairobi.

Dear Sir/Madam,

**RE: RESEARCH STUDY ON IMPLEMENTATION OF AGPO IN MURANG'A SOUTH
SUB COUNTY**

I am a student at the University of Nairobi, pursuing a Master of Arts degree. I am undertaking a study that seeks to establish the **Influence of the implementation of Access to Government Procurement Opportunities (AGPO) programme on Business growth in youth owned enterprises in Murang'a South Sub County, Kenya.**

This is a request to you to participate and provide vital information by responding to the attached questionnaire. Participation is voluntary, and frankness and honesty are encouraged. There is no right or wrong answer. The information you give will be treated with strict confidentiality, and used for academic purpose only.

Thank you.

Yours Faithfully,

Sumba Gilbert Kipkoech.

Strongly agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, Strongly disagree=1

Statement	1	2	3	4	5
Advertisements on government procurement opportunities encouraged youth to set up business enterprises.					
Availability of brochures and booklets on government procurement opportunities helped in improving youth business enterprises.					
We always know where to obtain information on Access to government procurement opportunities.					
The website on access to government procurement opportunities contains all the requisite information.					
Staffs providing information on AGPO are well informed and conversant with the subject matter.					

Section C: Training on business skills

This section aims at establishing to what extent training on business skills influences business growth in youth owned enterprises. Please indicate your agreement or otherwise with the following statements using the following likert scale.

Strongly agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, Strongly disagree=1

Statement	1	2	3	4	5
We have attended more than two trainings on business skills that also sensitized us on AGPO.					
The training offered covered all the necessary skills of running successful enterprises.					
The business incubation and development offers practical help to those youth who have innovative ideas.					

Training syllabus on business skills is available and is relevant to youth owned enterprises.					
The trainings on business skills assist the youth to come up with the most suitable business ventures.					

Section D: Competition for government procurement opportunities

This section aims at establishing how competition for government procurement opportunities influences business growth in youth owned enterprises. Please indicate your agreement or otherwise with the following statements using the following likert scale.

Strongly agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, Strongly disagree=1

Statement	1	2	3	4	5
Government entities split up purchases into smaller lots so that smaller companies can participate in competing for these smaller lots.					
The number of youth owned enterprises applying for government procurement opportunities have increased in the last one year.					
Government tendering/bidding procedures are available and offer an opportunity to youth SMEs to win contracts.					
The number of business competitors has grown with the implementation of access to government procurement opportunities.					
Government entities in the sub county have set aside 30 per cent of their contracts to youth, women and PWDs to protect them from unfair competition.					

Section E: Provision of credit facilities

This section aims at establishing to what extent provision of credit facilities influences business growth in youth owned enterprises. Please indicate your agreement or otherwise with the following statements using the following likert scale.

Strongly agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, Strongly disagree=1

Statement	1	2	3	4	5
There are a number of financial institutions in the sub county financing youth LPOs and LSOs.					
Government funds like UWEZO fund and YOUTH fund have assisted youths to access government procurement opportunities.					
Amount of saving among youths in business enterprises has increased with provision of credit facilities to access government procurement opportunities.					
Terms of credit offered by financial institutions to access government procurement opportunities is affordable to youth in business.					
Youth entities are able to pay back loans advanced to them within the stipulated time frames.					

Section F: Business growth

This section aims at establishing how implementation of access to government procurement opportunities (AGPO) influences business growth in youth owned enterprises. Please indicate your agreement or otherwise with the following statements using the following likert scale.

Strongly agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, Strongly disagree=1

Statement	1	2	3	4	5
There are a number of new youth owned enterprises that have been established as a result of implementation of AGPO.					
Annual revenue generated by youth owned enterprises has increased with the implementation of AGPO.					
Profits realised by youth owned enterprises have increased as a result of implementation of AGPO.					
Youth owned enterprises have expanded and created more job opportunities with the implementation of AGPO.					
Youth owned enterprises have established two or more other enterprises as a result of the implementation of AGPO.					

Section G

6) In your opinion what other implementation strategies should be adopted to improve Access to government procurement opportunities programme.....

.....

.....

.....

7) What do you recommend as a way of addressing the challenges facing the Kenyan youth?

.....

.....

.....

Thank you.



**NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION**

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Date:

22nd July, 2015

NACOSTI/P/15/9739/6875

Gilbert Kipkoech Sumba
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Influence of the implementation of access to government procurement opportunities programme on business growth in Youth Owned Enterprises in Muranga South Sub County Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Murang’a County** for a period ending **4th September, 2015.**

You are advised to report to **the County Commissioner and the County Director of Education, Murang’a County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.


DR. S. K. LANGAT, OGW
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Murang’a County.

The County Director of Education
Murang’a County.



National Commission for Science, Technology and Innovation is ISO 9001: 2008 Certified

