

ASSESSMENT OF PERFORMANCE OF YOUTH ENTERPRISE
DEVELOPMENT FUND IN KENYA: A CASE OF MANYATTA
CONSTITUENCY, EMBU COUNTY

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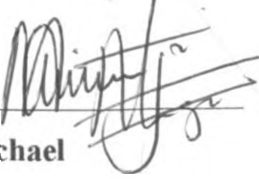
A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT FOR THE
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DECLARATION

This research project is my original work and has not been presented for any academic award in any other university

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DEDICATION.

I dedicate this work to my dear wife, Prudence Githinji, and my children Nyambura, Maghemah and Wairimu. Their love, patience, encouragement and understanding gave me the will and determination to pursue my postgraduate studies.

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TABLE OF CONTENTS

	Page
DECLARATION	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENT.....	v
LIST OF FIGURES.....	viii
LIST OF TABLES.....	ix
ABBREVIATIONS AND ACROYNMS.....	x
ABSTRACT.....	xi

CHAPTER ONE:INTRODUCTION

1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	4
1.3 Purpose of Study.....	5
1.4 Objectives of the Study.....	5
1.5 Research Questions.....	5
1.6 Significant of the study	5
1.7 Delimitations of the study.....	6
1.8 Limitations of the study.....	6
1.9 Assumptions of the study.....	6
1.10 Definition of significant Terms.....	6
1.11 Organization of the study.....	7

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction.....	8
2.2 An overview of Youth Enterprise Development Funds	8
2.3 Provision of funds.....	9
2.4 Training in business skills.....	11
2.5 Creating market linkages.....	15
2.6 Government policies.....	16
2.7. Socio-Culture background.....	16
2.8 Conceptual framework.....	17

2.9 Summary of the literature Review.....	18
-------------------------------------------	----

CHAPTER THREE: RESEARCH METHODOGY

3.1 Introduction.....	19
3.2 Research Design.....	19
3.3 Target Population.....	19
3.4 Sample and Sampling Procedure.....	19
3.5 Methods of Data Collection.....	20
3.5.1 Data Collection Instrument.....	20
3.5.2 Data Collection.....	21
3.6 Validity	21
3.7 Reliability.....	21
3.8 Methods of Data Analysis.....	21
3.9 Operational definition of terms	22
3.10 Summary.....	25

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction.....	26
4.2 Questionnaires rate of return.....	26
4.3 Demographic information of the respondents.....	26
4.4 Provision of funds.....	28
4.5 Training in business skills.....	30
4.6 Market linkage.....	33
4.7 Summary.....	36

CHAPTER FIVE:SUMMARY OF THE FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction of the summary.....	37
5.2 Summary of the findings	37
5.3 Discussion òn the findings.....	38
5.4 Conclusions.....	39
5.5 Recommendations.....	40

5.6 Suggestions for further areas of research.....	40
REFERENCE.....	41
APPENDICES.....	46
Appendix 1: Letter of transmittal.....	46
Appendix 2: Letter of introduction.....	47
Appendix 3: Questionnaire for youth.....	48

LIST OF FIGURES

Figure 1: Conceptual framework	17
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LIST OF TABLES

	Page
Table 3.1 Sample size determination table.....	20
Table 3.2 Operationalization of variables	23
Table 4.1 Distribution of the respondent by sex.....	26
Table 4.2 Ages of respondents.....	27
Table 4.3 Highest level of education	27
Table 4.4 Amount of money funded.....	28
Table 4.5 Length of processing the loan.....	28
Table 4.6 Purpose of the loan.....	29
Table 4.7 Whether the loan was sufficient.....	29
Table 4.8 Loan interest rate	30
Table 4.9 Training on business skills.....	30
Table 4.10 Business training was relevance.....	31
Table 4.11 Number of business trainings.....	31
Table 4.12 The length of business trainings	32
Table 4.13 Content of the business training	32
Table 4.14 Expectations from the business trainings.....	33
Table 4.15 Participation in market fair.....	33
Table 4.16 Number of market fairs.....	34
Table 4.17 Connected to new customers.....	34
Table 4.18 Expectations from the market fairs.....	35
Table 4.19 Frequency of market fairs.....	35

ABBREVIATIONS AND ACROYNOMS

CEED - Centre for Entrepreneurship and Development

DC – Developing Countries

EDP – Entrepreneurship Development Programme

IDC - Industrial Development Centre

ILO – International Labour Organization

IMF – International Monetary Fund

KICC - Kenyatta International Conference Centre

LDC – Least Developed Counties

PPOA - Public Procurement Oversight Authority

PPP – Purchasing Power Parity

SME – Small and Medium Scale Enterprises

SPSS – Statistical Package for Social Sciences

UN – United Nations

UNDP – United Nations Development Programme

UNICEF – United Nations International Children’s Education Fund

USA – United States of America

YEDF – Youth Enterprise Development Fund

YRE – Youth Run Enterprises

YEN - Youth Employment Network

YES - Youth Employment Summit

ABSTRACT

Entrepreneurship is the main driving force behind economic growth of any country around the world. The government of Kenya created YEDF to help reduce youth unemployment through creating youth entrepreneurs. YEDF provide funds, train in business skills and creat market linkages for the youth entrepreneurs. The researcher set out to investigate determinants of performance of Youth Enterprise Development Fund: a case of Manyatta Constituency, in Embu County. The objectives of the study were; To establish how YEDF has performed in provision funds to youth in Manyatta constituency, Embu county. To determine how YEDF has performed in providing trainings in business skills provided to youth Manyatta constituency, Embu county and explore how YEDF has performed in providing market linkages for products and services produced by youth in Manyatta constituency, Embu county. The literature review in the study reveals that, there are various determinants of performance of any Youth Enterprise Development Fund, starting from training youth in business skills, provision of funds, creation of market linkage for youth produces and services, youths' socio-cultural background, goverment policies, amongst other factors. The research was conducted in Manyatta constituency where there were 77 youth groups funded by YEDF between 2007 and 2011 (YEDF status report 2011). The study used descriptive research design and random sampling was used to select 72 youth from 24 sampled youth groups. Questionnaires was used to collect data from the respondents. Data was analyzed by use of SPSS and presented in form of tables of frequencies and percentages. The study found that YEDF is doing well in funding and training of youth but it is doing poorly in creating market linkages for youth produced goods and services. The study recommended that YEDF and other relevant stakeholders should consider setting up of business incubation centres for nurturing upcoming youth entrepreneurs, the education stakeholders need to tailor appropriate business skills training for the youth and government through YEDF should create policy framework that recognizes the importance of marketing of goods and services produced by the youth run busines.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Africa is a continent with a massive population of young people. In all African countries, the median age of the population is 20 years or less, that is, half or more of the population are under 21 years of age and up to one-fifth between 15 and 24. Countries vary considerably in their definition of youth. The UN considers individuals under the age group of 15-24 as youths. In Uganda for example, youth are from 12 to 30 years of age, while in Nigeria, it is between 18 and 35 years (Wadia, 2009). In Kenya the National Youth Council Act of 2009 and Kenya constitution defines youth as persons between the ages of 18- 35 years. According to data from the ministry of youth affairs and sport, youths in Kenya constitute about 35.5% of the total population. In general, over 200 million Africans are now officially designated as youths that are 15 to 30 years of age. This group makes up 40% of Africa's working age population. Unfortunately 60% of the youths are unemployed, (Odaga, 2009).

During the early years of independence in the 1960s and 1970s, in most African countries young people in Africa did not pose a serious social problem. As a consequence, unemployed and 'disadvantaged' youth were not seen as a major target for governments and funding agencies. It was observed that youth as a social group largely went unnoticed, or ignored by national and international researchers and policy makers whose methods of analysis and decision making were broadly insensitive to the challenges facing young people in making the transition to economic independence (Awogbenle. & Iwuamadi; 2010)

Since the mid-1970s, however, concerns have been rising over the socio-economic situation of young people in much of Sub-Saharan Africa and the prospects of creating additional livelihood opportunities for them. The protracted and deep-rooted economic crisis that has affected nearly every Sub Saharan country since the early 1980s has adversely impacted on the well-being of the majority of people. World Bank, IMF, UNDP and UNICEF reports show that over 40 per cent of the population of Sub-Saharan Africa are living in absolute poverty or on a PPP of less than a US\$1

per day. However, it is the youth, women and other vulnerable people who seem to have particularly borne the brunt of the economic crisis and the measures adopted to restructure the economies (Bennell, 2000).

For many decades, governments and international partners have been focused on macroeconomic stability and structural adjustment as a means to promote economic growth and thereby create jobs. The underlying faith in this approach was that these measures alone would lead to job creation and poverty reduction for youth, and adults alike. There's now a growing consensus among governments and development partners that specific policy measures are required to tackle the main barriers to employment generation for Africa's youth. One among these measures is entrepreneurship development (Argenti, 2002).

According to Awogbenle, & Iwuamadi; (2010) The Entrepreneurship Development Programme (EDP), as an urgent mechanism to youth unemployment is specifically designed for the Nigerian youths, informing them about the world of business and opportunities to create their own businesses. The EDP provides youths with insights into entrepreneurship and enterprise; it aims to help them realistically consider the options of starting a small business or of self-employment. The reasons for the importance of promoting youth entrepreneurship are to bringing alienated and marginalized youths back into the economic mainstream and giving them a sense of meaning and belonging, help to address some of the socio-psychological problems and delinquency that arise from joblessness, help youths develop new skills and experiences that can then be applied to other challenges in life, promote innovation and resilience in youth, promote the revitalization of the local communities by providing valuable goods and services and capitalizing on the fact that young entrepreneurs may be particularly responsive to new economic opportunities and trends.

The EDP as a short term approach to the unemployment crises is to cater for the out-of-school youth and the ever increasing number of jobless graduates. In the long run it will bring desired result of growth and development. The EDP seeks to move youth entrepreneurship into the mainstream of the economy with growth oriented and sustainable businesses.

At a global policy level, the need to promote youth entrepreneurship has culminated in the convention of a panel on the Youth Employment Network (YEN) by the Secretary General of the UN as well as civil society-driven Youth Employment Summit (YES) held in Alexandria, Egypt. Both the YEN and the YES have identified entrepreneurship as a key priority in the promotion of youth livelihoods and employment. Kenya joined the world in global initiatives to address the youth unemployment through the youth employment summit (YES) launch in 2002 in Alexandria and hosted the third YES summit in September 2006 at Kenyatta International Conference Centre (KICC). The theme of the summit was “creating market, unleashing entrepreneurs, building trade capacities, attracting foreign investment and building an entrepreneurial culture” (Mwaniki, 2011).

In Kenya, the development of entrepreneurship amongst the youths can be traced to the Ominde Report of 1964, the Ndegwa Report of 1971 and the International Labor Organization (1972) report. These three reports emphasized the importance of teaching business education in schools as a strategy to develop entrepreneurship (Nafukho, 1998). The Mackay report of 1981 that led to the introduction of the 8-4-4 system of education had notable effects on the development of entrepreneurship education and training in the country’s educational institutions (Republic of Kenya, 1988). The Kamunge report of 1988 recommended for the introduction of entrepreneurship education and training in all levels of training programs to promote self employment among graduates of these institutions. It was recognized that by teaching technical and entrepreneurial skills that are compatible with market realities, a training system is able to influence youth in the formative years of growth to acquire appropriate business habits and use them later in their lives (Mburugu & Thiong’o, 1991).

Training youths on entrepreneurship alone is not enough. One of the most important aspects of starting a new venture or expanding an existing one is access to necessary resources. Every entrepreneur planning a new venture confronts the dilemma of where to find start-up capital. Although some resources might be shared or borrowed from other firms, they are predominantly purchased at a significant cost. Thus, potential

adverse consequences of growth are insufficient working capital and a constraint on liquidity (Winker, 1999).

It is with this in mind that in 2006, the Government of Kenya launched the Youth Enterprise Development Fund (YEDF) through an Act of Parliament with the main purpose of reducing unemployment among the youth who account for 61% of the unemployed in the country. The target of the fund is young people within the age bracket of 18-35 years. In May 2007, YEDF was transformed into a State Corporation. Its strategic focus is enterprise development which is a major strategy in the increase in economic opportunities for and participation by Kenyan youth in nation building (www.youthfund.go.ke/statusreport2011).

1.2 Statement of the Problem

The level of unemployment in Kenya like other developing countries is very high. The most hard - hit are the youth who after graduating from Universities and other institutions of learning, who find themselves unable to secure formal employment opportunities, thereby failing to gainfully contribute to economic development of this country despite their enthusiasm, energy and drive. The resulting idleness has sometimes made the youth to drift into undesirable activities which have ended up wasting their energy.

It is with this in mind that in 2006, the Government of Kenya launched the Youth Enterprise Development Fund (YEDF) through an Act of Parliament with the main purpose of reducing unemployment among the youth who account for 61% of the unemployed in the country. The target of the fund is young people within the age bracket of 18-35 years. In May 2007, YEDF was transformed into a State Corporation. Its strategic focus is enterprise development which is a major strategy in the increase in economic opportunities for and participation by Kenyan youth in nation building (www.youthfund.go.ke/statusreport2011)

YEDF provide funds to youth to start and expand their businesses, training them in business skills, provide market linkages for youth products and services to youth aged 18 to 35 years.

This study seeks to assess performance of Youth Enterprise Development Funds, in Manyatta Constituency. There has not been a study conducted in this particular constituency on performance of Youth Enterprise Development Funds and therefore, this study seek to assess performance of Youth Enterprise Development Fund: A case of Manyatta Constituency, in Embu County.

1.3 Purpose of Study

The study sought to assess performance of Youth Enterprise Development Funds: a case of Manyatta constituency in Embu County.

1.4 Objectives of the Study.

The objectives of the study are:

- i. To establish how YEDF performs in provision of funds to youth in Manyatta constituency, Embu county.
- ii. To determine how YEDF performs in providing trainings in business skills provided to youth in Manyatta constituency, Embu county.
- iii. To explore how YEDF performs in providing market linkages for products and services produced by youth in Manyatta constituency, Embu county.

1.5 Research Questions

The study seeks to answer the following questions:

- i. How does YEDF perform in provision of funds to youth in Manyatta constituency, Embu County?
- ii. How does YEDF perform in providing trainings in business skills provided to youth in Manyatta constituency, Embu County?
- iii. How does YEDF perform in creating market linkages for products and services produced by youth in Manyatta constituency, Embu County?

1.6 Significant of the study of the Study.

This study will help the government in measuring the success of the YEDF in reducing unemployment rates in the country. It will also help the identify areas of weakness in the operations of YEDF and seek ways of eliminating or reducing them; so as to maximize the benefits to Kenyan youth. The government will also be able to

identify how it can further create a conducive environment for doing business in terms of infrastructure development and regulatory framework.

For the YEDF board the study will act as an evaluation. It will provide a view of how it is perceived by youth and indeed the wider public. It will also provide a measure of its performance the years the fund has been in existence.

Commercial banks can use the information to compare themselves against the YEDF as a source of finance for youth businesses.

The research findings of this study can be used by other researchers interested in this area.

1.7 Delimitations of the study

This study was delimited to Manyatta constituency in Embu County, and it focused on youth entrepreneurs who have been funded by the YEDF between 2007 and 2011.

1.8 Limitations of the study

It has been expected that the researcher might have difficulties in finding adequate time and finances for the study. However, these limitations were conquered through getting leave from work place so as to give the researcher enough time to conduct the study and as for the scarcity of funds to conduct the study the researcher overcame this limitation by sourcing funds from friends and relatives.

1.9 Assumptions of the study

The research assumed that the respondents were to be available and that they would answer the research questions correctly and truthfully.

1.10 Definition of Terms

Business skills: These are abilities and capabilities acquired by the youth entrepreneurs from the trainings conducted by the Youth Enterprise Development Fund. These includes abilities like simple bookkeeping, preparing business plans and business proposals

Funds: These are the loans given to the youth entrepreneurs by the Youth Enterprise Development Fund

Market linkages- means connecting of youth entrepreneurs with the market for the goods and services they produce.

Performance - accomplishment of tasks in an effective manner.

Social-culture background- means the environment which the youth grew in which include family and relatives, neighbours and school.

Youth Entrepreneur – Young people between the ages of 18 and 35 years who is an innovator or developer who recognizes and seizes opportunities; converts these opportunities into workable/marketable ideas; adds value through time, effort, money, or skills; assumes risks of the competitive market place to implement these ideas; and realizes the rewards for the efforts.

1.11 Organization of the Study

The study is organized into five chapters. Chapter one consists of the background to the study, statement of the problem, purpose of the study, research objectives, research questions, and significance of the study, limitations and basic assumptions.

Chapter two covers literature review which is also divided into various topics. The conceptual framework of the study is provided at the end of this chapter linking the independent and dependent variables of the study.

Chapter three constitutes the research methodology, which is divided into research design, target population, sample and sampling procedure, research instrument, data collection procedure and data analysis techniques.

Chapter four presents data analysis using statistics, the presentations of the findings of research inform of frequency tables and percentages and interpretation of the findings.

Chapter five constitutes summary of the findings, discussions, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature on creation of youth entrepreneurs from global, African, Kenyan and local perspectives and also presents a conceptual framework.

2.2 An overview of Youth Enterprise Funds

According to Ogotu, (1985) the development process of any country is determined by the way the production forces in and around the economy is organized. For most countries, the development of industry had depended a great deal on the role of the private sector. Entrepreneurship has played a major role in this regard. Entrepreneurship can be defined as the capacity and attitude of a person or group of persons to undertake ventures with the probability of success or failures. Entrepreneurship demands that the individual should be prepared to assume a reasonable degree of risks, be a good leader in addition to being highly innovative.

Many young Nigerians aspire to be successful entrepreneurs, but due to certain constraints, the ability of many prospective youth to find avenues to utilize their opportunities and skills has proved futile. Entrepreneurship in Nigeria is perceived as a major avenue to increase the rate of economic growth, create job opportunities, reduce import of manufactured goods and decrease the trade deficits that result from such imports. Two approaches have been used for entrepreneurship development in Nigeria. One of the approaches is concerned with the provision of generous credit facilities for small – scale industrialist. The aim of this scheme was to give the entrepreneur seed money. The second approach was the establishment of the training centre known as Industrial Development Centre (IDC). The idea of this Centre was to provide facilities for on- the –job training of entrepreneurs especially those in the informal sector which include petty traders, artisans, peasant farmers, etc, and to train them in various aspects of industrial management. (Rosemary 2010)

Economic factors such as policy reversals, high taxations, and difficulty in procuring business approvals, high inflation and unstable exchange rates are some of the areas of concern for the potential entrepreneur who is in most cases a greenhorn. The cost

and procedure for establishing a company is rather prohibitive as the intending entrepreneur must engage a solicitor and accountant to take care of the legal and financial aspects. One cannot complete this without mentioning the social malaise of systemic corruption which dissuades most people from venturing into enterprises. It seems most times that whatever one needs to do must be coupled with some kind of favour to the person or authority granting the approval. This situation is almost frustrating and has kept many away from entrepreneurship with many youth preferring to be engaged in paid employments where they will be certain of picking their pay packages at the end of every month without the worries associated with running a business Rosemary. (2010).

The rest of this chapter reviews literature on each of the independent variables, namely provision of funds, training in business skills and creating of market linkages.

2.3 Provision of funds

A major constraint to the growth of YREs is lack of access to finance. While potential youth entrepreneurs and existing YREs generally lack access to credit in both DCs and LDCs, the problem is particularly acute in the latter Mbogo, (2006). Not only are there few micro-finance institutions in many countries, but those specifically targeted at youth are even fewer. A review of 902 organizations in 96 countries listed under the Microcredit Summit's Council of Practitioners revealed only 21 organizations with 'youth' in their title Curtain, (2000). Admittedly, there are credit schemes directed at young people in the mainstream microcredit organizations, but surveys reveal that youth are an underrepresented group. Lack of sufficient collateral, experience and biases further disadvantage young people. It is also important to note that many micro-credit schemes, especially youth credit schemes, have failed in many countries. The overall message from the failure of these schemes suggests that success or failure in terms of financial viability and servicing the poor, in this case young people largely depends on the design of the programme (Curtain, 2000).

Young entrepreneurs have great difficulty in gaining access to traditional sources of financing. Because they tend to have little experience and few assets, financial institutions tend to see them as too risky despite the modest amounts of investment that many require. And because they are starting from scratch, they are often too small

to be of interest to most angel investors and venture capitalists. Governments therefore should support alternative mechanisms and institutions that provide young entrepreneurs with the capital they need to start and grow their businesses. (G-20 Young Entrepreneur Summit 2010 Final Communiqué)

In Canada, Youth Business provides loans and other services to youth enterprises without the requirement of collateral. Another programme called the Centre for Entrepreneurship and Development (CEED) in Nova Scotia has since 1995 worked to promote an entrepreneurial culture among young people. In Portugal, the Sistema de Apoio jovens Emresarios provides grants to new businesses, covering 50 percent of capital needs. Another programme called Quiosque do Invetidor, managed by the Youth Foundation, helps youth entrepreneurs to establish businesses and to identify business opportunities through better access to world markets. Other relatively successful programmes include the Escuela Taller programme in Spain, which started in 1994 and is financed mainly by the Spanish National Labour Institute and the European Social Fund. The programme tries to reach the young unemployed (18-25 years old) with limited professional skills. Another programme called the Spanish Confederation for Entrepreneurs (CEOE) promotes business transfers for young people. Its targets mainly the sons and daughters of entrepreneurs, but also other young people who have finished secondary school and give aspirations towards starting their own businesses, (Chigunta; 2002). Very few such programmes exist in developing countries. The few ones include the Katura Youth Enterprise Centre (KAYEC), a community-based organization in Namibia which provides training, information, work space and support to young people who aspire to start their own business. In South Africa, an initiative called Education with Enterprise Trust (EWET) runs two schemes: the Youth Enterprise Society (YES) for secondary schools and Business Now for out-of-school youth. Another initiative called the Centre for Opportunity Development provides a structured training and experiential development programme for youth with aspirations towards starting their own businesses. In India, the Bharatiya Yuva Shakti Trust (BYST), a public, non-profit organization, helps young people establish their own businesses by providing low interest loans, training and mentor support. In some Latin American countries, including Barbados, youth business centers have been set up to provide business

development services (BDS) or non-financial services to youth. In Bangladesh, the National Federation of Youth Organisations has helped many young women and men to set up viable business ventures, (Chigunta; 2002).

In South Africa, for example, the Umsobomvu Youth Fund (UYF), a government-created development finance agency for skills development and employment creation for youth, has developed a number of initiatives such as micro loans for young entrepreneurs, the creation of a venture-capital fund underwritten by a mainstream bank with the UYF providing guarantees, and the development of a voucher programme to access business development services. Private institutions, especially non-profit organizations, also play an important role in training and funding young entrepreneurs. One example of this is TechnoServe's business plan competition: 'Believe, Begin, Become', which is supported by the Google Foundation and now active in Ghana and Swaziland. Since 2002, TechnoServe's competitions have helped launch or expand 165 small and medium-scale enterprises that have generated US\$8.2 million in additional revenues and created more than 1,000 new jobs. In the international policy context, the Youth Employment Network (YEN) and the Commonwealth Youth Credit Initiative (CYCI), for instance, help promote youth entrepreneurship in a number of African countries. Partnerships between such international institutions and the private sector have seen the creation and development of young entrepreneurs (African Development Forum, 2006).

2.4 Training in business skills

Youth development and empowerment are vital stages in life for building the human capital that allows young people to avoid poverty and lead better, and possibly have a more fulfilling life. The human capital formed in youth is thus an important determinant of long term growth that a nation can invest in. Hence, making sure that youths are well prepared for their future is enormously important to the course of poverty reduction and growth (Awogbenle & Iwuomadai, 2010).

Prior research suggests identifying and training potential entrepreneurs could produce many long-term economic benefits. A venture support system based on entrepreneurship training and designed to stimulate and facilitate entrepreneurial

activities, could result in a lower unemployment rate, increased establishment of new companies, and fewer failures of existing businesses (Hatten & Ruhland, 2003). According to Bechard & Toulouse (1998), the lack of training is the main reason for the failure of small and medium enterprises (SME). Entrepreneurship education can also be an important component of economic strategies for fostering job creation (McMullan, 1995). Moreover, effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities (Ashmore, 1990).

Entrepreneurship education generally refers to programs that promote entrepreneurship awareness for career purposes and provide skill training for business creation and development. It is distinguishable from other forms of business education when its purpose is creating a new product or service that results in higher economic value. An inherent assumption in entrepreneurial education is that entrepreneurship characteristics and skills can be developed. It also touches on an important issue on whether entrepreneurial education training programs designed and delivered by several African countries can help individuals in these countries to be self-reliant and to be successful in wealth generation (Nafukho, 1998).

Research suggests that the propensity towards entrepreneurship has been associated with several personal characteristics that can be influenced by a formal program of education (Bechard & Toulouse, 1998; Gorman, 1997). Education can prepare for new venture initiation by transferring knowledge and developing relevant skills that improve the self-efficacy and effectiveness of the potential entrepreneur (Gorman, 1997). Currently, there is not a consensus regarding when educational intervention is most effective in developing entrepreneurial potential.

Entrepreneurship literature has considered the effectiveness of education at various stages of life. For example, entrepreneurial education has been linked to the propensity toward entrepreneurship for adults (Casson, 1990). Vesper (1990) suggested that university entrepreneurship educators facilitate the entrepreneurial process by creating awareness among collegiate students. Studies by Hatten &

Ruhland (2003), support the value of formal entrepreneurial education at the university level, but only in terms of affecting the attitude toward entrepreneurship as a career alternative. Bennell (2000) recommended that entrepreneurial potential should be identified and developed at the secondary school level, when the possibility of self-employment as a career option is still open. Ladzani & Van Vuuren (2002) concluded that entrepreneurial skills should be introduced to young emerging entrepreneurs. They recommend that this intervention should include introducing an entrepreneurial culture at home and continue at higher education and training institutions. When students are oriented toward entrepreneurship at an early age, entrepreneurial venturing is easier to accomplish later in life (Ladzani & Van Vuuren, 2002). Likewise, Vesper, (1999) found that entrepreneurial studies are well suited for middle grades (six through nine). It encourages students to examine their own personal development by studying role models and learning the basic values of the American economic system. Vesper, (1999) suggested that entrepreneurial programs in the middle grades provide knowledge of the role and function of entrepreneurs in a market driven economy and help students understand and practice entrepreneurial characteristics such as self-esteem, willingness to take risks, innovativeness, and acceptance of responsibility for personal actions and persistence.

There are indications that the formal education system is not particularly supportive of entrepreneurship and may result in the suppression of entrepreneurial characteristics Kinyanjui, (2000). Vesper, (1999) found that 25% of kindergartners demonstrate important entrepreneurial characteristics (need for achievement and risk taking) compared to 3% of high school students. Kirby, (1983) concluded that traditional pedagogy should be reoriented to emphasize and value entrepreneurship in order to cultivate an enterprise culture.

Fifth African Development Forum (2006) suggested that stimulating entrepreneurial attitudes through education at the pre-collegiate level could encourage entrepreneurship as a career choice. Entrepreneurship education based on solid learning theory can develop entrepreneurs by increasing business knowledge, and promoting characteristics associated with entrepreneurs Brockhaus,(1980). Learning styles that include active experimentation, balanced with concrete experience and

abstract conceptualization, enhance entrepreneurial propensity (Gorman, 1997). Gichira & Nelson (1997) also argued for the benefits of behavioral simulations in teaching entrepreneurship. McMullan, (1995) recommended that entrepreneurship education include skill-building components such as negotiation, leadership and creative thinking, exposure to technological innovation, and new product development.

Entrepreneurship programs should also teach skills in detecting and exploiting business opportunities, in addition to incorporating detailed and long-term business planning. Plaschka & Welsch, (1998) introduced the concept of transition stages of entrepreneurship education suggesting programs should be geared toward creativity, multi-disciplinary and process-oriented approaches, and theory-based practical applications. A typical intervention should focus on enabling participants to generate and screen ideas, as well as assess whether they have entrepreneurial characteristics (Ladzani & Van Vuuren, 2002).

Anecdotal evidence suggests that successful entrepreneurship education programs are those that are student-based and non-traditional in their approach (Hammer, 2000). For example, simulations, gaming, and role-playing allow students to formulate responses that are truly entrepreneurial (Drucker, 1985). Experienced-based programs that provide real experiences, where students are active rather than passive learners, and actually make decisions tend to be successful pedagogy. This learning style is distinguishable from traditional and experiential methods because it includes mini-lectures integrated with group activities and games, which reinforce learning objectives. In contrast, semi-structured experiential techniques involve completing a group task or project that uses real business situations as the context for learning (Hammer, 2000). In this study the experiential learning component was incorporated in the entrepreneurship classes where students developed and implemented a class-based enterprise.

2.5 Market Linkages

The evidence suggests that YREs in both developed and developing countries largely rely on the local market. Philip, (2002) notes that the critical advantage of producing for local markets is that the entrepreneurs know and understand local needs and opportunities, as well as the quality standards and expectations of that market. In many LDCs, government and domestic company patronage of the informal sector is extremely limited. Data from Zambia suggest that only 14.9 and 4.8 percent of youth entrepreneurs had been given a contract by a private sector firm and government department, respectively (Chigunta, 2001). In many poor countries, the informal sector virtually has no foreign consumers among its entire clients. This has serious implications on the growth of YREs.

One of the mandates of the YEDF is to facilitate marketing of goods/services of youth enterprises. The Fund has facilitated the various activities in this respect: The Ministry in conjunction with the Fund has organized District, Provincial and National Market Fairs for youth entrepreneurs to showcase their products and services to the public and create market access. It has also sponsored young entrepreneurs to exhibit their products in Egypt, Tanzania and Burundi thus exposing them to export market. YEDF has organized two national trade fairs for hundreds of youth entrepreneurs drawn from across the country to showcase their products and services to the public. During these events, youth exhibitors make critical contacts for selling their products/services. YEDF has also lobbied the government to support youth enterprises through deliberate policy of buying goods/services. The Government has committed at least 10% of its procurement needs to be sourced from youth enterprises. The Fund is finalizing development of Youth Enterprise Directory to be distributed to all public entities at district and national levels. The Fund has also partnered with Public Procurement Oversight Authority (PPOA) to sensitize over 3,000 youth in public procurement processes so that they can benefit from government procurement. (www.youthaffairs.go.ke/annualreport2011).

2.6 Government policies

The development of private sector varies greatly throughout Africa. In South Africa and Mauritius their honest financial system and clear government policies in favour of the private sector. Elsewhere the rise of entrepreneurship has been hindered by political instability or strong dependence on few raw materials. In the Democratic Republic of Congo, for example many small businesses owned by upcoming entrepreneurs went bankrupt in the 1990s as a result of looting in 1993 and 1996 and during the civil war. In Equatorial Guinea, Gabon and Chad, the dominance of oil has slowed the emergence of non-oil businesses. Between these two Kenya and Senegal have made conditions for private sector growth but are still held back by an inadequate financing and lack of sound policy provisions. In Nigeria upcoming entrepreneurs take 95% of the manufacturing sector of the country economy but insecurity, corruption and poor infrastructure prevent them from growing, (Mwaniki, 2011).

The government of Kenya plays a crucial role in entrepreneurship development, as shown by activities performed by different arms of government. The key organs of government such as parliament and related policy making institutions such as Local authorities have grasped the role of government in entrepreneurship development and become more aware of the impact of new policies and laws on operations of small enterprises. In this process, the government has set the institutional frameworks for business and make sure that enterprises receive appropriate incentives to facilitate well-organised routine, Wanjohi & Mugure (2008).

2.7 Socio- Cultural background

Culture refers to a set of customs beliefs and social attitudes that characterize a particular group of people. Family is one of the most influential ways to learn how to think, feel and act in a society. It plays a major role in the way we behave in the society. As we grow we learn many things from our family that are beneficial to our society. Probably the strongest influence in our lives, Mwaniki (2011).

According to Reynold (1991) one's social culture background is one of the decisive "push" factor to back an entrepreneur. For example, the social background of a person determines how far he/she can go. Marginalized groups may violate obstacles

and strive for success. Their disadvantage background spurs them to make life better for themselves.

2.8 Conceptual framework

Fig 1 offers the conceptual framework on which the study is based.

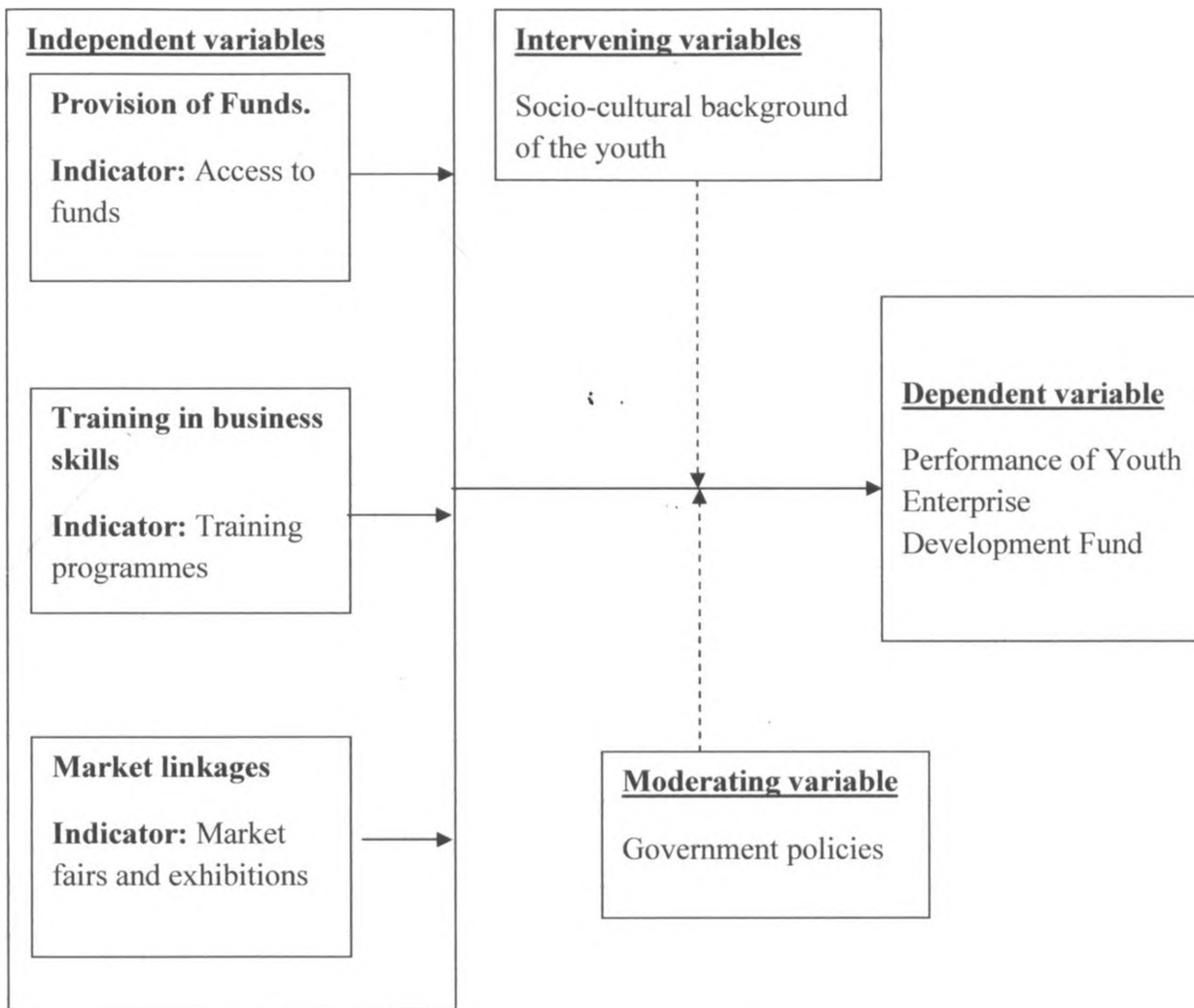


Figure 1: The Conceptual Framework

The conceptual framework shows the inter relationship between the three independent variables, namely, provision of funds, training in business skills and creation of market linkages, and how they determine the performance of YEDF. The conceptual framework also presents the intervening variable, that is, socio-culture background of the youths and the moderating variable government policies.

2.9 Summary

This chapter shows the researches which have been done on determinants of successful Youth Enterprise Funds in various parts of the world. This study identifies the knowledge gap which exists in this area of study and shows how the researcher will link this study with those done earlier. Though there are various studies done on performance of Youth Enterprise Development Funds though there has been no study conducted on assessment of performance Youth Enterprise Development Funds in Manyatta Constituency, therefore this study seeks to fill this knowledge gap.

CHAPTER THREE

RESEARCH METHODOGY

3.1 Introduction

This chapter contains the following; Research design, Target population, Sample and Sampling procedure, Methods of data collection, Methods of data analysis, validity reliability and Operationalization of variables.

3.2 Research Design

This study is descriptive in nature employing an ex-post facto design. According to Kothari (1990), descriptive studies attempt to indentify variables that exist in a given situation and describe relationship that exit between these variables. Cooper & Schindler (2000), have explained that ex-post research design. the causes are studied after they have presumably exerted their effect on another variable. This design is chosen because the study is trying to eatablish possible realtionship between the independent variables and dependent variable in an already existing situation. The dependent variable is the performance of YEDF while the independent variables are provision of funds by YEDF, training in business skills by YEDF and creation of market linkages for youth entrepreneurs by YEDF.

3.3 Target Population

Population has been defined by Robson, (1993) as the entire relevant units of analysis, or data. It can also be referred to as the “aggregate of all cases that confirm to some designated set of specifications”. The population for this study consist of 77 youth groups funded by YEDF in Manyatta constituency.(YEDF status report, 2011)

3.4 Sample and Sampling Procedure

According to Singleton, (1998) sampling refers to the part of research that indicates how cases are to be selected from the observation. From the population of 77 youth groups funded by YEDF between 2007 and 2011 the study will take 30% according to Orodho (2005). The researcher randomly sample 24 youth groups in the constituency, from the 24 youth groups stratified random sampling was used to select one official of each group and two members from each group to make a total of 72 respondents.

Table 3.1: Sample size determination table.

	Population	Sample	Percentage
Groups	77	24	30
Officials	72	24	33
Members	476	48	10
Total		72 respondents	

The researcher used systematic sampling where he would start from the constituency to the district, division and location. After getting the selected locations the researcher used purposive sampling to make sure that selected units had certain characteristics like gender.

3.5 Methods of Data Collection

Primary data collection method was used in this study. Data was collected using questionnaire that was developed by the researcher on the basis of research questions. The questionnaire had four parts; the first part had questions on the general information about the respondent. The second part had questions on the access of funds from the YEDF, while the third and fourth parts had questions on training and market linkage aspects respectively. The questionnaire was structured and the respondents were guided by the researcher and research assistants through illustrated answers to ensure that the respondents understood the questions and therefore respond suitably.

3.5.1 Data Collection Instrument

Any device a researcher used to collect data is called “instrument”. The process of collecting data is called “instrumentation” Kothari (2003). The process involves the selection or design of the instrument and also setting the conditions under which the instruments to be administered. In this study the questionnaire was the main instrument and the researcher and his two assistants carried out the instrumentation.

3.5.2 Data Collection

The term “data” refers to the kind of information researchers obtain on subjects of their research Orodho (2005). Questionnaire was used as the major method of data collection for the study. Structured questionnaire were administered the sample population, designed to elicit specific information. The researcher and the research assistants administered the data collection instruments in person.

3.6 Validity

This ensures that an instrument measures what it was meant to measure. The researcher ensured that this happened through discussing the meaning of terms with experts in the subject matter and also with the supervisors.

3.7 Reliability

Mugenda & Mugenda (2003) defines reliability as measure of degree to which a research instrument yields consistent results or data after repeated trials. The reliability of the research instrument was ascertained through split half methods where sample group of 10 youth was selected before the actual administration of questionnaires. After the ten youth filled their questionnaires, the questionnaires were divided into two halves. An internal analysis coefficient score for each half was obtained by use of SPSS. These scores were then correlated using the Spearman correlation Formula and a correlation of 0.771 was found. This meant the instrument was reliable.

3.8 Methods of Data Analysis.

The research used quantitative methods. In quantitative analysis, data from structured questionnaires was checked for completeness and consistency and then coded to enable the responses be categorized into groups. Frequency distribution and percentages were generated using descriptive statistics in order to examine the pattern of responses. SPSS was used for speedy and efficient analysis. The findings were presented in form of tables of frequencies and percentages. The analysis was used to draw conclusions and recommendations on the determinants of performance of Youth Enterprise Development Fund in Manyatta Constituency.

3.9 Operational definition of terms.

This is operationalizing the research concepts to make them measurable. The research topic was translated to observable and measurable objectives and variables were identified and measurable indicators specified.

Table 3.2 Operationalization of variables

Objectives	Variables	Indicators	Measure	Measurement Scale	Data collection method	Data analysis
To establish how YEDF has performed in provision of funds to youth in Manyatta constituency, Embu county.	Provision of funds	Access to funds	Amount loan provided	Nominal	Questionnaires	Descriptive
			Ease of getting the loan	Ordinal	Questionnaires	Descriptive
			Cost of getting the loan	Ordinal	Questionnaires	Descriptive
To determine how YEDF has performed in providing trainings in business skills to youth in Manyatta constituency, Embu county.	Training in business skills	Training programmes	Number trainings conducted	Nominal	Questionnaires	Descriptive
			Suitability of the trainings	Ordinal	Questionnaires	Descriptive
			Length of the training Programmes	Nominal	Questionnaires	Descriptive
			Frequency of the trainings	Interval	Questionnaires	Descriptive

To explore how YEDF has performed in providing market linkages for products and services produced by youth in Manyatta constituency, Embu county.	Creation of market linkages	Market fairs and exhibitions	Number of market fairs and exhibitions	Nominal	Questionnaires	Descriptive
			Frequency at which the market fairs are conducted	Interval	Questionnaires	Descriptive

3.10 Summary

The chapter explains how the research design, target population sample and sampling procedures were conducted. It also show how the data collection methods and tools were used and how validity and reliability was ascertained and how the data collected was analysed.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter details the results of the study as proposed in the research methodology. The chapter presents data analysis which means categorizing, ordering, manipulating and summarizing of data to intelligible and interpretable form using statistics. The presentations of the findings in this research were done using frequency tables and percentages and discussions on the findings were made in line with the objectives of the study.

4.2 Questionnaires return rate

This study administered 72 questionnaires which were responded to 100% this is because the researcher and his assistant administered the research instruments personally. The sampled population was also readily available.

4.3 Demographic information of the respondents

The study sought to determine the characteristics of the respondents on their gender. The respondents were required to indicate their sex and the finding were tabulated as in Table 4.1

Table4. 1 Distribution of the respondents by sex

Sex	Frequency	Percent
Male	31	43.1
Female	41	56.9
Total	72	100.0

The findings of the research revealed there are more female youth (56.9%) in groups than there are male youths (43.1%).

The respondents were requested to indicate their age bracket in a structured question and the results were recorded in the Table 4.2

Table4.2 Age of respondents

Age of respondents in years	Frequency	Percent
18-22	3	4.2
23-27	26	36.1
28-32	31	43.1
33-35	12	16.7
Total	72	100.0

According to the findings of the study most of the youth (79.2%) were age brackets 23-32 years of age.

The respondents were requested to give information of their highest level of education which they had achieved and the results were tabulated in Table 4.3

Table4.3 Highest level of education

Level of education	Frequency	Percent
No formal education	2	2.8
Standard eight	13	18.1
Form four	38	52.8
Grade test	7	9.7
Degree	6	8.3
Other qualification	6	8.3
Total	72	100.0

The study revealed that both extremes of education level i.e. the ones who had no formal education and the ones who had higher education are unwilling to participate in business since the two extremes had 2.8% and 8.3% respectively.

4.4 Provision of funds

The respondents were requested to give information on the amount of funding their group was given by YEDF. The study also sought to find how long it took for their loan to be processed and what the funding was meant for; startup or expansion of their business. The findings were recorded in the Table 4.4, Table 4.5 and Table 4.6 respectively.

Table 4.4 Amount of money funded

Amount	Frequency	Percent
Less than 10,000	3	4.2
10,000-20,000	6	8.3
20,000-30,000	30	41.7
40,000-50,000	31	43.1
above 50,000	2	2.8
Total	72	100.0

From the study it was established that a total of 84.8% were funded between Ksh 20,000 and Ksh 50,000. The respondents confirmed that YEDF fund the youth groups to a maximum of Ksh 50,000 for the first time and more than Ksh 50,000 after paying the first loan. The study shows only two (2.8%) youth among the sampled population had loan of more than Ksh 50,000.

Table 4.5 Length of processing the loan

What was the length of processing the loan	Frequency	Percent
Sufficient	14	19.4
Too long	58	80.6
Total	72	100.0

From the Table 4.5 there is clear indication that it takes too long (80.6%) to process the loans for the youth groups.

Table 4.6 Purpose of the loan.

What was the loan meant for	Frequency	Percent
Start-up	44	61.1
Expansion	28	38.9
Total	72	100.0

From the Table 4.6 it was established that most youth (61.1%) wanted funds for starting up business. This confirms that very few youths are in business since most of them are taking loan to start business.

Table 4.7 Whether the loan was sufficient.

Was the loan sufficient	Frequency	Percent
Yes	47	65.3
No	25	34.7
Total	72	100.0

From the Table 4.7 above the study established that 65.3 percent of the sampled youths said the funds provided by YEDF were sufficient for the purposes they were intended for. This affirms that youths requires small amount of capital since they are involved in small scale businesses.

The study also sought to establish; what was the perception of the youths on interest rates charged by YEDF. The responses were recorded and tabulated in Table 4.8.

Table4.8 Loan interest rate.

How is the interest rate	Frequency	Percent
Low	18	25.0
Satisfactory	46	63.9
High	8	11.1
Total	72	100.0

From the Table 4.8 most respondents (63.9%) believe that the interest rate charged by YEDF on loan is satisfactory.

4.5 Business training.

The study sought to know whether the respondents have been trained by YEDF on business skills, whether the trainings were relevant to the youth's needs, whether the numbers of trainings were sufficient, whether the length of training were sufficient, whether the content was well organized and easy to follow and whether the trainings met their needs . The findings were recorded and tabulated in Table 4.9, Table 4.10, Table4.11 Table4.12 Table4.13 and Table 4.14 respectively.

Table4.9 Training on business skills

Have been trained	Frequency	Percent
Yes	51	70.8
No	21	29.2
Total	72	100.0

The Table 4.9 shows that 70.8 % of the sampled population had been funded and trained by YEDF on business skills while the remaining 29.2 % had been funded but not trained in business skills.

Table 4.10 Business training relevance.

Business training was relevant to my needs	Frequency	Percent
Strongly disagree	1	1.4
Disagree	3	4.2
Not sure	3	4.2
Agree	27	37.5
Strongly agree	17	23.6
Not required to respond	21	29.2
Total	72	100.0

Findings tabulated in Table 4.10 shows that amongst the youth who had been trained in business skills a total of 61.1% agreed that the trainings were relevant to their needs while a total of 5.6% disagreed.

Table4.11 Number of business trainings

The no. of business training attended are sufficient	Frequency	Percent
Strongly disagree	3	4.2
Disagree	7	9.7
Agree	27	37.5
Strongly agree	14	19.4
Not required to respond	21	29.2
Total	72	100.0

From the Table 4.11, it is evidence that the youth who were trained in business skills found the number of training sessions given to them to be sufficient. The responses show that (37.5%) agreed and (19.4%) strongly agree. This shows that YEDF officers who train the youth groups do train them frequently.

Table 4.12 Length of business trainings.

The length of business trainings were sufficient	Frequency	Percent
Strongly disagree	1	1.4
Disagree	9	12.5
Not sure	1	1.4
Agree	27	37.5
Strongly agree	13	18.1
Not required to respond	21	29.2
Total	72	100.0

From the Table 4.12, 55.6% of the youths who were trained in business skill agree that the length of the business trainings were sufficient.

Table 4.13 Content of the business trainings.

The content was well organized and easy to follow	Frequency	Percent
Disagree	5	6.9
Agree	28	38.9
Strongly agree	18	25.0
Not required to respond	21	29.2
Total	72	100.0

From the Table 4.13, 63.9% of the respondents believed that the training content was well organized and easy to follow while 6.9 % disagreed.

Table 4.14 Expectations from the business trainings.

The business training met my expectations	Frequency	Percent
Strongly disagree	1	1.4
Disagree	2	2.8
Agree	33	45.8
Strongly agree	15	20.8
Not required to respond	21	29.2
Total	72	100.0

From the Table 4.14, a total of 66.6% agreed that the business training given to them met their expectations while 4.2% disagreed.

4.6 Market linkages

The study sought to establish whether the respondents have participated in market fairs organized by YEDF. The study also sought to establish if the market fairs organized by YEDF were sufficient, connected the respondent to new customers, the market fair met their expectations and if the frequency at which they were conducted was sufficient. The responses were recorded and tabulated in the tables below.

Table 4.15 Participation in market fairs.

Have you participated in a market fair	Frequency	Percent
Yes	30	41.7
No	42	58.3
Total	72	100.0

From the Table 4.15, this study establishes that 41.7% have participated in the market fair while 58.3% have not participated in the market fairs.

Table 4.16 Number of market fairs.

The no. of market fairs were sufficient	Frequency	Percent
Strongly disagree	1	1.4
Disagree	4	5.6
Agree	18	25.0
Strongly agree	7	9.7
Not applicable	42	58.3
Total	72	100.0

From the Table 4.16, the research reveals that out of the 41.7% of the sampled respondents who participated in the market fairs organized by YEDF, a total of 34.7% agreed that the number of market fairs organized by YEDF were sufficient. Only 5 respondents out of the 30 respondents who participated in the market fairs felt the number of market fairs were insufficient. This indicated that though not all the respondents participated in the market fairs organized by YEDF the number of the market fairs organized by YEDF were sufficient though all the funded youth did not participate.

Table 4.17 Connected to new customer

The market fair connected me to new customers	Frequency	Percent
Strongly disagree	3	4.2
Not sure	1	1.4
Agree	13	18.1
Strongly agree	13	18.1
Not applicable	42	58.3
Total	72	100.0

From the Table 4.17, out of the 30 respondents who participated in the market fair organized by YEDF 26 respondents which was 36.2% said were connected to new

customers after participating in the market fairs organized by YEDF while 4.2 % felt they were not connected with new customer from participating in the market fair.

Table 4.18 Expectations from the market fairs.

Market fair met your expectations	Frequency	Percent
Disagree	3	4.2
Not sure	1	1.4
Agree	21	29.2
Strongly agree	5	6.9
Not applicable	42	58.3
Total	72	100.0

From the Table 4.18, the study revealed that out of the 30 respondents who participated in the market fairs 26 respondents which was 36.1% agreed that the market fair met their expectations while 3 respondents which was 4.2% disagreed.

Table 4.19 Frequency of market fairs.

The frequency of market fairs are sufficient	Frequency	Percent
Strongly disagree	3	4.2
Disagree	4	5.6
Agree	19	26.4
Strongly agree	4	5.6
Not applicable	42	58.3
Total	72	100.0

Table 4.19 reveals that 32% agreed that the frequency at which the market fairs were conducted was sufficient while 9.8% disagreed.

4.7 Summary

This chapter presented the quantitative data analysis of the study using frequencies and percentages. The findings were in line with the objectives of the study and were interpreted revealing how YEDF has been performing in terms of funding youth groups, training youth groups in business skills and creating market linkages for youth produced goods and services.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction of the summary

This chapter contains a summary of findings as drawn from Chapter Four. It also discusses those findings against literature, makes conclusions and recommendations. Finally, the chapter suggests areas for further research.

5.2 Summary of the findings

The following are the key findings of the study;

5.2.1 Provision of funds

The researcher set out to establish the amount of funding given to the youth. From the findings majority of the youth were funded within the range of 30,000 to 50,000. On processing of the loans, it was noted that it takes too long to have the loan processed. In addition the research sought to find out what the loan was meant for; Startup or expansion of businesses. From the findings it was noted that majority wanted the funds for business startup. The researcher also sought to know if the funds were sufficient for the purpose it was intended for and it was found that majority of the respondents felt the funds were sufficient. The researcher sought to find out what the respondents felt about the interest rate charged by YEDF on the loans they provide and from the findings it was noted that was low and satisfactory

5.2.2 Training in business skills

The research set out to establish if the respondents have been trained in business skills and from the findings the study established that out majority of the respondents had been trained. From the ones who had been trained the researcher sought to establish if the number of business trainings they had were sufficient and it was found out that a total of 56.9% agreed while a total of 13.9% disagreed that the number of business trainings they attended were sufficient. The research sought to establish whether the length of the business trainings were sufficient. Majority of the respondents felt that the length of the training was sufficient. The study also sought to establish whether

the training content was well organized and easy to follow. The study found that majority of the respondents felt that the content was well organized and easy to follow. The research sought to establish whether the trainings met the respondents' expectations. From the study it was found that majority of the respondents agreed that the trainings met their expectations.

5.2.3 Market linkages.

The research sought to establish whether the respondents had attended market fairs organized by YEDF. From the study it was established that less than a half of the respondents had attended the market fairs while the rest had not. The study also sought to establish what the respondents felt about the number market fairs organized by YEDF, from the finding of the study it was established that majority of respondents who attended the market fairs agreed that the number of market fairs organized were sufficient. The researcher sought to find out whether the respondents who participated in the market fairs were connected to new customers. The study found out that majority of the respondents agreed that participating in the market fairs organized by YEDF connected them to new customers. The study sought to establish whether if the respondents felt that their expectations were met from participating in the market fairs organized by YEDF. The study found out that majority of the respondents agreed that the market fairs met their expectations. The study wanted to establish if the frequency at which the market fairs were organized by YEDF was sufficient. From the findings the study established that majority of the of the respondents who participated in the market fairs agreed that the frequency at which the market fairs were organized was sufficient.

5.3 Discussion of the findings.

The findings from the study establishes that 65.3% of the respondents felt the funds provided by YEDF were sufficient, and 63.9% felt the interest rate charged by YEDF was satisfactory This implies that YEDF as a government project is performing well in terms of providing funds to the youth. This confirms the literature review: Young entrepreneurs have great difficulty in gaining access to traditional sources of financing. Because they tend to have little experience and few assets, financial institutions tend to see them as too risky despite the modest amounts of investment

that many require. And because they are starting from scratch, they are often too small to be of interest to most angel investors and venture capitalists. Governments therefore should support alternative mechanisms and institutions that provide young entrepreneurs with the capital they need to start and grow their businesses. (G-20 Young Entrepreneur Summit 2010 Final Communiqué).

The findings of this study show that 70.8% of the respondents have been trained in business skills while 29.2% have not been trained. This implies that YEDF is performing well in training of youth in business skills hence making the youth run their businesses well. This confirms the literature review: identifying and training potential entrepreneurs could produce many long-term economic benefits. A venture support system based on entrepreneurship training and designed to stimulate and facilitate entrepreneurial activities, could result in a lower unemployment rate, increased establishment of new companies, and fewer failures of existing businesses (Hatten & Ruhland, 2003).

From the findings of the study 41.7% of the respondents have attended market fairs organized by YEDF while 58.3% have not attended at any market fair. This implies that YEDF even as government institution is doing poorly in terms of linking the youth to the market for their goods and services. This confirms the literature review: Data from Zambia suggest that only 14.9 and 4.8 percent of youth entrepreneurs had been given a contract by a private sector firm and government department, respectively (Chigunta, 2001). This means that even both the private and government do not create market linkage for youth entrepreneurs' products and services.

5.4 Conclusions

YEDF is doing well in terms of funding of the youth but take too long to process the loan applications for the youth. The respondents who had undergone through some formal business training seemed to do well in business; therefore YEDF should join other relevant stakeholders who deal in training of youth in business skills to find ways of providing relevant business skills training. However, the YEDF is doing poorly in term of creating market linkage for youth product and services.

5.5 Recommendations

In view of the findings discussed in this study, the following recommendations were made;

- i. It has been found from the study it takes too long to have the loans for the youth to be processed. To solve this problem YEDF should consider vetting the loan applications as they received to reduce the processing period. Based on the findings of the study majority of the youth get the loans for starting up business. To avoid businesses funded from collapsing YEDF and other relevant stakeholders should consider setting up of business incubation centers for nurturing upcoming youth entrepreneurs.
- ii. The education stakeholders like polytechnics, technical institutes and universities need to tailor appropriate business skills training for the youth. There is need to have a business skills syllabus tailored to suit local reality on the ground and exploit the youth talents and abilities. The business trainings should not only be given to the youth who have been funded but all youth who aspired to be in business. This is supported by the fact that most of the respondents felt that the business skills trainings they receive were relevant to their needs and helped them in running their businesses.
- iii. Government should create policy framework that recognizes the importance of marketing of goods and services produced by the youth run business. Linking of youth producers to consumers should be done in two; through improved marketing extensions and improving the physical infrastructures. Youth in business should also form cooperatives so that they can be able to market their products and avoid exploitation by middlemen.

5.6 Suggestions for further areas of research.

1. A similar study to this one can be conducted but in a different constituency.
2. A comparative study between group funding and individual funding method of financing youth run businesses by YEDF
3. Youth polytechnics role in creating skilled based enterprises.

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APPENDICES

Appendix 1: Transmittal letter

**University of Nairobi
School of Continuing
and Distance Education
P.O. Box 30197
Nairobi**

**The Constituency YEDF Officer
Manyatta Constituency**

RE: REQUEST TO COLLECT DATA

I am a post graduate student at University of Nairobi pursuing a Master of Arts degree in Project Planning and Management. I am undertaking a research on assessment of performance of Youth Enterprise Development Funds: a case of Manyatta constituency in Embu County.

Your constituency has been chosen for the purpose of this study. The information given will be only be used for the purpose of this study only and will be treated with utmost confidentiality. Your co-operation in letting the researcher collect data in your organization will be highly appreciated.

Yours faithfully



Githinji Michael.

L50/60897/2011

Appendix 2: Letter of introduction.

Dear Sir/ Madam

I am a post graduate student in Nairobi University pursuing a Master of Arts degree in Project Planning and Management. I am collecting data on assessment of performance Youth Enterprise Funds: a case of Manyatta Constituency, in Embu County.

I kindly request you to assist in filling this questionnaire as sincere and accurate as possible and to the best of your knowledge.

Note the information you give will be treated with utmost confidentiality and will be only used for research purpose.

Thank you.

Appendix 3: Questionnaire for the youth

Tick where appropriate and give explanation where necessary.

PART A (Biodata)

1. Sex: Male () Female ()
2. Age Bracket.
 - i. 18- 22 ()
 - ii. 23- 27 ()
 - iii. 28- 32 ()
 - iv. 33-35 ()
3. What is your highest level of education achieved?
 - i. No formal education ()
 - ii. Standard eight ()
 - iii. Form four ()
 - iv. Grade test ()
 - v. Degree ()
 - vi. Other qualifications ()

PART B (Funding)

1. How much were you funded
 - Less than Kshs10000 ()
 - Between Kshs 10,000 and Kshs 20,000 ()
 - Between Kshs 20,000 and Kshs 30,000 ()
 - Between Kshs 30,000 and Kshs 40,000 ()
 - Between Kshs 40,000 and Kshs 50,000 ()
 - Kshs 50,000 and above ()
2. What was the length of processing your loan?
 - i. Sufficient ()
 - ii. Too long ()
3. What was the loan for?
 - i. Start up ()
 - ii. Expansion of business ()
4. Was the loan sufficient for the business you were in intending to start?

YES ()

NO ()

5. If your answer is YES in No 4 above - to what extent was it sufficient?

i. Adequate ()

ii. Very Adequate ()

6. What can you comment the interest rate charged on the loan?

i. Low ()

ii. Satisfactory ()

iii. High ()

iv. Extremely high ()

PART C. (Training in business skills)

1. Have been ever been trained on business skills? Tick one

i. YES ()

ii. NO ()

2. If YES

Criteria	Strongly Agree	Agree	Disagree	Disagree Strongly	Undecided/neutral
a) The number of business trainings attended are sufficient					
b) The business trainings were relevant to my needs					
c) The length of business trainings were sufficient					
d) The frequency of the business trainings is sufficient					
e) Content was well organized and easy to follow					
f) The trainings met my expectations					

PART D (Market linkage)

1. Have you participated in any market fair organized by YEDF?

YES () NO ()

2. If YES

Criteria	Strongly Agree	Agree	Disagree	Disagree Strongly	Undecided/neutral
The number of market fairs organized by YEDF are sufficient					
Participating in market fair connected you to new customers					
The market fairs met your expectations					
The frequency at which the market fairs is sufficient					