

**INFLUENCE OF YOUTH ENTERPRISE DEVELOPMENT FUND
ON PERFORMANCE OF YOUTH BUSINESS ENTERPRISES IN
KITUI CENTRAL DISTRICT, KITUI COUNTY-KENYA**

BY

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

2012

DECLARATION

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



Salee Stephen Kitonga

L50/61904/2011



Date

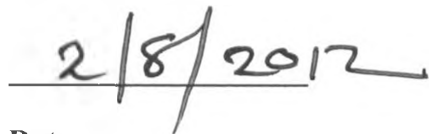
This research project report has been submitted for examination with my approval as the university supervisor.



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Date

DEDICATION

This study is dedicated to my wife Hellen Kitonga and to my children; Ken Kitonga, Carol Kitonga and Daniel Kitonga.

ACKNOWLEDGEMENTS

This study would have been a difficult undertaking without the physical, documentary and financial material support and assistance from various individuals and organization that I am generally acknowledging. Specifically I am grateful to my supervisor Mrs. Angeline Mulwa for her enlightening suggestions which were helpful at the initial ground work when I was gathering and organizing related documented materials for literature review all the way to the final report and defence.

I wish to thank all the selected Youth group participants in Kitui Central District for their dedication and willingness to support this study by accepting to participate and later filling in the questionnaire.

I appreciate the efforts of my colleague postgraduate students in MA project planning and management of the University of Nairobi (Kitui Campus) for their encouragement, assistance and helpful suggestions which helped me in developing this research proposal.

I am also grateful to my copy typist Lydia Pius of Maliku Typesetters Investment-Kitui for her patience and understanding not forgetting that she had to redo the work after each of the numerous corrections that were made by my supervisor on the manuscript, before the research project report was refined for completion.

Finally I acknowledge the patience and moral support from my wife Hellen Kitonga and my children; Ken Kitonga, Carol Kitonga and Daniel Kitonga. I sincerely thank you for your tireless endurance in giving me time to carry out this study.

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ABBREVIATIONS AND ACRONYMS

ASALs	Arid and Semi-Arid Lands
CBOs	Community Based Organizations
DEO	District Education Officer
EAC	East Africa Community
GDP	Gross Domestic Product
GOK	Government of Kenya
GOSL	Government of Sierra Leone
IMF	International Monetary Fund
IT	Information Technology
KCBS	Kenya Central Bureau of Statistics
KNYP	Kenya National Youth Policy
KYEDF	Kenya Youth enterprise development fund
LCDs	Least Developed Countries
MDGs	Millennium Development Goals
MOYAS	Ministry of Youth Affairs and Sports
NGOs	Non-Governmental Organizations
OECD	Oil Exporting Corporation Development
PRSP	Poverty Reduction Strategy Paper
UN	United Nations
YEDF	Youth Enterprise Development Fund

ABSTRACT

This study vets out to investigate the influence of Youth Enterprise Development Fund on performance of Youth Business Enterprises in Kitui Central District, Kitui County, Kenya. This study was guided by following the objectives: To establish how utilization of Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises; to explore how training about the Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises; to determine the extent to which access to Youth Enterprise Development Fund influences performance of Youth Business Enterprises; to establish how educational levels and Youth Enterprise Development Fund influences the performance of Youth Business Enterprises; and to establish how adequacy of Youth Enterprise Development Fund influences the performance of Youth Business Enterprises in Kitui Central District, Kitui County.

Descriptive survey research design was used in a quantitative research approach for this study. This study targets all 99 Youth Groups in Kitui Central District. Simple random sampling was used to select 30% of the Youth Groups giving a sample size of 30 Youth Groups. Thus, a sample size of 30% of the target population was adequately representative of the study population because the target population is small. A questionnaire with closed-ended items only was used. The questionnaire items was five-point likert rating scale of the range of (1-5 for example 1-strongly agree; 2-agree; 3-undecided; 4-disagree; 5-strongly disagree).

A research authorisation permit was obtained from the District Education Officer-Kitui Central and a copy given to District Youth Officer-Kitui Central to allow the study to be conducted in the district. Informed consent for participation was sought by asking for the respondent's permission before administering the questionnaire to the sampled Youth in the study. Questionnaire was administered personally, with the help of two research assistants by the researcher to the selected Youth who filled in the data and then collect the filled in questionnaire before leaving each of the selected Youth group participants. Data was analysed using descriptive statistics that involved frequency distributions, percentages and average values. Standard deviation value for research question (v) was calculated to compare the variability of responses across the entire sampled Youth group officials. The findings were presented in frequency distribution tables, mean and standard deviation values followed by explanations of the study results per table.

This study concuded that there were poor utilization of YEDF loans, training about YEDF, access to YEDF loans, youth educational levels and adequacy of YEDF allocations among the youth groups which negatively influenced the performance of Youth Business Enterprises in Kitui Central District. It was recommended that the utilization of YEDF loan skills, training about YEDF seminars/workshops, access to YEDF loan among the youth, youth educational levels, and adequacy of YEDF allocations needed to be beefed up to enhance improvement in the performance of Youth Business Enterprises. Finally the suggestions for further related studies on the creation of youth employment opportunities through the State initiative in providing Youth Enterprise Development Fund loan facilities were also recommended in this study.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Youth Business Enterprise is a company or other organization owned by Youth aged 18 – 35 years, engaged in commerce, involving selling of goods and/or services to clients for-profit (Mabinda, 2012). Performance of Youth Business Enterprise is by extension the performance of a business organization owned by Youth aged 18 – 35 years using Youth Enterprise Development Fund (YEDF), engaged in commerce, involving selling of goods and/or services to clients for-profit (Mabinda, 2012).

The Kenya Youth enterprise fund was started in 2006 as part of the government aim to help the Youth to start small businesses and hence be financially independent. Many Youth are affected by unemployment and in fact, some economists have identified the Youth unemployment menace as a ticking time bomb (Mabinda, 2012). There are hundreds of thousands of young Kenyans that are graduating from the country's high schools and universities but the job opportunities have been decreasing. Starting small businesses is one sure way to create wealth and provide jobs for other Youth. However, it really remains to be seen whether the fund has achieved its intended objectives (Mabinda, 2012).

Proposed development targets by the United Nations (UN), generally called Millennium Development Goals (MDGs) for world economic growth to be adopted by each state and assumed to be achieved by 2015 for some and 2030 for others as well as the Kenya's Vision 2030, necessitates competition among member states as well as within state performance of Youth Business Enterprises in application of technologies in order to deal with global competitive challenges. Thus, an entrepreneurial approach involving innovation and competitiveness in business enterprises would be the best alternative (Hisrich, 2008).

However, the concept of performance of Youth Business Enterprises is complex, such that an explicit relationship of performance of Youth Business Enterprises with various factors of production in economic terms is yet to be fully explored in research, thus the concept remains often unclear (Hisrich, 2008). Furthermore, the origin and determinants of performance of Youth Business Enterprises span a wide spectrum of theories and explanations (Barnett, 1993). The determinants of performance of Youth Business Enterprises are well understood in society, informed and innovative actions can be undertaken by the supporting institutions so as to promote innovative-competitive new business ventures (Ghani, 2008).

Policies and programs designed specifically for promotion of performance of Youth Business Enterprises greatly affects innovation and competitiveness for wealth creation. Moreover, other spillover effects such as employment for Youth; the world's vast majority of population; improved social services like education, healthcare and peacebuilding by maintaining law and order through effective governance of the states are attained (Mache & Markley, 2003).

However, the Youth largely remains unemployed and entangled with host of obstacles to effectively participate in performance of Youth Business Enterprises in most African countries. In the Youth and employment study commissioned by the Government of Sierra Leone (GOSL) in 2006 over three-quarters of Youth worked in the agricultural sector (Backes-Gellner & Werner, (2007)). The low productivity and incomes in the agricultural sector have exacerbated migration of Youth to cities and urban areas to seek employment opportunities. Most of the Youth remains unemployed and have joined the ranks of the urban poor (GOSL, 2006). Although some Youth would like increased skill development training (especially in such areas as business development), they tend to experience a gap between skills and available resources: since they are trained but lack the tools to practice their trade, there is no demand for their skills in their communities, they lack resources to start their own businesses, or they lack resources to

become certified to exercise and practice their trades, for example, drivers, welders, masons and carpenters as shown in the Poverty Reduction Strategy Program paper (PRSP) of Sierra Leone (GOSL, 2006). Education cannot be separated from the broader context of poverty. For example, one of the main reasons for children not to attend schools is economic difficulties of the family. Although attendance of primary school is free, there are other hidden costs of travel and uniforms, plus the opportunity cost for the child foregoing attending school (GOSL, 2006). A survey conducted by Mbatia & Mbugua (2009) on the challenges faced by the Kenyan Youth established that there is no universal definition of Youth (World Bank, 2005 & Government of Kenya (GOK): Ministry of Youth Affairs and Sports (MOYAS), 2006). As the United Nations (UN) World Bank (2005) defines Youth as a young person aged between 15-24 years, the GOK-MOYAS, (2006) defines a Youthful person as anyone who is between 15 and 30 years old.

It is the interest of this study that Youth is defined as anyone who is between 18 and 35 years old and is logically legible for registration so as to be issued with an identity card, in accordance to the Kenyan constitution. Kenya's population is largely Youthful, given that 75% of the population is less than 30 years old. However, despite their numbers, the Youth is marginalized at all levels of decision making. Accordingly, the Kenyan Youth are faced with numerous persistent challenges that include: unemployment, marginalization and impediments in accessing essential facilities such as education and health care (Mbatia & Mbugua, 2009).

Majority (71%) of the sampled Youth (180) by (Mbatia & Mbugua, 2009) were in petty self-employed activities that generated modest incomes, because this study had established that 67 percent of the overall Youth who are in employment earn less than KShs. 15,000 per month. Therefore, most of the Kenyan urban Youth are among the rural-urban migrants who belong to the working urban poor (Mbatia & Mbugua, 2009). Considering the unemployment problem among the Youth, it is against this background that the Youth Enterprise Development Fund

(YEDF) has been established under the Ministry of Youth Affairs and Sports (MOYAS) to assist in promoting performance of Youth Business Enterprises. The MOYAS effort to assist the Youth through YEDF is aimed at encouraging the Youth to initiate business ideas, then by innovatively and competitively running successful entrepreneurial small-scale business in a bid to create employment for the vast majority of the unemployed encourage performance of Youth Business Enterprises.

However, although 60% of the sampled Youth in the survey had information about the MOYAS effort to assist the Youth through YEDF, 92.1% reported that it had not felt the impact of the MOYAS efforts in the use of YEDF on their lives (Mbatia & Mbugua, 2009). Host of problems associated with the Ministry of Youth Affairs and Sports (MOYAS) emerge from the ministry's failure in meeting the needs of the vast majority of Kenyan population that is the Youth's in their demand for financial resources and Information Technology (IT) skills for performance of Youth Business Enterprises. If information and finance are effectively utilized in business enterprises initiated by YEDF financial allocations, they would enhance and promote the performance of Youth Business Enterprises (Christian & Mbuthia, 2008). Although mainly decisions made by MOYAS-officials involve matters of Youth affairs, the ministry does not engage Youth in decision making. Decisions on effective disbursement and utilization of YEDF on successful initiation and management of entrepreneurial activities are supposed to involve some of the Youth representatives since the Youth is directly or indirectly going to be the consumer beneficiary of the by-products of these decisions (Mbatia & Mbugua, 2009).

Kitui Central District is in the central hilly part of Kitui County, one of the driest Counties in Kenya (GOK, (2010) Kitui District Vision 2030). Main land use is unreliable short-rains' crop and livestock husbandry (Christian & Mbuthia, 2008). The rainfall pattern is bimodal but erratic and unreliable within the range of 500 mm to 700 mm annually (Vasudevan & Gichohi, 2008).

The rainfed food production is unreliable, except among the people who grow crops such as millet, sorghum, green grams and cowpeas. Thus, there is rampant food insufficiency in the district (Vasudevan and Gichohi, 2008). It was against this background that this study investigated the influence of Youth Enterprise Development Fund on performance of Youth Business Enterprises in Kitui Central District, Kitui County, Kenya.

1.2 Statement of the Problem

Starting small businesses is one sure way to create wealth and provide jobs for the Youth. However, it really remains to be seen whether the Youth Enterprise Development Fund has achieved its intended objectives (Mabinda, 2012). First, the Youth are required to be in groups in order to access the YEDF, but many entrepreneurs develop their ideas individually and requiring them to join groups before accessing the YEDF is quite uncalled for. The other group members will just be joy riders. Secondly, what the Youth really need are the skills needed to succeed in business. Experience has shown that it is the entrepreneur's ability that leads to the success of the business and not the capital. The YEDF need not throw too much mud at the wall and none of it ends up sticking (Mabinda, 2012).

Although, majority of the Youth in Kenya know about the Youth Enterprise Development Fund, they still lack essential details about the facility, especially on how to apply for the funds and proper utilization of Youth Enterprise Development Fund in enhancing economic development; for instance about 60% neither know when the Youth Enterprise Development Fund was established nor to who and how it is disbursed (Mbatia & Mbugua, 2009). Thus, despite the various Youth focused initiatives, majority of the Youth still remain disconnected from such Youth project initiatives due to ignorance. Meaningful Youth development initiatives should entail removing barriers of access to Youth Enterprise Development Fund initiatives. Therefore it is against this background that this study is assessing the influence of Youth Enterprise

Development Fund initiatives on performance of Youth Business Enterprises in Kitui Central District, Kitui County, Kenya.

1.3 Purpose of the Study

Purpose of this study is to investigate the influence of Youth Enterprise Development Fund loans on performance of Youth Business Enterprises in Kitui Central District, Kenya.

1.4 Objectives of the Study

This study was guided by following the objectives:

- i. To establish how utilization of Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises in Kitui Central District.
- ii. To explore the extent to which training about the Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises in Kitui Central District.
- iii. To determine the extent to which access to Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises in Kitui Central District.
- iv. To establish how educational levels about the Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises in Kitui Central District.
- v. To establish the extent to which adequacy of Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises in Kitui Central District.

1.5 Research Questions

The following research questions guided this study:

- i. How does the utilization of the Youth Enterprise Development Fund loans influence the performance of Youth Business Enterprises in Kitui Central District?
- ii. To what extent does training about the Youth Enterprise Development Fund loans influence the performance of Youth Business Enterprises in Kitui Central District?

- iii. To what extent does access to Youth Enterprise Development Fund loans influence the performance of Youth Business Enterprises in Kitui Central District?
- iv. How educational levels on the Youth Enterprise Development Fund loan do influence the performance of Youth Business Enterprises in Kitui Central District?
- v. To what extent does adequacy of Youth Enterprise Development Fund loan influences the performance of Youth Business Enterprises in Kitui Central District?

1.6 Significance of the Study

Importance of a study is underscored in the number of the beneficiaries of the study results. In particular several and varied Youth development stakeholders or those who work for and with Youth would benefit from the findings of this study. The findings were useful for making conclusions, recommendations and suggestions for further studies. The results of this study may unravel some of the impediments influencing performance of Youth Business Enterprises even after the Kenyan government initiative to have Youth Enterprise Development Fund (YEDF) in place.

Programmatically, to the key development actors including the State (Government Ministry of Youth Affairs and Sports), Community Social Organizations (CSOs), private sector and donor community would be informed and take up Youth agenda as a priority to initiate Youth-based programmes like the Kenya Youth Enterprise Development Fund (KYEDF) with the aim at enhancing performance of Youth Business Enterprises. Such Youth programmes would also be meaningful, friendly and accessible to the frustrated and marginalized Youth. To the Ministry of Commerce and Industry, the findings may be used as a step towards an establishment of training institutions for performance of Youth Business Enterprises. These training institutions may also be used for adult and continuing education in performance of Youth Business Enterprises to boost the business competency among merchants and small-scale traders.

To the Ministry of Education the findings would serve to inform that, education continues to be a key determinant in people's life chances including the performance of Youth Business Enterprises. It would therefore be critical for the government to open up more education and training opportunities particularly at the post-secondary school levels for the Kenyan Youth to be trained on how to improve on their local business enterprise after YEDF allocations. The Youth development actors in collaboration with the government should be encouraged to invest in building education and training facilities; others could provide capital to refurbish many Youth training institutions that have been abandoned in the past. In addition, there would be the need to train more human resource power on Youth-based issues and programmes.

These findings may also be used to unravel overall, interventions to address the challenges facing the Kenyan Youth in utilization of YEDF in enhancing performance of Youth Business Enterprises in Kenya. To improve the utilization of YEDF so as to enhance performance of Youth Business Enterprises the study findings may be initiated and used at different levels; at the MOYAS national policy level; at the community level using cultural visits; at the institutional level like at the schools, colleges, university and religious organizations like churches and peer-group levels. To the Ministry of Youth Affairs and Sports, these findings would be used by those working for and with the Youth, concurrently to initiate some of these Youth-based programmes at all levels by the different actors in the Youth ministry.

1.7 Limitations of the Study

Inadequate literature on performance of Youth Business Enterprises in utilization of YEDF in Kenya was the first challenging limitation in this study. Time and financial constraints were anticipated limitations. Another inevitable limitation was the variation in Youth characteristics.

1.8 Delimitations of the Study

The research will focus on a sample of 30 Youth Groups in Kitui Central District who was aged 18 to 35 years old. The study will cover only the influence of Youth Enterprise Development Fund on performance of Youth Business Enterprises in Kitui Central District, Kitui County, Kenya. The study may be useful in providing findings that may be useful in contributing to the existing additional literature, which may be used for future reference in further studies on performance of Youth Business Enterprises based state financing through the Youth enterprise development fund. As such these study results may also be useful to other researchers, since they can use the findings of this study in making study comparisons as well as a reference material. This is possible while other studies to be carried out are related to enhancing Youth Business Enterprises through the state financing. Otherwise other such studies would be like this one on effective utilization of YEDF in enhancing performance of Youth Business Enterprises.

1.9 Assumptions of the Study

The study assumptions are that: Youth in Kitui Central District is conversant with the operations and functions of the Ministry of Youth Affairs and Sports, especially in as far as the Youth Enterprise Development Fund was instituted and how it is utilized for the same Youth to benefit in establishing successful business enterprises after allocation and the utilization of YEDF, thus enhancing performance of Youth Business Enterprises.

1.10 Definition of Significant Terms

Youth Business Enterprise- in this study a company or other organization owned by Youth aged 18 – 35 years, engaged in commerce, involving selling of goods and/or services to clients for-profit.

Business perception – refers to attitude to creation of business which involves previous work experiences and Youth's discernment of various Youth groups of business organizations.

Innovativeness- refers to the Youth's individual propensity to support new ideas, by novelty, experimentation and creation processes, thereby depositing from established practices and technologies to inventing new business ventures.

Personality traits- refer to personal individual Youth's self image as given by indicators of entrepreneurial personalities and generally educational level and orientation.

Readiness risk factors- are defined by individual's personal background, personality traits and business perceptions that trigger entrepreneurial activities among the Youth.

1.11 Organization of the Study

This study is organized into five chapters. Chapter one is the introduction of the study and it consists of the background to the study; statement of the problem, purpose and objectives of the study, research questions; significance, delimitations, limitations and assumptions of the study and operational definition of terms.

Chapter two is the literature review that supports the study and it comprises of introduction of the chapter's content; then the literature review presented according to the objectives of the study and the theoretical and conceptual frameworks are presented at the end of the chapter.

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

Chapter four presents data analysis, interpretation and presentation. It will start with the analysis of personal details of the respondents and the rest of the chapter was arranged according to the objectives of the study.

Chapter five presented the summary, conclusions, discussions and recommendations of the findings and suggestions for further studies on performance of Youth Business Enterprises under Youth Enterprise Development Fund.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review in the following subheadings: introduction; influence of utilization of the Youth Enterprise Development Fund (YEDF) on performance of Youth Business Enterprises; influence of training about the YEDF on performance of Youth Business Enterprises; influence of access to YEDF loan on performance of Youth Business Enterprises; influence of educational levels of youth group members about YEDF on the performance of Youth Business Enterprises, and influence of adequacy in allocations of YEDF on performance of Youth Business Enterprises and a conceptual framework at the end.

2.2 Influence Of Utilization of YEDF Loan on Performance of Youth Business Enterprises

The individual's performance of Youth Business Enterprises should have been developed gradually over several years and are attributable to an individual's role model, education, work experiences, one's self image, entrepreneurial personalities and discernment of various Youth groups of organizations McCormick (1999).

Scott and Twomey, (1988), predisposing factors as those elements that prepare individuals for performance of Youth Business Enterprises; like their family background, business work experience, which is uncommon to most of the Youth. Therefore, many of the Youth use the Youth Enterprise Development Fund loans for consumables, instead of putting it into production. This is also one of the drawbacks of microfinance, and is possibly the reason why development economists are slowly drifting away from microfinance to impact investment (Mabiṅda, 2012).

Besides the government, parents are also expected to support the Youth especially in their efforts to become self-reliant. Max Weber as quoted in (Kets & De Vries 1985) in his academic treatise on the relationship between the “protestant ethic” and capitalism investigated the cultural issues for European countries and concluded that entrepreneurial behaviour can be constrained by social and cultural practices. Protestant ethic and capitalism encourage performance of Youth Business Enterprises while socialism or communism hinders performance of Youth Business Enterprises (Kets & De Vries 1985).

Scott & Twomey (1988) found out that children whose parents were entrepreneurs were more likely to have a business idea than those whose parents were not entrepreneurs. However, parents neglect the Youth immediately after the latter join the world of work. Family network (blood kinship relatives, non-kinship close family network of friends as well as the family neighbours-background) is very important in the formation of entrepreneurial personality traits (Kets & De Vries 1985).

Empirical research shows that certain entrepreneurial traits in young people are highly correlated with their parents being in possession of a business idea (Scott and Twomey 1988). Traits like a high need for independence, the capacity to take risks, ability to innovate and a tendency to look for opportunities are closely associated with having a business idea. More specifically, 62 percent of the sampled Youth at least support this view (Mbatia, 1987).

This suggests that there is need to engage parents and educate them on why they should continue assisting the Youth even after high secondary school education. Apparently, this practice is documented by Mbatia (1987) whose study found, inter alia, that parents from Murang'a district were reluctant to continue support Youth financially after high school education. Further, the Youth were found to have no access to assets such as land before they

got married (Mbatia, 1987). Creativity and innovativeness reflects an individual's propensity to support new ideas, novelty, experimentation and creation processes, thereby depositing from established practices and technologies (Baker & Sinkula 2009). Creativity, innovation discovery and invention are the artwork of a successful entrepreneur. In other words whatever new venture an entrepreneur must not only be creative but also add value. Entrepreneurs therefore involve new goods and methods of production, open new markets and sources of supply, and reorganize industry (Lumplik & Dess 1996).

2.3 Influence of Training about YEDF Loan on Performance of Youth Business Enterprises

Training the Youth Groups on the Youth Enterprise Development Fund loan before they get the YEDF financial aid to their business increases their access to business market information and awareness. It also enhances the Youth Groups' creativity, innovation and competitiveness towards their entrepreneurial activities. Performance of Youth Business Enterprises is a function of awareness information among other factors mentioned earlier. Inadequate Information Technology (IT) is a constraint to the economic growth and development (Eggleston, Jensen & Zeckheuser, 2002). Training prepares the Youth Groups for effective business management in addition to financial control and accountability. Information could also empower rural communities towards gaining entrepreneurial skills and initiatives through enabling them to participate in decision-making and to exchange ideas with others in developed and developing countries. The IT also enables the poor to use their own knowledge and strengths to improve on their livelihoods (Eggleston, et al., 2002).

Business information awareness gained from training in entrepreneurial skills influences on entrepreneurial activities, employment and access to credit (McQuaid, 2002). Low rural income can be attributed to lack of information and knowledge that could improve the Youth groups' potential for extra earnings (Kenny, 2000). However, in Kenya, the Youth's access to

information is curtailed by fewer adults and political elite especially those working for and with the Youth like officials in the Ministry of Youth Affairs and Sports (MOYAS).

For instance from the Nairobi survey on challenges facing the Youth by (Mbatia & Mbugua, 2009) an overwhelming majority 92.1 per cent of the 180 sampled Youth had not felt the ministry's YEDF impact in their lives. Yet the YEDF was established as a means of economic empowerment for the performance of Youth Business Enterprises. Even though some of the Youth are aware of the YEDF, they lack essential details on how the fund is to be managed to address their challenges. This study found that, majority of the Youth (60.1%) was not aware of when the YEDF was established.

Nearly the same number (62.4%) knew very little about the YEDF. Thus, access to information by the Youth was not evident from these findings and the MOYAS does not involve the Youth in decision making processes (Mbatia & Mbugua, 2009). This suggests serious gaps between the operations of the Youth ministry, YEDF and the Youth, who are the key clients of this ministry.

2.4 Influence of YEDF Loan Access on Performance of Youth Business Enterprises

In a cross-cultural study of potential entrepreneurs in India, China, Thailand and Australia on entrepreneurial intention and attitudes (Fitzsimmons & Douglas (2005) established that inadequate financial resource is a major constraint in one's gaining the initial business inertia and further grow to a successful entrepreneur. Therefore, in any state inadequacy of government revenue to provide adequate financial allocation for YEDF is a limiting factor towards enhancement of performance of Youth Business Enterprises (Fitzsimmons & Douglas, 2005). Even after the adoption of YEDF policy in Kenya, majority 62 per cent of the Youth claim that they have not felt the impact of the Youth funds in the ministry of Youth. However, where

financial resources are the constraints, innovations are more important in enhancing performance of Youth Business Enterprises (Baker & Sinkula 2009). Wolff & Pett (2006) observe that inadequate financial resource endowment may be compensated for by flexibility, agility and innovation. Thus, Kenya requires the mobilization of its government revenue to provide adequate financial allocation to its current YEDF programme. The enactment of laws that protect intellectual property and innovation as incentive for business venture would also be beneficial to the performance of Youth Business Enterprises (Rapando, (2008)).

Moreover, too many bureaucracies and regulations are likely to be impediments towards a long lasting performance of Youth Business Enterprises (Djankov et al., 2005). Macke & Markley (2003) noted that small weak markets are an obstacle to entrepreneurial activities because of their limited opportunities. Rapando (2008) suggests that the government and other regulating bodies should protect local entrepreneurial Youth when faced with serious challenges that could ruin their enterprises. He goes on to say that performance of Youth Business Enterprises ought to play an important role to achieve MDGs and also realize Kenya Vision 2030.

At the national level, Kenya should critically re-examine its inherently capitalistic socio-economic development philosophy. Critics of capitalistic socio-economic development philosophy observe, that it allows the retention of idle land by the rich for speculative purposes in a situation where majority of the Youth would remain landless (McCormick, 1999). Moreover, private ownership has exaggerated inequality in Kenya. To some extent therefore, the challenges faced by the Kenyans in performance of Youth Business Enterprises is a Youth group's product of its inherently capitalistic socio-economic development ideology inherited from the colonial regime (Rapando, 2008).

Therefore, Rapando (2008) notes that radical social, political, constitutional and economic reforms need to be effected in Kenya towards addressing the challenges facing performance of Youth Business Enterprises. For example, land reforms should be undertaken to facilitate access to land by those who need it. Meaningful strategies to reduce wide disparities in income, access to basic resources and opportunities should be adopted immediately, such as to initiate Youth-based programmes which are friendly, accessible and meaningful to the frustrated and marginalized Kenyan Youth. In general, if Kenyan population is Youthful, development programmes and plans should largely be Youth-led and Youth-focused in order to direct more resources to the Youth development programmes (Rapando (2008)). Those involved working for and with the Youth should be people with passion for the Youth. Only then can the government's (as well as other) Youth development programmes be made successful. According to McCormick (1999) legal systems that do not provide enabling business environment discourage performance of Youth Business Enterprises. This is why the Kenyan Youth continue to complain that the sharing of the national cake is biased against their interests (Rapando (2008)).

2.5 Influence of YEDF on Youth's Education Levels and Performance of Business Enterprises

Education continues to be a key determinant in people's life chances including the Youth. Minniti (2007) has noted that quality educational levels empower individuals with sound knowledge to perceive opportunities in their environment eco-niche. Schultz (1980) acknowledged that educational level enables an entrepreneur to deal with disequilibrium in the environment therefore succeeding in his/her business planned development without the influence of nature. Inadequate education level constrains individuals from dealing with the complex life obstacles optimally for wealth creation (McCormick, 1999).

Therefore all states should orient their education systems appropriately to meet the needs of the globalized labour market and create an infrastructure that facilitates easy access of information by the Youth to enhance their creativity, innovation and competitiveness in entrepreneurial activities (Minniti, 2007). Towards this end studies have shown that inadequacy of quality level of education is responsible to the low levels of innovativeness, creativity, and competitiveness in entrepreneurial activities (Rapando, 2008).

Since not all Youth succeeds in school, there is need to create alternative tracks and opportunities for those who either will drop out (due to various reasons) or those who fail to achieve the minimum grade for entry into job market or adequate grade for application in performance of Youth Business Enterprises. Failure in school should not be presented to the Youth as the end of the world; there should be options for the uneducated together with the poorly educated Youth as well (Minniti, 2007). The Kenyan education system has been blamed for its failure in imparting the relevant technical skills to the Youth. It is further blamed for encouraging the Youth to acquire unrealistic aspirations that drive them to exclusively search for white collar jobs that match their educational achievement (Mbatia, 1987).

There is a research evidence from a study conducted in Nairobi-Kenya by (Mbatia & Mbugua, 2009) that shows that majority of the Youth (62% of the 180 sampled Youth) at least agreed that the education system is to blame for failure to impart the relevant entrepreneurial skills that could enhance performance of Youth Business Enterprises-based awareness and knowledge to the Youth (Mbatia, 1987). In the same study a vast majority 90 per cent of the sampled Youth also affirmed the importance of technical skills in helping one to get a job or initiate and run an innovative and competitive business enterprise.

Therefore, it is important to review the gaps within the current Kenyan education system especially the contents of the curriculum in terms of its relevance and applicability into both the current globalized job market and applicability to Youth Business Enterprises (Mbatia, 1987).

2.6 Influence of Adequate YEDF Loan on Performance of Youth Business Enterprises

Factors discouraging economic activities among the Youth are generally referred to as barriers to performance of Youth Business Enterprises. These factors reduce entrepreneurial activities in any given economy. According to McCormick (1999), inadequacy of; financial resources, awareness and information technology (IT), and appropriate education are some of the discouraging factors of business ideas. Others are some cultural taboos, legal systems that fail to protect innovations and competitive business enterprises, as well as the small weak markets, and excessive regulations that frustrate the implementation of business ideas into reality (McCormick, 1999). Therefore, any government that is aspiring to boost its performance of Youth Business Enterprises through Youth Enterprise Development Fund (YEDF), should rejuvenate the growth of the economy; create more opportunities for acquisition of technical skills by the Youth; training institutions should be accessible, friendly and affordable to the Youth; encourage allocation of opportunities and resources by quotas and factor in the Youth as a substantive category of the population.

Entrepreneurial behaviour characteristics are very important for policy makers, as an attempt to understand categories of Youth entrepreneurial behaviour characteristics enables the policy makers to come up with viable interventions to stimulate and create an enabling economic environment for innovation and business competitiveness, hence inducing performance of Youth Business Enterprises (Baker & Sinkula 2009).

However, in spite of the looming performance of Youth Business Enterprises crisis in the process of creation of Youth entrepreneurs by failure of effectively putting, state Youth funds into appropriate business ventures in many of the African countries, there exist no regional coordinated efforts to address this problem. For example, the initiative to revive the East African Community (EAC) could have been used to explore new economic opportunities for wealth creation particularly for the educated unemployed (Baker & Sinkula 2009). At global level, like other LCDs, Kenya is marginalized in the global economic system operations. Therefore, the country need to continuously review it global business linkages in performance of Youth Business Enterprises and market competition, towards getting its market share in the current capitalistic world economy.

The Kenyan government should agitate against their economic exploitation and marginalization by the rich industrialized countries, once provided with a chance to do so in the international forums and meetings (Fitzsimmons & Douglas (2005)). One option for the LCDs to agitate for equality of global functional business partnerships that create new trade opportunities is through initiating and forming regional viable social-economic and political integration blocs that can boost trade among the Youth in the LCDs and specifically in the African countries (Wolff & Pett, 2006).

2.7 Conceptual Framework

Conceptual framework of this study showed the network where the independent variables were networked with the moderating and intervening variables to give the output variable also called the dependent variable of the study as shown in Figure 2.1.

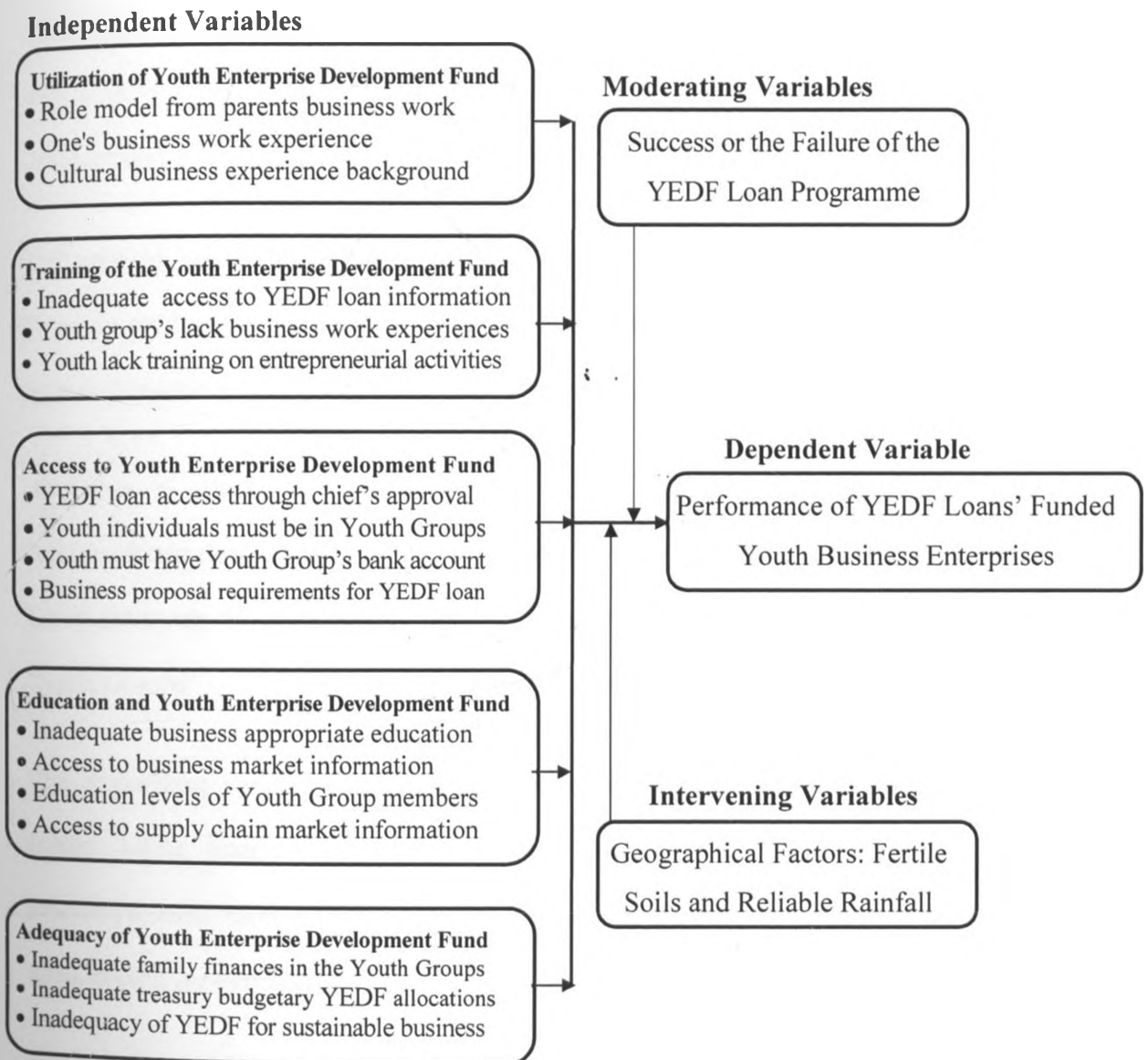


Figure 2.1: Conceptual Framework

As shown in Figure 2.1, the independent variables are: the influence of utilization of the Youth Enterprise Development Fund as indicated by parent's business work; One's business work experience and Cultural business experience background.

The second independent variable was on the Youth Enterprise Development Fund training as was indicated by inadequate access to information on Youth enterprise development funds allocation disbursement and government policy on Youth self-employment; business work experiences.

The other independent variable is the access to Youth Enterprise Development Fund loan as indicated by credit access impediments; inadequate funds in the Government and the collateral requirements by banks for credit access.

Influence of Youths' Education levels in the utilization of the Youth Enterprise Development Fund on performance of Business Enterprises as indicated by inadequate appropriate education; access to market information; and education level of the Youth in the Youth Group.

Adequacy in allocations of Youth enterprise development funds for performance of Youth Business Enterprises as indicated by inadequate financial resources; access to basic requirements for Youth enterprise development funds and governments economic position versus numbers of Youth Groups.

The moderating variable was the success in implementation of Youth funding policy or its failure while intervening variable is the geographical factors e.g. fertile soils and amounts/reliable rains and the outcome also called dependent variable is the successful or unsuccessful performance of Youth Business Enterprises.

As illustrated in the Figure 2.1, which is the conceptual framework diagram, the dependent variable of this study was the performance of youth business enterprises in kitui central district.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents research methodology in the following subheadings; introduction research design, target population, sampling procedures and sample size, research instruments, reliability and validity of the instruments, data collection procedures, data analysis, logistical and ethical considerations and Operationalisation of the study variables.

3.2 Research Design

A survey research design was used in a quantitative research approach for this study. In survey designs data is collected using questionnaires or interview guides either from probability or non-probability; randomized or non-randomized selected sample from the targeted population (Orodho, 2005).

3.3 Target Population

This study targets the 99 Youth Groups that have benefitted from the Youth Enterprise Development Fund within Kitui Central District, Kitui County, as shown in Table 3.1 (Ministry of Sampled Youth Group officials Kitui County Statistics, 2012). Kitui Central is selected for this study because compared to other constituencies in the county it has relatively fewer Youth Groups that have benefitted from the Youth enterprise development fund.

Table 3.1: Status Report YEDF in 2007/2012 Kitui County Loan Disbursement

County	Constituency	No. of Groups	Amount Disbursed
Kitui	Mutito	131	KShs. 5,845,000.00
	Kitui West	118	KShs. 5,450,000.00
	Mwingi North	96	KShs. 4,650,000.00
	Kitui Central	99	KShs. 4,360,000.00
	Mwingi South	57	KShs. 2,750,000.00
	Kitui South	67	KShs. 2,701,250.00

Source: Compiled by; Ministry of Youth Affairs and Sports Kitui County Statistics, 2012

Therefore, 99 Youth Groups of Youth population aged 18-34 years was the study target population.

3.4 Sampling procedures and sample size

Simple random sampling was used to select 30 percent of the Youth Groups for the sample of this study. Thus the sample size was $30/100 \times 99 = 29.7$; that is 30 Youth enterprises will form the sample size for the study, in line with (Mugenda and Mugenda, 2003) who have recommended 30 percent of a small target population to be representative sample size for a study. In each selected group one of the three officials either Chairman; Secretary or Treasurer was interviewed.

3.5 Research Instruments

Questionnaire was used to collect data. A questionnaire for Youth was structured with closed-ended items only. The selected Youth will fill in the questionnaire. The questionnaire will have three sections; section I introduction section II the personal details of the respondents and the questions in groups of various study variables. A questionnaire with closed-ended items only was used in order to ascertain collection of numerical data and consistency of data elicitation from the selected Youth. Most of the questionnaire items was of the five-point likert rating scale of the range of (1-5 for example 1-strongly agree; 2-agree; 3-undecided; 4-disagree; 5-strongly disagree). Data was analysed using descriptive statistics (Kasomo, 2006).

3.5.1 Validity

Research tools are valid depending on how the data collected is related in terms of how effective the items have sampled significant aspects of the general objective of the study (Kasomo, 2006). Content validity of the instruments was used to measure the degree to which the items represent specific areas covered by the study. Content validity of the instrument was

determined by experts in the University of Nairobi who will look at the measuring technique and coverage of specific areas (objectives) covered by the study. Lecturers from the University of Nairobi will ascertain the validity of the research instruments. Then corrections identified were incorporated in the instruments so as to increase the validity (Mugenda & Mugenda, 2003).

3.5.2 Reliability

To establish the reliability of instruments, a split-half method was used by a means of a pilot study. During the pretest the questionnaire was administered on a random sample of 20 sampled Youth from one of the five locations of Kitui Central District. The participants in the pilot study will not be included in the actual sampling for the study. The data values was operationalized and split into two halves using the 11-old/11-even item numbers' half-divide. A correlation coefficient was calculated using Pearson Product-Moment Correlation formula. The correlation coefficient calculated should be greater than 0.75 so that the questionnaire will have a sufficient high pre-test reliability (Orodho, 2005).

3.6 Data Collection Procedures

A research authorization permit was obtained from the District Education Officer (DEO), in Kitui Central District in order to be allowed to collect data. A copy of the permit was submitted to the District Youth Officer (DYO) in Kitui Central District. The Youth Groups pre-visited by the researcher to establish rapport with them before the actual data collection date, also to allow familiarity with the respondents. The questionnaire was personally administered by the researcher to the selected Youth who will fill in the data and the researcher will collect the filled in questionnaire before leaving each of the selected Youth participant.

3.7 Data Analysis

Data was analyzed using descriptive statistics, utilizing the frequency distributions; percentages and averages. Statistical tally system was used to generate frequency counts from the responses so as to prepare frequency distributions. Percentages in the 5-point rating likert scale response out of the total study sample response per item were calculated. Averages will also be calculated in respective items. As a measure of central tendency, average was used to decide the concentration of responses within the 5-point likert rating scale range. Averages will support the calculated percentages in depicting the general trend of the study findings and a correlation coefficient between YEDF loans awarded and expected to improve performance of Youth Business Enterprise. The findings were presented in frequency distribution tables. Each table was followed by brief explanations, inferences and interpretations of the findings from the earlier related reviewed literature with the aim of bridging the research gaps through seeking for the solutions of the study problem (Orodho, 2005).

3.8 Ethical Considerations of the Study

Study participants were assured that their identity would remain anonymous and confidential. A Research Authorization Permit was obtained from the DEO's Office Kitui Central District and a copy of the permit was submitted to the District Youth Officer (DYO) so as to get permission for collection of data from the Youth on the Youth's utilization of Youth Enterprise Development Fund. Informed consent was fulfilled by seeking participant's permission before administering the questionnaire to the sampled Youth in each of the four selected locations so as to ensure that participants was responsible and the data they would give for the study was valid and reliable due to their build-in confidence. The researcher with his two research assistants will pre-visit the various Youth Groups in order to establish rapport before the actual data collection date.

3.9 Operationalization of the Study Variables

To achieve the study objectives for the study: influence of utilization of the Youth Enterprise Development Fund (YEDF) on performance of Youth Business Enterprises; influence of training about the YEDF on performance of Youth Business Enterprises; influence of access to YEDF loan on performance of Youth Business Enterprises; influence of educational levels of Youth group members about YEDF on the performance of Youth Business Enterprises, and influence of adequacy in allocations of YEDF on performance of Youth Business Enterprises. Study variables are operationalized and presented as shown in Table 3.2.

Table 3.2: Operationalization of the Study Variables

Objectives	Variables		Indicators	Measurement	Level of scale	Tools of analysis
	Independent	Dependent				
To establish the influence of Youth utilization of YEDF on performance of Youth Business Enterprises	Utilization of Youth Enterprise Development Fund	Performance of Youth Business Enterprises	<ul style="list-style-type: none"> -Cultural Orient -Parents orientation -Business experience -Infrastructure -Competitive arena for business 	<ul style="list-style-type: none"> -Cultural Orient -Parents Orient -Job experience -Infrastructure -Competition from senior businessmen 	Nominal Ordinal Interval	Descriptive statistics -Tables -Mean -Percentages -Standard deviation
To explore the influence of training Youth on YEDF on performance of Youth Business Enterprises	Awareness of Youth Enterprise Development Fund	Performance of Youth Business Enterprises	<ul style="list-style-type: none"> - Awareness of YEDF sources New technology intake for Youth No. of seminars Training YEDF 	<ul style="list-style-type: none"> -No. of new business by Youth Groups -No. of opportunities used for business -Level of creation of YEDF awareness 	Nominal Nominal Ordinal	Descriptive statistics -Tables -Mean -Percentages -Standard deviation
To establish the influence of Youth access to YEDF on performance of Youth Business Enterprises	Access to Youth Enterprise Development Fund	Performance of Youth Business Enterprises	<ul style="list-style-type: none"> Lack of finance Capitalistic arena Socialist arena Infrastructure GDP 	<ul style="list-style-type: none"> Lack funds for YEDF Youth fund policy Youth fund policy 	Interval Nominal Ordinal	Descriptive statistics -Tables -Mean -Percentages -Standard deviation
To determine the influence of Youth educational levels and YEDF loan on performance of Youth Business Enterprises	Education level of Youth to Youth Enterprise Development Fund	Performance of Youth Business Enterprises	<ul style="list-style-type: none"> -Education level -Business skills -Entrepreneurial knowledge skills -Seminars training 	<ul style="list-style-type: none"> Level of education; -Entrepreneurial Knowledge skills -Training seminars 	Interval Nominal Ordinal	Descriptive statistics -Tables -Mean -Percentages -Standard deviation
To identify the influence of funds adequacy for YEDF on performance of Youth Business Enterprises	Adequate funds for allocation to Youth Enterprise Development Fund	Performance of Youth Business Enterprises	<ul style="list-style-type: none"> - Youth fund policy -Amount available for allocation -Competing seniors -Budgetary GDP allocation for YEDF 	<ul style="list-style-type: none"> -Youth fund policy -Lack funds for YEDF -Capitalistic competition -Low budgetary GDP allocation for YEDF 	Interval Nominal Ordinal	Descriptive statistics -Tables -Mean -Percentages -Correlation of YEDF loan given versus the adequate loan

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

Content in chapter four is data analysis, presentation and interpretation of the study findings. The subtitles in this chapter are arranged according to the objectives of this study. The study findings have been presented in frequency distribution tables, mean values, percentages and explanations of the findings in between the frequency tables for further elaboration as well the interpretation of the study results have been given alongside the findings.

The subheadings in this chapter were arranged according to research questions: the influence of utilization of the Youth Enterprise Development Fund (YEDF) on performance of Youth Business Enterprises (YBE); influence of utilization of Youth Enterprise Development Fund training on performance of Youth Business Enterprises; the influence of access to Youth Enterprise Development Fund loans on performance of Youth Business Enterprises; influence of educational levels of Youth group members on utilization of Youth Enterprise Development Fund about and the performance of Youth Business Enterprises, and influence of adequacy of allocations of Youth Enterprise Development Fund on performance of Youth Business Enterprises.

4.2 Questionnaire Return Rates

All the 30 issued questionnaires were received from the 30 sampled Youth Group officials in Kitui Central District. Thus, the questionnaire return rate was 100 per cent, which the researcher used as an excellent response rate of the study participants.

4.3 Influence of Utilization of YEDF Loan on Performance of Youth Business Enterprises

The research question (i) sought for the answer of how utilization of the Youth Enterprise Development Fund had influenced the performance of Youth Business Enterprises in Kitui

Central District, Kenya. The sampled Youth Group officials were asked to indicate in years their experiences in business enterprises. Data was analyzed and tabulated as in Table 4.1.

Table 4.1: Distribution of Youth Officials by Youth Business Experiences

Range of youth business experience in years	(f)	(%)
Less than 5 years	21	70.0
Between 6-10 years	8	26.7
Between 11-15 years	1	3.3
Between 16-20 years	0	0.0
Over 21 years	0	0.0
Total	30	100.0

The results indicated in Table 4.1, showed that the majority 96.7 percent of the Youth Group officials interviewed had less than 10 years of Youth Business Experiences in Kitui Central District. Although, the Youth business experiences had significant influence on the performance of Youth Business Enterprises, there were fewer 3.3 percent of the Youth Groups' officials with more than 10 years of the business background experience in the district.

Therefore, the performance of Youth Business Enterprises in Kitui Central District was partially influenced by the selected youth officials' inexperienced backgrounds with either the starting of or the entire process of business management. The selected sampled Youth Group officials were asked to use a 5-point likert rating scale that was numerically ranked from 1-to-2-to-3-to-4-to-5 as in increasing numerical values inversely proportional to the decreasing levels of agreement with the given indicators of the influence of utilization YEDF on performance of YBE.

The sampled Youth Group officials rated the utilization of the Youth Enterprise Development Fund indicators' as influencers of the performance of YEDF funded business enterprises. In the

first indicator, they were asked to rate the youths backgrounds in business experience and the effective utilization of YEDF loan on the performance of Youth Business Enterprises, using the 5-point rating scale as 1-Very high association, 2-High association 3-Undecided, 4-Low association, 5-Very low association.

The sampled Youth Group officials also rated the influence of Youth loan repayment and effective utilization of YEDF loan on the performance of Youth Business Enterprises, using the 5-point rating scale as 1-Very large extent, 2-Large extent, 3-Some extent, 4-Little extent, and 5-No extent. The results were presented as shown in Table 4.2.

Table 4.2: Distribution of Youth Groups' by Influence of Utilization of YEDF Indicators

Frequency Distributions by 5-Point Rating Scale Values						
Utilization of the YEDF Indicators	1	2	3	4	5	Totals
Business experience/utilization of YEDF on performance (f):	12	10	4	1	3	30
Youth loan repayment/YEDF utilization on performance (f):	13	11	5	1	0	30
Sum of the Frequencies: $\Sigma(f)$:	25	21	9	2	3	60

As shown in Table 4.2, in the two indicators of utilization of YEDF loan by the Youth Groups, like the business background knowledge experience and youth loan repayment most 46 youth officials out of the 60 double entries of the sampled Youth Group officials in the two indicators had to a large extent and also a high association of the fact that utilization of YEDF loan negatively influenced the performance of Youth Business Enterprises (YBEs).

The interpretation was that there were poor skills of the utilization of YEDF loan among the Youth Groups in Kitui Central District. Therefore, most of them could not enhance performance of their business enterprises in spite of the fact that they had acquired the loans. Since a 5-point likert scale of rank that ranged from 1-2-3-4-5 was used a theoretical mean value of 3.0; (1+2

$(3+ 4+ 5)/5 = 15/5= 3.0$ was used to provide a measurement point for judging the study results. Therefore, a mean equal to or higher than 3.0 indicated to disagree, while a mean less than 3.0 but between 2.5 and 2.99 indicated a neutral or undecided position held by the youth officials. However, a mean less than 2.5 indicated to agree with the influence of the study variable- utilization of YEDF loan on the performance of Youth Business Enterprises. The results were as given in Table 4.3.

Table 4.3: Distribution of Youth Officials by 5-Point Rater Scale for YEDF Utilization

The 5-point likert rater scale (1-to-5)	<i>f</i>	<i>x</i>	(<i>fx</i>)	(%)
Strongly Agree	25	1	25	41.7
Agree	21	2	42	35.0
Neutral	9	3	27	15.0
Disagree	2	4	8	3.3
Strongly Disagree	3	5	15	5.0
Total	60		117	100.0

As shown in Table 4.3, most 76.7 percent in the sampled Youth Group officials had agreed that utilization of YEDF loan negatively influenced the performance of Youth Business Enterprises (YBEs). The mean of the 5-points rater scale's range of 1-2-3-4-5 was used to determine the concentration of the responses from the sampled Youth Group officials.

To calculate the mean of *x*, the sum of (*fx*) = $\sum fx = 117$ was divided by the sum of *f* = $\sum f = 60$ as shown in Table 4.3. Therefore, the mean value calculated was: $\sum fx / \sum f = 117/60 = 1.95$. Since the calculated mean value = 1.95, was less than the study theoretical mean value of 3.0 and even less than 2.5, the interpretation of the results denoted that most of the sampled Youth Group officials agreed that there was poor utilization of the Youth Enterprise Development Fund loans

among the Youth Groups. Therefore utilization of YEDF had negatively influenced the performance of Youth Business Enterprises in Kitui Central District.

4.4 Influence of Training on YEDF Loans on Performance of Youth Business Enterprises

The research question (ii) sought for the answer of the influence of training on YEDF loans on performance of Youth Business Enterprises in Kitui Central District, Kenya. The selected sampled Youth Group officials were asked to rate the indicators of the influence of the association of Youth training on utilization of YEDF with increased performance of Youth Business Enterprises (YBEs).

The indicators of the influence of training on YEDF loans on performance of Youth Business Enterprises rated were: Training and utilization of YEDF on performance of Youth Business Enterprises, how greatly were the training seminars or workshops influenced the Youth in the awareness of utilization of YEDF and on improving the performance of Youth Business Enterprises and the youth Group officials were also asked to rate the influence of capitalistic economy on the Youth Groups' training towards improved utilization of YEDF loans for the improvement in performance of Youth Business Enterprises.

The selected Youth officials were advised to use the 5-point likert rating scale as 1-Very high association, 2-High association 3-Undecided, 4-Low association, 5-Very low association, for the first indicator, and as 1-Greatly Agree; 2-Agree; 3-Neutral; 4-Disagree and 5-Greatly Disagree for the second indicator and finally as 1-Strongly Agree; 2-Agree; 3-Neutral; 4-Disagree and 5-Strongly Disagree for the last indicator as shown in Table 4.4.

Table 4.4: Youth Officials' Distribution by YEDF Training on Business Performance**Frequency Distributions by 5-point Rating Scale Values**

Indicators of Influence of YEDF Training on YBEs	1	2	3	4	5	Totals
Training and utilization of YEDF on performance	(f): 16	9	4	1	0	30
Training seminars/YEDF awareness on performance	(f): 17	8	4	0	1	30
Capitalistic economy/YEDF training on performance	(f): 10	11	6	2	1	30
Sum of the Frequencies: $\Sigma(f)$:	43	28	14	3	2	90

As shown in Table 4.4, in the three indicators of influence of youth training on the performance of Youth Business Enterprises (YBEs) in Kitui Central District, most 71 of the cumulative Youth Group officials out of the 90 triple cumulative entry of responses of the 30 sampled Youth Group officials in the three indicators had agreed that lack of Youth Groups' training on the acquisition, utilization and management of the YEDF loan negatively influenced the performance of Youth Business Enterprises.

The interpretation was that there were poor skills of the utilization of YEDF loan among the Youth Groups in Kitui Central District, due to lack of adequate training. Therefore, most of them could not enhance performance of their business enterprises in spite of the fact that they had acquired the loans without the relevant training.

The results of the summarised cumulative Youth Group officials' responses in Table 4.4 were also tabulated as shown in Table 4.5, which shows the cumulative percentage distribution of the responses by the 5-point likert rating scale ranked from 1-to-5 in an inverse ratio proportional to the level of agreement with the rated rank of the indicator of the influence of youth training on the performance of Youth Business Enterprises as 1-Strongly Agree; 2-Agree; 3-Neutral; 4-Disagree and 5-Strongly Disagree as shown in Table 4.5.

Table 4.5: Distribution of Youth by 5-Point Rater Training in Business Performance

The 5-point likert rater scale (1-to-5)	<i>f</i>	<i>x</i>	(<i>f</i> · <i>x</i>)	%
Strongly Agree	43	1	43	47.8
Agree	28	2	56	31.1
Neutral	14	3	42	15.6
Disagree	3	4	12	3.3
Strongly Disagree	2	5	10	2.2
Total	90		163	100.0

As shown in Table 4.5, a majority 78.9 percent of the Youth Group officials agreed that the lack of Youth Groups’ training about the awareness, acquisition and utilization of YEDF loans had negatively influenced the performance of the Youth Business Enterprises in the Kitui Central District. The mean of the 5-points rater scale’s range of 1-2-3-4-5 was used to determine the concentration of the responses from the sampled Youth Group officials.

To calculate the mean of *x*, the sum of (*f*·*x*) = $\sum fx = 163$ was divided by the sum of *f* = $\sum f = 90$ as shown in Table 4.5. Therefore, the mean value calculated was: $\frac{\sum fx}{\sum f} = 163/90 = 1.81$. Since the calculated mean value = **1.81**, was less than the study theoretical mean value of **3.0** and even less than 2.5, the interpretation of the results denoted that most of the sampled Youth Group officials agreed that there was lack of training about the acquisition and utilization of the Youth Enterprise Development Fund loans among the Youth Groups in Kitui Central District, which negatively influenced the performance of Youth Business Enterprises. Although, the Youth Groups seemed to have mastered production skills in their particular trades, they did not have sufficient training in business management (Mabinda, 2012). These findings were likened to the findings of previous studies, whose conclusion had been that an additional problem observed by

researchers was lack of skilled business management as a result of lack of training in operating business enterprises (Mabinda, 2012).

According to (Mabinda, 2012) a narrow spectrum of the possible entrepreneurial business skills needed to run a successful Youth Business Enterprises were taught in Ministry of Youth Affairs and Sports' Youth workshops and seminars. Training equipment and materials were inadequate both in quantity and quality in most Youth Groups in the sample. Youth groups' instructors seemed indifferent to the programme. With the ministry of youth affairs and sports' development of the youth skills in business enterprises in recruiting, training, motivating and providing small business development services for local talents. According to (Mabinda, 2012) areas that required further research included: The attitude of the Youth Groups' MOYAS instructors to the YEDF loan programme. The attitude of the youth to self-employment as well as working in Youth Groups needed to be changed.

Therefore, according to these findings my recommendation was that the implementation of the YEDF loan programme should have been preceded by a better Youth Groups' training approach on how to run the YEDF loan funded Youth Business Enterprises.

4.5 Influence of YEDF Loan Access on Performance of Youth Business Enterprises

In this study the research question (iii) sought to answer the problem on the extent to which YEDF loan access had influenced the performance of Youth Business Enterprises in Kitui Central District, Kenya. The sampled Youth Group officials were asked to rate the indicators of the influence of YEDF loan access on the performance of Youth Business Enterprises.

The rated indicators were lack of awareness on the Government's Youth policy about the YEDF loans for self employment influences the level of access to YEDF and the performance of Youth

Business Enterprises using the 5-point likert rating scale which was given as 1-Strongly Agree; 2-Agree; 3-Neutral; 4-Disagree and 5-Strongly Disagree.

The youth officials were also asked to rate the association of bureaucratic disbursement of YEDF to effective access to YEDF with increased performance of Youth Business Enterprises using the 5-point rating scale as 1-Very high association, 2-High association 3-Undecided, 4-Low association, 5-Very low association.

And finally to rate the extent to which they related effective repayment of YEDF loan with access to further YEDF loan and performance of Youth Business Enterprises, using the 5-point rating scale as 1-Very large extent, 2-Large extent, 3-Some extent, 4-Little extent, and 5-No extent.

The results were presented as shown in Table 4.6.

Table 4.6: Distribution of Youth by Influence YEDF Access on Business Performance

Frequency distributions by 5-point rating scale values						
Indicators of Influence of YEDF Loan Access	1	2	3	4	5	Totals
Lack of YEDF awareness/youth policy and loan access (f):	17	8	4	1	0	30
Bureaucratic YEDF disbursement and fund loan access (f):	21	5	2	1	1	30
Related to effective YEDF loan repayment with access (f):	13	11	5	1	0	30
Sum of the Frequencies: $\sum(f)$:	51	24	11	3	1	90

As shown in Table 4.6, in the three indicators of the access to YEDF loan by the Youth Groups, like the lack of YEDF awareness/youth policy and loan access, bureaucratic YEDF disbursement/ the Youth fund loan access and the relationship of effective loan repayment to the access to YEDF loan, most 75 selected youth officials out of the 90 triple entries of the sampled Youth Group officials supported the fact that access to YEDF loan had influenced the performance of Youth Business Enterprises. The interpretation was that there was inadequate access to YEDF loans

among the Youth Groups in Kitui Central District. Therefore, because most of them could not access the loans, they could not enhance the performance of their business enterprises. The summarised cumulative percentage ratings of the responses were as shown in Table 4.7.

Table 4.7: Distribution of Youth Officials by 5-Point Rater Scale for YEDF Utilization

The 5-point likert rater scale (1-to-5)	<i>f</i>	<i>x</i>	(<i>f</i> <i>x</i>)	%
Strongly Agree	51	1	51	56.7
Agree	24	2	48	26.7
Neutral	11	3	33	12.2
Disagree	3	4	12	3.3
Strongly Disagree	1	5	5	1.1
Total	90		147	100.0

As shown in Table 4.7, a majority 83.4 percent of the youth group officials agreed that the lack of access to Youth Enterprise Development Fund loans negatively influenced the performance of the Youth Business Enterprises in the Kitui Central District. The mean of the 5-points rater scale's range of 1-2-3-4-5 was used to determine the concentration of these youth responses.

To calculate the mean of *x*, the sum of (*fx*) = $\sum fx = 147$ was divided by the sum of *f* = $\sum f = 90$ as shown in Table 4.7. Therefore, the mean value calculated was: $\frac{\sum fx}{\sum f} = \frac{147}{90} = 1.63$. Since the calculated mean value = 1.63, was less than the study theoretical mean value of 3.0 and even less than 2.5, the interpretation of the results denoted that most of the sampled Youth Group officials agreed that there was lack of access to Youth Enterprise Development Fund loans among the Youth Groups. Therefore the lack of access to Youth Enterprise Development Fund loans had negatively influenced the performance of Youth Business Enterprises in Kitui Central District.

These findings concurred with the reviewed literature, in that according to McCormick (1999), inadequacy of: financial resources, awareness/information technology and appropriate education were some of the discouraging factors of business ideas. Also in the reviewed literature it had also been noted that, some of the hurdles in the acquisition of the Kenyan Youth Enterprise Development Fund loans so as to help in militating against the youth unemployment were: The youth were required to be in Youth Groups of not less than 15 members in order to access the YEDF loan (GOK: MOYAS, 2010).

However, (Mabinda, 2012) asserted that many of the youth entrepreneurs develop their ideas individually, thus requiring them to join Youth Groups before accessing the YEDF loan was uncalled for. In addition, there might be other Youth Group members who might have no entrepreneurial ideas, neither be they interested in business enterprises and such people might therefore fail to be actively involved in the Youth Business Enterprise so started. But, these errant youth members might just become joy riders among other youth members to only benefit from the profits earned.

4.6 Influence of Educational Levels and YEDF on Performance of Youth Business Enterprises

The research question (iv) sought for the answer of the extent to which the educational levels and Youth Enterprises Development Fund had influenced the performance of Youth Business Enterprises in Kitui Central District. The selected Youth Groups officials were asked to indicate their highest level of education. The analyzed data was presented as shown in Table 4.8.

Table 4.8: Distribution of Sampled Youth Group Officials by Highest Level of Education

Education level	frequency (<i>f</i>)	percentage (%)
No schooling	0	0.0
Primary	5	16.7
Secondary	11	36.7
Certificate	6	20.0
Diploma	7	23.3
Degree	1	3.3
Total	30	100.0

The results illustrated in Table 4.8, shows that some majority 74.4 percent of the selected Youth Group officials interviewed had their highest levels of education as in between the primary school, through secondary school to certificate education levels. There were 23.3 percent youths with diplomas and 3.3 percent with degrees in Kitui Central District.

Although, the highest level of education of the selected Youth Group officials had some significant influence on the proper utilization of the Youth Enterprises Development Fund and the performance of Youth Business Enterprises, there were more sampled Youth Group officials in the primary/secondary/certificate levels of education in the Kitui Central District, than were in the higher levels of tertiary -diploma and university-degree education.

The interpretation of these results was that low education levels negatively affected the acquisition and utilization of the Youth Enterprises Development Fund loans and the performance of the Youth Business Enterprises in Kitui Central District. The selected Youth Group officials were also asked to rate the following indicators of the influence of educational levels and Youth Enterprises Development Fund on the performance of Youth Business

Enterprises: The association of business management training with acquisition of skills for effective utilization of YEDF for improved performance of the Youth Business Enterprises and to rate how the Youths' level of education in acquisition of YEDF influences the performance of Youth Business Enterprises, using the 5-point likert rating scale as 1-Very high association, 2-High association 3-Uncertain, 4-Low association, 5-Very low association, and as 1-Strongly Agree, 2- Agree, 3-Neutral, 4- Disagree, 5-Strongly Disagree for the two respective indicators of the influence of the Youth Group officials' educational levels about the use of the Youth Enterprises Development Fund on the performance of Youth Business Enterprises in Kitui Central District as shown in Table 4.9.

Table 4.9: Distribution of Youth by Education Levels and YEDF on Business Performance

Frequency distributions by 5-point rating scale values						
Education Levels' Indicators for Youth Enterprises	1	2	3	4	5	Totals
Association of business management to performance (f):	9	13	5	1	2	30
Education levels/YEDF acquisition on performance (f):	14	11	4	0	1	30
Sum of the Frequencies: $\Sigma(f)$:	23	24	9	1	3	60

In Table 4.9, were the Youth Group officials' responses on the two indicators of the influence of education levels on performance of Youth Business Enterprises were analyzed and a summary was given. The indicators of the influence of education levels on performance of Youth Business Enterprises were the association of business management to performance and education levels on the YEDF loan acquisition and utilization on performance of Youth Business Enterprises.

As shown in Table 4.9, most 47 selected youth officials out of the 60 double entry of the sampled Youth Group officials supported the fact that education levels of the Youth Group members had negatively influenced the performance of Youth Business Enterprises.

The interpretation was that the higher the education level was enhancing the performance of Youth Business Enterprises in Kitui Central District. Since a 5-point likert scale whose rankings ranged from 1-2-3-4-5, was used a theoretical mean value of 3.0 was determined, using the formula $(1+2+3+4+5)/5 = 15/5 = 3.0$ to provide a measurement point of reference for judging the study results after calculating the mean value of the responses in a 5-point likert rater scale.

Therefore, a mean equal to or higher than 3.0 indicated to disagree, while a mean less than 3.0 but between 2.5 and 2.99 indicated, neutral or undecided. However, any of the mean values that was less than 2.5 was used indicate that the Youth Group officials' responses were in agreement with the given option for its influence on the performance of the Youth Business Enterprises. The summarised cumulative percentage ratings of the responses in Table 4.9 were as given in Table 4.10.

Table 4.10: Distribution of Youth by Education Levels and YEDF Loan Indicators

The 5-point likert rater scale (1-to-5)	<i>f</i>	<i>x</i>	<i>(f.x)</i>	%
Strongly Agree	23	1	23	38.3
Agree	24	2	48	40.0
Neutral	9	3	27	15.0
Disagree	1	4	4	1.7
Strongly Disagree	3	5	15	5.0
Total	60		117	100.0

As shown in Table 4.10, some majority 78.3 percent of the selected youth group officials agreed that the education levels of the youth had influenced the performance of the youth business enterprises funded by the Youth Enterprise Development Fund from the Ministry of Youth Affairs and Sports in the Kitui Central District. The mean of the 5-points rater scale in the range of 1-2-3-4-5 was used to determine the concentration of the Youth Group officials' responses.

To calculate the mean of x , the sum of $(fx) = \sum fx = 117$ was divided by the sum of $f = \sum f = 60$ as shown in Table 4.7. Therefore, the mean value calculated was: $\sum fx / \sum f = 117/60 = 1.95$. Since the calculated mean value = **1.95**, was less than the study theoretical mean value of **3.0** and even less than 2.5, the interpretation of the results denoted that most of the sampled Youth Group officials agreed that there was lack of access to Youth Enterprise Development Fund loans among the Youth Groups. Therefore the lack of access to Youth Enterprise Development Fund loans had negatively influenced the performance of Youth Business Enterprises in Kitui Central District.

The study findings shown in Table 4.10 could be supported by the conclusion of (Mabinda, 2012), who asserted that what the Youth really needed were the skills necessary to succeed in their Business Enterprises. It is not interesting to find that most of the Kenyan Youth use the Youth Enterprise Development Fund for consumables, instead of putting it into productive business ventures. This was also noted in the literature review as one of the drawbacks of microfinance institutions, and it was possibly the reason as to why development economists have been drifting away from micro financing for the finance of micro-business enterprises due to the impact of these financing investments, defined as a company or other business organization engaged in commerce (Mabinda, 2012).

4.7 Influence of Adequate YEDF Loan on Performance of Youth Business Enterprises

The research question (v) in this study sought for the answer of the extent to which selected youth officials' were asked to state how much of the Youth Enterprise Development Fund (YEDF) loan they used to get from the Ministry of Youth Affairs and Sports. All 100 percent of the sampled Youth Group officials indicated that the maximum loan they received was KShs. 50,000. They were also asked to state in their opinions if this amount of YEDF loan was adequate for all the 20 members in the Youth Group to start a competitive business. All 100 percent of the

sampled Youth Group officials had declined to the fact that the amount of the YEDF was adequate. They were also asked if they thought the amount of YEDF allocated would have been inadequate for all the 20 members in the Youth Group, how much did they think would be adequate for the group so as to make each of them competitive in business enterprises. On average, almost all 96.7 percent indicated kshs. 1,000,000. Where each of the 20 members in the group gets KShs. 50,000.

The selected Youth Groups' officials were asked to rate the following indicator of the influence of the inadequacy of the Youth Enterprise Development Fund allocations from the central government in enhancing effective performance of Youth Business Enterprises. The sampled Youth Group officials were asked to use a 5-point likert rating scale as shown in Table 4.11. Since the 5-point likert scale used was ranked from 1-2-3-4-5, a theoretical mean value of 3.0 was determined, using the formula $(1+2 +3+ 4+ 5)/5 = 15/5= 3.0$ to provide a measurement point for judging the results of the calculated mean value. Therefore, a mean equal to or higher than 3.0 indicated to disagree, while a mean less than 3.0 but between 2.5 and 2.99 indicated, neutral or undecided. However, a mean less than 2.5 indicated to agree. The responses were analysed and the results were as given in Table 4.11.

Table 4.11: Distribution of Youth Officials by Adequacy of YEDF Budgetary Allocation

The 5-point likert rater scale (1-to-5)	<i>f</i>	<i>x</i>	<i>(fx)</i>	<i>x²</i>	<i>(fx²)</i>	%
Strongly Agree	15	1	15	1	15	50.0
Somewhat Agree	12	2	24	4	48	40.0
Neutral	3	3	9	9	27	10.0
Somewhat Disagree	0	4	0	16	0	0.0
Strongly Disagree	0	5	0	25	0	0.0
Total	30		48		90	100.0

As shown in Table 4.7 majority 90 percent of the Sampled Youth Group officials agreed that the inadequacy of YEDF allocations from central government negatively influenced the performance of Youth Business Enterprises among the selected Youth Groups in Kitui Central District.

To calculate the mean values of x , the sum of $(fx) = \sum fx = 48$ was divided by the sum of $f = \sum f = 30$, to get the mean within the 5-point scale value rating to determine the concentration of responses within the 5-point likert rating scale range of 1-to-5. The mean values was calculated as $\sum fx / \sum f = 48/30 = 1.60$. The fact mean value was below the theoretical mean value of 3.0 and even less than 2.5, it was interpreted as to denote the fact that most of the Sampled Youth Group officials agreed that adequacy of YEDF allocations from central government was inadequate and therefore it negatively influenced the performance of Youth Business Enterprises in Kitui Central District.

Standard deviation is a measure of variability of the responses across the 30 sampled Youth Groups' officials. To obtain the standard deviation, the values of x were squared to obtain (x^2) and the sum of the product of (f) with (x^2) which gave $(\sum fx^2) = 90$ and it was divided by $\sum f = 30$ and from the quotient the square of the calculated mean $= (\sum fx / \sum f)^2 = (1.6)^2$, was subtracted then the square root of the difference was obtained using the formulae $= \sqrt{\sum fx^2 / f - (\sum fx / \sum f)^2}$; standard deviation obtained was $SD = \sqrt{90/30 - (1.6)^2} = 0.44$.

The calculated standard deviation indicated that there were no significant variations in the responses among the sampled Youth Groups' officials. The Sampled Youth Groups' officials' responses were in agreement towards their agreement, that adequacy of YEDF allocations from central government negatively influenced the performance of Youth Business Enterprises among the selected Youth Groups in Kitui Central District.

The interpretation of these results was that the main problem facing the performance of the Youth Groups' business enterprises seemed to have been the inadequacy of finance in that most of the youth groups lacked adequate capital to initiate or start their business enterprises or expand the existing units to become more viable. This was also in tandem to the recommendations from the revelations of the previous studies as had been revealed in the reviewed literature of the study (Baker & Sinkula 2009).

However, these findings were in contradiction to another proposition in the study conclusion of (Mabinda, 2012), in which he asserted that out of experience it has been the entrepreneur's ability that leads to the success of business enterprises. Therefore, it is not how much capital one invests initially in his/her business activities that contributes to the success of the enterprise and therefore, it should not be the amount of capital that should lead to better performance in the Youth Business Enterprises.

CHAPTER FIVE

SUMMARY, DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter comprises of and is organized into the following subheadings: summary of the study, discussions of the study findings, conclusions of the study, recommendations of the study and suggestions for further studies.

5.2 Summary of the Findings

This study assessed the influence of the YEDF to Youth self-employment in Kitui Central District, Kitui County, Kenya by: Measuring the impact of the influence of utilization of the Youth Enterprise Development Fund (YEDF) on performance of Youth Business Enterprises; influence of training about the YEDF on performance of Youth Business Enterprises; influence of access to YEDF loan on performance of Youth Business Enterprises; influence of educational levels of Youth group members about YEDF on the performance of Youth Business Enterprises, and influence of adequacy in allocations of YEDF on performance of Youth Business Enterprises.

Research instruments used included one questionnaire for the selected youth group officials. Data from the field were collected by the researcher and analysed for basic descriptive statistics. The main findings of the study are: A narrow spectrum of the possible entrepreneurial business skills needed to run a successful Youth Business Enterprises were taught in Ministry of Youth Affairs and Sports' Youth workshops and seminars.

An additional problem observed by the researcher was lack of skills in business management. Training equipment and materials were inadequate both in quantity and quality in most Youth Groups in the sample. Most Youth Groups in the study utilized their business skills to earn a living and some were able to create jobs for other youths. The main problem facing Youth

Groups seemed to be financial in that they lacked capital to start business enterprises or expand existing units to become more viable.

5.3 Discussions of the Study Findings

In the reviewed literature of this study, the Kenyan Youth Enterprise Development Fund loan facility was started in 2006 as part of Government's aim to help the youth to start up small scale business enterprises. The aim was to create self-employment for the youth and to let them become financially independent (Mabinda, 2012). Most 75 percent of the youthful Kenyans were still unemployed by the time this study was completed. Some economists in research had also identified the youth unemployment menace in Kenya as a ticking time bomb, with untimed rapture and unknown magnitude of damage (Mabinda, 2012).

In research question (i) the study findings pointed out that among the sampled youth officials, the entrepreneurial business experience and skills needed to run a successful Youth Business Enterprises were lacking. According to the study findings, a majority 76.7 percent of the sampled Youth Group officials had agreed that ineffective utilization of YEDF loan facility was negatively influencing the performance of Youth Business Enterprises due to lack of background business experience as well as skills needed for effective management of any useful business enterprise.

To some extent, the findings of this study had concurred with the literature review gaps that had been identified. In the previous studies it had been noted that, most Kenyan youth were not able to effectively utilize the YEDF loan to make any meaningful profit. In fact in one study it was noted that most of the youth members used the Youth Enterprise Development Fund for consumables, instead of putting it into productive business ventures (Mabinda, 2012).

In research question (ii) the study findings pointed out that there was a narrow spectrum of the possible entrepreneurial business skills taught in workshops/seminars organized by Ministry of Youth Affairs and Sports for the youth groups' training before acquiring the YEDF loans. It was also pointed out that there was a lack of Youth Groups' training on the Youth Enterprise Development Fund-related business enterprises.

According to the study findings, a majority 78.9 percent of the Youth Group officials agreed that the lack of Youth Groups' training about the awareness, acquisition and utilization of YEDF loans had negatively influenced the performance of the Youth Business Enterprises in the Kitui Central District. This concurred with what had been found out in the reviewed literature.

In the reviewed literature (Mabinda, 2012), had noted that the trainers in the ministry of youth affairs and sports had negative attitude towards the youth training seminars and workshops and the training equipment and materials were inadequate both in quantity and quality in most of the Youth Groups who were involved in any YEDF related business enterprise management training seminar or workshop.

According to the study findings, a majority 83.4 percent of the youth group officials agreed that the lack of access to Youth Enterprise Development Fund loans negatively influenced the performance of the Youth Business Enterprises in the Kitui Central District. In the reviewed literature, some of the hurdles in the acquisition of the Kenyan Youth Enterprise Development Fund loans so as to help in militating against the youth unemployment were: The youth were required to be in Youth Groups of not less than 15 members in order to access the YEDF loan(GOK: MOYAS, 2010).

However, requiring the youth to join Youth Groups before accessing the YEDF loan was uncalled for, since many of the youth entrepreneurs develop their ideas individually (Mabinda, 2012). There might be other Youth Group members who might have no entrepreneurial ideas, and who might not be interested in the business enterprises. Therefore such members fail to be actively involved in the Youth Business Enterprises but just become joy riders in the process of running the intended Youth Business Enterprises.

The financial management skills needed for the youth to effectively start and run their businesses were also lacking according to the findings of this study. Very few youth group training workshops and seminars had been facilitated by the Ministry of Youth Affairs and Sports on the youth business enterprise financial management. So there was lack of skills in both financial and business management.

From the findings, the main problem that faced the Youth Groups in the initial start up and running of small scale business enterprises successfully was inadequacy of finance (capital). Most of the youth lacked initial capital to start or expand the existing Youth Business Enterprises so to become more viable. According to the study findings, a majority 90 percent of the sampled Youth Group officials agreed that the Youth Enterprise Development Fund allocations from Central Government were inadequate for any meaningful business enterprise.

When the youth officials were asked to quote how much of YEDF loan they received, all 100 percent quoted that they were allocated only KShs. 50,000 for 20 people, where each member would receive only KShs. 2,500. This amount was inadequate to start any meaningful business enterprise. Therefore, the inadequacy of the YEDF loan allocations negatively influenced the performance of Youth Business Enterprises in Kitui Central District.

5.4 Conclusions of the Study

The job opportunities for the youth in Kenya have been noted in the study to be decreasing proportionally with increase of the educated unemployed as well as uneducated unemployed youth. However, it really remains to be seen whether the Youth Enterprise Development Fund has achieved its intended objectives among them creation of self-employment.

Some of the hurdles in the acquisition of the Kenyan Youth Enterprise Development Fund loans in militating against the unemployment of youth found out in the study were: The youth were required to be in Youth Groups of not less than 15 members in order to access the YEDF loan. However, many Youth Entrepreneurs develop their ideas individually, thus requiring them to join Youth Groups before accessing the YEDF loan is quite uncalled for. There might be other Youth Group members who might have no entrepreneur's ideas and might not be actively involved in the Youth Business Enterprises but they are just joy riders.

According to the findings what the Youth really needed were the skills to succeed in their Business Enterprises. Out of experience it is the entrepreneur's ability that leads to the success of the business, but not how much initial capital one has at the beginning of the business activities. Most of the Kenyan Youth use the Youth Enterprise Development Fund for consumables, instead of putting it into productive business ventures.

This was also noted in the literature review as one of the drawbacks of microfinance institutions, and it was possibly the reason as to why development economists were drifting away from micro financing to impact financing investments, defined as a 'company or other business organization engaged in commerce (Mabinda, 2012). The successful strategy to be adopted could be to provide a self-empowering alternative for underprivileged individuals to develop livelihoods; Capitalizing on creativity, so as to turn ideas and skill into marketable

products; supporting talented people to develop their skills, build their confidence and acquire the networks that enable them to start and run their own creative businesses.

5.5 Recommendations of the Study

Based on the study literature review and findings after the data analysis, the following recommendations were made:

- i. The YEDF programme should be improved so that it can benefit more youths, by starting small scale businesses to provide self-employment. Such improvements of the YEDF program required include provision of better equipped workshops, adequate supplies of training materials and greater emphasis on practical business management for the youth.
- ii. The implementation of the YEDF programme should have been preceded by a better youth groups' training approach on how they would run their businesses once they start their Youth Business Enterprises.
- iii. Therefore, any government that is aspiring to boost its performance of Youth Business Enterprises through Youth Enterprise Development Fund (YEDF), should rejuvenate the growth of the economy;
- iv. The government to create more opportunities for acquisition of technical skills by training the Youth where the training institutions should be accessible, friendly and affordable to all the Youth without discrimination.
- v. Encourage allocation of opportunities and resources by quotas and factor in the Youth as a substantive category of the population.
- vi. The study also recommended that there was need for the policy of only those of the Youth who were working in Youth Groups qualified to have access to the Youth Enterprise Development Fund loans needed an overhaul so as to enhance business accountability and effectiveness in management.

5.6 Suggestion for Further Studies

The researcher suggested further studies on the influence of utilization of the Youth Enterprise Development Fund on performance of Youth Business Enterprises which would add to the findings of this study on the need for background business knowledge in the start-up of the youth business enterprises using the Youth Enterprise Development Fund loan funded capital from the central government.

To enhance effective utilization of Youth Enterprise Development Fund loan other areas that require further research include: The attitude of the Youth Groups' MOYAS instructors to the Youth Enterprise Development Fund programme.

The relationship between the attitude of the youth to self-employment and the effective utilization of Youth Enterprise Development Fund loan in the Youth Business Enterprises. as well the policy of the youth working in Youth Groups to get the YEDF loans may also need to be further studied.

Further studies of the influence of training on Youth Enterprise Development Fund and the performance of Youth Business Enterprises were also recommended and the influence of access to Youth Enterprise Development Fund loan in enhancing the performance of Youth Business Enterprises was recommended.

Further studies on the influence of educational levels of Youth group members for the utilization of Youth Enterprise Development Fund on the performance of Youth Business Enterprises, and influence of adequacy of allocations of Youth Enterprise Development Fund on performance of Youth Business Enterprises were also recommended.

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APPENDICES

APPENDIX I: Transmittal Letter

Salee Stephen Kitonga

P.O Box 1451-90200

Kitui,

For Youth Groups-Kitui Central District

Dear Sir/Madam,

Ref: Transmittal Letter

I am **Salee, Stephen Kitonga** a postgraduate student at the University of Nairobi pursuing a Master of Arts (MA) Degree in Project Planning and Management (PPM). As part of the requirements for the award of the MA Degree in PPM; I am conducting a study on **Influence of Youth Enterprise Development Fund (YEDF) on Performance of Youth Business Enterprises in Kitui Central District, Kitui County, Kenya**. Being one of the Youth Groups, your group has been selected together with other Youth Groups in Kitui Central District to participate in this study. I congratulate your group for having been selected to participate in this study. I kindly, request you on behalf of your group to co-operate and assist me by correctly filling in this questionnaire. The information you will give will be kept confidential and strictly used for the purpose of this study. I also assure you that your identity plus that of your Youth Group will remain anonymous. I am very grateful for your co-operation.

Thank you in Advance,

Yours Faithfully,

Salee, Stephen Kitonga

University of Nairobi

APPENDIX II: Questionnaire for the Youth Groups' Officials

I. Introduction and Guidelines

This questionnaire is made to collect information for assistance in conducting a study on the influence of Youth Enterprise Development Fund on performance of Youth Business Enterprises in Kitui Central District-Kitui County, Kenya. I kindly request you to complete the questionnaire diligently. Use a tick (✓) to select your correct value among the choice given below each question.

II. Influence of Youth Enterprise Development Fund on Performance of Youth Businesses

Influence of Utilization of YEDF on Performance of Youth Business Enterprises

A. State the highest business work experience of your Youth Group members before starting this one under the YEDF government financing?

- 1) Less than 5 years ()
- 2) Between 6 - 10 years ()
- 3) Between 11-15 years ()
- 4) Between 16-20 years ()
- 5) Over 21 years ()

B. How do you associate business work experience to effective utilization of YEDF for performance of Youth Business Enterprises?

- 1) Very high association()
- 2) High association ()
- 3) Undecided ()
- 4) Low association ()
- 5) Very low association ()

C. Rate how YEDF loan repayment influences performance of Youth Business Enterprises?

- 1) Very large extent ()
- 2) Large extent ()
- 3) Some extent ()
- 4) Little extent ()
- 5) No extent ()

Influence of Youth Training about YEDF on Performance of Youth Business Enterprises

D. Rate the association of Youth training on utilization of YEDF with increased performance of Youth Business Enterprises?

- 1) Very high association()
- 2) High association ()
- 3) Undecided ()
- 4) Low association ()
- 5) Very low association ()

E. Rate how greatly would Youth Groups' training seminars/workshops influence their YEDF awareness to improve on the performance of Youth Business Enterprises?

- 1) Greatly agree ()
- 2) Agree ()
- 3) Neutral ()
- 4) Disagree ()
- 5) Greatly disagree ()

F. Rate how capitalistic economy influences Youth Groups' training on YEDF for the improved utilization of the funds and performance of Youth Business Enterprises?

- 1) Strongly agree ()

- 2) Agree ()
- 3) Undecided ()
- 4) Disagree ()
- 5) Strongly disagree ()

Influence of Youth Access to YEDF Loan on Performance of Youth Business Enterprises

G. Rate how the lack of awareness on the Government's Youth policy for self employment influences access to YEDF for performance of Youth Business Enterprises?

- 1) Strongly agree ()
- 2) Agree ()
- 3) Undecided ()
- 4) Disagree ()
- 5) Strongly disagree ()

H. How do you rate the association of bureaucratic disbursement of YEDF to effective access to YEDF with increased performance of Youth Business Enterprises?

- 1) Very high association ()
- 2) High association ()
- 3) Undecided ()
- 4) Low association ()
- 5) Very low association ()

I. To what extent do you relate effective repayment of YEDF loan with access to further YEDF loan and performance of Youth Business Enterprises?

- 1) Very large extent ()
- 2) Large extent ()
- 3) Some extent ()
- 4) Little extent ()

5) No extent ()

Influence of Youth Education Levels and YEDF on Performance of Youth Business Enterprises

J. State your highest educational level as the official of your Youth Group members?

1) Degree ()

2) Diploma ()

3) Certificate ()

4) Secondary ()

5) Primary ()

6) No-schooling ()

K. How do you rate the association of business management training with acquisition of YEDF for improved performance of the Youth Business Enterprises?

1) Very high association ()

2) High association ()

3) Undecided ()

4) Low association ()

5) Very low association ()

L. Rate how the Youths' level of education in acquisition of YEDF influences the performance of Youth Business Enterprises?

1) Strongly agree ()

2) Agree ()

3) Undecided ()

4) Disagree ()

5) Strongly disagree ()

Influence of Adequate Funds for YEDF on Performance of Youth Business Enterprises

M. State how much of the Youth Enterprise Development Fund (YEDF) loan you get from the Kenya Youth Enterprise Development Fund in KShs. -----?

N. In your opinion is this amount of YEDF loan adequate for all the members in your Youth Group to start a competitive business?

1) Yes ()

2) No ()

O. If No in (N. above), how much of the YEDF loan would be adequate for all the members in your Youth Group to be in competitive business in KShs -----?

P. Rate how the Central Government's budgetary allocation for YEDF is inadequate for 20 member Youth Group's application influences on performance of Youth Business Enterprises?

1) Strongly agree ()

2) Agree ()

3) Undecided ()

4) Disagree ()

5) Strongly disagree ()

Thank you for your cooperation.

APPENDIX III: List of Youth Groups, which Participated in the Study

1. Arise and Walk Self Help Group
2. Hope Youth Christian Youth Group
3. Chapa Youth Group
4. Ngwatano Youth Group
5. Kitui Bus Park Youth Group
6. Kalawa Youth Group
7. Ngiluni Youth Group
8. Maangani Youth Group
9. A Better Kenya Youth Group
10. Kisamba Youth Group
11. Kathungi Kisyoka Environmental Group
12. Bondeni Laundry Youth Group
13. Muthoo Mutula Youth Group
14. Usanga Youth Self Help
15. Kanzau Town Youth Group
16. Malawa Youth Self Help Group
17. Kilukuya Youth Group
18. Destiny Generations Youth Group
19. Ithookwe Airstrip Youth Group
20. Miambani Youth Traders
21. Imale Youth Group
22. Kangaluni Youth Women
23. Kyamwiyu Youth Group
24. Juakali Self Help Group

25. Kamina Ngui Youth Group
26. Kiimani Youth Group
27. Katokoni Youth Self Help Group
28. Yakalia Wendo Farmers Group
29. Madrasa Wowesok Youth Group
30. Wikwatyo Wa Tiva Youth Group

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