

**DETERMINANTS OF SUSTAINABILITY OF YOUTH
ENTERPRISE DEVELOPMENT FUND LOANS IN
EMUHAYA DISTRICT, KENYA**

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2012

BY

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

2012

2012

DECLARATION

This research project is my original work and has not been presented for a degree or any other award in any other university.

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DEDICATION

I dedicate this study to my husband Jack Olachi; my children Kevin Olachi and Winnie Olachi who encouraged me to pursue higher education and have been patient with me in this pursuit.

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ABBREVIATIONS AND ACRONYMS

CARICOM	- Countries of Caribbean Community
CCK	- Communication Commission of Kenya
C-YES	-Constituency- Youth Enterprise Scheme
CYS	- Cross Sectional Youth
EDC	- Education Development Centre
FHI	- Family Health International
GOK	- Government of Kenya
IGA	- Income Generating Activity
JOCAP	- Jobs Ontario Community Action Program
KKV	- Kazi KwaVijana (Swahili equivalent of work for the youth)
MFI	- Micro-Finance Institution
NGO	- Non-Governmental Organization
OPM	- Office of the Prime Minister
REAL	- Rural Entrepreneurship through Action Learning
ROADS	- Regional Outreach Addressing AIDS through Development Strategies
RPF	- Regent Park Program
SACCO	- Savings and Credit Co-operative Organization
UN	- United Nation
WPAY	- Worlds Program for Action for Youth
YEDF	- Youth Enterprise Development Fund
YEN	- Youth Employment Network
YES	- Young Entrepreneurs Scheme

ABSTRACT

Due to high rate of unemployment among youths in Emuhaya District, the Youth Enterprise Development Fund has disbursed loans to 100 youth groups. However, about 99% of youth groups have neither repaid back nor completed repaying their loans. For this reason, the purpose of this study was set to establish determinants of sustainability of Youth Enterprise Development Fund Loans in Emuhaya district, Kenya. The objectives of this study were: To identify the extent to which group dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya: To establish whether capacity building and training influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya: To examine the extent to which profitability in income generating activities influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya and to assess the extent to which market dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya. The study was guided by the Theory of Youth Empowerment and a conceptual framework showing interrelatedness of various variables of the study. Descriptive research survey design was adopted and the study involved the administration of questionnaires. The findings of the study are of great significance to the management of Youth Enterprise Development Fund in ensuring sustainable loan to youths in Kenya. The study found that the following aspects contributed to sustainability of the YEDF loans: Improved motivation of the group members in group activities was at 90%, improved sense of community was at 93%, increased involvement in decision-making by members was found to be 91%, having relevant group objectives at 92%, autocratic and democratic type of leadership in the group at 86% and at 78% respectively, improved the repayment of Youth Enterprise Development Fund loans. Similarly, 85% of respondents who received trainings and 84% attended seminars, improved profits at 50% and improved market demand at 94%. The study concluded that the following aspects contributed to sustainability of the YEDF fund: Improved motivation of the group members in group activities, improved sense of community, increased involvement in decision-making by members, having relevant group objectives, democratic type of leadership in the group, trainings, seminars, improved profits, improved market demand and low market competition. The study recommended that the government through the ministry of Youth Affairs and Sports should train the youth on the importance of democratic leadership, motivation, having a sense of community, importance of involvement in decision-making, importance of having relevant group objectives. The study suggests that future researchers should do the same study in other counties to compare with the findings of this study. The study also suggested that future researchers should do a study on factors influencing youth involvement in SMEs in Emuhaya and factors contributing to low-uptake of YEDF loans by youth in rural areas. The study recommended that the government through the ministry of Youth Affairs and Sports should train the youth on the importance of democratic leadership, motivation, having a sense of community, importance of involvement in decision-making; research on emerging markets so as the youth groups can know areas where they can sell their goods and services at optimal prices; and empower the youth groups on how to improve the value chain of their products and services.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the United Kingdom, Youth Enterprise loans started with students' university loans which were made available to all students. Repayment of these loans was made under a mortgage style system of 60 monthly installments which began when students started earning over a specified threshold (£27,050). This system was centralized because no matter what the size of the loan, repayment had to be done in 60 monthly installments (Education Loans, 2010). In Ireland, the Golden Vale Young Entrepreneurs scheme, aiming to stimulate enterprise and innovative activity amongst young people, has been encouraging and assisting the organization of Young Entrepreneurs Schemes (YES) within schools. Since its inception in 1991, over 50,000 students who had participated in YES were helped to create and operate their own businesses (European Commission Report, 2000). In the Caribbean, a programme by UNICEF promoted cross-institutional collaboration through community multipurpose youth hubs in both macro and micro environments to ensure comprehensive long term supports for youth were established (World Bank, 2002).

In Ghana Kufuor, (2010) realized that most young men were not committed to loan repayment. However, he recommended proper education of youths on entrepreneurial opportunity and repayment before they were loaned. USDA (2010) initiated programmes via USAID in sub-Saharan Africa to facilitate sustainable agricultural development. Under the Millennium Village Project, youths were educated on farm management practices before they were loaned money to carry out with their agricultural activities. In

response to the youth situation in Nigeria, the ECA Regional Outreach Addressing AIDs through Development Strategies (ROADS) program run by Family Health International (FHI), and Education Development Centre (EDC) through USAID-funded cross sectional Youth project, carried out a rapid assessment of youth needs and opportunities to strengthen youth skills and knowledge in entrepreneurship. As a means of reducing vulnerability to higher risk survival strategies such as prostitution, ROADS sought to support individual youth entrepreneurs to strengthen their fledging businesses in Bukavu by providing increasingly tailored business development training through the entrepreneurial funnel, (Tamara Duggleby, 2009) on EDC report.

In Tanzania, the Youth Entrepreneurship facility in partnership with Youth Employment Network (YEN) and International Labour Organization (ILO) had developed youth –to-youth Fund component sought proposals for grants from local youth led organizations which provided them with an opportunity to actively participate in the development of youth entrepreneurship in their communities (ILO, 2007). In the horn of Africa, Northern Somalia. Horn Relief Programme initiated the pastoral youth program to provide relevant information for pastoral youth and the program had the development of appropriate skills and knowledge necessary to contribute to the development of a peaceful, democratic and self reliant society as its core objective. This innovative participatory action research based education programme focused on leadership skills, natural resource management, human health and animal health. The youth graduating from the programme applied the learned skills by implementing small community development programmes or businesses, scholarships for further education and the carried Caravan Research, through which sedentary pastoral youth travel to pastoral areas

to conduct research on pastoralism and various issues affecting their communities. In Tanzania Akiba Kwa Vijana Initiative was started to specifically look at the youth financial needs. This program was aimed at uplifting youth economic status in the community. In Uganda, a similar program had been initiated with the objective of including youth into the mainstream credit financing (Horn Relief Kenya, 2011).

In Kenya the government initiated several projects under the Ministry of Youth Affairs and Sports. The Kazi kwaVijana Initiative under the Economic Stimulus Package, the Youth Enterprise Development Fund was initiated to enable youth in groups access credit. Under this program, several youth groups have received loans to start small scale enterprises.

The Youth Enterprise Development Fund was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. The loan targets all forms of youth owned enterprises whether owned individually, as a company, in groups, in cooperatives or any other legal forms of business ownership; Seventy five percent (75%) of those unemployed are the youth. The government set aside Kenya shillings One billion (Ksh. 1 billion) in the 2006/2007 budget to fast-track this noble and timely initiative (YEDF guide, 2009). The Fund was gazetted on 8th December 2006 to provide the necessary legal framework to govern its use and operations. The Fund facilitates youth employment through enterprise development and structured labour export. The 11-member Advisory Board of the Fund was gazetted on 31st January 2007 and is 60% private sector dominated (YEDF, 2009).

The objectives of the YEDF are; to provide loans to existing Micro-Finance Institutions (MFIs), registered Non-Government Organizations (NGOs) involved in micro

financing, and Savings and Credit Co-operative Organizations (SACCOs) for on-lending to youth enterprises; attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; and facilitate employment of youth in the international labour market (YEDF, 2009).

The Kenya shillings one billion was allocated as follows: Kshs. 210 million was allocated to parliamentary constituencies to finance youth groups. Each Constituency receives Ksh.1million; Kshs. 690 million was channeled through Financial Intermediaries to finance all legally recognized forms of youth-owned enterprises; Ksh. 100 million was set aside to cater for the other objectives of the Fund that entail commercial infrastructure development, linkage schemes, marketing of products/services of youth enterprises, labour export scheme, and also finance some administrative expenses. To ensure equity in the distribution of the Fund, the following criteria has been used: the first half of the Fund (Ksh. 345 million) has been divided equally to all districts and the second half of the Fund (Ksh. 345 million) has been divided as a factor of the population of young people in each district (YEDF, 2009).

The Youth Enterprise Development Fund guide 2009 indicates that the loan access procedures include, having a registered group/company/cooperative which has been in existence for at least 3 months as of the date of application, the registered entity must have a bank account, the entity must have at least 70% youth membership and 100%

financing, and Savings and Credit Co-operative Organizations (SACCOs) for on-lending to youth enterprises; attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; and facilitate employment of youth in the international labour market (YEDF, 2009).

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of its leadership in the youth bracket, prepare business proposal using the standard format provided, submit the proposal form to District Youth Enterprise Development Fund Committee through Divisional Youth Officers, Social Development Assistants, or the Constituency Office, District Youth Enterprise Development Fund Committee evaluates the proposal using evaluation guide provided by the Ministry of Youth Affairs and Sports, recommended proposals submitted to the District Youth Enterprise Development Fund Committee for validation and approval, the District YEDF Committee submits the approved proposals to the Youth Enterprise Development Fund (YEDF) Secretariat, the YEDF Secretariat disburses the funds directly to the bank accounts of the approved groups and the Entity repays the loan in installments within 12 months after the grace period into the bank account of the YEDF (YEDF,2009).

To date the fund has advanced loans worth Kshs 5.96 billion to 157,538 youth enterprises. Out of this amount Kshs 614.8 million has been advanced to 13,341 youth group projects while Kshs 66.1million has been disbursed to 2,645 individual enterprises at the constituency level. Through financial intermediaries the fund has financed 141,552 youth groups and individual enterprises to the tune of Kshs 5.3 billion (YEDF, 2011).

1.2 Statement of the Problem

Youths in Kenya have experienced several socio-economic problems in their quest to advance their life ambitions. Most employing agencies have been demanding many years experience of even up to 15 years as a measure of job competency as a pre-requisite to recruitment. In Emuhaya district, youths constitute part of the poorest and unprivileged population (District Development Plan, 2008-2012). The reasons advanced for youth's poverty in Emuhaya included lack of market, over presence of imported

traders from other areas, high dependency on handouts, widespread unemployment and mismanagement of cooperative societies. This therefore has been noted as a probable reason that would impact negatively on the youth's ability to repay the Youth Enterprise Development Fund loans.

Slow registration of youths in Emuhaya district has been noted as a contributor that edges out most youths from the labour market. National Identity Card is a prerequisite to any form of formal employment in Kenya and given the fact that most youths do not have Identity Cards (ID) in Emuhaya, and then they are not eligible to financing District Development Plan 2008-2012).

The poverty index of Emuhaya district is very high and stands at 62%. According to Communication Commission of Kenya CCK (2010), the National Poverty Index stands at 29%. Youth tend to move to the urban part of Emuhaya and this is a contributor to the high poverty levels in urban centers of Emuhaya which have a poverty index of 62% compared to the rural poverty index of 58%. The controls of productive resources which are scarce are not controlled by youths. Emuhaya district has one of the highest population densities in the country with 313 people per square kilometre and is expected to rise to 1,397 people per square kilometre by 2012 thus increasing competition of land as a productive resource. With high population density, average farm size in Emuhaya is about 0.5ha with only 28.3% of farms operated by individuals with title deeds. The rest are either communally owned or too small to be sub-divided. About 95% of youths do not have access to land as a productive resource (CCK, 2010).

According to Emuhaya District Development Plan of 2008-2009, there are only 396 youths in polytechnics which represent 0.58% of the total youths meaning that very

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According to Emuhaya District Development Plan of 2008-2009, there are only 396 youths in polytechnics which represent 0.58% of the total youths meaning that very

few youths have access to technical and entrepreneurial training which make them have little control of market environment which is squeezed with a turnover of Kshs. 136,093 per day. Ochilo (2010) carried out a study on factors influencing youth participation in community development projects in Emuhaya Division, Kenya. However, the study did not establish the sustainability of Youth Enterprise Development Fund loans. Omollo (2011) studied influence of C-WES on economic empowerment of women entrepreneurs in Kisumu Rural, Kenya. Similarly the study did not establish sustainability of YEDF loans. Another study done by Ocholla (2011), on influence of YEDF on economic empowerment of youth in Bondo district, Kenya and this study did not establish the sustainability of YEDF loans. It is on this background that the study therefore was to address certain determinants of sustainability of Youth Enterprise Development Fund loans and proposed how youths would benefit from the fund.

1.3 Purpose of the Study

The purpose of this study was to establish determinants of sustainability of Youth Enterprise Development Fund Loans in Emuhaya District, Kenya.

1.4 Objectives of the Study

The study was guided by the following objectives:

1. To identify the extent to which group dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya.
2. To establish whether capacity building and training influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya.
3. To examine the extent to which profitability in income generating activities influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya.
4. To assess the extent to which market dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya District, Kenya.

1.5 Research Questions

The study attempted to answer the following research questions;

1. To what extent do group dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya?
2. How does capacity building and training influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya?
3. To what extent does profitability in income generating activities influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya?
4. To what extent do market dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya?

1.6 Significance of the Study

The findings of this research project would be used to develop policies, guidelines and strategies that would guide the Ministry of Youth Affairs and Sports and other line ministries in the planning of youth empowerment in Emuhaya district and in Kenya. The study would help understand and take care of various factors that would influence repayment of Youth Enterprise Development Fund loans and any other loans which aid in their general development and improve their living standards.

The government through the Ministry of Youth Affairs and Sports would use the findings of this study to formulate policies and guidelines that would aid youths facilitate repayment of Youth Enterprise Development Fund Loans both at district, constituency and national levels. The study would disseminate information to students, managers, researchers and general readers in the field of micro finance and youth empowerment.

Non-governmental organization working in Emuhaya district would be able to assist youths organize themselves in groups and utilize the various group dynamics to influence IGAs to be initiated by youths and promote repayment of loans. The research project would also serve as a replica in other districts/constituencies that have benefited from Youth Enterprise Development Fund loans. In addition, the findings of this study would be used in identifying strengths and weaknesses of YEDF loans and it may assist in the improvement of disbursement and repayment of YEDF loans countrywide. The data and information of the research project would be beneficial for proper planning and informed decision making on sustainability of YEDF loans.

The findings of the study would be of great benefit to commercial banks and Micro Financial Institutions in understanding factors that would influence repayment of

loans by youths. In line with the Youth Enterprise Development Fund loans, Commercial Banks would design similar products and hence expand their market base to accommodate more youths. The study may also guide the national authorities to generate new informed policies for improved economic empowerment of the youth and fill the knowledge gap on factors influencing sustainability of YEDF loans in Emuhaya district, Kenya.

The study would be able to assist communities attain sustainable development by looking into various constraints that would interfere with youths repayment of loans. With success in utilization and timely repayment of loans, young stars would be effectively initiated into youth programmes such as the YEDF loans and eventually becoming seasoned entrepreneurs and focused adults as far as financial discipline is concerned.

1.7 Basic Assumptions of the Study

The general assumptions of the study were; it was assumed that youths in groups were more responsible and committed to loan repayment and Income Generating Activities (IGAs). Individual differences; family and environment where the youth come from and community related factors could influence the repayment of Youth Enterprise Development Fund loans among the youth. It was also assumed that the respondents would provide relevant information. As a result the researcher would ensure that the research instruments were well structured for ease of understanding by the respondents.

1.8 Limitations of the Study

According to Kombo and Tramp (2006), limitation of the study are challenges anticipated or faced by the researcher during the study which could influence the scope of the study, data accessibility and unanticipated occurrence; in other words respondents failing to give the required information due to cultural beliefs. The youth would also not be willing to disclose the loan arrears or the amount of money they have paid for purposes of drawing conclusions. As a result, information on their ability or inability to repay loans would not be accurately sort. The researcher would rely on secondary data from the District Youth Development Offices in Emuhaya district for more information.

1.9 Delimitations of the Study

The study was conducted in Emuhaya district which is found in Vihiga County in Western Kenya. Emuhaya district borders Kisumu North, Khwisero and Gem districts. The number of youths in Emuhaya district is 63,313; however the study delimited itself to youth in registered youth groups both beneficiaries and non-beneficiaries of Youth Enterprise Development Fund Loans. Emuhaya has the highest population density with 313 people per square kilometer with youth unemployment of 87.54% which therefore warrants this study to delimit itself to youth whose loans repayment rate stood at 33.32% according to the districts Youth office Emuhaya.

1.10 Definitions of Significant Terms Used in the Study

Determinants:	Selected factors that are presumed to have influence on youth's ability to repay loans.
Sustainability of Youth Enterprise Development	Ability to carry on with loan acquisition, management and repayment.
Fund Loans	
Youth Enterprise Development Fund:	Money provided by the government to be loaned to youths with the purpose of uplifting their financial status.
Group Dynamics:	Group member's interactions and successful management of SMEs that lead to sustainable loan repayment.
Capacity Building:	Skills imparted to the youth to create an enabling environment for better performance in their enterprises.
Income Generating Activities:	Economic activities that the youth engage in and generate income.
Market Dynamics:	Knowing the needs and wants of the target customers and delivering satisfaction more than competitors.

1.11 Organization of the Study

The study was organized into five chapters as follows;

Chapter one constituted background of the study; statement of the problem, purpose of the study, objectives of the study and research questions, significance of the study, basic assumptions, limitations, delimitations of the study and definition of significant terms used in the study. Chapter two constituted literature review arranged

under the following sub headings. Group dynamics and sustainability of Youth Enterprise Development Fund loans; capacity building, training and sustainability of youth Enterprise Development Fund loans; profitability in Income Generating Activities and sustainability of Youth Enterprise Development Fund loans and Market Dynamics and sustainability of Youth Enterprise Development Fund loans. The literature review was used to identify knowledge gaps to be selected by this study and to argue out the case why Emuhaya district needs to be studied. This section also contained theoretical framework and a conceptual framework showing the interrelatedness of independent, intervening and dependent variables that guided the study and summary of literature review. Chapter three consisted of research design that was adopted in the target population, sample size and sample selection, research instruments, pilot testing of research instruments, validity and reliability of instruments, data collection procedures, data analysis techniques and finally ethical considerations. Chapter four contained data analysis, presentation, interpretation and discussions whereas chapter five, summary of findings, conclusions and recommendations of the study and for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This review of related literature described the introduction, group dynamics and sustainability of Youth Enterprise Development Fund loans, capacity building and training on sustainability of Youth Enterprise Development Fund, profitability in income generating activities on sustainability of Youth Enterprise Development Fund loans, and market dynamics and sustainability of Youth Enterprise Development Fund loans.

2.2 Group Dynamics and Sustainability of Youth Enterprise Development Fund

Loans

In USA, group dynamics are known to instill common property management by groups who share the same natural resources. These management systems have strong relations between village groups and local institutions. Common property regime make management decisions jointly in a desirable option when collective enforcement of fairly restrictive use rules as it take less time, lower transaction costs than endless one-on-one deals (FAO, 2007).

Group sustainability varies greatly between groups for numerous reasons. These reasons include group dynamics, relevancy of the groups issues, the motivations of members, as well as sense of community in the group and give insight to the techniques, activities, employ to recruit and maintain membership. Other activities have the advantage of creating institutional momentum, sparking the public interest and for mentoring the group cohesion. All these factors affect the motivation of the group's

membership. Indeed the primary factor determining the group sustainability seems to be the motivation of the membership, as asserts (Shragge Eric, 2003).

There are a few contemporary policy structures to support the youth in community governance (Camino & Zeldin, 2002, Flanagan & Faisan, 2001) thus promoting its advancement as a policy priority for promoting youth development and cultural programs such as Jobs Ontario Community Action Program (JOCAP) has established how cultural programs can equip youth with skills that enable them to pursue a career in a particular field. Fresh Arts a program which gave the creative youth the opportunity to work and develop their skills in the discipline of their choice led to many youths developing as professional artists and this is well asserted by Smith, 2003 that young people will be propelled through the education system in pursuit of credentials and as a consequence emerge out of the other end able to enjoy the industrial benefits of their education as well as contribute to the economy building healthy communities. This is further compounded by cultural stereotypes of adults in the United States for instance, that found only 48% of adults who believed it was important to seek young people's opinions when making decisions that affect them, however the shift in viewing youth as 'community assets' rather than 'problems to be prevented' (National Research Council and Institute of Medicine, 2002).

Forum for Youth Investment, 2002 in setting forth principals of youth development through the National Governors' Association urges the youth to be involved in states decision-making processes and to help them establish the goal of youth policy. In Wisconsin for instance, two highest priorities emerging from county conversations involving 2,100 residents and public officials, were to create a culture in which youth are

equal partners in decision making and governance and encourage youth community service and civic involvement (Zeldin, Camino, Calvert & Lvey 2002).

In an effort to make the disenfranchised youth in Toronto, Canada who faced main challenges on lack of employment, due to high school drop-out rates, there was need to come up with a community programming among this group. The purpose of creating employment for the youths through the provision of employable skills was meant to facilitate viable transitions from learning to work (Dei, Mazzuca, McIsaac & Zine 1997; Royal Commission on Learning, 1994).

Through the Regent Park programme established in 1989, the youth have been engaged in media training, video production and with the guidance and support of the staff at RPF, youth have been able to use the skills acquired to enter post secondary institutions and eventually labour market.

Many youths are known to assess risks sometimes more accurately than adults and as suggest (Millstein & Halpern-Felsher, 2002) the youths can contribute substantially to community governance by identifying a set of alternative courses of action, assess alternatives by criteria, evaluate contingencies, summarize information about alternatives and evaluate decision making processes which contribute to sustainability in development.

According to participatory action research which involves a systematic cyclical method of planning, taking action, observing, evaluating (including self evaluation) and critical reflection prior to planning the next cycle Shragge, 2003 problems in a workplace, for instance, reducing of illiteracy of students through use of new strategies (Zimmerman 1988). It is a collaborative method to test new ideas and implement action for change.

When action research is built on group dynamics, models developed by psychologist Kurt Lewin in early 1990's, revolves around three sets of relationships; relationships between individuals within the communities and groups, relations between these groups and communities, and relations between people and their physical environment.

Based on the management of the group dynamics, group activities relevant to group objectives in peasant youth groups in rural Byaca, Australia and other underserved groups were incorporated in 'Community Action' components to address complex human and social problems (Johnston & Clark, 1982). Thus participatory action development is majorly used among community youth workers as well as middle and senior high school teachers as successful methodology for engaging youth voice in the classroom. According to Johnston & Clark, 1982 Youth Participatory Action Research Projects are typically centered on issues of intimate, structural violence, educational justice, access mobilization and group dynamics training.

Similarly when youths in Australia devised a series of community projects to promote personal, group and community wellness using participatory action research, it was noted that psychological changes are easier to achieve than changes of the community level (Ellis, 2001). Japans effort to conserve the forest with rural communities showed that partnership among local communities, government and private sector and other interest groups to work together would lead to a sustainable forest management and equitable sharing of benefits (FAO, 1998).

Youth unemployment in Nigeria has become developmental challenge which is further aggravated by the government's lack of political will to empower the youth as asserts (Nwigwe, 2010). The youth can only increase their income levels, more

sustainable enterprises or gainful employment and self-esteem when they are provided with support in terms of leadership and mentorship. In response to the youth situation in Nigeria, the ECA Regional Outreach Addressing AIDs through Development Strategies (ROADS) program run by Family Health International (FHI), and Education Development Centre (EDC) through USAID-funded cross sectional Youth project, carried out a rapid assessment of youth needs and opportunities to strengthen youth skills and knowledge in entrepreneurship. As a means of reducing vulnerability to higher risk survival strategies such as prostitution, ROADS seeks to support individual youth entrepreneurs to strengthen their fledging businesses in Bukavu by providing increasingly tailored business development training through the entrepreneurial funnel, (Tamara Duggleby , 2009) on EDC report.

In the horn of Africa, Northern Somalia, Horn Relief Programme has initiated the pastoral youth programme to provide relevant information for pastoral youth. The programme has the development of appropriate skills and knowledge necessary to contribute to the development of a peaceful, democratic and self reliant society as its core objective. This innovative participatory action research based education programme focuses on leadership skills, natural resource management, human health and animal health. The youths graduating from the programme apply the learned skills by implementing small community development programmes or businesses, scholarships for further education and the carried Caravan research, through secretary pastoral youth travel to pastoral areas to conduct research on pastoralism and various issues affecting their communities (Horn Relief Kenya, 2011).

2.3 Capacity Building and Training on Sustainability of Youth Enterprise

Development Fund loans

Capacity building is the essential lubricant of national development, the ability of individual institutions and societies to perform functions, solve problems and set and achieve objectives in a sustainable manner. Effective capacity building efforts include a broad range of approaches such as granting operating funds, granting management development funds, providing training and development sessions, providing coaching and supporting collaboration with other partners (UNCED, 1992). Youth participation in development has continued to generate increasing interest driven to some extent by the discourse on children's rights. The UN has long recognized that young people are major human resource for development and key agents for social change, economic growth and technical innovation. Thus World's Program for Action for Youth (WPAY) adopted by the UN General Assembly in 1995 and expanded upon in 2007, provides a policy framework and practical guidelines for national action and international support to improve the situation of young people. By encouraging, promoting and establishing conflict resolution mechanisms or systems among youth-led organizations and the important role they play in supporting young people's civic engagement, capacity building and providing non-formal education through financial support and promotion of their activities. This would go along way to create sustainability in their ventures, a view supported by Earthscan, (2007) on theory and practice of involving young citizen in community development.

It is imperative that policies and policy instruments which would be flexible and selective enough to be generated to ensure that majority of young people would be

provided with a set of skills and relevant experience, prior to their real world of business. To avoid the risk of large scale marginalization, societies should encourage the development of entrepreneurial skills among their young members. In order to promote a culture of enterprise and self employment as a career option, secondary school students in the United States were made exposed to realities of Enterprise Society Programme) and the REAL (Rural Entrepreneurship through Action Learning). The programme having originated from North Carolina in response to sobering realities of poor local educational and work opportunities for rural youth, links education with rural economic development by assisting young people identify a business opportunity, prepare a business plan and initiate business while at school (Ekong, 2003).

Capacity building is assistance that is provided to entities which have a need to develop a certain skill or competence, or for general upgrading of performance ability. Most capacity is built by societies themselves, sometimes in the public, sometimes in the non-governmental organizations and sometimes in the private sector (Barnes and Ascid 2003).

YES, an international non-profit organization in Massachusetts, United States of America, leads a campaign to nurture and empower the youth to lead a global movement that collectively addresses unemployment problem among the youth by providing them with opportunities to develop their leadership skills, training in marketable job oriented skills, and access to resources and linkages needed to realize their potential as entrepreneurs. This has been achieved through encouraging diverse stakeholder groups to support youth-led country networks to identify, design and implement specific training and development programs for promoting youth employment and entrepreneurship. These programs set in place by YES network have built youth capacities through training and

support as is demonstrated by the over 400 youth-led projects and programs in over 50 countries (World Bank, 1997).

According to UNDP (1995), capacity building is the creation of an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation, human resources development and strengthening of managerial systems. This shows that UNDP recognizes that capacity building is along term continuing process in which all partners participate.

Caribbean youth who are faced with unemployment problems are in disadvantaged situations limiting them to informal sector work. Through the government and NGO's efforts, CARICOM's Regional strategy for youth development has developed youth policies and built a cadre of youth professional staff qualified to work on youth issues. A programme by UNICEF promotes cross-institutional collaboration through community multipurpose youth hubs in both macro and micro environments to ensure comprehensive long term supports for youth are established (World Bank, 2002).

The New Mexico Youth Alliance (NMYA) is a state wide council of youth. The NMYA meets quarterly to provide youth with leadership and advocacy skills and creates an annual youth platform to advocate for youth issues. The forum maintains several initiatives and networks that help build capacity for the adoption of positive youth development in New Mexico. These networks provide critical support or add capacity in a variety of ways, but structured opportunities for volunteerism is a critical component. In addition, youth engage in comprehensive training (weekly) and are placed with community-based organizations to receive mentoring support from existing leaders in the sector (World Bank, 2002).

In Ireland, the Golden Vale Young Entrepreneurs scheme, aiming to stimulate enterprise and innovative activity amongst young people, has been encouraging and assisting the organization of Young Entrepreneurs Schemes (YES) within schools. Since its inception in 1991, over 50,000 students who have participated in YES have been helped to create and operate their own businesses. (European Commission Report, 2000).

Similarly, the European Union by May 2000 initiated a programme in Hungary through the Ministry of Social and family affairs to integrate the Roma minority youths on supportive schooling (catching up and vocational training) for talented young Roma so as to enhance their social promotion(European Commission Report, 2000).

Most of the countries in Asia face the problem of youth unemployment and thus the need to provide the youths with sustainable projects in entrepreneurship has encouraged International Youth Foundation (IYF) to incorporate relevant organizations and agencies across the public, private and civil society sectors to offer Palestinian youths high quality, comprehensive training, practical and participatory capacity building enabling them that supports their entry into the workforce and foster tangible improvements to their local communities (Booth, 1994).

In Afghanistan the Youth Empowerment Project (YEP) was established to increase the participation of young Afghan women and men in the reconstruction and advancement of their country. The activities of the project establishes a network of female and male youth groups through- out the country who are equipped with strong life skills, actively involved in the social, cultural, sporting and economic life of their communities and linked to similar youth networks in other parts of the world.

Young women and men will be promoted to actively participate in democracy building, entrepreneurship development processes and the sustainable peace and solidarity in the country (Habitat, 2011).

The Nigerian Youth Entrepreneurship Development Programs (NYEDP) main goal is to expand youth employment creation through youth entrepreneurship: micro-credit, agro-allied and vocational skills acquisition. The NYEDP is designed as an intervention strategy to provide opportunities for youth to gain experience and enhance their capacities in three major areas which have been identified as forces that limit the potential of Nigerian youth in the labour market. These include: lack of adequate skills, lack of requisite experience and lack of access to finance for youth entrepreneurs and youth who participate in all levels of the program would be better prepared to face the challenges of the job market because they would be equipped with skills and experience and will have the option of available finance for self employment ([www.the commonwealth.org](http://www.the-commonwealth.org)).

The Zimbabwe Youth Council (ZYC) aims at equipping young people, youth associations and young entrepreneurs with clear specific knowledge and skills related to leadership and development within themselves. After these trainings, youths would be involved in services to others within their community and the country at large. Furthermore the training aims at imparting information to young people for entrepreneurship (Youth Council, 2010). From studies undertaken in Botswana, young people need to be effectively integrated in the mainstream economy as a means of alleviating unemployment problem. However the challenges faced by the youth in trying to break even in their startups was found to be lacking due to lack of training and

capacity building to make them match their established competitors. Through the Ministry of Youth, Sport and Culture in Botswana, apart from initiating youth development fund to assist young people with entrepreneurship also ensures coordination, implementation and evaluation of the National Youth Policy.

The programs initiated ensure that youths are actively engaged in the socio-economic development of the country by venturing into sustainable and growth oriented enterprises in rural areas to create sustainable employment opportunities for young people through the development of sustainable projects (Youth council, 2010).

The youth in Bukavu, Democratic Republic of Congo is faced with a situation where the formal sector banks hesitate to offer credit to youth who are seen as 'high risk-low return.' Linkages between the youth entrepreneurs and larger private sector companies are limited despite the indications that these companies are now actively seeking ways in which to support local communities by enhancing local supply chains, thereby reducing current reliance on external markets for supplies and services. In response to this local situation, the ECA Regional Outreach Addressing AIDS through Development Strategies (ROADS) program run by Family Health International (FHI) and Education Development Centre (EDC) through USAID- funded Cross Sectional Youth (CSY) project, carried out a rapid assessment of youth needs and opportunities to strengthen youth skills and knowledge in entrepreneurship. As a means of reducing vulnerability to higher risk survival strategies such as prostitution, ROADS seeks to support individual youth entrepreneurs to strengthen their fledging businesses in Bukavu by providing increasingly tailored business development training through the entrepreneurial funnel, (Tamara Duggleby, 2009) on EDC report.

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According to Stevenson & St-Onge (2005), as cited by Omollo (2011), the need for capacity building and training cannot be underestimated in any serious business undertaking. But it is nonetheless, one of the most ignored aspects in most business endeavors. Entrepreneurship is directly correlated to capacity building and training other factors not withstanding. Ochillo (2010), found out that youth leaders recognized the need for capacity building and training and as a result they have taken the initiative in organizing seminars and workshops for their own benefit. This further emphasizes the notion that provision of knowledge and skills for the youth is very important in the current dynamic society.

2.4 Income Generating Activities and Sustainability of Youth Enterprise

Development Fund loans

Many development agencies are increasing their emphasis on assisting the youth to secure income through their efforts. Such approaches are often categorized as income generating activities and cover initiatives as diverse as small business promotion, co-operative undertakings, job creation schemes, credit and savings groups and youth training programs. Currently most development agencies use credit strategy of direct lending to small enterprises. These contracts with initiating co-operative producer groups whose overall record in terms of economic viability and survival has not been good (Devereux and Pares, Herper, 1992). Direct lending contracts with strategies such as involvement in labor-intensive industries likely to create jobs for youth. The direct lending strategy most often supports individual productive activities that derive from the poor themselves in response to immediate and familiar circumstances. IFAD (1991) further emphasizes credit as a way of transferring resources to poor, empowerment and increased self reliance through raising bargaining power of the poor by providing an alternative to exploitative indebtedness. This finds it easier to promote organization and mobilization of poor within the framework of a credit project than in many types of projects.

Owing to unemployment of youth and its unique problems, international labour organization seeks to use the enterprise- based youth employment promotion approach that assist young people in setting up their own businesses.

In the United Kingdom in Norwich, for example, businesses employing fewer than 20 people now account for 35 percent of total employment outside central and local

government. Research in UK suggests that between 1987 and 1989, firms Gallagher and Thompson, (1994) firms gave attention to the design of policies and programmes that assist youth in owning, managing and expanding a small business, the starting point for policy development is the formulation of broad national youth policy addressing major challenges, opportunities and problems for young women and men.

Shell Live wire initiated in UK in 1982 as a program to encourage the youth to develop their own business, involves a combination of information, training, counseling and mentorship for one million youths in 25 countries. Since 1982, 600,000 youths in UK, have explored idea of starting their own businesses thus open accessibility, standardization of program elements and processes, and attention to national identity and cultural sensitivity and collaboration with local partners motivates the youth in pursuing enterprise options (Kenyon, 2008).

In Liverpool UK, two of the most successful programmes for promoting youth entrepreneurship are Impreditorail Griovatile (IG) in Italy and Prince's Trust –Business (PTB) in the UK. Their success is attributed to setting clear objectives to promote youth enterprise programs, commercial orientation critical for success of their youth enterprise programs, adequate funding for implementation of the programmes, reliance on local business specialists to provide informal advice and training to youth entrepreneurs, initiating choice of entrepreneurship based on youth choice to help sustain the project. Thus as McGrath (1999) observes, there is need to put up interventions that are built upon a sensitive appreciation of obtaining socio-economic situation of local youth and their enterprise activities.

In choosing income generating activities that are profitable in the longer, youths need to engage in enterprises that have long term engagements to make them realize profits. For example, their micro-enterprises generate profits which enable the youth to improve their livelihood and sustain loan repayment. Thus the Scottish government has established a third sector enterprises fund to help organizations at an earlier stage in enterprise development by building capacity, capability and financial sustainability hence by helping them realize their full potentials in operations, skills utilization, marketing, financial control these upstarts by youths can develop in the long term, a review noted by Cotter (1996) in need to clearly identify and treat separately survival oriented micro enterprises and business.

During the 1980's economic recession, debt, natural disasters, migration and armed conflict in Africa, most livelihoods of the youth worsened with unemployment rates rising thus intensifying their need for income. Response in various countries has shown an integrated approach initiated for youth programs by various governments to help them start small enterprises.

In Egypt the Social Fund for Development (SFD) was established by a Presidential Decree in 1990, in collaboration with the World Bank and UNDP the European Union and the three Arab Funds mainly to mobilize national and International resources to be used for human development. It helps mitigate poverty and reduce unemployment by providing new job opportunities donations for community development and infrastructure works. The Ministry of Insurance and Social Affairs cooperates with SFD to finance micro and small enterprises for the unemployed youth, mobilizing productive potentials through income generating projects.

Thus after provision of loans, the beneficiary conducts his/her own investment based on personal choices and abilities after being educated that in a loan, obligations and restrictions are enforced by contract, which they are obliged to obey. Therefore money loaned to a borrower must be repaid (Mahassen, 1999).

Ghana Kufuor, (2010) realized that most young men are not committed to loan repayment. However, he recommended proper education of youths on entrepreneurial opportunity and repayment before they are loaned. USDA, (2010) initiated programmes via USAID in sub-Saharan Africa to facilitate sustainable agricultural development. Under the Millennium Village Project, youths were educated on farm management practices before they were loaned money to carry out with their agricultural activities.

A similar situation of unemployment befalling youths in Bukavu, DRC led to USAID funded cross sectoral youth project carrying out a rapid assessment of youth needs and opportunities to strengthen youth skills and knowledge in entrepreneurship. Thus by strengthening their business through a tailored business development training, sustainability of their businesses is achieved Tamara Duggleby, (2009) on ECD Report.

In Tanzania, the Youth Entrepreneurship facility in partnership with Youth Employment Network (YEN) and International Labour Organization (ILO) has developed youth –to-youth Fund component which seeks proposals for grants from local youth led organizations providing them with an opportunity to actively participate in the development of youth entrepreneurship in their communities (ILO, 2007).

Development organizations such as Wakitaka Youth Development Group (WYG) in Uganda have mobilized the unemployed youth and engage them in IGAs through health and environmental initiatives for sustainable development (YEF Africa, 2010).

In Kenya, Youth Enterprise Fund mainly works through financial intermediaries such as banks, NGOs; savings and credit societies (SACCOs) and Micro Finance Institutions (MFIs) owing to their size and diversification (Beck et al, 2008) have capacity to provide youth with funds to start or expand viable businesses. There are also unsecured loans, which are monetary loans that are not secured against the borrower's assets. YEDF provides mainly this kind of loans.

The financial intermediaries manage funds allocated to the district from which the youth access funds directly as individuals or organized Constituency –Youth Enterprise Scheme (C-YES) that is meant for funding enterprises of youth groups in all constituencies. The Divisional Youth Enterprise Development Fund committee effectively identifies and recommends viable youth group enterprises for loans (YEDF Report, 2009).

From a microfinance approach by K-Rep Bank developed to address the social and livelihood constraints for adolescent girls at the risk for HIV/AIDS by providing credit savings, business support, and mentoring to participants (Hall, 2006), the project showed that adolescent girls can save and have continuous access to their savings (Erulkar & Chong, 2005).

Thus a major constraint to the growth of youth entrepreneurship which is attributed to lack of finance affects most of youth enterprises. Since most of them are not targeted by micro credit facilities Curtain, (2000). Since notably most of the micro credit schemes for the youth have failed in many countries, success or failure in terms of financial viability and serving the young largely depends on the design of their programs (Curtain, 2000). More access to credit to the potential young entrepreneurs, knowledge of developing

business plan, budgeting, business management, managing and reducing costs, and debt recovery techniques would help improve on their entrepreneurship.

According to Ochillo (2010), 66% of income generated in the youth groups is realized from profits. This shows that most income generating activities that the youth engage in are generating profits. Thus profit making is a driving economic factor to the youth involvement in income generating activities.

2.5 Market dynamics and sustainability of Youth Enterprise Development Fund

Loans

Market dynamics is an integrated process through which companies build strong customer relationship and create value for their customers and for themselves (Kotler et al 2008). Market dynamics are used to identify the customer, to satisfy the customer and keep the customer. With the customer as the focus of its activities, marketing management is one of the major components of business management. The adoption of marketing strategies requires that business shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable. It can therefore be deduced from these descriptions that the term market dynamics holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions more than competitors (Kotler et al 2008).

Youth entrepreneurship can be maximized through programmes and strategies that address the barriers to doing business. In Peterborough Canada, youth lack appropriate skills and experience, are less credit worthy, and have more difficulty in accessing business networks and source of information. A burden-some business

environment is difficult for all, but as youth have generally less knowledge and experience on business regulations and related legal and institutional frameworks, this can constantly discourage them from venturing into a business, career and so increase the risk of business failure (Clark & Summers, 1982).

In view of the youth employment challenge, many governments are investing considerably in youth employment programs which complement general poverty reduction and employment policies. Thus it is necessary to focus on promoting a favorable investment and business climate for the youth as they experience in specific barriers to entry, often stemming from lack of experience (Clark and Summers, 1982 Freeman and Wise, 1982). Sectoral policies can promote job creation in the medium to long term provided they are well designed and targeted to sectors with high potential for employment growth. Through giving special attention to the agricultural sector, by moving away from subsistence agriculture, and introducing commercialism and productivity improvements through technological changes and infrastructure support youths in rural developing countries can reach their potential (ILO, 2005).

In order to create a dynamic and vibrant class of young entrepreneurs, there is need to educate them in enterprising behavior and boosting their confidence in a calculated risk taking to make them adopt it as a career option. Thus, good access to well-integrated services such as management training, business mentoring programs financial services, support in gaining access to markets and networking opportunities, enhancing their capacity in association building and policy advocacy can address this advantaged position. This has been noted by the success that was conducted in West

Africa by CISCO firm from United States established that closing skills gaps is the quickest way to combat youth unemployment (UNECA, 2005).

Assessing market opportunities and understanding the expectations of the young people are crucial to helping the youth in establishing enterprises. ONEMO, an experienced national employment agency under the Ministry of labour conducted a vocational training to unemployed youth with an aim of importing agricultural skills but to their surprise, young men elected to participate in skills development programs in construction related occupation while women were able to succeed because the municipality initiative represented a real market opportunity which corresponded with capacities and aspirations of youth as covered greatly by media (ILO, 2007).

Demand and supply determines how much the enterprises established by the youth would flourish. Youths entering the business market, often find supply-side measures tend to outweigh demand side measures. Hence a mere integrated and participation approach that covers demand and supply as well as matching process, combined with a well-targeted and structured interventions would limit consequences of premature entry into the market with crowding-out effect of other age groups that limits growth and sustainability of their enterprises (ILO, 2005). Thus coherence and coordination between relevant government agencies and other national and international stakeholders is crucial.

Provision of the loans to the youths for their start-ups should not be tied to specific ventures tailored for them by their financiers. Their success is attributed to setting of clear objectives that promote their enterprises, reliance on local business specialists to provide advice and training to youth to help initiate choice of entrepreneurship based on

youth choice to help sustain their projects. This view is upheld by McGrath, (1999) that interventions need to be built upon a sensitive appreciation of obtaining socio-economic situation of local youth and their enterprise activities.

Most of the enterprises by the youths are started with aplomb but in the middle of the way, sustainability fades. This is attributed to various factors which make their businesses not to break even. Although some analysts suggest that many young people thrive on risk as entrepreneurs Curtin, (2000), it is not clear the extent to which youth entrepreneurs are calculated risk takers. As Motts, (2000) suggest, calculated risk taking behavior, requires prior employment or business experience and expertise. The survey results from south Africa suggest that lack of experience and expertise among other factors, tend to push potential youth entrepreneurs into high risk and low value adding self employment situations where failure is highly probable (Chigunta, 2001; Motts 2000).

Evidence suggests that youth enterprises largely depend on the local market. Philip, (2002) notes that the critical advantage of producing for local markets is that the entrepreneurs know and understand local needs and opportunities as well as quality standards and expectations of that market. In many less developed countries government and domestic company patronage of the informal sector is extremely limited. Data from Zambia suggest only 14.9 and 4.8% of youth entrepreneurs had been given a contract by a private firm and government respectively (Chigunta, 2001).

In many poor countries, the informal sector virtually has no foreign consumers among its entire clients. This has serious implications on the growth of youth enterprises.

Youths engaging in entrepreneurship only realize that value chain linkages play a role in helping them break the market while the formal sector firms appear to be reluctant to enter into any productive linkages with informal enterprises, there is some evidence to suggest that they are making use of distributive linkages involving youth enterprises. In Zambia, for instance Coca Cola (Z) the soft drinks giant largely relies on the informal distribution channels to sell its products. But such relationships appear to be less widespread and less coordinated in sub-Saharan Africa than suggested by the Latin American and to some extent Asian experience (Chigunta, 2001).

The prevalence of income generating activities has a major role in sustainability of the projects. Available evidence suggests that heavy reliance on the local market in developing countries is key constraint on earnings. In many less developed countries, the customers are poor and generally buy a limited range of products Phillip; Chigunta, (2001) calls 'copy cap entrepreneurship' where one successful enterprise will be copied by everyone else, until they all collapse under the weight of their own competition. Thus as Cotter (1996) observes, their survival oriented micro enterprises owned business growth projects by different entrepreneurs should focus on different projects and use different conceptual tools for assessing their divergent impacts.

2.6 Theoretical Framework

This study was guided by the theory of youth empowerment advanced by (Rapport, 1987). Empowerment is a social action process that occurs at multi-levels e.g. individual, family, organization, and community. Theorists and researchers across multiple disciplines have examined and analyzed empowerment and linked it to individual and

collective health, well-being and environments (Rapport, 1987). Empowerment as a continuum or ladder, with atomistic individual empowerment (focus on changing the community) as the two end points and such a continuum focuses on individual level capacity building, integrating perceptions of personal control, a proactive approach to life, and a critical understanding of the socio-political environment.

Collective empowerment occurs within families, organizations and communities, involving processes that enhance members' skills, provide them with mutual support necessary to effect change, improve their collective well-being, and strengthen intra and inter organizational networks and linkages to improve or maintain the quality of community life. Youths in entrepreneurship who apply this model theory end up having open market due to increased distribution chain linkages as a result of networking. Such entrepreneurs end up making profits since they have studied the market dynamics and taken an integrated approach in business transactions.

Rapport (1987), emphasized the integrated and socio political dimensions of empowerment, noting that community empowerment includes a raised level of psychological empowerment among its members a political action component in which members have actively participated, and the achievement of some redistribution of resources or decision making favourable to the community or group in question.

Similarly, various researches indicate that for youth enterprises to be sustainable in the long term basis there is need to involve them in decision making their preference of project though with guidance. The adolescent Empowerment is a model which describes a process aimed at preventing a sense of rolelessness and enhances self esteem. That adolescent participation in meaningful activities, such as community service, that

provides opportunities for skill development and positive enforcement and recognition from adults throughout the process. This theory links youth leadership; capacity building and skill development to help youths mature in self esteem and self efficacy. These later provide youths with success in entrepreneurial development that can lead to sustainability.

According to Kim, (1998) Youth Empowerment (YE) theory is to guide the youth empowerment initiatives within the context of substance abuse prevention programs. The theory is based on meaningful participation of the youth in community service projects. The enhancement of positive social bonding and preparation for participation an involvement in the socioeconomic and public affairs of the community shows success. Kim describes the features of youth empowerment processes and specified core structural components that support these processes. The central tenet of YE is the recognition that youth are assets and resources that should be called upon to participate in community affairs. However the YE process requires strong social support from caring and supportive adults who place high expectations on the youth participants and reinforce achievement. Thus by engaging youths in entrepreneurial projects within the community alone enables them learn skills that have vocational skills, taking responsibility and demonstrate their abilities and success. This accomplishments also need to be recognized and celebrated by significant others in the society by enabling them to enter the market and learn the dynamics of sustainability of their enterprises.

Within the model, role of the adult leader is to serve as a guide and facilitator, allowing the youth leader to take on the leadership responsibility for ensuing activities. Thus by providing youth with leadership, expertise and community resources engaged in

entrepreneurship projects through team building, communication, problem-solving, interpersonal skills, members of youth groups would work together to develop team-determined self help projects.

In addition, there is a powerful opportunity for society if young people can participate positively in all aspects of life such as governance, culture and commerce to promote sustainable development.

In order to do so, young people do need support in terms of appropriate policies, education, information, financial resources, skills and hope. Young people have an enormous stake in the present and future state of the planet. For instance, through their lifestyles, they influence commerce and media and shape the process of production, marketing and consumption patterns of goods and services.

2.7 Knowledge Gap

Studies undertaken by Ocholla (2011), and Ochillo (2010) focused on influence of YEDF loans on economic empowerment of youth and factors influencing youth participation in community development projects respectively; but no attempt was made to investigate sustainability of YEDF loans, which was the subject of this study.

2.8 Conceptual Framework

The conceptual framework consists of three variables; the independent variables, moderating variables and the dependent variables. The sustainability of Youth Enterprise Development Fund Loans forms the dependent variable. This is determined by the rate of loan repayment by youth application and reapplication of funds. The Conceptual framework is as indicated in figure 2.1.

Independent variable

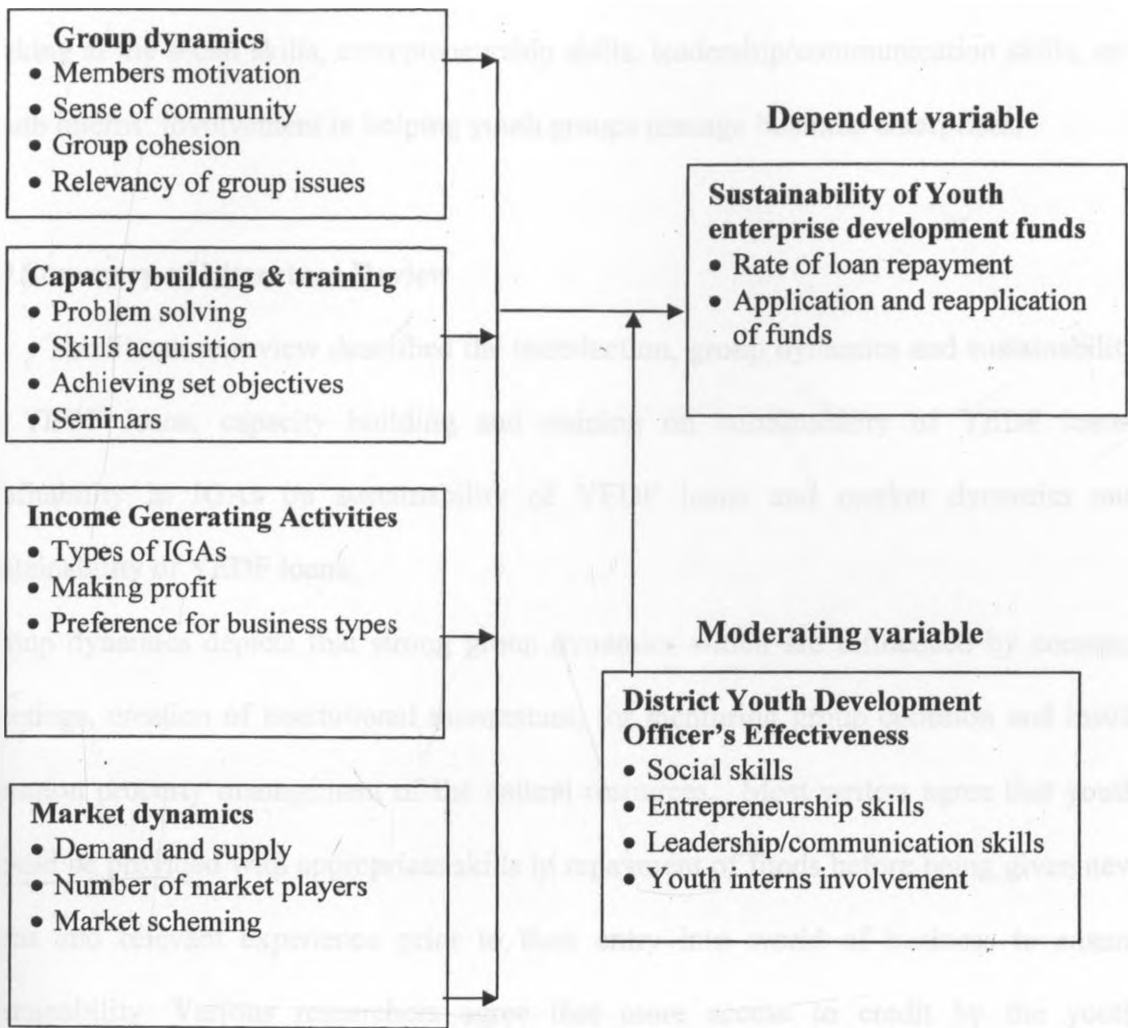


Figure 2.1. Conceptual Framework showing interrelationships between variables that influence sustainability of Youth Enterprise Development Fund.

The independent variables which influence the sustainability of Youth Enterprise Development Funds are the Group dynamics which include (member's motivation, sense of community, group cohesion, relevancy of group issues), capacity building and training (problem-solving, skills acquisition, achieving set objectives, seminars), income generating activities (types of IGAs, preference for business types) and market dynamics

(demand and supply, number of market players, market scheming). However, these factors are moderated by the District Youth Development Officers effectiveness in looking at the social skills, entrepreneurship skills, leadership/communication skills, and youth interns' involvement in helping youth groups manage business enterprises.

2.9 Summary of Literature Review

The literature review described the introduction, group dynamics and sustainability of YEDF loans, capacity building and training on sustainability of YEDF loans, profitability in IGAs on sustainability of YEDF loans and market dynamics and sustainability of YEDF loans.

Group dynamics depicts that strong group dynamics which are influenced by constant meetings, creation of institutional momentum, for mentoring group cohesion and instill common property management of the natural resources. Most writers agree that youth should be provided with appropriate skills in repayment of funds before being given new loans and relevant experience prior to their entry into world of business to ensure sustainability. Various researchers agree that more access to credit by the youth entrepreneurs while building their capacity too would help improve on their entrepreneurship. The researchers too agree that assessing market opportunities and understanding the expectations of the young people are crucial to helping the youth in establishing enterprises. Similarly youths lacking access to information on product and input markets with low value local markets require linkage to global value chains to improve local markets.

Capacity building programs comprise of intensive sensitization and advocacy, providing coaching and supporting collaboration with other partners, granting operating funds and providing training and development sessions. Most researchers agree that youth need to develop certain skill or competence for general upgrading of their performance ability and promote youth employment and entrepreneurship. Furthermore these trainings will go a long way in imparting information to young people for entrepreneurship and alleviate unemployment problem.

Profitability in IGAs is key in loan repayment because youth need to engage in enterprises that have long term engagements to make them realize profits which enable them to improve their livelihood and sustain loan repayment.

Market dynamics is an integrated process through which companies build strong customer relationship and create value for their customers and for themselves. Similarly, youth need to create a dynamic and vibrant class of young entrepreneurs in order to boost their behavior and confidence in a calculated risk taking. Researchers agree that it is important for the youth to assess market opportunities, demand and supply because these factors determine how much the enterprises established by the youth would flourish.

The Theory of Youth Empowerment shows that collective empowerment enhances youth skills, provide mutual support necessary to effect change and improve their collective well-being which finally strengthen and maintain the quality of community life. The Theory is based on meaningful participation and involvement of the youth in socio-economic and public affairs of community service projects. The conceptual framework shows the independent variable, dependent variable and moderating variable and how they influence the sustainability of YEDF loans.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section dealt with the methodology that was used to conduct the study and involved research design, target population, sample and sample section, instrumentation and data analysis procedure.

3.2 Research Design

The study adopted a descriptive research design. Descriptive survey involved formulation of objectives, designing data collection instruments, selecting the sample, collecting data, processing and analyzing data and reporting the findings (Kothari, 2003). According to Mugenda and Mugenda (2003), descriptive research design attempts to describe such things as possible behaviour, attitude, values and characteristics.

Descriptive research design was therefore the most appropriate to this study since it aided in describing behaviour of youths, their perception, values and attitude regarding Youth Enterprise Development Fund loans.

3.3 Target Population

The population of this study comprised of 2,340 youth spread in 156 groups as indicated in Emuhaya District Gender and Social Development Office. Table 3.1 shows the distribution of youths in Emuhaya District per division;

Table 3.1

Distribution of Youth in Emuhaya District

Division	Number of Registered Youth Groups	Percentage (%)
Luanda	53	34
Emuhaya	29	18
Esiembero	40	26
Ekwanda	34	22
Total	156	100

According to the report, 53 (34%) of youths emanated from Luanda division while 34 (22%) came from Ekwanda division which was curved from Luanda division. From Emuhaya division, there were 29 (18%) while 40 (26%) emanated from Esiembero division that was curved from Emuhaya division.

3.4 Sample Size and Sample selection

From a population of 2,340 youth, a representative sample was determined and selected objectively as indicated in Table 3.1 and 3.2 below.

3.4.1 Sample Size

Using Krejcie and Morgan, (1990) table of sample size determination (See Appendix III), a sample of 322 youths was determined. From the table, a population of 2,340 required a sample size of 322. Each registered youth group had a minimum of 15

members as a result 156 youth groups gave a total population of 2,340. The 322 youths were derived from 22 youth groups.

3.4.2 Sample Selection

The sampling procedure that was used in this study was multi stage sampling. Multi stage sampling was the best sampling technique because it involved a large region consisting of clusters with a population of diverse characteristics (Verkevisser, Pathmanathan & Brownlee, 1991; Kothari, 2003).

The study area was divided into 4 divisions which formed clusters of the study. Saturation sampling was used to select all the four divisions. These youth groups had the required information regarding ability or inability towards loan repayment. Proportionate sampling was used to allocate the 22 youth groups according to youth's percentage population distribution as indicated in table 3.2.

Table 3.2

Divisions Allocation of Sampled Youths and Youth Groups

Division	Percentage of Youth Population	Number of selected Youth	Sampled Youth Groups
Luanda	34.00	109	7
Emuhaya	18.00	58	4
Esiembero	26.00	84	6
Ekwanda	22.00	71	5
Total	100.00	322	22

From Luanda division, 7 youth groups were selected which is in concurrence with 34% of youth population (Refer Table 3.1) likewise, 4 youth groups were selected from Emuhaya, 6 from Esiembero and 5 from Ekwanda. District Youth Development Officer was expected to provide information regarding the location of Youth groups in the divisions. Each youth group was allocated 15 respondents up to that point where the instruments would be administered to 322 youths. Snowball sampling technique was used to locate youth groups whose exact locations were not known to YEDF office. Group leaders therefore provided information on where to find the next youth group. Since certain groups could contain members of both genders, respondents were stratified by gender before a simple random sampling procedure was administered to select individual respondents to be included in the study.

3.5 Research Instruments

The researcher used the questionnaire to collect data from respondents.

The questionnaires were researcher administered. The questionnaires were divided in six sections (A to F). Section A contained demographic information such as location, gender of respondents, marital status and employment status. Section B contained structured questions on group dynamics and supposed influence on YEDF loan repayment. Similarly, other sections (C to F) contained structured questions on capacity building and training, income generating activities, market dynamics and the rate of YEDF loans repayment. The main purpose of the questionnaire was to collect quantitative data.

3.5.1 Pilot Study

A pilot study was conducted on three youth groups from the study area who however were not part of the sample population. Test –Retest reliability was used. The instruments were administered to 12 respondents from each group. After two weeks, the same instruments were administered to the same respondents using Pearson's (r) – Product Moment Correlation Coefficient. Each response in the instruments (Questionnaire) was allocated a score. The scores of the first test constituted x values while those of the second test constituted y values. Using Pearson(r), the results of the two tests were correlated.

Kathuri and Pals (1993) stated that a reliability coefficient of 0.70 is conventionally acceptable in research. Therefore, when the pilot study generates a reliability coefficient of 0.70 or above, then the instruments are considered reliable.

3.5.2 Validity of Research Instruments

Validity is the accuracy and meaningfulness of inferences which are based on research instruments. In other words, validity is the degree to which results obtained from the analysis of data actually represent the phenomenon under study (Mugenda & Mugenda, 2003). Construction of instruments was carefully done to ascertain that they collect information that targets the subject of the study. The instruments were then presented to experts in research methods at the University of Nairobi. Their recommendations were taken in to improve both face and content validity of instruments.

3.5.3 Reliability of Research Instruments

The test re-test method was used to assess the reliability of the instruments. This involved administering the same questionnaires twice to the respondents in Vihiga District, and correlating their responses independently. After administering the

questionnaires, a correlation co-efficient was calculated using appropriate formula to establish the relationship between the two set of scores. Spearman's Brown Prophecy formula was applied as shown below;

$$\text{Reliability of the entire test} = \frac{(\text{Reliability of 0.5 test}) (r)}{1 + (\text{Reliability of 0.5 test}) (r)}$$

Where r is Coefficient of correlation.

r is the quantitative measure of reliability on a scale of 0-1, such that as tends to 1, the stronger the reliability and vice versa (Salemi, 2008). For this study, it was 0.75, which was acceptable.

3.6 Data Collection Procedure

Data collection exercise commenced on approval from the Graduate school of the University of Nairobi to proceed. A research permit was sought from the National Council of Science and Technology (NCST), permission to collect data was secured. The researcher took the letter of authorization to the District Education Officer and the District Commissioner who provided consent to conduct the study within Emuhaya District. Group leaders received letters of transmittal to allow the researcher conduct the study in the area. Questionnaires were delivered to the respondents and follow-up made through telephones to improve return rate. Questionnaires were researcher administered to youth group leaders/officials.

3.7 Data Analysis Techniques

Both quantitative and qualitative approaches were applied to process and analyze the data. Preliminary data analysis included checking the filled questionnaires for completeness, cleansing, sorting and filtering and developing a coding system in relation to the objective areas of the study. In order to minimize errors, it was proposed that double data entry into the computer program, SPSS data was used which also validated the data entry stage. The data was cross-checked to ensure accuracy of the information obtained from the field. Data was analyzed using graphs, frequencies, percentages, modes and means with the aid of SPSS. Content analysis was also employed to analyze qualitative data. SPSS (Statistical Package for Social Sciences) program was used to assist in the analysis of quantitative data. Qualitative data was transcribed into different variables of the study and reported alongside the various themes being discussed qualitatively.

3.8 Ethical Considerations

The research project was guided by strict confidentiality. Views and opinions from respondents were treated as confidential. Views from respondents were respected and treated with dignity. One basic principle is that research should not bring harm to respondents. Secondly, fundamental principle of ethical social research is that of informed consent, which respects the right of people to know that they are being researched, the purposes of the research and what would be expected of them. People can then consent or not (Jupp, 2009).

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

This chapter presented the findings and discussions of the study as captured in the analysis of the objectives. The study had four objectives which were to: identify the extent to which group dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district; establish whether capacity building and training influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district; examine the extent to which profitability in income generating activities influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district and assess the extent to which market dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya.

4.2 Questionnaire Response rate

The questionnaire response rate was 93.79% as it only got the views of 302 out of the targeted 322 youth. This was because of the nature of the occupation of most of the respondents. Most of the respondents were business persons whose jobs involved sourcing goods from other areas and seeking market in other areas. Due to this dynamic nature of their jobs the researcher managed to get a response rate of 93.79%. According to the Cooper and Schindler (2000), a questionnaire response rate of at least 75% is sufficient for any study of a social scientific nature to proceed.

4.3 Demographic characteristics of the respondents

This section presented the demographic characteristics of the respondents in the study. The study explored level of education, occupation, age, gender, and group sizes. The researcher chose to study these demographic characteristics because of their importance in explaining the sustainability of the YEDF loans.

4.3.1 Distribution of Respondents by Level of Education

The study sought to determine the level of education of respondents who participated in the study. This was considered important as level of education is an important indicator in explaining the ability of a person to read and understand. If a person is able to read and understand, it is expected that this person is able to do market research and therefore know how to improve the business for him or her to consequently be able to pay for the loans he/she takes from YEDF. Table 4.1 illustrates the level of education of the respondents' findings of the study.

Table 4.1

Level of Education of Respondents

Level of education	Frequency	Percentage
No formal education	3	0.99
Primary level of education	145	48.01
Secondary level of education	99	32.78
College level of education	55	18.21
Total	302	100

From table 4.1, a total of 3 (0.99%) respondents had no formal education, 145 (48.01%) had primary education, 99 (32.78%) had secondary education and 55 (18.21%) had college level of education. From this results only 55 (18.12%) had professional education that is acquired beyond secondary level of education. This meant that most youths were limited in knowledge that is found beyond secondary level and also their ability to research the market was limited.

4.3.2 Distribution of Respondents by Occupation

The study sought to determine the occupation of respondents who participated in the study. This was considered important, as occupation of a person aids in explaining the sources of income available to a person and consequently his ability to finance a business. The researcher examined the occupation of the respondents and presented the findings as shown in table 4.2.

Table 4.2

Occupation of Respondents

Occupation	Frequency	Percentage
Employed	35	11.59
Unemployed	112	37.09
Self employed	155	51.32
Total	302	100

Table 4.2, shows that 35 (11.59%) respondents were employed, 112 (37.9%) were unemployed and 115 (51.32%) respondents were self employed. From these findings, few respondents were salaried employees meaning that most of them did not have financial

sources that came from salary and largely depended on the profit that came from the business. A view that supports a study by Kenyon, (2008) that youth should be encouraged to develop their own businesses. In addition, IFAD (1992), suggested that due to unemployment of youth and its unique problems, ILO should seek to use the enterprise-based youth employment promotion approach that assist young people in setting up their own businesses.

4.3.3 Distribution of Respondents by Age

The study sought to determine the age of respondents who participated in the study. This was considered important, as age of a person is an important indicator of one's physical strength and consequently his ability to engage in physically involving business. The researcher examined the age of the respondents and presented the findings as shown in table 4.3.

Table 4.3

Age Distribution of Respondents

Age distribution	Frequency	Percentage
Below 25 years	32	10.6
25 – 30 years	138	45.7
30 – 35 years	132	43.7
Total	302	100

Table 4.3, 32 (10.6%) respondents were below 25 years of age, 138 (45.7%) were between 25 and 30 years and 132 (43.7%) were between 30 and 35 years. This results show that all the respondents were below 35 years, a requirement by YEDF and it is in

this period that people are most active and are therefore able to engage in physically involving tasks. This is in line with the study findings by YEDF (2011), which suggests that most businesses involve body energy thus it can be established that the respondents were able to engage in them to be able to realize their business goals and therefore be able to make profit.

4.3.4 Distribution of Respondents by Gender

The study sought to determine the gender of respondents who participated in the study. This was considered important as it could reveal the information on the distribution of gender who largely took part in the study. The study examined the gender distribution of the respondents and presented the findings as shown in table 4.4 below. For a business to be successful, it is important that the business has representation of both genders.

Table 4.4

Gender of Respondents

Gender	Frequency	Percentage
Male	148	49.01
Female	154	50.99
Total	302	100

Tables 4.4, shows that a total of 148 (49.01%) respondents were male and 154 (50.99%) were female. This is a clear pointer that the businesses have male and female in equal representation but also that the study involved the views of both male and female in equal measures. Young men and women should be promoted to actively participate in

democracy building, entrepreneurship, development processes and the sustainable peace and solidarity in the country (Habitat, 2011).

4.3.4 Distribution of Respondents by Size of the Youth Group

The study sought to determine the gender of respondents who participated in the study. This was considered important as size of the youth group have impact on the efficiency of a group. For example groups that have very few individuals are usually not effective in delivering results due to the lack of economies of scale. However very large groups are not very effective as well due to the principal of diminishing returns. Table 4.5 shows the group sizes.

Table 4.5

Sizes of the Youth Groups

Group sizes	Frequency	Percentage
10-20 Members	64	21.19%
21-30 Members	82	27.15%
31-40 Members	151	50%
41-50 Members	5	1.66%
Total	302	100.00%

Table 4.5, shows that 64 (21.19%) groups had between 10 and 20 members, 82 (27.15%) had between 21 and 30 members, 151 (50%) had between 31 and 40 members and lastly 5 (1.66%) had between 41 and 50 members. From these results, it was established that no groups had less than 10 members while only 1.66% groups had over

40 members. This means that most groups were in their optimal sizes of between 10 and 40 members to have the advantage of economies of scale.

4.4 Group Dynamics and Sustainability of Youth Enterprise Development Fund

Loans

The first objective of the study examined the influence of group dynamics on sustainability of Youth Enterprise Development Fund loans. This has been discussed under the following sub themes; influence of motivation on sustainability, influence of sense of community on sustainability of YEDF loan, influence of involvement in decision making on sustainability of YEDF loans, influence of group objectives on sustainability of YEDF loans, and influence of leadership styles on sustainability of YEDF loans.

4.4.1 Influence of Motivation on Sustainability

The study explored the influence of motivation on the sustainability of the YEDF. Sustainability was captured from a question asking the respondents to say whether there were times when they failed, delayed, or defaulted the YEDF loan. Table 4.6 shows the cross-tabulation between extent of motivation and sustainability.

Table 4.6

Influence of Motivation on Sustainability

Extent of Motivation	Failure, Delayed or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
High extent	9	9.09	90	90.91	99	100
Average extent	2	5.88	32	94.12	34	100
Low extent	64	37.87	105	62.13	169	100
Total	75	24.83	227	75.17	302	100

From table 4.6, among the 99 respondents who were motivated to a high extent, 9 (9.09%) said that there were times when they had failed to pay, delayed or defaulted while 90 (90.91%) respondents always paid. Among the 34 respondents who were motivated to an average extent 2 (5.88%) respondents said that there were times when they had failed to pay, delayed or defaulted while 32 (94.12%) respondents always paid. Lastly among the 169 respondents who were motivated to an average extent, 64 (37.87%) respondents said that there were times when they had failed to pay, delayed or defaulted while 105 (62.13%) respondents always paid.

This results implies that low motivation was associated with low sustainability while high motivation was associated with high sustainability. These findings are consistent with those of Shraggee Erick (2003) who said that group dynamics varies greatly between groups for numerous reasons. These factors include relevance of group

issues, sense of community in the group among others. He however notes that the primary factor determining group sustainability is the motivation of members.

4.4.2 Sense of Community on Sustainability of YEDF Loans

Sense of community is an important indicator in examining a people's ability to come together to pool resources for a common cause like engaging in an enterprise. Table 4.7 shows the influence of sense of community on sustainability.

Table 4.7

Influence of Sense of Community on Sustainability of YEDF Loans

Involvement in group activities	Failure, Delayed or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
Yes	12	6.06	186	93.94	198	100
No	63	60.58	41	39.42	104	100
Total	75	24.83	227	75.17	302	100

From the cross tabulation in table 4.7, among the 198 respondents whose involvement in group activities was inspired by a sense of community, only 12 (6.06%) said that there were times when they had failed to pay, delayed or defaulted while 186 (93.94%) respondents always paid. Among the 104 respondents whose involvement in group activities was not inspired by a sense of community, 63 (60.58%) said that there were times when they had failed to pay, delayed or defaulted while 41 (39.42%) respondents belonged to groups that always paid.

This results show that involvement in group activities due to a sense of community was associated with sustainability of the YEDF through repayment of loan. A study by Zimmerman, (1988) is echoed by this similar findings; he notes that action research is built on group dynamics models developed by psychologist Kurt Lewis in the early 1990s revolves around three sets of relationships namely: relationship between individuals within communities and relationship between people and their psychological environment. He puts it that when these relationships are improved, the operations of the community also improve and vice versa.

4.4.3 Involvement in Decision Making On Sustainability of YEDF Loans

Involvement in decision making is an important indicator in explaining the contribution of a person in the management process and accountability that leads to success of any undertaking. Table 4.8 shows the influence of involvement in decision making on the sustainability of the YEDF.

Table 4.8

Influence of Involvement in Decision Making On Sustainability of YEDF Loans

Making decisions as a group member	Failure, Delayed or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
Yes	20	8.3	221	91.7	241	100
No	55	90.16	6	9.84	61	100
Total	75	24.83	227	75.17	302	100

In Table 4.8, among the 241 respondents who made decisions as group members, only 20 (8.3%) said that there were times when they had failed to pay, delayed or defaulted while 212 (91.7%) respondents always paid. Among the 61 respondents who never made any decisions as group members, 55 (90.16%) said that there were times when they had failed to pay, delayed or defaulted while 6 (9.84%) respondents belonged to groups that always paid.

This results show that member's involvement in decision-making was associated more with sustainability of the YEDF through repayment of loan. Zeldin *et al.* (2002) also echoes similar views in a study in Wisconsin involving 2100 residents and public officials. Two highest priorities emerging from county conversations involving 2100 residents and public officials were to create in which youth were equal partners in decision making and governance and encourage youth community service and civic involvement. The youth registered improved efficiency in the manner in which they operated due to the fact that they were equal partners in decision making. A study by the Forum for Youth Investment, (2002); is echoed by this finding on the same sentiments that youth should be involved in decision-making processes. Formulating relevant business objectives and having good business plans and activities that are in line with the objectives is important for any business to be successful.

4.4.4 Group Objectives on Sustainability of YEDF Loans

The researcher chose to explore the influence of the relevance of the group objectives on the sustainability of the Youth Enterprise Development Fund and presented the findings as shown in table 4.9.

Table 4.9

Influence of Group Objectives on Sustainability of YEDF Loans

Relevance of group activities to objectives	Failure, Delay or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
Yes	15	7.46	186	92.54	201	100
No	60	59.41	41	40.59	101	100
Total	75	24.83	227	75.17	302	100

In Table 4.9, among the 201 respondents who belonged to groups that had activities relevant to the business objectives, only 15 (7.46%) said that there were times when they had failed to pay, delayed or defaulted while 186 (92.54%) respondents belonged to groups that had always paid.

Among the 101 respondents who belonged to groups that had some activities that were not in line with the business objectives, 60 (59.41%) said that there were times when they had failed to pay, delayed or defaulted the youth enterprise loan while 41 (40.59%) respondents belonged to groups that always paid. This finding implies that most of the respondents who were involved in activities that were not in line with the objectives of the business failed to pay loans and were highly defaulters in loan repayment.

4.4.5 Leadership Styles on Sustainability of YEDF Loans

The study explored the influence of leadership on the sustainability of the YEDF. Leadership is important in ensuring that people are fostered in one direction to achieve a

common purpose. For instance a democratic leader is expected to give different people with different views a chance to exercise their views leading to success (Horn Relief Kenya, 2011). An autocratic leader on the other hand will mostly focus on his/her own views and elevate them above other views leading to low members participation and consequently low success. An uninvolved leader will not care of what happens and will let things happen without controlling them. The study wanted to establish the influence of leadership styles on the sustainability of the group and presented the findings as shown in table 4.10.

Table 4.10

Influence of Leadership Styles on Sustainability of YEDF Loans

Main leadership style of groups	Failure, Delay or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
Autocratic	14	13.73	88	86.27	102	100
Uninvolved	54	32.14	114	67.86	168	100
Democratic	7	21.88	25	78.12	32	100
Total	75	24.83	227	75.17	302	100

Table 4.10, shows that among the 102 respondents whose groups had leaders who were largely autocratic, 14 (13.73%) said that there were times when they had failed to pay, delayed or defaulted while 88 (86.27%) respondents always paid, these findings concurs with the study conducted by Nwigwe, (2009); which shows that the youth can only increase their income levels, more sustainably when they are provided with support

in terms of leadership and mentorship. Among the 168 respondents who had leaders that were mostly uninvolved 54 (32.14%) respondents said that there were times when they had failed to pay, delayed or defaulted while 114 (67.86%) respondents always paid. Lastly among the 32 respondents whose leaders were mostly democratic, 7 (21.88%) respondents said that there were times when they had failed to pay, delayed or defaulted while 78 (62.13%) respondents always paid.

This results show that if a group had an uninvolved leadership its chances of not contributing to the sustainability of the loan increased while if a group had democratic and autocratic leadership its chances of contributing to the sustainability of YEDF through repayment of loans increased.

4.5 Capacity building and training on sustainability of Youth Enterprise

Development Fund loans

The second objective explored the influence of capacity building and training on the sustainability of the youth enterprise fund loans. This has been discussed under the following sub themes; influence of conflict solving mechanisms on sustainability, influence of training on sustainability of YEDF loans, influence of seminars on sustainability, and extent of satisfaction with achievement of set objectives.

4.5.1 Conflict Solving Mechanisms on Sustainability

Having mechanisms for solving conflicts is important in ensuring that the group does not fall apart in case of disagreements and misunderstandings. If there are proper mechanisms for solving differences, then a group is likely to stick together and achieve results even in cases of diversities. This contributes to unity that is key in ensuring that

the group realizes its objectives. Earthscan, (2007) agrees that this would go along way to create sustainability in the youth ventures.

Table 4.11

Influence of Conflict Solving Mechanisms on Sustainability

Mechanisms for solving group conflicts	Failure, Delayed or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
Yes	17	8.25	189	91.75	206	100
No	58	60.42	38	39.58	96	100
Total	75	24.83	227	75.17	302	100

As shown in table 4.11, among the 206 respondents who belonged to groups that had mechanisms for solving differences, only 17 (8.25%) said that there were times when they had failed to pay, delayed or defaulted while 189 (91.75%) respondents belonged to groups that had always paid. Among the 96 respondents who belonged to groups that had no mechanisms for solving problems, 58 (59.41%) said that there were times when they had failed to pay, delayed or defaulted the youth enterprise loan while 38 (40.59%) respondents belonged to groups that always paid; this is in line by the study done by UNICE, (1992), which suggested that having mechanisms that address conflicts increases the chances of loan repayment and consequently sustainability of the loan (UNCED, 1992).

4.5.2 Training on Sustainability of YEDF Loans

The study began by examining the influence of training on sustainability of the youth enterprise loans. Table 4.12 below shows the cross tabulation between training and sustainability.

Table 4.12

Influence of Training on Sustainability of YEDF Loans

Trained by YEDF	Failure, Delay or Default in Loan				Total	
	Repayment					
	Yes		No			
	Freq	Percent	Freq	Percent	Freq	Percent
Yes	14	14.74	81	85.26	95	100
No	61	29.47	146	70.53	207	100
Total	75	24.83	227	75.17	302	100

Among the 95 respondents who belonged to groups that had received training on sustainability, only 14 (7.46%) said that there were times when they had failed to pay, delayed or defaulted while 81 (85.26%) respondents belonged to groups that had always paid. According to Barnes & Ascid (2003), capacity building is assistance that is provided to entities which have a need to develop a certain skill or competence, or for general upgrading of performance ability which is evident among respondents who were trained.

Among the 207 respondents who belonged to groups that had not received any training from YEDF, 61 (29.47%) said that there were times when they had failed to pay, delayed or defaulted the youth enterprise loan while 41 (40.59%) respondents belonged to

groups that always paid. Stevenson & St-Onge, (2005) concurs with the findings that the need for capacity building and training cannot be underestimated in any serious business undertaking.

4.5.3 Influence of Seminars on Sustainability

The study explored the influence of attendance of seminars on sustainability of the YEDF loan and presented the findings in table 4.13.

Table 4.13

Influence of Seminars on Sustainability

Attended a seminar on entrepreneurship	Failure, Delay or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
Yes	15	15.96	79	84.04	94	100
No	63	30.29	145	69.71	208	100
Total	75	24.83	227	75.17	302	100

Among the 94 respondents who belonged to groups that had attended seminars on entrepreneurship, only 15 (15.96%) said that there were times when they had failed to pay, delayed or defaulted while 79 (84.04%) respondents belonged to groups that had always paid. Ochillo (2010) agrees that provision of knowledge and skills for the youth is very key in this current dynamic society. Among the 208 respondents who belonged to groups that had not attended any seminars on entrepreneurship, 63 (30.29%) said that there were times when they had failed to pay, delayed, or defaulted the youth enterprise loan while 145 (69.71%) respondents belonged to groups that always paid. It is important

to empower rural youth in education with rural economic development by assisting them identify a business opportunity, prepare a business plan and initiate business (Ekong, 2003).

4.5.4 Extent of Satisfaction with Achievement of Set Objectives

The study explored the extent to which youths were satisfied with the achievement of set objectives and presented the findings as shown in table 4.14.

Table 4.14

Extent of Satisfaction with Achievement of Set Objectives

Satisfaction with Objectives achievements	Frequency	Percentage
Very satisfied	51	16.89
Averagely satisfied	214	70.86
Dissatisfied	37	12.25
Total	302	100

Table 4.14, shows that 51 (16.89%) respondents were very satisfied with the extent to which they achieved their set objectives, 214 (70.86%) respondents were averagely satisfied with the extent to which they achieved their set objectives. Lastly, 37 (12.25%) respondents were dissatisfied with the extent to which they achieved their set objectives, this concurs with the study conducted by UNCED (1992) which indicate that capacity building and training is the essential lubricant for national development, the ability of individual institutions and societies to perform functions and achieve set objectives in a sustainable manner.

4.6 Income Generating Activities on Sustainability of Youth Enterprise

Development Fund Loans

The third objective of the study explored the extent to which profitability in income generating activities influenced sustainability of Youth Enterprise Development Fund. This has been discussed under the following sub themes; types of IGAs, preferred IGAs, influence of IGAs on profitability, and influence of profitability of IGAs on sustainability.

4.6.1 Types of IGAs

The study began by examining the IGA that the youth were involved in and presented the findings as shown in table 4.15.

Table 4.15

Types of IGAs

Type of IGAs involved	Frequency	Percentage
Small & medium enterprises	111	36.75
Agricultural	104	34.44
Education & Training	68	22.52
Building & construction	11	3.64
Manufacturing	7	2.32
ICT	1	0.33
Total	302	100

Table 4.15, shows that 111 (36.75%) respondents were involved in small and medium size enterprises; a view supported by Cotter (1996), youth need to engage in

enterprises that have long term engagements to make them realize profits. 104 (34.44%) respondents were involved in agricultural ventures, 68 (22.52%) were involved in education and training, 11 (3.64%) were involved in building and construction, 7 (2.32%) respondents were involved with manufacturing and 1 (0.33%) respondent came from a group that was involved with ICT.

4.6.2 Preferred IGAs

The researcher additionally examined the IGAs that the respondents preferred and presented the findings as shown in table 4.16.

Table 4.16

Preferred IGAs

Preferred IGAs	Frequency	Percentage
Building & construction	84	27.81
ICT	80	26.49
Agricultural	71	23.51
Education & Training	41	13.58
Small & medium enterprises	17	5.63
Manufacturing	9	2.98
Total	302	100

Table 4.16, shows that 84 (27.81%) respondents preferred if they were involved in building and construction; 80 (26.49%) respondents preferred if they were involved with ICT, 71 (23.51%) preferred agriculture based enterprises; 41 (13.58%) preferred

education and training; 17 (5.63%) preferred if they were involved with small and medium size enterprises and lastly 9 (2.98%) preferred involvement in manufacturing.

These results indicate that the youth groups were involved in activities that they largely did not prefer. For instance from table 4.16, most of the youths were involved in agriculture and small and medium size enterprises but most preferred if they were involved with ICT and building and construction. This was a pointer that there was little passion or satisfaction in what the youths were involved with, a view which differs with YEF Africa, (2010) where youth engaged in health and environmental activities for sustainable development.

4.6.3 Influence of IGAs on Profitability

The study also explored the opinion of the respondents on whether they believed profitability of IGAs was a determinant towards timely loan repayment and whether types of income generating activities influenced repayment of YEDF loans. Table 4.17 shows the results of the response.

Table 4.17

Influence of IGAs on Profitability

Statement	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
Profitability of IGAs is a determinant towards timely loan repayment	154	50.99	100	33.11	42	13.91	5	1.66	1	0.33	4.328
Types of income generating activities influence repayment of YEDF loans	112	37.09	91	30.13	47	15.56	29	9.6	23	7.62	3.795

It was found that 154 (50.99%) respondents strongly agreed that profitability of IGAs is a determinant towards timely loan repayment, 100 (33.11%) agreed, 42 (13.91%) were neutral, 5 (1.66%) disagreed and lastly 1 (1.66%) respondents strongly disagreed. The mean response was 4.328, which when rounded off results in 4, meaning that the respondents agreed that profitability of IGAs influenced timely repayment.

The researcher therefore presented the respondents with a question on a 5 point likert scale that sought to know their opinion on whether type of income generating activity influences repayment of YEDF loan. 112 respondents strongly agreed, 91 (30.13%) agreed, 47 (15.56%) were neutral, 29 (9.6%) respondents disagreed and lastly 23 (7.62%) respondents strongly disagreed. The mean response was 3.795 meaning that on average the respondents agreed that the type of IGAs that they adopted influenced repayment of loans, a view supported by the study conducted by (Ochillo, 2010).

4.6.4 Influence of Profitability of IGAs on Sustainability

The researcher examined the influence of profitability of the business on the sustainability of the loan. Table 4.18 shows the cross-tabulation of level of profitability and sustainability of the loan repayment.

Table 4.18

Influence of Profitability of IGAs on Sustainability

Rating of IGAs Profitability	Failure, Delay or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
High	14	13.73	88	86.27	102	100
Average	7	21.88	25	78.13	32	100
Low	54	32.14	114	67.86	168	100
Total	75	24.83	227	75.17	302	100

In the group of 102 respondents who belonged to groups that realized high profits, only 14 (13.73%) said that there were times when they had failed to pay, delayed or defaulted while 88 (86.27%) respondents belonged to groups that had always paid. From among the 32 respondents whose groups realized average profits 7 (21.88%) said that there were times that they failed defaulted or delayed payment while 114 (67.86%) respondents belonged to groups that always paid.

Lastly, among the 168 respondents who belonged to groups that realized low profits, 54 (32.14%) said that there were times when they had failed to pay, delayed, or defaulted the youth enterprise loan while 114 (67.86%) respondents belonged to groups that always paid. This study also supports the views of Mohassen, (1999) that the borrowers have an obligation to repay their loans.

4.7 Market dynamics influence sustainability of Youth Enterprise Development

Fund loans

The last objective of the study examined the extent to which market dynamics influenced sustainability of the Youth Enterprise Development Funds. This has been discussed under the following sub themes; influence of demand of products on the sustainability, whether members supply enough to meet demand, influence of competition on business, influence of competition on sustainability, and target market segments.

4.7.1 Influence of Demand of Products on the Sustainability

The study began by examining the influence of market demand on the sustainability of the demanded goods and services and presented the findings as shown in table 4.19.

Table 4.19

Influence of Demand of Products on the Sustainability

Demand of products offered	Failure, Delay or Default in Loan Repayment				Total	
	Yes		No		Freq	Percent
	Freq	Percent	Freq	Percent		
Very high	0	0	14	100	14	100
High	5	5.32	89	94.68	94	100
Low	70	36.08	124	63.92	194	100
Total	75	24.83	227	75.17	302	100

From table 4.19, all the 14 respondents who belonged to groups that produced goods that had very high demand always paid their YEDF loan. From among the 94

respondents whose groups produced products and services that were in high demand 5 (5.32%) said that there were times that failed, defaulted or delayed payment while 89 (94.68%) respondents belonged to groups that always paid. Lastly, among the 194 respondents who belonged to groups that produced goods that were in very low demand, 70 (36.08%) said that there were times when they had failed to pay, delayed, or defaulted the YEDF loans while 124 (67.86%) respondents belonged to groups that always paid.

This results show that provision of goods that are in high demand is related to repayment of the YEDF loans and vice versa. ILO, (2005) concurs with this finding when he says that demand determines how much the enterprises established by the youth would flourish. Youth entering the business market often find supply side measures tend to outweigh the demand side measures.

4.7.2 Whether Members Supply Enough to Meet Demand

The researcher examined the members supplied enough to meet the demand and presented the findings as shown in table 4.20.

Table 4.20

Whether Members Supply Enough to Meet Demand

Supply enough to meet demand	Frequency	Percentage
Yes	62	20.53
No	240	79.47
Total	302	100

Table 4.20, shows that 62 (20.53%) respondents were of the opinion that members supplied enough to meet demand while 240 (79.47%) said that their group members did

not produce enough to meet demand. The findings of this study differ with the views of ILO, (2005) suggest enterprises that are able to meet demand of their customers.

4.7.3 Influence of Competition on Business

The study sought the opinion of the respondents on whether other market players have hindered the marketing of products/services generated the youth groups. Illustrated in table 4.21.

Table 4.21

Influence of Competition on Business

Statement	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean
	Freq.	%	Freq	%	Fre q.	%	Fre q.	%	Freq	%	
Other market players have hindered the marketing of products/services generated by youths in your group	151	50	103	34.11	45	14.9	2	0.66	1	0.33	4.328
Youths cannot compete where there are very many market players	132	43.71	101	33.44	41	13.58	24	7.95	4	1.32	4.103

It was found that 151(50%) respondents strongly agreed that other market players had hindered the marketing of their products/services, 103 (34.11%) agreed, 45 (14.9%) were neutral, 2 (0.66%) disagreed and lastly 1(1.33%) respondent strongly disagreed.

The mean response was 4.328, which when rounded off results in 4, meaning that the respondents agreed that respondents strongly agreed that other market players had hindered the marketing of their products/services. A view supported by Clark & Summers (1982) that youth have generally less knowledge and experience on regulations and related legal institutional frameworks which increase the risk of business failure.

The researcher examined the opinion of the respondents on whether they agreed that youths could not compete where there were other market players. 132 respondents strongly agreed, 101 (33.44%) agreed, 41 (13.58%) were neutral, 24 (7.95%) respondents disagreed and lastly 4 (1.32%) respondents strongly disagreed. The mean response was 4.103 meaning that on average the respondents agreed youths could not compete where there were other market players.

The findings of this study agrees with Curtain, (2000) who says that the youth entrepreneurs are not calculated risk-takers and Chigunta, (2001) & Motts (2000) agree that lack of experience and expertise among other factors tend to push potential youth entrepreneurs into high risk and low-value ventures where failure is highly probable.

4.7.4 Influence of Competition on Sustainability

The study examined the influence of competition on the sustainability of the YEDF loan and presented the findings as shown in table 4.22.

Table 4.22

Influence of Competition on Sustainability

Level of competition with other market players on repayment	Failure, Delay or Default in Yes		Repayment No		Total	
	Freq	Percent	Freq	Percent	Freq	Percent
Low extent	2	11.11	16	88.89	18	100
Average extent	7	7.37	88	92.63	95	100
High extent	66	34.92	123	65.08	189	100
Total	75	24.83	227	75.17	302	100

In the group of 18 respondents who belonged to groups that level of competition with other market players affected their performance to a low extent, only 2 (11.11%) said that there were times when they had failed to pay, delayed or defaulted while 16 (88.89%) respondents belonged to groups that had always paid. From among the 95 respondents, who belonged to groups where level of competition with other market players affected loan repayment to an average extent 7 (7.37%) said that there were times that they failed, defaulted or delayed payment while 88 (92.63%) respondents belonged to groups that always paid. Lastly, among the 189 respondents who belonged to groups whose loan repayment was affected to a high extent, 66 (34.92%) said that there were times when they had failed to pay, delayed, or defaulted the YEDF loans while 123 (65.08%) respondents belonged to groups that always paid.

4.7.5 Target Market Segments

The study explored the target market segments that the youth groups served and presented the findings as shown in table 4.23.

Table 4.23

Target Market Segments

Products/services produced by group members target	Frequency	Percentage
High class customers	5	1.66
Middle class customers	95	31.46
Low class customers	202	66.89
Total	302	100

Table 4.23, shows that 5(1.66%) respondents belonged to groups that targeted high class customers, 95 (31.46%) respondents belonged to groups that targeted middle class customers and lastly 202 (66.89%) belonged to groups that targeted low class customers. Chigunta (2001) concurs, in many less developed countries the customers are poor and generally buy a limited range of products which Chigunta calls 'copy cap entrepreneurs' where one successful enterprise is copied by everyone else, until they all collapse under the weight of their own competition.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presented a summary of the research findings, gives a conclusion and further gives recommendations of the research findings. This chapter also gives the contribution of the research to the body of knowledge.

5.2 Summary of findings

The first objective of the study examined the influence of group dynamics on sustainability of Youth Enterprise Development Funds. The study examined five different types of aspects of group dynamics. They included motivation, sense of community, involvement in decision-making, having relevant group objectives and type of leadership in the group. The study found that groups that 62.13% members who were motivated to a high extent always repaid the YEDF loan more than groups that were motivated to a low extent of 37.87%. This means increase in motivation of members to participate in group work contributed to the sustainability of the YEDF loan through repayment of the YEDF loan.

In the case of community involvement, the study found that 93.94% respondents who involved the community in group activities was associated with groups that always repaid their loans and consequently sustaining the youth enterprise development fund. The study also found that 91.7% respondents whose members always made decision as group members always paid their YEDF loans while 8.3% groups that did not involve

their members in decision making either delayed or defaulted the YEDF loan repayment. This means that involvement of group members in decision making contributed to the sustainability of the YEDF loan. The study found that 92.54% groups with relevant group objectives was associated with reliable repayment of the loan on the other hand 7.46% having groups that do not have relevant group objectives was associated with delays or defaulting of the YEDF loan. The study also found that 62.13% having a democratic form of leadership and 86.27% having an autocratic leadership was associated with repayment of loans while having an uninvolved form of leadership with associated with delays or defaults in payments of the YEDF loans.

The second objective explored the influence of capacity building and training on the sustainability of the youth enterprise fund loans. The study explored that only 92 (30.48%) respondents belonged to groups that had been trained by the youth enterprise development fund and only 94 (31.13%) respondents belonged to groups that had attended seminars on entrepreneurship. The study found that among the 95 respondents who belonged to groups that had received training on sustainability, only 14 (7.46%) said that there were times when they had failed to pay and among the 207 respondents whose groups had received training 61 (29.47%) belonged to groups that failed to pay, delayed or defaulted the youth enterprise loan. Among the 94 respondents who belonged to groups that had attended seminars on entrepreneurship, only 15 (15.96%) said that there were times when they had failed to pay, delayed or defaulted while among the 208 respondents who belonged to groups that had not attended any seminars on entrepreneurship 145 (69.71%) respondents belonged to groups that always paid the

YEDF. This results show that attending of training and seminars increased the levels of repayment of the YEDF loan and subsequently sustaining the YEDF loan.

The third objective of the study examined the extent to which profitability in income generating activities influence sustainability of Youth Enterprise Development Fund. The study found that most of the youths were involved in agriculture and small and medium size enterprises but most preferred it if they were involved with ICT and building and construction. For instance 111 (36.75%) respondents were involved in small and medium size enterprises; 104 (34.44%) respondents were involved in agricultural ventures but 84 (27.81%) respondents preferred it if they were involved in building and construction and 80 (26.49%) respondents preferred it if they were involved with ICT.

The study found that the respondents agreed that profitability of IGAs influenced loan repayment of the YEDF loan. For instance in the group of 102 respondents who belonged to groups that realized high profits, only 14 (13.73%) said that there were times when they had failed to pay, delayed or defaulted while 88 (86.27%) respondents belonged to groups that had always paid. On the other hand, among the 168 respondents who belonged to groups that realized low profits, 54 (32.14%) said that there were times when they had failed to pay, delayed, or defaulted the youth enterprise loan while 114 (67.86%) respondents belonged to groups that always paid and that the type of IGAs that the groups adopted influenced repayment of loans. This results show that improved profits was associated the type of enterprise chosen which by extensions had influence on the repayment of loans.

The last objective of the study examined the extent to which market dynamics influenced sustainability of the Youth Enterprise Development Funds. The study focused

on four types of market dynamics, this included, market demand, market supply, market competition and advertisements. The study found that all the 14(100%) respondents who belonged to groups that produced goods that had very high demand always paid their YEDF loan while among the 194(63.92%) respondents who belonged to groups that produced goods that were in very low demand, 70 (36.08%) failed to pay, delayed, or defaulted the YEDF loan while 124 (67.86%) always paid. In the case of competition 18 respondents belonged to groups that level of competition with other market players affected their performance to a low extent. Among them, only 2 (11.11%) said that there were times when they had failed to pay, delayed or defaulted while 16 (88.89%) respondents belonged to groups that had always paid. These results show that low competition contributed to payment of loans. The study found that most of the youth groups targeted lower segments of the market. It was reported by 202 (66.89%) respondents that they targeted low class customers. The purchasing power of low level customers is not as high as middle level customers. This leads to little returns and consequently inability to easily pay for the loan.

5.3 Conclusions

The purpose of the study was to establish determinants of sustainability of YEDF loans. The first objective of the study examined the influence of group dynamics on trainability of YEDF loans. The study found that improved motivation, community involvement, youth group members who were always involved in decision-making, having relevant group objectives and democratic type of leadership was associated with repayment of YEDF loans.

The second objective examined the influence of capacity building and training on sustainability of YEDF loans. The study found that attending training and seminars on entrepreneurship, satisfaction with the achievement of set objectives and having conflict resolution mechanisms increased the chances of loan repayment and subsequently sustainability of YEDF loans.

The third objective of this study explored the extent to which profitability in income generating activities influenced sustainability of YEDF loans. Majority of respondents were involved in Small and Micro enterprises though they preferred building and construction IGAs and profitability IGAs highly influenced repayment of YEDF loans. Therefore, improved profits were associated with high loan repayment rates.

The last objective of the study was the extent to which market dynamics influenced sustainability of YEDF loans. Provision of goods that are on high demand is related to high repayment of YEDF loans. Stiff competition from other market players hampered the repayment of loans while low competition contributed to sustainable repayment of loans. Low class customers who were the majority of customers did not aid in sustainable YEDF loans repayment.

5.4 Recommendation for Policy Action

1. The study recommended that the government through the ministry of Youth Affairs and Sports should train the youth on the importance of democratic leadership, motivation, having a sense of community, importance of involvement in decision-making, importance of having relevant group objectives. This is because this study established that these were the factors that promoted sustainability of the YEDF.

2. The study recommends that the ministry of youth affairs should research on emerging markets so as the youth groups can know areas where they can sell their goods and services at optimal prices. This is important because this study established that profitability was a determinant to ability to pay the YEDF loans.
3. The study suggested that YEDF management should empower the youth groups on how to improve the value chain of their products and services so as to appeal on the high market segments of the society that can pay for higher prices.

5.5 Suggestions for Further Studies

This study did not explore certain areas that were equally of great importance. Such areas were left out because the scope of this study warranted. In view of this, the study suggests the following areas for further research:

1. The study recommends that future researchers should replicate the same study in other counties and include the views of the YEDF management so as to have a more inclusive study.
2. Future researchers should do a study on factors contributing to low-uptake of YEDF loans by youth in rural areas with a view to improving on credit disbursement and management of YEDF loans.
3. Future researchers should do a study on factors influencing youth involvement in SMEs.

5.6 Contribution to the body of knowledge

The study made the following contributions to the body of knowledge.

Table 5.1

Contribution to the Body of Knowledge

Objective	Contribution to the body of knowledge
1. To identify the extent to which group dynamics influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district	<p>Out of the 302 respondents 99 (32.78%) were motivated to a low extent, 34 (11.29%) were motivated to participate in group matters to an average extent and 169 (55.96%) were motivated to participate in group matters to a low extent.</p> <p>Out of the 302 respondents 198 (65.56%) were involved in group activities due to the sense of community.</p> <p>Two hundred and forty one (79.8%) respondents had their views sought in the group.</p> <p>201 (66.56%) respondents had group activities that were relevant to group objectives. 102 (33.77%) respondents came from groups that had the autocratic leadership style, 168 (55.63%) respondents came from groups that had the uninvolved leadership style, and 32 (10.6%) respondents came from groups that had democratic leadership style.</p>
2. To establish whether capacity building and training influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district	<p>206 (68.21%) respondents belonged to groups that had problem solving mechanisms.</p> <p>95 (31.46%) respondents belonged to groups that had been trained by YEDF.</p> <p>94 (31.13%) respondents belonged to groups that had attended seminars on entrepreneurship,</p> <p>51 (16.89%) respondents were very satisfied with the extent to which they achieved their set objectives, 214</p>

(70.86%) respondents were averagely satisfied with the extent to which they achieved their set objectives and lastly 37 (12.25%) respondents were dissatisfied with the extent to which they achieved their set objectives

3. To examine the extent to which profitability in income generating activities influence sustainability of Youth Enterprise Development Fund loans in Emuhaya district

111 (36.75%) respondents were involved in small and medium size enterprises; 104 (34.44%) respondents were involved in agricultural ventures, 68 (22.52%) were involved in education and training, 11 (3.64%) were involved in building and construction, 7 (2.32%) respondents were involved with manufacturing and 1 (0.33%) respondent came from a group that was involved with ICT.

102 (33.77%) respondents rated the profitability of the IGA they were involved with as high, 32 (10.6%) respondents rated the profitability of the IGA they were involved with as average and 168 (55.63%) respondents rated the profitability of the IGA they were involved with as low.

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APPENDIX I
LETTER OF TRANSMITTAL

UNIVERSITY OF NAIROBI
P.O. BOX 30197 -00100 GPO
NAIROBI, KENYA
1ST FEBRUARY, 2012

TO,
MR/MRS/MISS-----

Dear Sir/Madam

**RE: DETERMINANTS OF SUSTAINABILITY OF YOUTH ENTERPRISE
DEVELOPMENT FUND LOANS**

I am a post-graduate student at the University of Nairobi studying M.A in Project Planning and Management. I am carrying out research on sustainability of Youth Enterprise Development Fund loans in Emuhaya district, Kenya. You have been identified as a potential respondent in this study. The information you will provide will be treated as confidential and will be used only for the purpose of this study. Names will not be required. Thanking you in advance.

MUCHIBI J. JOAN

APPENDIX II
QUESTIONNAIRE FOR YOUTH

This questionnaire is intended to collect information on Determinants of sustainability of Youth Enterprise Development Fund loans in Emuhaya District, Kenya. Please read the instructions for each question carefully before giving responses. The data collected will be treated with utmost confidentiality. This questionnaire has 6 sections. Kindly answer all questions with relevant information. The information will be used for the research purpose only. Write answers in the spaces provided. Tick (✓) the appropriate boxes in case of choices.

SECTION A: DEMOGRAPHIC INFORMATION

Please fill in the necessary data and tick (✓) the appropriate box in case of choices.

Division -----

Location -----

Sub-location -----

Age-----

Gender: Male

Female

Level of education

Primary

Secondary

University

Any other (specify) -----

Employment status

Unemployed

Employed

Self employed

1. State the size of your youth group

10-20 Members

21-30Members

31-40Members

41-50 Members

Above 50Member

SECTION B: GROUP DYNAMICS

1. To what extent are you motivated as a group member?
High extent average extent
Low extent
2. Is your involvement in group activity inspired by sense of community?
Yes NO
3. Do you make decisions as a group?
Yes NO
4. Are your group issues/activities relevant to group objectives?
Yes NO
5. Indicate leadership style that you have adopted in running the group
Democratic
Autocratic
Uninvolved

SECTION C: CAPACITY BUILDING AND TRAINING

Kindly tick (✓) in the appropriate box from the choices provided and fills in the information on the spaces provided

1. Do you have mechanisms for solving conflicts?
Yes No
2. Have you ever been trained by YEDF?
Yes No
3. Have you ever attended a seminar on Entrepreneurship?
Yes No
4. To what extent do you satisfied with you achievement of your set objectives?
Very Satisfied Averagely Satisfied
Dissatisfied Very Dissatisfied
Totally dissatisfied

SECTION D: PROFITABILITY AND INCOME GENERATING ACTIVITIES

Please tick (✓) in the appropriate box as you answer the following questions.

1. State type of income generating activities that your group engage in

Manufacturing	<input type="checkbox"/>
Building & construction	<input type="checkbox"/>
ICT	<input type="checkbox"/>
Agricultural	<input type="checkbox"/>
Education & Training	<input type="checkbox"/>
Small & medium enterprises	<input type="checkbox"/>

2. Types of income generating activities influence repayment of YEDF loans

Strongly Agree (5)	<input type="checkbox"/>
Agree (4)	<input type="checkbox"/>
Neutral (3)	<input type="checkbox"/>
Disagree (2)	<input type="checkbox"/>
Strongly disagree (1)	<input type="checkbox"/>

3. Which types of IGAs do youths prefer?

Manufacturing	<input type="checkbox"/>
Building & construction	<input type="checkbox"/>
ICT	<input type="checkbox"/>
Agricultural	<input type="checkbox"/>
Education & training	<input type="checkbox"/>
SMEs	<input type="checkbox"/>

4. Profitability of IGAs is a determinant towards timely loan repayment

Strongly Agree (5)	<input type="checkbox"/>
Agree (4)	<input type="checkbox"/>
Neutral (3)	<input type="checkbox"/>
Disagree (2)	<input type="checkbox"/>
Strongly disagree (1)	<input type="checkbox"/>

5. In your opinion how would you rate the profit you make?

High	<input type="checkbox"/>	Average	<input type="checkbox"/>
Low	<input type="checkbox"/>		

SECTION E: MARKET DYNAMICS

Kindly tick (√) in the appropriate box on the following multiple choices and fill in the relevant information in the spaces provided.

1. State the level of demand of products offered or supplied by members of your group.

Very high

High

Very low

No demand

2. Explain the reason(s) for your answer in (2) above.

3. Do group members supply enough to meet demand?

Yes No

4. Please explain how demand and supply influence repayment of YEDF loans.

5. Other market players have hindered the marketing of products/services generated by youths in your group.

Strongly Agree (5)

Agree (4)

Neutral (3)

Disagree (2)

Strongly disagree (1)

6. Youths cannot compete where there are very many market players.

Strongly Agree (5)

Agree (4)

Neutral (3)

Disagree (2)

Strongly disagree (1)

7. Please explain how level of competition with other market players affect repayment of YEDF loans

8. Products/services produced by group members target

High class individuals

Middle class individuals

Low class individuals

9. Please explain the relationship between class for consumers of group products/services and repayment of YEDF loans

SECTION F: SUSTAINABILITY OF LOANS

Kindly tick (√) the relevant information in the spaces provided.

1. Are there times that you have failed to pay the loan, delayed or defaulted?

Yes No

How many times have you done that?

Very few times

Few times

Average times

Many times

Very many times

THANK YOU FOR YOUR COOPERATION

APPENDIX III

Table for Determining Sample Size from a Given Population

Population size	Sample size
10	10
20	19
30	28
40	35
50	44
60	52
70	59
80	66
90	73
100	80
150	108
200	132
250	162
300	169
400	196
1500	306
2000	322
3000	341
4000	351
5000	357
6000	361
7000	364
10000	370
20000	377
50000	381
100000	384

Source: R.V. Krejcie and D. Morgan (1990), determining sample size for research activities Educational and psychological measurement.

APPENDIX IV

RESEARCH PERMIT AND AUTHORIZATION LETTER

PAGE 2

PAGE 3

Research Permit No. NCST/RCD/14/012/958

THIS IS TO CERTIFY THAT:

Date of issue
Fao received

16th July, 2012
KSH. 1,000

Joan Jael Muchibi
of (Address) University of Nairobi
P.O.Box 30197-00100, Nairobi.
has been permitted to conduct research in



Location
District
Province
**Emuhaya
Western**

on the topic: **Determinants of sustainability of
'Youth Enterprise Development Fund Loans in
Emuhaya District, Kenya.**

Applicant's
Signature

Secretary
National Council for
Science & Technology

for a period ending: 20th June, 2013.

CONDITIONS

1. You must report to the District Commissioner and the District Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2)/four(4) bound copies of your final report for Kenyans and non-Kenyans respectively.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice



REPUBLIC OF KENYA

RESEARCH CLEARANCE
PERMIT

GPK6055t3mt10/2011

(CONDITIONS—see back page)

REPUBLIC OF KENYA



NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Telephone: 254-020-2213471, 2241349
254-020-310571, 2213123, 2219420
Fax: 254-020-318245, 318249
When replying please quote
secretary@ncst.go.ke

P.O. Box 30623-00100
NAIROBI-KENYA
Website: www.ncst.go.ke

Our Ref: **NCST/RCD/14/012/958**

Date: **16th July 2012**

Joan Jael Muchibi
University of Nairobi
P.O.Box 30197-00100
Nairobi.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *"Determinants of sustainability of Youth Enterprise Development Fund Loans in Emuhaya District, Kenya,"* I am pleased to inform you that you have been authorized to undertake research in **Emuhaya District** for a period ending **20th June, 2013**.

You are advised to report to **the District Commissioner and the District Education Officer, Emuhaya District** before embarking on the research project.

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

DR. M. K. RUGUTT, PhD, HSC
DEPUTY COUNCIL SECRETARY

Copy to:

The District Commissioner
The District Education Officer
Emuhaya District.