INFLUENCE OF YOUTH EMPOWERMENT PROGRAMS ON NATIONAL DEVELOPMENT: A CASE OF UWEZO YOUTH FUND IN VIHIGA COUNTY, KENYA

 \mathbf{BY}

ALFAYO ALFONZE AGUFANA

A Research Project Report Submitted in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Arts Degree in Project Planning and Management of the University of Nairobi

DECLARATION

| This research project report is my original v | work and has not been presented for an award in |
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| | |
| Signature | Date |
| Alfayo Alfonze Agufana | |
| Reg. No.L50/68941/2013 | |
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| This research project report has been subm | nitted for examination with my approval as the |
| University Supervisor. | |
| | |
| | |
| | |
| Signature | Date |
| Dr. Sagwa Vidija Evans | |
| Lecturer | |
| Department of Extra-Mural Studies, | |
| University of Nairobi. | |
| | |
| Signature | Date |
| Dr. John Mbugua | |
| Lecturer | |
| Department of Extra-Mural Studies, | |
| University of Nairobi. | |

DEDICATION

This work is dedicated to my Son Christian Musau Lisamadi for his perseverance with loneliness due to my absence while attending evening classes. To my parents Mr. Alhaj Hassan & Mrs. Zeituni Ezina Kibisu, my Siblings for supporting me on this long journey in pursuit of knowledge; to the youth of Vihiga County for their cooperation with me during the research period. In addition, this work will not have been complete without the dedication of Moni Nabutilu Agufana, Gladys Kiptum Jepchirchir, and Erick Onyango who were my lead research assistants.

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LIST OF ABBREVIATIONS AND ACRONYMS

AU African Union Commission

CDF Constituency Development Funds

CYE Critical Social Theory of Youth Empowerment

GYEP Global Youth Empowerment Program

ICT Information Communication Technology

IEG Independent Evaluation Group

IFAD International Fund for Agricultural Development

IYFNET International Youth Foundation

KKV Kazi Kwa Vijana

KNBS Kenya National Bureau of Statistics

KYEP Kenya Youth Empowerment Project

UEFPA United Nations Development Programme

UFG Uwezo Fund Guide

UNDP United Nations Development Programs

USAID United States Aid Program

UYF Uwezo Youth Fund

YEP Youth Empowerment Programs

YYC Yes Youth Can

ABSTRACT

The purpose of the study was to investigate the influence of youth empowerment programs on national development in Vihiga County. The specific objectives of the study were: to establish the influence of financial sustainability on national development in Vihiga County; to assess the extent to which credit facilitation influences national development in Vihiga County; to determine the extent market linkage influence national development in Vihiga County and to establish the influence of capacity building on national development in Vihiga County. Descriptive survey research design was used. The target population for this study was 129,790 youths in Vihiga County. A sample size of 384 for the youth was considered adequate. The study adopted purposive sampling technique so as to target a particular group, in selecting respondents with rich cases for in depth analysis related to the central issues being studied. Questionnaire was used as the research instruments. Data obtained was analyzed both qualitatively and quantitatively using SPSS. The questionnaire return rate was 84.90% which was considered reasonable enough for statistical generalizations. The study found out that the respondents operate small scale business ventures mainly for maintenance. Thus, such businesses earn only small profits which make it hard to realize business expansion. They also experience limited growth in market share. Moreover, the businesses do not get steady cash flow. Given that they operate in ever changing environment, they end up spending more funds than planned for in the budget as supported by 82.2% of the respondents. The study revealed that the respondents mainly form groups to operate joint ventures (85.89%) due to the fact that they are funded by Uwezo funds which mainly work with youth and women groups through table banking. The study found that Uwezo fund has empowered the respondents to become more independent given that they can now afford decent meals, pay rent, support their families and have some gainful employment. Most of the businesses got more than 12,000 profits monthly as supported by 77.6%. However, when the profit is distributed among members barely go beyond sh.1000. Only 3.1% of the respondents got more than sh.7000. 88.6% of the respondents concurred that most businesses are similar which resulted in stiff competition. The study also revealed that the staff shared information on the registration of businesses, business training opportunities, and available market opportunities including available tenders. Based on the findings, the study recommends that the entrepreneurs in this county should scan the environment for other business opportunities currently untapped. The grace period for the repayment of the Uwezo Fund loan should be increased to allow the young entrepreneurs to establish their business ventures. In addition, the government should help the young entrepreneurs expand their markets by creating more market linkages. The study suggests that more research be carried on the influence of management skills on the utilization of the Uwezo Fund and the impact of Uwezo Fund on the social life of the young entrepreneurs.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

According to UNDP (2014) youth empowerment at the global level aims at empowering the young population from across the world. These programs have been promoted internationally by various agencies and organizations including the World Bank, the United Nations, the European Union and the Commonwealth among others. Youth empowerment programs at the global level work in close partnership with governments as well as specific local agencies which ensure that youths at the grass root levels are able to access these programs. Some of the international youth empowerment programs include The Common Wealth Youth Program, USAID programs and the Global Youth Empowerment program. The Global Youth Empowerment Inc. is a not-for-profit organization that brings together youths from across the globe. The initiative offers different types of skills to the youth including mentoring services, training regimes, skills building in leadership and provision of outlets for the youth to highlight their artistic creativity.

Payne et al., (2012) the USAID Youth Programs are offered all over the world, with different regions having programs running under different names. In Africa, the USAID Youth Programs include Youth Map Africa, Yes Youth Can, The Rwanda Youth Project as well as The Mali out Of School Project. The USAID Youth programs also run in the Middle East, Latin America as well as Europe. The Common Wealth Youth Program is an intergovernmental youth and development agency whose work falls under three strategic programs namely youth work education and training, youth enterprise and sustainable livelihoods and governance development and youth networks. Similarly, the plan for action for youth empowerment has been found to embody the framework for several states' action for youth affairs (Almeida et al., 2012).

These examples include those programs that cover more than one country in Africa. The Youth Map Africa program supports the youth in Sub-Saharan Africa. The project, which will run for four years in supported by USAID and is designed to assess the challenges faced by young people in this region and promote youth development. The program covers eight countries including Uganda, Senegal, Mozambique and Southern Sudan. Assessments have

already been done in the mentioned countries and plans are underway to provide seed grants to the youth. Additionally, the program aims at replicating and improving on the existing programs related to economic growth and education (USAID, 2015).

The Youth Empowerment program is another program that covered more than one country in Africa. The program was supported by the International Youth Foundation (IYFNET) alongside other local organization. The program ran between 2007 and 2010 in Nigeria, Kenya, Senegal and Tanzania. The services and skills offered by the program included entrepreneurship skills, life skills training, employability, and provision of hands-on experiences through internship. The program started with an initial grant of \$1 million which was later on leveraged to over \$6 million through partnerships with local and other international organizations including Microsoft, the Agha Khan Foundation and USAID. It is reported that at the end of the program, 9500 youth had received training in various skills including ICT and that they had been assisted with job placement services, community services as well as entrepreneurship (IYFNET, 2015)

According to the Youth Employment program evaluation report (IEG, 2013), 28% of the total population in the sub-Saharan Africa comprises of people aged between 12 and 24 years. It is pointed out that this figure makes the region the most youthful one in the world. The scenario replicates itself in Kenya where the youth account for about 75% of the total population, which is well over 38 million. The youth in this case fall in the 15 to 35-age bracket and make approximately 14 million of the total population. The YEP evaluation report indicates that the youth make up about 40% of the underemployed individuals in the country. This is despite the fact that approximately 500,000 youth enter the labor market from different learning and training institutions around the country. This is a clear indicator that the young people in Kenya live in complex and challenging times.

Despite the gloomy situation that most youths in the country find themselves in, recent developments in the political, social and economic sectors give grounds for optimism. According to the Kenya Economic Survey 2015, formal employment in the manufacturing sector increased by 2.9% in 2014. Additionally, the economy was able to generate over 700,000 new jobs in both the formal and informal sectors. Kenya facts report (2014) also shows that enrollment in learning institutions generally increased between 2010 and 2013. Figures from the Kenya National Bureau of Statistics also show that there was an overall

increase in university enrollment in both the private and public universities with enrollment in courses such as education, medicine, and arts being on an upward trend.

The increase in the number of young people enrolling in training and learning institutions does not correlate with the rate at which the students are absorbed in the formal sector. Out of the over 500,000 young people who enroll in training and learning institutions, about 100,000 are absorbed into the formal sector. The Kenya National Bureau of Statistics (KNBS) figures on wage employment by industry shows that there has been an upward trend in Wage employment across all the key sectors of the economy. Education, with 392,855 employees as of 2013 remains the highest wage employment activity. Other activities with high wage employment include administrative and support service activities, public administration and defense and human health and social work. However, the informal sector still accounts for the largest share of employment at 82.7% meaning that most of the youth who graduate from learning institutions often find themselves in the informal sector (Kenya Facts, 2014). These statistics point to the difficult situation that the youth in the country find themselves in. The government, local organizations as well as international organizations have come up with a number of programs to help the youth come out of this situation.

There are many examples of youth empowerment programs in Kenya. This includes those supported by the government, local agencies, as well as international organizations in collaboration with the government and locally based institutions. The Kenya Youth Empowerment Project (KYEP) is implemented by the Kenyan government in collaboration with the World Bank. The project was launched in 2010 and targets youth in Peri-Urban and Urban areas of Kisumu, Nairobi and Mombasa. It has two main components namely capacity building and policy development and private sector internships and training (Education innovations, 2015). Other youth empowerment programs in Kenya include, The Kenya Youth Empowerment and Employment Initiative, Youth Social and Economic empowerment project Kenya, Kazi KwaVijana, Yes Youth Can and Uwezo fund.

Several empirical studies have been undertaken in Kenya to ascertain their impact on economic growth and development. The studies indicate that level of awareness of the various Youth Empowerment Programs has increased considerably. While undertaking a survey concerning the effectiveness of Kenya Youth Empowerment Programs (KYEP) in Lari, Kiambu County, Wangari (2014), found out that 26% of the youths in the area showed great interest and perception towards accessing the Uwezo Youth Fund. The study also

revealed that the level of awareness of the kitty had increased immensely with radio coming out as the most informative channel accounting for over 60% of the awareness among the youth. In a similar study, Oloo (2014), while assessing the effectiveness of KYEPs in Homabay County, found out that the funds (Uwezo Youth Fund and Kazi KwaVijana) were doing well in the area only that they were faced by several problems. The study concluded that the funds are faced by high levels of corruption, the interference of government and political institutions in the management of the funds, long bureaucratic procedures in accessing the funds, unreliability, and finally inadequacy of the funds and as such, the intended purpose and spiraling effects on national development were greatly inhibited.

That the various KYEP are faced with several challenges is an indicator to their being ineffective in enhancing national development since they target the youth who are Kenya's most abundant asset (Hope, 2012) and therefore if they fail to achieved the intended purpose, economic development in Kenya is hampered. The study also observed that the youth are marginalized and to some extent, hopeless and if coupled with unemployment which KYEPs seek to alleviate, then what we have in Kenya is only an economic time bomb. Njonjo et. al. (2012), while assessing the essence of youth unemployment in Kenya, observed that the Kazi Kwa Vijana (KKV) initiated in 2009 was initially a highly successive and ambiguous program that was brought to its knees through poor management. In yet another intriguing study, Ashiku (2014) espoused that courtesy of the KYEP (more so Uwezo Youth Fund), and partly to CDF, the youth have been able to obtain credit facilities and had consequently been empowered economically to the extent that they were able to start and grow their businesses. He however noted that if the full benefits of the youth programs were to be harnessed, it was crucial that some form of training was done for the youth on how to access and invest funds from the programs.

Additionally, Thieme (2010) also observed that the KYEP, particularly KKV had an array of impacts on the economic empowerment of the youth and the economy in general, albeit temporarily. The empirical findings suggest various mechanisms (both expressly and mildly) through which the activities of the KYEP lead to economic development. Education, finance to start and grow business, employment and other positive externalities result from KYEP Wangari (2014): Thieme (2010) & Hope (2012)). Moreover, it has been ascertained that 75% of the challenges facing the KYEP directly impact on the youth groups and by

extension, the development of national economy (Oloo, 2014). Yes Youth Can is the least studies empirically of the three KYEP.

1.2 Statement of the Problem

Insight gained through previous studies USAID report (2015), has shown Kenyan youths make 36% of the total population. A large percentage of these youths reside in urban areas and as much as 2.5 million youths remain unemployed in Kenya. Additionally, the report reveals that one-third of HIV/AIDS patients are youths. According to UNFPA, (2013), about 80% of the total population in Kenya is literate. Young members of the society can have significant impact on the development of organizations and communities (Hope, 2012). According to Vihiga County Development Profile Report (2013), the number of people seeking work (but not finding one) is 11,832 while the economically inactive people are 99,959.

In this regard, more opportunities need to be created with a view of addressing the unemployment problem (KNBS, 2010). According to Oloo (2014), the Kenyan government and other non-governmental organizations have come up with youth empowerment programs and processes aimed at equipping the youths with the necessary skills and resources to become self-sufficient and contribute to the development of the society. Despite these efforts, the Kenyan youths remain the largest unemployed population, with most of them lacking the necessary skills and resources to take part in national development through ways that can better their lives as well as other members of the society (UEFPA, 2013).

Most of the youth empowerment programs have largely focused on the youths living in urban centers, with little or no effort being made to make the rural based youths aware of these programs. Most studies have been undertaken to assess the efficiency of YEP at the youth group levels but little has been done to associate this efficiency with national development (Ashiku, 2014). This study aims to undertake a critical inquiry into the awareness levels of youth on the Youth Empowerment Program: Uwezo Youth Fund. But more so to ascertain the influence of capacity building, budgetary resources allocation, market linkage and level of awareness of Uwezo Youth Fund on national development. The study also intends to provide critical insights to policy makers on how to design national and piecemeal policies on matters pertaining to the youth.

1.3 Purpose of the Study

The purpose of the study was to investigate the influence of youth empowerment programs on national development in Vihiga County, Kenya.

1.4 Objectives of the Study

The objectives of the study are:

- To establish the influence of Financial Sustainability on national development in Vihiga County.
- 2. To assess the extent to which Credit Facilitation influences national development in Vihiga County.
- 3. To determine the extent Market Linkage influence national development in Vihiga County.
- 4. To establish the influence of Capacity Building on national development in Vihiga County.

1.5 Research Questions

- 1. In what ways does Financial Sustainability influence national development in Vihiga County?
- 2. To what extent does Credit Facilitation influence national development in Vihiga County?
- 3. How does Market Linkage influence national development in Vihiga County?
- 4. In what ways does Capacity Building from Uwezo Funds influence national development in Vihiga County?

1.6 Significance of the Study

This study investigated the influence of youth empowerment programs on national development in Vihiga County. The study aimed at establishing pertinent information that may benefit development and governance practitioners, policy-makers as well as researchers on the involvement of youths in national development. Consequently, the research findings may act as a baseline and reference for further research.

1.7 Basic Assumptions of the Study

It was assumed that the target population would provide the necessary information.

1.8 Limitations of the Study

There was difficulty in accessing confidential information relevant to the study. Therefore, the respondents had to be assured of anonymity and confidentiality. Lastly, accessibility and logistics constrained the study in terms of time and finance during data collection and hence, limited the scope of the study.

1.9 Delimitations of the Study

Vihiga County whose headquarters is in Mbale is located in the Western Region of Kenya. It boarders Nandi to the East, Kisumu County to the South, Siaya County to the West and Kakamega County to the North. It is one of the four Counties in the former Western Province. Vihiga County has five Constituencies; Luanda, Emuhaya, Hamisi, Sabatia, and Vihiga. The County's population stands at 554, 622. This study will focus on 129,790 youth individuals between the ages 18-35 years in Vihiga County.

1.10 Definition of Significant Terms as Used in the Study

Budgetary resources: refers to the amount of resources allocated towards implementation of projects under the Uwezo Youth Fund.

Capacity building: refers to conceptual approach to development that focuses on understanding obstacles that inhibit people, governments, international organizations and non-governmental organizations from realizing their development goals while enhancing the abilities that will allow them to achieve measurable and sustainable results.

Empowerment: refers to the giving of economic power, authority and ability to initially disadvantaged groups.

Level of accountability: refers to the obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner.

Market linkage: refers to the ability of the youth under Uwezo Youth Fund to trade

competitively in both local and international markets.

National development: refers to the increase in economic growth as well as other qualitative

aspects such as literacy levels, infant and maternal health.

Programs: planned series of events and activities that are well organized and coordinated to

achieve a specific aim.

Youth: Individuals aged between 18 and 35 years.

Organization of the Study 1.11

This study is organized in five chapters:

Chapter One, comprises of the background of the study, statement of the problem, purpose of

the study, objectives of the study, research questions, significance of the study, basic

assumptions of the study, limitations of the study, delimitations of the study, definition of

significant terms used in the study, and organization of the study. Chapter Two, presents the

literature review from scholarly publications on the programme based on the research

objectives and questions.

Chapter Three, consists of the, introduction, research design, target population, sample size &

sampling procedures and research instruments, pilot testing of instruments, validity and

reliability of the of research instruments, data collection procedures, data analysis techniques,

ethical considerations and operational definition of the variables. Chapter Four presents data

analysis, interpretation, and presentations. Chapter Five contains summary of the findings,

discussion, conclusion, recommendations, and suggestions for further research.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides information from publications on topics related to the research objectives. It examines what various scholars and authors have said about factors that can influence employee retention.

2.2 Emperical Review of Youth Funds

Youth empowerment has grown globally as an intervention strategy in social services for improving youth outcomes (Morton & Montgomery, 2012). The objective of Uwezo fund is to allow access to money through grants and credit to assist youth and women start and sustain businesses at the constituency level to attain economic growth and realization of vision 2030 through table banking. The Uwezo fund provides a platform on which women and youth access grants and interest-free loans which allow them to be able to participate in the 30% government procurement slots allocated to them and hence reduce unemployment among the youth in Kenya. Uwezo fund is meant to address the problem of unemployment and enhance wealth creation, establish self-employment for Kenyan youth and women and design alternative framework in funding community development in order to improve the quality of life for all Kenyans (Uwezo Fund Guide, 2013). Despite the seductive rhetoric of youth empowerment, the new turn to youth serves primarily to serve the goal of insulating the increasingly contested neoliberal project from political and ideological challenge (Sukarieh &Tannock, 2008).

2.3 Influence of Financial Sustainability on National Development

Today, more so than ever before, the African Continent is confronted with many challenges on its path to sustained growth and development (Ahmed & Hanson, 2011). According to IFAD sustainability is ensuring that institutions support trough projects and benefits realization are maintained and continued after the end of a project. The concept sustainability arose in response to economic growth models that characterized development approaches over the last half century. It was recognized that such models did not adequately address social inequalities and led to environmental degradation, the concept gained wider use after

the World Commission on Environment, and Development published Our Common Future. Over the years the definition of sustainability in development has varied widely and broadened in scope (IFAD, 2009).

The World Bank defines financial self-sustainability as the process of increasing the capacity of institutions or groups to make choices and to transform those choices into desired actions and outcomes (Quayes, 2012). Sustainability of enterprises is vital for any economy that seeks to reduce poverty levels among its people. According to Yaron (2007) sustainability is not an end in itself but rather a means to the end of improved social welfare. Therefore, those who possess the skills to both start, and continue a business will improve their standards of living. Central to this process are actions which both build individual and collective assets, and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets. In order to ensure financial viability, sustainability needs to be central in the planning and day-to-day operation. For young entrepreneurs who possess viable business ideas and skills but have no office space, the fund has come up with business support services and resources services such as enterprise development services and market linkages (Montgomery, 2005).

In addition, Uwezo fund sustainability can also be defined in terms of resource flow whether the results of the youth projects will be sustained in the medium or even longer term without continued assistance. Sustainability is achieved if the revenues of the Uwezo Fund are greater than the expenditures. However, financial sustainability is an output of the sustainability of other components at the same time. Financial sustainability is a key factor for Uwezo Fund sustainability, as it is a condition for achieving sustainability of other components and the survival of the Uwezo Fund (Todd, 2006). Moreover, financial sustainability is based on a given minimum purchasing power and sufficient density of potential Uwezo Fund beneficiaries. In addition to budgeting, bookkeeping, and strict financial discipline, Uwezo Fund should establish financial controlling mechanisms keeping them informed of the status of planned vs. actual expenditures, earnings, and cash flows.

Community organizing groups that have built coalitions for local change over the past few decades are now involving young people as leaders in efforts to improve quality of life (Christens & Dolan, 2011). In community led projects, the formation of groups is emphasized as a means of promoting sustainability through community empowerment. In addition, to the initial design, the way Uwezo Fund projects are implemented can also influence the long-

term sustainability. For example, by increasing the allocation of funds and strengthening the capacity of the youths to plan and manage these can help ensure that Uwezo fund have a lasting impact. In summary, Sustainability is permanence. The social goal is not to have sustainable youth entrepreneur but rather to maximize expected social value minus social cost discounted through time. In principle, sustainability is not necessary or sufficient for social optimality. In practice, however, sustainable organizations tend to improve welfare the most (Yaron, 2007).

It is expected that if the businesses run by the youth are empowered financially will lead to growth of the enterprises leading them to enter the taxable bracket. This will contribute to increased revenue collected by the government. Thus, the government will have higher revenue to enable it roll out national development programs.

2.4 Influence of Credit Facilitation on National Development

There is need to engage marginalized youth in social change through youth-led grants (Blanchet-Cohen & Brunson, 2014). The success of a credit system, in terms of both effectiveness and cost, is largely determined by policy established within the Agency managing the programe. Too conservative a policy will entail high opportunity cost through loss of business, but too liberal a policy results in the cost of tying up funds in debtors and the increased possibility of bad debts (Cowton & Ho, 1985).

Obamuyi (2009) argues that credit is expected to positively influence the availability of factors of production such as land, labour, capital, equipment and machinery. All things being equal, increased quality and quantity of factors of production available to a firm will generate more production and income. Thus, when a loan is granted to a firm, the effect on the firm's profitability is expected to be positive. Credit also enhances bulk purchases of productive resources, which decrease unit cost of production as a result of economies of scale. The reduction in unit cost of production is also expected to generate an increase in profit. Therefore, a well-managed loan tends to lead to profit maximization. Similarly, an increase in production and sales, as a result of the loans, demands that employment be increased to maintain the workforce necessary for the increased production and sales.

It is obvious therefore that timeliness of disbursement is crucial for a business venture to succeed. The frequency of the disbursements also has a bearing on the performances of the business, keeping in mind that the initial fund loan of Kshs. 50, 000 may not be enough for

the youths to stock their business, because of the start-up overheads. A group can only qualify for another loan after completing the initial loan after 12 months, thereby limiting the youth in terms of quicker expansion (Uwezo Fund Guide, 2013).

Loan Disbursement and Youth Empowerment in every institution needs to have its own modalities of achieving its set objectives. There must be laid-down procedures that govern every facet of the organization. The Government of Kenya has taken steps to ensure that the youth groups reap maximum benefit from the loans they take. One way they have done this is by declaring that the Uwezo loans will be interest-free. This means that the youth groups just pay the principal sum only. No collateral security is required other than a viable business proposal and group members guaranteeing each other. This is in contrast to commercial lenders that always charge interest on loans and advances. The advantage to the youth is that they do not have to factor in hefty interest when they compute their revenue and profit therefore translating to bigger profits. The Government also recognizes that businesses do not always start generating income immediately after inception. As such the youth groups are normally given a grace period within which to start repaying the loan. It ranges from two to six months. This gives the businesses a chance to establish and market themselves (Wanja, 2014).

Without the credit facilitation from Uwezo Fund fewer of its beneficiaries would have been able to initiate business enterprises. Hence, much as credit facilitation available from Uwezo Fund is only between Ksh 50,000 to a maximum of Ksh 100,000; this has improved the living standards of the youths as they are able to fend for themselves and even their families.

2.5 Influence of Market Linkage on National Development

One of the key problems facing youths relates to concentration in low value local markets. Such youth also lack access to information on product and input markets. Thus, promoting the viability of youth access to information on product and input markets and linking them to global value chains. This will require encouraging young people to explore existing global initiatives aimed at promoting trade between different counties and countries. In Vihiga county entrepreneurs largely rely on the local market. According to Philip (2002) the advantages of producing for local markets is that entrepreneurs know and understand local needs and opportunities, as well as the quality standards and expectations of that market. Uwezo funds for instance ensure that 30% of government tenders are given to the youths.

Available evidence suggests that heavy reliance on the local market, especially in a developing country context, is a key constraint on earnings (Chigunta, 2002). Another challenge is largely a reflection of lack of diversity in the local economy is copycat entrepreneurship. According to Philip (2002) copycat entrepreneurship is a situation whereby one successful enterprise is copied by everyone else, until they all collapse under the weight of their own competition. Too often, the youth entrepreneurs concentrate in a narrow range of micro-enterprise activities.

The heavy reliance of youth entrepreneurs and other non-youth informal sector operators on a low income market cannot lead to surplus accumulation which could allow young people to pursue independent livelihoods. This is especially so given that youth's lack access to institutional sources of market information and clearly defined and targeted marketing strategy. The challenge, then, is to come up with a supportive policy and institutional framework that could link youth entrepreneurs to high value markets or enable them to engage in value-adding enterprise activities (Chigunta, 2002).

Many of the youths are engaged in micro-enterprises almost offering similar goods and services leading to high competition. Hence there is need to enhance existing programmes in a manner that can expand the youth access to both local and international markets. It will result to higher sales and profits for the youth owned enterprises earning foreign exchange which is needed for national development. The strategic location of Kenya, it's educated and trained youth manpower is ripe for the government to invest in smart business. Kenya being an Anglophone country and the now available fibre optic superhighway makes Kenya ideal for set up call centers to reap from Business Process Outsourcing.

2.6 Influence of Capacity Building on National Development

Statistics indicates that 92% of Kenyan youth have no post-education skills and knowledge (Ashraf, 2008). The International Labor Organization report, indicates that the education levels matter when it comes to gaining employment in both the developed and the developing economies. At the same time, there is need to match the skills taught, to specific job requirements so that a individuals will possess skills that help job performance. Skills mismatch in youth labor markets has become a persistent and growing trend. Long-term unemployment has brought about obsolescence of skills rendering what one had learned obsolete, especially considering the dynamism in the field of technology (Chabbott, 2013).

With focus on youth empowerment youths are viewed as community assets and resources with an increasing call for their participation in the process of socioeconomic, public, and political affairs of the community. Capacity building helps young people identify and develop their ongoing capacities and make use of their existing assets to gain control over their lives and influence the social conditions that affect them. By focusing on capacity building development young people can be induced with confidence, hope, and motivation for change (Elaine, 2008).

Youths have unique resources that need to be recognized and utilized in national development. In regard to capacity building one acknowledge that capacity building training fulfill important function in development programs. Capacity building is a continuous process in which it constantly support youth in order to strengthen their skills on a constant basis through skills and competency development. Continuous training was important in enhancing the capacity building of the youth in enabling them understand why prior skills and knowledge in financial and entrepreneur matters was crucial. For capacity building to generate a genuinely inclusive form of development, interventions must therefore take into account the different ways in which their impact will be felt by individuals and social group (Eade, 1997)

According to Wanja (2014) for youths to start and sustain their businesses, they require not just funding but also requisite knowledge. Sustainability of enterprises is vital for any economy that seeks to reduce poverty levels among its people. Therefore those who possess the skills to start, and continue a business will improve their standards of living. These skills are useful, both in formal employment and in the self-employment sector.

Capacity building is designed to promote change, protect interventions that take place within wider process of social and economic transformation. Capacity building approach to development involves identifying the constraints that youth empowerment experience in realizing basic rights and finding appropriate vehicles through which to strengthen their ability to overcome the causes of their exclusion and suffering. Elaine et. al. (2008) argues that capacity is used to mean enabling institution be more effective in implementing development projects and strengthen capacity of primary stakeholders to improvement defined activities. The effort of Uwezo Fund has enabled the youth to acquire various skills and knowledge necessary for entrepreneurship including and not limited to: bookkeeping, budgeting, report writing among others.

2.7 Theoretical Framework

This study could be guided by two theoretical models Critical Social Theory of Youth Empowerment (CYE) and the theory of motivation by Abraham Maslow.

2.7.1 Critical Social Theory of Youth Empowerment (CYE)

CYE developed by Jennings et al. (2006) is built on four conceptual models of youth empowerment (Wallerstein et al., 2005) and participatory research with community youth organisations (Jennings et al., 2006). The CYE framework was chosen since it was designed to be used as a frame of reference for creating opportunities for youth empowerment (Jennings et al., 2006), which coincide with the aim of this study. The six dimensions of critical youth empowerment theory are elaborated as follows:

2.7.1.1 Meaningful Participation and Engagement

As a part of CYE, youth need to have the opportunity to engage in meaningful activities in which they can make a contribution, but also where they are also given the possibility to learn and practice important leadership and participation skills (Jennings et al., 2006). Youth also need to engage in activities relevant to their own lives. A meaningful participation can also contribute to more sustainable and prolonged engagement. Meaningful engagement creates opportunities for the youth to develop their identity, increase sense of self-worth, and enhance self-efficacy (Chinman & Linney, 1998).

2.7.1.2 A Welcoming and Safe Environment

An environment where youth feel valued, respected, encouraged, and supported is a key to CYE (Jennings et al., 2006). Consequently, youth need to feel comfortable and have the opportunity to share their feelings and take risks. It is an environment where youth have the freedom to be themselves, express their creativity, raise their opinions and have fun in the process of doing so. A welcoming and safe environment is one in which youth feel ownership and are supported, by adults, to move beyond their comfort zone, and to experience both success and failure.

2.7.1.3 Equitable Power-Sharing between Youth and Adults

Within the CYE framework an adult leader should support youth without dominating to achieve shared power between youth and adults, which is a key for youth empowerment (Jennings et al., 2006). Youth need to be able to take part in leadership roles to develop their

leadership skills. To be able to do this the adults must share their power with youth, by for example assigning youth participants to committees. However, it is not easy to reach the level of shared power between youth and adults, something which requires flexibility and facilitation.

2.7.1.4 Integrated Individual and Community-Level Empowerment

Youth empowerment programmes needs to provide opportunities for development at both individual and community levels, and these two levels are connected (Jennings et al., 2006). Empowerment at the individual level should also have positive effects on the community level (Jennings et al., 2006). Jennings et al. refers to Zimmerman's Psychological Empowerment theory and emphasise that an empowerment process at community level includes access to resources, tolerance for diversity and open governance structures.

2.7.1.5 Engagement in Critical Reflection on Interpersonal and Sociopolitical Processes

Critical reflection is an important part within youth empowerment; even though it is a dimension often not included in youth empowerment models (Jennings et al., 2006). According to the CYE, if you are not critically aware of the visible and invisible structures and processes within social institutions, empowerment is not possible. Youth programmes often focus more on activities and less on reflection.

2.7.1.6 Participation in Socio-political Processes in Order to Effect Change

Involvement in activities which includes engagement in sociopolitical processes and social change is essential to CYE (Jennings et al., 2006). Within the CYE youth are not empowered if they do not have the capacity to address the structures, processes, and social values and practices issues. Hence, they need to be able to influence and take part in social change efforts.

2.7.2 Theory of Motivation by Abraham Maslow

The theory that has been adopted for this research is the theory of motivation by Abraham Maslow. Maslow addresses the issue of motivation in his famous Maslow's Hierarchy of Needs Theory. In his theory, Maslow argues that there are those human needs that must be met first before others are addressed, and therefore higher motives become unimportant when lower motives are not met (Maslow, 1970). Motivation is an internal state that serves to activate and give direction to our thoughts. According to the African Union Commission's definition of youth empowerment, young people are empowered when they realize that they

have or can create choices in life, are aware of the implications of those choices, make informed decisions freely, take action based on those decisions and accept responsibility for the consequences of their actions. Empowerment encompasses various dimensions, including the economic, social, and political among others African Union Commission (AU, 2010).

An economically successful person has purchasing and spending power, and as a result he will walk around with a sense of confidence. He has self-esteem and earns respect from his peers and the society in general. Motivation is a key ingredient for success. There are different measures of success but everybody desires to succeed in one way or the other. This is called the achievement motivation, a psychological need to succeed in one's endeavour (Elliot & Church, 1997). Our motives are organized in form of a hierarchy where the most basic needs are at the bottom and must be met first, and onto other needs. When it comes to youth empowerment, it is only after the youth have fulfilled their basic needs of food and shelter that they can move to the other higher needs including social interactions and active participation in the community. Social empowerment therefore means that one must be enabled to attain a certain measure of success that earns him respect from others, and raises his self-esteem

When the youth are socially empowered, they tend to be more active in community development activities. They also participate in policy planning and implementation at community levels (Curtis, 2008). However, it must be noted that financial support still remains the anchor for real empowerment for the youth, because they will not participate in policies or issues that they feel are not directly profiting them. When they feel included, they are more likely to participate (Carver & Baird, 1998). Youth empowerment can only happen when the youth themselves are willing to take the first step and take advantage of the finances available to them through the Youth Fund. It is difficult for young people to amass capital for business, and few of them can get loans from established commercial and financial institutions due to lack of collateral. A business can grow even from meagre capital as long as it is turning in regular revenue. When the loans are disbursed on time and in the amounts requested, then the youths can grow their businesses and empower themselves.

In Maslow's theory, a person can only move from one level to another when the lower level need has been fulfilled. When a person has food and shelter, they can think of their safety needs including health. After, the person can think of having affiliations because they feel empowered enough to step out. According to McClelland (1978) Human Needs Theory, an

individual is driven by three key motivators or needs, namely; achievement, affiliation and power. When we address the achievement need, capacity building helps a person achieve his goals because he is better prepared for the task ahead of him, and also to participate in policy formulation since he is better informed. The need for affiliation is met by the formation of groups, and cohesiveness of the group in question. Group cohesiveness is the extent to which group members are attracted to the idea of a group (Eysenck, 2009). Belonging to a group means that resources can be pooled together and performance can be improved.

An effect in which working in a group improves one's performance on individual projects is referred to as social facilitation (Levine et. al., 1993). There is positive synergy in groups and exchange of ideas, leading to better outcomes (Sorkin et al., 2001). When suitable projects are identified and boosted by partnership with the various stakeholders, then the youth will be confident enough to venture into enterprises and empower themselves. Motivation according to Maslow means that an individual works first to fulfill his basic needs and can only aspire for higher needs when the basics are covered. With a business enterprise that is successful, the youth can move from basic needs to fulfilling higher needs. Therefore, success can be guaranteed when there is business feasibility, timely loan disbursements, and capacity building in terms of training. This theory of motivation may partly explain why the youth who have not met their lower level needs are poor participants in social and community affairs. They also do not participate in policy formulation forums or discussions, because they feel that such activities do not benefit them in any way. In order to activate the higher motives, the lower ones must have been met.

2.8 Conceptualization of Variables

A conceptual framework is a concise description of the phenomenon under study accompanied by a graphic or visual depiction of the major variables of the study. From the conceptual framework shown in Figure 1 below, the independent variables in the study comprise of capacity building, allocation of budgetary resources, market linkage, and capacity building. The dependent variable in the study is national development. The intervening variables in the study are lack of awareness and education level. The moderating variable in the study is government policies.

Independent Variables

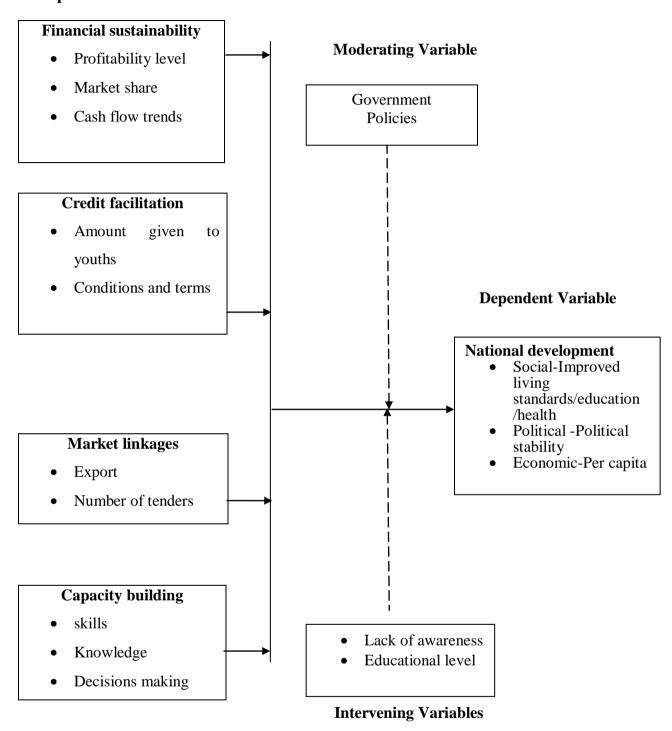


Figure 1: Conceptual Framework

2.9Knowledge Gap

A study conducted by Oloo (2014) revealed that the Kenyan government and other non-governmental organizations have come up with youth empowerment programs and processes aimed at equipping the youths with the necessary skills and resources to become self-sufficient and contribute to the development of the society. Despite these efforts, the Kenyan youths remain the largest unemployed population, with most of them lacking the necessary skills and resources to take part in national development through ways that can better their lives as well as other members of the society (UEFPA, 2013).

Most of the youth empowerment programs have largely focused on the youths living in urban centers, with little or no effort being made to make the rural based youths aware of these programs. Most studies have been undertaken to assess the efficiency of YEP at the youth group levels but little has been done to associate this efficiency with national development (Ashiku, 2014). This study aims to undertake a critical inquiry into the awareness levels of youth on the Youth Empowerment Program: Uwezo Youth Fund. But more so to ascertain the influence of capacity building, budgetary resources allocation, market linkage and level of awareness of Uwezo Youth Fund on national development.

2.10 Summary

For all nations, developed and developing alike, the youth form the most important part of the population. They are the backbone of these economies, providing the energy and creativity required for development to take place in different sectors of the economies. Providing the younger population with freedom and empowerment holds the secret to a nation that can be described as successful. The importance of youth empowerment programs at the regional, national as well as international levels is evidenced by increased interest among policymakers, researchers as well as practitioners in the participation of youths in different areas of the economy. Youths are often referred to as future leaders due to the creativity, strengths, and potentials that they harbor. They are the pillars on which economies are built on. Youths are also an important asset to any given nation, but their potential can be maximized only when their creativity and energies are tapped and utilized in the appropriate manner.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that is adopted. Detailed in the chapter is a description of the research design, target population, sampling design, data collection, and analysis procedures.

3.2 Research Design

The study adopted descriptive survey research design. The sample survey design was appropriate for this study because it helps one to obtain information from broad spectrum of members of the population (Mugenda & Mugenda, 2003). This study combined both descriptive survey and correlation research design. Descriptive research design aided in the determination of the current state at Vihiga County and, correlation design helped establish association between variables.

3.3 Target Population

The target population for this study comprised of the entire youth cadre in Vihiga County totaling to 129,790 (KNBS, 2010).

3.4 Sample Size and Sampling Techniques

The study had a sample size of 384 youths and used purposive sampling.

3.4.1 Sample Size

Krejcie & Morgan Table was used to determine the sample size for the given population. The sample size for this study was 384 youths.

Table 3.1 Vihiga County Youth Sample Size

| Gender | Population | Percentage | Sample Size |
|--------|------------|------------|-------------|
| Male | 57,650 | 44 | 169 |
| Female | 72,140 | 56 | 215 |
| Total | 129,790 | 100 | 384 |

3.4.2 Sampling Procedure

Sampling procedures are methods a researcher uses to select items or things to study (Matthews & Kostelis, 2011). The study used purposive sampling procedure. In purposive sampling, there is one or more specific predefined groups, which one seeks. The researcher targets a particular group of people believed to be reliable for the study. The power of purposive sampling lies in selecting information with rich cases, for in depth analysis related to the central issues being studied.

3.5 Data Collection Instruments

The main data collection instrument is questionnaire. Questionnaire is appropriate because it is cost effective and faster to administer since it does not involve the researcher making personal visits to respondents.

3.5.1 Pilot Testing of the Instrument

The questionnaire was first piloted before the actual data collection was effected. This process involved trying out questionnaire on a small group of individuals to get a feel of how they react to it before the final questionnaire is developed (Stangor, 2010). A small sample of 20 youth respondents at Vihiga County was used for this purpose. The 20 respondents were not involved in the actual study. The purpose of conducting a pilot study was to ensure that items in the questionnaire are stated clearly and have the same meaning to all respondents (Mugenda & Mugenda, 2003). This aided the researcher in modifying the questionnaire for more clarity, objectivity, and efficiency of the process.

3.5.2 Validity of the Instrument

Mugenda & Mugenda (2003) describe validity as a measure of the degree to which data obtained from an instrument accurately represents a phenomenon under study. Content validity was preferred for this study. The validity was measured by having the instrument

reviewed and evaluated by the researcher with the help of the supervisors and other professionals in the department.

3.5.3 Reliability of the Instrument

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Stangor, 2010). The research used half-split method technique to assess reliability. The questionnaire items were divided into two and then administered to two sets of respondents. The questionnaire was administered to a sample of respondents not involved in the study. A completed instrument was computed and comparisons from the respondents made. Spearman rank order correlation was employed to compute the correlation coefficient in order to establish the extent to which the contents of the questionnaire are consistent in eliciting the same response every time the instrument is administered. This is to be done in one session. Creswell (2012) indicates that a reliable research instrument should have a composite Cronbach Alpha, α of at least 0.7 for all items under study. Thus, reliability coefficient, α , of 0.7 was considered acceptable. The instrument was revised and had a composite α of 0.8329 when going for the field study.

3.6 Data Collection Procedures

Once the proposal was approved, the researcher received a letter of transmittal from the university to seek authority from National Commission for Science, Technology, and Innovation (NACOSTI) to conduct the research at Vihiga County. The researcher then obtained authority from Vihiga County before issuing the questionnaires to the youth.

3.7 Data Analysis Techniques

Both descriptive and inferential statistical techniques were employed. Quantitative techniques were used. This involved generation of data that is numerical, transforming what is observed, reported, or recorded into quantifiable units (Denscombe, 2003). According, to Healey (2011) descriptive statistics allows researchers to summarize large amounts of data using measures that are easily understood by an observer. Descriptive statistics allows the researcher to summarize large amounts of data using measures that are easily understood by an observer. This process consists of graphical and numerical techniques for summarizing data, in other words, reducing a large mass of data to simpler, more understandable terms

Descriptive statistics, Chi square were employed on the collected data to find out the answers of the research questions and to achieve the research objectives. Chi square was used to find out the association of various dimensions with capacity building, allocation of budgetary resources, market linkage and level of accountability. According to Kothari (2004) this technique is the most widely used method of testing for statistical significance between variables. The Statistical Package for Social Science (SPSS version 18.0) computer software was used for analyzing the data. The data was presented in figures and tables.

3. 8 Ethical Considerations

During the research period, the researcher avoided unnecessary risk, harm or wrong. The researcher treated people with respect and courtesy including those who are not autonomous. The researcher used reasonable, non-exploitable procedures. The procedure the researcher used was fairly administered (Kothari, 2004). In addition the researcher sought and got letter of introduction from the University of Nairobi to facilitate application for research permit from National Council for Science and Technology. The NACOSTI permit and approval letter were shared with the Vihiga county commissioner, The Uwezo fund Chief Executive officer all constituency Uwezo fund managers and with all respondents

3.9 Operationalisation of Variables

There are four independent variables and one dependent variable in the study as shown in the conceptual framework. Table 3.1 below discusses the indicators of the variables, instruments used in collecting the necessary indicators and the methods of analyzing these variables.

Table 3.2: Operationalisation of Variable

| Research Objectives | Variables | Indicators | Measurement | Data Collection | Data Analysis Method |
|----------------------------------------------|-------------------------|----------------------------|---------------|-----------------|----------------------|
| | | | instruments | Method | |
| To establish the influence of financial | Independent Variable | Profitability level | Questionnaire | Survey | Quantitative |
| sustainability on national development in | Capacity building | Market share | | | Qualitative |
| Vihiga County. | | Cash flow trends | | | |
| To assess the extent to which credit | Independent Variable | Amount given to the | Questionnaire | Survey | Quantitative |
| facilitation influences national development | Allocation of budgetary | youth. | | | Qualitative |
| in Vihiga County. | resources | Conditions and terms. | | | |
| in viniga County. | | | | | |
| To determine the extent market linkage | Independent Variable | Export | Questionnaire | Survey | Quantitative |
| influence national development | Market linkage | Number of tenders | | | Qualitative |
| VihigaCounty. | | | | | |
| To establish the influence of capacity | Independent Variable | Skills | Questionnaire | Survey | Quantitative |
| building on national development in | Level of accountability | Knowledge | | | Qualitative |
| Vihiga County. | | Decision making | | | |
| | D 1 . W 11 | T 11 | | | |
| | Dependent Variable | Improved living | | | |
| | National development | standards/education/health | | | |
| | | Political stability. | | | |
| | | Per capita income | | | |

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter is on data analysis, presentation and interpretation. The first section in this chapter is on the response rate of the respondents. The second section of this chapter presents the profiles of respondents. The third section in this chapter is on the analysis, presentation and interpretation of the relationships under investigation. The presentation and interpretation was in line with the study's objective. The findings are presented in the form of tables showing frequencies and percentages. Since descriptive research design was used in this study, descriptive analysis was carried out in this chapter. For each research objective, descriptive analysis was first done by use of the percentiles and frequencies.

4.2 Questionnaire Response Rate

A sample size of 384 youths from a research population of 129,790 youths in Vihiga County was selected. Out of the 384 questionnaires that were administered, 326 questionnaires were duly filled and returned and therefore regarded as the responsive instrument and formed the basis for data analysis. This formed a questionnaire return rate of 84.90%. Saunders et al. (2003) indicate that 30 to 50 percent response rate is reasonable enough for statistical generalizations.

4.3 Profiles of the Respondents

This section profiles the respondents in respect to gender, age group, level of educational and marital status. Profiling of the respondents was informed by the items in the research instruments used in the study.

4.3.1 Distribution of the respondents

The study sought to determine the gender of the respondents. Respondents were therefore asked to indicate their gender. The responses were as shown in Table 4.1

Table 4.1: Distribution of Respondents by Gender

| Gender | Frequency | Percentage | |
|--------|-----------|------------|--|
| Female | 91 | 27.9 | |
| Male | 235 | 72.1 | |
| Total | 326 | 100 | |

Table 4.1 indicates that majority of the respondents in the study were males who accounted for 72.1% while female constituted for only 27.9%. The male counterparts tend to take more risks to venture into business enterprises whereas the female tend to remain risk averse.

4.3.2 Distribution of Respondents by Age Group

Respondents were asked to indicate their age group in years. This was done to understand the age distribution of the respondents since an individual's age was a consideration in the selection of respondents in this study. Age groups were classified into three categories: 18-23 years; 24-29 years and 30-35. The responses were as shown in Table 4.2

Table 4.2: Distribution of Respondents by Age Group

| Age group | Frequency | Percentage | |
|-----------|-----------|------------|--|
| 18-23 | 77 | 23.6 | |
| 24-29 | 103 | 31.6 | |
| 30-35 | 146 | 44.8 | |
| Total | 326 | 100.0 | |

The results in Table 4.2 indicate that 23.6% of the respondents were aged between 18 and 23 years; 31.6% of the respondents aged between 24 and 29 years and 44.8% of the respondents aged between 30-35 years of age. This shows that all the respondents (100%) were youths. Therefore, the impact of the Uwezo funds in their business ventures can be used to determine their influence on national development.

4.3.3 Distribution of Respondents by Level of Education

The respondents were asked to indicate their highest level of education. Respondent's level of education was considered important in this study. The options that were provided in this item were: Primary; secondary; tertiary; and university. The responses were as shown in Table 4.3.

Table 4.3: Distribution of Respondents by Level of Education

| Education Level | | Frequency | Percentage |
|------------------------|-----|-----------|------------|
| Primary | 73 | 22.4 | <u>-</u> |
| Secondary | 106 | 32.5 | |
| Tertiary | 120 | 36.8 | |
| University | 27 | 8.3 | |
| Total | 326 | 100.0 | |

The results in Table 4.3 indicate that 22.4% of the respondents had primary certificate; 32.5% had secondary certificate; 36.8% had tertiary certificate; and 8.3% had university certificate. The results reveal that all the respondents had at least the basic education. The level of education for the respondents was considered important in this study because the respondents were required to fill in the questionnaire individually. Therefore the data collection procedures used in the study were based on the assumption that the respondents were literate and could all individually fill in the questionnaires objectively as well as had basic understanding of the importance of research and therefore they would willingly act as the respondents in the study.

4.3.4 Distribution of Respondents by Marital Status

The respondents were asked to indicate their marital status. Respondent's marital status was considered important in this study. The option were provided in this item were either the respondent was married or single. The data was clustered and categorized as shown in Table 4.4.

Table 4.4: Distribution of Respondents by Marital Status

| Marital Status | Frequency | Percentage |
|----------------|-----------|------------|
| Married | 127 | 39.0 |
| Single | 199 | 61.0 |
| Total | 326 | 100.0 |

The results in Table 4.4 indicate that 39% of the respondents were married while 61% were single. Generally, all the respondents were youths which explain why a bigger percentage is single as oppose to a small percentage which represent the married respondents.

4.3.5 Distribution of Respondents by Type of Employment

The respondents were asked to indicate their Type of Employment. Respondent's Type of Employment was considered important in this study. The option were provided in this item were self-employed; casual or temporary; permanent; and unemployed. The responses were as shown in Table 4.5.

Table 4.5: Distribution of Respondents by Type of Employment

| Type of Employn | nent | Frequency | Percentage |
|-----------------|------|-----------|------------|
| Unemployed | 151 | 46.3 | |
| Permanent | 59 | 18.1 | |
| Self Employed | 116 | 35.6 | |
| Total | 326 | 100.0 | |

The results in Table 4.5 indicate that 46.3% of the respondents were unemployed; 18.1% of the respondents were permanently employed and 35.6% of the respondents were self-employed. 81.9% of the respondents are either unemployed or self-employed due to limited formal employment opportunities in the public and private sectors. Therefore, many youths resort to entrepreneurship as the alternative source of livelihood.

4.4 Financial sustainability

The study sought to determine the influence of the financial sustainability for the youths on national development. The responses are presented in Table 4.6 to Table 4.11.

4.4.1 Profitability of Business and increased stock without debt

The study sought to determine the sustainability of the business of the respondents by asking them if they managed to get profit from their businesses and increase stock without incurring debt. The option were provided in this item were Agree; strongly agree; Neutral; Disagree; strongly disagree. The responses were as shown in Table 4.6.

Table 4.6: Profitability of Business and increased stock without debt

| Responses | Frequency | Percentage | |
|-------------------|-----------|------------|--|
| Agree | 35 | 10.7 | |
| Disagree | 96 | 29.4 | |
| Neutral | 153 | 47 | |
| Strongly Agree | 15 | 4.6 | |
| Strongly Disagree | 27 | 8.3 | |
| Total | 326 | 100.0 | |

The results in Table 4.6 indicate that 10.7 % of the respondents agreed; 29.4% of the respondents disagreed; 47% of the respondents were neutral; 4.6% of the respondents strongly agreed; 8.3% of the respondents strongly disagreed. The respondents operate small scale business ventures mainly for maintenance. The businesses earn only small profits which make it hard for business expansion to be realised. This explained why 47% of the

respondents were unsure and only 15.3% could ascertain expansion and profit. However, 37.7% disagreed that they get profit and increase stock without debt mainly because profit is rarely realised in the early stages of the business hence, they rely on credit to increase stock.

4.4.2 Increased Number of Customers

The study sought to determine the sustainability of the business of the respondents by asking them if there has been an increase in the number of customers in their business. The option were provided in this item were Agree; strongly agree; Neutral; Disagree; strongly disagree. The responses were as shown in Table 4.7.

Table 4.7: Increased Number of Customers

| Responses | Frequency | Percentage | |
|-------------------|-----------|------------|--|
| Agree | 61 | 18.7 | |
| Disagree | 91 | 28 | |
| Neutral | 145 | 44.5 | |
| Strongly Agree | 4 | 1.3 | |
| Strongly Disagree | 25 | 7.7 | |
| Total | 326 | 100.0 | |

The results in Table 4.7 indicate that 18.7% of the respondents agreed; 28% of the respondents disagreed; 44.5% of the respondents were neutral; 1.3% of the respondents strongly agreed; 7.7% of the respondents strongly disagreed. This show that 20% approved, 35.7% disapproved while 44.5% were unsure whether there has been increase in number of customers. The respondents have limited market growth as they mainly serve the local residents. That is why 35.7% of the respondents denied increase in customer numbers. However, most of the respondents (44.5%) found it hard to ascertain if their enterprises had acquired new customers given that they serve the same market. 20% of the respondents had either grown their market share or expanded their businesses.

4.4.3 Business Experiencing Positive Cash Flow

The study sought to determine the sustainability of the business of the respondents by asking them if there has been an increase in the cash flow. The option were provided in this item were Agree; strongly agree; Neutral; Disagree; strongly disagree. The responses were as shown in Table 4.8.

Table 4.8: Business Experiencing Positive Cash Flow

| Responses | Frequency | Percentage | |
|-------------------|-----------|------------|--|
| Agree | 16 | 5 | |
| Disagree | 185 | 57 | |
| Neutral | 99 | 30.5 | |
| Strongly Agree | 11 | 3.4 | |
| Strongly Disagree | 15 | 4.6 | |
| Total | 326 | 100.0 | |

The results in Table 4.8 indicate that 5% of the respondents agreed; 57% of the respondents disagreed; 30.5% of the respondents were neutral; 3.4% of the respondents strongly agreed; 4.6% of the respondents strongly disagreed. Most of the enterprises experience stagnant growth making it hard for expansion since they have small market share and irregular customers. Moreover, the customers normally buy in small scale which leads to intermittent cash flow. This is espoused by a large percentage of respondents (61.6%) who disagreed that they experience steady cash flow. However, still a large percentage (30.5%) could not establish whether they have steady cash flow or not simply because of the respondents do not have in place cash tracking mechanisms to determine the amount of cash flowing into and out of the business.

4.4.4 Business Budget is Key

The study sought to determine the sustainability of the business of the respondents by asking them if business budget was the key of their operation. The options provided in this item were Agree; strongly agree; Neutral; Disagree; strongly disagree. The responses were as shown in Table 4.9.

Table 4.9: Business budget is the key of the operation

| Responses | Frequency | Percentage | |
|-------------------|-----------|------------|--|
| Agree | 105 | 32.3 | |
| Disagree | 6 | 1.8 | |
| Neutral | 17 | 5.2 | |
| Strongly Agree | 195 | 59.8 | |
| Strongly Disagree | 3 | 0.9 | |
| Total | 326 | 100.0 | |

The results in Table 4.9 indicate that 32.3% of the respondents agreed; 1.8% of the respondents disagreed; 5.2% of the respondents were neutral; 59.8% of the respondents strongly agreed; 0.9% of the respondents strongly disagreed. 92.1% of the respondents concurred that budget is at the centre of their operation. Majority of the respondents rely on budget to guide their businesses on expenditure. The respondents strive to reduce wastages of funds so as to improve efficiency of the business. This explains why many respondents agreed that budget is at the centre of their operations.

4.4.5 Not Experienced Unfavorable Deviation in my Budget for my SME

The study sought to determine the sustainability of the business of the respondents by asking them if they have experienced unfavorable deviation in their budget for their SME. The options provided in this item were Agree; strongly agree; Neutral; Disagree; strongly disagree. The responses were as shown in Table 4.10.

Table 4.10: Not Experienced Unfavorable Deviation in my Budget for my SME

| Responses | Frequency | Percentage | |
|-------------------|-----------|------------|--|
| Agree | 11 | 3.4 | |
| Disagree | 16 | 4.9 | |
| Neutral | 31 | 9.5 | |
| Strongly Agree | 16 | 4.9 | |
| Strongly Disagree | 252 | 77.3 | |
| Total | 326 | 100.0 | |

The results in Table 4.10 indicate that 3.4% of the respondents agreed; 4.9% of the respondents disagreed; 9.5% of the respondents were neutral; 4.9% of the respondents strongly agreed; 77.3% of the respondents strongly disagreed. This shows that 8.3% always worked within their budgets, 82.2% of the respondents used more funds than budgeted for while 9.5% were not sure mainly due to lack of detailed budget for the business operations. These businesses operate in ever changing environment usually beyond the control of the respondents and mainly affect the businesses negatively. Therefore, the respondents end up using more resources than had earlier anticipated in the budget.

4.4.6 Bookkeeping Skills Effectively Control Revenue Collection

The study sought to determine the sustainability of the business of the respondents by asking them if they practiced bookkeeping skills for effective control of revenue and expenditure of their SME. The options provided in this item were Agree; strongly agree; Neutral; Disagree; strongly disagree. The responses were as shown in Table 4.11.

Table 4.11: Bookkeeping Skills Effectively Control Revenue Collection

| Responses | Frequency | Percentage | |
|-------------------|-----------|------------|--|
| Agree | 44 | 13.5 | |
| Disagree | 16 | 4.9 | |
| Neutral | 21 | 6.4 | |
| Strongly Agree | 234 | 71.7 | |
| Strongly Disagree | 11 | 3.4 | |
| Total | 326 | 100.0 | |

The results in Table 4.11 indicate that 13.5% of the respondents agreed; 4.9% of the respondents disagreed; 6.4% of the respondents were neutral; 71.7% of the respondents strongly agreed; 3.4% of the respondents strongly disagreed. 85.2% of the respondents practiced efficient booking keeping, 8.3% of the respondents did not realised the benefits of book keeping in controlling revenue collection while 6.4% had no idea since they don't practice book keeping. Book keeping enables the respondents to control the cash inflows and outflows. This helps determine whether the business is making profit or incurring losses. That is why a majority of the respondents practiced efficient book keeping.

4.5 Credit Facilitation

The study sought to determine the influence of the credit facilitation for the youths on national development. The responses are presented in Table 4.12 to Table 4.18.

4.5.1 Availability of Business

The study sought to determine if the respondents had business. The option were provided in this item were Yes or NO. The responses were as shown in Table 4.12.

Table 4.12: Availability of Business

| Responses | Frequency | Percentage | |
|-----------|-----------|------------|--|
| No | 34 | 10.4 | |
| Yes | 292 | 89.6 | |
| Total | 326 | 100.0 | |

The results in Table 4.12 indicate that 10.4% of the respondents didn't have any form of business; while 89.6% of the respondents had some business. Majority of the respondents

operate businesses normally on small scale. The respondents run these businesses largely for maintenance purpose.

4.5.2 Type of Business

The study sought to determine what type of business the respondents had. The option were provided in this item were jointly; sole proprietor; family owned; and others. The responses were as shown in Table 4.13.

Table 4.13: Type of Business

| Responses | Frequency | Percentage | |
|-----------------|-----------|------------|--|
| Jointly | 280 | 85.89 | |
| Sole proprietor | 15 | 4.60 | |
| Family owned | 23 | 7.06 | |
| Others | 0 | 0 | |
| Neutral | 8 | 2.45 | |
| Total | 326 | 100.0 | |

The results in Table 4.13 indicate that 85.89% of the respondents had a jointly type of business; 4.60% operate sole proprietorship businesses; 7.06% operate family owned businesses; while 2.5% were unsure. The respondents mainly form groups to operate joint ventures due to the fact that they are funded by Uwezo funds which mainly work with youth and women groups. The respondents who operate family businesses either inherited them or initiated them alongside other family members. The minority who were not sure were mainly people who do not operate any business enterprise.

4.5.3 Utilization of Uwezo Fund Loan

The study sought to determine what type of business the respondents had utilized the Uwezo Fund loan they acquired. The option were provided in this item were expand the business; change of business; or new business. The responses were as shown in Table 4.14.

Table 4.14: Utilization of Uwezo Fund Loan

| Responses | Frequency | Percentage | | |
|-----------------|-----------|------------|--|--|
| Neutral | 8 | 2.45 | | |
| Expand business | 35 | 10.74 | | |
| Change business | 22 | 6.75 | | |
| New Business | 261 | 80.06 | | |
| Total | 326 | 100.0 | | |

The results in Table 4.14 indicate that 80.06% of the respondent started new business; 10.74% expanded business; 6.75% changed business; while 2.5% didn't respond. Majority of the respondents acquired the Uwezo fund to start new business mainly as youth groups or women groups. Minority either acquired the funds to expand their businesses or change their businesses altogether.

4.5.4 Empowerment

The study sought to determine if the financial facilities the respondents received from Uwezo Fund, empowered them economically. The responses were as shown in Table 4.15.

Table 4.15: Empowerment

| Responses | Frequency | Percentage | |
|-----------|-----------|------------|--|
| Neutral | 8 | 2.5 | |
| Yes | 318 | 97.5 | |
| Total | 326 | 100.0 | |

The results in Table 4.15 indicate that 97.5% of the respondents had been empowered by the Uwezo financial facilitation; while 2.5% didn't respond. Majority of the respondents agreed that the Uwezo fund had empowered them economically. However, those who remained neutral had not benefited from Uwezo funds given that they don't run businesses either as an individual or as a group.

4.5.5 How the respondents had been empowered

The study sought to determine how financial facilities the respondents received from Uwezo Fund had empowered them economically. The option provided in this item were; becoming self-employed; able to afford decent meals; able to support family; able to pay rent. The responses were as shown in Table 4.16.

Table 4.16: How the respondents had been empowered

| Responses | Frequency | Percentage | |
|----------------|-----------|------------|--|
| Decent meal | 157 | 48.2 | |
| Neutral | 8 | 2.5 | |
| Pay rent | 28 | 8.6 | |
| Self-employ | 82 | 25.2 | |
| Support family | 51 | 15.6 | |
| Total | 326 | 100.0 | |

The results in Table 4.16 indicate that 48.2% of the respondents were empowered to be able to have decent meals; 8.6% were able to pay rent; 25.2% were able to be self – employed; 15.6% were able to support their family; while 2.5% didn't respond. The Uwezo fund has empowered the respondents to become more independent given that they can now afford decent meals, pay rent, support their families and have some gainful employment. This is reflected by the mixed reacted elicited by the respondents.

4.5.6 Profit earned as Group

The study sought to determine the average amount of profit the group earned monthly. The options provided were categories of income; less than 2,000; 2,000-7,000; 7,000-12,000; and over 12,000. The responses were as shown in Table 4.17.

Table 4.17: Profit earned as Group

| Responses | Frequency | Percentage | |
|--------------|-----------|------------|--|
| < 2,000 | 13 | 4.0 | |
| >12,000 | 253 | 77.6 | |
| 7,000-12,000 | 52 | 16.0 | |
| Neutral | 8 | 2.5 | |
| Total | 326 | 100.0 | |

The results in Table 4.17 indicate that 4% of the respondents earned less than 2,000; 77.6% of the respondents earned more than 12,000; 16% of the respondents earned between 7,000 and 12,000; while 2.5% didn't know. Most of the businesses are run as joint ventures by the group members. Most of the businesses are small-scale ventures explaining why some were earning even less 2,000. However, many earned more than 12,000 as profit to the group.

4.5.7 Profit earned as Individual

The study sought to determine the average amount of profit an individual earned monthly. The option provided were categories of income; less than 1,000; 1,000-3,000; 3,000-5,000; 5,000-7,000 and over 7,000. The responses were as shown in Table 4.18.

Table 4.18: Profit earned as Individual

| Responses | Frequency | Percentage | | |
|-------------|-----------|------------|--|--|
| <1,000 | 176 | 54.0 | | |
| >7,000 | 10 | 3.1 | | |
| 1,000-3,000 | 20 | 6.1 | | |
| 2,000-7,000 | 74 | 22.7 | | |
| 5,000-7,000 | 38 | 11.7 | | |
| Neutral | 8 | 2.5 | | |
| Total | 326 | 100.0 | | |

The results in Table 4.18 indicate that 54% of the respondents earned less than 1,000; 3.1% of the respondents earned less than 7,000; 6.1% of the respondents earned 1,000-3,000; 22.7% of the respondents earned between 2,000-7,000; 11.7% of the respondents earned between 5,000-7,000; while 2.5% didn't know. Despite many of these business ventures earning more than 12,000, the individual earning is very low due to many members in the groups. This is supported by 54% who earned less than 1,000. In addition, most of these businesses are small scale businesses. Because of these realities the businesses get little profits which when distributed among members barely go beyond sh.1000. 3.1% of the respondents got more than sh.7000 because those businesses had established themselves and had a large market shares resulting in huge profit.

4.6 Market Linkage

The study sought to determine the influence of the credit facilitation for the youths on national development. The responses are presented in Table 4.19 to Table 4.21.

4.6.1 Similar businesses

The study sought to determine if the respondents business had other businesses similarity in the region. The options provided were; yes or no. The responses were as shown in Table 4.19.

Table 4.19: Similar businesses

| Responses | Frequency | Percentage | |
|-----------|-----------|------------|--|
| Neutral | 8 | 2.5 | |
| Yes | 289 | 88.6 | |
| No | 29 | 8.9 | |
| Total | 326 | 100.0 | |

The results in Table 4.19 indicate that 97.5% of the respondents had business similarity in the region; while 2.5% were unaware. Most of the businesses offer basic commodities needed by the locals resulting in offering the same goods across the many business ventures. This is supported by 88.6% of the respondents who concurred that most businesses are similar. The respondents have ready markets given that they supply mainly basic commodities. Only 8.9% have explored other business opportunities in this county. Very limited opportunities have been explored in this county. The entrepreneurs in this county can scan the environment for more other business opportunities currently untapped. Moreover, the groups have formed associations to explore new markets and to help for marketing of their goods especially business ventures that export their products.

4.6.2 Level of Business Competition

The study sought to determine the level of respondent's business competition with other similar businesses in the region. The options provided in this item were high; medium; and low. The responses were as shown in Table 4.20.

Table 4.20: Level of Business Competition

| Responses | Frequency | Percentage | |
|-----------|-----------|------------|--|
| High | 196 | 60.1 | |
| Low | 45 | 13.8 | |
| Medium | 77 | 23.6 | |
| Neutral | 8 | 2.5 | |
| Total | 326 | 100.0 | |

The results in Table 4.20 indicate that 60.1% of the respondents faced high competition from similar businesses in the region; 23.6% of the respondents faced medium competition from similar businesses in the region; 13.8% of the respondents face low competition from similar businesses in the region; while 2.5% were not sure. The businesses offer similar goods

mainly basic commodities resulting in stiff completion as attested to by 60.1%. The businesses attract the same local customers making the competition very high.

4.6.3 Type of Customers

The study sought to determine the majority of customers that the respondents had in their businesses. The option provided in this item were; all; youth; and old. The responses were as shown in Table 4.21.

Table 4.21: Type of Customers

| Responses | Frequency | Percentage | |
|-----------|-----------|------------|--|
| All | 184 | 56.4 | |
| Neutral | 8 | 2.5 | |
| Youth | 134 | 41.1 | |
| Old | 23 | 12 | |
| Total | 326 | 100.0 | |

The results in Table 4.21 indicate that 56.4% of the respondent sold their services to all; 41.1% of the respondents sold their services and goods majorly to youth; 2.5% were not sure. Many of the business ventures deal with basic goods that cut across all ages. That explains why the respondents stated that their goods serve all with 56.4% attesting to this. However, given that most of these business ventures are operated by youths some tend to serve youths' needs explaining by 41.1% of respondents supported that they offer goods for youths.

4.7 Capacity Building

The study sought to determine the influence of the capacity building for the youths on national development. The responses are presented in Table 4.22 to Table 4.23.

4.7.1 Uwezo Youth Fund Staff Information Sharing Assistance

The study sought to determine if Uwezo Youth Fund staff provided the necessary information to public. The option provided in this item were; yes; neutral and no. The responses were as shown in Table 4.22.

Table 4.22: Uwezo Youth Fund Staff Information Sharing Assistance

| Responses | Frequency | Percentage | |
|-----------|-----------|------------|--|
| No | 24 | 7.4 | |
| Neutral | 8 | 2.5 | |
| Yes | 294 | 90.2 | |
| Total | 326 | 100.0 | |

The results in Table 4.22 indicate 7.4% of the respondents never received the necessary information from Uwezo staff; 90.2% of the respondents received information from Uwezo staff; while 2.5% were not sure. The staff shares information on the registration of businesses, business training opportunities, available market opportunities including available tenders.

4.7.2 Uwezo Youth Fund Strategies in Improvement of Entrepreneurship Skills

The study sought to determine if the strategies of Uwezo Youth Fund helped the youth improve their entrepreneurship skills. The option provided in this item were; yes; neutral and no. The responses were as shown in Table 4.23.

Table 4.23: Uwezo Youth Fund Strategies in Improvement of Entrepreneurship Skills

| Responses | Frequency | Percentage |
|-----------|-----------|------------|
| Neutral | 8 | 2.5 |
| Yes | 297 | 91.1 |
| No | 21 | 6.4 |
| Total | 326 | 100.0 |

The results in Table 4.22 indicate that 91.1% of their respondents benefited from the strategies in improving their entrepreneurship skills; 6.4% did not benefit; while 2.5% were not sure. The staff organise regular seminars and workshops to the entrepreneurs to improve their skills on entrepreneurship, leadership and marketing. This improves the performance of the business ventures.

4.8 Inferential analysis

The study sought to determine if there is any relationship between the role of level of education and employment status; impact of Uwezo Youth Fund Loan on Economics Empowerment and role of Uwezo Youth Fund staff information sharing and capacity building. This was done using chi-square as shown.

4.8.1 The Role of Level of Education and Employment Status

The study sought to determine if there any relationship between the level of education and employment status. The responses were as shown in Table 4.24.

Table 4.24: The Role of Level of Education and Employment Status

| Chi-Square Tests | | | | |
|--------------------|----------------------|----|-----------------------|--|
| | Value | df | Asymp. Sig. (2-sided) | |
| Pearson Chi-Square | 240.097 ^a | 6 | .000 | |
| Likelihood Ratio | 244.304 | 6 | .000 | |
| N of Valid Cases | 326 | | | |

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.89.

Chi square was used to determine if there were any association between the level of education and employment status. The analysis indicates that there was an association between the level of education and employment status.

4.8.2 Impact of Uwezo Youth Fund Loan on Economics Empowerment

The study sought to determine if there was any relationship between the utilization of Uwezo Youth Fund and economic empowerment of the respondents. The responses were as shown in Table 4.25.

Table 4.25: Impact of Uwezo Youth Fund Loan on Economics Empowerment

| Chi-Square Tests | | | | | |
|-------------------------|---------------|----|-------------|----------------|----------------|
| | Value | df | Asymp. Sig. | Exact Sig. (2- | Exact Sig. (1- |
| | | | (2-sided) | sided) | sided) |
| Pearson Chi-Square | 326.000^{a} | 1 | .000 | | |
| Continuity | 285.563 | 1 | .000 | | |
| Correction ^b | 75 101 | 1 | 000 | | |
| Likelihood Ratio | 75.121 | 1 | .000 | 000 | 000 |
| Fisher's Exact Test | | | | .000 | .000 |
| N of Valid Cases | 326 | | | | |

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .20.

b. Computed only for a 2x2 table

Chi square was used to determine if there were association between the utilization of Uwezo Youth Fund and economic empowerment of the respondents. The analysis indicates that there was an association between the utilization of Uwezo loan and economic empowerment of respondents.

4.8.3 Role of Uwezo Youth Fund Staff Information Sharing and Capacity Building

The study sought to determine if there was any relationship between the information sharing of Uwezo Youth Fund staff and capacity building of the respondents. Chi square was used to determine if there were association between information sharing of Uwezo Youth Fund staff and capacity building of the respondents. The analysis indicates that there was an association between the information sharing of Uwezo Youth Fund staff and capacity building of the respondents. The responses were as shown in Table 4.26.

Table 4.26: Role of Uwezo Youth Fund Staff Information Sharing and Capacity Building

| Chi-Square Tests | | | | |
|--------------------|----------------------|----|-----------------------|--|
| | Value | df | Asymp. Sig. (2-sided) | |
| Pearson Chi-Square | 326.000 ^a | 2 | .000 | |
| Likelihood Ratio | 75.121 | 2 | .000 | |
| N of Valid Cases | 326 | | | |

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .20.

4.9 Discussion of the findings

The respondents operate small scale business ventures mainly for maintenance and earn only small profits which make it hard for business expansion to be realised. Therefore, they rely on credit to increase stock. The respondents have limited market growth as they mainly serve the local residents and rarely witness an increase in customer numbers. These findings support evidence suggested by Chigunta (2002) that heavy reliance on the local market, especially in a developing country context, is a key constraint on earnings. Therefore, the youth entrepreneurs require a supportive policy and institutional framework to link them to high value markets or enable them to engage in value-adding enterprise activities. And this is exactly what the Uwezo Fund do by coming up with business support services and resources

services such as enterprise development services and market linkages as pointed by Montgomery (2005).

In most cases the businesses experience stagnant growth making it hard for expansion since they have small market share and irregular customers. The businesses offer similar goods that cut across all ages mainly basic commodities resulting in stiff completion. Very limited opportunities have been explored in this county. Too often, the youth entrepreneurs concentrate in a narrow range of micro-enterprise activities as demonstrated by these findings. These findings confirm Philip (2002) assertions that lack of diversity in the local economy due to copycat whereby one successful enterprise is copied by everyone else results in stiff competition until the businesses collapse under the weight of their own competition.

These findings are in agreement with Obamuyi (2009) that credit increase quality and quantity of factors of production available to a firm and ultimately leads to more production and income. Thus, when a loan is granted to a firm, the effect on the firm's profitability is expected to be positive. Credit also enhances bulk purchases of productive resources, which decrease unit cost of production as a result of economies of scale. The reduction in unit cost of production is also expected to generate an increase in profit. Majority of the respondents acquired the Uwezo Fund to start new business mainly as youth groups or women groups. Minority either acquired the funds to expand their businesses or change their businesses altogether. This gives the businesses a chance to establish and market themselves (Wanja, 2014).

Uwezo Fund has economically empowered the respondent to be independent given that they can now afford decent meals, pay rent, support their families and have some gainful employment opportunities. This is reflected by the mixed reacted elicited by the respondents. Most of the businesses earned more than 12,000 as profit to the group albeit some still earn as less 2,000. These findings mirror the reflections by Blanchet-Cohen & Brunson (2014) that there is need to engage marginalized youth in social change through youth-led grants which empower them to be independent.

The staff shares information on the registration of businesses, business training opportunities, available market opportunities including available tenders. The staff also organise regular seminars and workshops to the entrepreneurs to improve their skills on entrepreneurship, leadership and marketing. These findings reassert the findings by Wanja (2014) that for

youths to start and sustain their businesses; they require not just funding but also requisite knowledge to guarantee business sustainability. This eventually results in poverty reduction and improved living standards as well as improved business performance. These findings also augment the findings by Elaine et. al. (2008) that capacity building enables institution to be more effective in implementing development projects and strengthen capacity of primary stakeholders. This cements Yaron (2007) sentiment that sustainable organizations tend to improve welfare the most.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents and discusses briefly the summary of findings, then offers a conclusion and recommendations from the findings, and finally gives suggestions for further research.

5.2 Summary of findings

The purpose of the study was to investigate the influence of youth empowerment programs on national development in Vihiga County, Kenya. The research objectives were used to guide the collection of required data from the respondents. The study had four main objectives which were: to establish the influence of Financial Sustainability on national development in Vihiga County; to assess the extent to which Credit Facilitation influences national development in Vihiga County; to determine the extent Market Linkage influence national development in Vihiga County; and to establish the influence of Capacity Building on national development in Vihiga County.

The respondents operate small scale business ventures mainly for maintenance. Thus, such businesses earn only small profits which make it hard to realise business expansion. This explained why 47% of the respondents were unsure and only 15.3% could ascertain expansion and profit. However, 37.7% disagreed that they get profit and increase stock without debt mainly. 35.7% of the respondents denied increase in customer numbers. However, most of the respondents (44.5%) found it hard to ascertain if their enterprises had acquired new customers given that they serve the same market. 20% of the respondents had either grown their market share or expanded their businesses.

The study showed that 61.6% disagreed that they experience steady cash flow. However, still a large percentage (30.5%) could not establish whether they have steady cash flow or not. Further, 92.1% of the respondents concurred that budget is at the centre of their operation. The study also revealed that 8.3% of the respondents always worked within their budgets, 82.2% of the respondents used more funds than budgeted for while 9.5% were not sure. 85.2% of the respondents practiced efficient booking keeping, 8.3% of the respondents did not realised the benefits of book keeping in controlling revenue collection while 6.4% had no idea since they don't practice book keeping.

The study revealed that the respondents mainly form groups to operate joint ventures due to the fact that they are funded by Uwezo funds which mainly work with youth and women groups. The respondents who operate family businesses either inherited them or initiated them alongside other family members. The minority who were not sure were mainly people who do not operate any business enterprise. The study also revealed that the majority of the respondents acquired the Uwezo fund to start new business mainly as youth groups or women groups. Minority either acquired the funds to expand their businesses or change their businesses altogether. Majority of the respondents agreed that the Uwezo fund had empowered them economically. The Uwezo fund has empowered the respondents to become more independent given that they can now afford decent meals, pay rent, support their families and have some gainful employment.

The study also found out that despite many of these business ventures earning more than 12,000, the individual earning is very low due to many members in the groups. This is supported by 54% who earned less than 1,000. In addition, most of these businesses are small scale businesses. Because of these realities the businesses get little profits which when distributed among members barely go beyond sh.1000. Only 3.1% of the respondents got more than sh.7000.

The study revealed that most of the businesses offer basic commodities needed by the locals resulting in offering the same goods across the many business ventures. This is supported by 88.6% of the respondents who concurred that most businesses are similar. The respondents have ready markets given that they supply mainly basic commodities. Only 8.9% have explored other business opportunities in this county. The study also showed that very limited opportunities have been explored in this county. Moreover, the groups have formed associations to explore new markets and to help for marketing of their goods especially business ventures that export their products.

The businesses attract the same local customers making the competition very high as indicated by 60.1% of the respondents. Many of the business ventures deal with basic goods that cut across all ages. That explains why the respondents stated that their goods serve all with 56.4% attesting to this. However, given that most of these business ventures are operated by youths some tend to serve youths' needs explaining by 41.1% of respondents supported that they offer goods for youths.

The study revealed that the staff shared information on the registration of businesses, business training opportunities, and available market opportunities including available tenders. The study also showed that the staff organise regular seminars and workshops to the entrepreneurs to improve their skills on entrepreneurship, leadership and marketing.

5.3 Conclusion

The study sought to investigate the influence of youth empowerment programs on national development in Vihiga County, Kenya. The study examined four aspects of youth empowerment programs that influence national development and was guided by four objectives. Research objective one in this study was to establish the influence of Financial Sustainability on national development in Vihiga County. The study found out that the respondents operate small scale business ventures mainly for maintenance and earn only small profits. This has made it had for such businesses to acquire stock leave alone expand. Therefore, they rely on credit to increase their stock.

The study also found out that the respondents have limited market growth as they mainly serve the local residents and rarely witness an increase in customer numbers. In most cases the businesses experience stagnant growth. Moreover, the respondents do not have in place cash tracking mechanisms to determine the amount of cash flowing into and out of the business. However, it is worth noting that majority of the respondents rely on budget to guide their businesses on expenditure. The respondents strive to reduce wastages of funds so as to improve efficiency of the business.

The study also found out that these businesses operate in ever changing environment which is usually beyond the control of the respondents and mainly affect the businesses negatively. Therefore, the respondents end up using more resources than had earlier anticipated in the budget. A good percentage of respondents employ book keeping skills in controlling the cash inflows and outflows which helps determine whether the business is making profit or incurring losses.

Research objective two in this study was to assess the extent to which Credit Facilitation influences national development in Vihiga County. The study found out that majority of the respondents operates joint ventures normally run by the group members. This is due to the fact that they are funded by Uwezo Fund which mainly works with youth and women groups

on a table banking system. The study also showed that the respondents who operate family businesses either inherited them or initiated them alongside other family members.

The study revealed that majority of the respondents acquired the Uwezo Fund to start new business mainly as youth groups or women groups. However, minority either acquired the funds to expand their businesses or change their businesses altogether. The Uwezo Fund has greatly impacted the life of the respondents by unlocking the immense potential in them. The study found that Uwezo Fund has economically empowered the respondent to be independent given that they can now afford decent meals, pay rent, support their families and have some gainful employment.

Research objective three in this study was to determine the extent Market Linkage influence national development in Vihiga County. The study revealed that the businesses operated by the respondents offer similar goods that cut across all ages mainly basic commodities resulting in stiff competition. However, given that most of these business ventures are operated by youths some tend to serve youths' needs. The study also showed that very limited opportunities have been explored in this county. In order to market their goods, the respondents have formed associations to explore new markets and to help for marketing of their goods especially business ventures that export their products.

Research objective four in this study was to establish the influence of Capacity Building on national development in Vihiga County. The study found out that the staff shares information on the registration of businesses, business training opportunities, and available market opportunities including available tenders. The staff also organise regular seminars and workshops to the entrepreneurs to improve their skills on entrepreneurship, leadership and marketing. This improves the performance of the business ventures and ensures sustainability of such business ventures.

5.4 Recommendations

Based on the findings of this study and the conclusion made, the study makes the following recommendations for the youths, women and policy makers given that youth empowerment programs have a bearing on the national development:

1. The entrepreneurs in this county should scan the environment for more other business opportunities currently untapped.

- 2. The grace period for the repayment of the Uwezo Fund loan should be increased to allow the young entrepreneurs to establish their business ventures
- 3. The young entrepreneurs should acquire management skills to enable them perform their duties effectively
- 4. The government should increase the allocation of funds to the Uwezo Fund kitty to enable more youths and women access enough and sufficient funds for sustainable business ventures.
- 5. More women should apply for the Uwezo Fund to improve on their impact on the society.
- 6. The government should help the young entrepreneurs expand their markets by creating more market linkages.
- 7. The Uwezo fund Regulations published on 21st February, 2014 via the legal Notice number 21 and the public finance management ACT (No 18 of 2012) need to be revised to free the Uwezo Fund Board meet expectations of potential beneficiaries on the ground.
- 8. Need for merging and harmonization of Youth Fund, Uwezo, and Access to Government Procurement Opportunities (AGPO) together with all other government based efforts to enhance synergy and optimum use of resources.
- Enhance institutional capacity of Uwezo Fund Board, including and not limited to hiring of manpower at county level and motivation of seconded staff from other department.
- 10. Set up business incubation centres on county basis
- 11. Encourage and enhance smart business innovations.

5.5 Suggestions for further research

The empirical study has specified a number of relevant issues that the research project did not investigate, but which might be important for further research on the influence of youth empowerment programs on national development. The following areas are suggested for further research:

The influence of management skills on the utilization of the Uwezo Fund
The impact of Uwezo Fund on the social life of the young entrepreneurs
The role of ICT support on the management of Uwezo Fund
The influence of culture on the growth and performance of entrepreneurship
The influence of Uwezo Fund on the leadership skills of the young entrepreneurs

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APPENDIX I: Letter of Introduction

University Of Nairobi,

P.O. Box 30197-00100,

Nairobi.

Dear respondent,

Re: Research

I am a postgraduate student undertaking a Master of Arts Degree in Project Planning and

Management. As a requirement for this course, the university expects me to submit a

researched project as a partial fulfillment for the award of the degree.

To fulfill this requirement, I shall undertake a research on the influence of youth empowerment

programs on national development: a case of Uwezo Youth Fund in Vihiga County. I kindly

request you to fill in the questionnaire attached. The information provided will be treated with

confidentiality and will only be used for the intended purpose of this study.

As you participate in this study, do not indicate your name. I highly appreciate your

contribution towards the success of this study. Thank you.

Yours Faithfully,

Alfayo A. Agufana

55

APPENDIX II: Questionnaire for Youth in Vihiga County

The Questionnaire aims at collecting Research Data from Youths in Vihiga County, Kenya, relevant to the Research Topic: Influence of youth empowerment programmes on national development, a case study of Uwezo Fund in Vihiga County, Kenya. All responses will be kept confidential and data analysed exclusively for academic purpose. The outcome of the research will be shared with Youth Empowerment Practitioners, Policy Makers, Youths and other relevant stakeholders to enable enhancement of the programmes. I thank all respondents for their time and cooperation.

Instructions: Please Tick ($\sqrt{}$) or fill in the appropriate answer in the spaces provided. Section A: Demographic Information.

| 1). Gender: | | | | | | |
|-----------------------------|------|-------|-------|-----|---|---|
| Male | (|) | Fem | ale | (|) |
| 2). Age Bracket: | | | | | | |
| i) 18-23 () | | | | | | |
| ii) 24-29 () | | | | | | |
| iii) 30-35 () | | | | | | |
| 3). Level of education | n: | | | | | |
| i) Primary | (|) | | | | |
| ii) Secondary | (|) | | | | |
| iii) Tertiary/College | (|) | | | | |
| iv) University | (|) | | | | |
| 4). Marital status: | | | | | | |
| i) Single | (| () | | | | |
| ii) Married | (| () | | | | |
| iii) Separated/divorce | ed (| () | | | | |
| iv) Widowed | (| () | | | | |
| 5). Employment statu | ıs: | | | | | |
| i) Self-employed | | | (|) | | |
| ii) Casual/temporary | em | ploym | ent (|) | | |
| iii) Permanent emplo | ym | ent. | (|) | | |

Section B: Sustainability

Please indicate whether you agree or disagree with the following statements by placing a tick $(\sqrt{})$ corresponding to the answer which best reflects your opinion explain.

| | Strongly | agree | Agree | Neutral | Disagree | Strongly | disagree |
|----------------------------------------------------------|----------|-------|-------|---------|----------|----------|----------|
| 6). The profitability of my business has been good and I | | | | | | | |
| have managed to increase my stock without debt | | | | | | | |
| financing. | | | | | | | |
| 7). My number of customers have increased at a higher | | | | | | | |
| rate than previous years. | | | | | | | |
| 8). My business has been experiencing positive cash | | | | | | | |
| flow movement and I have been meeting my financial | | | | | | | |
| obligations in a timely manner. | | | | | | | |
| | | | | | | | |
| 9). A business budget is key in my business operations. | | | | | | | |
| 10). I have not experienced unfavorable deviations in | | | | | | | |
| my budget for my SME. | | | | | | | |
| | | | | | | | |
| 11). Do you have bookkeeping skills which effectively | | | | | | | |
| control revenue collections and expenditures of your | | | | | | | |
| SME? | | | | | | | |

| Section B: Credit facilitation | | |
|----------------------------------------|--|--|
| 12). Do you operate a business? | | |
| Yes () No () | | |
| If yes, is the business operated as: | | |
| i) Sole proprietor () | | |
| ii) Family-owned () | | |
| iii) Jointly () | | |

| iv) Other (specify) |
|---------------------------------------------------------------------------------------------|
| |
| 13). How have you used the loans obtained through Uwezo Youth Fund? (Tick one) |
| i) Expand the business () |
| ii) Change of business () |
| iii) Others (Specify) |
| |
| 14). How have the loans helped to empower you economically? (Tick one) |
| i) Have become self employed () |
| ii) Can afford decent meals () |
| iii) Can afford to support my family () |
| iv) Can now afford to pay my own rent () |
| v) Other (specify) |
| |
| 15). How much profit on average do you, or as a group make at the end of each month? |
| i) Less than 2,000 Kshs. |
| ii) 2,000- 7,000 Kshs. |
| iii) 7,000-12,000 Kshs. |
| iv) Over 12,000 Kshs. |
| 16). On average, how much does an individual take home at the end of the month? |
| i) Less than 1,000 Kshs. |
| ii) 1,000-3,000 Kshs. |
| iii) 3,000-5,000 Kshs. |
| iv) 5,000-7,000 Kshs. |
| v) Over 7,000 Kshs. |
| |

Section C: Market linkage

17). Are there other businesses similar to yours that are currently operating in your market?

| 18). How much competition is there? |
|------------------------------------------------------------------------------------------------------------------------------------------|
| |
| 19). Can the economic profile of the community support your business? |
| |
| 20). What kind of people would want to buy products or pay for your service? |
| |
| Section C: Capacity Building |
| 21). Have you been able to access the training manuals that are published by Uwezo Youth Fund? |
| Yes () No () |
| If YES, do you find them relevant to your situation or business? |
| If NO, why not? |
| 22). Are Uwezo Youth Fund staff willing to share information with regards to the successful youth groups as an incentive? Yes () No () |

| Explain | |
|--------------------------------------------------------|-------------------------------------------------------------------|
| | |
| 23). Were you given any | training in starting a business before you started your business? |
| Yes () No (|) |
| | ou |
| If NO, kindly explain | |
| | |
| 24). Are the strategies entrepreneurial skills? | in place by the Uwezo Youth Fund helping improve the youth's |
| Yes () No () | |
| If YES, how? | |
| | |
| | |
| | hat other initiatives have you noted from Uwezo Youth Fund? |
| i) Training | () |
| ii) Skills development | () |
| iii) Business developmen | t () |
| iv) All the above | () |
| v) None of the above | () |
| vi) Other (specify) | () |

THANK YOU FOR YOUR COOPERATION

APPENDIX III: Krejcie and Morgan Table

Table 1: Table for Determining Sample Size for a Finite Population

| N | · S · | N | | N | S |
|-----|-------|------|-----|---------|-----|
| 10 | 10 | 220 | 140 | 1200 | 291 |
| 15 | 14 | 230 | 144 | 1300 | 297 |
| 20 | 19 | 240 | 148 | 1400 | 302 |
| 25 | 24 | 250 | 152 | 1500 | 306 |
| 30 | 28 | 260 | 155 | 1600 | 310 |
| 35 | 32 | 270 | 159 | 1700 | 313 |
| 40 | 36 | 280 | 162 | 1800 | 317 |
| 45 | 40 | 290 | 165 | 1900 | 320 |
| 50 | 44 | 300 | 169 | 2000 | 322 |
| 55 | 48 | 320 | 175 | 2200 | 327 |
| 60 | 52 | 340 | 181 | 2400 | 331 |
| 65 | 56 | 360 | 186 | 2600 | 335 |
| 70 | 59 | 380 | 191 | 2800 | 338 |
| 75 | 63 | 400 | 196 | 3000 | 341 |
| 80 | 66 | 420 | 201 | 3500 | 346 |
| 85 | 70 | 440 | 205 | 4000 | 351 |
| 90 | 73 | 460 | 210 | 4500 | 354 |
| 95 | 76 | 480 | 214 | 5000 | 357 |
| 100 | 80 | 500 | 217 | 6000 | 361 |
| 110 | 86 | 550 | 226 | 7000 | 364 |
| 120 | 92 | 600 | 234 | 8000 | 367 |
| 130 | 97 | 650 | 242 | 9000 | 368 |
| 140 | 103 | 700 | 248 | 10000 | 370 |
| 150 | 108 | 750 | 254 | 15000 | 375 |
| 160 | 113 | 800 | 260 | 20000 | 377 |
| 170 | 118 | 850 | 265 | 30000 | 379 |
| 180 | 123 | 900 | 269 | 40000 | 380 |
| 190 | 127 | 950 | 274 | 50000 | 381 |
| 200 | 132 | 1000 | 278 | 75000 | 382 |
| 210 | 136 | 1100 | 285 | 1000000 | 384 |

Note .—N is population size. S is sample size.

Source: Krejcie & Morgan, 1970

ALFAYO ALFONZE AGUFANA

P.O. BOX 3308 00100 NAIROBI Tel: 0710888222 eMail: alfayo.agufana@gmail.com
University of Nairobi Student Registration Number: L50/68941/2013
NACOSTI/P/15/9116/7490 PERMIT SERIAL NO: A 6107

THE CHIEF EXECUTIVE OFFICER
UWEZO FUND
LONRHO HOUSE 16TH FLOOR
P.O. BOX 42009 00100
NAIROBI

16TH SEPTEMBER 2015,

Dear Sir/Madam,

REF: REQUEST FOR RESEARCH DATA

CHIEF EXECUTIVE OFFICER

UWEZO FUND BOARD

16 SEP 2015

P. C. Gox 42009 - 00100, NAIROBI

Further to the attached NACOSTI self explanatory letter, am carrying out an academic research on Youth Empowerment programmes and their impact on National Development —using Uwezo Fund as a case study at a national level but with specific reference to Vihiga County.

Find attached interview schedule as a guide

Thank you for your kind cooperation and assistance and I will in turn share my report and recommendations with you.

Yours faithfully

Alfayo Alfonze Agufana

University of Nairobi

Candidate for Master of Arts Degree

Project Planning and Management

UWEZO FUND

UWEZO FUND OVERSIGHT BOARD **Belinda W. Njiru** Programmes Officer / Gender and Social Dev. Officer

Lonrho House, 16th Floor P.O. Box 42009 - 00100, Nairobi

Website:www.uwezofund.go.ke Email:belindanjiru@yahoo.com

Cellphone:0720 803392

Ahadi Yetu - Kazi Kwako



UWEZO FUND OVERSIGHT BOARD Peter Lengapiani Programmes Manager Coordinator

Lonrho House, 16th Floor P.O. Box 42009 - 00100, Nairobi

Website:www.uwezofund.go.ke Email:lengapiani@yahoo.com

Cellphone:0720 285069 0701 919981

Ahadi Yetu - Kazi Kwako



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471, 2241349, 310571, 2219420 Fax: +254-20-318245, 318249 Email: secretary@nacosti.go.ke Website: www.nacosti.go.ke When replying please quote 9th Floor, Utalii House Uhuru Highway P.O. Box 30623-00100 NAIROBI-KENYA

Ref: No.

Date:

7th August, 2015

NACOSTI/P/15/9116/7490

Alfayo Alfonze Agufana University of Nairobi P.O. Box 30197-00100 NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "Influence of Youth Empowerment Programs on National Development; A case of Uwezo Youth Fund in Vihiga County, Kenya," I am pleased to inform you that you have been authorized to undertake research in Vihiga County for a period ending 30th September, 2015.

You are advised to report to the County Commissioner and the County Director of Education, Vihiga County before embarking on the research project.

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

SAID HUSSEIN FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner Vihiga County.

The County Director of Education Vihiga County.

THIS IS TO CERTIFY THAT: MR. ALFAYO ALFONZE AGUFANA of UNIVERSITY OF NAIROBI, 3308-100 NAIROBI, has been permitted to conduct research in Vihiga County

on the topic: INFLUENCE OF YOUTH EMPOWERMENT PROGRAMS ON NATIONAL DEVELOPMENT; A CASE OF UWEZO YOUTH FUND IN VIHIGA COUNTY, KENYA

for the period ending: 30th September, 2015

Applicant's Signature

CONDITIONS

You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit Government Officers will not be interviewed without prior appointment.

No questionnaire will be used unless it has been approved.

Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.

You are required to submit at least two(2) hard copies and one(1) soft copy of your final report. The Government of Kenya reserves the right to modify the conditions of this permit including ts cancellation without notice

Permit No : NACOSTI/P/15/9116/7490 Date Of Issue: 7th August, 2015

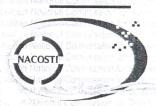
Fee Recieved : Ksh. 1000



Starger. FAL:Director General National Commission for Science. Technology & Innovation



REPUBLIC OF KENYA



National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No. A

CONDITIONS: see back page



UNIVERSITY OF NAIROBI

COLLEGE OF EDUCATION AND EXTERNAL STUDIES SCHOOL OF CONTINUING AND DISTANCE EDUCATION DEPARTMENT OF EXTRA-MURAL STUDIES NAIROBI EXTRA-MURAL CENTRE

Your Ref:

Our Ref:

Telephone: 318262 Ext. 120

Main Campus Gandhi Wing, Ground Floor P.O. Box 30197 N A I R O B I

6th August, 2015

REF: UON/CEES//NEMC/22/192

TO WHOM IT MAY CONCERN

RE: ALFAYO ALFONZE AGUFANA - REG NO- L50/68941/2013

This is to confirm that the above named is a student at the University of Nairobi, College of Education and External Studies, School of Continuing and Distance Education, Department of Extra- Mural Studies pursuing a Master of Arts in Project Planning and Management.

He is proceeding for research entitled "influence of youth empowerment programs on national development." A Case of UWEZO youth fund in Vihiga County, Kenya.

Any assistance given to her will be appreciated.

RESIDENT LECTURER

NAIROBI EXTRA MURAL CENTRE

APPENDICES

Appendix I: Letter of Introduction

University of Nairobi, P.O. Box 30197-00100, Nairobi.

Dear respondent,

Re: Research

I am a postgraduate student undertaking a Master of Arts Degree in Project Planning and Management. As a requirement for this course, the university expects me to submit a researched project as a partial fulfillment for the award of the degree.

To fulfill this requirement, I shall undertake a research on the influence of youth empowerment programs on national development: a case of Uwezo Youth Fund in Vihiga County. I kindly request you to fill in the questionnaire attached. The information provided will be treated with confidentiality and will only be used for the intended purpose of this study.

As you participate in this study, do not indicate your name. I highly appreciate your contribution towards the success of this study. Thank you.

Yours Faithfully, *

Alfayo A. Agufana