

DETERMINANTS OF YOUTH PARTICIPATION IN TRANSPORT INDUSTRY:

A CASE OF BODA BODA SECTOR IN MERU COUNTY, KENYA.

MERCY KAGWIRIA

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DECLARATION

I declare that this Research Project is my original work and has not been submitted for a degree in any other university or college for examination or academic purposes.

Signature:**Date:**.....

Mercy Kagwiria

L50/83028/2015

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

Signed..... **Date**

Dr. Stephen Wanyonyi Luketero

Senior Lecturer

School of Mathematics

University of Nairobi

DEDICATION

This work is dedicated to my loving parents Charity Karimi and Cyprian Anampiu for their moral support during the period of struggle for this degree. Their contribution towards my success is invaluable.

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ABBREVIATIONS AND ACRONYMS

EO - Entrepreneurial Orientation

GOK – Government of Kenya

ICDC- Industrial and Commercial Development Corporation

KIE- Kenya Institute of Education

KNBS - Kenya National Bureau of Statistics

MSEs – Medium and Small Size Enterprises

SBA- Small Business Administration

SMEs – Small and Medium Sized Enterprises

WEDF - Women Enterprise Development Fund

YEDF - Youth Enterprise Development Fund

YREs-Youth-Run-Enterprises

ABSTRACT

Youth unemployment was one of the underlying causes behind the social problems that affect the country. This study sought to address youth unemployment by seeking to find out the determinants that influence youth participation in transport business and especially boda boda business. The study sought to: find out how demographic characteristics influence youth participation in boda boda transport industry in Meru County, investigate the influence of operational capital on youth participation in boda boda transport industry in Meru County, to examine the influence of socio-economic characteristics on youth participation in boda boda transport industry in Meru County and to determine the influence of market dynamics on youth participation in boda boda transport industry in Meru County, Kenya. Imenti North sub-county has a total population of 107,125, out of which 35,238 are aged between 15-34 years representing approximately 32.9% of its total population (GoK 2009). Data from the Imenti North sub-county youth office indicated that the youth owned enterprises are in both the informal sector like agriculture, kiosk, building and construction and formal sector like legal, medical, business consultancy services. It is against this background that the study of the determinants influencing performance of youth owned youth enterprises was necessary. The study adopted a descriptive research design. The target population for this study was 503 boda boda operators and members of registered boda boda self-help groups. The sample size was 188. The study selected the respondents using convenience sampling technique. Primary data was obtained using self-administered questionnaires. Inferential data analysis was done using multiple regression analysis. Multiple regression analysis was used to establish the relations between the independent and dependent variables. In regard to demographic characteristics, the study sought to find out how it influences youth participation in boda boda transport industry in Meru County. On demographic characteristics respondents, the study found out that unemployment, parental occupation and education influence youth participation in boda boda business as depicted by a mean score of 4.132. Entrepreneur's age mean score of 4.066, education level which enhances better knowledge and skills on participation in boda boda business mean of 3.835 and that youth experiences in managing business mean score of 3.719 influence youth participation in boda boda business in Meru County, Kenya. On operational cost the study discovered that motor cycle maintenance cost mean score of 4.066, challenges accessing long-term credit which hindered their participation in boda boda business mean score 3.777, that Joint-ventures failure mean score 3.727 and that cost of the motorcycle mean 3.727 influence youth participation in boda boda business. on socio-economic factors the study found out that low income levels discourage youth participation in entrepreneurship as illustrated by a mean score of 4.107 and that few micro-finance institutions that support youths determine their level of participation in boda boda business as illustrated by a mean score of 4.041. Further the study found out that availability of credit schemes directed at young people influence youth participation in business. On market dynamics, the study discovered that limited access to markets hinder profitability of boda boda business as illustrated by a mean score of 3.884 and that improved motorcycle encourages new boda boda operators as illustrated by a mean score of 3.876. The study therefore recommended that the county government of Meru should launch an intensive training for boda boda operators whose package comprises of technical skills, safety training and business management skills as a strategy for enhancing boda boda as an employment industry for youth in the County.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Youth is defined as a person between 18 and 35 years (Hope, 2012). The National youth policy defines youth as a person resident in Kenya in age bracket 15-30 years. This takes into the account the physical, psychological, biological, cultural, social and political definition of the term. Mabinda (2012) defines youth business enterprises as a company or other organization owned by youth aged 18-35 years, using youth enterprise development fund (YEDF), engaged in commerce, involving selling of goods and/or services to clients for profit.

Youth-Run-Enterprises (YREs) are defined as businesses owned and run by people aged below 35 years. Omukhango (2012) describes several benefits of YREs. First, YREs create employment particularly among alienated and marginalized youth. In this way, YREs help address some of the socio-psychological problems and delinquency that arises from joblessness. Youth-Run-Enterprises also promote resilience as they encourage young people to find new solutions, ideas and ways of doing things through experience-based learning. It is increasingly accepted that youth entrepreneurs present alternatives to the organization of work, the transfer of technology, and a new perspective to the market. They are also responsive to new economic opportunities and trends. Further, YREs provide valuable goods and services to society, especially the local community. This results in a revitalization of the local community. Therefore, enhancing the performance of YREs is of paramount importance (Ressi, 2011).

A 2009 report by Ressi (2011), estimated that the World unemployment has remained constant at an average of 6.1 percent over the eleven year period 1998 and 2008. In 2008, the World unemployment stood at 6 percent up from 5.7 percent in 2007. Reducing youth unemployment is one of the major challenges facing most governments in the world for decades to come. With an estimated 750 million young women and men worldwide unemployed, the need for employment creation efforts focusing on youth is undeniable. Youth are generally three and a half times more likely than adults to be unemployed. In 2015, approximately 660 million young people were either be working or looking for work – an increase of 7.2 cent over the number that was there in 2003 (Shu, 2014).

This challenge has its own specific dimensions and, therefore, requires targeted responses. Within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people. It is an innovative approach to integrating youth into today's changing labor markets (Martin, Jen & Christensen, 2010).

Globally, the number of youth unemployed increased to 76 million with youth-adult employment ratio remaining almost constant at 2.8 (United Nations Department of Economic, United Nations & Department of Public Information, 2009). In Sri-Lanka, Reynolds (2002) states that youth who are motivated by opportunity to participate in entrepreneurship come from middle class backgrounds with self-employed, professional or entrepreneurial parents. This shows that parents are important role models. It is commonly held that role models are important in promoting the concept of youth entrepreneurship in society. The existence of role models in a society has a positive effect on the development of entrepreneurship and vice versa. The influence of credible role models is widely recognized as an important factor in one's propensity to start an enterprise. However, according to Kirby (2003) role models had effect when the population they intended to influence needs to be able to relate to them.

According to the report on unemployment, the rate of unemployment in sub-Saharan Africa eased marginally from an average of 8.1 to 7.9% (1998-2008) respectively, with the youth bearing a relatively large burden of unemployment. In Nigeria youth enterprises account to 95 percent of formal manufacturing activity and 70 percent of individual jobs. In south Africa youth enterprises provided more than 2 55 percent of total employment and 22 percent gross domestic product (GDP) in 2003. In Botswana youth enterprises employs majority of youth and women which youth accounts for 49 percent. In bid to improve the youth owned youth enterprises government of Botswana created government credit schemes youth development fund to provide credit to youth owned enterprises at affordable interest and also provide capacity building (Fumo & Jabbour, 2011).

The mortality rate of youth enterprises in Africa remain very high for example Fatoki and Garwe (2010), in the study of five African countries found that most firms started with 1-5 employees and never expanded. Furthermore, less than 1 percent grew to a size of about 10

employees. Fumo and Jabbour (2011) in their study of 214 small enterprises in the northern region of Nigeria within an eight-year period reported that only 4 had graduated into medium firms.

According to Kiruja (2013), studies in Botswana and Zimbabwe, business owners who had completed secondary school ran faster growing firms than those proprietors who had no schooling. Actually, an additional year of schooling was found to raise entrepreneurial income by an average of 5.5%. A characteristic of entrepreneurship is that it tends to pervade family life. Ahmad (2009) revealed that the children of self-employed parents were more disposed to entrepreneurship than those of employed parents while many new ventures owe their success to the support of the family through the provision of funding and access to markets.

According to World Bank group 2016 in Kenya youth unemployed stood at 17.4 % in 2014 from 17.1 in 2011. As world population increases unemployment increases to at even a higher rate compared to population. In Kenya, today, businesses employing between 1 to 99 people account for about 48 percent of all businesses; with a majority of these being managed or owned by the young people (25-34 years). Three out of five of these businesses fail within the first 3-years of operation and those that continue 80 percent fail before the fifth year. This failure of enterprises performance is marked by poor return and bankruptcy proceedings, having noted how important the contribution of youth enterprises is in Kenya; despite their poor performance.

Leadership must be increased to effectively respond to the challenges of creating productive and sustainable employment opportunities in the country amongst the youths. Although generally in Kenya there has been an increase in the promotion of youths owned enterprises, not much has been achieved. These promotions have been through the affirmative action like establishment of Youth Enterprise Development Fund (YEDF) in 2007. Budget of 2013/2014 set an ambitious youth and women empowerment programme by allocating 6 billion as revolving fund to be loaned to the youths and women, the presidential directive of thirty (30) percent access to government procurement opportunities to youth, women and children (Kiruja, 2013).

In Kenya, the boda boda industry is one of the most popular and prolific youth enterprises. The industry flourished significantly in 2008 after the zero rating of motor cycles below

150cc by the government as a means of enhancing both rural and urban transport and job creation for the youth (KNBS, 2010). Motorcycle boda bodas have attracted a lot of youth countrywide as a business activity. However, the dynamics of this business have not been properly studied to establish the prerequisites for its success as a business venture for the youth (Kabahanga, 2013).

1.2 Statement of the Problem

Youth unemployment was one of the underlying causes behind the political upheaval in Kenya 's 2007/2008 postelection violence. Following the post-election violence, issues of youth poverty and unemployment were identified as critical issues and led to the Government of Kenya conceiving the idea of institutional financing such as Youth Enterprise Development Fund (YEDF) to provide young people with access to finance for self-employment activities and entrepreneurial skills development as a way of addressing unemployment and poverty which essentially are youth problems. For most youths, the boda boda industry provides the most hassle-free form of entrepreneurial activity. This is why the number of young people in this industry is staggering according to Ihua (2009).

The Poverty Reduction Strategy Paper (1999-2015) supports micro and small enterprise as key strategy for elimination of poverty and unemployment. However, in spite of this, the youth owned micro and small enterprises continue to fail and stagnate. Only a few MSEs grow to employ 6 or more workers. Moreover the owners of these enterprises do tend to be disproportionately poor with the incidence of poverty within SMEs higher than in medium large firms. The failure of SMEs in a country had a negative effect on any economy, especially developing economies with limited capital (Okpara, 2007) while a success rate would result in an improved or good economy. According to World Bank group (2016) in Kenya youth unemployed stood at 17.4 % in 2014 from 17.1 in 2011.

As world population increases unemployment increases at even a higher rate compared to population. Imenti North sub-county has a total population of 107, 125, out of which 35,238 are aged between 15-34 years representing approximately 32.9% of its total population being the youths (KNBS, 2010). Data from the sub-county youth office indicates that the youth owned enterprises are in both the informal sector like agriculture, kiosk, building and construction and formal sector like legal, medical, business consultancy services. It is against

this background that the study of the determinants influencing performance of youth owned youth enterprises is necessary.

Various studies have been conducted on participation of youth in transport enterprises. However, these studies focused on different variables and locations in the country and outside the country. Sharu and Guyo (2015) studied the factors influencing growth of youth owned small and medium enterprises in Nairobi County, Kenya. The study also sought to find out the influence of entrepreneurial skills, credit access, government policy and market access on the growth of youth owned small and medium enterprises in Nairobi County. The study was not done in Imenti North sub-county and did not focus on the motor cycle industry. Another study was by Rugut (2015) on the determinants influencing performance of alternative public transport in Kenya. The study focused on the motor cycle transport in Nakuru County. This study was not on boda boda, but the entire public transport.

Another study on the topic was by Omondi (2013) and focused on youth enterprise and the inhibiting factors and opportunities. The study focused on establishing the challenges faced by young entrepreneurs in accessing markets for their products in different sectors of the economy; and to identify opportunities for the development of strategic marketing and market linkage arrangements for young entrepreneurs in Kenya. This study focused on an entirely different dependent variable which is inhibiting factors and opportunities. These studies demonstrate the existence of studies on the broad topic of youth enterprises. They also demonstrate the lack of studies focusing on the boda boda industry in Imenti north sub-county. This is the literature gap that this project seeks to fill.

1.3 Purpose of the Study

The purpose of this study was to establish the determinants of youth participation in County transport industry focusing on boda boda sector in Meru County, Kenya.

1.4 Objectives of the Study

- i. To find out how demographic characteristics influence youth participation in boda boda transport industry in Meru County.
- ii. To investigate the influence of operational capital on youth participation in boda boda transport industry in Meru County.
- iii. To examine the influence of socio-economic characteristics on youth participation in boda boda transport industry in Meru County.

- iv. To determine the influence of market dynamics on youth participation in boda boda transport industry in Meru County.

1.5 Research Questions

- i. To what extent do demographic characteristics influence youth participation in boda boda transport industry in Meru County?
- ii. How does operational capital influence youth participation in boda boda transport industry in Meru County?
- iii. To what extent does socio-economic characteristics affect youth participation in boda boda transport industry in Meru County?
- iv. How do market dynamics influence youth participation in boda boda transport industry in Meru County?

1.6 Significance of the Study

The information and data that will be generated could, therefore, prove worthwhile for future researchers. The study will also be of great importance to the Youth and the enterprises owned by them in a manner that will sensitize them on the relevance of financial planning in their businesses. The study also aims at helping them achieve their personal financial goals and by extension how they manage their finances towards better course and lifestyle. The study hopes that its findings will be of assistance to financial planners as well as youth in choosing who to advise them in their business and personal financial planning. The study will primarily be useful to students of finance.

It is hoped that the findings of the study will offer valuable contributions from both a theoretical and practical standpoint. From a theoretical standpoint, it is hoped that the findings generated from this study will make several contributions to both knowledge and understanding of the factors influencing the boda boda industry's growth in Kenya. Data obtained will be useful in identifying the actual determinants of failure or success in the field of youth enterprising specifically the boda boda industry.

It is expected that the qualitative and quantitative data collected in this study will be made available to transport planners such as the Ministry of Transport, Infrastructure, Housing and Urban Development and government agencies such as the National Transport and Safety Authority. It is hoped that this will lead to better designed, better directed and more specific policy formulation in the field of transport aid the boda boda sector.

1.7 Delimitation of the Study

The study focused on youth groups and youth entrepreneurs doing various types of legal businesses within Imenti North Sub-County and who operated boda boda business and are members of registered boda boda self-help groups.

1.9 Assumptions of the Study

The study assumes that there were no serious changes in the composition of the target population that might affect the effectiveness of the study sample. This study also assumed that the respondents were honest, cooperative and objective in the response to the research instruments and will be available to respond to the research instruments in time. Finally, the study assumed that the authorities within the boda boda union granted the required permission to collect data from the operators.

1.8 Limitations of the Study

The study anticipated encountering some limitations that might hinder access to information that the study seeks. The respondents targeted in this study might be reluctant in giving information fearing that the information being sought might be used to intimidate them or print a negative image about them. The researcher handled this by carrying an introduction letter from the University to assure them that the information they give will be treated with confidentiality and will be used purely for academic purposes.

The other limitation was that the study was based in Imenti North Sub County, in Meru County. Due to the geographical factor, the study did not cover all the operators in the County nor in the country owing to the amount of time and resources available. This study did, therefore, suffer from generalizability of the results if the nature of projects undertaken was significantly different from those in Imenti north Sub County.

In addition, the findings of this study were limited to the extent to which the respondents were willing to provide accurate, objective and reliable information. The researcher checked for consistency and test the reliability of the data collected.

1.10 Definitions of Significant Terms as Used in the Study

Access to Credit: This is the process of acquisition of funds from the Government kitty through banks, microfinance institutions and other agencies

Entrepreneurship Training: Kind of training mounted by various service providers to build the capacity of young people so as to help them design successful business ventures

Infrastructure: These are mechanisms designed by the government and other private sector organizations to help young people access markets for their products

Youth Entrepreneurship: This involves acquainting young people (18-35 years of age) with the realities and opportunities of small-business employment and ownership.

Small and medium enterprises: These are enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million shillings, and/or an annual balance sheet total not exceeding 43 million shillings according to Ihua (2009).

1.11 Organization of the Study

Chapter one discusses the background of the study in which the contextual and conceptual issues are highlighted and highlights conceptual analysis and gives direction for the study. It projects context by giving a deeper description on current global trends. Chapter two covers empirical and theoretical literature on performance of youth enterprises as per the variable of study. The chapter summarizes studies that were assessed and provided a foundation upon which the findings were discussed and conclusions drawn. The chapter also gives the setting and the theory upon which the study is anchored. A summary of knowledge gaps as obtained from the empirical literature was also clearly shown. Chapter three covers research methodology as applied in the study, research design, target population, sampling procedure, description of research instruments, validity and reliability of research instruments, methods of data collection, procedures for data analysis, operational definition of variables and ethical considerations. Chapter four entailed data analysis, presentation, interpretation and discussion of study findings while chapter five provides a summary of research findings, conclusions, recommendations and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter discusses the literature relevant to the study. Literature has been organized in two categories, theoretical review of relevant theories and conceptual framework on the conceptualization of the study's variables. Further, the chapter highlights the gaps in literature and a conceptualization on the relationships between research variables.

2.2 Boda Boda Industry

In developing countries, motorcycles are the most essential and effective means of transport in daily life and overall livelihood. The region is characterized by underdeveloped and synchronous infrastructure, the largest population and high concentration of low income groups. The motorcycle consumption each year in this market accounts for 90% of the world motorcycle consumption. The consumption trends in the market are various. However, due to the underdeveloped infrastructure, the volume of consumption of high capacity motorcycles is small, and motorcycle there are mainly small sizes with low capacity (50 - 150 cc) at prices ranging from several hundred to several thousand USD (Nguyen, 2007).

Transport is an important element in development and it affords the social, economic and political interaction that most people take for granted (Button and Hensher, 2001). The provision of transport infrastructure has grown extensively across the globe through a range of networks of modes which have undergone technological improvements cutting across the motive power, the tracks and the means that serve as compartment for passengers and goods. Personal mobility is one of democracy's most valued freedoms and it is, therefore, not surprising that a high proportion of man's income is devoted to the movement of the goods and transactions.

In developing countries, vehicle ownership is low, dependency on public transport is high. However, the financial conditions and performance of all forms of government-organized public transport ineffective and are in decline (Kumar, 2011). This situation has forced people and the market to develop creative solutions to address daily travel needs-hence a resort to motorcycles either for personal mobility in addition public transport.

Motorcycle use for personal and public transport is increasingly becoming a global phenomenon. According to Global Road Safety Partnership (2015) in many low-income and middle-income countries, motorcycles are an increasingly common mean of transport, and the users make up a large proportion of those injured or killed on the roads. Motorcycle riders and their pillion passengers are at an increased risk of being involved in a crash because they often share the traffic space with fast-moving cars, buses and trucks (Global Road Safety Partnership, 2015).

Motorcycle riders and their pillion passengers therefore comprise a group of vulnerable road users (Solagberu, Ofoegbu, Nasir, Ogunoju, Adekunle, Abdu Rahman, 2006). Thus, to reduce road accidents and more especially motorcycle accidents regionally and even globally, this vulnerable road users group must be prioritized.

Ownership and use of motorcycles as personalized transport is common in South and East Asia (Krishnan & Smith, 1994). The highest numbers of motorcycles used in this way are found in Vietnam with about 95% of all the motorcycles in South and East Asia (Tung, Wong, Law, & Umar, 2008). Laos follows closely with 80% with Taiwan having 67% while China has 63%. In India, motorized two-wheelers make up 69% of the total number of vehicles (Mohad, 2002). Malaysia has 60 % of these motorcycle users (Zhang, Norton, & Tang, 2004). The lowest numbers of motorcycles in ASEAN countries are found in Brunei with 31% of motorcycle riders.

Boda boda motorcycles play an important role in the Kenyan transport sector as an alternative mode of transport. Motorcycles serve passengers in areas where other modes of transport may not be available. They serve as taxis and they provide the convenience of travelling irrespective of time, type of road, distance or destination and in addition, they are readily available. Due to the Kenyan transport system's inability to fully meet the commuters' transportation needs, the demand for boda boda services has been on an upward trend (Kumar & Barret, 2008). In addition, the increase is attributed to the higher registration of motor and auto cycles as a result of the zero rating of all motorcycles below 250 cc in 2008.

2.3 Determinants of youth participation in boda boda sector

In this section the study sought to investigate the determinants influencing youth participation in boda boda transport industry. The following variables were investigated, demographic

characteristics of the operators, operation cost of doing business, socio-economic factors and market dynamics.

2.3.1 Demographic Characteristics and Youth Participation in Boda Boda transport Sector

Past studies have focused on demographic characteristic including age, gender and education level as key factors influencing youth participation in micro and small enterprises. These factors have a significant relationship between the factors and the participation of youth in SMEs (Bryman, 2011). The education qualification is an asset to a person in every field. It not only gives confidence but also help in solving various problems. According to Martin, Jen and Christensen (2010), a higher education level helps the entrepreneur to have better knowledge and skills which contribute to the success of their venture. In addition, Lussiers & Pferfer (2001) empirically found that entrepreneurs with higher levels of education and competencies were more successful in growing their businesses as compared to entrepreneurs with little or no education.

Similarly, a study conducted by (Bajpai, 2011), involving entrepreneurs in Singapore, demonstrates that, youth participation in SMEs mostly was by those who had higher levels of education and were more successful because university education provided them with knowledgeable and modern managerial skills, making them more conscious of the business world and thus in a position to use their learning capabilities to manage business. However, the national educational system in the UK has shown that it may work against the nurturing of entrepreneurship (Naidoo, 2010). This is also asserted by Hope Sr (2012) who argues that most college curriculums in America prefer to teach students how to become proficient employees instead of successful business persons. In addition Reynolds (2009) argues that, education may harm MSE growth in cases which owner's divert their attention to other attractive opportunities.

Accordingly in Chile it was found that university education did not include higher efficiency because the highly educated owners paid little attention to monitoring their labor force (Ressi, 2011) this is inconsistent with Kim's study. Nevertheless, according to studies in Botswana and Zimbabwe, business owners who had completed secondary school ran faster growing firms than those proprietors who had no schooling (Kiruja, 2013). Actually an additional year of schooling was found to raise entrepreneurial income by an average of 5.5%. A

characteristic of entrepreneurship is that it tends to pervade family life. Ahmad (2009) revealed that the children of self-employed parents were more disposed to entrepreneurship than those of employed parents while many new ventures owe their success to the support of the family through the provision of funding and access to markets.

Accordingly school a study in Sri-Lanka, states that youth who are motivated by opportunity come from middle class backgrounds with self-employed, professional or entrepreneurial parents. This shows that parents are important role models. It is commonly held that role models are important in promoting the concept of entrepreneurship in society. According to Anderson (1995), the existence of role models in a society will have a positive effect on the development of entrepreneurship and vice versa. In addition, Reynolds (2002) argues that the influence of credible role models is widely recognized as an important factor in one's propensity to start an enterprise. However, according to Kirby (2003) role models had effect when the population they intended to influence needs to be able to relate to them. In the same token, Reynolds (2002) suggests that the closer the model matches the group to be influenced, the more effective role modeling becomes.

Women are more likely to be influenced by the experiences of other women. Work experience is generally considered to be an important asset as it provides an individual with useful knowledge and skills. According to Staw (1991) experience is the best predictor of business success especially when the new business is related with vast experiences. Entrepreneurs with more experiences in managing business are more capable of finding ways to study new business compared to employees with different pathways. Correspondingly, a study in Kenya found that Kenyans with at least seven years of work experience expanded their firms more rapidly than those without such experience (Mead and Loedholm, 1998). Work experience contributes to youth participation in SMEs by expanding the capabilities of owners and employees through the acquisitions of skills and knowledge and by expanding entrepreneur's social network (Nichter, 2005).

Accordingly, the entrepreneur's age can be a determinant of youth participation in SMEs because entrepreneurship is particularly challenging for many persons starting up. Many studies have examined the influence of entrepreneur's age on the growth and performance of the business. A study by Reynolds (2000) revealed that entrepreneurs who were less than 30 years seemed to grow more profits than those over 30 years. This was explained by the fact

that they were still young, energetic and full of enthusiasm. The study however revealed that sales were not influenced by marital status.

According to Kumar (2007) persons over thirty five years of age who entered self-employment were likely to have greater survival chances. However, he argues that 50% of entrepreneurs who started at the age of 25-30 years were successful in growing their businesses, suggesting that entrepreneurs who started their enterprises at early age were more successful. This gives a difference between survival and interest in relation to age. However there seems to be recent debate about the peak age for entrepreneurs. A commonly held belief is that younger founders appears to inspire waves of innovating like in the mid-1990s and even today with face book, while older entrepreneurs launch sustainable business (Ressi, 2011). However, Cardon (2008) argue that youth below 30 years lack management experience or the knowledge needed to conduct a strong growth oriented business but middle aged founders benefiting from some experience yet retaining the energy necessary to drive a business forward were more likely to grow their business.

Women own and operate the majority of SMEs in many developing countries in part because of the ease of entry and their limited access to alternate opportunities (Rubio, 1991). However, women who operate in the micro-enterprise sector tend to have lower education, less formal, have little work experience and are initially driven into self-employment by economic necessity. According to the SMEs baseline survey in 1999, 13.7% of women have no formal education, as compared to 6.8% of men (KNBS, 2009). In addition, women commonly have access to markets. Studies have showed that men travel further geographically than women to buy inputs, enabling them to enjoy lower prices and higher quality products. Such challenges that women's SMEs's face make them grow at lower rates.

2.3.2 Operational Capital and Youth Participation in Boda Boda Sector

Capital in the form of money is crucial for participation of youth in entrepreneurial development. This is enunciated by Reynolds (2009) who contends that one way money affects entrepreneur's agency belief is through its impact on their perception of their problem situation. An entrepreneur's estimates of self-efficacy and degree of agency may include a cognitive appraisal of the situational context in which entrepreneurship occurs, including the nature of the goals to be achieved and the requirements of transactions to be carried out. According to the European Central Bank (2012), survey on the access to finance of small and

medium-sized enterprises in the Euro area, April to September 2012; access to finance is a key driver in the creation, survival and growth of innovative new ventures.

Lack of finance typically prevents new ventures from investing in innovative projects, improving their productivity, financing their growth, covering working capital requirement and meeting market demand. Research supports the relevance of access to finance as a key determinant of entrepreneurship and clearly identifies a finance gap in many locations for new and small firms involved in the early stages of innovation, especially in the market for high risk capital. The importance of different types of finance varies across the stages of business development. During the seed and start-up stages, technology-driven high-growth in boda boda transport industry can obtain equity financing from entrepreneurs or from family and friends.

In earlier stages, self-financing is particularly important since innovative entrepreneurs cannot overcome information asymmetry and therefore rarely finds any lender or investors, even for potentially profitable projects. Subsequently, financing may be supplemented by seed capital investment from informal private investors and in a few cases, by seed financing funds and venture capitalists. In the expansion stage, SMEs generally require increasing amounts of equity to maintain and to expand marketing and sales activities, amounts that are typically only available through other sources, such as initial public offerings on stock exchanges.

Liquidity constraints place important roadblocks before potential entrepreneurs in boda boda transport industry. Kabahanga (2013) state that; surveys of current and potential entrepreneurs suggest that obtaining adequate access to capital is one of the biggest hurdles to starting and growing new businesses. Given the important role that entrepreneurship is believed to play in a countries economy and in alleviating unemployment, it is not surprising that attempts to alleviate financing constraints for would-be entrepreneurs is an important goal for policy makers across the world. For example, the U.S. Small Business Administration funded or assisted in the funding of about 200,000 loans in Fiscal Year 2007, at an administrative cost of about \$1,000 per loan (SBA, 2008). Financial assistance for entrepreneurs is also high on the agenda in the European Union and OECD, where member states are urged to promote the availability of risk capital financing for entrepreneurs (OECD 2004).

In recognition to the importance of operational capital in entrepreneurship development, the Kenya government has put in place sources of funding to support entrepreneurship such as; Youth Enterprise Development Fund. This is arguably the most renowned of the Kenya government's initiatives. Sadly this has been tainted by scandals. That notwithstanding, it's a core part of realizing Vision 2030. The Youth Fund was established in 2006 with aims of availing opportunities to Kenyan youth. The government eyes fostering entrepreneurship as a tool in dealing with youth unemployment. The fund is open to those aged between 18-35 years old. Mirroring the Youth Fund is Uwezo Fund. Only that it has a much wider scope. It is an empowerment program, created in 2013, hoped to benefit women, youth and persons with disability.

Keeping in line with the social motivation of these government funds; it aims to make people financially independent. The Industrial and Commercial Development Corporation is a 60 year old soul. Nevertheless, it still plays an important role in our Vision 2030 quest. It avails funding for Kenyan entrepreneurs through medium and long term financing. The main task of ICDC is to prop up industrial development in Kenya. A key but poorly sold sector to the public. ICDC offers venture capital, joint-ventures, commercial loans and asset financing. Kenya Industrial Estates; Like ICDC, KIE is joined to the Ministry of Industrialization at the hip.

The Kenyan Government is aware that operational capital needs is the key to reaching developed status. Royle and Hall (2012) state that in Kenya youth entrepreneurs transport industry face a lot of challenges in accessing finances to inject in their business both as startup, seed capital and finance expansion of the businesses. This is because of many factors which make their businesses less attractive in terms of lending. Due to the lack of self-sustaining resources, the absence of a substantive credit history, sufficient collateral or guarantees to secure loans or lines of credit, young people are often seen as particularly risky investments and therefore face difficulties in accessing finance. Young entrepreneurs often have difficulties in meeting strict credit scoring criteria as banks often deal arbitrarily with terms and conditions. There is a lack of binding rules and clear general terms ensuring the transparency of rating procedures and credit scoring systems for young entrepreneurs. They are easily put off by the documentation procedures and information required by many commercial lenders of credit. Particularly funds requiring less or no collaterals but that charge very high interest rates and fees often have more complex documentation procedures.

Operational capital constraints operate in a variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives. Lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance (Abhijit, 2013). There are various other financial challenges that face small enterprises. They include the high cost of credit, high bank charges and fees. The scenario witnessed in Kenya particularly during the climaxing period of the year 2008 testifies the need for credit among the youth's entrepreneurs (Rugut, 2015).

Capital constraints operate in a variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives. Lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance (Abor & Quartey, 2010). There are various other financial challenges that face small enterprises. They include the high cost of credit, high bank charges and fees. The scenario witnessed in Kenya particularly during the climaxing period of the year 2008 testifies the need for credit among the youth's entrepreneurs (Leek & Canning, 2011).

2.3.2 Socio-Economic Factors and Youth Participation in Boda Boda Sector

A major constraint to the participation of in Youth Run Enterprises (YREs) is income level. While potential youth entrepreneurs and existing YREs generally lack access to credit in both developed and developing countries, the problem is particularly acute in the latter (Chigunta, 2002). Empirical evidence suggests that retained earnings are the predominant source of financing among growing MSEs (Cooper, 1994). However, more successful MSEs use more external sources of financing, such as financial institutions, venture capitalists and individual investors, than do less successful firms.

Previous research shows that, not only are there few micro-finance institutions in many countries, but those specifically targeted at youth are even fewer. Reviews of 902 organizations in 96 countries listed under the Microcredit Summit's Council of Practitioners revealed that there were only 21 organizations with 'youth' in their title (Curtain, 2000). Admittedly, there are credit schemes directed at young people in the mainstream microcredit organizations, but surveys reveal that youth are an underrepresented group (Drucker, 1985). Lack of sufficient collateral, experience and biases further disadvantaged the young people (Chigunta, 2002). It is also important to note that many micro-credit schemes, especially youth credit schemes, have failed in many countries. The success of the Youth Enterprise

Fund in Kenya is quite doubtful considering the rate of loan defaults that have been reported (GOK, 2012). The overall message from the failure of these schemes, suggests that success or failure in terms of financial viability and servicing the poor, in this case young people, largely depends on the design of the programme (Curtain, 2000). In addition, Saleemi (2009) argues that entrepreneurs in developing countries do not get adequate finance from the organized banking sector. The banks insist on security and also a number of formalities and documentation.

Due to formalities and documentation, small enterprises depend upon unorganized sector that charge high interest rates making them get caught in debt trap. For various reasons ranging from a lack of collateral to bias against small firms, youth MSEs tend to face greater financial constraints than do larger firms. Empirical studies provide evidence about the ways in which reduced access to finance hinders firm growth (ECA, 2001). MSEs in developing countries apply for and receive formal bank loans relatively infrequently and thus rely on other types of credit such as trade credit, overdrafts, and informal loans.

Microfinance institutions also provide important sources of financing for MSEs, but their outreach is more limited than that of traders, especially in rural areas (Curtain, 2009). In the same token, a study conducted in South Africa by Fatoki and Garwe (2010), revealed that the problem of low income levels influences youth participation in entrepreneurship in south Africa was ranked second after lack of entrepreneurial and management competencies in most inspiring and existing entrepreneurs in the MSEs sector in South Africa, consistent with the study by Hermington and Wood (2003) who also conducted their studies in South Africa.

However, a research by Bowen, Morara and Mureithi (2006) relegates daily profit to fourth place with competition and poor security ranking first and second respectively. Okpara and Wayne (2002) in a study in Nigeria found that 65.6% of the firms studied depended entirely upon personal saving for capital, 10.9% had access to saving, 9.4% used commercial banks and 7.8% drew resources from partners, shareholders and other resources. While SMEs owners often claim insufficient credit as their pressing obstacle, enterprises financial growth percentages may not always correspond to actual growth trends (Okpara, 2002) Access to finance may be necessary but is not a sufficient condition for growth

When participation is linked to social class, the consumption of goods and activities take the form of positional goods, which are commodities that serve as markers of social position and cultural style (Lury 1996). To the extent that mass consumption allows for a full range of affordable goods and services, and that social mobility continually reshapes class boundaries, then consumption of positional goods become a critical way for the middle and professional classes to distinguish themselves from other groups (Lury 1996).

Tomanović (2004) found that the non-school activities of professional families are more varied compared to working class families and involved a range of social, educational, sports and cultural 5 activities, many of which were specifically designed for children (for example, theatre and cinema shows, children's music). In the second wave of research conducted seven years later, found that these cultural tastes, which stem from exposure to particular sets of activities, persisted when the children were in their early teens. Tomanović (2004) concluded that family socio-economic backgrounds exerted strong influences on the cultural tastes of children.

Corsaro (2005) contrasted middle class with working class parenting styles. The working-class style, termed as accomplishment of natural growth, viewed child development as a natural process. Its parenting practices stressed obedience with little parental intervention outside the home. In contrast, the middle-class style, labeled as concerted cultivation, stressed heavy parental involvement outside the home with school and extracurricular activities and greater freedom within the home. Empirically, how does one measure socio-economic class (SES)? Income, occupation, education, or combinations of the three have often been used (Bradley & Corwyn, 2002).

However, amongst the three indicators of class, an educated mother may have additional socialization effects on youth participation beyond effects of cultural capital that the class status itself derives. Put in Corsaro's framework, mother's education may be the main source of concerted cultivation in a middle-class family. Besides class, what kinds of family dynamics encourage adolescents' involvement in activities? In studies on educational achievement, parent-child interaction has been found to be important.

Fan and Chen (2001) conducted a meta-analysis to synthesize the quantitative literature about the relationship between parental involvement and student's academic achievement. They found an average correlation between parental involvement and academic achievement of

“medium effect size”. In terms of the type of parental involvement, they found that parental expectation of the children’s achievement has the strongest relationship, whereas parental home supervision has the weakest relationship with student’s academic achievement. A study by Csikszentmihalyi (2000) of 3604 American students from grades 6-12 in different types of schools and communities found the importance of family support and challenge to adolescents’ school grades as well as their enjoyment of school and homework. Family support refers to responsiveness to the child of parents or more broadly of family members. In a responsive family, the child is comfortable in the home, spends time with other family members, and feels loved and care for.

A family environment is challenging when parents expect adolescents to take on greater responsibilities, learn new skills, and take risks that lead toward greater individuation. Through multivariate analysis and qualitative narratives, Csikszentmihalyi (2000) concluded that the most effective families appear to be those that give teenagers the sense that they are loved (support), together with the sense that much is expected from them (challenge)”. Do these findings on the relationship between family dynamics and educational outcomes extend to social participation? Does social class predict greater participation among youth in Singapore?

In the Singapore context, the majority pattern is that young people live with their parents until they graduate, find jobs and get married. The age range selected for the study represents a dynamic period where the youth is still within the influence of parents but is at the stage where the transition to adulthood has already started in terms of a stronger bonding with their peer group and participation in a variety of group activities.

2.3.5 Market Dynamics and Youth Participation in Boda Boda transport Sector

Marketing managers, planning and acting in the context of a dynamic market process where consumers’ tastes and preferences continuously change, must speculate about uncertain future events and use instruments of the marketing program to facilitate exchanges with consumers. Alertness to opportunities, which allows for product differentiation, exploitation of opportunities, and resulting profits, is one key to success. In a dynamically competitive market process, however, product differentiation and profits quickly erode (Broeckelmann, 2008). The firm’s marketing function must, therefore; scan the environment in search of short-term as well as long-term opportunities for profit. Opportunities for long-term product

differentiation and lasting profits are rare, so the firm's marketing function (acting entrepreneurially) most regularly seeks profit opportunities that can be briefly exploited through relatively small changes in marketing program elements.

In recent years, the interrelationship between market dynamics and youth participation in SMEs has been explored through the entrepreneurial marketing construct presented by Morris, Schindehutte, and LaForge (2002). Emerging primarily from structural and occupational approaches to entrepreneurship, entrepreneurial marketing is offered as most appropriate for the marketing functions of small and mid-size firms facing environmental turbulence. Strategic marketing unites innovation with execution. Just as individual acting man chooses his goals and then acts to achieve them (with no guarantee that he will achieve them), so also the strategic marketer chooses his company's goals (including what products to offer and what markets to serve) and then sets out to achieve them is entrepreneurship.

To start a new restaurant, for example, instead of first conducting marketing research: (the entrepreneur) would have to proceed in the opposite direction. Instead of starting with the assumption of an existing market and investing money and other resources to design the best possible restaurant for the given market, she would begin by examining the particular set of means or causes available to her. OECD (2010), market development and access play a key role for innovative entrepreneurship since market opportunities will ultimately determine the conditions that lead to business success or failure. Competition can foster innovation by giving firms an incentive to be more effective and thus survive. Barriers to market entry are a substantial obstacle for innovative entrepreneurs.

Moreover, improved access to domestic and foreign markets can facilitate the acquisition of foreign technologies and contribute to improved knowledge spillovers, as well as facilitate firms' market expansion. At the same time, market dynamics will not always benefit innovation: if it does not allow innovators to recover the costs of their investments in innovation, the rate of those investments will decline. Markets for technology also play a critical role in innovative entrepreneurship as they allow new ventures to get access to technologies that might be too time consuming, too costly or even impossible to develop internally.

Huka and Wario (2013) state that; Limited access to markets remains a severe constraint to SME growth and competitiveness in Kenya owing to a shrinking domestic market due to

globalization. Limited access to market information makes SMEs less aware of opportunities in the market. Overall aggregate demand for the sector's products is low and markets are saturated due to overproduction and dumping of cheap imports. Markets do not function well due to insufficient information, high transaction costs and stiff competition for similar products, inefficiencies and information asymmetry. SMEs face difficulties accessing markets due to limited market information, poor marketing capacity and poor market research leading to a discrepancy between the supply and demand.

The ability of SMEs to survive in an increasingly dynamic market is largely dependent upon their capacity to leverage information as a resource and to benefit from the value of information. SMEs need ready access to comprehensive relevant information since they operate in severe time and capacity constraints. (Omukhango, 2012) Limited access to opportune, current, relevant and adequate information is a notable constraint to SMEs in Kenya. The enterprises struggle to gain access to important information needed for improved productivity, customer satisfaction, improved cycle time and opportunities at the market place. (Bajpai, 2011) Market signals on business opportunities and customer trends are not communicated effectively to SMEs, who perform better in information rich environments (Ochieng, 2015).

2.4 Theoretical Orientation

Theoretical frameworks are explanations about a phenomenon and according to Royle and Hal (2012) they provide the researcher the lens to view the world. A theory is an accepted fact that attempt to provide a plausible or rational explanation of cause- and-effect (causal) relationship among a group of observed phenomenon (Kothari, 2004). Several theories and models have been put forward by scholars to explain the field of variable understudy of public transport. Therefore, the study borrows from a wide range of theories: the theory of innovative enterprise, theory of entrepreneurial orientation dimensions, theory of human resource and organizational outcomes.

2.4.1 The Theory of Innovative Enterprise

This theory was used first published in 1911, by Joseph Schumpeter, argued that capitalism had to be conceptualized as an economic system in which technological change, or more broadly speaking innovation, constantly disrupted the general equilibrium of market exchange to explain the driving forces to innovation and business (Lazonick 2011a). The

theory states that, a business enterprise seeks to transform productive resources into goods and services that can be sold to generate revenues. A theory of the firm, therefore, must, at a minimum, provide explanations for how this productive transformation occurs and how revenues are obtained. These explanations must focus on three generic activities in which the business enterprise engages: strategy, organization, and finance.

Strategy allocates resources to investments in developing human and physical capabilities that, it is hoped, will enable the firm to compete for chosen product markets. Organization transforms technologies and accesses markets, and thereby develops and utilizes the value-creating capabilities of these resources to generate products that buyers want at prices that they are willing to pay. Finance sustains the process of developing technologies and accessing markets from the time at which investments in productive resources are made to the time at which financial returns are generated through the sale of products. The need for these social conditions derives from the uncertain, collective and cumulative character of the innovation process (Abhijit, 2013).

The motorcycle transport is an innovation in the transport businesses geared to harnessing the benefits of two wheeler motorized vehicles in resolving transport crisis in both urban and rural areas. However, the success in this investment depends on the choice of business strategy by the operators especially on the choice of technologies, routes among others. Further, the organization of the industry is very critical in enhancing success. Organization also includes industry regulation and the organization of internal resources to enhance productivity. The theory relates to the influence of entrepreneurial orientation on performance of SMEs in Kenya (Government of Kenya, 2009).

2.4.2 Systems Theory

The proponent of systems theory is Ludwig von Bertalanffy who invented it in 1956. The theory emphasizes the way in which organized systems respond in an adaptive way to cope with significant changes in their external environments so as to maintain their basic structures intact. (Abor & Quartey, 2010) asserts that the systems theory models of decision making in human groups emphasize their interaction with "outside" actors and organizations and concentrate on identifying the particular elements in the environment of the group or organization that significantly affect the outcomes of its decision-making this argument is in

consonance with Shafeek (2009) who amplified the general systems theory in the context of project performance.

To understand what an organization did, one must try to find out what threat or opportunity it was responding to and how its preexisting response mechanisms worked to do this (Leek & Canning, 2011). The advantage of systems theory is its potential to provide a trans-disciplinary framework for a simultaneously critical and normative exploration of the relationship between our perceptions and conceptions and the worlds they purport to represent (Kiruja, 2013). This argument was amplified by Reynolds (2009). Systems theory does much to render the complex dynamics of human psychosocial change comprehensible hence making it more applicable to current development dynamics.

Kabahanga (2013) observed that phenomena in the natural setting do not come in neat disciplinary packages labeled scientific, humanistic and transcendental; instead they invariably involve complex combinations of fields, and the multifaceted situations to which they give rise and require a holistic approach for their solution. This theory offers relates to this study in the sense that the boda boda industry is a system that is open to influences from the outside.

2.4.3 Theory of Change

Theory of Change defines long-term goals and then maps backward to identify necessary preconditions. Theory of Change explains the process of change by outlining causal linkages in an initiative, its shorter-term, intermediate, and longer-term outcomes. The identified changes are mapped –as the outcomes pathway showing each outcome in logical relationship to all the others, as well as chronological flow. The links between outcomes are explained by “rationales” or statements of why one outcome is thought to be a prerequisite for another.

Theory of change lies in making the distinction between desired and actual outcomes, and in requiring stakeholders to model their desired outcomes before they decide on forms of intervention to achieve those outcomes.

Theory of Change is a form of critical theory that ensures a transparent distribution of power dynamics. Further, the process is necessarily inclusive of many perspectives and participants in achieving solutions. Theory of change can begin at any stage of an initiative, depending on the intended use. A theory developed at the outset is best at informing the planning of an

initiative. Having worked out a change model, practitioners can make more informed decisions about strategy and tactics. As monitoring and evaluation data become available, stakeholders can periodically refine the Theory of Change as the evidence indicates is relevant in this study as it entails market dynamics that can be well understood through theoretical view of this theory.

2.5 Conceptual Framework

A conceptual framework considers the theoretical and conceptual issues surrounding research work and form a coherent and consistent foundation that will underpin the development and identification of existing variables. This study will be on the determinants of youth participation in County transport industry focusing on boda boda sector in Meru County, Kenya. The independent variables in this study are demographic factors, operational capital, socio-economic and market dynamic factors. This study will therefore establish the influence of the independent variables on the dependent variable which will be growth of youth owned small and medium enterprises. The conceptual framework of the study can be summarized in the figure1.

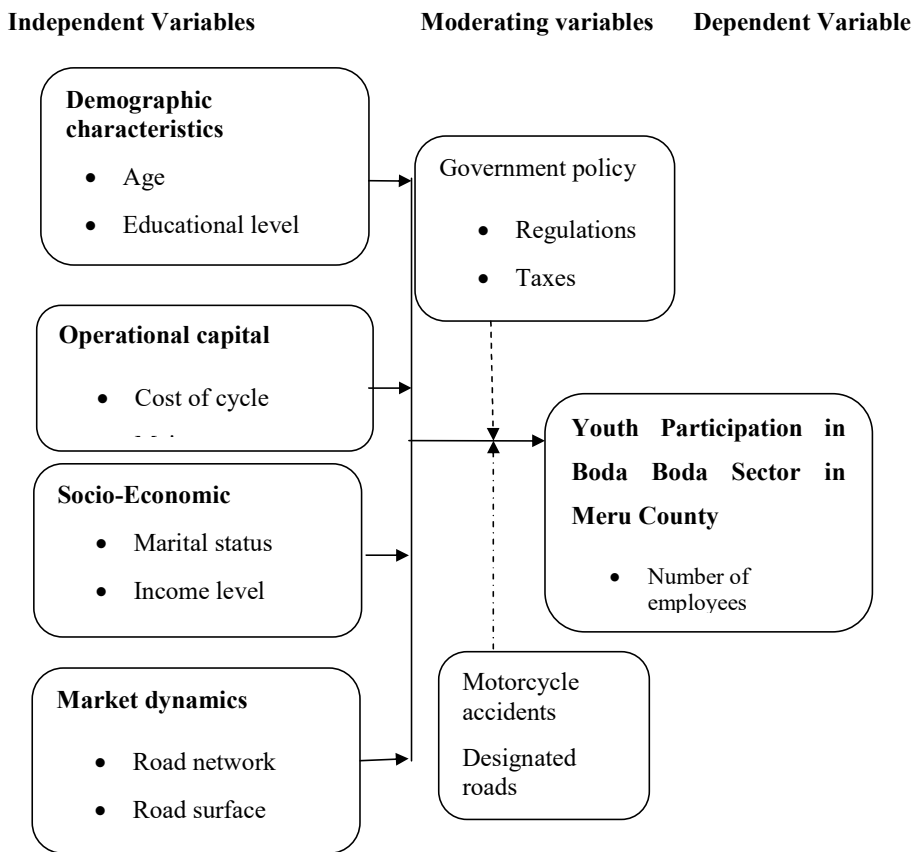


Figure 1: Conceptual Framework

2.6 Summary and Research Gaps

Youth unemployment was one of the underlying causes behind the political upheaval in Kenya's 2007/2008 postelection violence. Following the post-election violence, issues of youth poverty and unemployment were identified as critical issues. A 2009 Report by Ressi (2011) estimated that the World unemployment has remained constant at an average of 6.1 percent over the eleven year period 1998 and 2008. Reducing youth unemployment is one of the major challenges facing most governments in the world for decades to come. With an estimated 750 million young women and men worldwide unemployed, the need for employment creation efforts focusing on youth is undeniable. Youth are generally three and a

half times more likely than adults to be unemployed. The mortality rate of youth enterprises in Africa remain very high for example Fatoki and Garwe (2010), in the study of five African countries found that most firms started with 1-5 employees and never expanded. Furthermore less than 1 percent grew to a size of about 10 employees. Fumo and Jabbour (2011) in his study of 214 small enterprises in the northern region of Nigeria within an eight year period reported that only 4 had graduated into medium firms.

According to World Bank group 2016 in Kenya youth unemployed stood at 17.4 % in 2014 from 17.1 in 2011. As world population increases unemployment increases at even a higher rate compared to population. In Kenya, the boda boda industry is one of the most popular and prolific youth enterprises. The industry flourished significantly in 2008 after the zero rating of motor cycles below 150cc by the government as a means of enhancing both rural and urban transport and job creation for the youth (KNBS, 2010). The purpose of this study is to establish the determinants influencing performance of youth business enterprises focusing on boda boda operators in Imenti north sub county, Meru county Kenya. Various studies have been conducted on the youth participation in SMEs. However, these studies focused on different variables and locations in the country and outside the country. These studies demonstrate the existence of studies on the broad topic of youth enterprises. They also demonstrate the lack of studies focusing on the boda boda industry in Imenti north sub-county. This is the literature gap that this project seeks to fill.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the procedures and techniques that were used in the collection, processing and analysis of data. Specifically, the following subsections are included; research design, target population and sampling, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design

The study adopted a descriptive research design. A descriptive design was concerned with determining the frequency with which something occurs or the relationship between variables (Bryman & Bell, 2011). Thus, this approach was suitable for this study, since the study intended to collect comprehensive information through descriptions which were helpful for identifying variables. Bryman and Bell (2011) assert that a descriptive design seeks to get information that describes existing phenomena by asking questions relating to individual perceptions and attitudes.

3.3 Target population

According to Sekaran and Bougie (2010), a population is the total collection of elements about which we wish to make inferences. The target population for this study was 503 boda boda operators and members of registered boda boda self-help groups as shown in the Table 3.1.

Table3. 1: Target Population

	Target Population	Percentage
Boda boda Operators	302	60.04
Imenti Boda boda Self-help group	201	39.96
Total	503	100

Source: Meru County Revenue Report (2017)

3.4 Sample size and Sampling Procedures

Sampling is a deliberate choice of a number of people who are to provide the data from which a study will draw conclusions about some larger group whom these people represent. The section focuses on the sampling size and sampling procedures.

3.4.1 Sampling Size

The sample size is a subset of the population that is taken to be representatives of the entire population (Kumar, 2011). A sample population of 188 was arrived at by calculating the target population of 503 with a 95% confidence level and an error of 0.05 using the below formula taken from Kothari (2004).

$$n = \frac{z^2 \cdot N \cdot \hat{p}^2}{(N - 1)e^2 + z^2 \hat{p}^2}$$

Where; n = Size of the sample,

N = Size of the population and given as 503,

e = Acceptable error and given as 0.05,

\hat{p} = The standard deviation of the population and given as 0.5 where not known,

Z = Standard variate at a confidence level given as 1.96 at 95% confidence level.

$$n = \frac{(1.96)^2 \times 503 \times (0.5)^2}{(503-1) \times (0.05)^2 + (1.96^2 \times 0.5^2)}$$

$$n = \frac{1004.81}{5.35} = 187.9 \quad n \text{ is approximately } 188$$

5.35

The sample size fits within the minimum of 30 proposed by Saunders, Lewis and Thornhill (2012).

Table3. 2: Sampling Frame

	Target Population	Ratio	Sample Size
Boda boda Operators	302	<u>0.37</u>	<u>112</u>
Imenti Boda boda Self-help group	201	<u>0.37</u>	<u>76</u>
Total	503		<u>188</u>

3.4.2 Sampling Procedures

The study selected the respondents using convenience sampling technique where by respondents were selected based on their willingness, accessibility and proximity to the researcher. This approach was adopted since a complete sample frame for boda boda operators could not be established and more due to randomization arising from their continued mobility from one area to another. Any unwilling respondents were substituted until the desired sample was achieved.

3.5 Research Instruments

Primary data was obtained using self-administered questionnaires. The questionnaire was made up of both open ended and closed ended questions. The open-ended questions were used so as to encourage the respondent to give an in-depth and felt response without feeling held back in illuminating of any information and the closed ended questions allowed respondent to respond from limited options that had been stated. According to Saunders (2011), the open ended or unstructured questions allow profound response from the respondents while the closed or structured questions are generally easier to evaluate. The questionnaires were used in an effort to conserve time and money as well as to facilitate an easier analysis as they are in immediate usable form.

3.6 Pilot Testing

Pilot testing refers to putting of the research questions into test to a different study population but with similar characteristics as the study population to be studied (Kumar, 2005). Pilot testing of the research instruments was conducted using boda boda operators from Imenti South sub county since it has a similar setting. A total of 21 questionnaires were administered to the pilot survey respondents who were chosen at random. After one day, the same participants were requested to respond to the same questionnaires but without prior

notification in order to ascertain any variation in responses of the first and the second test. This was very important in the research process because it assisted in identification and correction of vague questions and unclear instructions. It was also a great opportunity to capture the important comments and suggestions from the participants. This helped to improve on the efficiency of the instrument. This process was repeated until the researcher is satisfied that the instrument does not have variations or vagueness. The twenty one questionnaires were coded and responses input into SPSS which were used to generate the reliability coefficient.

3.7 Validity of Research Instruments

According to Golafshani (2012), validity is the accuracy and meaningfulness of inferences, based on the research results. One of the main reasons for conducting the pilot study is to ascertain the validity of the questionnaire. The study used content validity which draws an inference from test scores to a large domain of items similar to those on the test. Content validity is concerned with sample-population representativeness.

Gillham (2011) stated that the knowledge and skills covered by the test items should be representative to the larger domain of knowledge and skills. Expert opinion was requested to comment on the representativeness and suitability of questions and gave suggestions of corrections to be made to the structure of the research tools. This helped to improve the content validity of the data that was collected. Content validity was obtained by asking for the opinion of the supervisor, lecturers and other professionals on whether the questionnaire was adequate. Their review comments were used to ensure that content validity is enhanced. After evaluation, the instrument was adjusted appropriately before subjecting it to the final data collection exercise.

3.8 Reliability of Research Instruments

Instrument reliability on the other hand is the extent to which a research instrument produces similar results on different occasions under similar conditions. It's the degree of consistency with which it measures whatever it is meant to measure (Bell, 2010). Reliability is concerned with the question of whether the results of a study are repeatable. The questionnaires were administered to a pilot group of 21 randomly selected respondents from the target population and their responses were used to check the reliability of the tool. This comprises 10% of the sample size. A construct composite reliability co-efficient (Cronbach alpha) of 0.7 or above,

for all the constructs, is considered to be adequate for this study (Rousson, Gasser and Seifer, 2012). Reliability coefficient of the research instrument was assessed using Cronbach's alpha (α) which is computed as follows:

$$A = k/k-1 \times [1 - \sum (S^2) / \sum S^2_{sum}]$$

Where:

α = Cronbach's alpha

k = Number of responses

$\sum (S^2)$ = Variance of individual items summed up

$\sum S^2_{sum}$ = Variance of summed up scores

3.9 Data Collection Procedures

The researcher obtained an introduction letter from the university which was presented to each stakeholder to allow collecting the necessary data from the respondents. The researcher personally administered the research instruments to the respondents. This enabled the researcher to establish rapport, explain the purpose of the study and the meaning of items that may not be clear as observed by Best and Khan (2003).

3.10 Data Analysis Techniques

Data was analyzed using Statistical Package for Social Sciences (SPSS Version 21.0). All the questionnaires received were referenced and items in the questionnaire were coded to facilitate data entry. After data cleaning which entailed checking for errors in entry, descriptive statistics such as frequencies, percentages, mean score and standard deviation was estimated for all the quantitative variables and information presented in form of tables. The qualitative data from the open ended questions was analyzed using conceptual content analysis and presented in prose

Inferential data analysis was done using multiple regression analysis. Multiple regression analysis was used to establish the relations between the independent and dependent variables. Multiple regressions was used because it is the procedure that uses two or more independent variables to predict a dependent variable. Since there are four independent variables in this study the multiple regression model generally assumed the following equation;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where:-

Y= Youth Participation in boda boda sector in Meru

β_0 =constant

$\beta_1, \beta_2, \beta_3$ and β_4 = regression coefficients

X_1 = Demographic characteristics

X_2 = Operational capital

X_3 = Socio-Economic

X_4 = Market dynamics

ε =Error Term

3.11 Ethical Considerations

The researcher observed the following standards of behaviour in relation to the rights of those who become subject of the study or are affected by it: First, in dealing with the participants, they were informed of the objective of the study and the confidentiality of obtained information, through a letter to enable them give informed consent. Once consent was granted, the participants maintained their right, which entailed but is not limited to withdraw or decline to take part in some aspect of the research including rights not to answer any question or set of questions and/or not to provide any data requested; and possibly to withdraw data they have provided. Caution was observed to ensure that no participant is coerced into taking part in the study and, the researcher sought to use minimum time and resources in acquiring the information required. Secondly, the study was adopted quantitative research methods for reliability, objectivity and independence of the researcher. While conducting the study, the researcher ensured that research ethics are observed. Participation in the study was voluntary. Privacy and confidentiality was also observed. The objectives of the study were explained to the respondents with an assurance that the data provided was used for academic purpose only

3.12 Operationalization of Variables

The operationalization of variables is shown in Table 3.3.

Table 3. 3: Operationalization of variables

Objectives	Type of Variable	Indicator	Measuring Indicators	Scale	Tools of analysis	Type of analysis
To find out how demographic characteristics influence youth participation in boda boda transport industry in Meru County	Independent	demographic characteristics	Age Educational level Gender	Nominal Ordinal Ordinal	Percentages Mean score	Descriptive statistics Regression analysis
To investigate the influence of operational capital on youth participation in boda boda transport industry in Meru County.	Independent	operational capital	Cost of cycle Maintenance cost License fees Stage terminus fees	Interval Interval	Percentages Mean score	Descriptive statistics Regression analysis

To examine the influence of socio-economic characteristics on youth participation in boda boda transport industry in Meru County	Independent	Socio-economic characteristics	Marital status Income level Employment status Daily profit Ownership	Ordinal Interval Ordinal Interval Nominal	Percentages Mean score	Descriptive statistics Regression analysis
To determine the influence of market dynamics on youth participation in boda boda transport industry in Meru County	Independent	market dynamics	Road network Road surface Weather changes Customer specificity	Ordinal Ordinal Ordinal Nominal	Percentages Mean score	Descriptive statistics Regression analysis
	Dependent	Youth Participation in boda boda transport industry in Meru	Number of employees Profitability Sales Total Assets	Interval Ratio Interval Interval	Mean score	Descriptive statistics Regression analysis

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter discusses the findings obtained from the primary instrument used in the study. It discusses the characteristics of the respondents, their opinions on determinants of youth participation in transport industry based on a case study of boda boda sector in Meru County, Kenya. In order to simplify the discussions, the researcher provided tables that summarized the collective reactions of the respondents.

4.2 Response Rate

The researcher was able to get 188 operators who were willing to take part in the study from the sample of 121 respondents giving a response rate of 64.36% which is within what Kumar (2011) prescribed as a significant response rate for statistical analysis and established at a minimal value of 50%. For matrix questions, the study used likert scale in collecting and analyzing where a scale of 5 points was used in computing the mean scores and standard deviations. These were then presented in tables as appropriate with explanations being given in paragraphs.

Table 4. 1: Response Rate

Administered questionnaires	Filled questionnaires	Response rate
188	121	64.36%

4.3 Characteristics of Respondents

The study sought to enquire on the respondents' general information including gender, their age bracket, their highest level of education and the period in which they have been in the boda boda business. This general information is presented in tables.

4.3.1 Gender of the respondents

The respondents were requested to indicate their gender. The results are as shown in the table 4.2.

Table 4. 2: Gender of the respondents

	Frequency	Percent
Male	108	89.3
Female	13	10.7
Total	121	100

As per the results above 89.3% of the respondents were male while 10.7% were female. This implies that majority of the boda boda business is dominated by men.

4.3.2 Highest level of Education

The respondents were again requested to indicate their highest level of education. Their responses are as presented below in table 4.3.

Table 4. 3: Highest level of Education

	Frequency	Percent
Certificate	98	81
Diploma	16	13.2
Degree	7	5.8
Total	121	100

Table 4.3 above indicates that 81% of the respondents had certificate as their highest level of education, 13.2% of the respondents had diploma as their highest level of education while 5.8% of the respondents had degree as their highest level of education. This implies that majority of the respondents had enough basic education to be able to understand the subject under study and give information on the same.

4.3.3 Age bracket of the respondents

The respondents were required to indicate their age bracket. Their responses were as shown in Table 4.4.

Table 4. 4: Age bracket of the respondents

	Frequency	Percent
20-30 yrs.	100	82.6
31-40 yrs.	12	9.9
41-50 yrs.	9	7.4
Total	121	100

From the above findings, majority of the respondents indicated that their age bracket was between 20-30 years as shown by 82.6%. Further 9.9% indicated age between 31-40 years while 7.4% indicated 41-50 years. This implies that boda boda businesses are dominated by young people with capability of giving reliable information.

4.3.4 Duration operating boda boda business.

The respondents were also required to indicate the period in which they have been in boda boda business. Their responses were presented below in table 4.5.

Table 4. 5: Period of the respondent in boda boda business.

	Frequency	Percent
Less than 3 years	32	26.4
3 to 9 years	77	63.6
9 to 12 years	9	7.4
Above 12 years	3	2.5
Total	121	100

From the above results, majority of the respondents indicated that they have been in boda boda business for a period of between 3 and 9 years as shown by 77%. Further 26.4% indicated a period of less than 3 years, 7.4% indicated a period of between 9 and 12 years, while 2.5% indicated a period of above 12 years. This implies that the most of the respondents were in boda boda business long enough to be able to comprehend the subject under study and give reliable information.

4.4 Determinants of Youth Participation in Transport Industry

The objective of the study was to establish determinants of youth participation in transport industry based on a case study of boda boda sector in Meru County, Kenya. The study was based in the following four variables; demographic characteristics, operational capital, socio-economic and market dynamics.

4.4.1 Demographic Characteristics

Under this section the study sought to find out how demographic characteristics influence youth participation in boda boda transport industry in Meru County. The respondents were requested using a likert scale of 1-5, to level of agreement with the various statements on demographic factors influence on youth participation in boda boda transport industry in Meru County Their responses were as shown in table 4.6.

Table 4. 6: Level of Agreement with Various Statements on Demographic Characteristics

	Mean	Std dev.
Entrepreneur's age Influence growth of the boda boda business.	4.066	0.739
Marital status influences youth participation in boda boda business	2.975	0.724
Education level enhances better knowledge and skills on participation in boda boda business.	3.835	0.768
Modern managerial skills makes youth more involved in boda boda business	2.380	0.552
Self-employed, professional or entrepreneurial parents influence youth participation in boda boda business.	4.132	0.816
Existence of role models in the society has a positive effect on the youth	2.298	0.628

participation in boda boda business.

Youth with more experiences in managing business are more capable of finding ways to engage in boda boda business. 3.719 0.777

From the Table 4.6 the respondents agreed on the fact that self-employed, professional or entrepreneurial parents influence youth participation in boda boda business as illustrated by a mean score of 4.132 and that entrepreneur's age influence growth of the boda boda business as illustrated by a mean score of 4.066.

Further the respondents agreed that education level enhances better knowledge and skills on participation in boda boda business as illustrated by a mean score of as shown by a mean of 3.835 and that youth with more experiences in managing business are more capable of finding ways to engage in boda boda business as illustrated by a mean score of 3.719.

However the respondents disagreed that marital status influences youth participation in boda boda business as illustrated by a mean score of 2.975. Again the respondents disagreed on the fact that modern managerial skills makes youth more involved in boda boda business as shown by an average of 2.380 and that existence of role models in the society has a positive effect on the youth participation in boda boda business as illustrated by a mean of 2.298.

4.4.2 Operational capital

Further the study sought to investigate the influence of operational capital on youth participation in boda boda transport industry in Meru County. The respondents were also requested using a likert scale of 1-5, to tell the level of agreement with various statements on operational capital factors influence youth participation in boda boda transport industry in Meru County. Their responses were as shown in table 4.7.

Table 4. 7: Agreement with the Various Statements on Operational Capital Factors

	Mean	Std dev.
Cost of the motorcycle influence youth participation in boda boda business	3.727	0.785
Maintenance cost influence youth participation in boda boda business	4.066	0.844
Risk capital financing are inadequate youth entrepreneurs	3.942	0.878
Asset financing hinder youth participation in boda boda business	2.546	0.577
Joint-ventures failure discourage youth enterprises	3.727	0.707
Challenges in accessing long-term credit hinder youth participation in boda boda business	3.777	0.871
High interest rates prevent youth from starting boda boda business	3.653	0.854

As per the results, the respondents agreed on the fact that maintenance cost influence youth participation in boda boda business as illustrated by a mean score of 4.066 and that Risk capital financing are inadequate youth entrepreneurs as shown by a mean score of 3.942.

Further the respondents agreed that Challenges in accessing long-term credit hinder youth participation in boda boda business as illustrated by a mean score of as shown by a mean of 3.777, that Joint-ventures failure discourage youth enterprises as illustrated by a mean score of 3.727 and that cost of the motorcycle influence youth participation in boda boda business as depicted by a mean of 3.727.

However the respondents agreed on the fact that high interest rates prevent youth from starting boda boda business as illustrated by a mean score of 3.653 and neutral that asset financing hinder youth participation in boda boda business as illustrated by a mean of 2.546.

4.4.3 Socio-Economic

Under this section the study sought to examine the influence of socio-economic characteristics on youth participation in boda boda transport industry in Meru County. The study findings were

as presented below. The respondents were required using a likert scale of 1-5, to tell the level of agreement with various statements on social economic factors influence youth participation in boda boda transport industry in Meru County. Their responses were as shown in table 4.8.

Table 4. 8: Level of agreement with various Statements on Social Economic Factors

	Mean	Std dev.
Low income levels discourage youth participation in entrepreneurship	4.107	0.854
Employment status influence youth engagement in entrepreneurship	3.661	0.852
Inconsistency in daily profit discourage youth participation in boda boda business	2.537	0.578
Few micro-finance institutions that support youths determine their level of participation in boda boda business	4.041	0.860
Availability of credit schemes directed at young people influence youth participation in entrepreneurship	3.752	0.849
Lack of sufficient collateral hinder youth participation in boda boda business	2.422	0.629
Type of parental occupation influence youth participation in boda boda business	2.512	0.593

From the above findings the respondents agreed on the fact that low income levels discourage youth participation in entrepreneurship as illustrated by a mean score of 4.107 and that few micro-finance institutions that support youths determine their level of participation in boda boda business as illustrated by a mean score of 4.041.

Further the respondents agreed that availability of credit schemes directed at young people influence youth participation in entrepreneurship as illustrated by a mean score of as shown by a mean of 3.752 and that employment status influence youth engagement in entrepreneurship as illustrated by a mean score of 3.661.

The respondents further were neutral on the fact that inconsistency in daily profit discourage youth participation in boda boda business as illustrated by a mean score of 2.537. and that type of parental occupation influence youth participation in boda boda business as shown by an average of 2.512.

However, the respondents disagreed on the fact that lack of sufficient collateral hinder youth participation in boda boda business as shown by an average of 2.422.

4.4.4 Market dynamics

The study further sought to determine the influence of market dynamics on youth participation in boda boda transport industry in Meru County. The respondents were again asked using a likert scale of 1-5, to tell the level of agreement with the various statements on influence youth participation in boda boda transport industry in Meru County. Their responses were as shown in table 4.9.

Table 4. 9: Level of agreement with various statements on Market Dynamic Factors

	Mean	Std dev
Road network influence number of youth in boda boda industry	2.322	0.710
Weather changes fluctuates the availability of boda boda operators	3.752	0.745
Customer specificity determines youth participation in boda boda business	3.868	0.856
Limited access to markets hinder profitability of boda boda business	3.884	0.808
Insufficient information influences youth participation in boda boda business	3.033	0.694
Stiff competition discourages youth to get involved in boda boda industry	3.240	0.731
Improved motorcycle encourages new boda boda operators	3.876	0.832

As per the above results, the respondents agreed on the fact that limited access to markets hinder profitability of boda boda business as illustrated by a mean score of 3.884 and that improved motorcycle encourages new boda boda operators as illustrated by a mean score of 3.876.

Again the respondents agreed that customer specificity determines youth participation in boda boda business as illustrated by a mean score of 3.868, that weather changes fluctuates the availability of boda boda operators as illustrated by a mean score of 3.752 and that employment status influence youth engagement in entrepreneurship as illustrated by a mean score of 3.661.

The respondents were also neutral that stiff competition discourages youth to get involved in boda boda industry as shown by a mean of 3.240 and that insufficient information influences youth participation in boda boda business as illustrated by a mean score of 3.033. However, the respondents disagreed on the fact that road network influence number of youth in boda boda industry as shown by an average of 2.322.

4.4.5 Youth Participation

Finally under this section the study sought to determine how various youths in Meru County have participated in boda boda transport. The respondents were again asked using a likert scale of 1-5, to tell level of agreement with various statements on youth participation in boda boda transport industry in Meru County. Their responses were as shown in table 4.10.

Table 4. 10: Level of agreement with the various statements on Youth Participation

	Mean	Std dev.
Number of boda boda entrepreneurs has increased	4.223	0.832
High profitability has been achieved in boda boda industry	3.860	0.830
Sales of cycles is high	3.207	0.729
Total assets accrued has greatly increased	4.182	0.806
There has been an increase in new boda boda customers	3.744	0.801

From the findings the respondents agreed that number of boda boda entrepreneurs has increased as shown by an average of 4.223 and that total assets accrued has greatly increased as illustrated by a mean 4.182. Further the respondents agreed that high profitability has been achieved in boda boda industry as shown by a mean of 3.860 and that there has been an increase in new boda boda customers as illustrated by a mean score of 3.744.

However the respondents were neutral on the fact that Sales of cycles is high as shown by an average of 3.207.

4.5 Inferential Statistics

The data presented before on demographic characteristics, operational capital, socio-economic and market dynamics were computed into single variables per factor by obtaining the averages of each factor. Multiple regression analysis was then conducted at 95% confidence interval and 5% confidence level 2-tailed to establish the relationship between the variables. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regression.

4.5.1 Multiple Regression Analysis

Regression analysis shows how dependent variable is influenced with independent variables. The study sought to determine determinants of youth participation in transport industry based on a case study of boda boda sector in Meru County, Kenya.

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.839	0.704	0.694	0.205

Table 4.11 is a model fit which establish how fit the model equation fits the data. The adjusted R^2 was used to establish the predictive power of the study model and it was found to be 0.694 implying that 69.4% of the variations on youth participation in boda boda sector in Meru County, Kenya is explained by demographic characteristics, operational capital, socio-economic and market dynamics leaving 30.6% percent unexplained. Therefore, further studies should be done

to establish the other factors (30.6) on the determinants of youth participation in boda boda sector in Meru County, Kenya.

Table 4. 12: ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.946	4	2.987	69.025	0.000
	Residual	5.019	116	0.043		
	Total	16.965	120			

The probability value of 0.000 indicates that the regression relationship was highly significant in predicting how demographic characteristics, operational capital, socio-economic and market dynamics influenced youth participation in boda boda sector in Meru County, Kenya. The F calculated at 5 percent level of significance was 69.025 since F calculated is greater than the F critical (value = 5.6581), this shows that the overall model was significant.

Table 4. 13: Coefficients of Determination

	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	0.864	0.239		3.615	0.000
Demographic characteristics	0.667	0.305	0.369	2.187	0.030
Operational capital	0.876	0.287	0.376	3.052	0.002
Socio-Economic	0.713	0.319	0.532	5.527	0.020
Market dynamics	0.756	0.222	0.462	3.405	0.000

The established model for the study was:

$$Y = 0.731 + 0.867 X_1 + 0.703 X_2 + 0.732 X_3 + 0.712 X_4$$

The regression equation above has established that taking all factors into account (demographic characteristics, operational capital, socio-economic and market dynamics) constant at zero, determinants of youth participation in boda boda sector in Meru County, Kenya was 0.864. The findings presented also show that taking all other independent variables at zero, a unit increase in demographic characteristics would lead to a 0.667 increases on determinants of youth participation in boda boda sector in Meru County, Kenya. The study also found that a unit increase in operational capital would lead to a 0.876 increase youth participation in boda boda sector in Meru County, Kenya. Further the study found that a unit increase in the scores of socio-economic would lead to a 0.713 increase youth participation in boda boda sector in Meru County, Kenya. Further, the findings shows that a unit increases in the market dynamics would lead to a 0.756 increase youth participation in boda boda sector in Meru County, Kenya. Overall, operational capital had the greatest effect on youth participation in boda boda sector in Meru County, Kenya, followed by market dynamics, and then socio-economic while demographic characteristics had the least effect on youth participation in boda boda sector in Meru County, Kenya. All the variables were significant ($p < 0.05$).

CHAPTER FIVE
SUMMARY OF FINDINGS DISCUSSION, CONCLUSIONS AND
RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn are focused on addressing the objective of the study.

5.2 Summary of Findings

This section focuses on the summary of the research findings on the determinants of youth participation in boda boda sector in Meru County, Kenya such as demographic characteristics, socio-economic characteristics, market dynamic factors as well as operational cost.

5.2.1 Demographic Characteristics

In regard to demographic characteristics, the study showed that it influences youth participation in boda boda transport industry in Meru County positively. From the study it was agreed that self-employment, professional or entrepreneurial parents influence youth participation in boda boda business and that entrepreneur's age influence growth of the boda boda business. Further it was agreed that education level enhances better knowledge and skills on participation in boda boda business and that youth with more experiences in managing business are more capable of finding ways to engage in boda boda business. However the it was neutral on the fact that marital status influences youth participation in boda boda business. Again from the study it was shown that modern managerial skills makes youth more involved in boda boda business and that existence of role models in the society has a positive effect on the youth participation in boda boda business.

5.2.2 Operational Capital

Further the study revealed that operational capital influences youth participation in boda boda transport industry in Meru County positively and significantly. From the study agreed it was agreed on the fact that maintenance cost influence youth participation in boda boda business and that risk capital financing are inadequate youth entrepreneurs. Further the study agreed that challenges in accessing long-term credit hinder youth participation in boda boda business, that

joint-ventures failure discourage youth enterprises , that cost of the motorcycle influence youth participation in boda boda business and that high interest rates prevent youth from starting boda boda business. however the study was neutral that asset financing hinder youth participation in boda boda business.

5.2.3 Socio-Economic Characteristics

Concerning socio-economic characteristics, the study examined its influence on youth participation in boda boda transport industry in Meru County and revealed that it positively influences youth participation in boda boda transport industry. From the findings the study agreed on the fact that low income levels discourage youth participation in entrepreneurship and that few micro-finance institutions that support youths determine their level of participation in boda boda business. Further the study agreed that availability of credit schemes directed at young people influence youth participation in entrepreneurship and that employment status influence youth engagement in entrepreneurship. The study further was neutral on the fact that inconsistency in daily profit discourage youth participation in boda boda business and that type of parental occupation influence youth participation in boda boda business. However, the study disagreed on the fact that lack of sufficient collateral hinder youth participation in boda boda business.

5.2.4 Market Dynamics

Finally, the study showed that market dynamics influences of youth participation in boda boda transport industry in Meru County positively. The study found that limited access to markets hinder profitability of boda boda business and that improved motorcycle encourages new boda boda operators. Again the study agreed that customer specificity determines youth participation in boda boda business as, that weather changes fluctuates the availability of boda boda operators and that employment status influence youth engagement in entrepreneurship. The study was also neutral that stiff competition discourages youth to get involved in boda boda industry and that insufficient information influences youth participation in boda boda business. However, the study disagreed on the fact that road network influence number of youth in boda boda industry.

5.3 Discussion of the findings

This section focuses on the discussion of the findings relative to what previous researchers have found on the study variables. It correlates the findings with those of the previous literature and establishes where they are in agreement or they contradicted.

5.3.1 Demographic Characteristics

In regard to demographic characteristics, the study showed that it influences youth participation in boda boda transport industry in Meru County positively. From the study found that self-employed, professional or entrepreneurial parents influence youth participation in boda boda business and that entrepreneur's age influence growth of the boda boda business. These concur with Sr (2012) who argues that most college curriculums in America prefer to teach students how to become proficient employees instead of successful business persons.

Further it was revealed that education level enhances better knowledge and skills on participation in boda boda business and that youth with more experiences in managing business are more capable of finding ways to engage in boda boda business. These were similar to Reynolds (2009) who argues that, education may harm MSE growth in cases which owner's divert their attention to other attractive opportunities.

However the it was revealed that marital status influences youth participation in boda boda business. Again from the study it was showed that modern managerial skills don't make youth more involved in boda boda business and that existence of role models in the society doesn't have a positive effect on the youth participation in boda boda business. These findings were in line with Ahmad (2009) who revealed that the children of self-employed parents were more disposed to entrepreneurship than those of employed parents while many new ventures owe their success to the support of the family through the provision of funding and access to markets.

5.2.2 Operational Capital

Further the study revealed that operational capital influenced youth participation in boda boda transport industry in Meru County positively and significantly. From the study agreed it was agreed on the fact that maintenance cost influence youth participation in boda boda business and

that risk capital financing are inadequate youth entrepreneurs. These are similar to Abor & Quartey (2010) who said that lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance.

Further the study agreed that challenges in accessing long-term credit hinder youth participation in boda boda business and that joint-ventures failure discourage youth enterprises. These were in accordance to Royle and Hall (2012) who stated that in Kenya youth entrepreneurs transport industry face a lot of challenges in accessing finances to inject in their business both as startup, seed capital and finance expansion of the businesses.

It was further revealed that cost of the motorcycle influence youth participation in boda boda business and that high interest rates prevent youth from starting boda boda business. However the study was neutral that asset financing hinder youth participation in boda boda business. These findings corresponded to with OECD (2004) which claimed that financial assistance for entrepreneurs is also high on the agenda in the European Union and OECD, where member states are urged to promote the availability of risk capital financing for entrepreneurs.

5.2.3 Socio-Economic Characteristics

Concerning socio-economic characteristics, the study examined its influence on youth participation in boda boda transport industry in Meru County and revealed that it positively influences youth participation in boda boda transport industry. From the findings the study agreed on the fact that low income levels discourage youth participation in entrepreneurship and that few micro-finance institutions that support youths determine their level of participation in boda boda business. These correspond to Saleemi (2009) who argues that entrepreneurs in developing countries do not get adequate finance from the organized banking sector.

Further the study agreed that availability of credit schemes directed at young people influence youth participation in entrepreneurship and that employment status influence youth engagement in entrepreneurship. These correlated with Fatoki and Garwe (2010) whose study revealed that the problem of low income levels influences youth participation in entrepreneurship in South Africa was ranked second after lack of entrepreneurial and management competencies in most inspiring and existing entrepreneurs in the MSEs sector in South Africa.

The study further found that inconsistency in daily profit discourage youth participation in boda boda business and that type of parental occupation influence youth participation in boda boda business. These were similar to Okpara (2002) who claims that while SMEs owners often claim insufficient credit as their pressing obstacle, enterprises financial growth percentages may not always correspond to actual growth trends.

However, the study revealed that lack of sufficient collateral doesn't hinder youth participation in boda boda business. This was in line with Lury (1996) who argue that when participation is linked to social class, the consumption of goods and activities take the form of positional goods, which are commodities that serve as markers of social position and cultural style.

5.2.4 Market Dynamics

Finally, the study showed that market dynamics influences of youth participation in boda boda transport industry in Meru County positively. The study found that limited access to markets hinder profitability of boda boda business and that improved motorcycle encourages new boda boda operators. These correspond to Huka and Wario (2013) who stated that; limited access to markets remains a severe constraint to SME growth and competitiveness in Kenya owing to a shrinking domestic market due to globalization.

Again the study revealed that customer specificity determines youth participation in boda boda business, that weather changes fluctuates the availability of boda boda operators and that employment status influence youth engagement in entrepreneurship. These are in line with Bajpai (2011) who said that the enterprises struggle to gain access to important information needed for improved productivity, customer satisfaction, improved cycle time and opportunities at the market place.

The study was also found that stiff competition discourages youth to get involved in boda boda industry and that insufficient information influences youth participation in boda boda business. However, the study showed that road network doesn't influence number of youth in boda boda industry. These concurred with Morris, Schindehutte, and LaForge (2002) who claimed that in recent years, the interrelationship between market dynamics and youth participation in SMEs has been explored through the entrepreneurial marketing construct.

5.4 Conclusion

In regard to demographic characteristics, the study sought to find out how it influences youth participation in boda boda transport industry in Meru County and concluded that it positively and significantly influences youth participation in boda boda transport industry in Meru County. The study deduced that that self-employed, professional or entrepreneurial parents influence youth participation in boda boda business and that entrepreneur's age influence growth of the boda boda business. The study further deduced that that marital status fairly influences youth participation in boda boda business and that modern managerial skills don't make youth more involved in boda boda business.

Further the study sought to investigate the influence of operational capital and concluded that it positively influences youth participation in boda boda transport industry in Meru County. The study deduced that maintenance cost influence youth participation in boda boda business and that risk capital financing are inadequate youth entrepreneurs. Further the study deduced that challenges in accessing long-term credit hinder youth participation in boda boda business and that high interest rates prevent youth from starting boda boda business. The study also established that that asset financing fairly hinders youth participation in boda boda business.

Concerning socio-economic characteristics, the study sought to examine its influence and concluded that it significantly influences youth participation in boda boda transport industry in Meru County. From the findings the study deduced that low income levels discourage youth participation in entrepreneurship and that few micro-finance institutions that support youths determine their level of participation in boda boda business. Further the study deduced that availability of credit schemes directed at young people influence youth participation in entrepreneurship and that type of parental occupation fairly influence youth participation in boda boda business. The study also established that lack of sufficient collateral does not hinder youth participation in boda boda business.

Finally, the study concluded that influence of market dynamics on youth participation in boda boda transport industry in Meru County is positive and significant. The study deduced that limited access to markets hinder profitability of boda boda business and that improved motorcycle encourages new boda boda operators. Again the study deduced that customer

specificity determines youth participation in boda boda business as and that employment status influence youth engagement in entrepreneurship. The study was also established that stiff competition fairly discourages youth to get involved in boda boda industry and that road network don't influence number of youth in boda boda industry. Overall, the study concluded that operational capital had the greatest effect on youth participation in boda boda sector in Meru County, Kenya, followed by market dynamics, and then socio-economic while demographic characteristics had the least effect on youth participation in boda boda sector in Meru County, Kenya.

5.5 Recommendations of the study

Concerning the demographic characteristic, the study found that education level enhances better knowledge and skills on participation in boda boda business. The study therefore recommends that the county government of Meru should launch an intensive training for boda boda operators whose package comprises of technical skills, safety training and business management skills as a strategy for enhancing boda boda as an employment industry for youth in the County. This will make youths aware of what needs to be done while operating their businesses as well as equipping them with the right skills in order to avoid accidents and satisfy their customers.

Further the study found that high interest rates prevent youth from starting boda boda business. The study therefore recommends that the government and other stakeholders in the transport sector should initiate a program for boda boda operators to sensitize them on the need enhancing performance for their businesses as well as providing soft loans to the youths to engage in boda boda business. This will make many youths to venture into boda boda business and take it as a source of employment since they have financial support.

The study also found that low income levels discourage youth participation in entrepreneurship. Therefore, there is need to have a package of business support services tailor made for the boda boda transport business owing to its growth and its role in the economy. There is need for training and support services for boda boda operators to not only focus on the technical and business management skills of operators but also on developing entrepreneurial orientation of the operators as a strategy to enhance performance in the sector.

Again the study found that improved motorcycle encourages new boda boda operators. Therefore, the study recommends that the developers of the motorcycles should come up with motorcycles that satisfy the demands of the customers as well safety set standards. This will encourage youths to participate more in boda boda businesses since more profits will be realised.

5.6 Recommendations for Further studies

Since this study sought to establish the determinants influencing youth participation in boda boda business in Meru County, the researcher recommends for similar study to be undertaken in others areas of Kenya for generalization of the findings of this study.

The study recommends that another study should be carried out with the researcher focusing on the other determinants of youth participation in boda boda business. The researcher should go ahead and determine how high level of unemployment rate among other determinants has contributed to many youths being involved boda boda business.

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APPENDICES

Appendix I: Letter of Transmittal

Mercy Kagwiria

P.O BOX 3054

MERU.

Dear Sir/ Madam,

RE: ACADEMIC RESEARCH PROJECT

I am a Master of Arts in Project Planning and Management student at University Of Nairobi. I wish to conduct a research entitled determinants of youth participation in County transport industry, a case on boda boda sector in Meru County, Kenya. A questionnaire has been designed and will be used to gather relevant information to address the research objective of the study. The purpose of writing to you is to kindly request you to grant me permission to collect information on this important subject from your organization.

Please note that the study will be conducted as an academic research and the information provided will be treated in strict confidence. Strict ethical principles will be observed to ensure confidentiality and the study outcomes and reports will not include reference to any individuals.

Your acceptance will be highly appreciated.

Yours faithfully,

MERCY KAGWIRIA

Appendix II: Research Questionnaire

This questionnaire is to collect data for purely academic purposes. The study seeks to investigate *Determinants of youth participation in County transport industry, a case on boda boda sector in Meru County, Kenya*. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire.

Answer all questions as indicated by either filling in the blank or ticking the option that applies.

SECTION A: Background Information (Please tick (✓) appropriate answer)

1) Please indicate your gender: Female Male

2) State your highest level of education

Certificate Diploma Degree Masters

Others (Specify) -----

3) Please Indicate your age bracket 20-30 yrs. 31-40 yrs.

41-50 yrs. 51 – 60

4) Please indicate how many years you have been in the boda boda business?

Less than 3 years 3 to 9 years

9 to 12 years Above 12 years

20-30 yrs. 31-40 yrs.

41-50 yrs. 51 – 60

Demographic factors

5) What is your level of agreement with the following statements on demographic factors influence on youth participation in boda boda transport industry in Meru County?

Where: 5- Strongly agree 4-Agree 3-Neutral

2-Disagree 1- Strongly disagree

Deleted: Less than 3 years . . . 3 to 9 years
9 to 12 years . . . Above 12 years

	1	2	3	4	5
Entrepreneur's age Influence growth of the boda boda business.					
Marital status influences youth participation in boda boda business					
Education level enhances better knowledge and skills on participation in boda boda business.					
Modern managerial skills makes youth more involved in boda boda business					
Self-employed, professional or entrepreneurial parents influence youth participation in boda boda business.					
Existence of role models in the society has a positive effect on the youth participation in boda boda business.					
Youth with more experiences in managing business are more capable of finding ways to engage in boda boda business.					

6) In your own view how do the above demographic factors influence youth participation in boda boda transport industry in Meru County?

Operational capital

7) What is your level of agreement with the following statements on operational capital factors influence youth participation in boda boda transport industry in Meru County?

Where: 5- Strongly agree 4-Agree 3-Neutral
2-Disagree 1- Strongly disagree

	1	3	3	4	5
Cost of the motorcycle influence youth participation in boda boda business					
Maintenance cost influence youth participation in boda boda business					
Risk capital financing are inadequate youth entrepreneurs					
Asset financing hinder youth participation in boda boda business					
Joint-ventures failure discourage youth enterprises					
Challenges in accessing long-term credit hinder youth participation in boda boda business					
High interest rates prevent youth from starting boda boda business					

8) In your view how do the above operational capital factors influence youth participation in boda boda transport industry in Meru County?

Socio-Economic

9) What is your level of agreement with the following statements on social economic factors influence youth participation in boda boda transport industry in Meru County?

Where: 5- Strongly agree 4-Agree 3-Neutral
2-Disagree 1- Strongly disagree

	1	2	3	4	6
Low income levels discourage youth participation in entrepreneurship					
Employment status influence youth engagement in entrepreneurship					
Inconsistency in daily profit discourage youth participation in boda					

boda business					
Few micro-finance institutions that support youths determine their level of participation in boda boda business					
Availability of credit schemes directed at young people influence youth participation in entrepreneurship					
Lack of sufficient collateral hinder youth participation in boda boda business					
Type of parental occupation influence youth participation in boda boda business					

10) In your view how do the above social economic factors influence youth participation in boda boda transport industry in Meru County?

Market dynamics

11) What is your level of agreement with the following statements on market dynamic factors influence youth participation in boda boda transport industry in Meru County?

Where: 5- Strongly agree 4-Agree 3-Neutral
2-Disagree 1- Strongly disagree

	1	2	3	4	5
Road network influence number of youth in boda boda industry					
Weather changes fluctuates the availability of boda boda operators					
Customer specificity determines youth participation in boda boda business					
Limited access to markets hinder profitability of boda boda business					

Insufficient information influences youth participation in boda boda business					
Stiff competition discourages youth to get involved in boda boda industry					
Improved motorcycle encourages new boda boda operators					

12) In your view how do the above social economic factors influence youth participation in boda boda transport industry in Meru County?

Youth Participation in boda boda transport industry in Meru

13) What is your level of agreement with the following statements on youth participation in boda boda transport industry in Meru County?

Where: 5- Strongly agree 4-Agree 3-Neutral
2-Disagree 1- Strongly disagree

	1	2	3	4	5
Number of boda boda entrepreneurs has increased					
High profitability has been achieved in boda boda industry					
Sales of cycles is high					
Total assets accrued has greatly increased					
There has been an increase in new boda boda customers					