

**INFLUENCE OF YOUTH ENTERPRISE DEVELOPMENT FUND
ON SMALL BUSINESS DEVELOPMENT OF YOUTHS IN
MARAkwET WEST SUB-COUNTY, ELGEYO MARAKWET
COUNTY, KENYA**

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**A Research Project Submitted In Partial Fulfillment of the Requirements for the Award of
the Degree of Master of Arts in Project Planning and Management, School of Continuing
and Distance Education**

University Of Nairobi

2016

DECLARATION

This project is my original work and has not been presented to any degree in any other university.

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DEDICATION

I dedicate this work to my family who gave me all the support in the journey of academic pursuit. May the Lord bless them.

ACKNOWLEDGEMENTS

First and foremost, I would like to thank God, the Almighty for the strength and energy granted unto me to cover the academic journey and even write this project. I would also like to thank my supervisor Prof. Charles Rambo and Mr. Yona Sakaja who assisted me through the entire research project writing. Furthermore, regards are extended to Mr. Ochieng Owuor for taking me through research methods course, Mr Joseph Koringura for guiding me in Statistical Methods relevant in project analysis as this aided me to formulate this project. I would also like to take this opportunity to express my very sincere gratitude to my entire family-Dad; Mum, Brother Luke and Sister Evelyn for their moral and financial support that made me cover this long academic journey. To my great friends Wesley and Hosea thanks a lot for the moral and other kind support you extended during my studies. Lastly, I will not fail to acknowledge the 2014-2016 M.A class of Eldoret campus for the dedicated group work and discussions that enriched my course work.

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ABBREVIATIONS AND ACRONYMS

CARPE	Central Africa Regional Program for the Environment
CYDF	China Youth Development Foundation
FID	Farmers Institutional Development
GDP	Gross Domestic Product
ILO	International Labour Organization
MFI	Micro Finance Institutions
MSE	Micro and Small Enterprises
OECD	Organization for Economic Cooperation and Development
PMA	Plan for the Modernization of Agriculture
SBA	Small Business Administration
SMEs	Small and Medium Enterprises
USAID	United States Agency for International Development
WEF	Women Enterprise Fund
YEDF	Youth Enterprise Development Fund

ABSTRACT

Small businesses are increasingly seen as playing an important role in the economies of many countries. Despite the launching of different youth development funds in Kenya. Many economic and financial reforms as well empowerment interventions put in place from the recent past till the present time to salvage the youth predicament did not yield significant results. The study sought to explore the influence of YEDF on the small business development with reference to Marakwet West Sub-County, Elgeyo Marakwet County. The study was guided by the following research objectives; To assess how loaning from YEDF influence small businesses development of youth in Marakwet West Sub-County; To determine how YEDF training influence small business development of youth in Marakwet West Sub-County; To examine how YEDF saving mobilization influence small business development of youth in Marakwet West Sub-County and to assess how lending/funding framework of YEDF influence small business development of youth in Marakwet West Sub-County. The study was limited to Elgeyo Marakwet County, Marakwet West Sub-County; it focused only on the study objectives. Youths who have benefited from the fund and those who have not formed the unit of analysis. Questionnaires were the primary data collection tool. It adopted descriptive survey research design. The population of the study that is under consideration are the youths (18-35yrs) viable for empowering through development funds like the YEDF and Youth fund officers. The target sample was 480 youths and 10 youth fund officers. Using Mugenda's formula the sample size was 144 youths and 10 youth fund officers. Simple random sampling was used to select the youth. Questionnaires was used to collect data from respondents. Descriptive statistics was used to analyze the data. Statistical Package for Social Sciences (SPSS) aided the data analysis. Ethical considerations was exercised in all manners. The findings revealed that majority 45.5 % of the respondents strongly agreed that YEDF have led to increased business creation and expansion among youths. The findings indicated that majority (85%) of the youth benefiting from the YEDF were being trained quarterly. The results further indicated that 53.6% of the youths strongly agreed that Savings assists us in generating revenues/profits. Further, majority 70.6% of the respondents strongly agreed that there is a lot of corruption in order to access the funds. From the findings it was concluded that loaning from YEDF largely influences small business developments. Youth training is also found to help small business grow or develop. As revealed in the study, it is noted that most youths receive training on business development and also on financial management. It is further concluded that it enables them acquire skills which are used to run. The study found that the youths save profits and majority of them saving five hundred shillings daily. This is good however small to enable them grow their businesses and manage business risks. Youth funding framework was another factor identified as influencing small business development. It was noted that high collaterals, unfriendly repayment periods, corruption in accessing funds and little sensitization of availability of funds affects youths in developing their businesses. The study recommended that the government in collaboration with small business enterprises should intensify training on both areas in business management including financial management and marketing, also the government should consider the funding framework of the YEDF to be friendly so as to enable them manage their businesses and that youths with small businesses should consider managing their funds by saving in order to allow them maximize profits.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents the study background, statement of the problem, research objectives and the research questions. It also highlights the significance of the study, the scope and delimitations, the theoretical and the conceptual framework.

1.1 Background of the study

Small-scale enterprises play an important role in the Kenyan economy and are accorded high priority in the development policy (GOK, 2007). They offer many advantages including the creation of jobs in both the rural and urban areas, support for larger industries including the agricultural sector and the utilization of local resources. These types of businesses require very little capital to create jobs, rely primarily on family savings and often provide their own skill training at no cost to the government (Maithaet al., 1997)

Internationally, youth developments have been exercised in many ways to enhance the growth of small businesses. They seem to have market driven approaches as universally acceptable way of engaging youth. However, the execution of youth entrepreneurship programs has differed from country to country in terms of organizational arrangements and executing agent (Waddell), (Kapitsa). In some countries, such as USA and Canada, youth programs have been delivered through various arrangements: business incubators, youth councils, youth information centres, special young people facilities and funds, by

NGOs, governmental institutions (such Department/Ministry of Education, Human Resources, Industry, Commerce and etc.), joint boards, special structures (small business administration (SBA) in USA or Aboriginal Entrepreneurship Foundation in Canada) and many more (Kapitsa, 2010).

In China, Non-Governmental Organizations mostly cover for youth development. For example The China Youth Development Foundation (CYDF) is a non-profit and non-governmental organization, jointly founded by the All-China Youth Federation, All-China Students' Federation, and the China Young Pioneers Work Commission in March 1989. CYDF seeks support and assistance from both domestic and foreign organizations and individuals concerned about the well-being of Chinese youth and children. The foundation promotes education, science and technology, culture, physical education, health, social welfare, and environmental protection for China's youth and children, and works for the country's modernization to enhance relations among young people all over the world. China's modernization and internationalization is the core mission of CYDF.

In Africa, up to 84 per cent of the youth population is resident in the developing world (United Nations, 2010). It is estimated that by 2025 one in every four young people in the world will be from sub-Saharan Africa (World Bank, 2008), a region where most people are poor and live in rural areas. This part of the world has a considerably big proportion of youth who are estimated at 62 percent of the total population. According to Owualah (1999), youth funds have been accepted worldwide as an important way of integrating more young people into the economic environment. In developing countries the engagement of marginalized sections of the population in entrepreneurship can empower

these peoples and subsequently contribute to economic growth (Muller and Thomas, 2000).

In North Africa for example, the youth remain largely unemployed and entangled with many obstacles to effectively participate in performance of Youth Business Enterprises in many North African countries. In the youth and employment study commissioned by the government of Tunisia in 2006 more than three quarters of the youth worked in the informal sector and mainly the agricultural sector. The low productivity and income in the agricultural sector have increased migration of youths to cities and urban areas to seek employment opportunities. Most of the youths remains unemployed and have joined the ranks of the urban poor (Backes & Werner, 2007).

In South Africa there is the South African national Youth Policy 2009-2014 which is aimed at identifying gaps in the current policy and propose strategic policy interventions designed to fill them there by speeding up further development of the youths (South African national youth policy, 2009). USAID's Africa Regional Programs, are designed to confront challenges that span beyond the borders of individual African countries. These include regional programs in health, conflict prevention, democracy, education, and agriculture. According to USAID, "the primary goal of the Africa Regional program is to provide overall direction, guidance, intellectual leadership, and strengthened African regional capacity to address these challenges." USAID has a number of regional programs in Africa, including the Central Africa Regional Program for the Environment (CARPE), and East Africa Regional, Southern Africa Regional, and West Africa Regional programs.

The South African approach (Republic of South Africa, 2008) and also directly linked to other government development plans. In addition, ministries of youth have generally taken the lead in developing a national youth policy in each country. Generally, youth policy in Africa is separated into two broad categories: formal education policy ‘and youth policy for employment (Chigunta, 2009). The formal education policy is related to the education system which is geared toward providing basic literacy and numeracy skills for eventual expression in the formal labour market. On the other hand, youth policy‘ tends to operate on a separate track, and includes a plethora of different youth initiatives such as youth training and credit schemes, make-work schemes and the like (Bennell, 2010). Generally, the youth policies are intended to provide overall policy guidance for youth development.

In East Africa countries, efforts are also made like other African countries to enhance Youth development. For example in Ugandan Context, since 2000, the Government of Uganda, in its endeavours to reach the declared aim of poverty reduction, has been implementing the Plan for the Modernization of Agriculture (PMA). The PMA is part of the country’s 1997 Poverty Eradication Action Plan (PEAP), whose objective is to reduce income poverty to 10 percent of the population by the year 2017 (Jorge 2003). Farmers Institutional Development (FID) is another component of the NAADS programme. Under FID, farmer groups are seen as core grass root institutions and their effective participation and subsequent youth empowerment is the principle determinant of the success of NAADS (NAADS Secretariat 2001a).

The Kenyan government, aware of the role MSEs play in the economy, has taken steps to develop a legal and regulatory framework aimed at guiding and accelerating the growth of this sector. The official policy framework of MSEs in Kenya is contained in the Sessional paper No. 2 of 2005. This policy paper forms the basis for enacting the MSE Act to institutionalize MSE policy in Kenya. The new Act would give direction to among others, key issues such as legal and regulatory environment, markets and marketing, business linkages, the tax regime, skills and technology, and financial services (Syekai & Opijah, 2012). The government has gone a step further to set up Funds that actualizes policies and support the sector. These Funds include Women Enterprise Fund (WEF), Youth Enterprise Development Fund (YEDF) and the current UWEZO fund.

YEDF was established in the year 2006 with the sole purpose of reducing unemployment among the youth. The target of the Fund is young people within age brackets of 18 years to 35 years who number 13 million. The Fund was gazetted on 8th Dec. 2006 and then transformed into a state corporation on 11th May 2007. The fund's strategic focus is on enterprise development as a key strategy that will increase economic opportunities for, and participation by Kenyan youth in nation building (YEDF, 2011).

In the year 2005, the Fund developed a three year strategic plan to address varied needs and aspirations of the youth, and to address challenges it has faced in the past. The Fund is currently working on a 5 year strategic plan with the Medium Term Plan (MTP) of vision 2030. The Fund's objectives is to provide on-lending to the youth enterprises, attract and facilitate investment in micro, small and medium oriented commercial infrastructure that will be beneficial to youth enterprises, support youth oriented micro, small and medium enterprises to develop linkages with large enterprises and facilitate

marketing of products and services of youth enterprises both in domestic and international markets. The Fund also provides business development services to youth enterprises (YEDF, 2011).

The Fund comes with free entrepreneurship training, charges no interest at the start up stages and does not require any collateral. The Fund also guarantees convenient appraisal and repayment terms. The Fund has financed over 144,000 youth enterprises to the tune of Kshs.5.2 billion. It has also helped thousands of the youth build their enterprises through market support and enterprise training. The Fund has trained over 200,000 young entrepreneurs (YEDF, 2011).

1.2 Statement of the Problem

Despite the launching of different youth development initiatives in Kenya, many economic and financial reforms as well empowerment interventions put in place from the recent past till the present time to salvage the youth predicament did not yield significant results. The youth still remain underdeveloped as their needs have never been met.

The Fund's objective is to provide on-lending to the youth enterprises, attract and facilitate investment in micro, small and medium oriented commercial infrastructure that is beneficial to youth enterprises, support youth oriented micro, small and medium enterprises to develop linkages with large enterprises and facilitate marketing of products and services of youth enterprises both in domestic and international markets. The Fund also provides Business Development Services to youth enterprises (YEDF, 2011). However, it remains unknown, the extent to which these initiatives have succeeded in addressing the funding and support challenges faced by youth MSEs.

Against this back ground it is crystal clear that, the youth are exposed more to the risks of poverty than other age groups. Important variables of youth poverty relates to employment and wealth status.

As noted, young people are in a less favourable social and economic position, since they do not possess property (property, savings, shares) and have more difficulty finding employment or a place to live. In general the findings of previous research as reported in the ILO (2010) study reports, show that the youth are “disproportionately susceptible to poverty, reinforcing the notion that youth are not just disadvantaged in terms of accessing work, but also in finding productive work that provides sufficient income to escape poverty.” Considered in this manner, income level and stability remain the central and defining characteristics of vulnerability, and can have positive or negative influences on the livelihood strategies that the youth pursue (Omondi 2013). It is against this problem that the study sought to explore the influence of YEDF on small business development with reference to Marakwet West Sub-County, Elgeyo Marakwet County.

1.3 Purpose of the Study

The study sought to explore the influence of YEDF on the small business development with reference to Marakwet West Sub-County, Elgeyo Marakwet County. It investigated how loaning from YEDF, training, saving mobilization and funding framework influence small business development.

1.4 Objectives of the Study

The study was guided by the following research objectives

1. To assess how loaning from YEDF influence small businesses development of youth in Marakwet West Sub-County.
2. To determine how YEDF training influence small business development of youth in Marakwet West Sub-County.
3. To examine how YEDF saving mobilization influence small business development of youth in Marakwet West Sub-County.
4. To assess how funding framework of YEDF influence small business development of youth in Marakwet West Sub-County.

1.5 Research Questions

The study was guided by the following research questions

1. To what extent does loaning from YEDF influence small business development of youth in Marakwet West Sub-County?
2. To what extent does YEDF training influence small business development of youth in Marakwet West Sub-County?
3. How does YEDF saving mobilization influence small business development of youth in Marakwet West Sub-County?
4. To what extent does the funding framework of YEDF influence small business development of youth in Marakwet West Sub-County?

1.6 Assumptions of the Study

The study was based on the following assumptions.

That all youths co-operated and provided valid answers to the questions in the questionnaires. The research instrument provided the required information during data collection.

The study also made an assumption that the youths cooperated and responded honestly and that the finding from this group could be generalized to represent other areas of same status.

1.7 Significance of the Study

The government

The study will aid in provision of data and information hitherto not available to assist the government to measure the success of YEDF in reducing youth unemployment rates in the country, it will help in the identification of areas of weaknesses in the operations of YEDF and seek ways of eliminating or reducing them so as to maximize the benefits to Kenyan youth. It will act as an evaluation to the YEDF board.

Researchers

Research findings can be used by other researchers and academicians interested in the study area.

Policy makers

Policy makers can use the findings as reference for policy guidelines on management of YEDF. This study will contribute to literature by addressing the areas of weakness as

regards Government efforts to grow small businesses of the youth since the inception of the fund and suggest remedial measures plus give areas of further study (YEDF).

1.8 Limitations of the Study

The study was limited by time as the final report must be provided within a specified time frame which may be restrictive in enabling the researcher to gather additional relevant information. This was counteracted by the development of a research plan to effectively and optimally manage time allocated to conduct the study.

The target population of the study was also limited by time as respondents they had other responsibilities regarding their employment roles thus did not allow for adequate interaction between respondents and the researcher regarding the subject matter.

Lastly, there was also the issue regarding information dissemination whereby, the target population was reluctant to provide the relevant data regarding their opinion of the YEDF issues. This was counteracted by the option of anonymity with regard to the structured questionnaires that were administered to respondents

1.9 Delimitations of the Study

The study was limited to Elgeyo Marakwet County, Marakwet West Sub-County; it focused only on the study objectives. Youths who have benefited from the fund and those that have not formed the unit of analysis. Questionnaires were the primary data collection tool.

1.10 Definition of Significant terms of the Study

Youth Enterprise Development Fund:	They are development funds given to Kenyan youths to establish themselves and curb unemployment.
Small business development:	This is the strategic growth of small businesses in terms of finance, expansion, customer base among others
Youths:	The young generation between the ages of 18-35 years
Loaning	This is the instance of lending of finance from YEDF to Kenyan youths
Training	The process of instilling knowledge about YEDF to the Kenyan youths
Savings mobilization	This is the act of securing the future with the daily income earned from the small businesses owned by the youth
Funding framework	This is the infrastructure designed and used in YEDF in lending loans to the youths. It can also be referred to the policies guiding the funds.

1.11 Organization of the Study

Chapter one: This chapter dealt with the background of the study, statement of the problem, research question, the aims, objectives and the significance of the study. It also highlighted the scope and delimitation of the study.

Chapter Two: This chapter presents literature review to aid in the comprehension of the study. In its introductory part, it focused on the concept of youth empowerment. It also reviews youth development in the global, regional and in the Kenyan context. Theoretical framework and the conceptual is also presented in this chapter.

Chapter three: This chapter describes methods to be used in conducting the study. The study begins by detailing the research design of the study, the study location, the target population of the study and the sample size and sampling procedures. In addition, the chapter also highlights the data collection tools, validity and reliability of the research instruments, data collection procedures, data analysis and the ethical considerations to be considered while carrying out the study.

Chapter four: In this chapter, quantitative results were presented as descriptive statistics. Use of frequencies and percentages were employed in presentation of findings. Discussion and interpretation of findings was also done in this chapter.

Chapter Five: This chapter presented the summary of findings, it further concluded and made recommendations to the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This study provides a review of literature related to the study. The chapter reviewed literature under the subheadings; concept of YEDF and small business development, influence of loaning, training, saving mobilization and funding framework on small business development. It further discusses the theory which underpins the study and the conceptual framework.

2.2 Concept of Youth Fund and Small business development

Small business sector is a major source of net job creation (Schreyer, 2009). MSEs have a propensity to employ more labour intensive production processes than large enterprises. Consequently, they contribute significantly to the provision of productive employment opportunities, generation of income and equality and the reduction of poverty (Kongolo, 2010).

Ayada (2011) is of the view that the major advantage of the sector is its employment potential at low capital cost. The labour intensity of MSE sector is higher than that of large enterprises. The Kenyan government in recognition of this fact established youth funds with the sole purpose of reducing unemployment among the youth who account for over 61% of the unemployed in the country (YEDF, 2011). Kongolo (2010) in a study in South Africa concluded that MSE sector creates the majority of the country's (S.Africa) net new employments. Micro and Small and enterprises play an important role in the

development of a nation's economy and creating employment for rural urban growing labour force (Ndumana, 2013).

MSEs have been considered as the engine of economic growth and for promoting equitable development (Ayada, 2011). MSEs contribute to the economic development in various ways; by creating employment for rural and urban growing labour force, providing desirable sustainability and innovation in the economy as a whole (Kongolo, 2010).

Kongolo (2010) argues that MSEs contribute over 55 % of GDP and over 65 % of total employment in high income countries. MSEs and informal enterprises account for over 60 % of GDP and over 70 % of total employment in low income countries.

2.3 Influence of Loaning on small business development

Financial credit, particularly through term loans, is one of the primary sources of external financing for small businesses and is key to helping small firms maintain cash flow, hire new employees, purchase new inventory or equipment, and grow their business.

Amin et al (2003) used a unique panel dataset from northern Bangladesh with monthly consumption and income data for 229 households before they received loans. They find that while microcredit is successful in reaching the poor, it is less successful in reaching the vulnerable, especially the group most prone to destitution (the vulnerable poor). Coleman (1999) also finds little evidence of an impact on the programme participants. The results, Coleman further explains, are consistent with Adams and von Pischke's assertion that "debt is not an effective tool for helping most poor people enhance their

economic condition” and that the poor are poor because of reasons other than lack of access to credit.

According to Mosley (1999), microfinance makes a considerable contribution to the reduction of poverty through its impact on income and also has a positive impact on asset level. But the mechanism through which poverty reduction works varies between institutions. Generally, institutions that give, on average, smaller loans reduce poverty much more by lifting borrowers above the poverty line, whilst institutions giving larger loans reduce it much more by expanding the demand for labour amongst poor people.

Mosley and Hulme (1998) found evidence of a trade-off between reaching the very poor and having substantial impact on household income. They found that programmes that targeted higher-income households (those near the poverty level) had a greater impact on household income. Those below the poverty line were not helped much and the very poorest were somewhat negatively affected. The poorest tended to be more averse to risk-taking. They also used their loans for working capital or to maintain consumption levels rather than for fixed capital or improved technology. Since, microcredit programmes typically require loan repayment on a weekly basis; some critics argue that repayment comes from selling assets rather than from profits of micro-enterprises.

Fatchamps (1997) noted that with insufficient funds, farmers and fishers cannot invest in new equipment and machinery, and it becomes difficult to reach out to new markets and products. He further contends that without financial assistance, small farmers and artisanal fishermen cannot cope with temporary cash flow problems, and are thus slowed down in their desire to innovate and expand. The general perception is that access to

external finance is critical for poor entrepreneurs, who may never have funds proportional to their ambitions.

Pitt and Khandker (1998) reasoned that given the small loan size and the type of activities undertaken by micro-entrepreneurs, it is unlikely that capital intensity has increased. Given that the labour and the capital intensity of rural non-farm production are unchanged, increased microfinance implies that employment can be expected to rise. However, if increased income as a result of microfinance programmes results in a decrease in labour supply (income effect), it can negatively affect labour supply of particular type, for example male labour supply. As a result employment may decline, given the demand for labour. Therefore, the net impact cannot be determined a priori. Microcredit programmes seem to reduce wage-employment and income, but raise self-employment and corresponding income for programme- participating households. One might expect that a reduction of employment in the wage market might increase wages, but this may not happen because the wage-employment gap may be filled by previously unemployed or underemployed wage workers.

Mosley (2001), in his research on microfinance and Poverty in Bolivia, assessed the impact of microfinance on poverty, through small sample surveys of four microfinance institutions. Two urban and two rural, using a range of poverty concepts such as income, assets holdings and diversity, and different measures of vulnerability. All the institutions studied had on average, positive impacts on income and asset levels, with income impacts correlating negatively with income on account of poor households choosing to invest in low-risk and low-return assets. The studies revealed also that in comparison with other anti-poverty measures, microfinance appears to be successfully and relatively cheap at

reducing the poverty of those close to the poverty line. However, it was revealed to be ineffective, by comparison with labour-market and infrastructural measures, in reducing extreme poverty.

Nichols (2004) used a case study approach to investigate the impact of microfinance upon the lives of the poor in the rural China and found that the participation of poor in MFI program had led to positive impact in their life. Their income have increased, spending on educational and health have increased hence improved their standard of living and also women have benefited out of this program. There were visible sign of higher wealth level within the village.

2.4 Influence of training on Small Business development

Entrepreneurship training and provision of appropriate Business Development Services are key to the youth funds achievement of its mandate. Business information awareness gained from training in entrepreneurial activities, employment and access to credit. Besides ensuring that youth have adequate skills, it is also supposed to assist them in identifying and tapping into business opportunities, while embracing modern Business Management techniques (McQuaid, 2002).

Education can serve a preparatory function in relation to new venture initiation or startup, whereby the transfer of knowledge and the acquisition and development of relevant skills would be expected to increase the self-efficacy and effectiveness of the potential entrepreneur (Bandura, 1986). King and McGrath, (2002) opines that education is one of the factors that impact positively on growth of firms. They argue that entrepreneurs with

larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments.

Pretorius, Nieman and van Vuuren (2005), noted that while education programmes are aimed at different target markets and levels of education, they all have as their core the concept of stimulating entrepreneurial activity in some or other way. Solomon et al. (2002) confirm the positive role of teaching entrepreneurial and small business management skills for new venture creation and success.

Van Vuuren (1997) argues that entrepreneurial performance go hand in hand with entrepreneurial achievements or results with regards to the realization of set entrepreneurial goals. This constructs are presented by Botha (2006), firstly, as an increase in productivity; secondly, the increase in the number of employees, which implies the expansion of the business; thirdly, the net value of the business; fourthly, a core aspect in entrepreneurship, namely the increase in profitability; and finally the completion of the first market related transactions. Hisrich & Peters (1998) argued that training creates new opportunities and possibilities as well as a consciousness to attempt and complete certain tasks in a different way.

Chingunta, (2005) study revealed that entrepreneurship training has been seen as a way of thinking, reasoning and acting that is opportunity-obsessed, holistic in approach and leadership balanced towards an entrepreneurial culture. Omolo (2010) points out that promotion of entrepreneurship and nurturing of an entrepreneurial culture should be seen as one of the ways out of youth unemployment crisis.

Mano, Al Hassan, Yutaka, and Sonobe, (2012) found a 9 per cent point increase in the likelihood of survival 12 months after training. Giné and Mansuri found a 6 percent increase in the likelihood of survival 18 to 22 months after training for the male owners in their sample – an effect significant at the 10% level – but no change for female owners, while Valdivia (2012) actually finds that training leads to a marginally significant reduction in the likelihood of survival for female firm owners.

Premand, Stefanie, Rita, Rebekka and Mahdi (2012), sampled 1500 youth and found that taking part in an entrepreneurship track instead of academic track in the final year of university leads to a 6 percent increase in self-employment rates for males and 3 percent for females one year later. Four months after training, Field, Jayachandran, and Pande (2010) examined whether women report any business income over the preceding week, which reflects a combination of an effect on business start-up and an effect on survival. They found that upper caste Hindu women who took the training were 19 percentage points more likely to report income, whereas the training had no effect on lower caste Hindu women or on Muslim women. They attributed the lack of impact on these other groups to social restrictions, arguing that training helped women whose businesses had been held down by social restrictions, but that women who faced more extreme restrictions could not respond to training.

Maisiba and Gongera (2013) found that YEDF collaborative linkages and strategic partnership projects have benefitted mainly youth with relatively low levels of education, implying that youths with diploma and degree education prefer white collar jobs to self-employment, thus the need for entrepreneurship training. The findings also showed that nearly half of the YEDF beneficiaries in the constituency did not have any business

experience before entering the YEDF Program, a pointer to the enormity and the high training needs of YEDF beneficiaries. Further, 82% of the respondents strongly agreed that lack of business and management skills is the greatest challenge entrepreneurs are facing and they needed entrepreneurship training.

2.5 Influence of saving mobilization on small business development

Saving for business purposes should foster entrepreneurial reinvestment. However, the savings mechanism might be critical for the ability to reinvest. On the one hand, for formal savers the opportunity cost of consuming savings instead of reinvesting them is not only the loss of financial reserves but also the foregone interest income. On the other hand, “within-household savers” might be less likely to reinvest, because they suffer from the redistributive pressure on savings within the household.

Previous research has linked participation in informal savings clubs, such as ROSCAs, to intra-household bargaining problems (e.g., Besley et al. 1993; Anderson and Baland, 2002). Social constraints can also explain why entrepreneurs save and borrow at the same time. Critically, the literature has shown that the relative position within the household is important for saving and investment decisions. For instance, de Mel et al. (2008) show that as the decision making power of women in the household increases, returns to capital and investment for women increase as well.

Ashraf (2009) in a lab experiment in Philippines documents that subjects are more likely to save the randomly allocated money in their private deposit accounts if their spouse is not aware of the money, while they prefer to consume if the spouse knows about it. Evidence from an experimental study with 142 married couples in Kenya showed that

husbands increase private spending if they receive an income shock. But if their wives receive the shock they do not increase their consumption (Robinson 2011). Likewise Schaner (2013) finds that well matched Kenyan couples are more likely to use joint accounts instead of costly individual ones.

According to Schiller (2013) savings groups are not the only solution to financial inclusion and may not be the most appropriate source for long-term growth and investment. They are, nevertheless, an extremely effective mechanism for savings mobilisation and short-term credit on flexible terms; an inducement to regular savings and asset-building; a potential platform for other development activities; and, importantly, appropriate for children and youth (Schiller, 2013).

Plan India's Banking on Change project, working with women in two resettlement colonies in Delhi, finds mobilizing and retaining young savings group members more challenging than older, more established women, as young women migrate to other communities for marriage or to take up jobs or study opportunities. A 2012 evaluation of CARE International's Ishaka programme in Burundi – which promoted youth savings groups with adolescent girls from 2008 to 2011 and included training in financial management, sexual reproductive health, and legal rights – concludes that urban girls “are more difficult to satisfy, are more demanding, have many more distractions and opportunities, are more busy, difficult to reach and to gather” than their rural counterparts (Rushdy, 2012:16).

According to Kalala and Ouedraogo (2001), the saving services that microfinance institutions provide include a range of savings products that they offer to their clients.

These researchers noted that these products span over a wide spectrum that includes profits savings, entrepreneur savings; current savings services; demand savings or demand deposits; special regime demand savings; term savings/deposit; linked, blocked or joint savings; voluntary blocked savings with a preferential rate; deposit savings; high-yield savings; mandatory savings; forced savings with loan; and other products. The same researchers warned however, that these products are appreciated as services to clients only when the clients can access them-that is, when the clients can effectively use them to their business.

Kalala and Ouedraogo (2001) went on to explain that profit savings are a product that focuses on term savings ranging from 6-36 months, with interest rates that are higher than current savings accounts. The scholars noted further that it is the client who determines the term and the amount of savings deposit as long as it over and above the set minimum deposit. Profit savings services are provided to clients aiming at expanding their businesses or establishing future projects (Kapoor, 2009). They maximize the yield on the savings by attracting returns at a given rate per annum. This makes it possible to build capital (Kapoor, 2009). These savings may also be used as collateral to obtain a loan. The entrepreneur savings service involves securing a loan using savings made during the life of the loan (Graham & Marguerite, 2009). The amount of loan provided is determined in such a way that the amount of savings made in a specified period represents 10% its value in terms of repayment and servicing (Wright, 2000).

The current savings service is offered to all clients in form of facilitating deposits and withdrawals. This service is provided to keep clients' money in safe custody, thereby preventing it from theft, termites, fire and the temptation for unnecessary expenditures

(Rutherford, 2000). Clients are allowed to deposit any amount of money and are therefore not subjected to a minimum amount. This service bears no interest, and the money is available to clients at all the time within working workers (Sherraden, 2005). All transactions carried out under this service can be free of fees or charged a constant fee every defined period of time, usually a year (Rutherford, 2000). This savings service allows clients to deposit and withdraw money any time they want.

According to Sherraden (2005), demand savings or demand deposits are a service similar to current savings in terms of aim and deposit and withdrawal mechanism. It is however, different in that a minimum deposit is normally set at a fixed amount of money. Interest is paid to clients under this category so as to reactivate inactive savings accounts. A special demand savings service is for large savings clients (individual or enterprises). For these clients, the minimum balance is usually set, say, at 1 million for individuals and 2 million for groups and societies. Interest is also paid to these clients per annum, depending on the average monthly savings balance (Scher & Naoyuki, 2004).

According to Graham (2009), under term deposits, savings are deposited for a certain time period, under terms and conditions agreed between the institution and the client. During the term, the client is not supposed to withdraw any money. The amount of money to be deposited per agreed period (say weekly, monthly or annually), the term the client is not allowed to withdraw (say three months, six months, a year or more) and the interest paid to the client (say 2%, 10% or more) on the basis of the account balance vary according to the terms agreed between the institution and the client (Scher & Naoyuki, 2004).

Youth funds provide linked savings, blocked savings or solidarity savings services for the purpose of encouraging clients to obtain a loan and to repay it by saving a certain proportion of it within a specified period of time. The institution can, for instance, require clients to make savings worth 10% of their loan every one, two, three or more months, depending on the agreed schedule. The savings are not accessible to the clients until the loan is paid off. It is a non-interest-bearing security deposit. The preferential voluntary fixed deposit savings services are provided to organizations that can afford a set minimum deposit without withdrawing any money for specified minimum term (say 3 months). The interest paid to a client increases with increase in the amount of deposits and term. The conditions are negotiated according to the amount, term and the nature of the partnership with the depositor (Madhurantika, 2009).

Contractual savings agreements are other services rendered to savings clients, especially those who earn wages whether with SSEs or large scale enterprises in the public or private or even in the informal sector. The term lasts 2-3 years. The deposit period may be monthly or with some other fixed frequency. When the contract matures, the principal is returned with interest in a single lump-sum payment (Graham, Christen & Imran, 2009). The payroll deposit savings service involves payroll deposit or salary transfer from employers directly into employees' savings accounts. The loan amount available and its term depend on the number of interested employees. This service saves the employer time, reduces absenteeism amongst staff, and facilitates salary loans, thereby enabling employers to avoid administering salary advances. It is therefore a way of stabilizing employers' working capital by reducing unexpected expenses on salary advances (Graham & Marguerite, 2009).

2.6 Influence of funding framework on small business development

Funding policies has been identified as one of the major constraints to small business growth (Carpenter, 2001; Anyawu, 2003; Owualah, 2007; Lawson, 2007). The reason is that provision of financial services is an important means for mobilizing resources for more productive use (Watson and Everett, 1999). The extent to which small enterprises could access fund is the extents to which small firms can save and accumulate own capital for further investment (Hossain, 1988). The inability of the SMEs to meet the standard of the formal financial institutions for loan consideration provides a platform for informal institutions to attempt to fill the gap usually based on informal social networks, and this is what gave birth to government funding. In many countries, people have relied on mutually supportive and benefit-sharing of the social networking of these sectors for the fulfilment of economic, social and cultural needs and the improvement of quality of life (Portes, 1998).

Some recent studies focus on the funding policies of 2007-2009. Albertazzi and Marchetti (2010), using Italian data after the Lehman collapse, document two percentage-points higher contraction of credit supply by less-capitalized banks than well-capitalized ones. The study also highlights that borrowers had a limited ability to find substitute funding. Puri et al. (2011) study the effect of the financial crisis on the lending of German banks. The study concludes that banks hit by the crisis reject 11% more loan applications than non-affected banks.

Several studies estimate the effect of increased capital requirement on bank lending using UK data for the 1990s-2000s. Thus, Francis and Osborne (2009) model the targeted capital ratios; based on those numbers they compute capital shortfalls which are further

used to explain credit growth. The authors find that a one percentage point increase in capital requirements would reduce lending in 2002 by 1.2%. Using data for the UK banks subject to time-varying capital requirements in 1998-2007, Aiyar et al. (2014b) exploit a single equation approach and show that a one percentage point rise in capital requirements reduces credit growth by 6.5-7.2 percentage points. Aiyar et al. (2014c) use a Bayesian hierarchical approach to estimate panel VAR models and find that an increase in capital requirements by one percentage point reduces the growth rate in real lending by 4.6 percentage points.

Bridges et al. (2014) focusing on the effect of capital requirement on sectoral lending, provide an estimate for the reduction in total lending of 3.5% in response to a one percentage point increase in capital requirement. Aiyar et al. (2014a) using data of 1999-2006 find that higher capital requirements reduce cross-border lending: a one percentage point increase in capital requirements is associated with a reduction in the growth rate of cross-border credit of 5.5 percentage points. Another UK study by Noss and Toffano (2014) estimates how an increase in macroprudential capital requirements might affect banks' lending in the face a credit boom. They provide an upper bound estimate of 4.5% reduction in lending associated with a one percentage point increase in risk-weighted capital requirement.

Following the approach of Francis and Osborne (2009) and using the data from 15 countries, BIS MAG (2010) estimates that a one percentage point increase in capital requirement causes a decline of 1.4% in the volume of lending. Messonier and Monks (2014) use the recapitalization exercise of 2011-2012 by the European Banking Authority (EBA). The EBA announcement was unexpected and required banks to have higher

capital ratios than foreseen in transition to Basel III. Exploiting data for 250 large banks in the euro area, they find that forcing a banking group to increase its Core Tier 1 ratio by one percentage point was associated with a reduction in this group's credit growth by 1.2 percentage points.

Brun et al. (2013) estimate the macroeconomic effect of the transition from Basel I to Basel II-based regulation in France. The study shows that a two percentage points reduction in capital requirements led to an increase in aggregate corporate lending by 1.5%, a rise in aggregate investment by 0.5% and creation or preservation of 235,000 jobs. Thus, most empirical evidence suggests that increase in capital requirements by one percentage point force banks to cut their total lending in the short run by 1.2-4.5% or reduce credit growth by 1.2-4.6 percentage points.

Another framework of YEDF Fund is collateral. Kihimbo et al (2012) defines collateral as the assets that are pledged by a borrower to a lender as a security for the payment of debt. Collateral requirement is seen as an obstacle to MSEs growth. Lack of collateral is ranked as obstacle number two from lack of finance. The lack of collateral is probably the most widely cited obstacle encountered by MSEs accessing finance. The enterprise may be unable to provide sufficient collateral because it is too new or is not firmly enough established (Olawale & Garwe, 2010).

Lending to MSEs is seen as high risk business since most of these enterprises lack collateral. The problem does not appear to be lack of funds but rather how to make them accessible to MSEs, (Kihimbo et al, 2012). There are institutions such as banks and non-bank financial institutions that are willing to provide funds to MSEs, but are not able to

meet the requirements of these financial institutions. Chief among these requirements is the issue of collateral, which most MSEs cannot provide (Ackah & Vulvor, 2011).

The demand for collateral by banks and other financial institutions stifle the growth of MSEs, (Kunatch, 2009). Lending to MSEs is more likely to be based on collateral than is the case for loans for large firms. This may lead to situations in which lending is not based on expected return but rather upon access to collateral. Many MSEs lacking access to 'good collateral' suffer from credit rationing (Ndumana, 2013).

In a study, Flesing (2006) argues that collateral matters because of three essential features of formal credit markets. First, borrowers face requirements for collateral in the formal financial sector of most countries, regardless of the size of the economy. He postulates that loans secured by collateral have more favourable terms than unsecured loans do, for any given borrower or size of the loan. A borrower able to offer collateral can obtain a larger loan relative to the borrower's income, with a larger payment period and a lower interest rate.

Conversely, a borrower who cannot provide the type of assets lenders require as collateral often gets worse loan terms than an otherwise similar borrower who can do so, or gets no loan at all. Secondly, he argues that in most low and middle income countries, most firms receive none of the benefits of collateral despite having a wide array of productive assets because their assets cannot serve as collateral. This limitation arises entirely from the legal framework for secured transactions. He concluded that secured loans are the most common loans in the formal financial sector. In low and middle income countries,

between 70% and 80% of firms applying for a loan are required to pledge some form of collateral.

In Kenya, there are many MSEs which despite their high potential have been unable to access financing from existing institution in the financial sector. Such situations may be due to the inability of the MSE to offer sufficient loan collateral. Pietro et al (2012), in a study in four East Africa countries established that 94 % of the banks in the sample demand collateral from their MSE borrowers. They found that collateral requirements for MSE loans are higher than consumer loans, because SMEs' credit risk is usually more difficult to evaluate. Informality of MSEs came out as the main reason why banks in the region require MSEs in the region lodge security relative to corporate clients.

2.7 Theoretical Framework

The study conforms to the transformation theory that was propounded by Dr. Edwards Deming in 1993 as theory of the body of profound knowledge. The theory has been used in the USA and Britain through engagement mentoring for socially excluded youth that emerged in the US in the early 1990s and in Britain in the latter half of that decade, (Ford, 1999).The program is planned and formalized within institutional settings and agendas and targets specifically socially excluded young people, and its aim is to re-engage those young people with the labor market and structured routes. The role of mentors in this process is that of transforming young people's attitudes, values, behaviors and beliefs so that they acquire social-economic empowerment.

Personal transformation comes from understanding the system of profound knowledge. The individual, transformed, will perceive new meaning to his life, to events, to

interactions between people. Once the individual understands the system of profound knowledge, he will apply its principles in every kind of relationship with other people. He will have a basis for judgment of his own decisions and for transformation of the organizations that he belongs to (Deming, 1993). It's an idea of stretching or pushing beyond the boundaries with which we normally think and feel. Deming's theory of profound knowledge is made up of four interrelated components i.e. appreciation a system, theory of knowledge, psychology of change and knowledge about variation. It states that engaging the hearts and minds of people inspires intrinsic motivation.

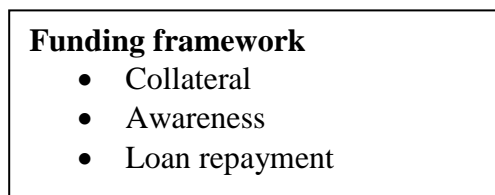
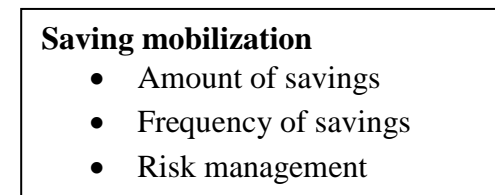
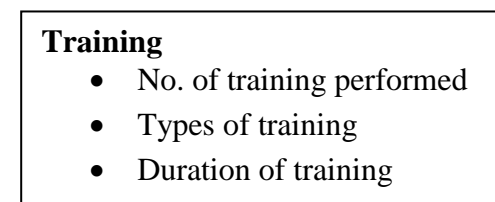
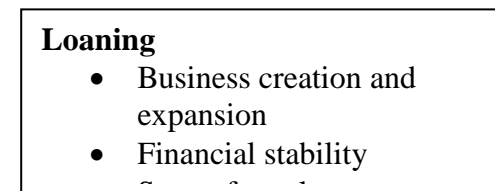
This brings about a profound change in mind, a transformation of our whole mental process and a paradigm shift. If unemployed youth successfully undergo transformation of their minds through youth funds provided by the Government, they will take advantage of employment opportunities available in terms self and formal employment. Given the current statistics that 99% of available employment opportunities available in Kenya are in the informal sector, the level of preparation of the youth in entrepreneurship through development funds will determine their potential to create partnerships and networks to start up business organizations and find gainful employment. This will go a long way in alleviating unemployment hence small business development.

2.8 Conceptual Framework

The study was guided by the following conceptual framework. The conceptual framework explains the relationship between the independent variables and dependent variable. The following framework shows the independent variables as Youth Enterprise Fund while the dependent variable is as small business development.

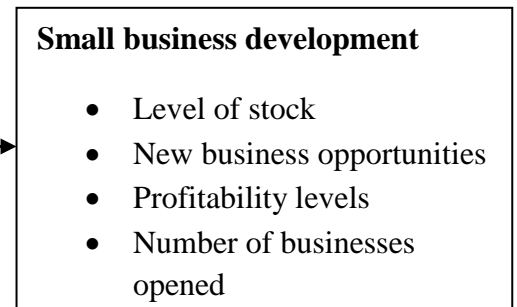
Independent variable

Objectives



Dependent variable

Small Business Development



Source: Researcher, 2016

Loaning from YEDF enhances business development. Giving loans and training to small businesses offer the possibility of helping them grow. Small businesses which access finances through loans are able to purchase items which are of help to their businesses, thereby enhancing business development.

Training is an important aspect in small business development. Businesses that learn how to use training and development programs to support their business strategy can establish a competitive advantage that increases profitability. Training and development affect a business strategy by promoting the specific skills development needs to expand into new areas of business or fend off rivals looking to encroach into its business areas.

Saving mobilization is another aspect identified as influencing business development. It allows the youth to provide a secure future for their businesses. Through savings mobilization businesses are able to manage risks, generate revenues/profits and business expansion.

Funding framework also influences the development of small business youth enterprises in one way or another. Collaterals, repayment periods, accessibility and availability of funds can majorly influence the development of youth enterprises. For example loans with high interest rates may be difficult for entrepreneurs to repay the loans, also unfriendly repayment periods by negatively affect their repayment of loans hence affect the development of their businesses.

2.9 Research gaps

There is a body of literature that seeks to bring to the fore the challenges the Fund faces and why majority of the youth are increasingly turning to the Fund to finance their

entrepreneurial activities, as in Ameya et al. (2011). Other studies concentrate on the structure of the fund that makes it a preferred source of finance, as in Kanyari & Namusonge (2013). Majority of studies done also explores government policy programmes geared towards the support and funding of youth enterprises through YEDF, as in Sogwe et al. (2011). However little or even no study has been documented on the influence of YEDF on the development of small and medium enterprises and especially in Elgeyo Marakwet County. The study therefore sought to fill this gap and investigate on the influence of YEDF on small business development of the youth.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents methodology that will be used in the study. It specifically covers the research design, target population, sample size, sampling procedures, data collection tools, procedure of data collection, data analysis and ethical consideration, validity and reliability of instruments.

3.2 Research Design

This study adopted descriptive survey research design and cross studies. This design was considered appropriate because it entails collecting quantifiable information from the sample population by asking individuals about their perception, attitudes or values regarding YEDF and thereafter use the information to describe or explore the existing status of the variables.

3.3 Target Population

The target population of this study are the youths of age 18- 35 years and the youth fund officers who are in youth groups and have benefited through development funds like the YEDF. According to Busha and Harter (1980), population is a group of individuals, objects or items from which samples are taken for measurement or an entire group of persons, or elements that have at least one thing in common. A population is any set of persons or objects that possesses at least one common characteristic. From the Social services records, there are 150 youth groups registered in the social services from Marakwet West sub-county, only 30 of these have benefited from the YEDF. Each group

consists of 16 members therefore 480 youths formed the target population of the study. The study also targeted 10 youth fund officers from the County.

Table 3.1 Target Population

Target Respondents	Target population
Youth	480
Youth fund officers	10
Total	490

3.4 Sample Size and Sampling Procedures

3.4.1 Sample Size

The main factor considered in determining the sample size is the need to keep it manageable enough (Newman, 2005). Mugenda and Mugenda (2003), recommends a sample size of 30% for a population between 100- 1000 and 100% for a population less than 100. Therefore the sample size of the study was 30% of 480 youths which equaled to 144 youths and 100% of 10 officers. The sample size of the study therefore was 154 respondents as presented in table 3.1

Table 3.2 Sample frame

Target population	Number	Formula (Mugenda and Mugenda, 2003)	Sample size
Youth	480	$480 \times 30\%$	144
Youth fund officers	10	$10 \times 100\%$	10
Total	490		154

3.4.2 Sampling Procedure

Sampling means selecting a given number of subjects from a defined population as representative of that population. Any statements made about the sample should also be true of the population (Orodho, 2002). It is however, agreed that the larger the sample the smaller the sampling error. Therefore, simple random sampling was used to select 144 youths in the county so that each and every one in the target population has an equal chance of inclusion and purposive sampling on the 10 officers.

3.5 Research Instruments

This study used questionnaires and interview schedules to collect data from respondents. The closed-ended questions provided a greater uniformity and more easily processed data (China and Oteng'i, 2007). The questionnaires was used for data collection because they offer considerable advantages in data management. They present an even stimulus potential to large numbers of people simultaneously and provides the investigation with an easy accumulation of data. Gay (1992) maintained that questionnaires give respondents freedom to express their views or opinion and also to make suggestions. It is also anonymous. Anonymity helps to produce more candid answers than is possible in an interview. The questionnaires contained information on the background information such as gender, age, working experience and educational level.

Interview schedule was used to collect data from the Youth Fund officers. Gupta (2007) explains that interviews are reliable when a study seeks to get in-depth information from the key respondents on a specific phenomenon under study.

3.5.1 Piloting of the Instruments

The research instruments were tested through piloting. Piloting was done in Uasin-Gishu County among identified youths who have benefited from YEDF. The researcher administered the instruments to the pilot target. After two weeks the researcher re-administered the same questionnaires to the same group. The pilot study findings were used to test the validity and the reliability of the research instruments.

3.5.2 Validity

According to Mugenda and Mugenda (2002), validity refers to the accuracy and meaningfulness of inferences made based on results obtained. The research adopted the content validity to measure the validity of the instruments to be used. Content validity enabled data being collected to be reliable in representing the specific content of a particular concept. The researcher critically considered each item to see if it contained a real representation of the desired content and to see if it could measure what it is supposed to measure.

3.5.3 Reliability

Mugenda and Mugenda (2002) states that, reliability is the measure of the degree to which the research instrument yields the same results of data, after repeated trials. To minimize errors, the researcher will use test and retest method in order to test reliability of the research instruments. Research instruments was retested on a sample of 10 respondents who did not take part in the study. After two weeks, 10 respondents were again retested a second time and their consistency between the two sets of the score computed using Cronbach's Alpha Coefficient to ascertain if the α obtained was ≥ 0.7 and the Cronbach Alpha Coefficient of the study became 0.86. The reliability analysis will be

used to test consistency of respondents' answers to all the items of independent and dependent variables in the questionnaires.

3.6 Data Collection Procedures

The researcher obtained an introduction letter from the Post Graduate School of the University of Nairobi. A permit from the National Council of Science and Technology was obtained, thereafter; the researcher proceeded to seek further authority from the Deputy County Commissioner Marakwet West Sub-County for permission to collect data. The researcher then, recruited two research assistants to assist in data collection. The research assistants were trained on how to administer the questionnaires before they went in the field to collect data.

3.7 Data Analysis

Data was analyzed using Statistical Package for Social Sciences (SPSS). The questionnaires were serialized, coded, entered, cleaned, and analyzed. The quantitative data was analyzed by descriptive statistics through percentages and frequencies.

3.8 Ethical considerations

There are ethical standards that guide research in social science and that must be adhered to. They include standards for the researcher which include misuse of privileges and plagiarism, while to the subjects involve privacy and confidentiality of the given information which also translates into making sure that anonymity is observed if one desires so, and that the research will not lead to any psychological or physical harm to the subjects. One should also make sure consent is voluntary. There are also those that relate to the research procedure to be used (Mauthner, 2002).

Mostly young adults and the rest of the youth to the age of 35 years formed the sample and therefore seeking consent was not be of great concern. Confidentiality was exercised and all requirements to carry out the research was followed. Academic freedom in research was practiced and the findings of this research were made available in all available platforms as required by the institution. Academic honesty and proper citations of the sources used before, during and after the research was properly shown.

3.9 Operationalization of Variables

Operational framework is the operationalization of conceptual framework. It shows how the dependent variable and independent variables can be measured both quantitatively and qualitatively through the use of parameters as specified by the researcher.

Table 3.3 Operationalization of variables

Objective	Type of variable	Indicator	Approach of analysis
To assess how loaning from YEDF influence small businesses development of youth in Marakwet West Sub-County.	Independent	New business start-up and expansion Amount of loan Financial stability	Frequencies Percentages
To determine how YEDF training influence small business development of youth in Marakwet West Sub-County.	Independent	No. of training performed Types of training Duration of training	Frequencies Percentages
To examine how YEDF saving mobilization influence small business development of youth in Marakwet West Sub-County.	Independent	Amount of savings Profit generation Frequency of savings	Frequencies Percentages
To assess how funding framework of YEDF influence small business development of youth in Marakwet West Sub-County.	Independent	Collateral Awareness Loan repayment period	Frequencies Percentages

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents an analysis of the data that was gathered using the research tools discussed in chapter three. First it presents and discusses the background information of the respondents and then the results of the study as per the study objectives.

The analysis is based on the following study objectives: To assess how loaning from YEDF influence small businesses development of youth in Marakwet West Sub-County, to determine how YEDF training influence small business development of youth in Marakwet West Sub-County, to examine how YEDF saving mobilization influence small business development of youth in Marakwet West Sub-County and to assess how funding framework of YEDF influence small business development of youth in Marakwet West Sub-County.

4.2 Questionnaire Response Rate

A total of 144 questionnaires were distributed to the target population of the study. 112 of them responded to and returned, giving a response rate of 77.7%, which is recommended for an equitable analysis (Peil, 2005). According to Peil (2005), a response rate of 70% and above is good for making generalizations for a study. The researcher also managed to interview 8 of the youth fund officers giving a response rate of 80% (Table 4.1).

Table 4.1 Response Rate

Respondents	Target sample	Response rate	Percentage response
Youths	144	112	77.7%
Youth fund officers	10	8	80%

4.3 Demographic characteristics of the respondents

The demographic information would assist in establishing if the information given by the respondents would be in any way related to the characteristics of the respondents. The respondents' demographics are presented in terms of age, gender, level of education and number of years worked in the organization.

4.3.1 Gender of the respondents

The study sought to investigate the gender of the respondents. The findings are presented in Table 4.1

Table 4.1 Gender of the Respondents

Gender	Frequency	Percentage
Male	78	67.3
Female	34	32.7
Total	112	100.0

As per study results in table 4.1 most of the respondents were male (35), 67.3%, while the remaining (17) 32.7% were female respondents. The respondents were mainly male implying that male youth comprises a bigger percentage of the in the youth groups being studies.

4.3.2 Age of the respondents

The study sought to investigate the age of the respondents. The findings are presented in

Table 4.2

Table 4.2 Age of the Respondents

Age	Frequency	Percentage
20-30 Years	60	50.0
31-35 Years	30	28.8
Below 20 Years	22	21.1
Total	112	100.0

The study also revealed that (50%) of the respondents were between the age of 20-30 years, (28.8%) were between the ages of 31-35 years, (21.1%) were below 20 years. Most of the respondents were between the ages of 20-30 years, implying that respondents of this age group mainly contribute to the youth development and make use of the youth development fund. This age bracket is also the most active youths in small and medium enterprises.

4.3.3 Level of Education

The study sought to investigate the level of education of the respondents. The findings are presented in Table 4.3

Table 4.3 Level of education of the Respondents

Level of education	Frequency	Percentage
Secondary	20	11.5
Certificate	8	7.7
Diploma	30	28.8
Degree	48	46.2
Masters	6	5.8
Total	112	100.0

On the level of education, the findings as depicted from the table showed that 46.2% of the respondents were graduates (degree), 28.8% had a diploma, 11.5% had attained Secondary level of education, 7.7% had a certificate and 5.8% had attained Masters Level. Hence majority were graduates indicating that small business development in Elgeyo Marakwet County is mainly influenced by educated youth.

4.3.4 Age of the groups

The study sought to investigate the age of the groups. The findings are presented in Table 4.4

Table 4.4 Age of the youth group

Age of your group	Frequency	Percentage
Less than 2 years	38	28.8
3-9 Years	50	48.1
10-12 Years	14	13.5
Above 12 Years	10	9.6
Total	112	100.0

On the length of age of the group in which the youths are involved, 48.1% of the respondents had their group between 3-9 years, 28.8% had their group for less than 2 years, 13.5% had their group for 10-12 years and 9.6% had their groups for 12 years and above. Majority of the respondents had served in their groups for between 3-9 years indicating that the respondents have worked long enough to influence the business development.

4.4 Influence of loaning from YEDF on small business development

The study sought to investigate the influence of loaning on the performance of small business development. The findings are presented in table 4.5

Table 4.5 Influence of Loaning on small business development

Loaning		SA	A	N	D	SD	Total
YEDF have led to increased business creation and expansion among youths	Fre	51	43	2	10	6	112
	Per	45.5	38.4	1.8	16.8	8.9	100
YEDFs are helping youths to become self-reliant and financially stable	Fre	31	26	5	24	26	112
	Per	27.7	23.2	4.5	21.4	23.2	100
The focus should be to encourage youths to explore existing global initiatives aimed at promoting trade between developed and developing economies	Fre	40	57	3	10	2	112
	Per	35.7	50.9	2.7	8.9	1.8	100
YEDF provides a strategic move towards arresting unemployment	Fre	40	41	8	13	10	112
	Per	35.7	36.6	7.1	20.5	8.9	100

The findings revealed that 45.5 % of the respondents strongly agreed that YEDF have led to increased business creation and expansion among youths, 38.4% agreed on this, 1.8% were undecided, 16.8% disagreed on this and 8.9 strongly agreed on this. This implies that majority of the respondents were in agreement on this.

The findings also revealed that 27.7% of the respondents strongly agreed that YEDFs are helping them to become self-reliant and financially stable, 23.2% agreed on this

statement, 4.5% were undecided, and 21.4% and 23.2% disagreed and strongly disagreed respectively. Also this implies that majority of the youth were in support on this statement.

on the opinion that the focus should be to encourage youths to explore existing global initiatives aimed at promoting trade between developed and developing economies, the findings revealed that 35.7% of the respondents strongly agreed on this statement, 50.9% agreed on this, 2.7% were undecided, 8.9% and 1.8% disagreed and strongly disagreed respectively. Still majority of the respondents were in agreement on this statement.

The findings further revealed that 35.7% of the respondents strongly agreed that YEDF provides a strategic move towards arresting unemployment, 36.6% agreed on this statement, while 7.1%, 20.5% and 8.9% were undecided, agreed and strongly disagreed respectively. Therefore majority of the youths were in support of this statement with regard to loaning.

The findings could be interpreted to mean that loan can positively influence the development of small business development. According to the study, it is clearly indicated that majority of the youths were in agreement with various aspects for example they agreed that the funds helps youths to become self-reliant and financially stable, provides a strategic move in curbing unemployment among others therefore enhancing small business development.

These findings are in line with other literatures, Langat, Maru, Chepkwony and Kotut (2012), on a study about YEDF and growth of MSEs at constituency level in Kenya

concluded that increasing awareness of YEDF, its objectives and loan features among the youth have effect on the growth of small enterprises. This indicates that the Fund has a role in growth of MSEs. However, the study does not delve into the extent to which YEDF plays in MSEs growth.

Okello (2010) notes that Access to finance provides growth opportunities for businesses and the economy as a whole. In his study at Rachuonyo South District in Kenya on factors influencing growth of MSE's he recommends that introduction of tax relief, differential tax rates as well as grace periods for Youth MSEs to enhance their growth. Ahiawodzi and Adade (2012) in a study on access to credit and growth of MSEs in Ho Municipality of Ghana concluded that one barrier to MSEs was the high borrowing cost and rigidities in interest rates. Beck, (2007) in Study found that the cost of finance was rated by over 35% of MSEs as a major growth constraint in a sample of 71, most developing countries. An increase in interest rates means that the firms must put in more resources in paying for the interest on their existing debts, which lowers the amount available for investment.

4.5 Influence of youth training on the small business development

The second objective was to study on the influence of youth training on small business development;

4.5.1 Frequency of training with regard to YEDF

The findings indicated that majority (85%) of the youth benefiting from the YEDF were being trained quarterly, 10% were being trained twice in a year.

Table 4.6 Frequency of training

Frequency of training	Frequency	Percentage
Monthly	6	5
Quarterly	95	85
Once in a year	11	10
Total	112	100

With regard to the type of training the youths were given, the findings revealed that majority of the respondents were taught on business management, another significant majority were taught on financial management while 15% of the youth were taught on marketing.

Table 4.7 Type of training

Type of training	Frequency	Percentage
Business management	50	45
Financial management	45	40
Marketing	17	15
Total	112	100

4.6 Extent of agreement on the influence of training on small business development

The study further sought to investigate the extent of agreement by the youths on training.

The findings are presented in Table 4.8:

Table 4.8 Influence of training on small business development

Statements	Desc.	SA	A	N	D	SD	Total
Gives us knowledge on how to handle business challenges	Fre percent	44 39.3	57 50.9	0	9 8.	1 .9	112 100
Through training we have acquired effective management skills to run our businesses	Freq percent	31 27.7	79 70.6	0	2 1.8	0	112 100
Training has created awareness on our business obligations hence business growth	Freq percent	46 41.1	56 50	0	8 3.6	2 1.8	108 100

The findings revealed that 39.3% of the respondents strongly agreed that training gives them knowledge on how to handle business challenges, 50.9% agreed on this, 8% disagreed while 0.9% strongly disagreed.

Also 27.7% of the youth strongly agreed that through training we have acquired effective management skills to run our businesses, 70.6% agreed while 2% disagreed on this.

Further the findings revealed that 41.1% of the respondents strongly agreed that training has created awareness on our business obligations hence business growth, while 3.6 and 1.8% of the youth disagreed and strongly disagreed respectively. The findings from the interviews indicated that the youth fund officers were in agreement with the findings.

From the interviews one of the officers noted:

“The Youth Enterprise Development Fund has noble call strategy of increasing economic opportunities for youth as a way of enabling them to participate in nation building. YEDF put more emphasis on multiple areas, namely to provide capital to young entrepreneurs, avail business development services, facilitate linkages in supply chain and create market opportunities for goods and services produces by youth services such as training and mentorship, business plan competition and developing partnership with public and private institutions”

The results supported the fact that training on YEDF influences business development of youths in the County. This was confirmed by the fact that a significant percentage of the respondents noted that training enhances their entrepreneurship skills, creates awareness on entrepreneurship funds. The youths also noted that they are being trained on how to handle challenges and therefore will be a great position of establish their objectives and focus on growth of their businesses.

Other studies are in agreement with our study for example, Manimala (2006) assessed SME training needs against current practices in India and found that attention to entrepreneurship is only at the higher education level. The findings also suggest that there is need for distinction between entrepreneurship and small business training. The study concluded that MSEs need training but there are serious constraints for MSEs to undertake such training.

Bradford (2007) did a research on perceived needs of the business training in South African township and found that the most desired skill needed was “how to keep financial records of the businesses” followed by “how to market the products of the businesses”.

The next was ‘Communication skills’. The study concluded that in order to have effective performance, MSEs need training and skills related to keeping and interpreting financial records, product promotion and obtaining as well as managing funds.

4.7 Influence of savings mobilization on small business development

The study sought to investigate the influence of savings mobilization on small business development. The youths were asked how much they save daily and the findings revealed that majority (75%) of the youths saved less than 500 Kshs daily, 20% of the youths saved about 501 to 1000 daily while only 5% saved 1001 Kshs and above.

Table 4.9 Savings per day

Savings per day	Frequency	Percentage
Less than 500Kshs	84	75
500 to 1000 Ksh	22	20
Above 1000 Ksh	6	5
Total	112	100

Extent of agreement on the influence of profits/saving mobilization on business development. The findings are presented in table 4.10

Table 4.10 Influence of Savings on small business development

Statements		SA	A	N	D	SD	Total
Savings assists us in generating revenues/profits	Fre	34	60	5	10	3	112
	per	30.4	53.6	4.5	8.9	2.7	100
Savings assists in business expansion	Fre	38	52	1	2	0	112
	per	33.9	46.4	0.9	1.8	0	100
It enables the entrepreneur to plan ahead for the	Fre	33	50	14	10	5	112

business	per	29.5	44.6	12.6	8.9	4.5	100
Enables the business to manage risks	Fre	50	42	18	1	0	112
	per	44.6	37.5	16	0.9	0	100

The results indicated that 30.4% of the youths strongly agreed that Savings assists us in generating revenues/profits, 53.6% agreed on this, 4.5% were undecided while 8.9% and 2.7% disagreed and strongly disagreed respectively.

On the opinion that savings assists in business expansion, 33.9% of the youths strongly agreed, 46.4% agreed while 0.9% were undecided and 1.8% disagreed on this.

Further the findings revealed that 29.5% of the youth strongly agreed that savings enables the entrepreneur to plan ahead for the business, 44.6% agreed on this, 12.6% were not sure, 8.9% disagreed while 4.5% strongly disagreed on this.

On the issue of managing risks, the study revealed that 44.6% of the respondents strongly agreed that savings enables the business to manage risks, 37.5% agreed, 16% were undecided while 0.9% disagreed. According to the youth fund officers, loaning from YEDF assists youths in boosting their finances for their business enterprises; one of the youth officers noted:

“Every new venture needs seed money. Entrepreneurs only have dreams and ideas until they have some capital to put their ideas in motion. Whether it's a product or service, they will need a way to create and deliver it as well as enough money and time to lay the groundwork of selling and establishing important relationships with customers”.

Savings mobilization was identified in the study as a factor which influences business development of youths. From the findings it was noted that it allows the youth to provide a secure future for their businesses. Through savings mobilization businesses are able to manage risks, generate revenues/profits and business expansion.

These findings are also in agreement with Matovu (2006). According to Matovu (2006), savings mobilization can enable clients to deal with severe business crises, cope with the shocks and to reduce vulnerability. The Asian Development Bank (2014) added that these services have potential to enable SSEs to accumulate capital needed to pursue desired growth in business. Although these observations may not be disputed, it can be argued that such potential can be realized only when savings services are accessible-that is, when the terms set by the microfinance institutions for accessing the services make it easy for the business enterprises to use them as and when they need them.

In fact, worldwide microfinance experience has shown that the level at which savings are made accessible in a safe and flexible manner plays a critical role in the SSEs' strategies for minimizing risks, mitigating income fluctuations, facing unexpected expenditures and emergencies, and building a small asset base over time. In particular, SSEs attach a lot of importance to safe ways of keeping and accumulating savings, withdrawing, and transferring money as well as other savings services provided by microfinance institutions and are needed to facilitate business operations (FAO, 2007). Perhaps no one put it much better than Idowu (2011) who noted that accessing microfinance savings services is one of key elements that unlock the ability and drive of SSEs to grow their sales revenue, profitability and product range, and in so doing, contribute to poverty alleviation in developing countries.

4.8 Influence of Youth Funding framework on small business development

The last objective was to investigate the influence of youth funding framework on small business development. The findings are presented in table 4.11

Table 4.11 Influence of Youth Funding framework on small business development

Statements		SA	A	N	D	SD	Total
High collateral	Freq	50	51	0	10	0	112
	percent	45.0	45.9	0	9.0	0	100
The repayment period is not friendly	Fre	44	57	0	9	1	112
	percent	39.3	50.9	0	8.0	.9	100
There is a lot of corruption in order to access the funds	Freq	31	79	0	2	0	112
	percent	27.7	70.6	0	1.8	0	100
There is little sensitization on the availability of the funds in our county.	Freq	33	64	0	10	5	112
	percent	29.5	57.2	0	8.9	4.5	100

The results indicated that 45% of the respondents strongly agreed that high collateral of the youth funds affects business development, 45.9% agreed and 9% disagreed. 39.3% noted that the repayment period is not friendly, 50.9% agreed on this, 8% disagreed and 0.9% strongly disagreed.

Further, 27.7% of the respondents strongly agreed that there is a lot of corruption in order to access the funds, 70.6% agreed on this, and 1.8% disagreed. Also the respondents noted that there is little sensitization on the availability of the funds in our county, 29.5% strongly agreed, 57.2% agreed, 8.9% disagreed and 4.5% strongly disagreed. These findings conforms with those of the procurement officers, they noted that funding

framework shapes the way the youth will manage their funds for example one of the youth fund officers had this to say:

“He says that a borrower who is able to provide collateral can obtain a larger loan relative to the borrower’s income, with a larger payment period and a lower interest rate. Those who are not able to provide collateral often gets worse loan terms than an otherwise similar borrower who can do so, or gets no loan at all”

Funding framework also influences the development of small business youth enterprises in one way or another. As revealed in the study, collaterals, repayment periods, accessibility and availability of funds can majorly influence the development of youth enterprises. For example loans with high interest rates may be difficult for entrepreneurs to repay the loans, also unfriendly repayment periods by negatively affect their repayment of loans hence affect the development of their businesses.

These findings are also in line with other empirical literatures, Obamuyi (2009) studied the relationship between interest rates and economic growth in Nigeria. He concluded that the lending rate has a significant effect on the economic growth. Bader & Malawi (2010) in a study tested the hypothesis that the real interest rate has negative impact on Jordanian economy. The results were found to support the hypothesis. Sharma & Gounder (2011), in a group survey of MSEs in a pacific Island country found that their growth constrained by banks’ interest rates, fees and charges and collateral requirements. Oreku (2010), in a survey in Tanzania also came to the conclusion that higher interest rates in microfinance are affecting the growth of MSE’s.

Flesig H et.al (2006) in a study on reforming collateral laws to expand access to finance in Washington DC argues that collateral affects financial borrowers because loans secured by collateral have more favourable terms than unsecured loans do, for any given borrower or size of the loan.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the results on the influence of Youth Enterprise Development Fund on small business development of youths in Kenya. The study gives the summary of findings, conclusions and recommendations on what the government and the managers of YEDF can do to improve for the attainment of the Fund's set objectives on enterprise development. The recommendations are presented based on the study, after which recommendations for further studies are drawn.

5.1 Summary of Findings

5.1.1 Influence of loaning from YEDF influence small businesses development of youth

The findings revealed that 45.5 % of the respondents strongly agreed that YEDF have led to increased business creation and expansion among youths. The findings also revealed that 27.7% of the respondents strongly agreed that YEDFs are helping them to become self-reliant and financially stable. On the opinion that the focus should be to encourage youths to explore existing global initiatives aimed at promoting trade between developed and developing economies, the findings revealed that 35.7% of the respondents strongly agreed on this statement, 50.9% agreed on this. The findings further revealed that 35.7% of the respondents strongly agreed that YEDF provides a strategic move towards arresting unemployment, 36.6% agreed on this statement.

5.1.2 Influence of YEDF training on small business development

The findings indicated that majority (85%) of the youth benefiting from the YEDF were being trained quarterly. With regard to the type of training the youths were given, the findings revealed that majority of the respondents were thought on business management, another significant majority were thought on financial management. The findings revealed that 39.3% of the respondents strongly agreed that training gives them knowledge on how to handle business challenges, 50.9% agreed. Also 27.7% of the youth strongly agreed that through training we have acquired effective management skills to run our businesses, 70.6% agreed. Further the findings revealed that 41.1% of the respondents strongly agreed that training has created awareness on our business obligations hence business growth.

5.1.3 Influence of savings on small business development

The youths were asked how much they save daily and the findings revealed that majority (75%) of the youths saved less than Ksh. 500 daily. The results indicated that 30.4% of the youths strongly agreed that Savings assists us in generating revenues/profits, 53.6% agreed on this. On the opinion that savings assists in business expansion, 33.9% of the youths strongly agreed, 46.4% agreed. Further the findings revealed that 29.5% of the youth strongly agreed that savings enables the entrepreneur to plan ahead for the business, 44.6% agreed on this. On the issue of managing risks, the study revealed that 44.6% of the respondents strongly agreed that savings enables the business to manage risks, 37.5% agreed.

5.1.4 Influence of funding framework on small business development.

The results indicated that 45% of the respondents strongly agreed that high collateral of the youth funds affects business development, 45.9% agreed. Further, 27.7% of the

respondents strongly agreed that there is a lot of corruption in order to access the funds, 70.6% agreed on this. Also the respondents noted that there is little sensitization on the availability of the funds in our county, 29.5% strongly agreed, 57.2% agreed.

5.2 Conclusion

From the findings it was concluded that loaning from YEDF largely influences small business developments. As indicated in the study it is noted that through YEDF loans youths are able to create and expand their businesses, it was also indicated that it assists youths to become self-reliant and financially stable. Therefore loaning of YEDF enables small business development.

Youth training is also found to help small business grow or develop. As revealed in the study, it is noted that most youths receive training on business development and also on financial management. It is further concluded that it enables them acquire skills which are used to run businesses and through training youths get effective management skills which they use to run their businesses.

Savings is also another factor which was identified in the study as promoting small business development. The youths under the study agreed that they save profits majority of them saving five hundred shillings daily. This is good however small to enable them grow their businesses and manage business risks.

Youth funding framework was another factor identified as influencing small business development. It was noted that high collaterals, unfriendly repayment periods, corruption in accessing funds and little sensitization of availability of funds affects youths in developing their businesses.

5.3 Recommendation

The study made the following recommendations:

- i) The government in collaboration with small business enterprises should intensify training on both areas in business management including financial management and marketing. It is also important that it avail supportive environments to underpin entrepreneurial growth through easing access to funds and supportive regulatory and tax regimes, education systems that support entrepreneurial mindsets and a coordinated approach that links the public, private and voluntary sectors. Continuous entrepreneurship training should be put in place to improve chances of business success.
- ii) The government should consider the funding framework of the YEDF to be friendly so as to enhance a range of financial mechanisms and alternatives available for youth entrepreneurs.
- iii) The youths with small businesses should consider managing their funds by saving in order to allow them maximize profits and enable reinvestment.
- iv) Entrepreneurship culture and expertise be inculcated to the youth especially skills in entrepreneurship, business planning and financial management must elaborately be imparted before any funds are disbursed by YEDF.

5.4 Contribution to the body of knowledge

The primary aim of the researcher in this study was to investigate on the influence of youth enterprise development fund on small business development of youths. This study have contributed to the body of knowledge on this specific area on YEDF, that loaning,

training, saving mobilization and funding framework can largely influence business development.

Table 5.1 Contribution to the body of Knowledge

Objective	Findings
Influence of Loaning on small business development	Loaning of YEDF enables small business development, provides capital for business startups and expansion.
Influence of training on small business development	Business training enables them acquire skills which are used to run businesses and through training youths get effective management skills which they use to run their businesses.
Influence of saving mobilization on small business development	Savings mobilization enables small entrepreneurs grow their businesses and manage business risks.
Influence of funding framework on small business development	Manageable collaterals, friendly repayment periods and sensitization of availability of funds expands the access of finances which enables small business expansion

5.5 Suggestion for further research

The researcher has tried to shift the study focus on only the youth rather than general issues. Therefore more research need to be done on current development funds like the Uwezo Fund to shed more light and add the current body of literature.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

HILLARY KIPROP CHERUTICH

P.O BOX 2871

ELDORET

TEL: 0727504069

Email: hillrops@gmail.com

Dear Respondent,

I am a research student at the University of Nairobi, undertaking a Masters Degree in. This research will help me complete my course as recommended by the University. I am carrying out a study on the Influence of Youth Enterprise Development Fund on small business development of the Youth in Marakwet West Sub-County, Elgeyo Marakwet County, Kenya. I am using the attached questionnaire to collect information for the study. It is my kind request that you fill the questionnaire, providing the relevant information to facilitate the study. Please use the spaces provided to fill in the information required as objectively and honestly as possible. The information provided will be treated with strict confidentiality for the purpose of this study only.

Thank you

Yours faithfully,

Hillary Kiprop Cherutich

APPENDIX 2: QUESTIONNAIRE FOR THE YOUTH

I kindly request you to fill in the questionnaire appropriately. The information provided will be kept confidential and will be used for academic purpose only.

Thank you,

SECTION A: GENERAL INFORMATION

(Please tick where necessary)

1. What is your age bracket?

18-30 years

31-40 years

41-50 years

Over 50 years

2. What is your educational level?

O' level

Certificate

Degree

Masters

3. Where is the name of the location in which your group is situated

.....
.....

4. How many members does your group have?

.....

5. Age of your group

1-2 Years []

3-4 Years []

Above 4 years []

6. When was your group registered with social services?

.....

Influence of loaning from YEDF on small business development

To what extent do you agree with the following statements with regard to YEDF loans and small business development?

1 Strongly Disagree 2 Disagree 3 Neutral 4 Agree 5 Strongly Agree

Statements	1	2	3	4	5
YEDF has led to increased business creation and expansion among youths					
YEDFs are helping youths to become self-reliant and financially stable					
The focus should be to encourage youths to explore existing global initiatives aimed at promoting trade between developed and developing economies					
YEDF provides a strategic move towards arresting unemployment					

Influence of youth training on the small business development

What is the frequency of training with regard to YEDF?

Monthly []

Quarterly []

Once in a Year []

What type of training did you get with regard to YEDF?

Financial management []

Business management []

Marketing []

How long was the training?

.....
.....
.....

To what extent do you agree with the following statements with regard to youth training and small business development?

1 Strongly Disagree 2 Disagree 3 Neutral 4 Agree 5 Strongly Agree

Statements	1	2	3	4	5
Enables us acquire skills to run our businesses hence business development					
Gives us knowledge on how to handle business challenges					
Through training we have acquired effective management skills to run our businesses					
Training has created awareness on our business obligations hence business growth					

Influence of savings mobilization on small business development

How much do you save daily in your business?

.....

How frequent do you save?

.....

To what extent do you agree with the following statements with regard to savings mobilization and small business development?

1 Strongly Disagree 2 Disagree 3 Neutral 4 Agree 5 Strongly Agree

Statements	1	2	3	4	5
Savings assists us in generating revenues/profits					
Savings assists in business expansion					
It enables the entrepreneur to plan ahead for the business					
Enables the business to manage risks					

Influence of Youth Funding framework on small business development

To what extent do you agree with the following statements with regard to Youth funding framework and small business development?

1 Strongly Disagree 2 Disagree 3 Neutral 4 Agree 5 Strongly Agree

Statements	1	2	3	4	5
High collateral					
The repayment period is not friendly					
There is a lot of corruption in order to access the funds					
There is little sensitization on the availability of the funds in our county.					

APPENDIX 3: INTERVIEW SCHEDULE FOR YEDF OFFICERS

i) To what extent do loaning from YEDF influence small business development of youth in Marakwet West Sub-County?

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ii) To what extent do YEDF training influence small business development of youth in Marakwet West Sub-County?

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iii) How do YEDF savings mobilization influence small business development of youth in Marakwet West Sub-County?

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iv) To what extent does funding framework of YEDF influence small business development of youth in Marakwet West Sub-County?

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