

**INFLUENCE OF YOUTH ENTERPRISE DEVELOPMENT FUND
ON YOUTH EMPOWERMENT IN RUIRU CONSTITUENCY,
KIAMBU COUNTY, KENYA**

BY

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DECLARATION

This research project is my original work and has not been presented to any university or institution for the award of a degree.

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

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DEDICATION

To my children Joanne and Michael, for your patience when I had to work long hours on this research: - may you use your youth wisely. To my husband Lewis, your encouragement makes everything worthwhile.

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ABBREVIATIONS AND ACRONYMS

AYF	African Youth Foundation
CDF	Constituency Development Fund
EYES	Empowering Youth in a European Society
GoK	Government of Kenya
ILO	International Labour Organisation
IYF	International Youth Foundation
KEPSA	Kenya Private Sector Alliance
KKV	Kazi Kwa Vijana
KLGRP	Kenya Local Government Reform Programme
KNBS	Kenya National Bureau of Statistics
LATF	Local Authority Transfer Fund
NACADA	National Authority for Campaign against Drug Abuse
NSE	Nairobi Securities Exchange
NYS	National Youth Service
PMBOK	Project Management Body of Knowledge
PPOA	Public Procurement Oversight Authority
UNPD	United Nation Population Division
UNPF	United Nations Population Fund
USCB	United States Census Bureau
YEDF	Youth Enterprise Development Fund
YEP	Youth Empowerment Programme

ABSTRACT

This study sought to examine the influence of Youth Enterprise Development Fund on youth empowerment in Ruiru Constituency, Kiambu County, Kenya. The objectives of the study addressed the issues of loan disbursement, capacity building, timeliness of disbursements, and project identification as influencers of youth empowerment in Ruiru Constituency, Kiambu County. Research methodology adopted by this study was a survey method and the study targeted the youth groups within Ruiru Constituency who borrowed from the Youth Enterprise Development Fund in 2013. The total target population comprised 572 members and sample size consisted of 233 respondents, with 3 of those being key informants from the Youth Fund office. Both open-ended and close-ended questionnaires were used, as well as an interview guide for the key informants. In this research, descriptive statistics were used. The questionnaires were edited first for accuracy, and completeness. The study used frequency distribution and percentages, and computer software-Statistical Package for Social Scientists (SPSS) as a tool of analysing data, and to establish relationships between variables. The analysed data was tabulated for presentation. The findings on loan disbursement indicated that the respondents were aware of the requirements needed before loan applications were made. In addition, the respondents expressed appreciation of the interest-free loans, but decried the loan amounts as inadequate. The respondents also pointed out that although they received advance training before they started new businesses, they felt that more training was needed in order to enhance their skills in their businesses. They also felt that the duration it took to release the funds after application was too long, and it hampered their ability to plan for business capital. In terms of project identification, the respondents felt the need for greater involvement of the government in market linkage for their products and services. The study recommends that more awareness must be created through mass media and other forums where youth can be reached. Selected institutes and colleges can be appointed as Youth Fund Ambassadors in all counties, so that all youth even in the rural areas get equal opportunity. It also recommends the reduction in the time it takes to process the loans, so that the youth can take advantage of the special Government tenders that are reserved for them. The loan amounts can be increased at the discretion of the Government so that the youth have sufficient funds to set up and expand their businesses. Flexibility in giving subsequent loans should also be considered especially where the youth are carrying out a special project. At the same time, there should be a centralised platform where the youth can register their innovations and get tangible and substantial help from both the Government and private sector players. These innovations should be promptly patented and intellectual rights protected for posterity.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to the World Bank definition, empowerment is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes (The World Bank, 2002). When people are empowered, it translates to positive growth both on the part of an individual and also of the wider society. All leaders should see empowerment as a sure investment which will pay good future dividends. As one world leader put it, “It turns out that advancing equal opportunity and economic empowerment is both morally right and good economics, because discrimination, poverty and ignorance restrict growth, while investments in education, infrastructure and scientific and technological research increase it, creating more good jobs and new wealth for all of us” (Clinton, 1993).

The youth are considered the backbone of any economy and as such their potential must be properly harnessed if they are to compete on the global market. From available statistics, approximately 26.3% of the global population is aged less than 15 years, while 65.9% is aged 15–64 and 7.9% is aged 65 or over (UNPD News Centre, 2013). The population of Africa has grown rapidly over the past century, and consequently shows a large youth presence, further reinforced by a low life expectancy of below 50 years in some African countries. As of 2013, the total population of Africa is estimated at 1.1 billion, representing approximately 15% of the world's population (World Population Prospects, 2012). According to the Kenya National Bureau of Statistics the total population of Kenya as per the 2009 population census was 38,610,097. Out of this number, 11,729,181 were between the ages of 18-35years; making up 30.37% of the total population (KNBS, 2011). This is the group that is relied upon to provide the workforce, both in the formal and informal sectors of employment.

Youth empowerment is an attitudinal, structural, and cultural process whereby young people gain the ability, authority, and agency to make decisions and implement change in

their own lives and the lives of other people, including youth and adults (World Bank, 2002). On empowering the youth, (Curtis, 2008), addresses what she refers to as the four empowerment assets: - namely; offering ideas for youth workers and educators; focusing on the development of empowerment in young people; providing the opportunities and means for youth; as well as helping the youth feel safe enough to grow into confident leadership, in their own communities and beyond. There is, therefore, the need to give the youth some form of capital with which to start income-generating enterprises that will transform their lives both economically and socially by giving them a livelihood, and raising their standards of living (World Bank, 2002).

According to the African Union Commission's definition of youth empowerment, young people are empowered when they realize that they have or can create choices in life, are aware of the implications of those choices, make informed decisions freely, take action based on those decisions and accept responsibility for the consequences of their actions. Empowerment also means having the ability for supporting enabling conditions under which young people can act on their own behalf, and on their own terms, rather than at the direction of others. These enabling conditions fall into major categories such as an economic and social base; political will, access to knowledge, information and skills, adequate resource allocation and supportive legal and administrative frameworks; a stable environment of equality, peace democracy and positive value system (African Union Commission, 2010).

On the global front, the world is facing a worsening youth employment crisis: young people are three times more likely to be unemployed than adults and almost 73 million youth worldwide are looking for work. The International Labour Organization (ILO) has warned of a disenfranchised generation of young people facing a dangerous mix of high unemployment, increased inactivity and precarious work in developed countries, as well as persistently high working poverty in the developing world (ILO, 2013). In June 2012, the ILO adopted a resolution calling for immediate, targeted and renewed action to tackle the youth unemployment crisis. The resolution provides a portfolio of tested measures in five areas: macro-economic policies, employability, labor market policies, youth

entrepreneurship and rights. Most governments and world leaders have realized that the youth hold the key to growth of a country or a region. There are concerted efforts by both the public and private sectors to address the issue of unemployment. Most observers realize that there are not enough jobs in the formal sector to satisfy the demand, and must look to other sectors to seal the loop (ILO, 2013). In the advanced nations, they have realized that education is the key to empowerment. As such they put great emphasis on education and knowledge skills. In USA, a programme called 'Put Our Children First' aims at providing children with an enabling environment where all stakeholders participate in monitoring the curriculum, mentoring students and even donating resources such as writing materials. This ensures that students who would otherwise drop out of school due to economic challenges get to stay on and complete their studies (World Vision US programmes, 2014). Across Europe, countries are coming together to form forums where the youth get training in skills that can help them get employment. Empowering Youth in a European Society (EYES) is such a programme that is organized by the youth themselves because they have realized that youth empowerment, collective social action, solidarity are the tools by which their society will be transformed (EYES, 2013).

In Africa, the African Union has come up with strategies to empower the youth. In January 2009 in Addis Ababa, Ethiopia, during the Executive Council meeting, the assembly of Heads of States and Governments of the African Union declared the years 2009 to 2018 as the Decade on Youth Development in Africa. This was a follow-up to the 2006 endorsement of the African Youth Charter (AYC) in Banjul, Gambia. The Charter is the political and legal document which serves as the strategic framework that gives direction for youth empowerment and development at continental, regional and national levels. The AYC aims to strengthen, reinforce and consolidate continental and regional partnerships and relations, and it gives priority to youth development on the African Union's development agenda. This Charter has been signed by at least 37 countries across the continent (African Union Commission, 2010). It is very clear therefore that the continent has recognized that it must give the youth a chance if it hopes for any meaningful and sustainable economic growth. This comes especially when it is

considered that the African Population is estimated to be more than a billion people of whom over 60% are young men and women under the age of 35 years (World population Prospects, 2012).

Soon after Kenya gained independence in 1963, there was a shortage of skilled labour to replace those who had left. The government realised that young people would have to be trained to take their place and therefore a strategy was formulated. The National Youth Service (NYS) was then established in 1973, as an attempt to equip the young people with skills that could translate to greater economic productivity. The objective was to train the youth in practical skills that would enable them work in public and private sector, as well as to facilitate career development. The NYS also wanted to enhance the youth's contribution to national development. However, due to lack of a comprehensive framework as well as political undertones, the NYS fizzled out after about ten years and was only re-launched in 1995 (NYS, 2014). Other efforts to initiate youth development programmes have been made in policy documents, such as Sessional Paper No. 2 of 1992 on Small Scale and Jua Kali Enterprises, the 1997-2001 Development Plan, and the National Poverty Eradication Plan 1999-2015, among others (Kenya National Youth Policy, 2006).

However, the sustainability of programmes has been erratic due to lack of a guiding blueprint from the government. The private sector has tried to assist the youth through individual Corporate Social Responsibility programmes that sponsor youth groups for ventures such as donating artisan sheds, art exhibitions or even donating greenhouses to various groups. Religious groups and non-profit organisations have tried on a localised scale to provide programmes that enable the youth have some income-generating activities. However, most youth empowerment programmes for those between 18-35 years have centred mainly on forming self-help groups and lobbying for grants and microloans to enable them start income generating projects. The youth have had to lobby as individuals or groups for funds from the private sector and other donors in order to establish businesses, and there was no sustained effort by the Kenya Government to address the issue until 2006 when the Youth Enterprise Development Fund was formed.

1.2 Statement of the Problem

Youth empowerment is vital for any nation. Kenya has made efforts over the years to empower the youth by coming up with policies that would enable the youth start income-generating projects, albeit without sustainable plans in place. The Government of Kenya decided to establish a comprehensive strategy for empowering the youth by initiating a youth fund to give them start-up capital for business ventures. The Youth Enterprise Development Fund (YEDF) was established in 2006 with the purpose of reducing unemployment among the youth who account for over 61% of the unemployed in the country (KNBS, 2012). The Youth Enterprise Fund seeks to empower the youth by providing loans and business development services to youth enterprises, supporting youth-oriented micro, small and medium enterprises to develop links with large enterprises; but the question is whether the youth are able and willing to take the plunge and start their own enterprises.

While the effort of the government is commendable and well-intentioned, it does not always work to expectations. This is because even though the fund has been available for the youth for eight years now, 61% of young people are still without gainful employment in Kenya, be it in the formal or informal sectors, according to the 2011 figures released by the Kenya National Bureau of Statistics (KNBS, 2012). In addition, research has also been done that indicates a relatively high level of alcohol use in Central Province of Kenya, with Kiambu County as one of the worst hit by very high rates of alcohol abuse among the youth (NACADA, 2010). In Ruiru Constituency, about 36 groups have so far benefited from the Fund since 2013 when Ruiru was carved out of the larger Juja Constituency. It is against this backdrop that the study sought to find out the influence of Youth Enterprise Development Fund on youth empowerment in Ruiru Constituency, Kiambu County, Kenya, and probe whether its noble intentions have been subverted by the aforesaid issues.

1.3 Purpose of the Study

This study sought to examine the influence of Youth Enterprise Development Fund on youth empowerment in Ruiru Constituency, Kiambu County, Kenya.

1.4 Research Objectives

The study was guided by the following objectives:

- i. To establish the influence of loan disbursements by YEDF on youth empowerment in Ruiru Constituency, Kiambu County, Kenya.
- ii. To determine the influence of capacity building by YEDF on youth empowerment in Ruiru Constituency, Kiambu County, Kenya.
- iii. To assess the influence of timeliness of disbursements by YEDF on youth empowerment in Ruiru Constituency, Kiambu County, Kenya.
- iv. To examine the influence of project identification by YEDF on youth empowerment in Ruiru Constituency, Kiambu County, Kenya.

1.5 Research Questions

The following research questions guided the study:

- i. How has loan disbursements by YEDF influenced youth empowerment in Ruiru Constituency, Kiambu County, Kenya?
- ii. How has capacity building by YEDF influenced youth empowerment in Ruiru Constituency, Kiambu County, Kenya?
- iii. How has timeliness of disbursements by YEDF influenced youth empowerment in Ruiru Constituency, Kiambu County, Kenya?
- iv. How has project identification by YEDF influenced youth empowerment in Ruiru constituency, Kiambu County, Kenya?

1.6 Significance of the Study

This study contributes information that could guide policy developers at national and county levels to come up with comprehensive policies for youth-based projects. Other beneficiaries include the YEDF, Uwezo Fund, non-governmental organisations and private sector players who wish to adopt better implementation strategies, as well as the youth themselves. The study also provides reference material for further research.

1.7 Delimitation of the Study

The study was limited to youth groups that are within the Ruiru Constituency of Kiambu County. The constituency covers a wide geographical area, with both rural and urban population located here. There are diverse youth groups in the locality, and various business activities and opportunities available. The research sought to find out which groups have applied for the Youth Fund and how many have benefited.

1.8 Limitation of the Study

The study faced financial and time constraints owing to the data collection process that involved training and paying the research assistants. In addition, this study focused on youth groups that are carrying out different business ventures. As such, it may not be possible to generalize the findings of the study to youth groups in other areas of the country.

1.9 Assumptions of the Study

The study assumed that respondents would give accurate and relevant information, in order to assist the researcher to achieve the specific objectives. This study also assumed that those interviewed would agree to give information that reveals both the achievements as well as the challenges of any particular venture.

1.10 Definition of Significant Terms

Capacity building: This is the equipping of the youth with skills that enable them carry out their businesses successfully. These skills include both the ‘hard’ formal skills needed to get the job done such as driving, flying planes or teaching, and the ‘soft’ skills such as communication skills, customer satisfaction and negotiation skills.

Loan disbursements: The maximum amounts for each loan type are fixed, irrespective of the needs of the group. In addition the youth must fulfil certain requirements such as having a valid registration certificate and an operational bank account before they can be advanced the loan.

Project identification: Most youths may start a venture without due diligence and without concrete marketing strategies. Project identification means assessing which projects are likely to succeed based on prevailing global market trends. This process should be a joint venture between the government, the youth and other key stakeholders.

Ruiru Constituency: This is one of the constituencies found in Kiambu County. It was hived off from the larger Juja Constituency in 2013, and it is the area under study.

Timeliness of disbursements: This refers to the duration between the actual application of the loan and the receipt of funds by the beneficiary. When disbursement is not done in a timely fashion, it could derail the business plans of the applicants.

Youth empowerment: One definition in the Oxford Advanced Learners Dictionary defines it as ‘giving somebody more control over their own life or the situation they are in’. In this study, youth empowerment will include enabling the youth to have more control over proper resource management and better living standards, better bargaining power politically, as well as gains in entrepreneurial and management skills.

Youth Enterprise Development Fund: This refers primarily to the Fund that was launched by the Government of Kenya in 2006 in order to help the young people embark on income-generating projects. It gives loans to organized youth groups as well as acting as a guarantor to those who wish to approach financial institutions for funding as long as they have a feasible business project. Any other fund assisting youth within Ruiru will be specified.

Youth: These have been taken to be persons of both genders who are aged between 18-35 years. They are considered the backbone of any economy and as such their potential must be properly harnessed if they are to compete on the global market.

1.11 Organisation of the Study

This study comprises five chapters. The first chapter contains the background of the study, the purpose of the study, the problem statement, research objectives as well as the limitations of the study. It also indicates the significance of the study. Chapter two contains the literature review, theoretical framework as well as the conceptual framework. The third chapter describes the research design, the target population, sampling procedure and sample size as well as methods of data collection and analysis. It also deals with the validity and reliability of the research instruments and the ethical issues in research. Chapter four contains the data analysis, presentation, and interpretation of findings. Chapter five has the summary of findings, discussion, conclusions and recommendations, as well as suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains the literature review of the influence of the Youth Enterprise Development Fund (YEDF) on youth empowerment. The chapter focuses on the review of present and previous researches on YEDF as well as similar projects on the youth. The chapter analyses the extent to which loan disbursement, capacity building, timeliness of disbursements and project identification by YEDF has influenced youth empowerment in Ruiru Constituency of Kiambu County. This chapter also contains the theoretical and conceptual framework of the study.

2.2 An Overview of Youth Funding in the world

The youth are considered the backbone of any economy and as such their potential must be properly harnessed if they are to compete on the global market. Globally, several governments and private sector players have recognized this and initiated several funds over the years in different parts of the world, to provide young people with capital for business ventures. An example in the global front is the International Youth Foundation (IYF) which was founded in 1990 with its headquarters in the US. It is operational in more than 70 countries worldwide, including Kenya, and it strengthens the existing programmes that are impacting positively in young people's lives. It touches on areas of education, health, entrepreneurial and leadership skills. The foundation relies on governments and multilateral organisations, corporations and corporate foundations, individuals, and investment income for sustenance (IYF, 2013). In Kenya it operates under the African Centre for Women, Information and Communications Technology (ACWICT) to sponsor youth groups. Some beneficiaries include the Vusha youth Programme and the Ninaweza Youth Empowerment programme, which target the poor youth found in informal settlements. The African Youth Foundation (AYF) is a non-profit organisation based in Bonn Germany. Started in 2000, its aim is to aid young African in Diaspora and Europeans of African descent. This foundation specialises in training the youth in business and entrepreneurial skills (AYF, 2000).

In the United States, the World Vision organisation has initiated the Youth Empowerment Programme (YEP) Network. This programme targets vulnerable youth who possess leadership potential but lack opportunities to develop it in a positive way. World Vision provides curriculum to help local youth-focused organisations mentor, train, and encourage young people to lead positive change in their communities. The young people involved develop skills in leadership, critical thinking and team building. By actively participating in local issues and problems, they become advocates for their communities, addressing issues that affect them and their neighbourhoods (World Vision US programmes, 2014). In the developed nations, youth empowerment starts early, by providing every child with basic education. World Vision has programmes that provide disadvantaged children with educational material such as books and stationery, so that all students can be on equal footing in the classrooms. In this way, they ensure high student retention in schools that normally get affected by high drop-out levels. World Vision works with more than 2,000 partners in the U.S. including churches, community organisations, corporations, and non-profit organisations in order to increase the impact (World Vision US programmes, 2014).

In Europe there are efforts to empower the youth by involving them in decision-making, especially on policies that affect the youth directly. Several countries have come together to form the Youth Empowerment Partnership Programme, an international programme focused on disadvantaged areas in eight European countries. It aims to empower young people and the communities in which they live by making them central to new decision-making processes involving partnerships between public, private and independent sectors (Evans & Krueger, 2011). There are also programmes such as Empowering Youth in a European Society (EYES) that is initiated by the youth themselves. It focuses on youth empowerment, collective social action and solidarity among the youth of member nations; because young people are the best resource available and they must be empowered to make the most of it (EYES, 2013).

2.3 Youth Funding in Kenya

In Kenya, most of the funding for youth projects has been from non-governmental organisations, the private companies as well as religious organisations. Each individual organisation gives funds for a cause it finds worth supporting. Most of private sector philanthropists have majored in education, with foundations being established to support both secondary and tertiary education. They aim to empower young people to by giving them quality education and other useful skills. In 2010, the Equity Group Foundation in conjunction with The MasterCard Foundation and UKAID launched a programme dubbed ‘Wings to Fly’ that gives scholarships to secondary and university students in a bid to empower them for the future. In addition, they organise regular mentorship programmes for the youth on their scholarship programme. This programme has supported many children from disadvantaged backgrounds who would never have attained education (Equity Group, 2014). The Chandaria Foundation focuses mainly on education and health. This foundation recently sponsored a Business Innovation and Incubation Centre in one of the public universities in Kenya (Chandaria-BIIC, 2014). The Palmhouse Foundation also deals with providing young people with education opportunities they would not otherwise have, by paying school fees and organising mentorship programmes over the school holidays. It was started in Kiambu County in the late 1990’s as a family philanthropic gesture, but it soon expanded and was formally registered as a foundation in 2002(Palmhouse, 2002).

Local communities have, over the years, also come up with initiatives to help the youth empower themselves. The most common were the locally organised funds drives known as ‘Harambee’ where local people pooled together finances and gave these to a youth group to start an income-generating project. Around the 1980’s, the most common projects involved horticultural projects, bee-keeping, and dairy farming. In time, these groups collapsed due to a number of factors such as mismanagement of finances, lack of sustainable market for their produce, as well as lack of political will (Public Expenditure Review 2010, Republic Of Kenya).In 1998, The Local Authority Transfer Fund (LATF) was set up. The fund is coordinated by the Kenya Local Government Reform Programme (KLGRP) and the LATF Advisory Committee. The funds general objective was to enable

local authorities improve service delivery to the public, financial management and accountability. Through the fund, 5% of the central government income tax revenue was transferred to all the 175 local authorities to supplement income raised by the authorities locally through land taxes and business permits amongst other sources. However, this fund did not benefit the young people much, since the only allocations made were in form of bursaries, and that not too often (Public Expenditure Review 2010, Republic Of Kenya). The private sector has also contributed immensely by funding specific youth-related programmes, ranging from health, education, to sports, and capacity building. Most banks in Kenya such as Barclays Bank, Standard Chartered, and Equity Bank have annual programmes as part of their Corporate Social Responsibility. There are other companies such as Safaricom, Bidco, and Bamburi Cement that are also at the forefront in sponsoring youth empowerment programmes (KEPSA, 2014). Youth investment in Kenya has also attracted the support of international development partners who have supported the work directly through implemented programmes or through local entities such as Non-Governmental Organisations and government ministries. These partners include Canadian International Development Agency (CIDA), United States Agency for International Development (USAID,) and United Nations Development Programme (UNDP,) among others (World Bank, 2006). The Government of Kenya also came up with a programme named Kazi Kwa Vijana launched in 2009 aimed at helping the disenfranchised youth after the post-election violence. This was aimed at providing at least 60,000 youths with employment opportunities (KKV, 2010 Kenya National Audit Office).

2.4 Goals of Youth Enterprise Development Fund

The Youth Enterprise Development Fund (YEDF) was established in 2006 with the purpose of reducing unemployment among the youth who account for over 61% of the unemployed in the country. The target of the fund is young people within the age bracket of 18 to 35 years. The Fund was gazetted on 8th December 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 Kenyan youth, and thus encourage their participation in nation building. Realizing that not all

young people have a keen interest in entrepreneurship, YEDF has broadened its focus to include facilitation of employment of young people (skilled and semi-skilled) in the local and international labour market (YEDF, 2009). The Fund's objectives are to: provide loans for on-lending to youth enterprises; attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises both in the domestic and the international markets; provide business development services to youth enterprises as well as facilitate employment of youth in the international labourmarket (YEDF, 2007).

As of 2013, the Fund had financed over 157,000 youth enterprises to the tune of Kshs. 5.9 billion, and helped thousands of youth build their enterprises through market support and entrepreneurship training. The Fund has also trained over 200,000 young entrepreneurs and supported thousands of youth to take up jobs overseas through the Youth Employment Scheme Abroad (YESA) programme. In addition, the Fund provided other services such as training and mentoring, business incubation, holding a business plan competition, and developing partnership with private and public institutions (YEDF, 2013). The YEDF is also working on new strategies that are more responsive to the needs of the youth, such as direct funding, sector-specific financing, credit guarantee schemes, franchise financing as well as help in accessing markets for their products and services (YEDF, 2013). As outlined in the Kenya Vision 2030, all this is aimed at empowering the Kenyan youth, and building a strong base for the economy to grow and achieve the Millennium Development Goals (Kenya Vision 2030).

2.5 YEDF and Youth Empowerment

This section discusses the influence of YEDF on youth empowerment based on the objectives of the study.

2.5.1 Loan Disbursement and Youth Empowerment

Every institution needs to have its own modalities of achieving its set objectives. There must be laid-down procedures that govern every facet of the organisation. In most cases,

these guidelines work to the advantage of all the stakeholders involved. The Government of Kenya has taken steps to ensure that the youth groups reap maximum benefit from the loans they take. One way they have done this is by declaring that the YEDF loans will be interest-free. This means that the youth groups just pay the principal sum only. This is in contrast to commercial lenders that always charge interest on loans and advances. The advantage to the youth is that they do not have to factor in hefty interest when they compute their revenue and profit therefore translating to bigger profits. The Government also recognizes that businesses do not always start generating income immediately after inception. As such the youth groups are normally given a grace period within which to start repaying the loan. It ranges from two to three months. This gives the businesses a chance to establish and market themselves, without the undue pressure of having to repay the loan (YEDF Guide, 2009). The following are the different group loans and their requirements:

1. C-Yes Rausha loan

This is a constituency based loan that targets new group projects. It is intended to start off youth who are venturing into business.

Features of the loan include a maximum amount of loan is Kshs. 50,000 which attracts no interest but includes 5% management fee. Payment of the loan commences after 3 months grace period and is to be paid in twelve (12) equal instalments.

The applying group must: be registered with the relevant government body; have at least 70% youth membership (18-34 years) and the leadership should be 100% youth; must have a valid group registration certificate and a clearly outlined business project proposal(YEDF Guide, 2009).

2. C-Yes Inua Loan

This is a constituency based loan intended to finance existing group projects and therefore for expansion purposes only.

Features of the loan: 1st loan maximum amount is Kshs. 100,000 payable in 12 months; 2nd loan is Kshs.200, 000 payable in 18 months; 3rd Loan is Kshs. 400, 000 payable in 24 months; The loan attracts no interest but will include 5% management fee and payment

of the loan commences after 2 months grace period. The applying group must have cleared the first loan and have a good credit history from other lending institutions. In addition, they must have a running business that is fully registered, and have a clearly outlined business project proposal to expand or to diversify (YEDF Guide, 2009).

3. C-Yes Special loan

This loan targets youth groups carrying out special business projects whose proceeds are generated on periodical or pre-determined irregular periods.

Features of the loan include a maximum amount for *start-ups* being Kshs. 50,000 payable within 1 year. Other features are similar to the C-Yes Inua loan, with the exception being in the payment mode. This is because for this loan, payments are quarterly and half yearly bullet payments. The applying group must meet the requirements such as valid registration, and solid business proposal (YEDF Guide, 2009).

2.5.2 Capacity Building and Youth Empowerment

According to the International Labour Organisation, skills mismatch in youth labour markets has become a persistent and growing trend. Over-education and over-skilling coexist with under-education and under-skilling. There is also what is termed ‘skills obsolescence’ brought about by long-term unemployment, thereby rendering what one had learned as obsolete, especially considering the dynamism in the field of technology. The report indicates that the education levels matter when it comes to gaining employment in both the developed and the developing economies. At the same time, there is a need to match the skills taught, to the specific job requirements so that a person will possess skills that actually help in the job performance (ILO, 2013). “Only through decent employment opportunities can young people get the chance to work themselves out of poverty. Focusing on youth is a must for any country.”— Juan Somavia: Director-General, International Labour Organisation. Statistics indicates that 92% of Kenyan youth have no post-education skills and knowledge (Ashraf, 2008). There is also little or no quality control of non-formal education. Therefore skills taught must match market labour demand. In order for an enterprise to be profitable, a person must possess some

entrepreneurial skills to enable them succeed. It should not be assumed that everybody who goes into business has the requisite skills, especially because the level of formal education of most of these self-employed youth could be low. The youth should be taught simple but vital skills such as book-keeping (Zimmerer & Yasin, 1998; Chebair, 2005).

The YEDF has put in place entrepreneurship training that is geared towards equipping the youth with specific skills that match their field of choice. Before the release of funds to successful applicants, the youth groups undergo training on entrepreneurship and book-keeping. Other players in the private sector in Kenya are joining the government in making sure that the youth are well trained. There is a partnership between the YEDF and the Nairobi Security Exchange called NSE Investment Challenge where young college students are encouraged to try out virtual stock trading. They are matched with mentors who take them through the financial aspects of the trade. They acquire financial literacy skills necessary for financial management and recognizing investment opportunities (NSE, 2014). These skills are useful, both in formal employment and in the self-employment sector.

Apart from the formal 'hard' skills needed for a task to be done, such as driving, flying planes or teaching, there are other skills referred to as the 'soft skills'. Soft skills complement hard skills which are the occupational requirements of a job and many other activities. They are behavioural competencies. Also known as interpersonal skills, or people skills, they include proficiencies such as communication skills, conflict resolution and negotiation, personal effectiveness, creative problem solving, strategic thinking, team building, influencing skills and selling skills, to name a few. These skills are based on performance, productivity, and how well the job is done (Carnegie, 1998). It is obvious then that in addition to business planning, book-keeping, sales and marketing skills, there is a need to possess/learn proper communication skills, eye contact with customers, punctuality of delivery, and courtesy among others. Though they may not be taught in the same class as the formal or hard skills, many motivational speakers focus on them. These skills are also taught by shaping and positive reinforcement, a technique that desires to impart better social interactions among persons with social skills deficiency. Studies

indicate that there is a measure of success in imparting these skills and also the positive impact they have on the individual who has learned them (Cappe& Alden,1986).A person possessing both sets of skills is likely to be more successful (Baron, 2000). For the youth to start and sustain their businesses then, they will require not just funding but also requisite knowledge. Sustainability of enterprises is vital for any economy that seeks to reduce poverty levels among its people. Therefore those who possess the skills to both start, and continue a business will improve their standards of living.

For young entrepreneurs who possess viable business ideas and skills but have no office space, the fund has come up with business support services and resources services such as enterprise development services and market linkages. The enterprise development is tasked with establishing a capacity building programme for youth enterprises by identifying skills and competency needs for youth enterprises, as well as providing business development services to youth owned and youth focused enterprises. There is also a commercial infrastructure unit which partners with the private sector to provide trading space for youth enterprises without asking for goodwill and other prohibitive fees (YEDF, 2014).

2.5.3 Timeliness of Disbursements and Youth Empowerment

It is vital for the Government to continuously review the policies so as to address any drawbacks that may create bottlenecks. This can be done by taking into account any suggestions made by the major stakeholders, namely the youth groups. Other key informants are the Youth Officers in charge of each area who witness first-hand the challenges on the ground, and can give informed suggestions. In a move to empower the youth and other marginalised groups, the Government has rolled out an Act of Parliament that gives women and youth 30% of the value of government tenders (Public Procurement Oversight Authority, 2013).This Oversight Authority publicly advertises government tenders and encourages women and youth to apply. Since tenders are normally time-sensitive, it is important for the funds to be released on time so as to enable the youth supply the required product or service.

The duration between the formal application and receipt of funds is normally between three and four weeks (YEDF, 2009). It therefore means that opportunities that require urgent execution may pass by, and therefore deny the youth a chance to make profit. In a well-planned project that is complete with a schedule, a delay in funding has a domino effect in that everything is pushed back and delayed. A project consists of the initiating, planning, executing controlling and closing processes. A delay in funding will affect all these processes and the outcome is likely to be less than expected (PMBOK, 1996). It is obvious therefore that timeliness of disbursement is crucial for a business venture to succeed.

The frequency of the disbursements also has a bearing on the performances of the business, keeping in mind that the initial fund loan of Kshs.50, 000 may not be enough to stock the business, because of the start-up overheads. A group can only qualify for another loan after completing the initial loan after 12 months, thereby limiting the youth in terms of quicker expansion.

2.5.4 Project Identification and Youth Empowerment

The World Bank studies indicate that most youth are opting for their own enterprises, but they are poorly equipped for it (World Bank, 2005). The success of a business is not just in starting one, but in starting the right business. Business performance is measured in terms of short-term profitability, market share , productivity, employee attitude as well as a balance between short-term objectives and long-term goals(Neely & Austin,2002). The choice of business must therefore take into consideration the market for the product or service on offer. It must also consider how fast the products translate to profits, as well as the sustainability of the business. For the youth who have had no prior business education or exposure, such an evaluation would be difficult. Princeton Creative Research has developed an excellent criteria checklist for evaluating ideas for a business or a product. Among the issues that the criteria checklist addresses include the need for the business; advantages or benefits; originality and adaption of the idea; short-term gains and long-term benefits as well as customer appeal and the issue of competition, among others.

The YEDF has launched an Enterprise Development Unit whose mandate is the provision of business development services to youth -owned and youth- focused enterprises. It is also tasked with establishing a capacity building programme for youth enterprises by identifying skills and competency needs for youth enterprises. In addition, Enterprise Development works alongside market linkages to ensure that youth enterprises receive complete market support based on their products or services, while improving on the skills of the young entrepreneurs in terms of identifying and targeting sustainable market opportunities globally and pursuing them competitively. The Fund has published several training manuals and information booklets so that the young people can get crucial information on identifying gaps in the market and launching profitable enterprises. Eventually a combined effect of Enterprise Development and Market Linkages hopes to achieve a market driven production trend or culture among youth enterprises, such that no youth entrepreneur will engage in any production process for profits, being goods or services, without a planned and well analysed market (YEDF, 2011). This should translate to business ventures that bring in revenues for the youth and empowers them for the future.

2.6 Theoretical Framework

The theory that has been adopted for this research is the theory of motivation by Abraham Maslow. Maslow addresses the issue of motivation in his famous ‘Maslow’s Hierarchy of Needs’ Theory. In his theory, Maslow argues that there are those human needs that must be met first before others are addressed, and therefore higher motives become unimportant when lower motives are not met(Maslow, 1970). Motivation is an internal state that serves to activate and give direction to our thoughts. According to the African Union Commission’s definition of youth empowerment, young people are empowered when they realize that they have or can create choices in life, are aware of the implications of those choices, make informed decisions freely, take action based on those decisions and accept responsibility for the consequences of their actions. Empowerment encompasses various dimensions, including the economic, social, and political among others (African Union Commission, 2010). An economically successful person has purchasing and spending power, and as a result he will walk around with a sense of

confidence. He has self-esteem and earns respect from his peers and the society in general. Motivation is a key ingredient for success. There are different measures of success but everybody desires to succeed in one way or the other. This is called the achievement motivation, a psychological need to succeed in one's endeavour (Elliot & Church, 1997). Our motives are organised in form of a hierarchy where the most basic needs are at the bottom and must be met first, and onto other needs. When it comes to youth empowerment, it is only after the youth have fulfilled their basic needs of food and shelter that they can move to the other higher needs including social interactions and active participation in the community. Social empowerment therefore means that one must be enabled to attain a certain measure of success that earns him respect from others, and raises his self-esteem. When the youth are socially empowered, they tend to be more active in community development activities. They also participate in policy planning and implementation at community levels (Curtis, 2008). However, it must be noted that financial support still remains the anchor for real empowerment for the youth, because they will not participate in policies or issues that they feel are not directly profiting them. When they feel included, they are more likely to participate (Carver & Baird, 1998).

Youth empowerment can only happen when the youth themselves are willing to take the first step and take advantage of the finances available to them through the Youth Fund. It is difficult for young people to amass capital for business, and few of them can get loans from established commercial and financial institutions due to lack of collateral. A business can grow even from meagre capital as long as it is turning in regular revenue. When the loans are disbursed on time and in the amounts requested, then the youths can grow their businesses and empower themselves. In Maslow's theory, a person can only move from one level to another when the lower level need has been fulfilled. When a person has food and shelter, they can think of their safety needs including health. After this the person can think of having affiliations because they feel empowered enough to step out. According to McClelland's Human Needs Theory, an individual is driven by three key motivators or needs, namely; achievement, affiliation and power. When we address the achievement need, capacity building helps a person achieve his goals because he is better prepared for the task ahead of him, and also to participate in policy

formulation since he is better informed. The need for affiliation is met by the formation of groups, and cohesiveness of the group in question. Group cohesiveness is the extent to which group members are attracted to the idea of a group (Eysenck, 2009). Belonging to a group means that resources can be pooled together and performance can be improved. An effect in which working in a group improves one's performance on individual projects is referred to as social facilitation (Levine, 1993). There is positive synergy in groups and exchange of ideas, leading to better outcomes (Sorkin, 2001). When suitable projects are identified and boosted by partnership with the various stakeholders, then the youth will be confident enough to venture into enterprises and empower themselves. Motivation according to Maslow means that an individual works first to fulfil his basic needs and can only aspire for higher needs when the basics are covered. With a business enterprise that is successful, the youth can move from basic needs to fulfilling higher needs. Therefore success can be guaranteed when there is business feasibility, timely loan disbursements, and capacity building in terms of training. This theory of motivation may partly explain why the youth who have not met their lower level needs are poor participants in social and community affairs. They also do not participate in policy formulation forums or discussions, because they feel that such activities do not benefit them in any way. In order to activate the higher motives, the lower ones must have been met.

Maslow's theory is illustrated by the pyramid that shows how an individual moves from fulfilling one need to another, as shown in figure 1.

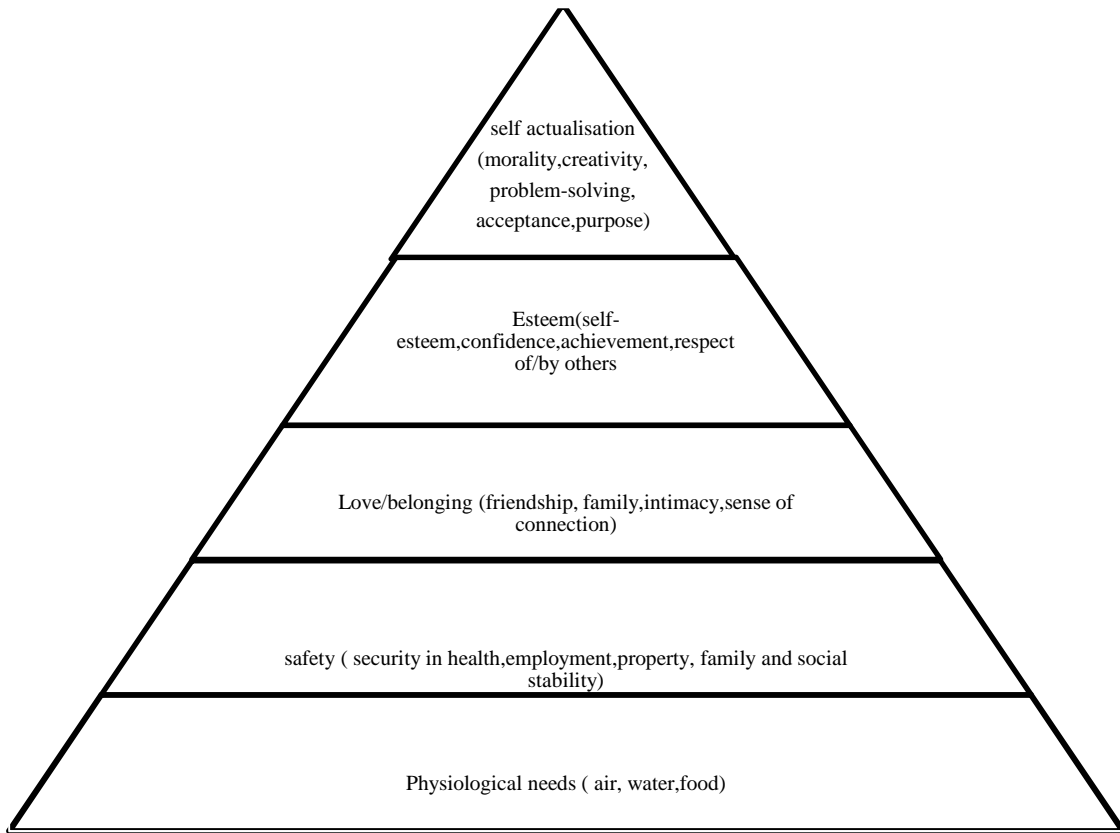


Figure 1: Maslow's Hierarchy of Needs

Source: Abraham Maslow's Theory (I)

2.7 Conceptual Framework

The relationship between the independent and dependent variables is illustrated by this conceptual framework below.

Independent variables

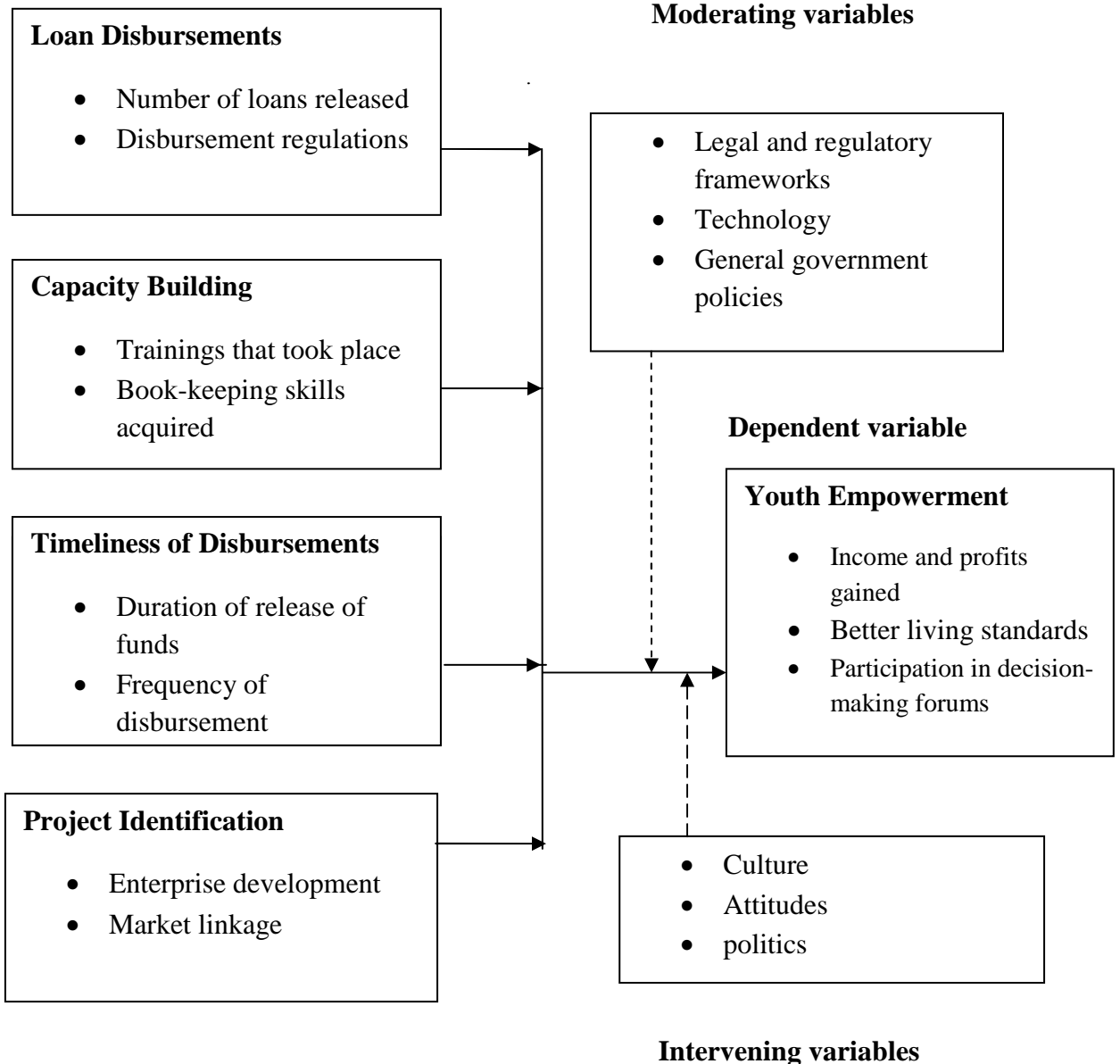


Figure 2: The Conceptual Framework

2.7.1 Discussion of Conceptual Framework

The objective of the Youth fund is to empower the youth. The regulations under which the loans are disbursed as well the amounts released will have direct influence on the business that the youth are undertaking. The youth who have received some form of training in business and entrepreneurial skills are likely to be more successful in running their businesses and hence getting better revenues. The duration and frequency of disbursement of funds can also influence whether opportunities can be exploited in a timely manner. When it comes to the identification of projects, there needs to be a concerted effort between the government and the youth and other stakeholders to ensure that the youth who are innovative are boosted, and that market is sought for their products and services.

There are other variables that may influence youth empowerment such as legal and regulatory frameworks and other policies that may indirectly affect the youth. Other variables such as culture and attitude will also influence how a young person perceives himself or his chances of being empowered.

2.8 Knowledge Gap

There are a number of studies that have been done on youth empowerment, including studies specifically done on Youth Enterprise Development Fund and its influence on youth empowerment (Wanyoko, 2012) as well as the success of the projects it has funded (Kimando, Njogu and Kihoro, 2012). These studies have focused on training given to the youth, as well as government policies but have not adequately addressed the issues of loan disbursements and the timeliness of the disbursements. The issue of market for the products and services has not been covered. This study therefore seeks to find out why the young people are not readily taking advantage of the numerous opportunities available for them to empower themselves, and how the aforementioned issues are affecting them. It is hoped that the findings will inform the policy makers at constituency level on effective ways of curbing the negative influences while encouraging youth to be gainfully employed. The findings should also encourage the youth to take advantage of the enhanced youth funding, taking into account that the Youth Enterprise Development Fund has been increased to Kshs.300 Million from Kshs.60 million. In addition, another

separate fund Uwezo Fund already has Kshs.6 billion to lend to the youth and women of Kenya (Uwezo Fund Guide, 2013).

2.9 Summary of Chapter Two

This chapter has looked at youth empowerment and an overview of youth funding both globally and locally. The youth have an opportunity to empower themselves by taking advantage of the funds available for them. Funding is available from the government through the Youth Enterprise Development Fund, the newly launched Uwezo fund as well as from the Private sector through their Corporate Social Responsibility programmes. The chapter has also addressed the issue of loan disbursements and timeliness of these disbursements and their influence on youth empowerment. Capacity building through training and proper project identification also determines how well an enterprise will function. The theoretical framework addresses some theories that are relevant to the study. The conceptual framework shows the relationship between the variables. The study addresses the knowledge gap so that policy makers can be better informed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research design that has been used in the study. It also addresses the target population, sample size determination and sampling procedure. The chapter also covers the methods of data collection, validity and reliability of research instruments, data analysis and ethical issues in the research.

3.2 Research Design

The research used the descriptive survey research design, covering the four administrative locations of Ruiru Constituency. A survey is “an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables” (Mugenda & Mugenda, 2003). This is because the targeted respondents are best placed to provide the requisite information. This method also enables the researcher to obtain information including the respondents’ perceptions, attitudes, behaviour, and values.

3.3 Target Population

The target population of this research consisted of all the youth groups within Ruiru Constituency that applied for and received loans from the Youth Enterprise Development Fund in 2013. Records obtained from the Youth officer in Ruiru Constituency indicated that there are 36 youth groups with a total of 572 people. There are also three Youth Fund officers who formed part of the sample size.

3.4 Sample size Determination and Sampling Procedure

In this section the study outlines how sample size was determined, and the sampling procedure used.

3.4.1 Sample Size Determination

There are 36 youth groups with a total of 572 beneficiaries. The sample size was determined by using the Krejcie and Morgan formula. This provided an adequate sample for the study. The formula below shows the calculations of the sample size:

$$S = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)},$$

Where;

S= required sample size

N= population size

P=population proportion (assumed to be 0.50 since this would provide maximum sample size)

X²= table value of Chi-sq for 1 degree freedom at desired level of confidence (3.841)

d= degree of accuracy, expressed as a proportion (0.05)

The sample size will therefore be:

$$3.841 * 286(0.5) / 0.05^2(571) + 3.841 * 0.5(0.5)$$

$$= 549.263 / 2.388$$

$$= 230$$

The sample size comprised 230 respondents from the youth groups. In addition there were 3 key informants from the Constituency and regional offices. The 3 were purposively sampled, making a total of 233 respondents.

3.4.2 Sampling procedure

The sample frame used for the study is shown in table 3.1

Table 3.1: The Sample Frame

People per group	Number of groups	Total Population
10	3	30
11	2	22
13	2	26
14	1	14
15	10	150
16	6	96
17	3	51
18	4	72
20	1	20
21	2	42
24	1	24
25	1	25
Totals	36	572

3.4.3 Sample size Distribution

To determine sample sizes, the study adopted proportionate sampling as shown in Table 3.2. Using the formula that has been indicated, samples are obtained in proportion to the number of individuals in each group.

Table 3.2: The Sample size distribution

People per group	Number of groups	Total Population	Sample size
10	3	30	12
11	2	22	8
13	2	26	10
14	1	14	6
15	10	150	60
16	6	96	39
17	3	51	21
18	4	72	28
20	1	20	8
21	2	42	18
24	1	24	10
25	1	25	10
Totals	36	572	230

Sample size = $x/N * n$

Where x= number of people per group

n= desired sample size

N=target population

3.5 Methods of Data Collection

The methods were both open-ended and close-ended questionnaires, as well as personal interview schedules for the officers in charge of the Youth Fund at the constituency and regional level. The questionnaire was constructed based on the objectives of the study. These questionnaires were given to the 230 respondents who formed the sample size. The interviews with the three key informants provided vital details that are relevant to the research.

3.6 Validity of Research Instruments.

Validity of a research instrument refers to its ability to obtain data that is meaningful, useful and appropriate for the study (Mugenda and Mugenda, 2003). Validity can be enhanced by using triangulation. The questionnaires should not be ambiguous, and should be properly coded. In addition, the personal interviews need to be precisely worded. Validity was ensured by using the objectives of the study as a guide in making the instruments, as well as obtaining experts' opinion.

3.7 Reliability of Research Instruments

Reliability refers to the consistency that is obtained when the instrument is used over a period of time. If this instrument is consistent in its measurement over time, then it is considered reliable. It is the stability or consistency of scores over time (Babbie, 2001). This study used the Split-half reliability test. This was done by dividing the test into equivalent halves, and administering the entire test to the respondents. Thereafter follows computing correlation between scores on the two halves of the test using the Pearson correlation Coefficient formula. A score of 0.70 or higher is acceptable as a good measure of reliability (Moore, 2004).

The Pearson's formula is as follows;

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where:

n = number of subjects

$\sum xy$ = the summation of x times y

x = the x score

y = the y score

$\sum x^2$ = the sq. of x scores

$\sum y^2$ = the sq. of y scores

r = correlation coefficient

Using the Pearson correlation coefficient formula, the split half reliable test was carried out and a score of 0.9 obtained, and this figure is acceptable as a good measure of reliability (Moore, 2004).

3.8 Methods of Data Analysis

In this research, descriptive statistics was used. The questionnaires were edited first for accuracy, and completeness. Then the responses got coded and analysed using descriptive statistics to assess the influence of various variables on youth empowerment. The study also used frequency distribution and percentages, and computer software-Statistical Package for Social Scientists (SPSS) as a tool of analysing data, and to establish relationships between variables. The analysed data was then tabulated for presentation.

3.9 Ethical issues in the Study

The study ensured that the respondents gave voluntary informed consent. No one was coerced into participating in the study. This was done by training the research assistants on ethical considerations. In addition, the findings have been used for the intended purposes only. Confidentiality was also maintained and bias of any kind was not practiced.

3.10: Operationalisation of Variables

Table 3.3: Operationalisation of Variables

Research objectives	Variable	Indicators	Measurements	Measurement scale	Type of analysis
YEDF loan disbursements and its influence on youth empowerment in Ruiru Constituency.	<u>Independent</u> Loan disbursement	Number of applications processed Disbursement regulations	Loans amounts disbursed Documents needed before loans are released.	Ordinal Ordinal	Descriptive statistics
YEDF capacity building and its influence on youth empowerment in Ruiru Constituency.	<u>Independent</u> Capacity building	Trainings attended by youths. Entrepreneurial skills gained	Number of youths awarded certificates Ability to maintain accounts for the business.	Ordinal Ordinal	Descriptive statistics
Timeliness of YEDF loan disbursements and its influence on youth empowerment in Ruiru Constituency.	<u>Independent</u> Timeliness of disbursements	Duration of release of funds	Period elapsing between application and receipt of funds	Ordinal	Descriptive statistics
YEDF project identification and its influence on youth empowerment in Ruiru Constituency	<u>Independent</u> Project identification	Enterprise development Market linkage	How many groups have benefited from Business Incubation and Development Programmes Availability of market for their goods and services	Ordinal Ordinal	Descriptive statistics
	<u>Dependent</u> Youth empowerment	Better standards of living. Greater bargaining power.	Affording to pay for rent, food clothing for self/others. Participation in decision-making forums of society.	Ordinal Ordinal	Descriptive statistics

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis and findings of the study based on the stated objectives of loan disbursement, capacity building, timeliness of disbursement and project identification, and how they influence youth empowerment.

4.2 Questionnaire return rate

From the study population of 233 respondents, 166 respondents filled and returned their questionnaires, constituting 71% response rate. According to Mugenda and Mugenda (2003), a return rate of 50% is considered acceptable, therefore the return rate for this study is deemed adequate.

4.3 Demographic information of respondents

The study sought to determine the demographic information of the respondents by seeking information on gender, age, education, marital status and employment status, with a view to seeing how these factors are manifested and their influence on the findings.

4.3.1 Distribution of respondents by gender

The study asked respondents to indicate their gender since this information will be vital in the analysis of the findings. The findings are in Table 4.1

Table 4.1: Distribution of respondents by gender

Gender	Frequency	Percentage(%)
Male	93	56
Female	73	44
Total	166	100

Based on table 4.1, a return rate of 93 male and 73 female was realized, indicating that there were more male respondents than female. This was expected because most groups were male dominated.

4.3.2 Distribution of respondents by age

The study asked respondents to indicate their age since this will enable the research to is if there is any influence on the findings and this is indicated in table 4.2 .

Table 4.2: Distribution of respondents by age

Age Bracket	Frequency	Percentage (%)
18-23	51	31
24-29	80	48
30-35	35	21
Total	166	100

From the findings, 51 respondents were between 18-23 years representing 31%, 80 were between 24 – 29 years at 48% and 35(21%) were aged between 30 and 35 years. The majority were between ages 24 – 29 years, the age where they are expected to have gone through secondary school and tertiary institutions. Most of those between 18-23 years are still in educational institutions. Those between 30 – 35years are less because most of them have left groups and expanded individual enterprises.

4.3.3 Respondents by Level of education

The study sought to know the level of education of the respondents since this information will assist in the analysis of the findings. The results are in table 4.3

Table 4.3: Respondents by Level of education

Level of education	Frequency	Percentage (%)
Primary	30	18
Secondary	60	36
Tertiary/colledge	44	27
University	28	17
N/a	4	2
Total	166	100

Based on table 4.3, 30 respondents had attained primary education, 60 had secondary; 44 had college education while 28 had attained degrees. Only 4 respondents considered themselves illiterate. It is therefore evident that most group members were adequately educated and could be trained in business management skills.

4.3.4 Respondents by Marital Status

The study sought the marital status of the respondents as a social indicator. The findings are as tabulated on 4.4

Table 4.4: Respondents by Marital Status

Marital Status	Frequency	Percentage(%)
Married	66	40
Single	98	59
Separated	0	0
Divorced	0	0
Widowed	2	1
Total	166	100

According to the return rate, 66 of the respondents were married, 98 were single and 2 were widowed. The high number of single people was expected given the ages of the respondents. However, a significant number of them were married. According to Maslow

(1970) a person seeks to meet his most basic needs first and thereafter moves to the next tier, meaning that a certain level of empowerment had been achieved by many.

4.3.5 Distribution of respondents by employment status

The respondents were asked to state their employment status and the findings are recorded on table 4.5.

Table 4.5 Distribution of respondents by employment status

Employment status	Frequency	Percentage(%)
Self-employed	83	50
Temporary employment	61	37
Permanent employment	22	13
Total	166	100

The findings on table 4.5 indicate that 83 of them were self – employed, 61 were in temporary employment whereas 22 were in permanent employment. According to World Bank (2005) most youth are opting for their own enterprises. This is in response to lack of formal employment with 61% of the unemployed persons in Kenya being the youth (Kenya National Bureau of Statistics, 2012).

4.4 Loan Disbursements

The study sought to find out how loan disbursement affected the empowerment of the respondents. Among the indicators the research wanted to find out how the respondents operated their business, awareness of the disbursement regulations, and adequacy of loan amount and whether there was any economic empowerment.

4.4.1 Distribution of respondents by business operations

The study aimed at finding out how the respondents were operating their businesses. The findings are in table 4.6.

Table 4.6: Distribution of respondents by business operations

Mode of operating business	Frequency	Percentages(%)
Sole proprietor	96	58
Family-owned	25	15
Jointly	45	27
Other	0	0
Total	166	100

The study found out that 96 respondents (58%) operated individual businesses; making up for over half of the respondents. 45 respondents (27%) operated joint business while only 25 respondents (15%) operated family owned businesses. The funding is consistent with other studies that indicate that young people are venturing into individual enterprises.

4.4.2 Disbursement regulations

The study found out that 90% of the respondents were aware of the regulations and requirements that were needed. These included registration certificates and a bank statement among others. However, the majority of the respondent felt that the amount of the 1st loan (Kshs. 50,000) was too little given the prevailing economic conditions. Subsequent loans should also be increased. Two out of the three key respondents were of the opinion that the first loan amount was adequate, but the subsequent loans should be increased and also flexible enough to consider each application on its own merit. One key respondent was of the opinion that even the start-up amount should be increased. All three key informants agreed that subsequent loans should be increased.

When the loans were received, 49% of the respondents used the funds to expand their existing business, while 43% decided to venture into different businesses. The remaining 8% invested in other ways. The findings indicate that the Youth Fund is transforming people's businesses by giving them capital for expansion.

4.4.3 Respondents' economic empowerment

In line with the above observations respondents were asked to indicate whether they felt economically empowered by the funds they received from the YEDF. Their responses are in table 4.7.

Table 4.7 Respondents' economic empowerment

Economic empowerment	Frequency	Percentage(%)
Become self employed	116	70
Support family	25	15
Afford to pay own rent	17	10
Other	8	5
Total	166	100

From the findings 70% of the respondents gauged economic empowerment as having become self-employed, with 15% now able to support their families and 10% able to afford paying their rent. The findings are an indicator of confidence of the young people in business venture and a willingness to take entrepreneurial risks.

4.4.4 Monthly profits made by the group.

The study sought to find out how much profits were made by groups per month. The findings are tabulated on table 4.8.

Table 4.8: Monthly profits made by the group.

Profits (Kshs)	Frequency	Percentage(%)
Less than 2000	43	26
2000-7000	59	36
7000-12000	34	20
More than 12000	30	18
Total	166	100

Majority of the groups made Kshs. 2,000-7,000 per month at 36%. 20% of them made Kshs. 7,000-12,000 per month. This is because groups mostly used Table Banking and in-house lending as a source of profit. On the other hand, the study wanted to know how much each individual entrepreneur made at the end of each month. Half of them reported to earning between Kshs. 3,000 and over 7,000, indicating that individual ventures were making more business than group ventures. This is because those who borrowed from the group invested in their businesses to boost them and make higher profits.

4.5 Capacity building

In order for a business to succeed the person running it must have some form of training to enable them to be successful. Those who have skills are likely to do better in their businesses.

4.5.1 Access to training manuals

The study sought to establish whether capacity building was being carried out by the YEDF so that the youth groups would be in a better position to carry out their businesses. Findings are tabulated below.

Table 4.9 Access to training manuals

Access to training manuals	Frequency	Percentage(%)
Yes	33	20
No	133	80
Total	166	100

From the findings on table 4.9, it is evident that 80% of the respondents are unable to get the training manuals published by YEDF. This is because most of the manuals can only be accessed digitally and few youth have the easy access to the internet that would enable them in obtaining these manuals. Others are too busy to visit cyber cafés, the popular mode of internet access for young people. However, 75% of them indicated that the youth fund staff are always willing to share any information regarding the youth fund, as well as share any incentives on offer. Two of the three key informants felt that more

sensitisation and awareness campaigns should be carried out and more officers sent to the constituencies' levels, so as to ensure more efficient service to the youth.

4.5.2 Training before business

When it comes to business start – ups, some form of training is required in advanced. The research sought to know whether advance training was given. The responses are given in table 4.10.

Table 4.10 Training before business

Training Before business	Frequency	Percentage(%)
Yes	161	97
No	5	3
Total	166	100

According to the findings, an overwhelming majority of 97% indicated that they received training before they began their new businesses. The findings are consistent with the three key informants who indicated that they normally train a new group six times before they give them the funds to start their businesses. This indicates some forms of skills are imparted during the training. The study also found out that this YEDF strategy of training before new businesses were started was considered as a helpful strategy by 78% of the respondents. Of the 22% who responded in the negative, most already had running business.

4.5.3 Enterprise Development initiatives.

The respondents were asked what initiatives they have noted from the Youth Enterprises Development Fund (YEDF) apart from the funds to develop their businesses. Their responses are captured in table 4.11.

Table 4.11: Enterprise Development initiatives

Enterprise Development initiatives	Frequency	Percentage(%)
Training	47	28
Skills development	40	24
Business development	37	22
All the above	20	12
None of the above	6	4
Other	16	10
Total	166	100

From the findings the respondents appreciated training at 28%, skills development at 24% and business development at 22%. This indicates that capacity building is necessary for business to succeed, and the youth recognizes it. In relation to this 78% of the respondents felt that their quality of life had improved as a result of the loans and the skills they obtained from YEDF.

4.6 Timeliness of Disbursement of YEDF loans

The study wanted to establish if the time it took to receive the loans had any influence on the respondents' business and therefore their empowerment. The findings are captured in table 4.12.

Table 4.12 Duration before loan approval

Duration before approval	Frequency	Percentage(%)
Two weeks or less	8	5
Three weeks	35	21
One month	81	49
Two months	25	15
other	17	10
Total	166	100

Majority of the youth groups had to wait for one month or more to get their loans at 74%. The approval and disbursement duration has greatly affected both the businesses and the group dynamics. The approval time has made business slower due to inadequate capital to boost the businesses. At the same time, some members wait too long to the point of losing faith in getting the funds, and some quit the group altogether. The findings are in tandem with the opinions of the three key informants. They unanimously agreed that delays in loan disbursements were major obstacles to effective youth empowerment. Two of the key informants were of the opinion that the process of vetting and approval should be devolved to regions and constituencies where the officers know these groups better. Proper staffing at regional levels would lead to more efficiency in the whole process thereby reducing delays and giving timely feedback to the youth.

However, for those who are finally able to obtain the funds, 94% of them responded that they are always able to pay their loans instalments on time. The three key informants said that most groups meet their goals and objectives, including paying the loan on time. Information obtained indicates that some groups have already cleared the first loan and have successfully obtained the second loan.

4.7: Project Identification

Table 4.13: The extent to which respondents agreed with these statements regarding project identification of youth-run businesses.

Statement	Strongly agree	agree	neutral	disagree	Strongly disagree
The Youth Fund assists the youth groups to come up with the most suitable business ventures.	54(32%)	86 (52%)	16 (10%)	5(3%)	5(3%)
The government recognises the youth who come up with innovative ideas.	32(19%)	70 (42%)	46 (28%)	12 (7%)	6(4%)
The business Incubation and Development programme offers practical help to those youth who have innovative ideas.	38(23%)	32 (19%)	80 (48%)	10 (6%)	6(4%)
There is always adequate follow-up by an officer after the loans have been disbursed.	36(21%)	71 (43%)	33 (20%)	18 (11%)	8(5%)
The government links youth groups to markets where they can sell their products and services.	11 (7%)	54 (32%)	59 (36%)	32 (19%)	10(6%)
We always know where to obtain information about similar products being made by other youth groups	11 (7%)	80 (48%)	38 (23%)	26 (15%)	11(7%)
We have been encouraged to have a platform for marketing and networking nationally and internationally.	32(19%)	70 (42%)	20 (12%)	28 (17%)	16(10%)

CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND
RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the findings, the discussion of the study findings, the conclusion and the recommendations that were made after data analysis was made. The chapter also gives suggestions for further research that can be carried out in relation to this research.

5.2 Summary of findings

From the analysis the study established that there is not much disparity in terms of the gender of respondents in the youth groups since 56 % were male and 44% were female. None of the groups were exclusive to any gender. The response rate was at 71.02% with 166 out of the 233 respondents filling out the questionnaire. The majority of the respondents were between the ages of 24-29 years at 48%, and 50% of the respondents are self-employed, meaning that the young people are embracing self-employment as opposed to waiting strictly for formal employment. Findings on levels of education indicated that at least 98% of them had primary school education, and quite a number among the respondents had attained university education. From the findings of loan disbursements, the respondents felt that although the loans were interest free and had a grace period, the amounts were inadequate due to the harsh economic conditions and wanted the initial amounts increased. They also felt that capacity building was not adequately done and did not have the expected outcome. They need better access to the training manuals and vital information dispensed through mass media. On timelessness of the disbursements, the findings indicated that the loans took too long to be disbursed and this disrupted their plans in terms of stock addition or taking advantage of new business opportunities. Findings on project identification point out that although the government is trying to help the youth come up with suitable businesses through mentorship programmes, the effort has not been sustained and it has not brought tangible results. More could be done.

Overall, the findings indicate that the Youth Enterprise Development Fund has helped to empower the youth in Ruiru Constituency, by making them empowered economically as well as socially. It is hoped that with the implementation of strategies such as enterprise development and market linkage, that the youth will realize greater benefits.

5.3 Discussion of the study findings

From the findings of loan disbursement, it was evident that a vast majority of the respondents were aware of the requirements needed before any loan was given. However, 90% of the respondents felt that the loan amount given was not adequate, considering that the first loan was only Kshs.50, 000. Almost all of them appreciated that the loans are interest free and that a grace period is given before commencement of payments, giving them time to establish and observe the business trend.

Most of them said that the loans helped to empower them economically, with most of them able to start their own businesses and even support their families. Group profits were not as high as individual banking because most groups used the loans obtained to operate Table Banking, lending to individual members within the group. However, since most individuals had sole businesses, they realised greater profit at the end of each month. From the literature review, Curtis (2008) argues that one of the four empowerment assets involves providing the opportunities and means for the youth to empower themselves. This means that capital must be availed to the youth. In order to start income- generating enterprises, and transform their lives economically and socially, the youth must be given some form of capital (World Bank, 2002). The African Union Commission talks of empowerment as having enabling conditions that help the youth. Such conditions include adequate resource allocation for the youth (African Union Commission, 2010).

In terms of capacity building, the findings indicate that although staff members are willing to share information, a great number of the youth are unable to access training manuals, because most of these manuals are on the digital platforms. Almost all the respondents received some training before they obtained the loans and they concur that

the training helped them in their businesses, especially in book-keeping skills. However there is need for more training to be carried out in areas of both business and skills development. The findings are consistent with the literature review that points to a lack of post-education skills and knowledge (Ashraf, 2008). In addition to this, there is the mismatch of skills required in the labour market, leading to poor performance in job (ILO, 2013). The youth must be equipped with the requisite skills and taught vital business skills such as book – keeping (Zimmerer & Yasin, 1998).

There was a general feeling among the respondents that the loan disbursement period took too long, and those who needed to re-stock their businesses or take advantage of a business opportunity such as urgent tenders were disenfranchised. Other group members became impatient, leading to some members giving up and pulling out of their groups. Overall, a vast majority of groups were able to pay their loan instalments on time and most respondents gave the Youth Fund a fair rating in terms of its capacity to empower them. In order to empower the youth, then timely loan disbursements must be made. This will help in smooth flow of business. For a project to be successful, the scope must be diligently observed (PMBOK, 1996). A delay affects all the processes and the outcome is likely to be less than expected. Timeliness of project implementation and execution is a key factor in the achievement of youth empowerment, as outlined in the Millennium Development Goals (Kenya Vision 2030).

When it comes to project identification, the success of a business is not just in starting one, but in starting the right business (World Bank, 2005). From the findings, 97% of the respondents appreciated the training they received before business start-up. However they need the training manuals available online to be available at constituency levels for easier access. In addition, when a young person came up with an innovative idea, the government was not doing enough to assist either by giving funds or helping to develop the idea or even patent it. As a result, most youth were losing good opportunities to those with funds to develop them into viable businesses. The young people have information about similar products and services, mainly through media platforms but a good market for their products and services is not readily available. There is no central platform where

goods and services can be marketed both locally and internationally and each group or individual has to struggle to find market on their own. Business performance is measured in part on market share and how the products translate to profits (Neely and Austin, 2002).

5.4 Conclusion

From the findings, the study concludes that the youth in Ruiru Constituency have been able to obtain loans from the Youth enterprise Development Fund and embarked on starting their own business. From their responses, they have been empowered economically by being able to sustain and expand business; socially by being able to marry and support their families and they have obtained vital skills to help them in future endeavours. However, better training needs to be done, and innovative ideas must receive greater government support if there is to be value addition to the youth-based business.

5.5 Recommendations

From the findings and conclusion, the study recommends the following;

1. That more awareness must be created through mass media and other social forums where all youth can be reached. Selected institutes and colleges can be appointed as Youth Fund Ambassadors in all counties, so that all youth even in the rural areas get equal opportunity. Frequent forums at every county must be held so that the youth can exchange ideas, and best practices are shared.
2. The duration of release of funds should be shortened so that the youth can take advantage of the special Government Tenders that are reserved for them. Though it is not always possible to reduce cost of doing business due to market, the youth can be encouraged and assisted in creating value addition to their businesses, thereby getting better profits.
3. The loan amounts can be increased at the discretion of the Government so that the youth have sufficient funds to set up and expand their businesses. Flexibility in giving subsequent loans should also be considered especially where the youth are carrying out a special project.

4. At the same time, there should be a centralised platform where the youth can register their innovations and get tangible and substantial help from both the Government and private sector players. These innovations should be promptly patented and intellectual rights protected for posterity.

5.6 Suggestions for Further Research

1. Carry out research on individual borrowers of Youth Enterprise Development Fund to find out if the funds are empowering them
2. Carry out further research on those groups that have borrowed from YEDF to gauge the sustainability of these groups and the long term impact of the Fund.

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APPENDICES

Appendix I: Letter of Transmittal

University of Nairobi
Extra Mural Department
P.O Box 30197-00100
Nairobi.

Dear Sir/Madam

RE: RESEARCH STUDY ON YOUTH EMPOWERMENT IN RUIRU CONSTITUENCY

I am a student at the University of Nairobi, pursuing a Master of Arts degree. I am undertaking a study that seeks to investigate the **Influence of Youth Enterprise Development Fund on Youth Empowerment in Ruiru Constituency, Kiambu County, Kenya.**

This is a request to you to participate and provide vital information by responding to the attached questionnaire. Participation is voluntary, and frankness and honesty are encouraged. There is no right or wrong answer. The information you give will be treated with strict confidentiality, and used for academic purpose only.

Thank you.

Yours Sincerely,
Esther Ndirangu.
0722-423664

Appendix II: Questionnaire to the respondents

Instructions: Please Tick (√) or fill in the appropriate answer in the spaces provided.

Section A: Demographic Information.

1. Gender

Male-() Female-()

2. Age Bracket

i) 18-23 ()

ii) 24-29 ()

iii) 30-35 ()

3. Level of education

i) Primary ()

ii) Secondary ()

iii) Tertiary/College()

iv) University()

4. Marital status

i) Single()

ii) Married()

iii) Separated/divorced()

iv) Widowed()

5. Employment status

i) Self-employed ()

ii) Casual/temporary employment ()

iii) Permanent employment. ()

Section B: Loan disbursement

6. Do you operate a business? Yes () No () if yes, is the business operated as,

i) Sole proprietor ()

ii) Family-owned ()

iii) Jointly ()

iv) Other (specify) ()

7. How have you used the loans obtained through YEDF? (Tick one)

- i) Expand the business()
- ii) Change of business()
- iii) Others (Specify) ()

8. How have the loans helped to empower you economically? (Tick one)

- i) Have become self employed ()
- ii) Can afford decent meals()
- iii) Can afford to support my family()
- iv) Can now afford to pay my own rent()
- v) Other (specify)

9. How much profit on average do you, as a group make at the end of each month?

- i) Less than 2,000Kshs
- ii) 2,000- 7,000 Kshs
- iii) 7,000-12,000 Kshs
- iv) Over 12,000 Kshs

10. On average, how much does an individual take home at the end of the month?

- i) Less than 1,000 Kshs
- ii) 1,000-3,000 Kshs
- iii) 3,000-5,000 Kshs
- iv) 5,000-7,000 Kshs
- v) Over 7,000 Kshs

Section C: Capacity Building

11. Have you been able to access the training manuals that are published by YEDF? Yes () No ()
If yes, do you find them relevant to your situation or business-----

12. Are YEDF staff willing to share information with regards to the successful youth groups as an incentive? Yes () No ()

13. Were you given any training in starting a business before you started your business? Yes ()
No ()if yes, how did it help you -----

14. Are the strategies in place by the YEDF helping improve the youth's entrepreneurial skills?
Yes() No () If yes, how? -----

15. Apart from loans, what other initiatives have you noted from YEDF?

- i) Training()
- ii) Skills development()
- iii) Business development()
- iv) All the above()
- v) None of the above()
- vi) Others (specify) ()

Section D: Timeliness of disbursements of YEDF loans

16. How long does it take for the Application process to the time its approval?

- i) Two weeks or less ()
- ii) Three weeks ()
- iii) One month ()
- iv) Two months ()
- v) Other (specify) ()

17. How does the approval duration affect the business you are carrying out? -----

18. What is your opinion of YEDF in empowering youth?

- i) Excellent ()
- ii) Good ()
- iii) Fair ()
- iv) Poor ()

19. Are you always able to pay your loan instalments on time? Yes () No ()

20. What do you recommend as a way of addressing the challenges facing the Kenyan youth?-----

SECTION E: PROJECT IDENTIFICATION

To what extent do you agree with the following statements regarding project identification of youth-run businesses?

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The Youth Fund assists the youth groups to come up with the most suitable business ventures.					
The government recognises the youth who come up with innovative ideas.					
The business Incubation and Development programme offers practical help to those youth who have innovative ideas.					
There is always adequate follow-up by an officer after the loans have been disbursed.					
The government links youth groups to markets where they can sell their products and services.					
We always know where to obtain information about similar products being made by other youth groups					
We have been encouraged to have a platform for marketing and networking nationally and internationally.					

Thank you

Appendix III: Interview Schedule

Instructions: Please Tick (✓) or fill in the appropriate answer in the spaces provided.

Section A: Demographic Information.

1. Gender

Male-() Female-()

2. Age Bracket

i) 18-23 ()

ii) 24-29 ()

iii) 30-35 ()

iv) Above 35 years ()

3. Level of education

i) Primary ()

ii) Secondary ()

iii) Tertiary/College ()

iv) University ()

Section B:

4. In your view, has the YEDF helped the youth in uplifting their standards of living? If so, how?

5. In your opinion is the loan processing period adequate? Yes () No (). If not, what can be done to be more efficient?-----

6. In your view, are the policies and guidelines of the YEDF friendly to the loan applicants? If not, what should be amended to improve them?-----

7. In your opinion, do the youth groups always meet their goals and objectives as set out in their application forms?-----

8. Do you consider the initial loan amount adequate considering the number of people required per group?-----

9. Has the government done enough to educate and inform the youth of the availability of the YEDF? If yes how?-----

10. For the unsuccessful applicants, what can be done to ensure they are not left out?-----

11. When you do the reviews of the follow-ups, how do you rate the overall impact of the YEDF on youth empowerment in Ruiru Constituency in the mid-term?

- i) Excellent ()
- ii) Good ()
- iii) Fair ()
- iv) Poor ()

12. When it comes to Enterprise development, do you feel the Youth Fund is really encouraging innovations by the youth ?If so, how-----

13. In your opinion, is marketing of the products a hindrance to growth of enterprises? If so, what can be done-----

14. What general suggestions would you offer that would make the YEDF more effective and efficient?-----

Thank you.

Appendix IV: List of Target Groups and Their Businesses

<u>Name of Group</u>	<u>Type of Business</u>
Bidii Self Help Group	Pig Rearing
Broom Youth Group	Cyber Cafe
Corporate Achievers	Online Businesses
Creative Development	Entertainment Industry
Daylife Women Group	Construction
Deliverance Youth Group	Motorcycle Transport
Exodus Smart Group	Motorcycle Transport
Faith United Group	Firewood Suppliers
Gatongora Focused Group	Motorcycle Transport
Githurai 45 Shoe shiners	Shoe Shine Business
Githurai Kimbo Group	Garbage Collectors
Githurai Maize Marketers	Maize Wholesalers
Githurai Pioneer Group	Second-Hand Clothes Dealers
G-Link Youth Group	Table Banking/ Individual Small Businesses
G-Poa Welfare Group	Chemists
Hisa 200	Matatu Owners/ Wholesale Cosmetics
Integrated Farmtech Welfare	Pig Rearing
Investors Youth Group	Cosmetics Wholesalers
Jubilee Long Rangers	Motorcycle Spare Parts
Kihunguro Muslims Group	Hawking
Mathioya Youth Group	Construction
Mount-Up Joint Youth Group	Potatoes' Wholesalers
Muoroto Murera Youth Group	Greenhouse Farmers
Mwanzo Mwema Group	Table Banking/ Individual Small Businesses
New Githurai United	Tailors
New High Vision	Charcoal Dealers
Nyawenori Self Help Group	Sweater Making
Rainbow Disabled Group	Table Banking/ Individual Small Businesses
Ruiru Small Traders	Supermarket
Sauski Youth Group	Mushroom Farming
Skyline Youth Group	Second-Hand Clothes Dealers
Super Ten Group	Taxi Operators
Vision Leo Self Help Group	Managing Public Washrooms
Weiyasa Self Help Group	Potatoes' Wholesalers
Work Finishers	Furniture Making
Young United Entrepreneurs	Sacco

Appendix V: Research Permit from YEDF



Unleashing Potential

YOUTH ENTERPRISE DEVELOPMENT FUND BOARD

Our Ref: YEDFB/CEO/029/14

Date: 08/07/2014

Mrs. Esther Ndirangu
P.O Box 50638 - 00200,
Nairobi, Kenya.

Dear Madam,

RE: AUTHORITY TO CONDUCT RESEARCH

I acknowledge receipt of your request to undertake a research study entitled "*The Influence of Youth Enterprise Development Fund on Youth Empowerment in Ruiru Constituency, Kiambu County, Kenya*".

This is to inform you that your request has been approved. Accordingly, you are requested to liaise with the Research Unit and the Fund's Nairobi Region Officers at Lonrho House 14th Floor for your basic orientation and facilitation to access the necessary information for your research study.

You are further advised to share with us your findings by sending us a copy of your final thesis duly signed by your college supervisor.

Wishing you success.

Yours

for CATHERINE NAMUYE
Ag. CHIEF EXECUTIVE OFFICER

Cc: **Research & Policy Unit - YEDFB**
Regional Co-ordinator – Nairobi Region

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