

**EFFECTIVENESS OF YOUTH EMPOWERMENT FUNDS IN RACHUONYO
DISTRICT OF HOMABAY COUNTY**

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DECLARATION

This research project is my original work and has not been submitted for another degree qualification of this or any other university.

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

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DEDICATION

In Memory of Dr. Pius Mutie, R.I.P.

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ACRONYMS

MOYAS-	Ministry of youth affairs and sports
YEDF-	Youth enterprise development fund
YEFs-	Youth Empowerment Funds
NGOs-	Non-governmental organizations
DFRSD-	District Focus for Rural Strategy Development
DFRD	District Focus for Rural Development
CBF-	Constituency bursary fund
HIV-	Human immunodeficiency virus
AIDS-	Acquired immune deficiency syndrome
CDF-	Constituency development fund
LATF-	Local authority transfer fund
FPE-	Free primary education
FSE-	Free secondary education
RAMLF-	Roads maintenance levy fund
REPF-	Rural electrification programme fund
WSTF-	Water services trust fund
PELF-	Poverty eradication fund
NYP-	National youth policy
GOK-	Government of Kenya

MFI	Micro finance institutions
KPPRA	Kenya Institute for Public Policy Research and Analysis
SACCO	Savings and credit co-operative society
C-YES	Constituency youth enterprise scheme
C-WES	Constituency women enterprise scheme
MDGs	Millennium Development Goals
UNDP	United Nations Development Programme
PPOA	Public procurement oversight authority
DF	Devolved funds
PRA	Participatory rural appraisal
IEC	Information education communication
GEM	Global employment monitoring

ABSTRACT

According to the Kenya Institute for Public Policy Research and Analysis (2012) youth in Kenya face serious challenges, including high rates of unemployment and underemployment. The Government of Kenya continues to support the Youth empowerment Funds in providing youth with access to finance for self-employment activities and entrepreneurial skills development. This study set out to establish the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County. The study used descriptive survey research design. The design is also suitable since it helped to describe the state of affairs as they exist without manipulation of variables which was the aim of the study. The location of the study was Rachuonyo District of Homabay County. The study had a target population of 1200 youths registered under the youth empowerment funds in Rachuonyo District. The study used cluster sampling technique and simple random sampling technique in obtaining its sample. The questionnaires were used to collect data from youths while an interview guide was used to obtain data from the key informants who consisted of four district officers from each of the four divisions constituting Rachuonyo District, YEF coordinator, one district commissioner, and four government officials from the ministry of devolution and planning. The study was based on primary data which was both quantitative and qualitative data. In analysing the quantitative data, the study used descriptive statistics where frequencies, percentage, measures of central tendency (mean) and measures of dispersion (standard deviation) were applied. This was with the help of SPSS (Version 20). On the other hand, qualitative data from open ended questions was analysed using content analysis, through developing a thematic framework from the key issues, concepts and themes emanating from the open ended questions. From the study findings, the study concludes that there exist different kinds of youth empowerment funds in Rachuonyo District namely; Youth Enterprise Development Fund, Uwezo Fund, NGO related funds and County Development Fund. However, the YEFs were largely inadequate and unreliable, the youths had a negative perception towards the YEFs. The study further concludes that although youth empowerment funds play a critical role in helping the youths, they were not effectively managed to achieve optimal youth empowerment as envisaged. The study recommends that the government and other stakeholders should increase the budgetary allocations to the YEFs in order to enhance the availability, adequacy and reliability of the funds. The funds be managed in a more transparent manner, youths be trained on entrepreneurial skills and on the requirements for access to the YEFs. The government and other stakeholders should scale up the YEFs and ensure ease access to the funds by the bonafide youth groups. In addition, the government should take efforts to eliminate unnecessary long bureaucratic procedures for the application of the funds.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Devolution or decentralization has been one common requisite for addressing a wide range of issues such as economic inefficiencies, macroeconomic instability, governance deficiencies, and poor delivery of public services (Akai and Sakata, 2002). According to Bossert and Beauvais (2002), decentralization is pursued for a variety of reasons: technical, political, and financial. On the technical side, it is a means to improve administrative and service delivery effectiveness. Politically, decentralization usually seeks to increase local participation and autonomy, redistribute power, and reduce ethnic and/or regional tensions. On the financial side, decentralization is invoked as a means of increasing cost efficiency, giving local units greater control over resources and revenues, and sharpening accountability.

Decentralization has played major roles in the history of many societies. In Latin America, the process of decentralization took place in three stages: firstly, these countries began by implementing de-concentration; secondly in the 1980s, the countries decentralization was enhanced through devolution of power. Thirdly, in 1990s, decentralization was enhanced by a wave of democratization (Olowu, 2001). In Europe, local authorities have been considered as major centre of authority. However, two different visions of the role of local authorities influenced European countries' forms of decentralization. According to the Anglo-Saxon system, that influenced Northern Europe (Great-Britain, Norway, Denmark), decentralization is service-oriented and local authorities are in charge of implementing central government policies. French system which is the other version, which also applies in Belgium, Luxembourg, and Italy, power, is highly decentralized and local authorities are under the state. For Anglo-Saxons, decentralization is a political process that consists of transferring power and resources from the central government to local authorities or private corporations. As such, actors of decentralization include local institutions, communities, non-governmental organizations (NGOs), associations and private firms.

In Africa, colonialism has had a profound and lasting impact on the development process. While pre-colonial period in Africa was characterised by kings or traditional leaders representing basically all authority, during the colonial and immediate post-colonial periods, governance was structured and practiced in a highly centralized manner. The colonial styles of the British and French, for example, created fundamentally different systems of ethnic stratification, which left contrasting legacies for post-colonial governance whereby development was skewed towards regional origins of those in power. Specifically, the indirect, decentralized rule of the British in countries like Nigeria fostered decentralized governance while the legacy of the centralized French style approximated a centralized system. This was followed by military dictatorship in several African countries whereby governance was personalized and in search for inclusive, involving, and participatory governance, decentralization was considered in many countries in Africa, especially since the mid 1980s (Blanton, Mason and Athow, 2001).

Uganda for example has experienced decentralization both as a system and process of devolution of power from the central to local authorities. Historically, three main phases of decentralization can be distinguished (Emorut, 2006). In the first phase (1955 to 1964) a strong local administration system was created in the context of a weak center. The second phase (1964 to 1985) featured a recentralization of power and severe weakening of local administration. The third phase (1987 to date) has been characterized by significant devolution of power to local authorities through programs to strengthen local government systems (Bagaka, 2008).

In Kenya, several efforts have been made to reduce unnecessary layers of government to make service provision to the populace more effective. After independence, administrative structures were established with centrally appointed administrators, inherited from the colonial regime resulting in mistrust between Central Government and the people who needed decentralized system (Bagaka, 2008). Soon after independence, the first attempt towards decentralization was in 1964 with the establishment of the neo federal (Majimbo) constitution which created regions to which local authority were supposed to be responsible. However, the new constitution

was never implemented (Republic of Kenya, 1995). Another attempt towards decentralization was made in 1969 with the establishment of National Rural Development, meant to address needs of people in the rural areas (Occasional Paper No. 8, 1982). However, this program did not meet the intended objective. As a result, between 1983 and 1984, District Focus Strategy for Rural Development (DFSRD) was launched with a focus to strengthen co-ordination of development activities including planning and implementation of projects in rural areas by making districts the central units for rural development. While the strategy has been implemented, it has, however, failed to meet its intended objectives; namely, planning for regional balance and rural-urban linkages; improving administration of district planning and project implementation, and rationalising finance and budget management systems (Okungu, 2008).

Currently, there are various institutionalized devolved funds. Funds within the constituencies are Constituency Bursary Fund (CBF) meant for needy students, Constituency HIV/AIDS Fund to support the living conditions of those infected by the HIV virus and Constituencies Development Fund (CDF) meant for promoting development within the constituency. Those funds are given to improve service delivery, financial management and reduce the outstanding debt of local authorities, Free Primary Education Fund (FPE) and Free Secondary Education Fund (FSE) meant to reduced educational access or disparity, Roads Maintenance Levy Fund (RAMLEF), Rural Electrification Levy Fund (REPLF) and Water Service Trust Fund (WSTF) to improve infrastructure in rural areas. Women Enterprise Fund (WEF), Youth Enterprise Development Fund (YEDF) and National Development Fund for Persons with Disability and Poverty Eradication Loan Fund (PELF) were meant to support business initiative by women, the youth and disabled persons respectively (Ogolo, 2009).

1.1.1 Youth Funds

The youth represents 30 percent of Kenya's population and their unemployment is twice the country's average. Almost one third of Kenyans are between 15 and 29 years, and the total reached almost 11 million people in 2006 (compared to 8.5 million

in 1999). According to the KPIA this age cohort is now at a historical high (in absolute and relative terms) Youth in Kenya face serious challenges, including high rates of unemployment and underemployment. The overall unemployment rate for youth is double the adult average, at about 21 percent. Statistics on joblessness suggest that the magnitude of the unemployment problem is larger for youth with 38 percent of who are neither in school nor work (aggregating the rates of reported unemployment and inactivity). In addition, the Country Social Analysis found that youth's unemployment, especially among males, is a major contributor to frustration and tension, in particular in urban areas. Clearly, unemployment among the youth has now become a matter of serious policy concern in the country. Evidence from previous analytical work shows that lack of action on the challenges that affect youth will escalate both the social and economic costs of development in Kenya (Tombo, 2008).

The GoK developed a "Marshal Plan" for youth unemployment in 2007, emphasizing the importance of a coordinated and multi-sectoral approach to addressing the problem of youth unemployment and youth idleness. The GoK continues to support the Youth Enterprise Development Fund (YEDF), established in 2006 in providing youth with access to finance for self-employment activities and entrepreneurial skills development. Kenya's own Vision 2030 strives to: reduce the number of people living in poverty and guarantee equality of opportunities; increase the opportunities for youth, women and disadvantaged groups; and improve delivery of social services (including water, education etc) among others. The National Youth Policy, launched in 2006, further seeks to guide and mainstream youth related interventions in the country (Ministry of Youth Affairs, 2009).

1.2 Problem statement

Although the YEDF takes a relatively small amount of national resources (i.e 2.5% of government's ordinary revenue collected every year) its impact can be significant if the funds are efficiently utilized (Alemayehu, 2009). The policy has put emphasis on certain strategic areas starting with employment creation. The priority groups are youth with disability, street youth, youth infected with HIV/Aids, female youth,

unemployed youth, in-and-out-of-school youth. However, the jury is still out to determine how much the policy has achieved so far.

While the fund was a good initiative, comprehensive research lacks on how much it has achieved in job creation or it is just a fad and a political gimmick aimed at enriching a few youth and forming an institutional ground on which the key players embezzle funds. Despite the good performance within only one year of its operation, the Fund has faced various problems in its attempt to mitigate unemployment in the country. The challenges included are that many young people lack entrepreneurial skills, lack of credible Financial Intermediaries in some areas of Kenya, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration among others.

According to Alemayehu (2009), YEDF has faced other problems of government interference impacting negatively on its purpose. These problems are compounded by allegations of misappropriation of the funds resulting in minimal impact in job creation. The afore-mentioned challenges are depicted to be the cause of inefficiency on realizing the intended mission of the YEDF in creating employment. This is evident from the increasing number of unemployed youths in the country day after day. The unemployment problem has continued to cause disillusionment among the youth despite the introduction of the YEDF. This has partially been caused by the young people being unable to access capital due to bureaucratic legal requirements for business registration among others. Further obstacles include lack of business expertise (Alemayehu 2009).

Unemployment has been a major challenge for many governments of the World. The developing countries have been most affected by this socio-economic problem. This has affected the youth more profoundly and as a result, governments, public benefit organizations, and the civil society continue to struggle in developing policies that will help alleviate this problem. Developing countries have devised mechanisms to enable them address youth unemployment that include initiation of a Youth Fund to offer credit to the youth. In Kenya, the problem has been so acute that it may curtail

the realization of the Vision 2030 and the Millennium Development Goals (MDGs) (UNDP, 2011).

According to Kamau (2013) the youth unemployment index of Rachuonyo District of Homabay County of 55% supersedes the national index of 51%. This implies that the youth bulge contributes to the rise of many youth who cannot be assimilated in the shrinking job market both within the district and outside. In addition, the uptake of YEDF by the youths in Rachuonyo District was 22% and therefore, majority of the youth empowerment funds were returned to the national treasury as youths in Rachuonyo District failed to successfully apply for these funds. The fund has supported youths with projects in the agricultural, fishing and social sectors within the Rachuonyo District. It would therefore be critical to establish the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County. Even though the devolved funds has faced many the challenges of misappropriation and government interference impacting negatively on its purpose, no study has been done on its effectiveness in mitigating unemployment. Thus there was a research gap on the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County.

1.3 Key Research Questions

The study sought to answer the following research questions;

- i. Which youth empowerment funds are available in Rachuonyo District of Homabay County?
- ii. What are the perceptions of the youth towards youth empowerment funds in the Rachuonyo District of Homabay County?
- iii. Which youth groups have benefited from the youth empowerment funds in Rachuonyo District of Homabay County?
- iv. What challenges confront the youth empowerment funds and what should be done about it in Rachuonyo District of Homabay County?

1.4 Objectives of the study

The study was guided by the following objectives:

- i. To identify the empowerment funds that exists for the youths in Rachuonyo District of Homabay County.
- ii. To establish the perceptions of the youth towards youth empowerment funds in the Rachuonyo district of Homabay County.
- iii. To determine the youth groups that have benefited from the youth empowerment funds in Rachuonyo District of Homabay County.
- iv. To establish the challenges facing the empowerment funds and what should be done about it in Rachuonyo District of Homabay County.

1.5 Scope and limitations of the Study

This study was confined to the effectiveness of youth empowerment programmes in Rachuonyo District Kenya.

The study explored the empowerment funds that exist for the youth, perceptions of the youth towards youth empowerment funds, youth groups that have benefited from the youth development funds, challenges facing the empowerment funds and ways to deal with these challenges. Rachuonyo District formed the geographical scope of the study; therefore any generalization of the results was confined to the district.

1.6 Justification of the study

Development thinkers and policy makers have increasingly been concerned with income generation and distribution, employment creation and the drawbacks of rural development in developing countries. This has necessitated the revitalized interest in the role of youth empowerment funds in the process of economic development (Alemayehu, 2009).

A lot has been said about the involvement of governments, charity organizations and other NGO's in community development practices. There is a lot of debate about the purposes of participatory democracy and group involvement, which is the core advocacy of community development work. Community engagement and empowerment are often used Inter-changeably. However, each of these concepts support that the members of local communities have a "right" role to play in the community's decision making (Aspen, 2008). This study therefore brought to the fore on the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County, by highlighting youths participation in group involvement, income generation and distribution, employment creation and in the rural development.

The government would gain insights on how to effectively implement and manage the devolved funds earmarked for the youths. The government would also derive important suggestions to incorporate while formulating the policies governing the implementation of youth empowerment funds.

The findings of this study would help the policy makers in the National Treasury in coming up with regulatory framework that embraces best practices in implementation of youth empowerment funds. The study identified ways of implementing the youth empowerment funds to increase the uptake of the youth fund as well as its proper utilization by the targeted beneficiaries.

This study would contribute valuable information on the effectiveness of youth empowerment funds in Kenya. The study would increase the body of knowledge on solving the bottlenecks in the uptake of devolved funds in Kenya by the youths and therefore it would be a useful point of reference for further studies to other scholars.

1.7 Definition of key Terms

Entrepreneurship: is a process through which individuals identify opportunities, allocate resources, and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change with the aim of making profit (Lundstrom, 2005).

Devolved funds: this is the budgetary allocations from the government to specific targeted beneficiaries with the aim of uplifting their economic status effectively meet the local need of community empowerment (Akai and Sakata, 2002). In this study the devolved funds involved will be YEDF.

Bureaucratic Legal Requirements: Refers to laws, rules, and regulations that must be followed to start and run a business. Almost every aspect of your business is under some form of legal ruling. Specific forms, licenses and other documentation must be filed with state and local government offices in order to begin.

Loan: Is a financial transaction in which one party (the lender) agrees to give another party (the borrower) a certain amount of money with the expectation of total repayment. The specific terms of a loan are often spelled out in the form of a promissory note or other contract.

Youth perception towards youth fund: This refers to the youths' attitude towards the benefits they are likely to derive from the youth empowerment funds. A positive attitude would mean that the youths are willing to apply for the empowerment funds as they understand them to be crucial in uplifting their living status. On the other hand, a negative attitude means that the youths are unlikely to apply from the empowerment funds as they do not think that the funds would help them to initiate viable business as terms and conditions of these funds might be unfavourable to the youths.

CHAPTER TWO: LITERATURE AND THEORETICAL REVIEW

2.0 Introduction

This chapter reviews the key thematic factors influencing the effectiveness of youth empowerment funds. The factors reviewed include lack of entrepreneurship skills, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration. The chapter also gives the theoretical and conceptual frameworks on which the study is based.

2.1 Youth Enterprise Development Fund

The Youth Enterprise Development Fund (YEDF) was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. This is in realization of the fact that availability of youth empowerment funds is critical to the economic development of youths in the country. The loan targets all forms of youth owned enterprises whether owned individually, as a company, in groups, in cooperatives or any other legal forms of business ownership; Seventy five percent (75%) of those unemployed are the youth. The government set aside Kenya shillings One billion (Kshs. 1 billion) in the 2006/07 budget to fast-track this noble and timely initiative (Ministry of Youth Affairs 2010). The Fund was gazetted on 8th December 2006 to provide the necessary legal framework to govern its use and operations. The Fund facilitates youth employment through enterprise development and structured labour export (GoK Economic Survey Report, 2011).

The objectives of the YEDF are; provide loans to existing micro-finance institutions (MFIs), registered non-governmental organizations (NGOs) involved in micro financing, and savings and credit co-operative organizations (SACCOs) for on-lending to youth enterprises; attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; and facilitate employment of youth in the

international labour market (YEDF guide,2009). Minimum conditions for accessing the Fund include; one must fall in the age bracket of 18 to 35 years and Kenyan, one must have the intention of investing the Fund in a business venture, the Fund is a loan and must therefore be repaid and any form of legally registered organization or firm operating in Kenya. YEDF is coined as the financial service rendered to the deprived group of the people and small entrepreneurs to help them in developing self-employment opportunities and various income generating activities.

2.2 Entrepreneurship Skills vis a vis YEDF

Entrepreneurship training and provision of appropriate business development services are keys to the YEDF achievement of its mandate. Besides ensuring that the youth have adequate entrepreneurship skills, it also assets them in identifying and tapping into business opportunities that are readily available in the market, while embracing modern business management techniques. The fund has made tremendous progress in this area, by training over 150,000 youth on entrepreneurship. Some of the trainings have conducted in partnership with other financial intermediaries. On the other hand, over 500 Ministry of Youth Affairs field based officers have undergone entrepreneurship training course to enable them equip young people at the grassroots with relevant skills acting as trainer of trainers. In line with entrepreneurship trainings, the fund supported a business plan competition in which over 6,000 youth entrepreneurs were trained and winners awarded. In year 2009 the fund supported another business plan competition which thousands were trained and winners awarded. Some of the beneficiaries of the business plan competitions have started viable enterprises which have employed hundreds of youth. The Fund has partnered with Public Procurement Oversight Authority (PPOA) to sensitize over youth in public procurement processes. This aimed at creating awareness among youth on what they need to do in order to benefit from government procurement.

2.3 Loans taking culture vis a vis YEDF

According to Tombo (2008) the money given to the youths by the financial institution is difficult to access since they had stringent measures that most of the youths do not

meet. The presence of such stringent measures and failure by the youth and women to meet such conditions of make them disinterested in seeking the funds. There is need for the ministry to look into ways of increasing uptake of the fund. Access to formal finance is poor because of the high risk of default among the youths and women due to inadequate financial facilities. Most of them rarely meet the conditions set by financial institutions, which see youths and women as a risk because of poor guarantees and lack of information about their ability to repay loans. There are many reasons that make youths and women to fear taking loans including credit form of YEDF. Some of the main reasons include high interest rates, collateral requirement, and delays in processing, lenders demanding group borrowing rather than individual borrowing, lack of transparency where conditions and requirements are not shown in advance, corruption. This in turn negatively impacts on the growth of youth run business enterprises.

Loan security is one of the important aspects of credit. Most lending to small-scale enterprises is security based, without any regard for potential cash flow. However, organizations lending to them have yet to devise alternative forms of collateral. These would include: group credit guarantees, where organizations lend to individuals using groups as guarantors, and personal guarantors, where individuals are given loans based on a guarantor's pledge. Loan guarantee schemes are increasingly being implemented as a means of encouraging financial institutions to increase their lending to the risky sectors and those without the traditional formal security. Often, women do possess collateral in the form of movable property such as stock, machinery, and book debts. However, these types of assets are not usually considered credible types of collateral. Women also face discriminatory treatment by bank officials who prefer dealing with husbands and do not take women seriously.

Even though the governing principle of the development funds (DF) is to encourage community participation, an institutional framework for community involvement is missing. The overall characteristic of the DFs therefore is that: (i) local councils as well as parliament retain control of resources; and (ii) local communities lack awareness about the objective, rules and procedures governing their access to DFs,

and their roles and mandates. Appropriate community participation tools and approaches such as Participatory Rural Appraisal (PRA) have not been adequately utilized for entrenching community participation and the use of Information, Education Communication (IEC) to channel information to the general public is minimal.

Microfinance evolved as the result of an economic development approach that aims to provide support to low-income groups operating small-scale income generation projects and businesses by overcoming one of the main obstacles faced by poor people around the world, namely insufficient access to credit and other banking services offered through mainstream established banking systems. The formal financial system has traditionally viewed the poor youths and women as “un-bankable”, due to their perceived lack of collateral, small loan sizes, and low potential for repayment. Without access to formal financial services, the youths and women must often resort to borrowing from moneylenders at exorbitant interest rates; or participate in local rotating savings and credit circles, which require deposits, and provide inflexible loan amounts at rigid time intervals. In addition, the issue of collateral is particularly sensitive when considering the promotion of gender equality in Kenya. Given that women and youth are less likely to possess assets that they are able to present as collateral (and that even when they do, their freedom to dispose of these is severely curtailed by cultural and social norms), collateral can become a barrier rendering youths’ and women’s access to financial services even more difficult than for men. The restrictive products from the devolved funds restrict the loan uptake by the women and youth; which includes the short repayment period which limits the return on investment. These also makes the women and youths desist from taking loans despite the lenders being willing to offer the loan.

Despite the availability of many loan schemes through banks, microfinance institutions and different youth funds, youths still face difficulties in accessing capital. The main obstacles are related to collateral in obtaining bank financing. In contrast to some other countries, “angel investors” are lacking Many youth are also unwilling to borrow for socio-cultural reasons—a life free of debt is highly valued and brings

social status. Few safety nets exist for young business starters, such as security funds existing in other countries. In addition, the loan sizes available through MFIs to youth are often too small to finance a start-up business. These obstacles need be addressed for the YEFs to achieve their intended purpose (Aspen, 2008).

2.4 Investment Information Opportunities and YEDF

Entrepreneurship training that leads to increased business creation and expansion is considered a viable employment strategy for youth and women globally. Advocates for youth entrepreneurship training see a multitude of benefits, although others have been more cautious (Harper 1998). Current estimates indicate that relatively few women and youth in the country take advantage of the training and financial resources available for enterprise development; even smaller numbers start or expand enterprises after being trained. Entrepreneurship training directed at starting a micro- or small enterprise has been primarily targeted toward low-and middle-income rural and small town youth, whether they are driven by necessity or opportunity.

Apart from generally negative attitudes among youth toward self-employment and business, recurring issues, the quality of entrepreneurship training programs (lack of practice orientation and cultural grounding), the absence of a dynamic enterprise culture, and the lack of a regulatory and governance framework supporting entrepreneurship in the country (Harper, 1998). So far attempts that have focused on short-term technical interventions and economic incentives to increase entrepreneurship, such as training and institutional support to access finance, marketing links, and advice, have met with only limited success. The main reasons are shortcomings in the programs themselves and the problem of practical access to financial and marketing support, although in theory, there is sufficient institutional support available after training. However, the failure to pursue long-term strategies to create an enabling socio-cultural and regulatory environment to support entrepreneurship has been a serious gap in developing economies. This especially affects youth, because their perceptions of, and decision making about, training and careers are largely influenced by their families and peers (Goel 2006).

Information is lacking on chambers of commerce and other institutions that promote enterprise development among youth, and more business counseling is needed, especially in rural areas, to help young entrepreneurs identify markets, as well as to manage day-to-day business (Aspen, 2008).

Most people in Kenya are generally behind news or simply, lack interest on the government's new initiatives of spearheading development through the bottom-up approach of engaged governance. This is mainly due to failure on the part of the government in rising above board in building public confidence on the new institutions of development. Despite the shortcomings that plague devolved democratic structures of development in Kenya, both the critics and the sympathisers of the government cannot ignore one fact; the bottom-up approach of development is a shared responsibility between the government and the citizens and its success or failure lies in the hands of all players in policy making including the citizenry. Since the inception of this approach of development in the country, more gains have been seen at the grass roots in terms of employment opportunities, schools enrolments and increased construction of local infrastructures than at any other time in the history of Kenya, but in order to make these initiatives last the test of time, serious checks and balances must be put in place to ensure that this holistic development approach of engaged governance is watertight from abuse and easy manipulation by people with less regard for the wider society (Bagaka, 2008). In addition, young entrepreneurs, especially those in poor countries, are concentrated in low value local markets. Such youth also lack access to information on product and input markets. Thus, promoting the viability of such enterprises will require facilitating the access of youth to information on product and input markets and linking them to global value chains. This will require encouraging young to explore existing global initiatives aimed at promoting trade between developed and developing economies (Goel 2006).

2.5 Youth Perceptions about YEDF

YEDF focuses on enterprise development as a key strategy for increasing economic opportunities for, and participation of Kenyan youth in nation building. YEDF seeks to increase access to capital by young entrepreneurs in order to reduce the level of

youth unemployment in the country. An estimated Kshs 5.96 billion has been disbursed to 315,076 group and individual enterprises all over the country. Out of this amount Kshs 614.8 million has been advanced to 13,341 group projects while Kshs 66.1 million has been disbursed to 2,645 individual enterprises at the constituency level. Through FIs, the fund has financed 141,552 group and individual enterprises by Kshs 5.3 billion. The fund disbursed is expected to be repaid back to the lending institutions so as to be accessed by other youth enterprises that were unable to access the fund due to limited allocation by treasury.

Through YEDF, the Government has released Kshs. 11,917,198 to 328 youth groups, no funding to individual members of the groups and Kshs. 83,702,926 disbursed to 2891 youths in Siaya County [3]. This amount is evidently inadequate to cater for the high expectations and demand of the youth. Proper management of the fund to ensure that the loans disbursed are repaid and therefore accessed by others is of critical importance. There is a need to continuously highlight the main issues, priorities and potentials of the youth to further enlist and strengthen interventions of actors dealing with this group (Bagaka, 2009).

Chant (2009) argues that poverty of information is as important as poverty of income, meaning that although opportunities for income access and generation may be available, inefficient and ineffective communication networks may render the investments not worthwhile.

2.6 Bureaucratic Legal Requirements and YEDF

Cross country studies especially those conducted by Global Employment Monitoring (GEM) have emphasized the need to empower youth entrepreneurs. This is because of their large numbers and also the challenges they face due to the limited employment opportunities. The need to invest in human capital by developing countries has been emphasized by many scholars. In Kenya for instance, a lot of interventions have been put in place in order to empower youths. One of the programs is Youth Enterprise Development Fund (YEDF) initiated by the government of Kenya under the Ministry of Youth and Sports (GoK, 2011).

Increase in young unemployment is a key challenge faced by governments throughout the world. Many of these young unemployed have entrepreneurial mind set and have the intention of owning a small enterprise but might face some obstacles such as government regulations, inadequate skills, knowledge and lack of recognition by the organizations and most of all the bureaucratic legal requirements to initiate an enterprise. There has been relatively less support provided by the governments to young entrepreneurs in order to combat these obstacles. In fact, the government has been a major barrier on the way for the small entrepreneurs. There exist many bureaucratic processes that give a competitive edge to major investors at the expense of young entrepreneurs. Despite its vital role, currently the MSE sector in Kenya is under pressure, beset with numerous constraints. Among these constraint and worse for the fledging youth entrepreneurs has been that of raising capital.

The devolved funds focus on enterprise development as a key strategy that aims to increase economic opportunities for and participation by Kenyan women and Youths in nation building. The mandate of the fund has been to increase the access to capital by women and young entrepreneurs but also provide business development services, facilitate linkages in supply chains, create market opportunities locally and abroad for products and services of the youth enterprises and to facilitate creation of commercial infrastructure to support growth of youth business.

The World Bank's report argues that "there are specific legal, regulatory, and administrative barriers that women entrepreneurs face that are either not encountered at all by their male counterparts or have a disproportionate effect on women. Because women tend to be "time-poor" (combining family duties with running their businesses) and have limited access to financial resources, they may be less likely to register their businesses."

Commercial banks and other formal institutions fail to cater for the credit needs of smallholders, however, mainly due to their lending terms and conditions. It is generally the rules and regulations of the formal financial institutions that have created the myth that the poor are not bankable, and since they can't afford the required collateral and other bureaucratic legal requirements, they are considered

uncreditworthy (Adera, 1995). Hence despite efforts to overcome the widespread lack of financial services, especially among smallholders in developing countries, and the expansion of credit in the rural areas of these countries, the majority still have only limited access to bank services to support their private initiatives (Braverman and Guasch, 1986). In Kenya, despite emphasis on increasing the availability of credit to small and microenterprises (SMEs), access to credit by such enterprises remains one of the major constraints they face.

2.7 Theoretical framework

This study adopted the theory of modernization, public choice theory and social capital theory owing to the fact that youth empowerment fund is modeled against this theory as it seeks to drive the beneficiaries to break from traditional practices that promote poverty and adopt modern technology and ideologies to enhance their empowerment opportunities. Youth empowerment fund also borrows heavily from this model as it is a youth driven development initiative. The government staff takes advisory role.

2.7.1 Theory of modernization

The study adopts the theory of modernization. According to Bradshaw, York W. & Michael W. (1996), modernization theory is a theory of change. It not only stresses the process of change, but also the response to that change. It looks at internal dynamics referring to social and cultural structure and the adaptation of new technologies. The modernization theorists argue that the poverty and backwardness of the third world is the failure of these societies to kindle sparks of creativity. On the other hand, the developed countries are based on research and development motivated by the goal of efficiency. They are driven by the search for profit and wealth, as people take risks to do things in a new and better way in the hope of improving their lot. The modern world is committed to growth and improvement (Bradshaw *et al* 1996).

Economic development of an underdeveloped people by themselves is not compatible with the maintenance of their traditional customs. A break with the latter is a prerequisite to economic progress. Thus youth empowerment fund is modeled against this theory as it seeks to drive the beneficiaries to break from traditional practices that promote poverty and adopt modern technology to enhance their empowerment opportunities.

The study is also based on participatory program planning model. Participatory program planning model is a planning paradigm that emphasizes involving the entire community in the strategic and management processes of planning or, community-level planning processes, urban or rural. It is often considered as part of community development (Lefevre et al, 2000). With regard to rural development, participation includes people's involvement in decision making process, implementing programs, sharing in the benefits of development programs, and their involvement in efforts to evaluate such programs. Youth empowerment fund borrows heavily from this model as it is a youth driven development initiative. The extension staff takes advisory role.

2.7.2 Public choice theory

Public choice seeks to understand and predict the behaviour of politicians and bureaucrats in the polity by utilising analytical techniques developed from economics, based on the postulate of rational choice. In other words, public choice is an application of neoclassical economic tools (self-interest and utility maximisation) to explain political behaviour. In public choice, individuals, interest groups, bureaucrats, and politicians are assumed to seek their own self-interest as in the market place. Decisions made depend on the costs and benefits of an action taken whereby each group attempts to maximise their own net benefits. Benefits can take the form of monetary or non-monetary rewards and can includes ideologies, goals, and cultural values. The seeking of self-interest by bureaucrats and politicians, and collective action by the various interest groups in turn result in the adoption of a particular stance in the specification of institutions and property rights. Excellent discussions of public choice theory can be found in Libecap (1989), Mueller (1989), and Rowley (1995).

2.7.3 Social Capital Theory

Alongside political, financial and human capital, social capital has been proposed as equally important in terms of society and its general wellbeing. According to Wilson (1997:745) the social capital literature (for example, research by Putnam (1993a, 1993b) and Fukuyama (1995)), puts forward that "the lack of, or decline in, social capital lies behind the psychological, spiritual and economic malaise in communities throughout the world". Social capital has been described as "not just the sum of the institutions which underpin a society, it is the glue that holds them together" (World Bank Group 1999).

The term "social capital" is used to refer to the outcomes from the network of relationships between people in a community that help that community to operate effectively (Robinson 1997). These relationships are often centred on voluntary associations such as community groups, sports clubs and work-based associations, and are based on trust and reciprocity between the individuals concerned. A point noted in the social capital literature is that:

Social capital develops from the core building blocks of the personal capacity for trust, tolerance, value of life, and pro-activity. Connections are formed, first within the family and neighbourhood, and later within wider communities (Bullen and Onyx 1998)

Social capital theorists describe a spiral upwards and downwards for the generation and degeneration respectively of social capital. For the upward spiral to operate, Coleman (1994) asserts that a threshold needs to be reached for the generation of social capital to be self-sustaining. Beyond this threshold, voluntary and spontaneous social organization occurs. When stocks of social capital are below the threshold, the substitution of formal organization is required to provide a kick-start to this process.

Youth fund is a policy instrument that is intended to act as such a kick start in communities that have diminished levels of social capital, but which have the potential to reverse into an upward spiral should the appropriate environment be created.

2.7 Conceptual Framework

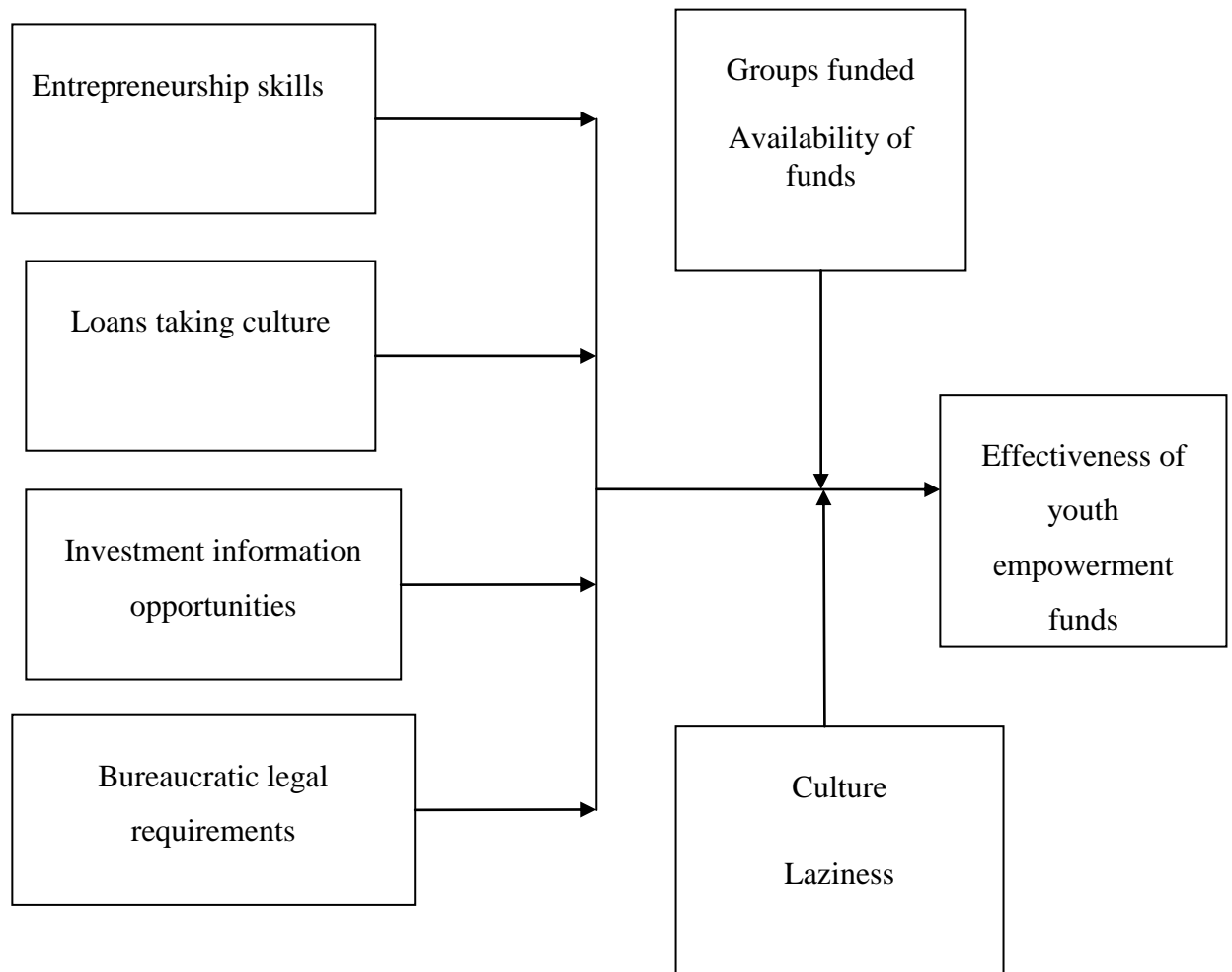


Figure 1.1 Conceptual framework on the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County

Explanation

The dependent variable in this study was poor uptake of YEFs. This poor uptake of YEFs was influenced by several factors that constituted the independent variables. Based on the literature review the factors likely to influence poor uptake of YEFs included lack of entrepreneurship skills, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements on registration of

business enterprises. The intervening variables, which according to Kothari (2004) are independent variables that are not related to the purpose of the study but can have an effect on the dependent variable, included youth groups funded, lack of investment culture and availability of funds. The intervening variables were controlled through randomization to ensure that they did not influence the dependent variable.

Entrepreneurship training and provision of appropriate business development services are keys to the YEF achievement of its mandate. Besides ensuring that the youth have adequate entrepreneurship skills, it also assets them in identifying and tapping into business opportunities that are readily available in the market, while embracing modern business management techniques. The presence of such stringent measures and failure by the youth and women to meet such conditions of make them disinterested in seeking the funds. There is need for the ministry to look into ways of increasing uptake of the fund. Apart from generally negative attitudes among youth toward self-employment and business, recurring issues, the quality of entrepreneurship training programs (lack of practice orientation and cultural grounding), the absence of a dynamic enterprise culture, and the lack of a regulatory and governance framework supporting entrepreneurship in the country. Many of these young unemployed have entrepreneurial mind set and have the intention of owing a small enterprise but might face some obstacles such as government regulations, inadequate skills, knowledge and lack of recognition by the organizations and most of all the bureaucratic legal requirements to initiate an enterprise.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methods that this study used to achieve its objectives. It includes research design, target population, sample size and sample selection, data collection instrument, piloting of instrument, validity of the data collection instrument, reliability of data collection instrument, data collection procedure and data analysis technique.

3.2 Site selection and description

The study was carried out in Rachuonyo District. Rachuonyo district is in Nyanza province in the republic of Kenya. The district has a population of 400,480 persons. The youth aged between 18 and 35 years were estimated to be 95,114 of which 47,201 are reported as unemployed (KNBS, 2009). The district has four divisions namely; East Karachuonyo, Kabondo, Kasipul, and Rachuonyo. The population for the divisions is East Karachuonyo 74,584, Kabondo 49,934, Kasipul 129,854 and Rachuonyo 52,754. The administrative center for the district is situated in Kosele, off Kisumu-Kisii highway toward Kendu Bay on the shores of Lake Victoria.

3.3 Research Design

For the purposes of this study, the researcher employed descriptive survey research design. The descriptive survey is a method, which enable the researcher to summarize and organize data in an effective and meaningful way. They provide tools for describing collections of statistical observations and reducing information to an understandable form. Descriptive research involves describing and interpreting events, conditions or situations of the present. This is best suited for gathering descriptive information (Kotter 1990). The design is flexible, quick and cost effective (Kotter 1990). The design is also suitable since it helped to describe the state of affairs as they exist without manipulation of variables which was the aim of the study (Kothari, 2004).

The descriptive survey method enabled the collection of data from the population and helps the researcher to get the descriptive existing phenomena by asking individuals about their perceptions, attitudes, behavior or values. The process of relating an empirical test to support or refute a knowledge claim, it involves making decisions on what type of data is required, where the data will be found, techniques of data collection analysis and interpretation.

3.4 Population and Sampling Design

3.4.1 Target Population

A population is the total collection of elements about which we wish to make some references. The population of the study consisted of the registered youth in Rachuonyo District. Target population was the youths registered with YEF programmes in Rachuonyo District. There are 1200 youths from Rachuonyo District who were registered with the various YEF programmes who formed the target population of this study.

Table 3.1 Target Population

Divisions	Population
East Karachuonyo	370
Kabondo	393
Kasipul	400
Rachuonyo	37
Total	1200

Source: Rachuonyo District Youth Empowerment Funds Statistics (2014)

3.4.2 Sampling Design

A sample allows the researcher to make generalization about populations. A sample is a subset of a population, but that subset is only useful if it accurately represents the longer population. To ensure that the sample accurately represents the population, the

researcher must clearly define the characteristics of the population, determine the required sample size, and choose the best method for selecting members from the population. A sample size depends on the total population.

Cluster sampling technique was used. Cluster sampling is a sampling technique used when natural groupings are evident in a statistical population. This sampling technique is possible because the population in consideration is homogeneous. Rachuonyo District was divided into 4 clusters, which includes East Karachuonyo, Kabondo, Kasipul and Rachuonyo divisions. The clusters were the geographical regions in Rachuonyo District. From each cluster respondents were chosen through simple random sampling technique which gave each item in the population an equal chance of being selected. The researcher selected the study respondents from the list of registered youths from the Rachuonyo District Youth Empowerment Funds office. Using the telephone contacts given, the researcher selected the study respondents using simple random sampling technique. The researcher booked appointments with the respondents through phone calls and later gave the respondents the questionnaires to fill in. The members of these clusters were interviewed to be representative of the whole population. A sample size of 10% of the target population was selected using cluster sampling which is appropriate for a descriptive research. According to Rachuonyo District Youth Empowerment Funds (2014) the total number of individual youths registered under YEFs in Rachuonyo District was 1200 youths. Therefore, 10% of the target population was representative (Mugenda 2002).

3.3.2.1 Sampling Frame

Suitable sampling frame was required for the selection of the sampling units. A sampling frame is a list of elements from which the sample is actually drawn and is closely related to the population. The sampling frame consists of all the youth registered under YEDF in Rachuonyo District.

Table 3.2 Sample Size

Division	Population (Youths)	Sample (Youths)	Proportion
East Karachuonyo	370	37	10%
Kabondo	393	39	10%
Kasipul	400	40	10%
Rachuonyo	37	4	10%
Total	1200	120	10%

3.3.2.2 Sampling Techniques

The study used cluster sampling technique in obtaining its sample. Cluster sampling technique has the advantage of making representative selection samples which has diverse attributes possible since each cluster has different attribute. The study also identified 10 key informants who were sampled through purposive sampling technique. The key informants consisted of the four district officers from each of the four divisions constituting Rachuonyo District, YEF coordinator, one district commissioner, and four government officials from the ministry of devolution and planning.

3.5 Methods and Tools for Data Collection

3.5.1 Introduction

The researcher used both primary and secondary data. Primary data was collected directly from the field using questionnaires. Secondary data came from Government of Kenya documents like Vision 2030, ERS, midterm review strategy documents and the internet. Secondary data consists of data that already exists somehow, having been collected for another purpose. Primary data consists of information collected for the specific purpose (Kotter 1990).

3.5.2 Household Interviews

The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses (Kothari, 2004). Household interviews

provided an in-depth picture of youths living standards. The interviews collected detailed information on activities carried out by the youth under YEDF Programme, the achievements of YEDF Programme and the challenges facing the implementation of YEDF Programme. A questionnaire was used as a tool in support of this method.

The questionnaire comprised of questions, which sought to answer questions related to the objectives of this study. The questions entailed both closed to enhance uniformity and open ended questions to ensure maximum data collection and generation of qualitative and quantitative data. The constituents' questionnaire was divided into two sections, the background information section and the research questions section. Furthermore, the research questions section was divided to sections according to the research objectives. Semi-structured questionnaires were used to collect primary data from the youths. In order to ensure uniformity in responses and to encourage participation, the questionnaires were kept short and structured to cover multiple-choice selections in a likert scale.

3.5.3 Observation

Observation as a method of research involves 'looking' and 'listening' to the activities, behavior and physical aspects without having to depend on the interviewee's willingness and ability to respond to questions (Creswell and John, 2003). In this study, the observation was done among the households of youths who participated in YEDF that were visited during the data collection. This data collection method was utilized to come up with the social economic characteristics of the youths. A checklist was used as the tool complementing this method of data collection. The checklist items focused primarily on the family wellbeing.

3.5.4 Key informants interviews

Key informant interviews are qualitative in-depth interviews with people who know what is going on in the community (Ngechu, 2004). The purpose of key informant interviews is to collect information from a wide range of people—including community leaders, professionals, or residents—who have firsthand knowledge about the community. These community experts, with their particular knowledge and understanding, can provide

insight on the nature of problems and give recommendations for solutions (Ngechu, 2004). The ten key informants that were selected in this study included four district officers from each of the four divisions constituting Rachuonyo District, YEF coordinator, one district commissioner, and four government officials from the ministry of devolution and planning.

A key informant guide was designed as a tool of data collection in this method. A few guiding questions were designed to lead the discussion with the key informants.

3.6 Data Analysis

For data collected to have a meaningful meaning, it needs to be analyzed in a way that it is easy to be understood by the common man. This includes an analysis of data to summarize the essential features and relationships of data in order to generalise and determine patterns of behaviour and particular outcomes. Before processing the responses, the completed questionnaires were edited for completeness and consistency.

The study used primary data consisting of both quantitative and qualitative data. In analysing the quantitative data, the study used descriptive statistics. The measures of central tendency (mean), measures of dispersion (standard deviation), frequencies and percentage were applied for quantitative variables. Quantitative data collected was edited, coded and classified into different components to facilitate a better and efficient analysis. Tables and bar charts were used to summarize responses for further analysis and to facilitate comparison. Qualitative data was analysed using content analysis, through developing a thematic framework from the key issues, concepts and themes emanating from the open ended questions.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter presents the data on the crucial variables related to the study objectives and the subsequent analysis and findings of the study as set out in the research methodology. The study sought answers to the following research questions: What are the various youth empowerment funds that exist in Rachuonyo District of Homabay County? What are the perceptions of the youth towards youth empowerment funds in the Rachuonyo District of Homabay County? Which youth groups have benefited from the youth empowerment funds in Rachuonyo District of Homabay County? What challenges confront the youth empowerment funds and what should be done to address those challenges in Rachuonyo District of Homabay County?

The study population was registered youth groups in Rachuonyo District. The study targeted 120 respondents out of which 100 respondents participated in the study contributing to a response rate of 83.3%. This response rate was sufficient and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This commendable response rate was due to extra efforts that were made via personal calls and visits to remind the respondents to fill-in and return the questionnaires.

The chapter covers the demographic information and the findings based on the objectives. The findings were then presented in tables, graphs and charts as appropriate with explanations being given in prose thereafter.

4.2 Demographic Information

The study sought to ascertain the general information about the respondents involved in the study with regards to their age, highest level of education and membership to youth groups. The demographic information highlights the basic details of the respondents sampled in the efforts to determine the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County as specified in the overall focus of the study.

4.2.1 Gender of the respondents

The study sought to establish the gender distribution of the respondents and the findings are as shown in table 4.3 below.

Table 4.3 Respondents' distribution by gender

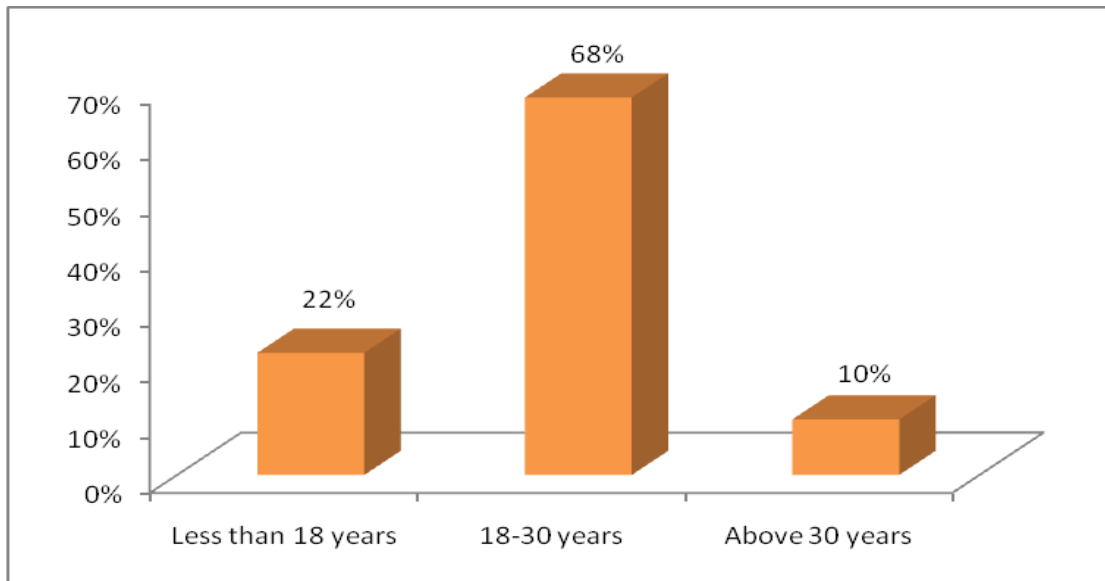
	Youths		Key informants	
	Frequency	Percent	Frequency	Percent
Male	52	42	6	60
Female	48	58	4	40
Total	100	100	10	100

According to the findings, 52% of the respondents were male while 48% of the respondents were female. From the findings, majority (60%) of the key informants were male while 40% of the key informants were female. This indicates that the number of females and males youths who participated in the study was nearly equal.

4.2.2 Age distribution of the respondents

The study sought to establish the age distribution of the respondents and the findings are as shown in figure 4.2 below.

Figure 4.2 Respondents' distribution by age



According to the findings, majority (68%) of the respondents were aged between 18-30 years, 22% were aged less than 18 years while 10% of the respondents were aged above 30 years. This implies that majority of the youths were within the age groups targeted by most of the youth empowerment funds in Rachuonyo District of Homabay County. This also implies that majority of the respondents had conformed to the government's requirement that the beneficiaries of the youth empowerment funds are required to be between 18-35 years.

4.2.3 Gender and Age Cross Tabulation

The study sought to establish the gender-age distribution of the respondents and the findings are as shown in table 4.4 below.

Table 4.4 Cross Tabulation of gender and age

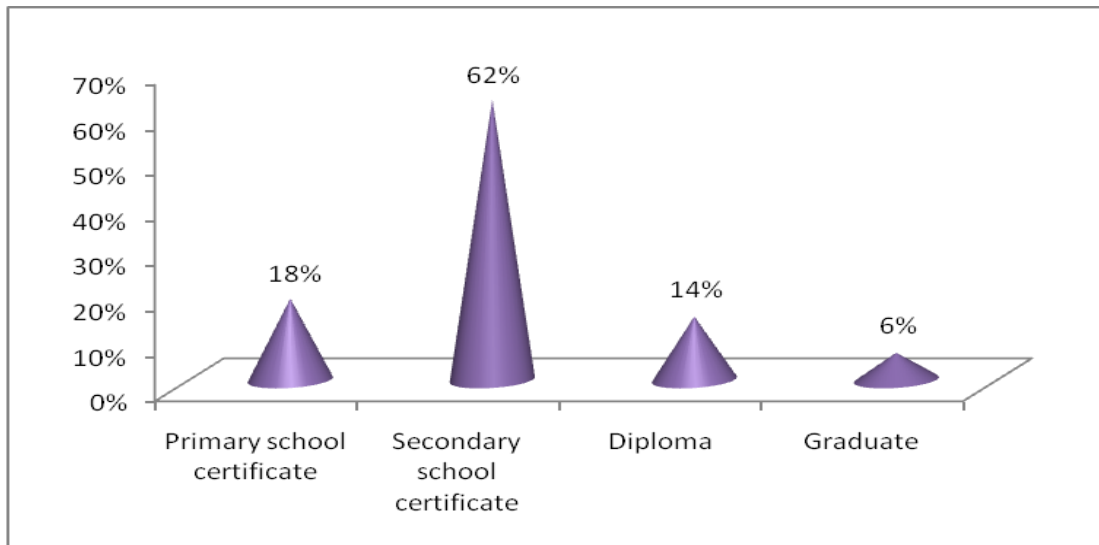
		Age (%)			Total (%)
		20- 25years	26-30 years	31-35years	
Sex (%)	Female	8	28	6	42
	Male	14	40	4	58
Total (%)		22	68	10	100

According to the findings, 14% of the respondents who were 20-25 years were male while 8% of the respondents who were 20-25 years were female. Meanwhile 40% of the respondents who were between 25-30 years were male while 28% of the respondents who were between 25-30 years were female. In addition, 6% of the respondents who were 31-35 years were female while 4% of the respondents were male. This indicates that more male youths than females had benefited from the youth empowerment funds available in Rachuonyo District.

4.2.3 Highest education level of the respondents

The study sought to establish the highest level of education of the respondents and the findings are as shown in figure 4.3 below.

Figure 4.3 Respondents distribution by highest education level

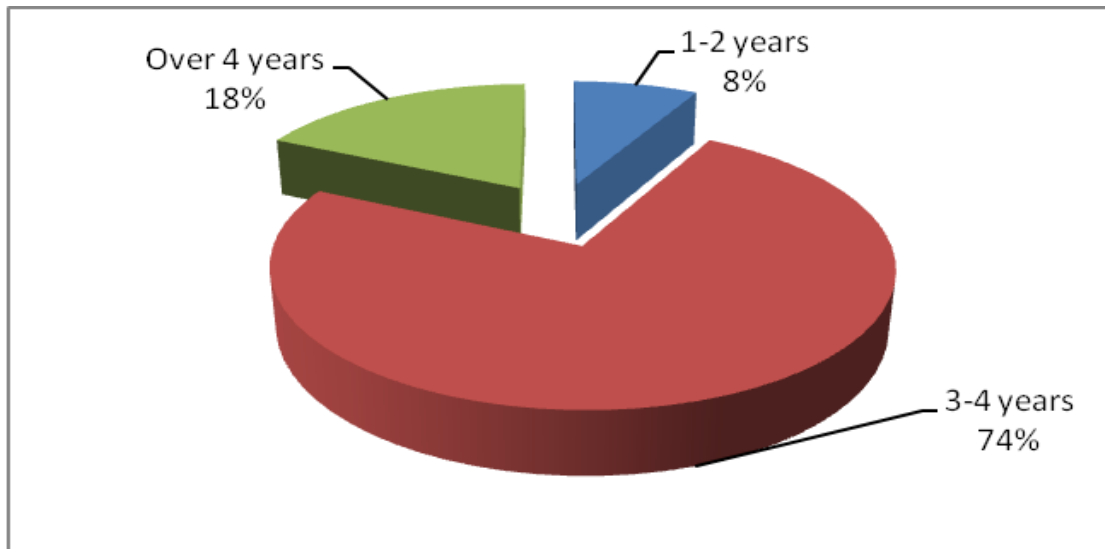


According to the findings, majority (62%) of the respondents indicated that they had achieved secondary school education, 18% indicated that they had achieved primary school education, 14% were diploma holders while 6% of the respondents indicated that they were graduates. This implies that majority of the youths lacked sound academic background needed to run serious investment projects under the youth empowerment funds. Although education is not a prerequisite for success, it facilitates effective and efficient management of projects and hence can be very vital for the success of youth projects while lack of it could deteriorate their performance.

4.2.4 Period of time as a group member

The study sought to establish the period of time the respondent had been a group member and the findings are as shown in figure 4.4 below.

Figure 4.4 Length of time as a group member

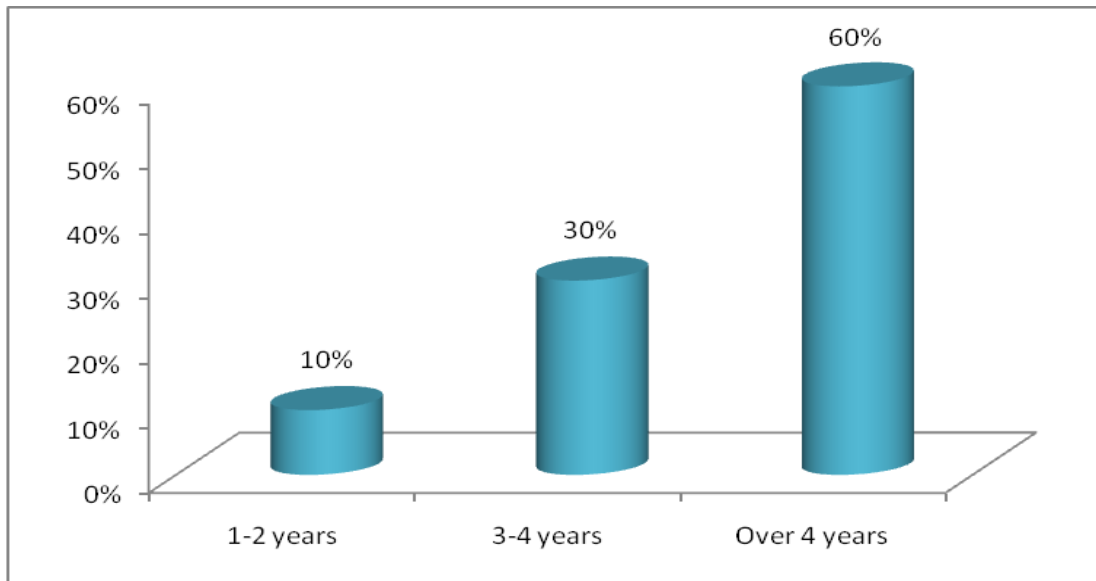


According to the findings, majority (74%) of the respondents indicated that they had been a group members for 3-4 years, 18% had been a group member for over 4 years while 8% of the respondents indicated that they had been a group member for 1-2 years. This implies that majority of the youths had been within their youth groups for a long time and thus they would be in a position to provide information as to the influence of the youth empowerment funds on their economic and social wellbeing. These findings meant that the researcher targeted the right and the intended group of youths.

4.2.5 Length of working in the current organization for key informants

The study sought to establish the length of time the key informants had worked in their current organizations and the findings are as shown in figure 4.5 below.

Figure 4.5 Duration of working in the current organization



The findings established that majority (60%) of the key informants had worked in their current organization for over 4 years, 30% had worked in their current organization for 3-4years while 10% had worked in their current organization for 1-2 years. This depicts that majority of the key informants had worked in their current organization for a long time and hence had a good understanding of the workings of the youth empowerment funds. Hence, they understood well the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County.

4.2.6 Key informants' opinion on effectiveness of youth empowerment funds

The study sought to find out the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County. According to the findings, the key informants indicated that the level of effectiveness of youth empowerment funds in Rachuonyo District of Homabay County was low owing to various reasons. The key informants attributed the low effectiveness of the youth empowerment funds in Rachuonyo District of Homabay County to lack of proper entrepreneurial skills among the youths applying for the funds, inadequacy of the funds, lack of accountability and stakeholder involvement on the administration and utilization of the funds, bureaucracies surrounding the issue of the funds, political interference in

allocation of the funds and apathy of the youths towards the funds. This implies that there are numerous hurdles that adversely affect the effectiveness of the YEFs. Thus, for the YEFs to be effective in achieving their intended purposes, key among them of being reduction of youth unemployment, important issues on equipping the youths with necessary entrepreneurial skills, adequate stakeholder involvement, abolishing unnecessary bureaucracies on the funds' administration, keeping off politics from the funds management and encouraging the youths to take advantage of the funds, would need to be addressed.

4.3 Youth empowerment funds in Rachuonyo District

Currently, there are various institutionalized devolved funds intended for various purposes. Given that the youth represents 30 percent of Kenya's population and their unemployment is twice the country's average, the study sought to determine the empowerment funds that existed for the youths in Rachuonyo District of Homabay County and the findings are discussed in subsequent sections.

4.3.1 Existence of youth empowerment funds

The study sought to establish whether there were youth empowerment funds in Rachuonyo District of Homabay County. The findings are as shown in table 4.5 below.

Table 4.5 Presence of youth empowerment funds

	Youths	
	Frequency	Percent
Yes	100	100
No	0	0
Total	100	100

The findings established that all (100%) of the youths were in agreement that there were youth empowerment funds in Rachuonyo District. The findings established that

the key informants were also in agreement that there were youth empowerment funds in Rachuonyo District.

Therefore, all the youths and the key informants agreed that youth empowerment funds existed in the District for use by the youths in their own empowerment endeavours.

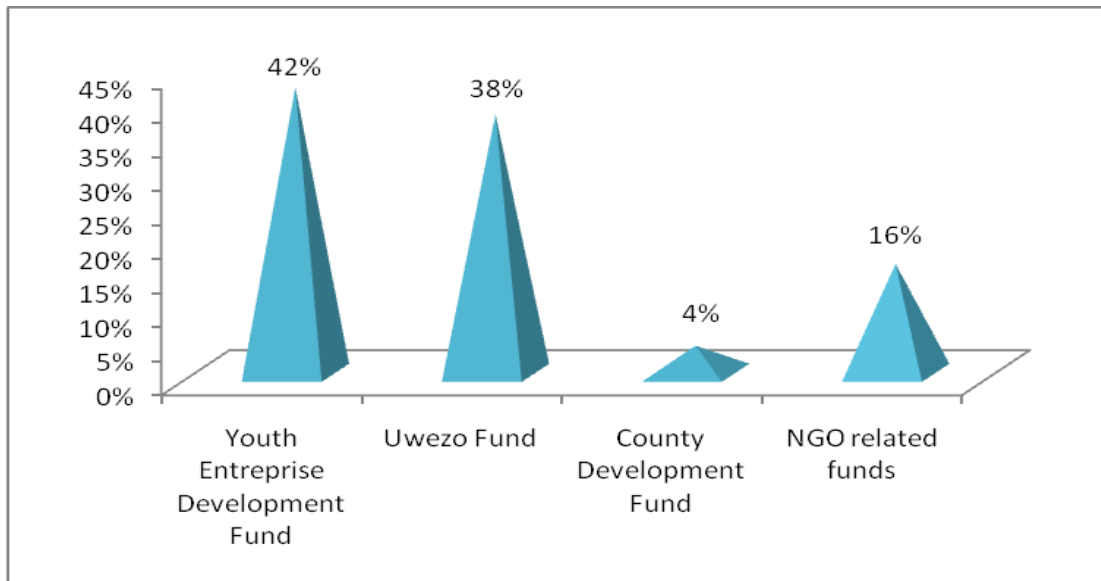
The findings are in line with GoK (2011) who noted that in Kenya for instance, a lot of interventions have been put in place in order to empower the youths. One of the programs is Youth Enterprise Development Fund (YEDF) initiated by the government of Kenya under the Ministry of Youth and Sports. The devolved funds focus on enterprise development as a key strategy that aims to increase economic opportunities for and participation by Kenyan women and Youths in nation building.

One of the youths, named Otieno commented that “In Kabondo, we have a number of funds such as the CDF, the youth enterprise development fund and various NGOs sponsored funds that help us to undertake various empowerment projects. I and four other friends used the CDF allocation to start a car cleaning business and it is picking up well”.

4.3.2 Youth empowerment funds in Rachuonyo District

The study sought to establish the various empowerment funds available to the youths in Rachuonyo District of Homabay County and the findings are as shown in figure 4.6 below.

Figure 4.6 Sources of youth empowerment funds in Rachuonyo District



The study established that most (42%) of the youths indicated that their youth groups utilized the Youth Enterprise Development Fund to finance their projects, 38% of the youths indicated that their youth groups utilized the Uwezo Fund, 16% of the youths indicated that their youth groups utilized NGO related funds while 4% of the youths indicated that their youth groups utilized the County Development Fund to finance their projects.

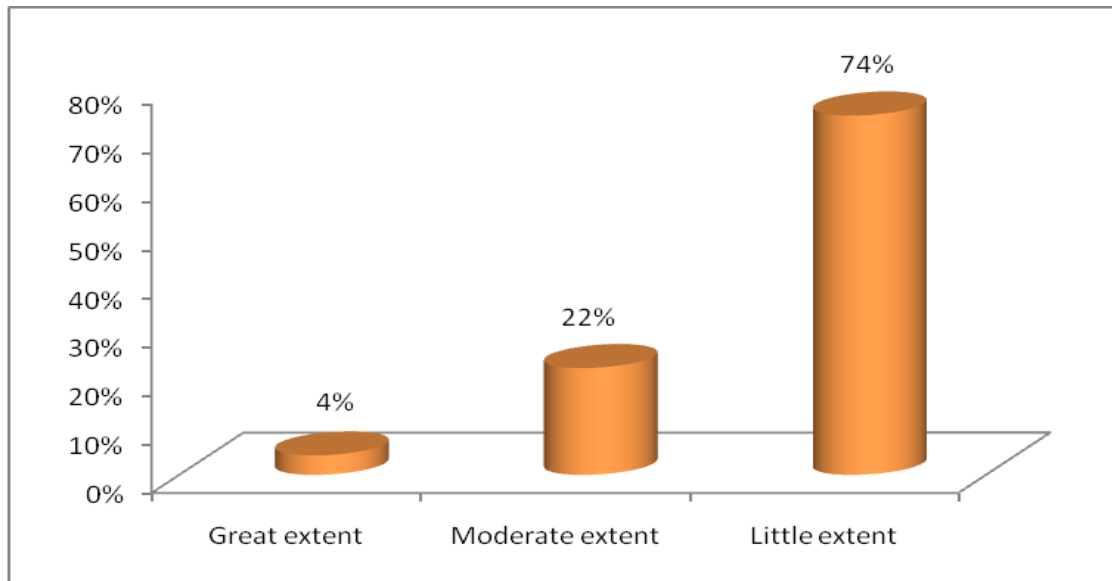
The findings are in line with Ogolo (2009) who notes that currently, there are various institutionalized devolved funds in Kenya such as Constituency Development Fund (CDF), County Development Fund, Poverty Eradication Loan Fund (PELF) and Youth Enterprise Development Fund (YEDF) that seek to empower the youths.

The findings are also in line with GoK (2011) who noted that in Kenya for instance, lots of interventions have been put in place in order to empower the youths. One of the programs is Youth Enterprise Development Fund (YEDF) initiated by the government of Kenya under the Ministry of Youth and Sports. The devolved funds focus on enterprise development as a key strategy that aims to increase economic opportunities for and participation by Kenyan women and Youths in nation building.

4.3.3 Extent of adequacy and reliability of the funds

The study sought to find out the extent to which youth empowerment funds available to the youths in Rachuonyo District of Homabay County were adequate and reliable and the findings are as shown in figure 4.7 below.

Figure 4.7 Youth empowerment fund's adequacy and reliability



According to the findings, majority (74%) of the youths were in agreement that the youth empowerment funds available to the youths in Rachuonyo District of Homabay County were adequate and reliable to a little extent, 22% to a moderate extent while 4% of the youths were in agreement that the youth empowerment funds available to the youths in Rachuonyo District of Homabay County were adequate and reliable to a great extent. According to the key informants concurred that the youth empowerment funds available to the youths in Rachuonyo District of Homabay County were largely inadequate and unreliable. The key informants indicated that there was huge demand for the funds from the youths owing to the high unemployment levels of youths in the county. Unfortunately, the key informants lamented that the funds availed by the government and other agencies were inadequate to meet the high demand for the funds. However, the key informants also noted that government bureaucracies surrounding the allocation of the funds slowed the flow of the funds to the target

groups in the counties and constituencies. This implies that the youth empowerment funds in Rachuonyo District of Homabay County are largely ineffective due to their inadequacy and unreliability.

The findings are in line with Bagaka (2009) who observed that through the YEDF, the Government had released Kshs. 11,917,198 to 328 youth groups, no funding to individual members of the groups and Kshs. 83,702,926 disbursed to 2891 youths in Siaya County. These amounts are evidently inadequate to cater for the high expectations and demand of the youth. Proper management of the fund to ensure that the loans disbursed are repaid and therefore accessed by others is of critical importance.

4.3.4 Level of agreement with statements on youth empowerment funds in Rachuonyo District

In order to further assess the empowerment funds that exist for the youths in Rachuonyo District of Homabay County, the respondents were requested to indicate their level of agreement/disagreement on the extent to which a number of relevant statements on youths' empowerment funds are reflected in the funds' effectiveness. The responses were rated on a five point Likert scale where: 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4- Agree and 5- Strongly Agree. The findings are as shown in table 4.6 below.

Table 4.6 Level of agreement with statements on youth empowerment funds in Rachuonyo District

	Mean	Std Dev
Availability of youth empowerment funds is critical to the economic development of youths in a country	4.869	0.0571
Lack of effective communication hinders access to the youth empowerment funds	3.628	1.3216
The loan sizes available through MFIs to youth are often too small to finance a start-up business	3.883	1.1082
Access to formal finance is poor because of the high risk of default among the youths	4.418	0.7106
Youth empowerment funds are a strategic move towards arresting youth unemployment	4.662	0.2841

The youths were asked to rate various aspects on the youth empowerment funds in Rachuonyo District. From the study findings, the majority of the respondents agreed that; availability of youth empowerment funds is critical to the economic development of youths in a country (Mean=4.869); youth empowerment funds are a strategic move towards arresting youth unemployment (Mean=4.662); access to formal finance is poor because of the high risk of default among the youths (Mean=4.418); the loan sizes available through MFIs to youth are often too small to finance a start-up business (Mean=3.883); and the lack of effective communication hinders access to the youth empowerment funds (Mean=3.628) respectively.

This implies that empowerment funds that exist for the youths in Rachuonyo District of Homabay County play a critical role in enhancing the economic and social development of the youths in the District. The most significant youth empowerment funds aspects/issues being; availability of youth empowerment funds is critical to the economic development of youths in a country; youth empowerment funds are a strategic move towards arresting youth unemployment; access to formal finance is

poor because of the high risk of default among the youths; the loan sizes available through MFIs to youth are often too small to finance a start-up business; and the lack of effective communication hinders access to the youth empowerment funds.

The findings are corroborated by Aspen (2008) who observes that the loan sizes available through MFIs to youth are often too small to finance a start-up business. Further according to the GoK Economic Survey Report (2011), the Youth Enterprise Development Fund (YEDF) was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. This is in realization of the fact that availability of youth empowerment funds is critical to the economic development of youths in the country. The findings are also in line with Tombo (2008) who noted that the money given to the youths by the financial institution is difficult to access since they had stringent measures that most of the youths do not meet. He further observed that access to formal finance is poor because of the high risk of default among the youths and women due to inadequate financial facilities

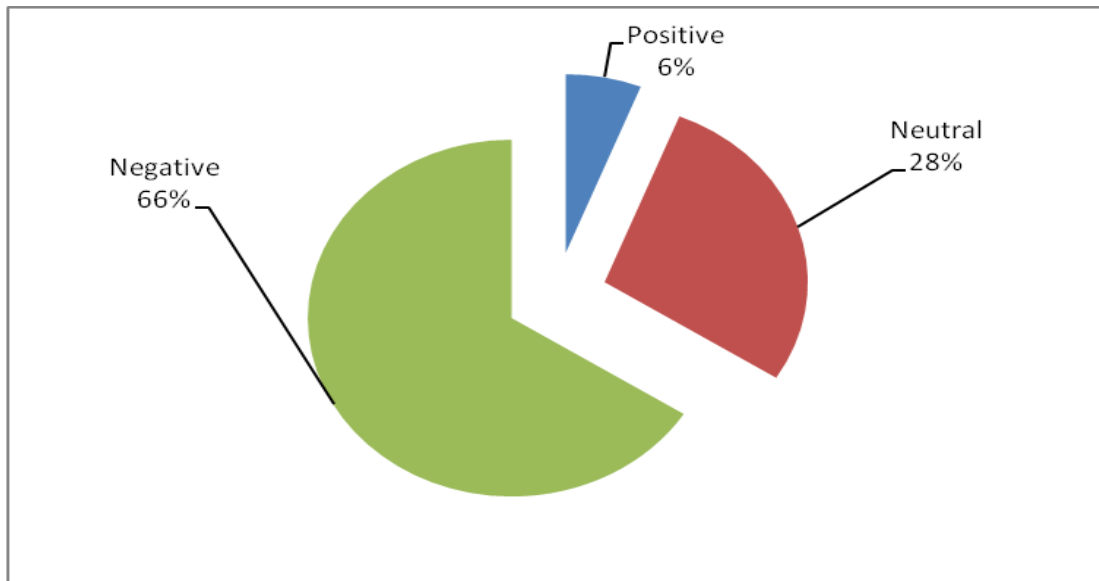
4.4 Perceptions of the youth towards the youth empowerment funds

The study sought to establish the perceptions of the youth towards the youth empowerment funds in Rachuonyo District of Homabay County and the findings are discussed in subsequent sections.

4.4.1 Youths' perception towards the youth empowerment funds

The study sought to establish the perception of the youths towards the youth empowerment funds and the findings are as shown in figure 4.8 below.

Figure 4.8 Opinion of youths towards the youth empowerment funds



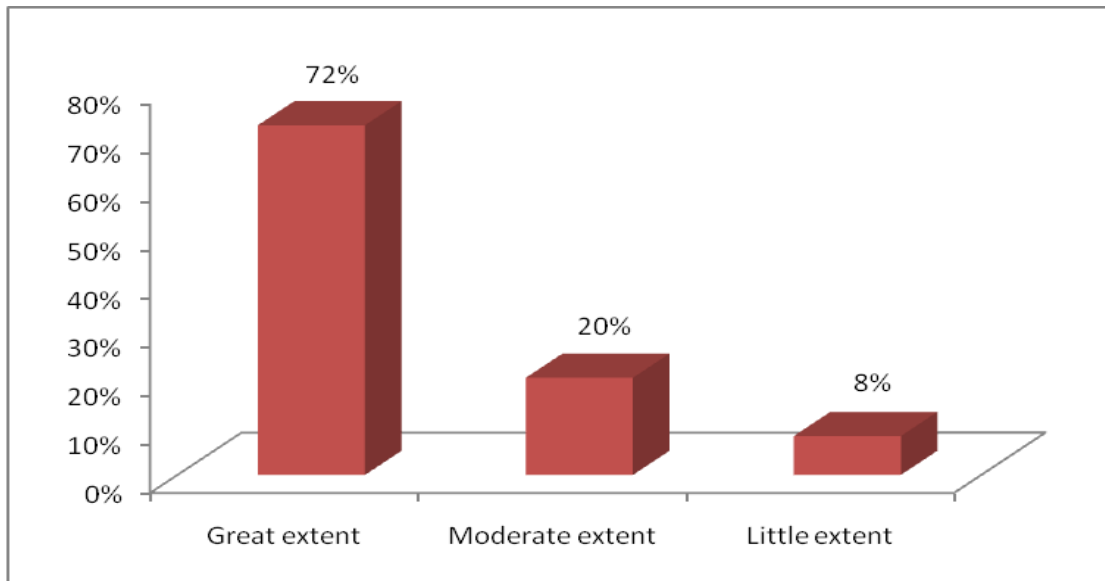
According to the findings, majority (66%) of the youths indicated that they had a negative perception towards the youth empowerment funds in Rachuonyo District, 28% indicated that they had a neutral perception while 6% of the youths indicated that they had a positive perception towards the youth empowerment funds in Rachuonyo District. The findings also established that majority of the key informants were in agreement that majority of the youths had a negative perception towards the youth empowerment funds available in Rachuonyo District. This implies that the effectiveness of the youth empowerment funds in Rachuonyo District of Homabay County was being hindered by the negative perception youths had towards the funds.

The findings are in accordance with Tombo (2008) who noted that the money given to the youths by the financial institution is difficult to access since they had stringent measures that most of the youths do not meet. Thus, the presence of such stringent measures and failure by the youth and women to meet such conditions make them disinterested in seeking the funds. The findings are collaborated by Harper (1998) who noted that youth have generally negative attitudes towards self-employment and business.

4.4.2 Perception towards YEF and growth of youth run businesses

The study undertook to determine the level to which youths' perception towards the youth empowerment funds affected the growth of their businesses/projects and the findings are as shown in figure 4.9 below.

Figure 4.9 Perception towards YEF and growth of youth run businesses



According to the findings, majority (72%) of the youths indicated that their perception towards the youth empowerment funds affected the growth of their businesses/projects to a great extent, 20% to a moderate extent while 8% of the youths indicated that their perception towards the youth empowerment funds affected the growth of their businesses/projects to a little extent. From the qualitative data the study established that the largely pervasive negative attitude of the youths towards the YEFs meant that many of the youths shied away from applying for the funds and this had an adverse effect on the growth of their businesses as they lacked adequate capital required to finance their businesses. Therefore there exists a link between the perception of the youths towards the YEF and the growth of their projects. Poor perception towards the YEF meant that the youths did not take advantage of the YEF fully and as such had minimal finances to grow their businesses/projects reducing the effectiveness of the youth empowerment funds.

The findings are in accordance with Tombo (2008) who noted that the money given to the youths by the financial institution is difficult to access since they had stringent measures that most of the youths do not meet. He observed that the presence of such stringent measures and failure by the youth and women to meet such conditions make them disinterested in seeking the funds. The findings are collaborated by Harper (1998) who noted that youth have generally negative attitudes towards self-employment and business.

4.4.3 Changing youths' perception towards the YEFs

The study sought to establish measures that can be taken in order to change the perception of the youths towards the YEFs.

According to the findings, the respondents indicated that some of the measures that can be taken in order to change the perception of the youths towards the YEFs were; training the youths on the workings of the YEFs, highlighting to the youths the benefits of utilizing the YEFs in their projects, reducing the bureaucracies associated with issuance of the YEFs, eliminating the corruption associated with the YEFs, providing guidance to the youths in their projects and increasing/promoting transparency and integrity on the management of the YEFs. The youths and the key informants also indicated that to change the perception of the youths towards the YEFs there was need to ensure adequate stakeholder participation in the administration of the funds, equip the youths with entrepreneurial skills, promote transparency in the management of the funds, eliminate unnecessary bureaucracies in the funds' management, provide guidance to the youths in the usage of the funds and lower the interest rates payable for use of the funds. This implies that for the youth empowerment funds to become effective and successful in addressing the intended objective(s) the funds have to be managed in a transparent manner, youths have to be trained on entrepreneurial skills and there must be elimination of unnecessary bureaucracies and corruption in the management of the YEFs. This would help to positively change the youths' perception towards the youth empowerment funds.

The findings are in accordance with Aspen (2008) who argued that information is lacking on chambers of commerce and other institutions that promote enterprise development among youth, and more business counseling is needed, especially in rural areas, to help young entrepreneurs identify markets, as well as to manage day-to-day business. The findings are collaborated by Bagaka (2009) who also noted that there is a need to continuously highlight the main issues, priorities and potentials of the youth to further enlist and strengthen interventions of actors dealing with this group.

4.4.4 Level of agreement with statements on the perceptions of the youth towards the youth empowerment funds

In order to further assess the perceptions of the youth towards the youth empowerment funds, the respondents were requested to indicate their level of agreement/disagreement on the extent to which a number of relevant statements on youths' perception towards YEFs are reflected in the funds' effectiveness. The responses were rated on a five point Likert scale where: 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4- Agree and 5- Strongly Agree. The findings are as shown in table 4.7 below.

Table 4.7 Level of agreement with statements on the perceptions of the youth towards the youth empowerment funds

	Mean	Std Dev
presence of stringent measures and failure by the youth to meet such conditions make them disinterested in seeking the funds	4.768	0.1572
Majority of the youths lack a dynamic enterprise culture	3.825	0.7216
Generally negative attitudes among youth toward self-employment and business hinder their access to the empowerment funds	4.483	0.1172
Youths' perceptions of and decision making about training and careers are largely influenced by their families and peers	4.016	0.6126

The youths were asked to rate various aspects on the perceptions of the youth towards the youth empowerment funds. From the study findings, the majority of the respondents agreed that; presence of stringent measures and failure by the youth to meet such conditions make them disinterested in seeking the funds (Mean=4.768); generally negative attitudes among youth toward self-employment and business hinder their access to the empowerment funds (Mean=4.483); youths' perceptions of and decision making about training and careers are largely influenced by their families and peers (Mean=4.016); and the majority of the youths lack a dynamic enterprise culture (Mean=3.825) respectively. According to the key informants most of the youths had a negative perception towards the YEFs and this negative attitude was attributable to various factors such as lack of entrepreneurial skills among the youth, negative attitude towards self employment, family influence, stringent

procedures for the application and qualification for the funds and favouritism and corruption in the issuance of the funds by the funds' administrators. Thus there are a myriad of factors that influence the youths' perception towards the YEFs

This implies that the perceptions of the youth towards the youth empowerment funds in Rachuonyo District of Homabay play a major role in the youths' application for and use of the youth empowerment funds in their groups for their projects affecting the effectiveness of the YEFs. The most significant youth perception aspects/issues towards the YEFs being; presence of stringent measures and failure by the youth to meet such conditions make them disinterested in seeking the funds; generally negative attitudes among youth toward self-employment and business hinder their access to the empowerment funds; youths' perceptions of and decision making about training and careers are largely influenced by their families and peers; and the majority of the youths lack a dynamic enterprise culture.

The findings are in line with Goel (2006) who pointed out that the failure to pursue long-term strategies to create an enabling socio-cultural and regulatory environment to support entrepreneurship has been a serious gap in developing economies. This especially affects the youth, because their perceptions of, and decision making about, training and careers are largely influenced by their families and peers. The findings are also in accordance with Tombo (2008) who noted that the money given to the youths by the financial institution is difficult to access since they had stringent measures that most of the youths do not meet. He observed that the presence of such stringent measures and failure by the youth and women to meet such conditions make them disinterested in seeking the funds. The findings are collaborated by Harper (1998) who noted that youth have generally negative attitudes towards self-employment and business.

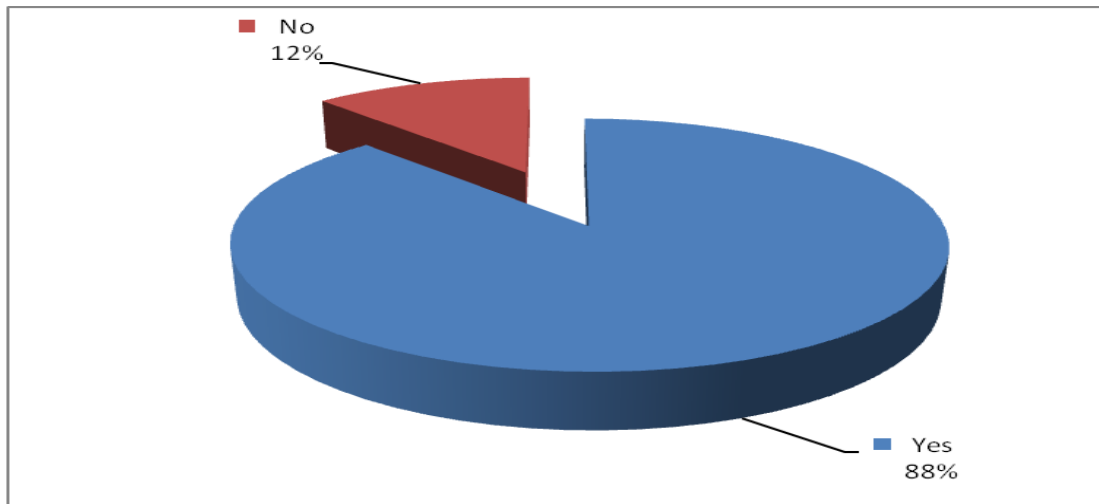
4.5 Youth groups that have benefited from the youth empowerment funds

The study sought to establish the youth groups that had benefited from the youth empowerment funds in Rachuonyo District of Homabay County and the findings are discussed in subsequent sections.

4.5.1 YEFs and success of the youth group’s project(s)

The study sought to establish whether the success of the youth group’s project(s) would be attributed to the funds and support received from the youth empowerment funds and the findings are as shown in figure 4.10 below.

Figure 4.10 YEFs and success of the youth group’s project(s)



According to the findings, majority (88%) of the youths indicated that they would attribute the success of their group project(s) to the funds and support received from the youth empowerment funds while 12% of the youths indicated that they would not attribute the success of their group project(s) to the funds and support received from the youth empowerment funds. The findings also established that majority of the key informants were in agreement that they would attribute the success of the youth groups’ project(s) to the funds and support received from the youth empowerment funds. This implies that the youth empowerment funds were critical to the success of the youth groups’ project(s) in Rachuonyo District. The youth empowerment funds provided the much needed financial resources that drove the growth of the youth run business enterprises.

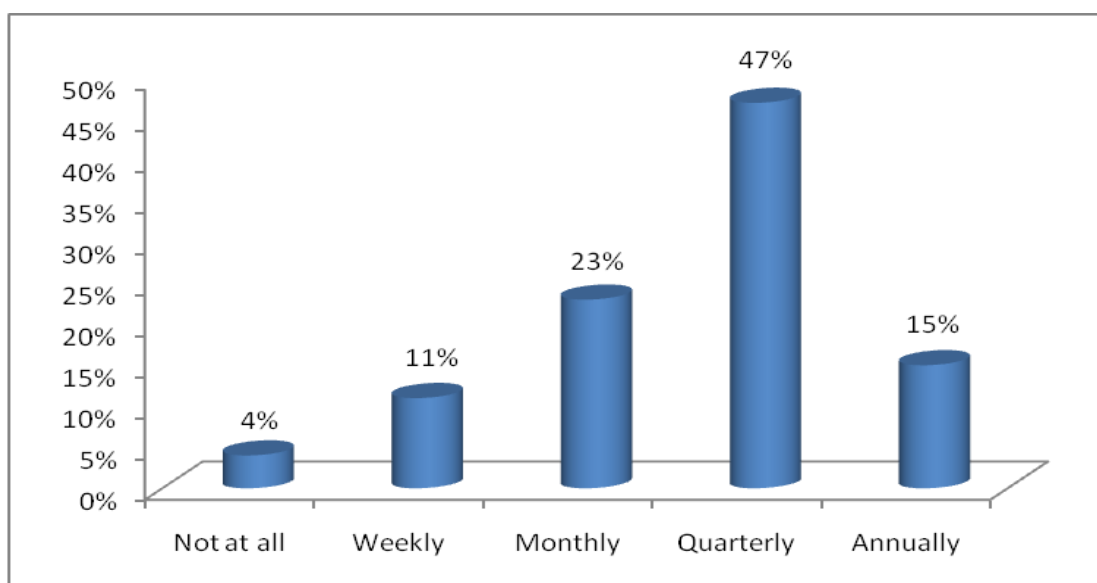
The findings are in line with Ministry of Youth Affairs (2010) which observed that availability of youth empowerment funds is critical to the economic development of youths in the country. According to the UNDP (2011) developing countries have

devised mechanisms to enable them address youth unemployment that include initiation of a Youth Fund to offer credit to the youth.

4.5.2 Frequency of seeking the YEFs

The study sought to establish the frequency with which the youth groups sought funds from the various youth empowerment funds and the findings are as shown in figure 4.11 below.

Figure 4.11 YEFs and success of the youth group's project(s)



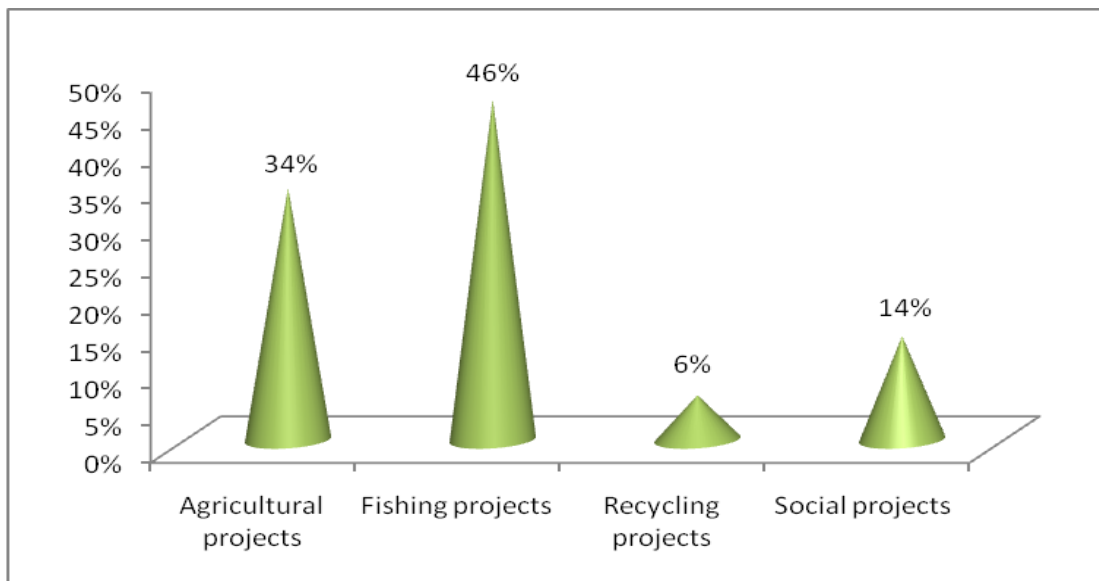
According to the findings, most (47%) of the youth groups' projects were financed through the YEFs on a quarterly basis, 23% were financed through the YEFs on a monthly basis, 15% were financed through the YEFs on an annual basis, 11% were financed through the YEFs on a weekly basis while 4% of the youths groups' projects were not financed through the YEFs at all. The findings also established that majority of the key informants indicated that majority of the youth groups' projects that their organization supported were financed through the YEFs on a monthly and quarterly basis. This implies that majority of the youth groups received constant financial support from the youth empowerment funds to run and grow their business projects. Thus, the youth groups' projects heavily relied on the financial support from the youth empowerment funds.

The findings are in line with GoK Economic Survey Report (2011) that points out that the Youth Enterprise Development Fund (YEDF) was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. The government set aside Kenya shillings One billion (Ksh. 1 billion) in the 2006/07 budget to fast-track this noble and timely initiative. The Fund facilitates youth employment through enterprise development and structured labour export.

4.5.3 Youth groups' projects

The study sought to establish the kinds of projects the youth groups undertook and that were financed through the youth empowerment funds and the findings are as shown in figure 4.12 below.

Figure 4.12 Youth groups' projects



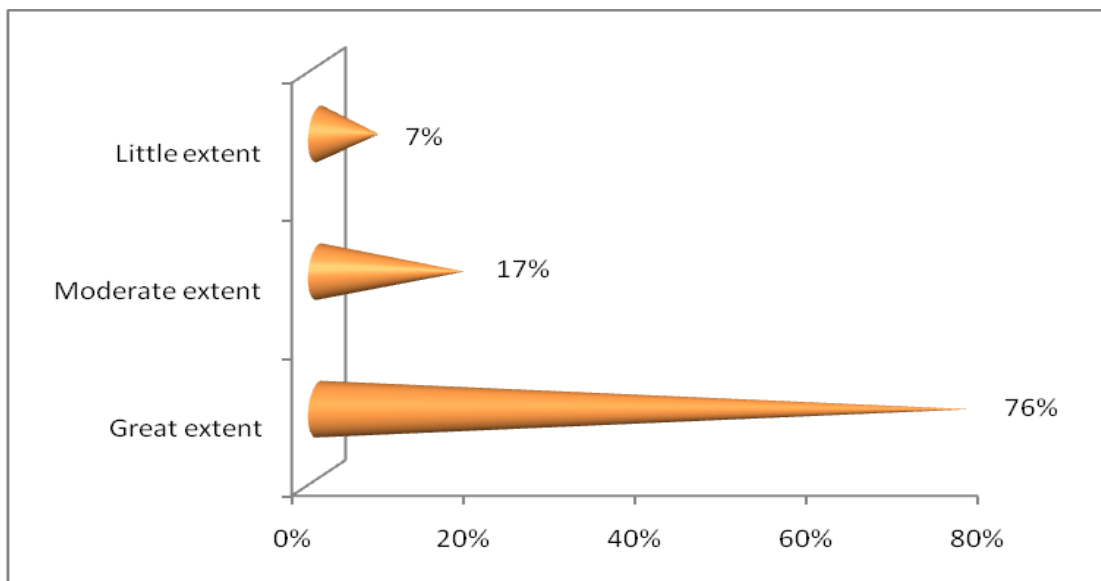
According to the findings, most (46%) of the youths indicated that they engaged in fishing projects, 34% engaged in agricultural projects, 14% engaged in social projects while 6% of the youths indicated that they engaged in recycling projects. This implies that the youth empowerment funds in Rachuonyo District supported different kinds of youth groups' project(s) though majority of the youth groups engaged in agricultural and fishing related projects.

The findings are in accordance with Kamau (2013) who noted that the uptake of YEDF by the youths in Rachuonyo District was 22% and therefore, majority of the youth empowerment funds were returned to the national treasury as youths in Rachuonyo District failed to successfully apply for these funds. He further observes that the fund has supported youth groups with projects in the agricultural, fishing and social sectors within the Rachuonyo District.

4.5.4 Growth in membership and in number of projects

The study sought to establish the extent to which the youth groups had grown in membership and in number of projects given their funding by the youth empowerment funds and the findings are as shown in figure 4.13 below.

Figure 4.13 Growth in membership and in number of projects



According to the findings, majority (76%) of the youths indicated that their youth groups grew in membership and in number of projects since being funded by the youth empowerment funds by a great extent, 17% grew by a moderate extent while 7% of the youths indicated that their youth groups grew in membership and in number of projects since being funded by the youth empowerment funds by a little extent. This implies that the youth empowerment funds in Rachuonyo District provided the

necessary growth catalyst in terms of increased membership and expanded projects for the youth groups in the District.

The findings are in line with Alemayehu (2009) who observed that although the YEDF takes a relatively small amount of national resources its impact can be significant if the funds are efficiently utilized. The findings are collaborated by Tombo (2008) who observes that Kenya's Vision 2030 strives to reduce the number of people living in poverty and guarantee equality of opportunities; increase the opportunities for youth, women and disadvantaged groups; and improve delivery of social services (including water, education etc) among others. He further notes that the YEFs if well used can help reduce the problems of youths' unemployment and idleness.

4.5.5 Level of agreement with statements on the youth groups that have benefited from the youth empowerment funds

In order to further assess the youth groups that have benefited from the youth empowerment funds in Rachuonyo District, the respondents were requested to indicate their level of agreement/disagreement on the extent to which a number of relevant statements on youth groups that have benefited from the youth empowerment funds are reflected in the funds' effectiveness. The responses were rated on a five point Likert scale where: 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4- Agree and 5- Strongly Agree. The findings are as shown in table 4.8 below.

Table 4.8 Level of agreement with statements on the youth groups that have benefited from the youth empowerment funds

	Mean	Std Dev
Youth empowerment funds have led to increased business creation and expansion among the youths	4.128	0.3871
Youth empowerment funds are helping youths to become self-reliant and financially stable	4.323	0.7584
The focus should be to encourage youths to explore existing global initiatives aimed at promoting trade between developed and developing economies	3.783	1.2072
Youth empowerment funds provide a strategic move towards arresting unemployment	4.781	0.4572
Youth empowerment funds support youth oriented small and medium enterprises to develop linkages with large enterprises	4.009	0.6026

The youths were asked to rate various aspects relating to the youth groups that have benefited from the youth empowerment funds. From the study findings, the majority of the respondents agreed that; youth empowerment funds provide a strategic move towards arresting unemployment (Mean=4.781); youth empowerment funds are helping youths to become self-reliant and financially stable (Mean=4.323); youth empowerment funds have led to increased business creation and expansion among the youths (Mean=4.128); youth empowerment funds support youth oriented micro, small and medium enterprises to develop linkages with large enterprises (Mean=4.009) and the focus should encourage youths to explore existing global initiatives aimed at

promoting trade between developed and developing economies (Mean=3.783) respectively.

This implies that various youth groups' projects in Rachuonyo District of Homabay County have benefited from the youth empowerment funds in various ways more so through access to crucial funds that have spurred their growth and expansion. The most significant aspects/issues on the youth groups that have benefited from the youth empowerment funds being; youth empowerment funds provide a strategic move towards arresting unemployment; youth empowerment funds are helping youths to become self-reliant and financially stable; youth empowerment funds have led to increased business creation and expansion among the youths; youth empowerment funds support youth oriented micro, small and medium enterprises to develop linkages with large enterprises and the focus should be to encourage youths to explore existing global initiatives aimed at promoting trade between developed and developing economies.

The findings are in line with Goel (2006) who noted that promoting the viability of such enterprises will require facilitating the access of youth to information on product and input markets and linking them to global value chains. This will require encouraging the youth to explore existing global initiatives aimed at promoting trade between developed and developing economies. According to the GoK Economic Survey Report (2011) the Youth Enterprise Development Fund (YEDF) was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. This is in realization of the fact that availability of youth empowerment funds is critical to the economic development of youths in the country. According to YEDF guide (2009), one of the objectives of the YEDF is to support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; and facilitate employment of youth in the international labor market

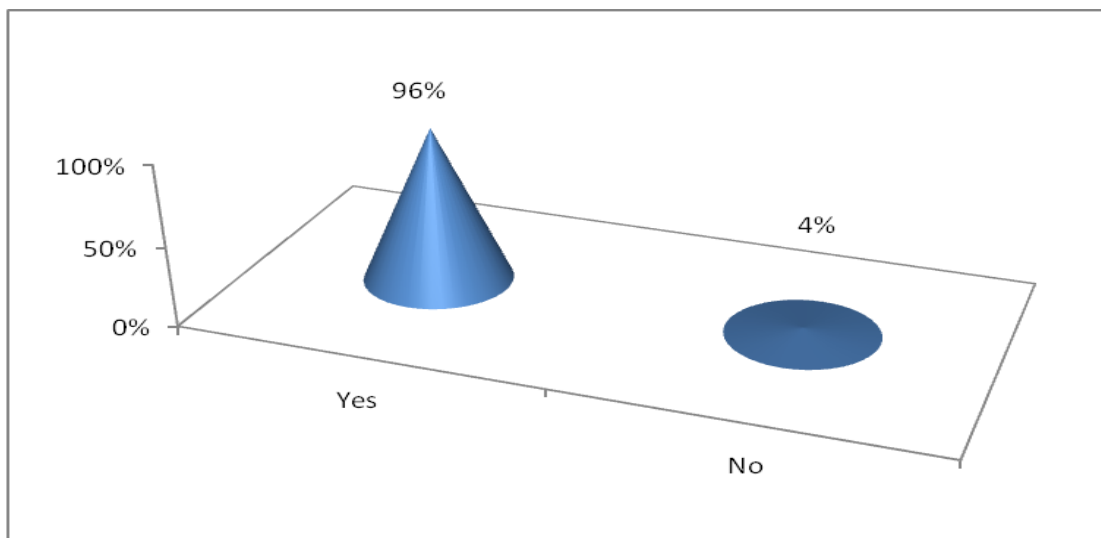
4.6 Challenges facing the youth empowerment funds

The study sought to establish the challenges facing the youth empowerment funds in Rachuonyo District of Homabay County and the findings are discussed in subsequent sections.

4.6.1 Government interference and corruption and uptake of YEFs

The study sought to establish whether government interference and reported corruption in management of youth empowerment funds discouraged uptake of the funds by the youths. The findings are as shown in figure 4.14 below.

Figure 4.14 Government interference and corruption and uptake of YEFs



According to the findings, majority (96%) of the youths indicated that government interference and reported corruption in management of youth empowerment funds discouraged their uptake of the funds while 4% of the youths indicated that government interference and reported corruption in management of youth empowerment funds did not discourage their uptake of the funds. This implies that government interference and reported corruption in management of youth empowerment funds were major challenges that discouraged the uptake of the youth empowerment funds by the youth groups in the Rachuonyo District adversely affecting the YEFs effectiveness.

The findings are in line with Alemayehu (2009) who notes that YEDF has faced other problems of government interference impacting negatively on its purpose. These challenges are depicted to be the cause of inefficiency on realizing the intended mission of the YEDF in creating employment.

4.6.2 Challenges facing youth empowerment funds

The study sought to establish some of the key challenges that the youth groups faced with regard to the youth empowerment funds.

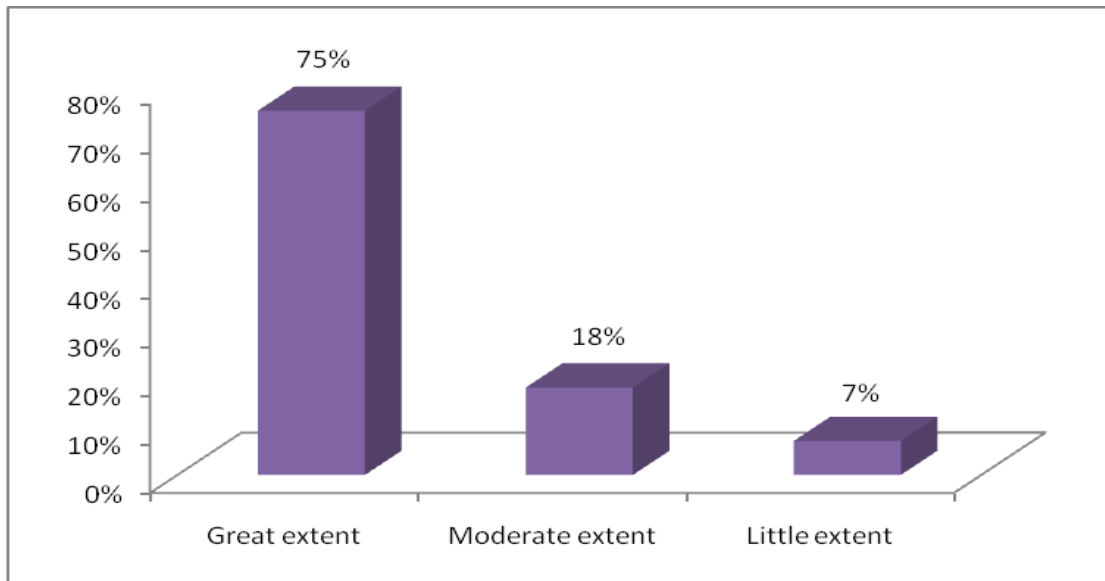
According to the findings, the respondents indicated that youth empowerment funds faced challenges which included; long bureaucratic procedures for the application of the funds, government interference in the management of the funds, lack of transparency in the management of the funds, high corruption levels in the management of the funds, the funds being inadequate and unreliable, need for collateral for some forms of the funds, high processing costs for the funds, lack of entrepreneurial skills on the youth's part, poor communication about the availability of the funds, poor perception that youths have towards the funds and lack of accountability on the fund's management/usage by the youth groups. This implies that numerous challenges face the effectiveness of the youth empowerment funds.

The findings are in accordance with Alemayehu (2009) who observes that despite the impressive performance within only one year of its operation, the Fund has faced various problems in its attempt to mitigate unemployment in the country. The challenges included are that many young people lack entrepreneurial skills, lack of credible Financial Intermediaries in some areas of Kenya, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration among others. He further adds that YEDF has faced other problems of government interference impacting negatively on its purpose. These problems are compounded by allegations of misappropriation of the funds resulting in minimal impact in job creation.

4.6.3 Development of the youth groups in light of the challenges

The study sought to establish the extent to which the challenges facing the youth empowerment funds affected the development and growth of the youth groups and the findings are as shown in figure 4.15 below.

Figure 4.15 Growth in membership and in number of projects



According to the findings, majority (75%) of the youths indicated that the challenges facing the youth empowerment funds affected the development and growth of their youth groups to a great extent, 18% to a moderate extent while 7% of the youths indicated that the challenges facing the youth empowerment funds affected the development and growth of their youth groups to a little extent. This implies that the challenges facing the youth empowerment funds affected the development and growth of the youth groups in the Rachuonyo District to a great extent. Thus, the challenges facing the youth empowerment funds greatly hampered the development and growth of the youth groups reducing the effectiveness of the YEFs.

The findings are in line with Tombo (2008) who noted that there are many reasons that make youths and women to fear taking loans such as high interest rates, collateral requirement, and delays in processing, lenders demanding group borrowing rather than individual borrowing, lack of transparency where conditions and requirements

are not shown in advance, corruption. This in turn negatively impacts on the growth of youth run business enterprises.

4.6.4 Recommendations for enhancing the effectiveness of youth empowerment funds

The study sought to establish the recommendations that the respondents would give for the enhancement of the effectiveness of youth empowerment funds.

According to the findings, the respondents indicated that the youth empowerment funds effectiveness could be enhanced by the authorities; eliminating unnecessary long bureaucratic procedures for the application of the funds, ensuring transparency in the management of the funds, eliminating any forms of corruption in the management of the funds, ensuring adequacy and reliability of the funds, abolishing the need for collateral for the funds, reducing the high processing costs for the funds, training of youths on entrepreneurial skills, ensuring effective communication about the availability of the funds, educating youths on the workings of the YEFs so as to change their negative perception towards the funds and enhancing accountability on the management of the funds and funds' usage by the youth groups. This implies that a wide range of measures touching on the procedural, economical, transparency, accountability, adequacy and reliability of the funds and training of the youths are required in order to enhance the effectiveness of the YEFs. The key informants further pointed that enhancing the effectiveness of youth empowerment funds in Rachuonyo District would require various initiatives including eliminating any forms of corruption and unnecessary bureaucracies in the management of the funds, increasing government allocations for youth empowerment, enhancing stakeholders participation, promoting transparency and accountability of the funds and training of the youths on entrepreneurship.

The findings are in line with Aspen (2008) who noted that despite the availability of many loan schemes through banks, microfinance institutions and different youth funds, youths still face difficulties in accessing capital due to lack of collateral required in obtaining bank financing.

Many youth are also unwilling to borrow for socio-cultural reasons—a life free of debt is highly valued and brings social status. Few safety nets exist for young business starters, such as security funds existing in other countries. In addition, the loan sizes available through MFIs to youth are often too small to finance a start-up business. These obstacles need be addressed for the YEFs to achieve their intended purpose.

4.6.5 Level of agreement with statements on the challenges facing the youth empowerment funds

In order to further assess the challenges facing the youth empowerment funds in Rachuonyo District, the respondents were requested to indicate their level of agreement/disagreement on the extent to which a number of relevant statements on challenges facing the youth empowerment funds are reflected in the funds' effectiveness. The responses were rated on a five point Likert scale where: 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4- Agree and 5- Strongly Agree. The findings are as shown in table 4.9 below.

Table 4.9 Level of agreement with statements on the challenges facing the youth empowerment funds

	Mean	Std Dev
High interest rates, collateral requirement and delays in processing impede uptake of the youth empowerment funds	4.424	0.3978
Access to formal finance is poor because of the high risk of default among the youths	4.026	0.0585
Government interference impacts negatively on the purpose of the youth empowerment funds	3.975	1.1002
Lack of entrepreneurial skills, lack of credible financial intermediaries, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration greatly hinder youths access of the youth empowerment funds	4.886	0.6671
The unemployment problem has continued to cause disillusionment among the youth despite the introduction of the various youth empowerment funds	4.678	0.8015

The youths were asked to rate various aspects on the challenges facing the youth empowerment funds. From the study findings, the majority of the respondents agreed that; lack of entrepreneurial skills, lack of credible financial intermediaries, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration greatly hinder youths access of the youth empowerment funds (Mean=4.886); the unemployment problem has continued to cause disillusionment among the youth despite the introduction of the various youth empowerment funds (Mean=4.678); high interest rates, collateral requirement and delays in processing impede uptake of the youth empowerment funds (Mean=4.424);

access to formal finance is poor because of the high risk of default among the youths (Mean=4.026) and government interference impacts negatively on the purpose of the youth empowerment funds (Mean=3.975) respectively.

This implies that numerous challenges face the effectiveness of the youth empowerment funds in Rachuonyo District of Homabay County. The most significant aspects/issues on the key challenges faced with regard to the youth empowerment funds being; lack of entrepreneurial skills, lack of credible financial intermediaries, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration greatly hinder youths access of the youth empowerment funds; the unemployment problem has continued to cause disillusionment among the youth despite the introduction of the various youth empowerment funds; high interest rates, collateral requirement and delays in processing impede uptake of the youth empowerment funds; access to formal finance is poor because of the high risk of default among the youths and government interference impacts negatively on the purpose of the youth empowerment funds.

The findings are in line with Tombo (2008) who noted that there are many reasons that make youths and women to fear taking loans such as high interest rates, collateral requirement, and delays in processing, lenders demanding group borrowing rather than individual borrowing, lack of transparency where conditions and requirements are not shown in advance as well as corruption. The findings are also in line with Alemayehu (2009) who noted that YEDF has faced other problems of government interference impacting negatively on its purpose. These challenges are depicted to be the cause of inefficiency on realizing the intended mission of the YEDF in creating employment. He further observes that despite the impressive performance within only one year of its operation, the Fund has faced various problems in its attempt to mitigate unemployment in the country. The challenges included are that many young people lack entrepreneurial skills, lack of credible Financial Intermediaries in some areas of Kenya, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion and recommendations of the study in line with the objectives of the study. The research sought to establish the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County.

5.2 Summary of findings

5.2.1 Youth empowerment funds in Rachuonyo District

The study established that all (100%) of the respondents were in agreement that there were youth empowerment funds in Rachuonyo District. This implies that all the youths and the key informants concurred that youth empowerment funds existed in the District for use by the youths in their own empowerment endeavours.

The study found out that majority (80%) of the youths indicated that their youth groups utilized the Youth Enterprise Development Fund and the Uwezo Fund to finance their projects. Thus, there exist different kinds of youth empowerment funds in Rachuonyo District which are being utilized by the various youth groups to finance their projects.

The study also established that majority (74%) of the youths were in agreement that the youth empowerment funds available to the youths in Rachuonyo District of Homabay County were adequate and reliable to a little extent. Thus, the youth empowerment funds in Rachuonyo District of Homabay County are largely ineffective due to their inadequacy and unreliability.

The study also established that the majority of the respondents agreed that; availability of youth empowerment funds is critical to the economic development of youths in a country (Mean=4.869); youth empowerment funds are a strategic move towards arresting youth unemployment (Mean=4.662) and access to formal finance is

poor because of the high risk of default among the youths (Mean=4.418), respectively. Thus, availability of youth empowerment funds and access to formal finance for the youths in Rachuonyo District of Homabay County were critical factors that affected the effectiveness of the youth empowerment funds in the District.

5.2.2 Perceptions of the youth towards the youth empowerment funds

The study established that majority (66%) of the youths indicated that they had a negative perception towards the youth empowerment funds in Rachuonyo District. Thus, the effectiveness of the youth empowerment funds in Rachuonyo District of Homabay County was being hindered by the negative perception youths had towards the funds.

The study found out that majority (72%) of the youths indicated that their perception towards the youth empowerment funds affected the growth of their businesses/projects to a great extent. Thus there exists a correlation between the perception of the youths towards the YEF and the growth of their businesses/projects. Poor perception towards the YEFs meant that the youths did not take advantage of the YEF fully and as such had minimal finances to grow their businesses/projects reducing the effectiveness of the youth empowerment funds.

The study established that the respondents indicated that some of the measures that can be taken in order to change the perception of the youths towards the YEFs were; training the youths on the workings of the YEFs, highlighting to the youths the benefits of utilizing the YEFs in their projects, reducing the bureaucracies associated with issuance of the YEFs, eliminating the corruption associated with the YEFs, providing guidance to the youths in their projects and increasing/promoting transparency and integrity on the management of the YEFs. Thus, for the youth empowerment funds to become effective and successful in addressing the intended objective(s), the funds have to be managed in a transparent manner, youths have to be trained on entrepreneurial skills and there must be elimination of unnecessary bureaucracies and corruption in the management of the YEFs.

The study found out that majority of the respondents agreed that; presence of stringent measures and failure by the youth to meet such conditions make them disinterested in seeking the funds (Mean=4.768); generally negative attitudes among youth toward self-employment and business hinder their access to the empowerment funds (Mean=4.483) and youths' perceptions of and decision making about training and careers are largely influenced by their families and peers (Mean=4.016). Thus, the perceptions of the youth towards the youth empowerment funds in Rachuonyo District of Homabay play a major role in the youths' application for and use of the youth empowerment funds in their groups for their projects affecting the effectiveness of the YEFs.

5.2.3 Youth groups that have benefited from the youth empowerment funds

The study established that majority (88%) of the youths indicated that they would attribute the success of their group project(s) to the funds and support received from the youth empowerment funds. Thus, the youth empowerment funds were critical to the success of the youth groups' project(s) in Rachuonyo District.

The study established that most (47%) of the youth groups' projects were financed through the YEFs on a quarterly basis. This implies that majority of the youth groups received constant financial support from the youth empowerment funds to run and grow their business projects. Thus, the youth groups' projects heavily relied on the financial support from the youth empowerment funds.

The study established that majority (80%) of the youths indicated that their youth groups engaged in fishing projects and agricultural projects. Thus the youth empowerment funds in Rachuonyo District supported different kinds of youth groups' project(s) though majority of the youth groups engaged in agricultural and fishing related projects.

The study established that majority (76%) of the youths indicated that their youth groups had grown in membership and in number of projects since being funded by the youth empowerment funds by a great extent. Thus the youth empowerment funds in

Rachuonyo District provided the necessary growth catalyst in terms of increased membership and expanded projects for the youth groups in the District.

The study also established that the majority of the respondents agreed that; youth empowerment funds provide a strategic move towards arresting unemployment (Mean=4.781); youth empowerment funds are helping youths to become self-reliant and financially stable (Mean=4.323) and youth empowerment funds have led to increased business creation and expansion among the youths (Mean=4.128), respectively. Thus, youth empowerment funds are critical in helping youths to become self-reliant and financially stable, reducing youth unemployment and enhancing business creation and expansion among the youths. This would be a good measure of the effectiveness of the youth empowerment funds.

5.2.4 Challenges facing the youth empowerment funds

The study established that majority (96%) of the youths indicated that government interference and reported corruption in management of youth empowerment funds discouraged their uptake of the funds. Thus, government interference and reported corruption in management of youth empowerment funds were major challenges that discouraged the uptake of the youth empowerment funds by the youth groups in the Rachuonyo District adversely affecting the YEFs effectiveness.

The study found out that the respondents indicated that youth empowerment funds faced numerous challenges which included; long bureaucratic procedures for the application of the funds, government interference in the management of the funds, lack of transparency in the management of the funds, high corruption levels in the management of the funds, the funds being inadequate and unreliable, need for collateral for some forms of the funds, high processing costs for the funds, lack of entrepreneurial skills on the youth's part, poor communication about the availability of the funds, poor perception that youths have towards the funds and lack of accountability on the fund's management. Thus, numerous challenges face the effectiveness of the youth empowerment funds.

The study further revealed that majority (75%) of the youths indicated that the challenges facing the youth empowerment funds adversely affected the development and growth of their youth groups to a great extent. Thus, the challenges facing the youth empowerment funds greatly hampered the development and growth of the youth groups reducing the effectiveness of the YEFs.

The study also established that the respondents indicated that the youth empowerment funds effectiveness could be enhanced by the authorities; eliminating unnecessary long bureaucratic procedures for the application of the funds, ensuring transparency in the management of the funds, eliminating any forms of corruption in the management of the funds, ensuring adequacy and reliability of the funds, abolishing the need for collateral for the funds, reducing the high processing costs for the funds, training of youths on entrepreneurial skills, ensuring effective communication about the availability of the funds, educating youths on the workings of the YEFs so as to change their negative perception towards the funds and enhancing accountability on the management of the funds.

The study found out that majority of the respondents agreed that; lack of entrepreneurial skills, lack of credible financial intermediaries, fear of taking loans, inadequate information on investment opportunities and bureaucratic legal requirements for business registration greatly hinder youths access of the youth empowerment funds (Mean=4.886); the unemployment problem has continued to cause disillusionment among the youth despite the introduction of the various youth empowerment funds (Mean=4.678) and high interest rates, collateral requirement and delays in processing impede uptake of the youth empowerment funds (Mean=4.424). Thus, appropriate measures should be taken by the authorities concerned with the administration of the YEFs to address these challenges so as to make the funds more effective in achievement of their intended objective(s), core being helping in reduction of the high levels of youth unemployment.

5.3 Conclusion

5.3.1 Youth empowerment funds in Rachuonyo District

The study concludes that there exist different kinds of youth empowerment funds in Rachuonyo District which are being utilized by the various youth groups to finance their projects such as the Youth Enterprise Development Fund, Uwezo Fund, County Development Fund and NGO related funds.

The study further concludes that the youth empowerment funds available to the youths in Rachuonyo District of Homabay County were largely inadequate and unreliable negatively affecting their effectiveness.

The study concludes that availability of youth empowerment funds is critical to the economic development of youths in a country, youth empowerment funds are strategic moves towards arresting youth unemployment and access to formal finance being poor were critical factors that affected the effectiveness of the youth empowerment funds in the District.

5.3.2 Perceptions of the youth towards the youth empowerment funds

The study concludes that majority of the youths had a negative perception towards the youth empowerment funds in Rachuonyo District. The negative perception of the youth towards the youth empowerment funds affected the growth of their businesses/projects to a great extent.

The study concludes that for the youth empowerment funds to become effective and successful in addressing the intended objective(s), the funds have to be managed in a transparent manner, youths have to be trained on entrepreneurial skills and there must be elimination of unnecessary bureaucracies and corruption in the management of the YEFs.

5.3.3 Youth groups that have benefited from the youth empowerment funds

The study concludes that the youth empowerment funds were critical to the success of the youth groups' project(s) in Rachuonyo District. Majority of the youth groups received constant financial support from the youth empowerment funds to run and grow their business projects. Thus, the youth groups' projects heavily relied on the financial support from the youth empowerment funds.

The study also concludes that funding of the youth groups by the youth empowerment funds affected the growth in membership and in number of projects of the youth groups to a great extent. Thus the youth empowerment funds in Rachuonyo District provided the necessary growth catalyst in terms of increased membership and expanded projects for the youth groups in the District.

The study thus concludes that youth empowerment funds are critical in helping youths to become self-reliant and financially stable, reducing youth unemployment and enhancing business creation and expansion among the youths providing a good measure of their effectiveness.

5.3.4 Challenges facing the youth empowerment funds

The study concludes that government interference and reported corruption in management of youth empowerment funds were major challenges that discouraged the uptake of the youth empowerment funds by the youth groups in the Rachuonyo District adversely affecting the YEFs effectiveness. The challenges facing the youth empowerment funds adversely affected the development and growth of the youth groups to a great extent.

The study also concludes that long bureaucratic procedures for the application of the funds, government interference in the management of the funds, lack of transparency in the management of the funds, high corruption levels in the management of the funds, the funds being inadequate and unreliable, need for collateral for some forms of the funds, high processing costs for the funds, fear of taking loans, lack of entrepreneurial skills on the youth's part, poor communication about the availability

of the funds, poor perception that youths have towards the funds and lack of accountability on the fund's management are some of the key challenges that hinder the effectiveness of the youth empowerment funds.

The study concludes that eliminating unnecessary long bureaucratic procedures for the application of the funds, ensuring transparency in the management of the funds, eliminating any forms of corruption in the management of the funds, ensuring adequacy and reliability of the funds, abolishing the need for collateral for the funds, reducing the high processing costs for the funds, training of youths on entrepreneurial skills, ensuring effective communication about the availability of the funds, educating youths on the workings of the YEFs so as to change their negative perception towards the funds and enhancing accountability on the management of the funds are some of measures that can be undertaken to address the challenges associated with the YEFs.

5.4 Recommendations for Policy

- i. Since the study found out that youth empowerment funds available to the youths in Rachuonyo District of Homabay County were largely inadequate and unreliable, the study recommends that the government and other stakeholders should increase the budgetary allocations to the YEFs in order to enhance the availability, adequacy and reliability of the funds to the youth groups in the District.
- ii. Since the study found out that majority of the youths had a negative perception towards the youth empowerment funds in Rachuonyo District, the study recommends that the funds be managed in a more transparent manner, youths be trained on entrepreneurial skills and on the requirements for access to the YEFs and there be elimination of unnecessary bureaucracies and corruption in the management of the YEFs. This would help to change the youths' negative perception towards the YEFs.
- iii. Since the study established that funding of the youth groups by the youth empowerment funds affected their growth in membership and in number of projects to a great extent, the study recommends that the government and other

stakeholders should scale up the YEFs and ensure ease access to the funds by the bonafide youth groups in order to enable business creation and expansion among the youths leading to reduced youth unemployment and youths that are financially stable.

- iv. Given the numerous challenges that impede the effectiveness of the YEFs, the study recommends that efforts be taken by the government and other stakeholders to eliminate unnecessary long bureaucratic procedures for the application of the funds, ensure transparency and accountability in the management of the funds, eliminate corruption in the issuance of the funds, increase allocations to ensure adequacy and reliability, train the youths on entrepreneurship skills, ensure effective communication about the availability of the funds, abolish the need for collateral for the funds and lower fund processing costs, all with the view of increasing the effectiveness of the youth empowerment funds.

5.5 Areas of further Research

Since this study explored the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County, similar studies can be performed to evaluate the effectiveness of youth empowerment funds in other parts of the country for comparison purposes and to allow for the generalization of findings on the effectiveness of youth empowerment funds in Kenya.

Further studies should also be done on the effectiveness of youth empowerment funds in other countries in order to allow for comparison with the Kenyan situation in order to establish learning points that could be exploited so as to enhance effectiveness of youth empowerment funds in Kenya.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR THE YOUTHS UNDER YOUTH EMPOWERMENT FUNDS

I am Oloo Geoffrey Ochieng, a student at the University of Nairobi taking a Master of Arts degree in sociology. As a requirement for the fulfillment of the Masters' degree, I intend to carry out research on: Effectiveness of Youth Empowerment Funds in Rachuonyo District of Homabay County.

This questionnaire is therefore for the purpose of the academic research only and the information gathered will be treated confidentially. Please answer all the questions provided as honestly as possible, to the best of your knowledge.

Do I have your consent to proceed? Yes [] No []

Section A: Demographic Information

1. Which is your age bracket?

- Less than 18 years [] 18-30 years []
Above 30 years []

2. What is your highest level of education?

- Primary school certificate []
Secondary school certificate []
Diploma []
Graduate []

3. What is the period of time you have been a member of your youth group?

1 - 2 years [] 3 - 4 years [] Over 4 years []

Section B: Youth empowerment funds in Rachuonyo District

4. Are there youth empowerment funds in Rachuonyo District?

Yes [] No []

5. What are the various empowerment funds available to the youths in Rachuonyo District of Homabay County?

Youth Enterprise Development Fund []

Uwezo fund []

County Development Fund []

NGO related funds []

6. To what extent are the youth empowerment funds available to the youths in Rachuonyo District of Homabay County adequate and reliable?

Great extent []

Moderate extent []

Little extent []

7. The following are some statements relating to the empowerment funds that exist for the youths in Rachuonyo District of Homabay County. Indicate your level of agreement/disagreement with the statements. Use a scale of 1-5 where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

	1	2	3	4	5
Youth empowerment funds in Rachuonyo District					
Availability of youth empowerment funds is critical to the economic development of youths in a country					
Lack of effective communication hinders access to the youth empowerment funds					
The loan sizes available through MFIs to youth are often too small to finance a start-up business					
Access to formal finance is poor because of the high risk of default among the youths					
Youth empowerment funds are a strategic move towards arresting youth unemployment					

Section C: Perceptions of the youth towards the youth empowerment funds

8. What is your perception towards the various youth empowerment funds?

Positive [] Neutral [] Negative []

9. To what extent does your perception towards the youth empowerment funds affect the growth of youth run business enterprises?

Great extent []

Moderate extent []

Little extent []

10. What can be done to help change the youths' perception towards the youth empowerment funds?

.....

11. The following are some statements relating to the perceptions of the youth towards the youth empowerment funds in Rachuonyo District of Homabay County. Indicate your level of agreement/disagreement with the statements. Use a scale of 1-5 where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

	1	2	3	4	5
Perceptions of the youth towards the youth empowerment funds					
presence of stringent measures and failure by the youth to meet such conditions make them disinterested in seeking the funds					
Majority of the youths lack a dynamic enterprise culture					

Generally negative attitudes among youth toward self-employment and business hinder their access to the empowerment funds					
Youths' perceptions of and decision making about training and careers are largely influenced by their families and peers					

Section D: Youth groups that have benefited from the youth empowerment funds

12. Would you attribute the success of your group project(s) to the funds and support you received from the youth empowerment funds?

Yes []

No []

13. How frequent do you seek funds from the various youth empowerment funds?

Not at all []

Weekly []

Monthly []

Quarterly []

Annually []

14. What are the kinds of projects you undertake that are financed through the youth empowerment funds?

Agricultural projects []

Fishing projects []

Recycling projects []

Social projects []

15. To what extent has your youth group grown in membership and in number of projects since it was funded by the youth empowerment funds?

Great extent []

Moderate extent []

Little extent []

16. The following are some statements relating to the youth groups that have benefited from the youth empowerment funds in Rachuonyo District of Homabay County. Indicate your level of agreement/disagreement with the statements. Use a scale of 1-5 where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

	1	2	3	4	5
Youth groups that have benefited from the youth empowerment funds					
Youth empowerment funds have led to increased business creation and expansion among the youths					
Youth empowerment funds are helping youths to become self-reliant and financially stable					

The focus should be to encourage youths to explore existing global initiatives aimed at promoting trade between developed and developing economies					
Youth empowerment funds provide a strategic move towards arresting unemployment					
Youth empowerment funds support youth oriented micro, small and medium enterprises to develop linkages with large enterprises					

Section E: Challenges facing the youth empowerment funds

17. Does government interference and reported corruption in management of youth empowerment funds discourage uptake of the funds by the youths?

Yes [] No []

18. What are some of the key challenges that you face with regard to the youth empowerment funds?

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

19. To what extent do the challenges facing the youth empowerment funds affect the development and growth of the youth groups?

Great extent []

Moderate extent []

Little extent []

20. What are the recommendations that you can give to enhance the effectiveness of youth empowerment funds?

.....
.....

21. The following statements relate to the challenges facing the youth empowerment funds and suggested solutions thereby. To what extent do you agree with each of the statement? Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

	1	2	3	4	5
Challenges facing the youth empowerment funds					
High interest rates, collateral requirement and delays in processing impede uptake of the youth empowerment funds					
Access to formal finance is poor because of the high risk of default among the youths					
Government interference impacts negatively on the purpose of the youth empowerment funds					
Lack of entrepreneurial skills, lack of credible financial intermediaries, fear of taking loans, inadequate information on investment opportunities and bureaucratic					

legal requirements for business registration greatly hinder youths access of the youth empowerment funds					
The unemployment problem has continued to cause disillusionment among the youth despite the introduction of the various youth empowerment funds					

Thank You for your Time and Participation

APPENDIX II: INTERVIEW GUIDE FOR KEY INFORMANTS

I am Oloo Geoffrey Ochieng, a student at the University of Nairobi taking a Master of Arts degree in sociology. As a requirement for the fulfillment of the Masters’ degree, I intend to carry out research on: Effectiveness of Youth Empowerment Funds in Rachuonyo District of Homabay County.

This interview guide is therefore for the purpose of the academic research only and the information gathered will be treated confidentially. Please answer all the questions provided as honestly as possible, to the best of your knowledge.

Do I have your consent to proceed? Yes [] No []

Section A: Background Information

1. How many years have you worked in this organization?

1 - 2 years [] 3 - 4 years [] Over 4 years []

2. Comment about the effectiveness of youth empowerment funds in Rachuonyo District of Homabay County

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Section B: Youth empowerment funds in Rachuonyo District

3. Are there youth empowerment funds in Rachuonyo District?

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4. What are the various empowerment funds available to the youths in Rachuonyo District of Homabay County?

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5. Are the youth empowerment funds available to the youths in Rachuonyo District of Homabay County adequate and reliable?

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Section C: Perceptions of the youth towards the youth empowerment funds

6. What is the youth's perception towards the various youth empowerment funds?

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7. Does youth's perception towards the various youth empowerment funds affect the growth of their businesses/projects?

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Section D: Youth groups that have benefited from the youth empowerment funds

8. Would you attribute the success of the youth group's project(s) to the funds and support received from the youth empowerment funds?

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9. Has the youth group's you support grown in membership and in number of projects since it was funded by the youth empowerment funds?

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10. How frequent do youth groups seek funds from your youth empowerment funds?

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Section E: Challenges facing the youth empowerment funds

11. What are some of the key challenges that you face with regard to the youth empowerment funds?

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12. Do the challenges facing the youth empowerment funds affect the development and growth of the youth groups?

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13. What are the recommendations that you can give to enhance the effectiveness of youth empowerment funds?

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Thank You for your Time and Participation