

**FACTORS THAT INFLUENCE THE KENYAN YOUTH ENTREPRENEURS
TOWARDS THE YOUTH ENTERPRISE DEVELOPMENT FUND:
A CASE STUDY OF GATUNDU SOUTH DISTRICT, KENYA**

Jane Wanjiku Kanyari & Prof G. S. Namusonge

Jomo Kenyatta University of Agriculture and Technology

P.O Box 62000-00200, Nairobi, Kenya

School Of Human Resource Development Entrepreneurship and Procurement Department

jwanjiku4@gmail.com

MAY 2013

ABSTRACT

The main aim of the study was to determine the various interventions that influence the youth entrepreneurs towards the Youth Enterprise Development Fund and their role in attracting the youth towards the Youth Enterprise Development Fund. It focused on youth who have benefitted from the fund either to enhance their existing businesses or to start new businesses. The study will only cover only YEDF beneficiaries in Gatundu district, Kenya.

The research utilized personal interviews, questionnaires, and observations to collect data from the respondents. Stratified random sampling technique was used to draw the sample. This method helps improve the representation of each strata (groups) within the population, as well as ensuring that these strata are not over-represented

The data was subjected to descriptive statistical analysis, and the results represented in graphs, tables and pie charts among others. The results from this study have provided an insight in the intervention programmes in the Youth Enterprise Development Fund.

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ABBREVIATIONS

YEDF	Youth Enterprise Development Fund
UNDP	United Nations Development Programme
NGO	Non Governmental Organization
UNDP	United Nations Development Programme
ILO	International Labour Organization
GoK	Government of Kenya
SACCOs	Savings and Credit Cooperatives
MFI	Micro Finance Institutions

1.0 BACKGROUND INFORMATION

The Youth Enterprise Development Fund was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. The main mission of the fund is to increase economic opportunities for, participation by, Kenyan youth in nation building through enterprise development and strategic partnerships. The fund 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 (Ksh. 1 billion) in the 2006/07 budget to fast-track this noble and timely initiative (GOK, 2008)

According to the YEDF report 2011, Entrepreneurship training and provision of appropriate Business Development Services are key to the Fund's achievement of its mandate. Besides ensuring that the youth have adequate skills, it also assist them in identifying and tapping into business opportunities, while embracing modern business management techniques. The fund has made tremendous progress in this area, as outlined below:

- (i) The Fund has started a mandatory pre-financing training programme to enhance sustainability of youth enterprises. To date the Fund has provided entrepreneurship training to over 200,000 youth.
- (ii) The Fund has partnered with the Ministry of Cooperatives Development to assist youth form savings and credit societies (Saccos). So far the Fund has facilitated the formation of 24 youth Saccos. Besides being marketing vehicles for youth enterprises these Saccos will also be used as financial intermediaries through which the Fund can reach members with credit facilities.
- (iii) The Fund has trained 2,500 youth in 24 constituencies on how to access procurement from the public sector.
- (iv) The Fund has supported two business plan competitions in which over 10,000 youth entrepreneurs have been trained and winners awarded. Some of the participants of the competitions have started very viable enterprises.

The challenge facing Kenya today is to ensure that this large section of the society is engaged in productive activities that will improve their well-being and contribute to the productivity of this country. Such improved productivity will enhance the quality of life of all Kenyans. However, unemployment, it may be argued, is the single most significant problem facing the young people today.

The Fund has partnered with 36 financial intermediaries which include, Non Governmental Organizations (NGOs), Savings and Credit Cooperatives (SACCOs), and Micro Finance Institutions (MFIs), from which the Youth access funds to start or expand viable businesses. The Financial Intermediaries manage funds which the youth will access either as individuals or as organized entities. Through this component youth can access up to Kshs. 1 million. The loan attracts an interest of 8% per annum. For any loans above Kshs. 1 million the financial intermediary must seek authority from the Fund. (YEDF report 2011).

The Fund has trained over 200,000 youth in entrepreneurship and assisted 1,800 to market their products and services. A further 6,000 youth have been facilitated to obtain employment abroad.

According to the YEDF 2011 report, the Fund provides loans to youth enterprises through two channels as follows:

i) Through district committees.

Every constituency has been allocated a revolving fund of Kshs. 4.5 million. The Fund has formed community committees at district level, which vet applications forwarded by youth groups. Through this component groups start with a loan of Kshs. 50,000 and graduate upwards to Kshs. 400,000. Individuals start with Kshs. 25,000 and graduate to Kshs. 100,000 on the third loan. To borrow as an individual at this level one has to be a member of a group that has repaid its loan. The Fund has however introduced a new product where individuals with unique ideas can directly borrow from the Fund without belonging to groups. This component has no interest, and only a one-off management fee of 5%.

ii) Through Financial Intermediaries

The Fund has partnered with 36 financial intermediaries which include, Non Governmental Organizations (NGOs), Savings and Credit Cooperatives (SACCOs), and Micro Finance Institutions (MFIs), from which the Youth access funds to start or expand viable businesses. The Financial Intermediaries manage funds which the youth will access either as individuals or as organized entities. Through this component youth can access up to Kshs. 1 million. The loan attracts an interest of 8% per annum. For any loans above Kshs. 1 million the financial intermediary must seek authority from the Fund.

1.1. Objectives of YEDF

The objectives of the YEDF is to 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. The fund was also established to 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.

The YEDF is mandated to perform the following functions:

- Provide funding and business development services to youth owned or youth focused enterprises;
- Provide incentives to commercial banks through appropriate risk mitigation instruments to enable them increase lending and financial services to youth enterprises;
- Provide loans to existing micro-finance institutions, registered non-governmental organizations involved in micro financing, and savings and credit co-operative organizations 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, stalls, 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 owned enterprises in both domestic and international markets;
- Facilitate employment of youth in the international labour market; and
- Carry out any other activities relevant to its principal mandate.

1.2 Statement of the Problem

The small enterprises play an important role in the Kenyan Economy. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). While little evidence exists that these small firms grow into medium-size firms (employing 50 to 100 workers), many of these small firms have the potential to grow and add one to five employees (Fadahunsi, 2012).

The Government of Kenya conceived the idea of institutional financing to provide young people with access to finance for self employment activities and entrepreneurial skills development as a way of addressing unemployment and poverty which essentially are youth problems (GoK, 2009). This Youth Enterprise Development Fund concept is based on the premise that encouraging micro, small, and medium enterprise development initiatives is likely to have the biggest impact on job creation (MOYAs, 2010). The Fund has continued to diversify its product base by focusing on interventions that are more responsive to the needs of the youth and are geared towards addressing specific challenges facing young entrepreneurs (MOYAs, 2011). The purpose of this research therefore was to assess the effect of the Youth Enterprise Development Fund on Performance of MSEs owned by Youth in Gatundu South District.

The purpose of this research therefore was to determine the factors influencing the youth entrepreneurs towards the Youth Enterprise Development Fund.

1.3 Objective

Objectives of this study was to determine the factors that influence the youth entrepreneurs towards the Youth Enterprise Development Fund.

1.3.1 Specific Objectives

1. To determine the role of training in the Youth Enterprise Development Fund on the growth of youth owned enterprises.
2. To determine the motivational factors that influence the usage of the Youth Enterprise Development Fund programs for enhanced growth of MSEs owned by youth
3. To determine the role of entrepreneurial skills on the growth of MSEs owned by youth

1.4 Research Questions

1. What is the role of training in the Youth Enterprise Development Fund on the growth of youth owned enterprises?
2. What are the motivational factors that influence the usage of the Youth Enterprise Development Fund programs for enhanced growth of MSEs owned by youth?
3. What is the role of entrepreneurial skills on the growth of MSEs owned by youth?

1.6 Scope of the Study

The study will to determine the factors that influence the Youth towards the Youth Enterprise Fund (YEDF). The focus will be on youth entrepreneurs funded by YEDF in Gatundu District.

CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

This chapter has reviewed literature materials on factors that influence youth entrepreneurs towards the Youth Enterprise Development Fund. The Chapter describes in detail, the role of training in the Youth Enterprise Development Fund on the growth of youth owned enterprises, the motivational factors that influence the usage of the Youth Enterprise Development Fund and also the role of entrepreneurial skills on the growth of MSEs owned by youth. The essence of this was to examine any previous research relating to government interventions that influence the youth towards the youth enterprise development fund.

2.2 Theoretical Framework

Today entrepreneurship has evolved beyond the classic start up notion to include companies and organizations of all types in all stages. Thus entrepreneurship can occur or fail to occur in firms that are new and old; small and large; fast and slow growing; in the private, not for profit and public sector; in all geographical points; and in all styles of a developing nation regardless of politics.

2.2.1 Theories/Theoretical Models

A theory represents the coherent set of hypothetical, conceptual and pragmatic principles forming the general frame for reference for the field of enquiry. There are several theories that have been advanced for entrepreneurship. They are discussed as below

Trait Theory holds that entrepreneurs are born, not made (Cohen, 1980). Through interviews with over 500 entrepreneurs over a three year period, Jacobowitz observed that entrepreneurs commonly share certain personality traits. These include: restlessness, independence, a tendency to be a loner, and extreme self confidence (Cohen, 1980). Other researchers have added innovative, action oriented, high need for personal control and highly autonomous to the list of what they see as uniquely entrepreneurial characteristics (Schein, 1994).

Knowledge Spill Over Theory: This is a theory of entrepreneurship in which the creation of new knowledge expands the technological opportunity set. The entrepreneurial activity does not involve simply the arbitrage of opportunities, but the exploitation of knowledge spillovers not appropriated by incumbent firms. The Knowledge Spillover Theory of Entrepreneurship shifts the fundamental decision making unit of analysis in the model of economic growth away from exogenously assumed firms to individual agents with endowments of new economic knowledge. Agents with new knowledge endogenously pursue the exploitation of knowledge suggesting that the stock of knowledge yields knowledge spillovers and that there is a strong relationship between such spillovers and entrepreneurial activity. If incumbent firms appropriated all the results of R&D, there would be no knowledge spillover.

Mark I and Mark II Theories: Schumpeter gave two theories, sometimes called Mark I and Mark II. In the Mark I, Schumpeter argued that the innovation and technological change of a nation comes from the entrepreneurs, or wild spirits. He coined the word *Unternehmergeist*, German for *entrepreneur-spirit*. He believed that these individuals are the ones who make things work in the economy of the country. In Mark II, developed later by a professor at Harvard, he asserted that the actors that drive innovation and the economy are big companies which have the resources and capital to invest in research and development. Both arguments might be complementary today.

Motivation Need for achievement

Within the research domain of personality traits and entrepreneurship, the concept of need for achievement (nAch) has received much attention. McClelland (1961) argued that individuals who are high in nAch are more likely than those who are low in nAch to engage in activities or tasks that have a high degree of individual responsibility for outcomes, require individual skill and effort, have a moderate degree of risk, and include clear feedback on performance. Further, McClelland argued that entrepreneurial roles are characterized as having a greater degree of this task attributes than other careers; thus, it is likely that people high in nAch will be more likely to pursue entrepreneurial jobs than other types of roles.

2.2.2 The role of training in the Youth Enterprise Development Fund on the growth of youth owned enterprises.

Allied to the question of what training and development is lies the equally important one of where does training and development fit with the over all success of an enterprise. According to Cole (1997), training is a leaning activity, which is directed towards acquisition of specific knowledge & skills for the purpose of an occupation. It focuses on the job task. The training can be both formal and informal and is usually carried out to assist a person understand and perform his/her job better. On the other hand he defines development, as a learning activity, which is more devoted towards future, needs, rather than present needs of the organization and is concerned with career growth and immediate performance (Cole 1997).

Armstrong (1999) concurs with Cole that training is a systematic modification of behaviour through learning, which occurs as a result of education and instruction.

Today's business environment can be characterized as changing. The accelerated pace of advances in technology, increasing foreign competition, widespread and growing unemployment creating serious adjustment problems, and diminishing resource supplies have affected the way business is conducted. This complex and unstable environment is a way of life, which will continue far into the future (Russo, 1994).

Rasmussen & Sorheim (2006) argue that entrepreneurship training has traditionally focused on teaching individuals, but many initiatives are increasingly becoming more action-oriented, emphasizing learning by doing. In their paper they present a number of action-based activities at five Swedish universities. The cases show that entrepreneurship education focuses less on teaching individuals in a classroom setting and more on learning-by-doing activities in a group setting and network context.

Given that past research results have consistently found SME training to result in better company performance, even under different cultural settings such as the Netherlands, Spain, Hungary, and China (Mullei, 1999), it is expected that implementation of YEDF-related training programs will lead to higher firm performance in Youth SMEs. This statement underpins the importance of training and development in the national economic development process.

It becomes significant point of reference especially since most developing countries are responding to many challenges of the industrial development by implementing new programs, which calls for new expertise and new orientation of work. This usually means changes in specific knowledge, skills attitudes or behaviors. Training should be designed to meet the goals of the organization while simultaneously meeting the goals of individual employees (Bernardin, 1998).

Development refers to learning opportunities designed to help employees grow. Such opportunities do not have to be limited to improving employee's performance on their current jobs (Bernardin 1998).

2.2.3 The motivational factors that influence the usage of the Youth Enterprise Development Fund

Much of the literature has been devoted to identifying and describing entrepreneurial motivators and why individuals plan to become entrepreneurs. From an economics perspective, it is argued that an individual will choose to become self-employed if the expected life-time utility from self employment is greater than the life-time utility from dependent employment (Hirsch et al, 2005). Entrepreneurs can be defined as persons who are creative in finding ways to add their own wealth, power, and prestige. According to Baumol (1990), individuals choose to be entrepreneurs when or because their utility (from wealth, power, and prestige) is maximized by doing so. There is evidence that non-monetary reasons for being self-employed play a much greater role than monetary aspects and there is doubt on the suggestion that people mainly choose self-employment as a means of gaining higher income than they could attain as employees (Hisrich,et.al, 2005)

Hull et al (1980) identified several human motivations that influence the entrepreneurial process. In their arguments, they explicitly assumed that all human action is the result of both motivational and cognitive factors, the latter including ability, intelligence, and skills. They also argued that entrepreneurship is not solely the result of human action; external factors also play a role (for example, the status of the economy, the availability of capital, the actions of competitors, and government regulations). However, environmental factors being held constant, human motivation plays a critical role in the entrepreneurial process. To this end, Buckley (1993) suggests ways that researchers could develop more realistic explanations for how human motivation influences the entrepreneurial process than is the norm in the literature to date.

Motivation is concerned with the factors that influence people to behave in certain ways. Arnold et al (1991), have listed the components as being, direction-what a person is trying to do, effort- how hard a person is trying to and persistence- how long a person keeps on trying. When speaking with business owners it is clear that they are self motivated and determined to succeed.

Motivating other people is about getting them to move in the direction you want them to go in order to achieve a result, well motivated people are those with clearly defined goals who take action that they expect will achieve those goals (Bwisa, 2010). An organization as a whole can provide the context within which high levels of motivation can be achieved by providing incentives and rewards, satisfying work and opportunities for learning and growth (Bwisa, 2010).

Researchers believe that motivation consideration of an entrepreneur adds value to the information contained in the Entrepreneurial performance. Motivation is a desire to do well, not so much for the sake of social recognition or prestige but for the sake of an inner feeling of personal accomplishment. Motivated entrepreneurs focus on opportunity not resources, structure, or strategy (Sexton, et al, 1986).

2.2.4 The role of entrepreneurial skills development on the growth of MSEs owned by youth.

The Government of Kenya recognizes that access to entrepreneurial skills development is key to the growth and development of any enterprise and more so the MSE.s (Republic of Kenya, 2005). Skilled entrepreneurs have what it takes to pursue their dreams and acquire their objective. They have a way of surviving the tough situations. They must remember to take regular breaks from work which will ensure that you do not burn out quickly. Most successful entrepreneurs exhibit the following entrepreneur skills (Rasmussen & Sorheim, 2006).

Successful entrepreneurs are passionate and obsessive about making their business opportunity work with a strong vision. Their determination to succeed is due to their strong will. Setbacks and risks do not discourage them and they are relentless in their pursuit of goals (Mokaya, 2010). Being a risk taker is a natural trait. They are attracted to challenges and approach risks cautiously. Common sense prevails and this makes them cautious around the tough bends. Their willingness to persevere helps them against the odds. Being passionate about their venture, their sheer belief and conviction in an idea or action is an entrepreneurial skill that helps them survive (Rasmussen & Sorheim, 2006).

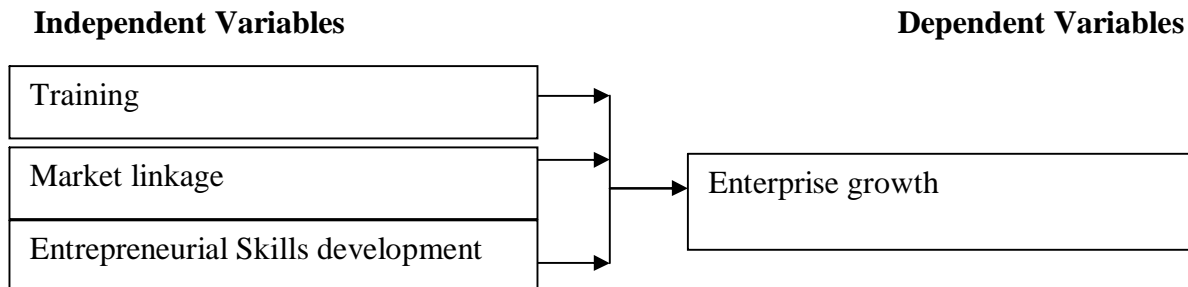
Being strategy planners, entrepreneurs employ the best employees to support them in their venture. They focus on their main objective, growth and sustenance by learning to delegate. Serving as a member of the top management, they must have the ability to supervise all the sections of the business and become a generalist. Communication and delegation entrepreneurial skills helps entrepreneurs to muster the abilities and efforts made by their team members. Mediating and handling complaints for their company requires immense tact and diplomacy (Gakure, 2001). Hard work and commitment are their strong entrepreneurial traits. Entrepreneurs are able to work long hours, are not afraid to get their hands dirty and are among the first few people to focus on their task with a high degree of involvement. They set high standards of performance by their accomplishments and are motivators. Willing to lead the team members especially in a crisis is an entrepreneurial skill that is valued highly (Mwirigi, 2007).

Selling ideas and their products is an entrepreneurial skill that cannot be undervalued. Appealing presentations, direct selling whenever there is a need and determining sales quotas accurately are tasks that entrepreneurs must be able to achieve. Enhance your marketing skills by acquiring knowledge and practice. Being customer oriented is an entrepreneurial skill that helps them to satisfy the needs of their customers. An entrepreneur must be customer focused. Ultimately, it is they who decide if the business will boom or go bust. Remember, it is easy to keep your regular customers happy rather than try to woo new customers (Buckley, 1993). Ability to adapt and change to a new environment is an entrepreneurial skill that decides the outcome of success or failure in a dynamic environment.

According to Hisrich (2005), there is strong evidence that entrepreneurs tend to have entrepreneurial parents. Having a parent who is self employed provides a strong aspiration for the entrepreneur. The independent nature and flexibility of self employment is ingrained at an early age. Entrepreneurial parent often further enforces this feeling of independence, achievement and responsibility. This supportive relationship of the parent appears to be the most important for entrepreneurs (Hisrich,et.al, 2005).

2.3 Conceptual Frame Work

The conceptual framework explains the relationship between the independent variables and the dependent variables. The former is presumed to be the cause of the changes while the latter influences the latter (Kothari, 2003). The following framework illustrates how the independent variables affect the successful utilization of the youth enterprise development fund;



2.4 Critic of the Literature

In consideration of the first objective, it has been found out that training goes a long way in ensuring acquisitions of relevant skills. Training also assists in identifying business opportunities. The second objective of this paper is aimed at identify the motivational factors that influence the usage of the Youth Enterprise Development Fund. It was found that human motivations that influence the entrepreneurial process, so the effectiveness of motivation consideration of an entrepreneur adds value to the information contained in the Entrepreneurial performance.

The third objective of this paper was to explore the role of entrepreneurial skills development on the growth of MSEs owned by youth. Two key factors were found to be common characteristics of successful entrepreneurs. First, they pursue their dreams and are passionate and obsessive about making their business opportunities work. Secondly, hard work and commitment are their strong entrepreneurial traits.

2.5 Research Gaps

The Youth Enterprise Fund is relatively new and the subject has not really been deeply explored. One has to rely on government reports to get an insight of the programme. The government and other private practitioners could use the findings of this study to seal some loopholes in the YEDF and the data gathered as a source of reference.

2.6 Summary

From the literature review, individual capabilities of entrepreneurs such as entrepreneurial skills, motivation, training and prior experience in business were found to have a significant effect on the growth of the business ventures. Much work needs to be done in all of these areas, including identifying means and strategies for improving youth access to training and entrepreneurial skills development.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter information pertaining to the research design, the population and sampling, sample and sampling procedures is described.

3.1 Research design

A descriptive survey approach was adopted to obtain information concerning performance of MSEs owned by youth. The purpose of descriptive survey is basically to observe, describe and document aspects of situations as it naturally occurs. The fact that it is not concerned with characteristics of individuals but provides information about population made the preferred research design (Kothari, 2009).

3.2 Target Population

The Target population was the micro and small enterprises owned by youth within Gatundu South district. This information was retrieved from the list of registered youth groups at the Ministry of Youth and Sports in Gatundu South District who have benefitted from the Youth Enterprise Development Fund (YEDF). The total population was 300 youth entrepreneurs and out of this, a sample was selected for the study.

3.3 Sampling Frame

The sample size was determined by the number of registered youth groups in the Gatundu South District. These was retrieved from the Ministry of Youth Affairs and Sports (District records).

3.4 Sample and Sampling Technique

Stratified random sampling technique was used to draw the sample. This method helps improve the representation of each strata (groups) within the population, as well as ensuring that these strata are not over-represented (<http://goo.gl/lsSFK>). Each youth group was given a number out of which 30 were picked randomly using Microsoft Office Excel. According to Mugenda and Mugenda (2003), a sample size of 10% of the total population is considered adequate for descriptive study. A random sample is preferential because it is free from bias and therefore each unit has a chance to be included in the sample. Random sampling is also easy to be conducted, (Srivastava, *et al*, 1993).

3.5 Instruments of Data Collection

a) Primary Data

Primary data was collected using a questionnaire that was administered by the researcher. A questionnaire enabled the researcher get first hand information about the proble. It is also provides an opportunity for anonymity to promote high response rate, (Mugenda and Mugenda, 2003). The researcher also interviewed personnel in the enterprises to get a greater insight into the problem under investigation. A certain degree of flexibility was permitted to allow the respondents ask questions and raise issues as this was enriching in trying to solve the problem (Srivastava, *et al*, 1993).

b) Secondary Data

The Secondary data was obtained through literature review of the Ministry of Youth Affairs and Sports annual reports on YEDF and other relevant research on impact assessment of YEDF.

3.6 Data Collection Procedure

The researcher made original field visits to obtain more information on the variable under investigation. The researcher conducted personal interviews on information on YEDF funding, entrepreneurial training, entrepreneurial skills development and linkage with local and international market so as to be able to get more clarification from the respondents through continuous probing. Similar techniques have been used with significant success, (Srivastava, *et al*, 1993). This method was used to compliment the questionnaire and improve the quality of information gathered.

3.7 Pilot Testing

A pilot test was conducted on five YEDF beneficiaries within Gatundu South District using a pre-test questionnaire. This helped identify potential problem areas and clarify the respondents' interpretation of each question. The questionnaire was then revised based on the results of the pilot study.

3.8 Data Processing and Analysis

Completed questionnaires were edited for completeness and consistency. Data collected was coded using a predetermined coding scheme and analyzed both qualitatively and quantitatively. The researcher used Microsoft Office Excel. Quantitative analysis was done using descriptive statistics i.e. frequency counts, percentages, tables and graphs to describe distributions, per-charts to show differences in frequencies and bar charts to display nominal or ordinal data. The data was presented using pie charts, graphs, and tables as was found appropriate for each set of data.

CHAPTER 4**DATA ANALYSIS AND PRESENTATIONS****4.1 Introduction**

This chapter presents the analysis of findings. The data collected was presented in tables and pie charts to provide a picture of the variables under investigation and were analyzed by computing percentages. The study sought to assess the interventions influencing youth towards the youth enterprise fund. Out of the 30 MSEs sampled, 25 of the MSEs responded by completing the questionnaires thereby giving a response rate of 83%.

4.2 Background information.

In this section the respondents were required to give information regarding their age, year joined YEDF, type of business, form of ownership and location of the business.

4.2.1 Distribution of respondents by age

According to the findings, shown in the chart below 45% were between ages 25 to 30 while 55% were between 31 to 35 years.

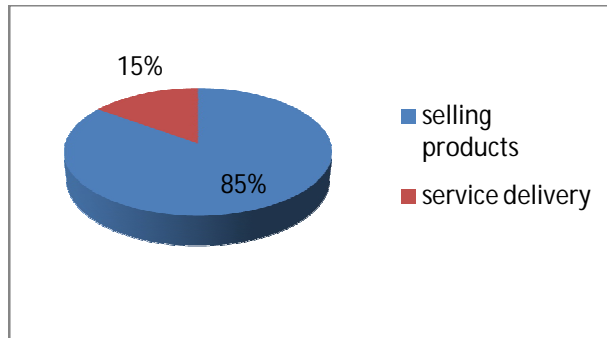


Fig. 4.2.1: Distribution by age
Source Author (2012)

Table 4.2.2 Duration of having joined the fund

Year of joining the fund	Frequency	Percentage
2007	1	5
2008	3	10
2009	5	20
2010	8	30
2011	9	35
Total	25	100

4.2.3 Type of business

As shown in the chart below, 85 percent of the respondent indicated that they run business that sells products. However, 15 percent indicated that their business deals with service delivery.

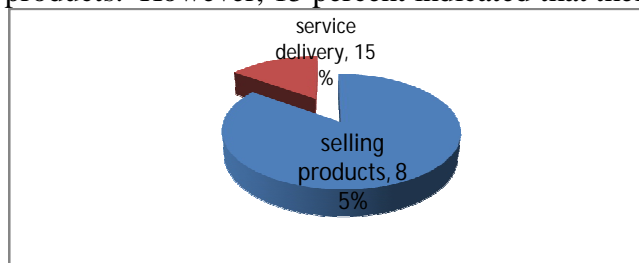


Fig. 4.2.3. Type of business

Table 4.3 Motivation for Joining the YEDF

The respondent were asked to indicate what motivated them to join the fund. 20 percent indicated that they heard over the radio, while 50 percent heard from a friend. 30 percent were attracted by the low interest rates

Reason for joining the fund	Frequency	Percentage
Heard from the radio	5	20
Heard from a friend	12	50
Low interest rate	8	30
Total	25	100

Table 4.4 Number of times obtained loans

Reason for joining the fund	Frequency	Percentage
once	10	40
twice	13	50
thrice	2	10
Total	25	100

Table 4.5 Average amount of loans obtained from YEDF

Average amount of loans obtained	Frequency	Percentage
50000-100000	10	40
100000-150000	8	30
150000-200000	5	20
Above 200000	2	10
Total	25	100

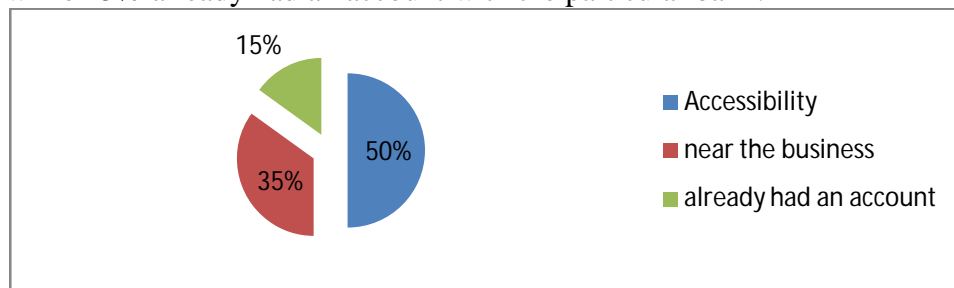
Source Author (2012)

Table 4.6 Banks that provided the YEDF funds

Name of Bank	Frequency	Percentage
Family	5	20
Faulu	8	30
Cooperative	2	10
Equity	10	40
Total	25	100

4.7 Preference for the banks

The respondents were asked to indicate why they chose the particular banks to get their YEDF funds. 50% indicated that the bank was accessible, 35% said that the bank was near their business while 15% already had an account with the particular bank.

**Fig 4.7** preference for the banks**Table 4.8** Utilization of the loans

How the loan has been used	Frequency	Percentage
Expand business	19	75
Change of business	2	10
Other	4	15
Total	25	100

Source author (2012)

Table 4.9 Economic Empowerment

Form of empowerment	frequency	Percentage
Self employment	14	55
Income generation	9	35
Other	2	10
Total	25	100

Table 4.10 Improvement of living conditions by loans

Usage of Loan	frequency	Percentage
Self employment	13	50
For decent means	2	10
To support family	5	20
Afford to live alone	5	20
Total	25	100

Table 4.11 Other incentives received through YEDF

Incentive	frequency	Percentage
Training	10	40
Skills development	7	28
Business development	7	28
Interpersonal skills	1	4
Total	25	100

Table 4.12 Entrepreneurial skills gained through YEDF

Skills	frequency	Percentage
Marketing	8	30
Financial Development	7	28
Business development	10	40
Total	25	100

Table 4.13 Achievement from the training

Skills	frequency	Percentage
Planning for the business	11	44
Marketing of products	7	28
leadership	5	18
Other	2	10
Total	25	100

4.114 YEDF Workshops or seminars attended

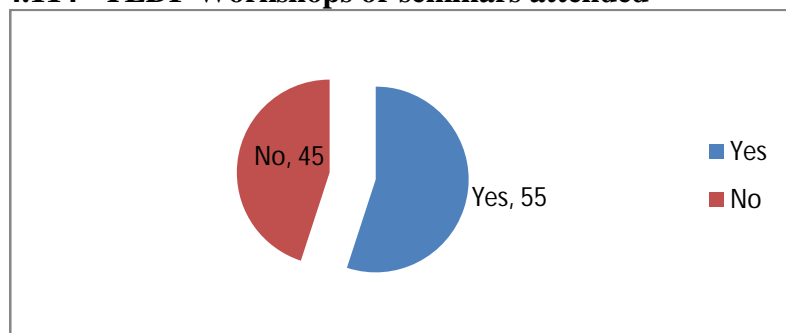


Fig. 4.14 YEDF workshops or seminars attended

Table 4.15 Opinion of YEDF programmes in empowering youth

Opinion	frequency	Percentage
Excellent	11	45
Very good	8	30
Good	4	15
Fair	2	10
Total	25	100

CONCLUSION

Provision of entrepreneurship training to sensitize and inculcate entrepreneurial culture among the young people is crucial to identifying emerging business talents. The provision of continuous and relevant business development services to youth entrepreneurs is key to the success of enterprise development initiatives in creating long term employment. Most the beneficiaries of these trainings have managed to access financing through the financial intermediaries and the constituency component. Public sensitization and information for accountability and education on YEDF has been one of the focal functions of the Fund since inception. The timing of the Fund's establishment and the sensitivity of the target group makes the Fund an initiative that enjoys high public interest.

Recommendations

The Fund should invest more in public sensitization and education on its operations and progresses since its inception. There should be alternative public sensitization and education avenues relevant to disadvantaged areas. Such avenues include local FM stations, elders, church leaders, provincial administration, and traditional communication channels. It should focus on building the capacity of selected youth officers to act as Enterprise Development Agents to facilitate localized approach to the business development services. More officers and selected youths should be trained to expand the target outreach of the program.

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ANNEX 3

QUESTIONNAIRE TO BENEFICIARIES OF THE YOUTH ENTERPRISE DEVELOPMENT FUND

A) Background information.

Name of Client----- (optional)

Year joined YEDF.....

Type of business benefited

Form of ownership of the business.....

Business performed before YEDF loan

Location of the business.....

Type of business.....

B) What motivated you to Joining the YEDF?

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2. Since joining YEDF how many times have you obtained loans?

- a) Once
- b) Twice
- c) Thrice

4. What has been the average loan obtained from the YEDF (Tick one)

- a) 50000-100000
 - b) 100000-150000
 - c) 150000-200000
 - d) Above 200000
3. From which bank did you obtain your YEDF funds?
- a) Family Bank
 - b) Faulu Kenya
 - c) Cooperative Bank
 - d) Commercial Bank
 - e) Other (please state)
5. Why did you choose the particular bank above?
-
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-
6. How have you used the loans obtained through YEDF? (Tick one)
- a) Expand the business
 - b) Change of business
 - c) Others (Specify)
7. How have the loans empowered you economically? (Tick one)
- a) Self employment
 - b) Generated income
 - c) Others specify
-
8. How have the loans helped to improve your living conditions? (Tick one)
- a) Have become self employed
 - b) Can afford descent meals
 - c) Can afford to support my family
 - d) Can now afford to live on my own
9. Apart from loans, what other incentives have you received from YEDF?
- (a) Training
 - (b) Skills development
 - (c) Business development
 - (d) Interpersonal skills
10. What entrepreneurial skills have you gained through YEDF?
-
-
-
11. How has the training helped you?
- a) Planning for my business
 - b) Marketing my products
 - c) Political/local groups leadership

- d) Any other specify
- 12. Have you attended any workshops or seminars organized by YEDF? Tick correct one
 - a) (Yes), b) (No)

13. What is your opinion of YEDF programmes in empowering youth?

- a) Excellent
- b) Very good
- c) good
- d) fair
- e) poor

14. What other interventions would you recommend the YEDF provide to its members?

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Thank you