

EFFECTIVENESS OF NATIONAL YOUTH FUND IN PROMOTING
YOUTH-LED BUSINESSES: CASE STUDY OF DAGORETTI
AND KABETE DIVISIONS
NAIROBI, KENYA

A Thesis

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In Partial Fulfillment of the Requirements for the Degree
Master of Business Administration
(Banking & Finance).

By
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DECLARATION A

I hereby declare that this work is my original work and to the best of my knowledge it has never been submitted to any university for academic purposes.



Nyagah Kimaru Nicholas

01/10/2010

Date

DECLARATION B

"I confirm that the work reported in this dissertation was carried out by the candidate under my supervision".



Dr. Ijjo Alex

30/9/2010

Date

APPROVAL SHEET

This thesis entitled "Effectiveness of National Youth Fund in Promoting Business Development" prepared and submitted by Nyagah Kimaru Nicholas in partial fulfillment of the requirements for the degree of MBA (Banking and Finance) has been examined and approved by the panel on oral examination with a grade of PASSED.



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DEDICATION

Dedicated to my wife Rosemary and daughter Precious, parents, brothers and sisters, all my friends who have passionately supported my struggle to do this research.

ACKNOWLEDGEMENT

This extensive work would not have been possible without the assistance, guidance and technical support of several people and organizations, with whom I have been closely associated.

I am greatly indebted to my Supervisor Dr. Ijjo for his continuous support and inspiration he gave to me. His effective advice and directives were gratefully appreciated. I wish to extend my sincere gratitude to H. Mukuria for the assistance extended to me during the study.

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I sincerely appreciate all my lecturers, librarians and friends from the Post Graduate School, Business Administration Department in Kampala International University.

ABSTRACT

This study looked at the effectiveness of youth enterprise development fund in promoting youth-led businesses in Dagoretti and Kabete Divisions. The study involved an analysis of the impact of the youth fund in developing and empowering youth for self-reliance and active participation in economic, political and social affairs of the nation. The general objective was to determine YEDF as regards the relevance and timeliness of this fund. In particular the study considered the views of youth on how the funds have contributed to the development of their enterprises. The scope of the study focused on issues concerning youth, YEDF management team and the youth development department. Dagoretti and Kabete Divisions are in Nairobi west.

Empirical data on youth enterprise development fund was collected from seventy respondents from various youth groups in two divisions. The study used both quantitative and qualitative data analysis procedures. The research used a descriptive study design using simple random sampling. Data was collected using questionnaires and interviews. Data was analyzed using interpretive and descriptive reports and expressed in tables and charts.

Key findings of the study revealed that 60% of the youth are not contented with the fund. It was found that the criteria of identifying beneficiaries were not clear and 80% of the fund allocated to each group was not sufficient nor was it disbursed in time. Consequently, majority (88%) of the respondents indicated that they have been alienated from all decision making processes. There was a feeling that 58.6 percent of youth issues and concerns in all policies and programmes were left to the officers who never engaged the youths whatsoever. It was further established that 62% of the respondents considered career development opportunities and micro enterprise support programs very crucial in starting and expanding businesses. However, the youth (70%) said the management was less concerned on workshops and seminars though they are vital opportunities for business training and mentoring. This led to poor performance of youth-led enterprises (65.5%) and in extension low profitability. Access to credit loan was available but high interest rates and lack of collateral security locked out some groups from acquiring alternative capital.

The study therefore concluded that effective youth involvement in decision making coupled with proper networking and collaboration of youth groups is key to youth development and empowerment. Only then, that the development opportunities, training and mentoring would make sense; leading to performance of the youth-owned small and micro enterprises. Consequently, the study recommends that the Ministry of Youth Affairs and Sports should negotiate increment of the youth fund kitty, review allocation and disbursement strategies, stress on youth involvement in decision making and initiate policies that build youth capacity to entrepreneurship.

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ACRONYMS

CDF: - Constituent Development Fund

C-YES: - Constituency Youth Enterprise Scheme

DN: - Daily Nation

EASY YES: - Easy Youth Enterprise Scheme

KKV: - Kazi Kwa Vijana (Jobs for Youth)

MOYAS: - Ministry of Youth Affairs and Sports

NGOs: - Non-Governmental Organization

QWL: - Quality of Working Life

RRO: - Rapid Result Output

SDC: - Social Development Committee

SMEs: - Small and Micro Enterprises

UNDP: - United Nations Development Programmes

YEDF: - Youth Enterprise Development Fund

CHAPTER ONE

THE PROBLEM AND ITS SCOPE

1.0 Introduction

This chapter contains the following: background of the study, the statement of the problem, objectives of the study, research questions, significance, limitation and assumptions of the study.

1.1 Background of the Study

According to Pugliesi (1995) Small and medium enterprises (SMEs) are the driving force of the economic growth. Key to economic development is full participation of all in the economic activities. The performance of any economy has always been attributed to the youth who form the greatest part of the population in the developing countries. Pugliesi suggest that to be productive, the youth who are country's workforce are supposed to be empowered and upheld in their innovative and creative initiatives. This is to address the challenges of youth unemployment in Kenya in the 21st Century and beyond. To do so will in part promote the attainment of the set objectives by the Ministry of Youth Affairs and Sports (MOYAS). An envisioned outcome is renewed support and commits for youth employment initiatives in Kenya in line with the governments medium term plans, vision 2030 and the UN millennium development goals (Daily Nation, May 20, 2009).

According to MOYAS strategic plan (2008-2012) Kenya has been estimated to have about 20 million economically underprivileged people. Many of whom are youth between the age of 18 to 35 years. In fact the number is rising up due to the current global financial crisis and industrial disturbance. It is for this reason that the government of Kenya after extensive consultations and experimentations, conceived the Youth Enterprise Development Fund (YEDF) in 2006 and '*kazi kwa vijana*' (KKV) (2008) projects, as a way of creating an enabling environment for solving the youth unemployment problem. The YEDF fund was gazetted on 8th December 2006 and officially launched by His Excellency the President on the following year.

Initially the Treasury had set aside a total of Kshs. 900 million for on-lending to youth enterprises. Kshs. 210 million was allocated to constituencies and channeled through divisional Social Development Committee (SDC). The rest, Kshs. 690 million was channeled through Financial Intermediaries with a guide as to how much each district may access. The fund targeted economically discriminate young people from various institutions of higher learning that missed employment opportunities in the public and private organizations.

According to the Service Charter Department of Youth Development the fund has enabled youth to establish business enterprises and other such income generating activities in public and private sectors. However, recently there are claims that people view the timeliness, appropriateness and adequacy of the funds wanting. Further, various youth groups too have complained about the

rationale and level of youth involvement in identification of the beneficiaries. Other queries are on practicality of the government support particularly on the deprived adequacy, appropriateness, and timeliness of the disbursement of the funds.

1.2 Statement of the Problem

Despite the existence of the Youth Enterprise Development Fund existence in Kenya since 2006, plus the support given by different nongovernmental organizations, reports and practical daily experience indicate that the youth still constitute a large number of underprivileged people. Young people in Kenya are today, just as before inception of YEDF, facing many socio-economic related problems; such that most of them have chosen crimes and drug abuse. This is because the fund released annually has not met the used successfully. there is a desperate situation characterized by: inadequacy of fund from treasury, troubled timeliness and appropriateness, discriminative allocation and disbursement, lack of relevant policies and principles, limited support programs, increased payback default, poor performance and profitability of the surviving youth enterprises and collapse of youth-owned enterprises, Hence, missing any incentive to struggle toward becoming independent economically.

According to the Minister of finance (Budget speech 2009), said that despite the treasury initially setting aside a total of Kshs. 900 millions for on-lending to youth enterprises in addition to other annual allocations, poverty and unemployment among the youth still exist and is on the rise. He further noted

that even with the impressive economic growth, over 62% of the youth both in urban and rural settings were still living below one dollar per day and the general welfare of youth is very low.

It is therefore on the basis of the above that the study was undertaken to establish the impact the youth fund had on youth-owned enterprises and if the intended objectives to renew commitments and mobilization of resources for creation of employment for the youth has been met.

1.3 Purpose of the Study

This study intends to measure the effectiveness of the national youth enterprises development fund made available for the young entrepreneurs to establish small and medium business enterprises. So far the results have been speckled. Consequently, the research assesses the appropriateness, efficacy and adequacy of the youth enterprise fund.

1.4 Research Objectives

The general objective of the study is to determine the relevance and timeliness of this fund. The specific objectives of the study were to:

- i) To review criteria used in identifying the YEDF beneficiaries.
- ii) To identify the extent to which youth participate in fund allocation and disbursement decisions.

- iii) To assess the influence of youth fund adequacy to the performance of youth-led ventures.
- iv) To determine youth's experience and satisfaction with the various credit loan services
- v) To determine the policy recommendations the department of youth should consider in ensuring YEDF succeed.

1.5 Research Questions

- i) What is the criterion used in identifying the YEDF beneficiaries
- ii) To what extent are the youth involved in fund allocation and disbursement decisions.
- iii) What is the influence of youth fund adequacy to performance of youth-led ventures?
- iv) What is the youth's experience and satisfaction with the various credit loan services?
- v) Which strategies should the department of youth consider to ensure YEDF succeed?

1.7.0 Scope of the Study

1.7.1 Subject Scope

The study was drawn from the field of finance and was concerned with the effectiveness of Youth Enterprise Development Fund in promoting business development.

1.7.2 Content Scope

The study focused on the small and medium business enterprise achievements and challenges of the young entrepreneurs in managing and investing the acquired enterprise development funds. Small and micro enterprises for the youth have been supported by the government through the ministry of Youth Affairs and Sports as a solution to eradicate poverty and unemployment in Kenya.

1.8 Significance of the Study

There is no much research that has been conducted in this area of YEDF effectiveness. The study will be useful to other researchers on the impact and influence of youth enterprise development fund to the economic growth.

The result of this study will enable MOYAS to make the regulations on effective management of youth funds and put in place policies that are relevant and capture the needs of the young entrepreneurs. In effect the youth-led

enterprises will perform, increasing productivity and hence allowing the youth to improve their standard of living.

1.9 Definition Of Key Terms

Adequacy of fund	-	Availability of sufficient financial resources.
Career development	-	Promotion and opportunity to acquire more knowledge in one's areas of specialization.
Effectiveness	-	Making the most economic use of the scarce resource, in economic development.
Empowerment	-	Allowing more autonomy to utilize talents, creative innovative capacities and enable greater sense of achievement over
Entity/enterprise	-	A small and medium youth-owned business/ organization.
Household	-	A family unit consisting of head and other members
Performance	-	Entities' productivity
Youth	-	Young person between ages 18-35 years.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

It is important goal of anyone given government to ensure that the people are economically empowered and in particular youth who are the pillars of the economic progress in the nation. Policy implementers need to be sensitive to the requirements and aspirations of the young people. This will go along way in raising the morale of the youth and consequently decrease the rate of dependency, and ease problems of insecurity, unemployment, idleness, strikes and turnovers.

This chapter presents a review of literature related to small and micro enterprises. It provides relevant information required to address the research questions raised in the previous chapter.

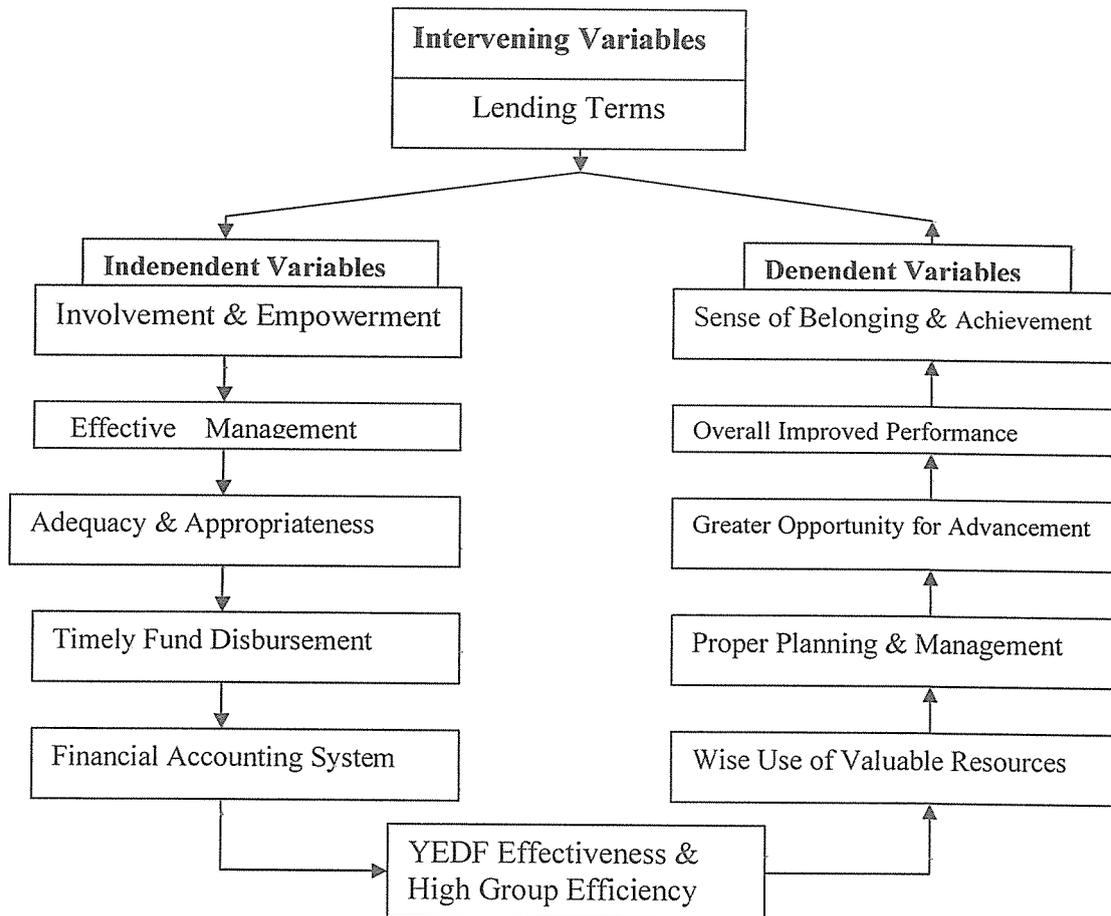
2.1 Theoretical Review

The Effectiveness in this research relates to output of the youth enterprise development fund (YEDF) and what the youth actually achieved, in terms of purpose, objectives set for the management, execution and performance of the established business enterprises. Effectiveness is a term that means doing right things and relates to output of management and what the managers achieves. Normally, effectiveness must be related to the achievement of some purpose,

tasks; to the performance of the process of management and the creation of work. It is the ability to achieve outcomes. The outcome would be a combination of individual groups attributes and other dimensions required in meeting the demands of the situation and satisfying the requirements of the business enterprises.

2.2 Conceptual Framework

Figure 2.1: The Conceptual Framework



Source: Author 2010

To be effectual, managers need to understand what encourages people within the context of the roles they perform, as what stimulates people changes constantly. To ensure the youth benefit from the funds the government as the administrating body must give morale to the upcoming entrepreneurs. This is by laying down strict policies on the manner the funds are managed. The government should create an environment for access of capital to start business.

2.3 Review of the Related Literature

The review revealed that timely, appropriate and adequate funding coupled with effective fund and groups; effective communication work plan performance, involvement, empowerment, enrichment and recognition of achievements, allowing autonomy and creativity of members and relationship, allowing flexibility and compatibility with a businesses specific development strategy, providing unobtrusive supervision, are key to promoting personal effectiveness and quality productivity. However, it is apparent that many times most of the inspirational attributes are not provided. In the case of small and medium businesses that are relatively young there may be limitation of time and financial resources to implement some of the above attributes but the government should develop administrative system to fit young business enterprises of this size and structure.

Small businesses that have clear vision and commitment of becoming sustainable enterprises are on the right path in terms of effectiveness and efficiency. Such emerging small youth-led enterprises may not have an optimal

legal structure but being at least aware of future options and working towards one seem to becoming a truly effective business. Leadership and members' commitment to quality investment decisions are vital to success of business enterprises. Experience has shown that we cannot neglect these useful tools and have the small local businesses triumph.

2.3.1 The Concept of Empowerment Initiatives

In Kenya increasing competitiveness and acknowledgment of the need for the effective use of human resource have highlighted the importance of involvement and empowerment of the marginalized in the society. To empower is to give members of a given group a sense of personal power and control over their work and responsibility for making their own decision. Johnson and Redmond (1998) view empowerment as the pinnacle of involvement and at the end of a chain in social participation.

Generally, empowerment means allowing greater freedom, autonomy and self-control over their work, and responsibility for decision-making. To support true empowerment there is a need for a new theory of management which states that managers are more effective as facilitators than as leaders, and that they must devolve power and responsibility, to individuals as well as groups. With the changing nature of environment, there is need for management to harness and develop the talents and commitment of people concerned. Empowerment give power to people to be innovative and ensure performance is good. In a group

conflict will be abolished as members' works towards the same goal and training increasing learning.

Green (1998) believes that empowering gives more 'space' to utilize talents, releases creative innovative capacities and enable one gained greater sense of achievement from their. Walk and Wood (2002) suggests that empowerment could be one of the most effective tools in raising both productivity and profit. It improves performance because of the opportunities provided to do their work more effectively.

2.3.2 Mentoring and Quality of Working Life

The Youth Enterprise Development Fund (YEDF) as financial resources entrenched in the countries budget just like any other funded project must be well monitored and controlled. Attention needs to be given to mentoring and improving the effectiveness of the YEDF/group in achieving its goals and objectives; and helping the enterprise development skills and resources to manage successfully changes in the way youth groups functions, (Evans and Leighton 1989). Mentoring is an important aspect to the youth in making investment decision. Mentoring can provide this guidance and be effective as it addresses the specific problems faced by the micro entrepreneur. The significance of this aspect is to provide emerging entrepreneurs with support and guidance and to facilitate the sharing of ideas and information to ensure their businesses survive and expand. It can also help decrease the isolation many people experience when starting up a small business, Edgcomb and Barton,

1998). Just like mentoring increase interest in the working the youth group has been associated with development of social concern for quality of working life.

The concept fits well to the youth enterprises as it has been an approach to the organization of work and managing people that has evolved over a long period of time. Efficiency at work, link between satisfaction and effectiveness, influence of environmental factors and particularly work technology; and developments of thought in social science and people and people expectation from work. Though its not easy to determine the extent to which attention to quality of working life (QWL) is based on the pursuit of increased money-making efficiency, recognition of educational standards, changing social values and good business practice, enlighten self-interest may give direction to the search for improved organizational or group performance.

The QWL would sound a necessary culture for youth in Kenya if effectiveness is expected from the YEDF. A culture like this can be seen as an essential foundation for a successful strategy of total quality management, in Kenya youth case. To translate QWL into practice it is best understood if it is seen as a goal as a process for achieving that goal and as a philosophy setting out the way people should be managed.

2.3.3 Human Resource Training

Education and training have been recognized at policy at policy, academic and practitioner level as important indicators of small business success. A lack of

relevant skills and knowledge constrains the growth potential of micro enterprises. Micro enterprise client often have other access to business training and credit, and the knowledge they obtain about running a business is as important if not more important. Muir et al, (2001) noted that researchers internationally have also identified training and other business learning experiences as advantageous and/or essential to the success of a small business.

Schreiner & Murdoch (2000) observed that Training-led programs consider the main problem with the poor micro entrepreneurs to be lack of business skills, personal empowerment, self-confidence, self-esteem and determination. The assumption is that if they (the poor micro entrepreneurs) could get the knowledge, then they would be successful in finding the resources needed for starting and/or running a business (Schreiner & Murdoch, 2002).

2.3.4 Performance and Self-Managed Work Group

After the allocation of the YEDF to various youth groups, the youth obtain autonomy and responsibility to inject it to business department activities. Independent survey showed evidence that some youth have not been able to balance work and life. Some have become workaholic and others are indulging in unethical business practices, to be able to pay back their loans soonest possible. According to Reeves (2003) our attitude to work need a radical change and that its no need wicked work bet blame for most of our ills. Work is our community, how we identify ourselves, it is central to our lives. It provides comfort friends, creativity, purpose belonging identity and love. Work is where

life is. Unfortunately people are rapidly deleting the joy of doing work. Although we may not have unlimited control over what we do, we have to make greater effort to balance the amount of time and effort we put to our work and personal lives. Business enterprises in some regions have failed after some members suffered from the long term effects of ill health.

In the developing countries, mostly in Africa self managed work group are widespread and increasing in popularity. The autonomous group working plays a significant role in the society's economic development. The groups assume greater autonomy and responsibility for effective performance of the work if well managed. However the autonomy and control of one's life and commitment to ones business enterprises is a vital element. If need be reorganization of workforce regularly in a group is not easy but it's important. When successfully developed, group working has proved to be a way of improving people's economic competitiveness and at the same enhance progress towards full-time employment.

2.3.5 Group Quality and Management Approach

There is a wide agreement that social relations can turn into both resources and liabilities for economic development, particularly for the emerging entrepreneurs (Portes & Landolt, 1996). A quality circle is a group of people within an organization to meet together on regular basis to identify, analyze and solve problem relating to quality, productivity or other aspects of day working arrangements using problems-solving techniques. The quality circles are

compatible with groups which have networks and relationships, which are imbued with values, norms, and attitudes and that facilitate trust, and collaborative production of tangible resources like services and money organized to achieve some set objectives. They provide opportunity for members of the work teams to become more involved in their daily activities. If well implemented quality circles are very productive at all manual to white color operations, Meyer and Scott (1985), assert. In the Kenyan context the youth groups have similar features, the membership is voluntary, with between five and ten members who have similar interests and skills. In such groups leaders are chosen from the group, they are trained problem-solving quality control technique and group processes. The groups recommend solutions to management and can have authority to implement agreed solutions. The applications of quality circles offer potential benefits, they provide problem solving at a more local level and the participation of members, and they can be part of long-term strategy for organization's change aimed at improved economic performance.

Central to improving the quality of working life is a participative, open style of management involving members in decisions making. Management should attempt to develop a relationship of trust among all members and provide a confident partnership. According to Scarpello and Vandenberg effective supervision is necessary among the groups for high level work performance.

Training involves technical knowledge, human relations skills and co-ordination of work activities. Kind and thoughtful leader's behavior is likely to generate highly satisfied work groups, through training. At the same time the increasing pace of technological and structural change would ensure the best outcomes for the work group and those around them, for instance the stakeholders of the business enterprises.

2.3.6 Financial and Accounting Systems of Control

Control systems are usually viewed with a certain amount of suspicion, and possible resentment. Therefore, if control systems are to be successful in leading to improved performance and organizational effectiveness, they require attentive to factors which influence human behavior. No form of control is absolute and organizational can only achieve their objections through the effort of their members. This calls for a high level of consultation and encouragement for workers to participation in decision-making process. Management control systems are frequently thought of in terms of financial and accounting systems. This is because stewardship of financial resources is of vital concern to the majority of organization. In both private and public organizations there is an increasing need to demonstrate value for money expended. Control systems are often geared to highlight easily identifiable performance sales, cost and profit. In the contemporary world organization's aims, objectives and target are often expressed in financial terms and measured in terms of profitability. Results are measured and reported in financial expressions.

There is more to accountancy than accounting. It is understandable; therefore that so much attention is given to financial and accounting systems of control. Management control embraces for more than just financial or accounting considerations. For instance, Gupta, A. (1998) refers to a simple causal model that links business goals-people, context-individual behaviors and attitude-performance of the firm-financial performance.

2.3.7 Enterprise Performance and Profitability

Micro and small enterprise development focuses on building up small, poor businesses which are already a key feature of the local economic in much of the world and enabling them to generate larger profits. For Daniel (1999), Profits are typically defined as total revenues minus total cost where revenue is simply the price of the product multiplied by the number of the units sold. Costs include all cost expenses plus the cost of depreciation on fixed assets such as buildings, tools and machinery. Profits are typically measured through four key components: sales, labor costs, other operating costs, and fixed assets. On the other hand, profitability has been defined as the sales receipts from goods or services minus variables and fixed costs (Inserra 1996). In the business context profitability is sales minus the cost of inputs, divided by the value of capital. Further, economic profitability can be measured using the domestic resources cost, which essentially determines the domestic resource cost of foreign exchange earned or saved.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter contains the research design and the target population used in the study. It also contains elaborate data collection and analysis procedures. It further explains why the particular design and methodology was used.

3.1 Research Design

The research design employed in the study was a case study, which aims at assessing the effectiveness of the youth enterprise development fund in the two districts. This method intensively explores and analyses the allocation and disbursement of the youth fund. According to Adam and Kamuzora (2007) case study is an intensive description and analysis of single situation.

The method was chosen as it allowed flexibility in data collection and analysis, and is stressed on a full contextual analysis of fewer situations. The researcher also found it to have the proper depth and breadth of the studied variables and is not as expensive as some of the other research designs.

3.2 Research Population

The study covered all the youth enterprise groups in the Dagoretti and Kabete divisions, West of Nairobi Metropolitan. The respondents were randomly selected to fill the questionnaires. The study targeted a total of ninety (90) youth members from these two divisions to collect data. In the study the units of

analysis were the individuals in the groups. Other units of inquiry were youth officials at divisional level.

3.3 Sample Size

The component of analysis for the study was the Youth Development Fund and the element of investigation was Youth Owned Enterprises. The total sample consisted of seventy (70) respondents.

Table 1: Sample Size

Name of Divisions	Population	Sample	Percentage
Dagoretti	50	36	51.4
Kabete	40	34	48.6
Totals	90	70	100.0

Source: Primary Design

3.3 Sampling Design

In this study a simple random sampling was found imperative method to employ in selecting the number of respondents to be studied. The method was employed in order to obtain a greater degree of representative. Then, the researcher employed raffle method of random sampling to obtain the number of respondents from each group to constitute the sample. This sampling design was considered appropriate since the groups had diverse number of members as a result, the highest level of accuracy was achieved Konthari (1990).

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3.3.1 Sampling Procedures

Introductory letters were obtained from Kampala International University addressed to various youth organizations targeted for the study. The research then visited the sampled and requested the respondents to complete the questionnaires. The simple random sampling method was used to select the 70 respondents from the total population of 90 owners of youth enterprises. Information was sought using 70 questionnaires; all of them were received back fully filled.

3.4 Instrumentation

To ease the research, a questionnaire and interview guide were developed, pilot tested among youth who were not part of the actual study. Subsequently, they were revised and then administered ready to obtain data from the respondents.

3.5 Data Collection Procedure

After identifying the research and presenting to the Director of the Postgraduate Distance and Open learning Programs and the Head of Research Centre, the researcher went ahead to prepare the proposal. The initial steps to defend the proposal were successful, opening way for the final touches. Then obtain an introduction letter from the coordinator of post graduate programs department of Business Administration. The researcher also visited the research site that is in Dagoretti and Kabete divisions and had an interpersonal interaction with youth enterprise development officers and some youth members from a number of the youth groups. During the visit he solicited for support from the youth members

from various groups in the study area to ease the process of data collection. The researcher intended to deliver the questionnaires to respective respondents once the proposal was fully approved.

3.6 Data Analysis

In this study the analysis of data was based on the research questions. The results are presented in tables and charts in this chapter. Demographic information of respondents was presented and analyzed to answer the research questions. The measures used are both the qualitative and quantitative ones. The researcher categorized instruments into their homogeneous groups, coded the quantitative information and summarized it into frequencies and percentages. For qualitative information, narrative and interpretive reports as well as citations were written to describe the situation as it was in reality.

3.6 Validity and Reliability

To ensure instruments were valid, that is they measured what they claimed to measure the researcher consulted experts in the department of Business Administration in the School of Business Studies in Kampala International University. The authority examined the contents of the instruments and indicated the degree to which the instrument could gather the intended information. Peer review was also used to enhance face and content validity. Suggestions made by experts and peers were used to improve the instrument.

For consistency, that is to ensure that instruments designed measured what the researcher intended to measure, the instruments were pilot tested in one youth group not included in the actual study. The test re-test method was used to pilot test the questionnaires. The reliability index for closed ended questions was 0.63. According to Bramble and Mason (1997) instruments with a reliability index of 0.5 can be used to collect data, thus they were revisited and then used for the actual study as the reliability was more than 0.5. For open ended questions items analysis was conducted to establish whether the items elicited the required responses.

3.7 Ethical Consideration

For the well being of those involved, the information obtained from the respondents was at voluntary basis. The research study was expected to generate data which responded to the research questions and recommended ways to better enhance effectiveness of the youth enterprise development funds to the economic lives of Kenyan youth.

3.8 Limitation

During the researcher's pre-visit to the study area, he realized that some youth were hesitant to give in information pertaining their performance and achievement as they suspected that it was a commissioned research aimed at establishing their returns in order to follow-up loan repayment issues. It is expected therefore that some respondents would give doctored figures on this regard.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.0 Introduction

This chapter presents the results from data analysis. It contains interpretive, descriptive and numerical data. The findings were obtained using the qualitative and quantitative procedures. The results are presented in tables showing frequencies, percentages, correlations and regression analysis.

4.1 Response Rate

Seventy questionnaires were administered to solicit responses. Out of the total number of the questionnaires distributed, all were received back. These represented a hundred percent response rates.

4.2 Biographic Information

To present biographic information cross tabulations and frequency distributions were used to indicate variations of respondents by gender, age, marital status, epoch of operation of micro-enterprises, and academic qualification.

4.2.1 Gender

Mutually, males and females youth were studied. They were asked to state their gender in order to know how inclusive and involving the Youth Department

was. The percentage response rate representation is as provided in the table below.

Table 4.1: Distribution of Respondents by Gender

Gender	Frequency	Percentage
Male	52	74.3
Female	18	25.7
Total	70	100.0

Source: (Field Data 2010)

From the table above its evident that 74.3 per cent male youth represented the greatest percentage of respondents to the questionnaires, while the female respondents constituted 25.7 per cent. The analysis shows that the youth groups have less female members than male members.

4.2.2 Respondents by Age

The study sought to establish the age distribution of the group members. The table below represents the age distribution of the respondents.

Table 4.2: Distribution of Respondents by Age

Age (Year)	Frequency	Percentage
Above 40	4	5.7
30- 35	11	15.7
26- 30	42	60.0
20- 25	13	18.6
Total	70	100.0

Source: (Field Data 2010)

As shown in table 4.2 the dominance of the respondents were between 26-30 age gap, representing sixty percent. Thirteen respondents (18.6 %) were between the age twenty and twenty five years. Eleven youth (15.7 %) were within the range of 30-35 years. Those above the age of 40 years were only four making up 5.7 per cent.

4.2.3 Academic Qualification of the Youth

The study sought to establish the academic qualification of the youth entrepreneurs. The level of education is a pointer to performance which is a resultant feature of success of the small and micro-enterprises.

Table 4.3: Distribution of Respondents by Academic Qualification

Level of Education	Frequency	Percentage
Certificate	21	30.0
Diploma	32	45.7
Degree	17	24.3
Total	70	100.0

Source: (Field Data 2010)

It is palpable from the table above that the entire respondents had attained some training from diverse fields. Seventeen youth (24.3 %) had degrees while 32 had acquired diplomas (45.7 %). Thirty per cent, that is, 21 of the respondents have gone up to certificate level. This is pinpointing the lot of the skilled youth who have been unemployed despite their progressive level of education.

4.2.4 Youth who are Heads of Household

The research inquired about the youth who are heads of households. The following table provides information on youth who are heads of households of the respondents.

Table 4.4 : Distribution of Respondents by Number of Youth who hare Dependants

Youth who hare Dependants		
Number of Dependants	Frequency	Percentage
1- 4	49	70.0
5- 8	13	18.6
9- 11	6	8.6
Above 11	2	2.9
Total	70	100.0

Source: (Field Data 2010)

As reflected in table 4.3, it was observed that majority of the youth (70%) have up to four dependants in their households. Eighteen point six per cent of respondents had 5-8 dependants. Eight point six per cent had 8-11 dependants, and two point nine per cent had more than eleven dependants to cater for.

4.2.5 The Period of Operation

To establish the nature of business support and performance of the business enterprises, the respondents were asked to state the number of years they have been operating their businesses.

Table 4.5: Distribution of Respondents by Period of Operation

Period of Operation	Frequency	Percentage
0-5 Year	35	50.0
5-10 Year	21	30.0
More than 10 Year	14	20.0
Total	70	100.0

Source: (Field Data 2010)

Table 4.4 above illustrates that fifty per cent of the youth had a business experience of less than five years. Thirty per cent had business experience of greater than five years but less than ten years, and twenty per cent had more than ten years experience in business operation.

4.3 Information on Youth Enterprise Development Fund Effectiveness

According to Elson (2004), effectiveness must be related to the achievement of some purpose, tasks; to the performance of the process of management and the creation of work. It is the ability to achieve outcomes. The effectiveness in the development of the youth-led enterprises derives development in the enterprise itself such that the enterprise provides the members with interesting and challenging tasks and opens the opportunities to learn and advances in business. To determine the Youth Enterprise Development Fund Effectiveness the

respondents were asked to assert their contentment with the youth fund. The percentage response rate is as presented in the table in the below.

Table 4.6: Contentment of Youth with the Fund

Response	Percentage	Frequency
Very contented	15.7	11
Contented	24.3	17
Not contented	60.0	42
Total	100.0	70

Source: (Field Data 2010)

From table 4.5 above it is patent that majority of the youth (60%) were not contented with the fund disbursed. Twenty four point three were contented with the youth fund disbursement, while fifteen point seven of the respondents indicated that they were very contented with the disbursement and management of the youth fund.

They also voiced the fact that the funds allocated to the particular youth groups was not significant at all for the group to start or expand an enterprise to support more than ten members. This was further confirmed during visits and observation of the financial records of various youth-owned small business enterprises. Youth-led small business support programs have an impact in stimulating the fund effectiveness.

4.3.1 Sensitization Forums

Poor sensitization forums increased discontentment among the respondents. This implies that when small enterprises support programs are provided there is increased information sharing among beneficiaries of the programs through networks. The study sought to establish the sensitization forums distribution both at divisional and district levels. Information from item eight indicated that there were sensitization forums both at divisional and district levels. Thirty five forums, a percentage of fifty were forums at divisional level with an equal percentage at district level.

4.3.2 Youth Involvement in Fund Allocation Decisions

A cross tabulation between age and contentment from the study indicated that youth starting small business were more discontented than those who required funds for expansion purposes. Unlike the starters the later had a longer business experiences and better in decision making toward investment. Item ten of the questionnaires sought information on involvement and how the youth felt about their participation in fund allocation issues. On responding to this, ninety per cent of the youth gave a negative answer.

Eighty per cent of the respondent reported that they felt low about their participation while the rest indicated that they did not, those who felt low explained that fund allocation was not balanced and the groups' proposals were not taken in consideration during this exercise. Another respondent added that,

“This fund should be disbursed through the Constituent Development fund (CDF), where our views may be presented by the Member of Parliament.”

4.3.3 Youth Fund Appropriateness and Adequacy

Appropriateness refers to suitability or timeliness and adequacy on the other hand refers to sufficiency. Suitability presupposes sufficiency, and vice versa. Both of these concepts have a great impact on the performance of the small business enterprises. To establish the Youth Enterprise Development Fund suitability and sufficiency the respondents were invited to provide information on frequency with which the funds are disbursed in time and the impact of the fund adequacy on them. Majority of the youths considered the youth fund appropriateness good (50%). Twenty eight point six per cent of the respondent indicated that the fund appropriateness is poor while twenty one point four per cent rated the youth fund appropriateness as excellent.

It is important to note that even though majority of the funds, when asked whether they are fed up with the youth fund they gave a negative reply. They still looked forward for a time when the department of the youth will put the right management principles in place. Thus it is apparent that the youth entrepreneurs are determined to better their lives by actively participating in the economic development through business.

Table 4.7: Distribution of Respondents by Fund Appropriateness

Response	Frequency	Percentage
Excellent	15	21.4
Good	35	50.0
Poor	20	28.6
Total	70	100.0

Source: (Field Data 2010)

4.3.4 Management Principles

An approach of management which considers all parties involved in decisions making is key to realization of the set goals in an organization. Management should attempt to develop a relationship of trust among all members and provide a confident partnership. The study sought to establish the management principles at divisional and district levels. The management principles at this level are precursors to performance which is a resultant feature of success of the small and micro-enterprises in all other levels.

Table 4.8: Distribution of Respondents by management Principles

Response	Frequency	Percentage
Excellent	17	24.3
Fair	41	58.6
Poor	12	17.1

Total	70	100.0
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Source: (Field Data 2010)

From the table above a percent of 58.6 rated the management principles fair. Twenty four point three percent rated the management principles excellent while seventeen point one per cent rated the management principles at division level as poor. Those who felt that they were poorly laid indicate that they were not based on merit and some of them had remained the same for along time without any review.

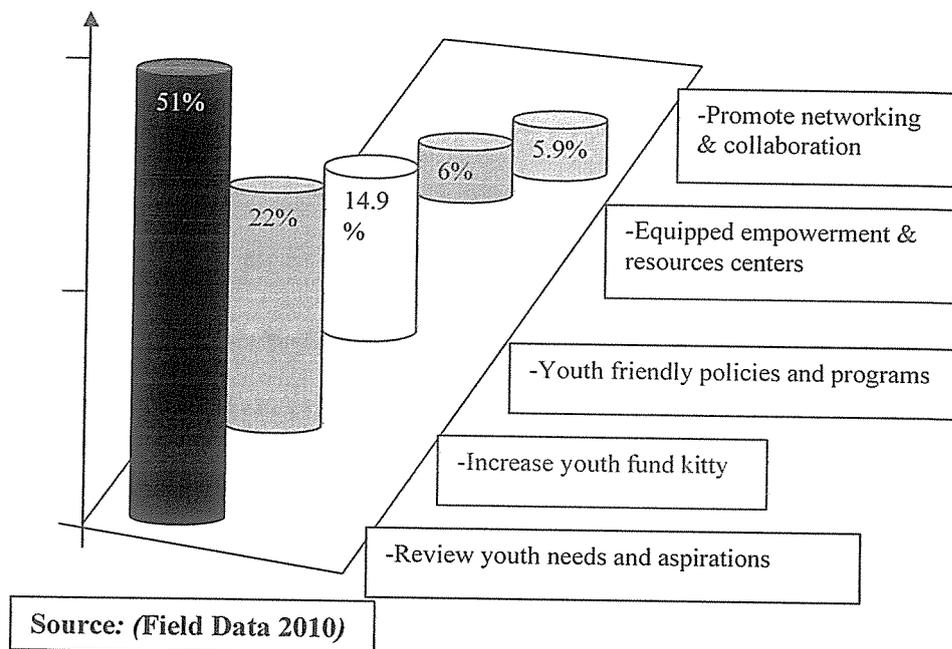
Further the respondents were asked to indicate whether group leaders promoted policies and acknowledged members contribution. Many of them reported that it was fairly done. It is apparent that the management at group level is appreciate while that at divisional and district levels are neglected. This could have emanated from the fact that the youth are not contended with the management of the fund.

4.3.5 Strategies to be realized by the Department of Youth to Improve YEDF Effectiveness

In the Department of Youth Development, the needs of Kenyan youth are paramount. The youth are the key players on those who are involved in executing the mission of the Ministry of Youth Affairs and Sports. They are in a position to recommend certain human resource practices that require to be

reviewed to develop and promote youth-owned enterprises and put the ministry in continuous improvement.

Figure 4.1 Strategies to be realized by the Department of Youth Fund to Improve YEDF Effectiveness



Majority of the respondents (51%) proposed that the needs and aspirations should be revisited, through participatory engagements in decision making. Twenty two percent of respondents suggested that the youth fund kitty should be increased to ensure that the youth groups are allocated exactly the amount of money applies or something close to that. Fourteen point nine percent of the respondent indicated that the management should focus on designing programs and policies that build young people capacity. It was noted that many respondents felt most of their issues and initiatives are ignored weakening their resisting risk factors and protective factors as well. For this reason, many youth groups were not committed to the agreements made during submission of the

proposals such as repayment of the loan. Six percent suggested that the ministry should establish equipped youth empowerment and Resources centers where both youth officers and some group leaders can have intense entrepreneurial and management training. Finally, 5.9 % suggested that to promote networking and collaboration among the youth organizations; effective communication and feedback after workshops and seminars should be emphasized. This would promote continuous learning among the parties concerned and updated and informed youth of the current business issues and economic trends.

4.4 Progress of Various Youth-owned Enterprises

Progress is about the development or performance of the business enterprises. Enterprise performance could be accelerated by support programs such as training and mentoring. The Ministry of Youth Affairs and Sports major commitment is to facilitate the development of the Kenyan youth for active participation in national development through the Department of Youth (Youth Department Service Charter, 2009). The locomotive to make the department to attain the above mentioned goal is the human capital, who is the youth themselves. It is important therefore, to support the youth to become economically independent in order to enhance their contribution in the national economy. Among the factors that enthusiastically could push the youth pursue their objectives are finances, access to credit loan, micro enterprise support programs, involvement in decision making, communication and feedback. The

study sought to establish the factors affecting the progress of youth-led enterprises.

4.4.1 Group Performance

Growth have been noted to be the most difficult to determine. The performance of the enterprises or the entire youth group could be reflected by profitability (profit and net worth) of the business enterprises. The respondents were asked to rate their entity performance. The figure below shows how the youth rated their entities.

The figure indicates that 65.5% of the youth their rated group performance as poor while 24.9 % and 19.6% ranked them as fair and good respectively. Those who ranked their entities poor explained that the fund allocated to them was too little to effect anything of a substance. One respondent retorted,

“We were given nineteen thousand shillings only out of the two hundred thousands we had applied. That is why we can not progress anyway.”

The study further sought to establish whether the youth had access to other sources of credit loan. Majority indicated that they had other sources among them micro finance 43.6%, saving trust 30.1%, and commercial banks 19.3%. Seven per cent indicated that they were lent money by friends.

Additionally the study concerned itself with establishing whether their entities provided conditions which youth energies are expended totally in meeting their basic needs. The majority of the respondents indicated that the entities did

provide such a provision while 49.1% indicated that the entity did not. It is apparent that lack of welfare services at district or divisional level prompted groups to provide some to cater for the members in the group. The welfare services at entity level were pay leaves, overtime pays and allowances for those who run the enterprises and partial medical allowances.

4.4.4 Career Development Opportunities

The skills and knowledge acquired through education systems ought to be backed with opportunities for intellectual growth. The study sought information on different career development opportunities the youth enjoyed. Their responses are represented in table 4.9

Table 4.9: Career Development Opportunities used for the Youth

Career Development Opportunities	Frequency	Percentage
Workshop and Seminar	49	70.0
Updates	5.4	7.7
Counseling	15.6	22.3
Total	70	100.0

Source: (Field Data 2010)

To ascertain the type of the career development opportunities used to promote development of the business enterprises, the respondents were asked to state the career development opportunities they enjoyed. As shown on the table above,

all respondent indicated that they had enjoyed an opportunity to develop their career. Additionally, the questionnaire sought to establish the sponsoring agents for such opportunities. Fifty nine per cent of the respondents indicated that they had been sponsored by non-governmental organizations such as Safaricom, UNDP, and World Vision while forty one per cent had attended opportunities organized by government through the Ministry of Youth Affairs and Sports. As Warento (2002) asserts, many people like growth in skills, capability and experience. Providing growth and development among the youth revitalizes their energies and gets them working hard.

4.4.5 Leadership

Proper leadership in anyone given organization predicts its productivity. In order for the leaders to be appreciated by their subordinates they should be part of them, through communication. Use of various channels of communication allows interaction, which further enhances both psychological and security needs of the youth.

The study sought information on the different ways youth officers interacted with the youths. Sixty two per cent indicated that the officers rarely talked to them apart from official issues which were done through notices and memos. Failure to establish a link with the youth cultivated mistrust and feeling that they are not valued. Twenty seven point eight per cent indicated that the officials spoke to them sometimes while 17.2% indicated that the officers spoke to them on sociable grounds.

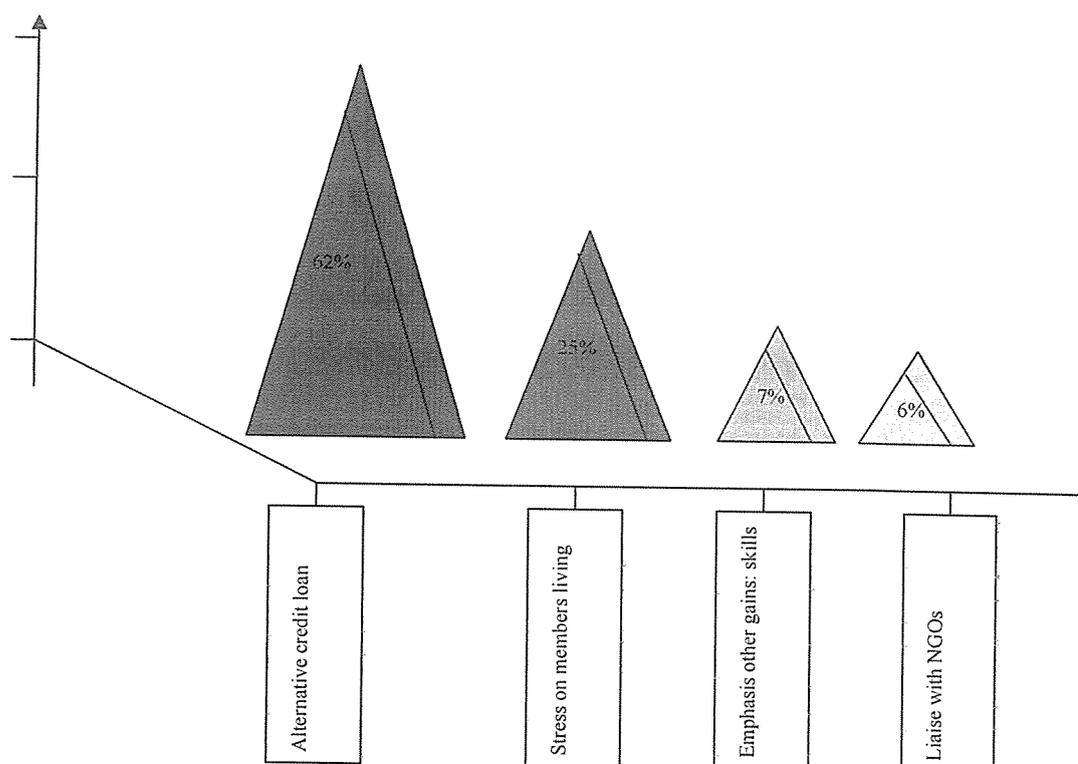
4.4.6 Strategies to be laid by the Department of Youth Fund to Enhance

Progress of the Youth-led Organization

The study sought suggestions from the youth on how to enhance progress of the youth-led organization in order to empower the youth to participate in economic, political and social affairs of the nation. The youth responses are represented in figure 4.2

Figure 4.2 Strategies to be laid by Department of Youth Fund to Enhance

Progress of the Youth-led Organization



Source: (Field Data 2010)

The figure 4.1 above shows that sixty two percent advanced the need for alternatives sources of credit loans if the enterprise was to record any development. They stressed that availability of capital resource was vital in

enhancing rapid result output (RRO); and accomplish groups set goals economically. According to Parker (1996), the performance of small and micro enterprises (SMEs) determines the return earned for each member. A good return from the SMEs helps the youth to attain their basic needs and in extension their standard of living. Consequently, the necessity of accessing other sources of credit loan cannot be assumed. The study share the same opinion as those articulated in prior studies by OLomola (2000)

Twenty five percent of the youth responded that the income percent group members for a living be stressed before focusing on repayment of the loan. One youth said that in most of the meeting, the point of paying the loans was always prioritized to that of individual youth development. Apparently, many youth had paid little attention to the SMEs performance since the organization gave no reward to enable them lead a decent life. Another singled out that, he pulled out of the group because at the end of the month, he was forced to contribute financially to the group rather than being rewarded. Some others pointed out that organization demand more than it generated, such that individual effort and input outdid the total productivity.

Despite the view that the organization did not reward the members adequately, seven percent of the respondent aired other benefits they enjoyed. Those who had no business experience reported that they gained great entrepreneurial and teamwork skills since the foundation of the group. Some said that the

experience in the group was an avenue and an eye-opener to the world of self-reliance and employment.

Six percent suggested that the ministry of youth affairs was far from development. The argument was that since the ministry had been unable to spearhead implementation of youth programmes it should liaise or handover these function to non-governmental organizations. Specifically, one youth voiced about career development opportunities. She said that the NGOs had organized very educative and result oriented workshops and seminars on self-employment and poverty alleviate than those prepared by the Ministry of Youth Affairs and Sports.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This study focused on the Effectiveness of Youth Enterprise Development Fund in promoting business development. The study was carried out to explore whether the youth fund have made any contribution toward the development of youth-owned small and micro enterprises. This chapter is divided into summary of the key findings, answers to the research questions, conclusions, and recommendations for the study as well as areas suggested for further study.

5.1 Discussion of the Findings

The study engaged simple random sampling technique. The study sample for research involved 70 respondents. The study made use of two sets of instruments: questionnaires for youth and interview guide for key informants. The data collected were analyzed using both qualitative and quantitative measures. Quantitative data were analyzed into frequencies and percentages. Qualitative data were prearranged into themes and presented in form of description, quotations and interpretive reports.

Chapter four above presented data analysis, interpretation and discussion of the findings. This chapter present a review of the main findings, conclusions and

recommendations that can enhance performance among the youth groups. The study established that majority (60%) indicated that they were not contented with the effectiveness of the youth fund. Another 90% of the respondents did not know the criteria used in fund allocation because they were not involved in decision making. Further 80% of those who said were involved indicated that they felt low about their participation since there were no feedback on their opinions. On the other hand, the study noted that youth were not evaluated as often as it was supposed. Other factors that were found to inhibit efficiency and effectiveness of youth fund were poor timing of fund distribution and inadequacy of the fund allocated.

It was revealed that the management principles and policies were in support for youth-led initiatives as (58.6%) rated the principles fair. But many commented that there was dire need to actually implement the same. Moreover, 65.5% of the respondent felt that the performance of their entity was poor. Explanation was that majority of the group members were not dedicated to the group due to poor monthly output recorded. The youth suggested that strategies friendly to youth organizations with special needs should be put in place in order to enhance performance particularly to first time entrepreneurs.

The study established that youth did not earn sufficient income from the entity for a living. Many respondents sixty three percent indicated that entities meager output hardly managed to meet their households' basic requirements. Notably,

the majority of the respondents indicated that new ideas, skills and experience were other benefits enjoyed.

Youth cited career development as one of the practices that revitalized their energies in business endeavors. All the youth enjoyed career growth, however the best organized and motivating were by non-governmental organization, like UNDP. The government had not taken serious any initiative according to the respondents to provide youth with opportunities where officers interact with group members. They noted that communication was limited and link with the management was lacking.

5.2 Answer to the Research Questions

The study sought to generate answers to the following research questions.

5.2.1 Question 1: What is the criterion used in identifying the YEDF

beneficiaries?

The study established that the criteria of identifying the beneficiaries were not clear to the youth and some officers too. Actually, beneficiaries of the youth fund highlighted that efficiency of systems and procedures to pick the needy youth groups was wanting. Most of the beneficiaries and economically active youth involved in small and micro enterprises underlined the need for transparency in distribution. The youth viewed concepts equity and equality as important factors to facilitate coordination and communication; thus creating ways through which information about trustworthiness of individuals and

groups can be tested and verified, Putnam (1995). This is factual because the more accountable the management is the higher the chances of groups solidity.

5.2.2 Question 2: To what are the youth involved in fund allocation and disbursement?

The study revealed that youth involvement in fund allocation decisions was minimal; there was no any explicit policy applied in the fund disbursement and allocation. This implies that the youth were always at the receiving end. Their opinions and suggestions during workshops and seminars were collected but never reacted upon. Indeed, 90% of the respondents cited that they were not involved in decision making processes. This further explains the existence of a weak effective communication and teamwork. This is consistent with observations of Putnam (2000) who held that cooperation creates connectedness across diverse organizations while bonding efficiency amongst homogeneous groups. Ten percent of those who said were involved in decision making, quickly expounded that they felt low about their participation. They argued that their presence in meeting was merely to rubber stamp the release of the youth kitty from the treasury. Once the money is under the custody of Ministry of Youth Affairs, the youth role is over. The management then plan for the youth instead of with the youth. Yet the groups are held jointly liable for the loans (Sarangi and Chatterjee, 2004)

5.2.3 Question 3: What is the influence of the youth fund adequacy to the performance of the youth-led enterprises?

From the correlation analysis between fund adequacy and performance of youth-led organizations there is a positive influence between fund adequacy and performance. The results show that the performance of youth enterprises was poor whereas fund allocated was insufficient. This sound with Schreiner (2004) who asserted that availability of capital has a great impact in the performance of enterprise. Other aspects are support programmes management principles and policies as well as credit loan access. This implies that provision of training and mentoring effective management and credit through group lending had a significant drive on profitability, that is, earnings and net worth of small businesses.

5.2.4 Question 4: What is the youth's experienced and satisfaction with the various credit loan services?

In the past studies have shown that credit loan is very crucial tool towards raising business capital. According to Drury, Walsh and Strong (1994), lack of capital is the sole obstacle to starting business. Indeed, capital is an input more important than business training and mentoring. The results from the study indicated that all respondents found it necessary to seek alternative source of capital from diverse financial institution and friends. Forty three point six percent got credit from micro finances, 30.1% from saving trust, 19.3% from banks and 7% from friends. As reflected from these results the fund allocated to the youth enterprises was not sufficient. It needed a supplement from other

sources. Information from district officers showed that some youth groups received fund but immediately disintegrated when the money failed to startup the project proposed. This has contributed significantly to the failure of loan repayment. Some even left with group's funds. This implies that there is need for strong social ties among the borrowers. As Karlan (2004) noted that groups should be formed around neighborhood, which have stronger feelings of charity towards each other.

5.2.5 Questions 5: Which strategies should the department of youth consider to ensure YEDF success?

The study sought to advance viable strategies to be effected to enhance YEDF effectiveness. Opinions of the youth were sought on what the department should do to ensure youth development through well structured organizations, collaboration and networking. Respondents opined the following approaches;

Emphasis on small enterprises support programs: That before the disbursement of the funds group leaders should be sponsored by the government for business training and mentoring courses.

Increment of the entire youth kitty: And in due course fund adequate capital contributed greatly to the performance of the youth enterprises and in extension its profitability

The management to allow groups to change projects: If the first turned unviable. The youth officer should organize regular workshops and seminar at

divisional and district levels to act as forums for youth to air their views and interact. This strategy could enable the youth share ideas and experiences.

The government consider disbursing youth fund through NGOs rather than the government ministry: This strategy was strongly cited by many. The general feeling is that the management of the fund have been politicized hence affecting negatively commitment to serve the youth efficiently, effectively and with integrity.

District youth officers to coordinate and monitor youth groups initiatives by visiting them at the grassroots. District youth officers avoid desktop (office) monitoring and evaluation of the groups progress and instead adopt management by going around.

5.3 Conclusion

In general, the study looked at effectiveness of youth enterprise development fund in promoting business development. From the data collected the researcher observed that there was a significant positive but weak relationship between the study variables. Therefore, it is apparent that the department of youth development policies and programmes has had an impact on empowering Kenyan youth through promoting youth-owned small and micro enterprises.

Youth-led initiatives are not fully given preferences. Commitment by the department of youth development to solely focus on promoting self-reliance among the youth has been minimal. After almost half a decade of youth fund

existence, most youth-owned SMEs could not generate enough income to cater for the basic needs of the members.

The performance of the youth-led enterprises is greatly hindered by inadequate capital, lack of access to credit and bureaucratic fund allocation and disbursement systems and procedures. It was evident that, although a total of Ksh. 3.0 billion in the first year of inception (DN 26th May 2010) had been set aside for on-lending to youth enterprises loan access requirements kept off some youth organizations from obtaining the funds. And when the group succeeded the social development committee (SDC) allocated less than an eighth of the proposed capital to particular group.

Findings from the study further show that the department of youth development neglected support programmes as a precursor to creativity and innovations, and eventually increased performance and profitability. Training and mentoring of loan beneficiaries through workshops and seminars, ultimately posits great improvement on how the youth-led enterprises are managed. Provision of career development could also stimulate networks through which information flows, trust and reciprocity amongst beneficiaries is enhanced for improved productivity and repayment purposes.

Efficient leadership precedes effective management of business organization. This goes without saying that management determines both the efficiency and effectiveness to the youth and the leaders. Although a useful factor, leadership seem to be quite remote at divisional and district levels, according to the studied

groups. The resultant reaction is lack of effective communication that hampered youth interaction and effective youth participation in decision making at all levels.

5.4 Recommendations

Based on the research findings, the following recommendation were meant to be used to ensure youth development in the country. They are suggested for director of youth affairs, policy makers, implementators, youth officers, disbursement partners and development partners.

5.4.1 General

The Ministry of Youth Affairs and Sports, Line Ministries and other Government agencies should demonstrate a positive commitment to provide for the Constituency Youth Enterprise Scheme (C-YES) and the Easy Youth Enterprise Scheme (EASY YES) by negotiating increment of youth fund kitty. Then the allocation and disbursement of the fund should be reliant on the nature of business proposed, type of ownership and amount applied.

In terms of policy and administration the ministry of youth should strengthen alternative strategies of financing youth enterprises to complement YEDF. In addition, the disbursement partners with the best youth support programmes should be selected. Those with competence to harmonize the process of fund disbursement through consistent regulations, procedures and norms such as

conformity assessment, develop capacity to meet domestic labor markets standards, trade, and improve commercial laws legislation and its enforcement.

In terms of commercial infrastructure, the government needs to development and improve transportation infrastructure in order to develop and improve transportation networks in order to minimize the cost of transportation and the delays brought by bad road. Besides the government needs to develop and improve energy and information communication technology infrastructures that are beneficial to youth enterprises.

Further, the ministry should promote youth involvement in decision making at all levels. This hindered effective communication between the youth and the management. It is therefore recommended that the youth officers try to maneuver avenue to facilitate effective youth participation in order to build trust and reciprocity amongst youth.

5.4.2 Specific Recommendation

For a proper address to the youth self-reliance, the researcher gave the following recommendations. There is need for constant group training and mentoring in business development and entrepreneurship before applying for loans.

The department of youth development should support youth-led small and micro enterprises to develop linkages with large enterprises. The department should assist youth to access credit directly either as groups, cooperatives, companies in order to improve economies of scale.

From the findings the researcher found no model enterprise, therefore he recommends that pilot scale enterprises with proper infrastructure be set up in selected areas to co-ordinate youth organizations in the country to ensure youth development through structured organizations, collaboration and working.

To be at par with the modernity, the researcher suggests that department of youth development should stress on continuous improvement through innovativeness and creativity which contribute enormously to the growth and profitability of small and micro enterprises. Youth oriented enterprises should enhance entrepreneurial culture and quality productivity in order to maintain competitive advantage in the domestic and international market.

Well equipped Youth Empowerment and Resource Centers be established to provide both financial and moral support to youth. Once in place, they can play a very vital role in sensitizing the young entrepreneurs on issues that build youth's capacity to resist risk factors and boost protective factors such as technology enhancement.

The ministry should foster integration of youth-owned small and micro enterprise to standard as part of the strategy to penetrate the local and regional markets.

To empower the youth to participate in economic, political and social affairs in the country, the Department of Youth Development have to liaise with NGOs

and through trade organizations to advocate for effective general public support of the general welfare of Kenyan youth.

Timely and adequate financing along with investment in human, physical and information assets is critical for effective youth co-ordination and participation in all decision making at all levels, the Department of Youth Development should streamline the roles, responsibilities and competence of relevant YEDF monitoring Committee and management agencies.

5.5 Suggestion for further Studies

The researcher pointed out specific relevant areas that he identified during the research that appears to have potential for future research that demand attention.

The current study limited itself to youth organizations in Dagoretti and Westlands Districts in Nairobi Metropolitan, a study covering other parts of Nairobi and entire country should be conducted.

Further research need to be carried out to determine the role of all personnel working in various levels of Department of Youth Development to reduce divergences in the management of the youth development funds.

Additionally, study a study addressing the role of the selected financial intermediaries in the funds disbursement should be affected. Finally, a research can be conducted on the impact of the Department Youth Development administration to performance of youth-led organizations.

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SECTION B: INFORMATION ON FUND EFFECTIVENESS

7. How contented are you with the effectiveness of the youth fund?
Very contented [] Contented [] Not contented [] Undecided []

i) Explain _____

ii) In your opinion what do you think should be put in place in order to ensure entity (group) members in the country are contented with the YEDFund?

8. How often do the group members called for sensitization forums?
Divisional level [] District Level []

9. How often do you attend these forums?
Always [] Sometimes [] Not all []

10. Are the youth involved in decision making particularly fund allocation issues?
Yes [] No []

11. i) If yes, in (10 above) do you sometimes feel low about your participation?
Yes [] No []

ii) Please give reason, _____

12. i) How would you rate the youth fund appropriateness?
Poor [] Fair [] Good []

ii) Do you like the timeliness of fund distribution?

13. i) Is the fund allocated to your entity (group) adequate?
Yes [] No []

ii) If no, given a chance, how much would you prefer? Explain.

14. How would you rate the management principles in your division?
Good [] Fair [] Poor []

Explain _____

15. Does your leader in the entity (group) promote policies and acknowledge contribution of the members? Explain _____

SECTION C: THE PROGRESS OF VARIOUS BUSINESS ENTERPRISES.

16. i) How would you rate your entity performance since its foundation?
Poor [] Fair [] Good []

- ii) Please explain the response (i) above _____
17. i) Was it possible for your entity to access other sources of credit loan during the past one year? Yes [] No []
- ii) If yes to (i) give the possible source of credit loan to the entity during the past one year?
Bank [] Saving Group/Trust [] Friend [] Others []
18. If no, to 17 (i) why didn't the entity (group) access credit?
High Interest [] No Collateral Security [] No Borrowing []
19. Do you earn sufficient income from the entity for a living? Yes [] No []
20. Besides your monthly earnings, what other benefits do you enjoy? _____

21. i) Indicate the career development opportunity you have enjoyed
Workshops and Seminars [] Updates [] Counseling []
- ii) If any, who sponsors you? Please specify _____
22. Does your entity provide conditions in which the members' energies are expended totally in meeting their basic needs? Yes [] No []
23. Do the divisional/ district officers interact with entity (group) members who have different needs pattern? Yes [] No []
24. In your opinion, what should the Ministry of Youth and Sports do to ensure YEDF effectiveness?

Interview Guide for Key Informants

KAMPALA INTERNATIONAL UNIVERSITY SCHOOL OF BUSINESS DEPARTMENT OF BUSINESS ADMINISTRATION

Effectiveness of Youth Enterprise Development Fund in Promoting Business Development (A Case Study in Dagoretti and Kabete Divisions in Nairobi West)

Introduction

I am a student in the above named institution. In partial fulfillments for award of a Masters Degree I am required to conduct a research and write a report. My study focuses on the effectiveness of National Youth Fund in promoting business development in Dagoretti and Kabete in Nairobi West.

Kindly respond to the questionnaire with ultimate honesty in order to facilitate this study. Your identity will be kept confidential. Thank you for taking to support this study.

1. Background information about the respondent

Gender Male =

Female =

Age: _____

Educational Level: _____ Occupation: _____

2. What are the indicators of effectiveness in this constituency? _____

3. What do you think is the average number of youth leadership per entity?

4. Could there be youth groups that received the fund but have failed in loan repayment even after the expiry of the given financial year? Yes [] No []

5. If yes in (4) above what action does the district Development Committees take?

6. Are there youth groups with less than the 70% membership as recommended by the Constituency Youth Enterprise Scheme (C-YES)? Yes [] No []

7. If yes to (6) above, how does this affect those groups in terms of the youth leadership and management? Explain. _____

NYAGAH NICHOLAS KIMARU

PERSONAL INFORMATION

Address: P.O. Box 41512-00100, Nairobi, Kenya.

Tel. No: 0721726768

Email: nicmaru@yahoo.com

D.O.B: 11th November, 1976

Marital Status: Married

Nationality: Kenyan

Languages: *English and Kiswahili*

EDUCATION

- 2008-2010 **Kampala International University, UGANDA**
- 2003-2006 **Catholic University of E. Africa, KENYA.**
- 1998-2002 **Urbaniana Pontifical University, ITALY.**
- 1994-1997 **Chinga Boys' High School, KENYA.**
- 1985-1993 **Hill Farm Primary School, KENYA.**

QUALIFICATIONS

- 2008-2010 **Kampala International University, UGANDA**
• Master of Business Administration(Banking & Finance)
- 2003-2006 **Catholic University of E. Africa, KENYA.**
▪ Bachelor of Arts in Religious Studies
- Classification*
▪ Second class honors, Upper division.
- 1998-2002 **Urbaniana Pontifical University, ITALY.**

- Bachelor of Arts in Religious Studies

Classification

- Second class honors, Upper division.

1994-1997 Chinga Boys' High School, KENYA.

Certificate Awarded

- K.C.S.E certificate.

Summary of Performance

- Mean grade of C+ (Plus).

EXPERIENCE

2009 to date: Part-time lecturer in Sahara, Remax, Zetech and SkyTech Aviation Colleges, teaching Business Admin & Mgt and Community Development courses. Gained command and glibness in Business realm.

2008: Principal and a teacher- Calvary High School. Taught Geography and Religious studies. As a Principal I gained skills in leadership, decision-making, management and conflict resolution.

2007: Teacher- Kerith Brook School. Taught Geography and Business studies. Gained command and competence in these subjects.

2006 to date: Evangelizer- John Paul II: Parish Evangelization Teams. Participates in national workshops & Retreats. Also evangelization activities and have gained communication, team building skills and spiritual growth.

2004/5 Volunteer: Ungana-The Young Friends of Amref

Involved and gained experiences in:

- Participation in works of charity.
- Organization of walks to raise funds for the less fortunate.
- Teamwork building and socialization.
- Exchange of ideas in different fields.

2004-2006: Community driver in Allamano Community. Acquired competence in city driving and other parts of the nation.

2002-2003: Teacher: Mukothima Girls High School: - Sports

master and Taught English and Religious studies.

PROFESSIONAL
MEMBERSHIPS

- 1999-2006** **Member: Young Christian Students**
Participated in activities and gained communication, socialization as well as team building skills. Spiritual growth.
- 2001-2005** **Member: Pro-life and Peer Educator**
Active participation in education of the youth on issues, which affect them and behavior change and live a positive life.
- 2004-2005** **Member: Inter-college Environmental Network (ICEN)**
Networking to safeguard the environment and sustainable development.
- 1994-1997** **Member: Science Club**
Participated in science Congress competition up to Provincial level presenting a Mathematics talk. Improved expressive as well as creative skills.

INTERESTS

The use of knowledge attained for the benefit of the society.

HOBBIES

Football, Table-tennis, Reading, socializing, and listening to music.

AWARDS
RECEIVED

- Master and Bachelor Degrees (honours), Diploma K.C.S.E and K.C.P.E certificate.
- Certificate of merit in:
 - Y.C.S
 - Karate(Shoto Kan)
- Certificate of participation in
 - AMREF walk
 - Pro-life Workshop
 - Pope John II Evangelization Team

CAREER AMBITIONS

Developing an advanced

Referees

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