

The Role of Youth Enterprise Development Fund (YEDF) in Job Creation: A Case of Dagoretti Constituency, Nairobi County, Kenya

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Abstract

Youth unemployment in Kenya is a serious development issue. The government conceived the Youth Enterprise Development Fund (YEDF) in June 2006 as a strategic move towards arresting the high rate of unemployment among the youth in the country. The overall objective of this study therefore was to investigate the role of the YEDF in job creation: A Case of Dagoretti Constituency, Nairobi County. The study population consisted of beneficiary youth groups at Dagoretti Constituency and YEDF management officials at the head office. The study adopted a descriptive survey design. To achieve this, two sets of questionnaires and one interview schedule were used to get information. Prior to data collection, authorization was sought from National Council of Science and Technology (NCST). The target population was 80 respondents and due to the small sample size, the researcher carried out a census. Out of the target population of 80 respondents, 70 responded translating to a response rate of 87.5%. Data collected was analyzed using Statistical Program for Social Sciences (SPSS) and presented in the form of frequency tables, pie charts and bar charts. The research findings showed that majority of the respondents (85%) felt that YEDF has helped reduce youth unemployment. A significant percentage of respondents (82%) strongly agreed that lack of business and management skills is the greatest challenge entrepreneurs are facing and needed entrepreneurship training. The youth groups also suggest that the Fund should have a variety of structures to disburse funds also it should give loans to individuals since not all of them are in youth groups. They felt that YEDF should be exposed them capacity building programmes and life skills. Further it was found that the interest rate and repayment terms offered by YEDF were found to be the most appealing factor to beneficiaries. The youth groups suggested that the fund have more collaborations and strategic partnerships with financial intermediaries at grassroots to facilitate disbursement of funds to youth groups at the constituency. The main study recommendations include; YEDF funds be increased by the government and other financiers. For YEDF to be more effective in empowering the young entrepreneurs in the informal sector, more emphasis should be put in giving more training in entrepreneurship skills to youth before and after accessing the loan and credit should be given primarily for enterprise expansion, rather than start-ups.

Keywords: Youth enterprise Development Fund, Job Creation in Kenya

1.0 Background of the Study

Youth unemployment has become a major challenge in the 21st Century and is of critical concern to almost every country in the world. A 2010 Report by the International Labour Organization (ILO) revealed that Sub-Saharan Africa is one of the regions highly affected by youth unemployment. Globally, the youth unemployment rate stood at 15.4% in 2010 with a total of 84.8 million young people unemployed. Developed economies had a youth unemployment rate of 17.7% in 2010 while developing economies in Sub-Saharan Africa and North Africa had unemployment rates of 13.6 % and 25.3% respectively. The number of youth unemployed increased to 76 million with the youth-adult employment ratio remaining almost constant at 2.8. (ILO, 2010)

The scenario is not any different in Kenya where the employment challenge has been growing overtime with the youth being the main casualties. Creation of adequate employment opportunities remain one of the greatest challenges in Kenya. It is estimated that 64% of unemployed persons in Kenya are youth. The country has a youthful population with about 73% per cent being under 30 years of age. Kenya has experienced steady growth in population coupled with expanding youth unemployment. Statistical surveys have put the Kenyan unemployment rate at 29% per cent (Njonjo, 2009).

According to (Gudda & Ngoze, 2009), the high unemployment rate amongst the youth has variously been attributed to low absorptive capacity of the economy, weak implementation and coordination of youth targeted employment interventions, lack of appropriate skills, and job selectiveness. These are conceived as a complex function of lack of employability, limited employment creation or absorptive capacity of the economy, weak entrepreneurship culture and unequal opportunities.

A number of policy interventions have been formulated and variously implemented, since independence, to address the growing employment problem in Kenya. Key among these policies is the growth-oriented development strategy augmented by a high wage and Kenyanization policies adopted at independence (Republic of Kenya, 1964). The government also undertook to engage in direct employment creation, regulate wages,

operate employment exchange programmes improve labour market information systems, and re-orient education and training systems to vocational and technical training areas as a means of promoting employment creation. Other measures also implemented to address the country's employment problem included promotion of growth and development of the informal and jua kali sector, adoption of fiscal policies, and short-term measures such as tripartite agreements (Republic of Kenya, 1969; 1973). The Government of Kenya (GoK) has prioritized youth unemployment in its long-term plans i.e. in the Vision 2030 and also in the medium-term plan for the years 2008 to 2012 to meet the Millennium Development Goals (MDGs). Efforts have been made by the GoK to initiate youth development Programmes to ensure job creation.

To address these challenges the government adopted long, medium and short-term policies. The long-term policy framework is contained in the National Poverty Eradication Plan (NPEP) 1999-2015. NPEP provides a long-term national vision and institutional framework for tackling poverty. On the other hand, the Poverty Reduction Strategy Paper (PRSP) 2001-2004 is a short term strategy which seeks to implement the National Poverty Eradication Plan (NPEP) in a series of three year rolling plan. One of the key targets set in the 3 year plan period is reducing the unemployment rate from 21% to 18%. While some significant improvements in the formulation of national development policies and interventions have been made, implementation has not been satisfactory.

The Kenya government has overtime pursued a number of structural reforms to support formal employment particularly within the private sector. These include reviewing the tax regime, simplification of licensing procedures, and implementation of programmes for strengthening the business environment, including enforcement of competition policies. However, these structural reforms have not been effectively and/or completely implemented to make meaningful impact on the youth unemployment crisis (Semboja, 2005). While some significant improvements in the formulation of national development policies have been made, implementation has not been satisfactory, effective, consistent and efficient. The Youth Enterprise Development Fund (YEDF) is one of the initiatives by the government to address the high rates of unemployment among the youth.

1.1 Youth Enterprise Development Fund

The Youth Enterprise Development Fund (YEDF) was established by the government in June 2006 as one of the strategies of addressing youth unemployment. The YEDF was officially launched on 1st February 2007 by His Excellency President Mwai Kibaki. The Fund was transformed into a state corporation on 11th May 2007. The Fund is one of the flagship projects of Vision 2030, under the social pillar. The Vision 2030 sees the Fund as a strategy of gainfully engaging our youth, majority of who are unemployed. The fund targets young people within the age bracket of 18 to 35 years whose total population currently stands at 13 million. The Fund provides financing to businesses and enterprises that are owned by youth by a revolving loan facility. (YEDF Status Report, 2007 - 2012).

The Fund's purpose is to create employment for the youth of Kenya and provide youth entrepreneurs with capital for business startup and growth. The fund's "Mission" is to increase economic opportunities for Kenyan youth through enterprise development and strategic partnerships. The fund's "Vision" is to be a sustainable and growing fund, economically empowering Kenyan youth. The fund's core values include: integrity and accountability, creativity and innovation, equity and fairness, professionalism, collaboration and patriotism. YEDF has opened ten regional offices countrywide and employed two constituency officers in every constituency to help the youth at the grassroots (YEDF Status Report, 2007-2012).

The Fund was designed to address the challenges of youth owned enterprises. Its objectives are; provide loans to youth owned enterprises, attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; provide business development services/entrepreneurship training to youth enterprises and facilitate employment of youth in the international labour market(YEDF Status Report, 2007-2012).

YEDF was established with an inception capital of Kshs. 1 Billion. Kshs. 210 Million was allocated as grants through the Constituency Youth Enterprise Scheme (C-YES) directed to young entrepreneurs so that they can access finance to set up or expand businesses so as to gain self-employment and employ others. This amount was allocated equally among all constituencies (i.e. Kshs. 1 Million per constituency). (YEDF Status Report, 2007-2012).

Table 1: Group loans at constituency level

COUNTY	CONSTITUENCY	NO OF GROUPS	AMOUNT
NAIROBI	Makadara	86	4,005,000.00
	Kamkunji	69	3,150,000.00
	Starehe	70	3,343,500.00
	Langata	64	2,896,200.00
	Dagoretti	59	2,000,000.00
	Westlands	62	3,049,999.50
	Kasarani	81	3,875,500.00
	Embakasi	97	4,850,000.00
TOTAL	8	588	27,170,199.50

Source: YEDF Status Report, 2007- 2012

The loan component has by far been the most popular with the youth. The fund has consequently allocated most of its resources to lending. To date the Fund has advanced loans worth Kshs.5.9 billion to 158,000 youth enterprises. Out of this amount Kshs.615 million has been advanced to 13,341 group projects while Kshs.66 million has been disbursed to 2645 individual enterprises at the constituency level. Through financial intermediaries the Fund has financed 141,552 group and individual enterprises to the tune of Kshs.5.2 billion. The Fund has further 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. The Fund also has a Youth Employment Scheme Abroad (YESA) which seeks to export labor to other countries. Over 1,500 youths have benefited from temporal employment abroad through the labor export component. (YEDF Status Report, 2007-2012).

1.2 Statement of the Problem

Unemployment is one of the most daunting economic challenges facing the country. The government established the Youth Enterprise Development Fund as one of the interventions to address the youth unemployment problem in the country. Despite the existence of the fund for the last 5 years, the rate of unemployment among the youth is still high in Kenya. The Fund which was formed to create employment for the youth of Kenya by economically empowering them appears to be failing in this mandate of job creation. The youth are still faced with unemployment. There is a missing link in the role of the Fund in delivering its mandate of gainfully engaging Kenyan youth in economically viable activities. The Fund has been dogged by technical, structural and governance challenges since inception and the youth do not seem to be benefitting from it. The mandate of the Fund is to not only increase the access of capital by young entrepreneurs but to also provide entrepreneurship training, business development services, facilitate linkages in supply chains, create market opportunities locally and abroad for products and services of youth enterprises and facilitate creation of commercial infrastructure to support growth of youth businesses. Unfortunately some of the strategic objectives set to attain the mandates are not being met. An example is the objective to provide entrepreneurship training and provide loans and to youth owned enterprises. Kenyan youth, in addition to being equipped with skills, need to be given access to capital so that they can start or expand their own business enterprise and change from being job seekers to job creators. The Fund does not have adequate structures to disburse funds. The result has been massive loan default, with many youth enterprises becoming shadows of their true potential. The procedures and interest charged for accessing the youth fund remain the two biggest hurdles to youth enterprise development. This objective of economically empowering the youth by entrepreneurship training and collaborative linkages with financial intermediaries to disburse funds to youth is yet to be achieved.

2.0 LITERATURE REVIEW

2.1 Youth Unemployment

Youth unemployment is a pervasive problem. A number of countries faced with similar challenges have developed and implemented various labor market Programmes and interventions aimed at redressing the youth unemployment problem. Various countries have put in place measures to curb youth unemployment. Most countries are working hard towards the MDGs and especially poverty reduction (Gudda, 2009).

As noted by (Drucker 2004), youth empowerment programmes, innovation and entrepreneurship programmes implemented by various countries targeting youth unemployment in particular, can be grouped into two broad categories. Those that are focused on prevention of potential unemployment problems among the youth after formal schooling; and remedying interventions. Prevention measures are mainly associated with early and sustained interventions towards addressing youth unemployment problem by increasing future employment outcomes.

In Africa, governments have embarked on various Programmes and projects to promote youth employment. One of the practices that have worked is the Youth Enterprise Society in South Africa which deals in training young

people and empowering them through enterprise. In Addis Ababa, Ethiopia the United Nations Economic Commission for Africa (ECA) and other partners launched a Cisco Internet Networking Technology Training Course for African women. Many governments have also introduced policies to directly promote youth employment. Countries with a social welfare system in place also support the unemployed financially through unemployment benefits (ILO, 2011).

2.2. Youth Empowerment Programmes

Youth empowerment as an attitudinal, structural, and cultural process whereby young people gain the ability, authority, and agency to make decisions and implement change in their own lives and the lives of other people, including youth and adults. He further argued that young people are empowered when they acknowledge that they have or can create choices in life, are aware of the implications of those choices, make an informed decision freely, take action based on that decision and accept responsibility for the consequences of those actions (Semboja, 2005).

Empowering young people means creating and supporting the enabling conditions under which young people can act on their own behalf, and on their own terms, rather than at the direction of others. The process of involving the youth in planning, implementation, and evaluation, brings about a strong sense of belonging and ownership that essentially leading to sustainability and immense benefits of the Programmes. Over the last decade, the concept of empowerment has emerged as the main paradigm of development throughout different governmental sectors (Blanchard, 1996).

The process of youth empowerment enables individuals to fully access personal or collective power, authority and influence, and to employ that strength when engaging with other people, institutions or society. In other words, "Empowerment is not giving people power; people already have plenty of power, in the wealth of their knowledge and motivation, to do their jobs magnificently (Njonjo, 2009). Chinguta (1996) argued that youth empowerment is letting this power out and encouraging young people to gain the skills and knowledge that will allow them to overcome obstacles in life or work environment and ultimately, help them develop within themselves or in the society.

Economic empowerment programmes that empower the youth to have an entrepreneurial culture and foster enterprise creation are key to increasing youth employment and alleviating the vicious cycle of poverty and social exclusion. Some examples of empowerment programmes include equipping youth with skills, giving access to capital so that they can start or expand their own business enterprises and ensuring collaborations with institutions and youth groups. Governments need to encourage a broad and dynamic concept of entrepreneurship to stimulate both individual initiative and broader initiatives in a wide range of organizations which include, but go beyond, the private sector: small and large enterprises, cooperatives, and the public sector, workers' and youth organizations. Small and Medium size Enterprises (SME's), Micro and micro credit can provide opportunities for income generation in the absence of a formal economic structure (ILO, 2010).

2.3 Entrepreneurship Training Programmes

According to (Bruton et al. 2000) entrepreneurship training generally refers to programmes that promote entrepreneurship awareness for career purposes and provide skills and training for business creation and development. Entrepreneurship training can play a major role in changing attitudes of young people and providing them with skills that will enable them to start and manage small enterprises at some point in their lives. In a report developed collaboratively with the United Nations Development Program (UNDP) and the International Labor Organization (ILO). Kenya was encouraged to develop a training capacity in entrepreneurship that could lead to the creation of an "enterprise culture" in the country (Amenya et al. 2010).

Studies conducted in Kenya by Omolo (2010) on unemployment in Kenya established that entrepreneurship and entrepreneurial culture is an important ingredient in youth employment in Kenya. Entrepreneurship drives economic development, it breeds competitiveness and innovation. Youth employment interventions should increasingly target the enhancement and promotion of the youth entrepreneurial potential and development of entrepreneurial culture and support by providing needed resources such as capital and technology putting in place supporting commercial infrastructures.

The small enterprise sector is composed of a range of enterprises including: self-employed artisans, microenterprises, cottage industries, and small enterprises in the formal business sector. These small enterprises may be engaged in trade, commerce, distribution, transport, construction, agribusiness, manufacturing, maintenance and repair, or other services. As a result of the trend toward the creation of small enterprises, the informal sector has grown to include approximately 60 percent of the labor force in Africa (Sagwe et al. 2011)

Chingunta (1999) postulates that the key challenges facing the Kenyan youth are lack of necessary education, relevant training and the knowledge and skills required to enhance their absorption into the labor market. He further argued that initiatives need to be put in place and implemented to ensure that the youth have adequate skills that can assist them in identifying and tapping into business opportunities and embrace modern business management techniques. His study revealed that entrepreneurship training has been seen as a way of thinking,

reasoning and acting that is opportunity-obsessed, holistic in approach and leadership balanced towards an entrepreneurial culture. According to Rori et al. (1998) entrepreneurship training programmes can be an important component of economic strategies for fostering job creation. Entrepreneurship training can prepare for new venture initiation by transferring knowledge and developing relevant skills that improve the self-efficacy and effectiveness of the potential entrepreneur. (Gibb, 1998) pointed that education and training programmes equip young people with the skills required by the labour market are an important element in facilitating the transition of young people to decent work and also in enterprise development.

Kenya National Human Development (2009) revealed in their report that the two most binding constraints to small business success amongst Kenyan young entrepreneurs are inadequate business development skills and poor access to credit. Among the youth, the lack of business skills is aggravated by inadequate experience in the work environment. Most youth who intend to go into business have inadequate or lack skills to identify the appropriate business lines to invest in and effective product development and marketing. This is the reason for the high failure rates of small enterprises, with up to 80 percent of new business collapsing within their first three years of operation. Embedding entrepreneurship curricula at an early age and in secondary and tertiary schools is an effective way of improving attitudes towards entrepreneurship and enterprise development for the youth (Gudda & Ngoze 2009).

2.4 Employment Opportunities and Collaborative Linkages

A study conducted by Rori et al. (2006) revealed that entrepreneurs find it a challenge to access decent working space due to the cost involved. This explains why many hawkers in Kenya's urban areas are young people. The young entrepreneurs need a business environment where they can easily start-up their business. The report further reveals that not everyone has access to resources that can fund a new business effort until it becomes profitable. Youth survive on a multitude of activities for example; in urban areas lorry parks attract many young men seeking casual labour opportunities, carrying loads, finding passengers for buses, as well as skilled trades such as drivers, mechanics and barbers.

Amenya et al. (2010) stated youth predominantly work as shopkeepers, street retailers and hairdressers. Many children work as street retailers outside school hours. Such market areas attract migrant youth; many sleep in nearby kiosks and bases. The study further revealed that majority of these youth does not know about local institutions and thus are unlikely to directly benefit from local development Programmes. Lack of an employment avenue/opportunity, trading premise, work site and trading facilities to the youth entrepreneurs hinders progression. Gudda & Ngoze (2009) posited that through collaborations and strategic partnerships, business incubators can support the successful development of entrepreneurial projects of youth business ideas through an array of business support resources and services. The report further revealed that collaborative linkages and strategic partnerships provide the necessary infrastructure can make a substantial contribution to employment creation and drives a entrepreneurial culture to self-employment by creating jobs directly and successful businesses Innovation, through the use of new technologies, increases productivity and further expands existing market opportunities, which in turn strengthens incentives to innovate. Small businesses therefore contribute to one of the key pillars of sustained economic growth (Bruton et al., 2006).

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The study adopted a descriptive research design. According to Cooper and Schindler (2003), a descriptive study is concerned with finding out the what, where and how of a phenomenon. The main focus of this study was quantitative research and it adopted a descriptive research design which was meant to investigate the role of YEDF in job creation. The subject was observed in a completely natural and unchanged environment. Statistical program for social sciences (SPSS) was used for data analysis. The study employed the use of questionnaires and an interview schedule to collect primary data. Secondary sources were contacted for data. The researcher consult books, journals, articles, previous research reports, periodicals and internet sources.

3.2 Target Population

This study targeted 80 respondents; 9 YEDF officials from the YEDF head office, 2 DYO's from Dagoretti constituency 10 collaborating agencies and 59 youth groups that have benefited from the YEDF in Dagoretti constituency.

Table2: Target Population

Level	Target Population
YEDF Management officials	9
District Youth Officers (DYO's)	2
Collaborating Agencies	10
Youth Groups	59
Total	80

Source: Survey, 2013

3.4. Sampling procedures and techniques

The census technique was used to obtain a sample size of 80 respondents since the target population was not large. The sample size was determined by the number of registered youth groups in the constituency. With regards to the selection of the officials in YEDF head office purposive sampling was used, which is a non-probability sampling design. This was used since the officials selected were those who have knowledge on the Youth Fund.

3.8 Data analysis and presentation

The data collected was edited, coded and put into the Statistical Package for Social Sciences (SPSS) software. The data collected was coded, quantified and analyzed quantitatively and qualitatively. Quantitative data was analyzed with the use of Statistical Package for social sciences (SPSS version 17.0)

Quantitative data collected was analyzed using the general regression model as shown below:

$$y = \beta_0 X_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where

y= job creation

X_i =independent variable

i= 1,2,3,4

β₁=Rate of change (the gradient)

β₀=constant value (intercept)

FINDINGS

4.0 Regression Analysis Results

The general regression model

$$y = \beta_0 X_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where

y= Job creation

X_i =Independent variable

i= 1,2,3,4

β₀=Constant

β₀, β₁, β₂, β₃, β₄=Variable Constants

X₁= Youth Empowerment Programmes; X₂ =Entrepreneurship Training; X₃= Employment Opportunities; and

X₄=Collaborative Linkages

Table3. Regression Observations Table

Number of Observations Read	70
Number of Observations Used	60
Missing Values	10

Source: Field Survey SAS output (2013)

Table4. Class Level Information

Class Level Information		
Class	Levels	Values
Variables	5	1 2 3 4

Source: Field Survey SAS output (2013)

Table5. Criteria for Assessing Goodness of Fit

Criteria For Assessing Goodness of Fit			
Criterion	DF	Value	Value/DF
Deviance	55	915.996	16.654
Scaled Deviance	55	55.0000	1.0000
Pearson Chi-Square	55	915.996	16.654
Scaled Pearson X2	55	55.0000	1.0000
Log Likelihood		-78.1848	
Full Log Likelihood		-78.1848	

Source: Field Survey SAS output (2013)

$$DF = N - k - 1 = (60 - 4 - 1) = 55$$

N=Number of Observation Considered

K=number of Variables

Table6. Analysis of Maximum Likelihood Parameter Estimates

Analysis Of Maximum Likelihood Parameter Estimates							
Parameter	DF	Estimate	Standard Error	Wald	95% Confidence Limits	Wald Chi-Square	Pr > ChiSq
Intercept	1	87.1346	22.3218	43.3847	130.8846	15.24	<.0001
X ₁	1	0.0875	0.3969	-0.6905	0.8654	0.05	0.8256
X ₂	1	-0.9066	0.5818	-2.0470	0.2338	2.43	0.1192
X ₃	1	1.0512	0.9020	-0.7167	2.8190	1.36	0.2439
X ₄	1	-1.4175	3.2544	-7.7960	4.9609	0.19	0.6631
Scale	0	60.5309	0.0000	60.5309	60.5309		

Source: Field Survey SAS output (2013)

Note: The scale parameter was estimated by the square root of DEVIANCE/DOF.

Table.7. Likelihood Ratio for Type 3 Analysis

LR Statistics For Type 3 Analysis						
Source	Num DF	Den DF	F Value	Pr > F	Chi-Square	Pr > ChiSq
X ₁	1	55	0.05	0.8274	0.05	0.8256
X ₂	1	55	2.43	0.1318	2.43	0.1192
X ₃	1	55	1.36	0.2549	1.36	0.2439
X ₄	1	55	1.99	0.1705	1.99	0.1582

Source: Field Survey SAS output (2013)

4.1 Hypothesis Formulation

a). Youth Empowerment Programmes

H₀: Youth Empowerment Programmes are independent of youth employment creation.

H₁: Youth Empowerment Programmes influence the youth employment creation.

Decision Rule

If $\chi^c > \chi^2_{(0.05, 55)}$ then reject the null hypothesis.

0.02 < 38.958, we do not reject the null hypothesis. This implies that Youth Empowerment Programmes even though lauded to be having influence on youth employment creation are not significant enough to create the jobs. The probability of it having the capacity to provide job creation opportunities is supported by 17.44 percent. There is however a positive relationship between the youth empowerment Programmes even though not significant to warrant a change in the number of jobs created.

b). Entrepreneurship Trainings

H₀: Entrepreneurship trainings enhance youth employment creation.

H₁: Entrepreneurship trainings are independent of youth employment creation.

If $\chi^c > \chi^2_{(0.05, 55)}$ then reject the null hypothesis.

2.43 < 38.958, we do not reject the null hypothesis. This implies that entrepreneurship trainings play a very critical role in supporting the development of jobs. The probability of the employment training creating jobs has been supported by 88.08 percent. Entrepreneurship trainings as shown by the results have negatively significant relationship to employment creation. This is probably because it tails the youths to a given way of thinking.

c) Employment Opportunities

H₀: Entrepreneurship Opportunities support YEDF beneficiaries to get jobs

H₁: Entrepreneurship Opportunities are independent of youth employment creation.

If $\chi^c > \chi^2_{(0.05, 55)}$ then reject the null hypothesis.

1.36 < 38.958, we do not reject the null hypothesis. The existence of many entrepreneurship opportunities contributes many job opportunities. Beneficiaries of youth enterprise development fund find more employment pursuits through the entrepreneurship opportunities created. There is a strong positive relationship between the entrepreneurship opportunities and ability to create jobs by the youth groups.

d) Collaborative Linkages.

H₀: Collaborative linkages by MOYAS are independent of youth enterprise development

H₁: Collaborative linkages have facilitated youth enterprise development

If $\chi^c > \chi^2_{(0.05, 55)}$ then reject the null hypothesis.

1.99 < 38.958, we do not reject the null hypothesis. The collaborative linkages have not done much to create youth enterprises. The collaborative efforts have not borne fruits yet they got a potential.

5.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 General Findings

Findings show that more than 50% of the respondents had served in the organization for between 1-3 years. This means that they had served at their respective places for a long time and therefore they had the necessary information required to answer the questionnaire. Findings also deduced that for a group to benefit from YEDF, it must have been in operation for at least three months. YEDF beneficiaries are predominantly males aged between 31-35 years with secondary and primary education, signifying that low levels of uptake and participation of females and youths below the age of 30 in YEDF projects in the constituency.

Further the findings deduced that YEDF collaborative linkages and strategic partnership projects have benefitted mainly youth with relatively low levels of education, implying that youths with diploma and degree education prefer white collar jobs to self-employment, thus the need for entrepreneurship training. The findings also showed that nearly half of the YEDF beneficiaries in the constituency did not have any business experience before entering the YEDF Program, a pointer to the enormity and the high training needs of YEDF beneficiaries. This means that capacity building and empowerment remain a great challenge to YEDF and would in effect sink a large proportion of the program budget at the expense of fund disbursement to ensure performance of the youth groups.

5.2 Youth Empowerment Programmes

On Youth Empowerment, the study found that the implementation of YEDF in the constituency has had a positive impact on livelihoods on the beneficiaries of the fund and has succeeded in empowering the youth by reducing joblessness. The Fund has thrived in promotion of entrepreneurial self-efficacy, effectiveness and increased business income through business start-ups and expansions.

The study found that the Fund has created 1,208 jobs at Dagoretti constituency since its inception. These findings are a true reflection from the total number of male youth members in the registered youth groups that was 818, whereas the total number female members in the youth groups totaled to 390 derived from the records of the District Youth Officer. This was clear from the study that showed an increase of the number of employees of the beneficiary enterprises/ youth groups at business start-up and the number of employees after business expansion. However, most direct jobs were created over the past five years have mainly been in self-employment terms. The implications are that the Fund has mainly of addressed the problem of direct self employment of beneficiaries and not additional employment for other non-beneficiary youth groups, a pointer to the unsustainability nature of the program in addressing youth unemployment.

The study further established that majority of the respondents (78%) strongly agreed that the Fund has increased business opportunities and has assisted them in developing the youth competencies in their areas of interest and also in making personal decisions. This has mainly been through workshops, trainings and seminars. The impact of the Fund has improved the living standards and increased self-employment opportunities.

5.4 Operational performance in loan disbursement

YEDF was found to be the main and most preferred source of seed and running capital for majority of the youth enterprises in the constituency. However, the average nominal loan values disbursed was found to be low (about Ksh 40,000), and in most cases, insufficient and at the same time unsustainable. The findings concurred with the findings of a study done by Ameyia et al. (2012) in Nyaribari Chache Constituency. Further repeat YEDF funding was found to be very low, an indication that the YEDF places priority to new applicants and not on former beneficiaries, which is likely not to enhance existing beneficiary business growth. Due to low scale and accessibility, the YEDF were supplemented by personal savings and to smaller extent assistance from social networks. Contribution of MFI loans to starting capital was almost insignificant. On the positive note, the interest rate and repayment terms offered by YEDF were found to be the most appealing factor to beneficiaries. YEDF flexible collateral requirement and low interest rate therefore remains a great attraction to most beneficiaries. The finding on the YEDF as the most preferred source of business funding for youths concurred with Ameyia et al. (2010).

5.5 Entrepreneurial Training Programmes

Results on YEDF entrepreneurial training revealed that necessary, sufficient, relevant and effective trainings that cover the standard curriculum necessary to equip and enhance the youth with the necessary leadership and management skills to run their businesses is usually offered by the YEDF before funds are expended to beneficiary enterprises. This is a major score for the YEDF entrepreneurial training component considering that most of the study findings indicate that the majority of the respondents (92.9%) agreed with the statements while a minority (7.1%) disagreed. The beneficiaries have basic education levels and low or no prior business skills and experience. The youths have also been quite collaborative and cooperative in the following up the training program through diligent attendance, participation and even follow up visits to the constituency the YEDF offices for continuous training, guidance and counseling. This finding is in contrary to the Ameyia et al (2010) study that concluded that the youths in Nyaribari Chache Constituency rarely seek guidance from the relevant

YEDF officers.

5.6 Employment Opportunities and Collaborative Linkages

Findings on employment opportunities and collaborative linkages adopted by the YEDF indicated that the YEDF has performed quite well in providing continuous collaboration in business mentoring, guidance and counseling for the youth in the Constituency. These efforts included advice by youth officers on new business opportunities, YEDF funding procedures, business growth strategies and day to day technical support. Indeed these collaborative linkages have resulted in youth job creation. However, most of the direct jobs created over the past five years have mainly been in self-employment terms, with most of the beneficiary enterprises having created an average of two jobs but at the same time recording equal number of job losses. This in effect means that the net direct job creation is almost zero, implying that the YEDF has mainly addressed the problem of direct self-employment of beneficiaries and not additional employment for other non-beneficiary youths, a pointer to the unsustainability nature of the program in addressing long-term youth unemployment. However, on the other side, analysis of secondary jobs created by YEDF beneficiary enterprises was somewhat positive due to forward-backward linkages with other support and supplementary sectors mainly in food and book supplies. The finding that the YEDF is yet to make a significant impact on youth employment in the country is in consonance with the results by Amenity et al (2010) who posited that the fund has not been able to address gender imbalances and has not yet made significant impact in the society.

Further analysis on YEDF collaboration linkages revealed that although the office has exhausted most opportunities for all inclusive approach to creating networks and building partnership with the private sector and the local authority in its Programmes, there has been a general and consistent lack of support from most stakeholders in providing appropriate infrastructure and this has affected program delivery to a great extent. The latter finding confirms the results of similar study in Nyaribari Chache Constituency by Amenity et al (2010). Other challenges facing implementation of YEDF Programmes in the constituency were insufficient funding. Furthermore, political interference in collaborative linkages was found to pose the least minimal challenge. In the face of these drawbacks, the YEDF has nonetheless attempted to offset them through utilizations of appropriate technology for youth training in entrepreneurship and business skills and use of tried and tested business opportunities in the market.

5.7 Conclusion

The following conclusions can be deduced from the study;

The study findings project the fact that YEDF could be a preferred source of funding among the youths due to its attractive interest rate and flexible repayment terms to beneficiaries, accessing it remained a great challenge, not to mention the low scale of allocation to beneficiaries. The fund scalability problem coupled with lack of repeat funding means that most of the beneficiary enterprises have not been sustainable in the long run. As a consequence tangible business growth is yet to be realized as most of the enterprises have recorded zero net direct employment thus creating a vicious cycle of growth. Further the lack and low stakeholder collaboration support has somewhat affected the program implementation.

The YEDF has succeeded in provision of necessary, sufficient, relevant and effective entrepreneurial trainings that cover the standard curriculum necessary to equip and enhance the youth with the necessary leadership and management skills to run their businesses.

The YEDF has succeed is in providing continuous collaboration in business mentoring, guidance and counseling for the youth in the Constituency, in youth job creation. However, most of the direct jobs created over the past five years have mainly been in self-employment terms, implying that the YEDF has mainly addressed the problem of direct self-employment of beneficiaries and not additional employment for other non-beneficiary youths, a pointer to the unsustainability nature of the program in addressing long-term youth unemployment.

In summary the study confirmed most of the earlier study findings on the YEDF but also at the same time revealed findings that were in deviance of those earlier studies.

5.8 Recommendations

The youth fund should also offer more entrepreneurial trainings to the youth so as to empower them.

On the basis of the above findings, the following recommendations were preferred;

First, the government should increase its efforts in supporting the youth fund. More specifically, it should increase more allocation for the YEDF in order for the Fund to enhance scale of allocation in volume and coverage. Priority for training youth groups should be given to starters, to minimize misappropriation of funds

The YEDF should scale up its engagement efforts to all stakeholders in order to build on existing networks, collaboration and partnership in training and provision of infrastructure with the private sector and the local authority in its program implementation in the constituency.

The YEDF should come up with a fund's equity allocation formula to ensure that new fund applicants are duly considered but at the same time repeat and old beneficiaries are not forgotten. This will ensure sustainability of the already achieved momentum of existing clients.

The YEDF should wake up to the reality that the fund has mainly succeeded in creating self-employment and has not yet achieved the multiplier effect for additional jobs for the youths. Accordingly, the government should also put more effort in increasing youth employment.

In addition, the government should also put in place measures and incentives to encourage the educated youths to focus more on entrepreneurship and self-employment instead of relying more on salaried employment.

Lastly, the educated youths should be incentivized to be employment creators and not job seekers, an objective the YEDF is yet to realize.

5.9 Recommendation for Further Study

The study recommends that further studies should be done on appropriate funding of YEDF in Kenya. It would be beneficial to study the best strategies for disbursement of the funds to maximize its effectiveness. To have a more authoritative source of the status of enterprise development youth creation in the counties, there should a cross sectional study in as many constituency as possible.

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