

**EFFECTS OF YOUTH ENTERPRISE DEVELOPMENT FUND ON SOCIO-
ECONOMIC CONDITIONS OF YOUTH IN NAIVASHA AND GILGIL DISTRICTS**

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DECLARATION AND RECOMMENDATION

Declaration

This research Thesis is my original work and has not been submitted to this or any other university for award of degree or diploma.

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DEDICATION

To my parents, the late Mr. James Gachugia Mwangi and Mrs. Joyce Wanjiku Gachugia. You have been a source of strength and inspiration in my entire life.

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ABSTRACT

Youth in Kenya are face by various socio-economic problems such as poor housing facilities, lack of good medical services, poor sanitation, poverty, hunger, social exclusion, poor social networking, high crime rates, drug and substance abuse and unemployment. By addressing the youth unemployment challenge these socio-economic problems can be solved. On realizing these, the Government of Kenya introduced the Youth Enterprise Development Fund (YEDF), with an aim of supporting youth-owned enterprises as well as enabling youth to start new enterprises thus creating employment. Despite the introduction of YEDF, youth in Naivasha District are still faced with high unemployment rate leading to poverty, hunger and health related problems. The purpose of this study was to determine the effect of YEDF on socio-economic conditions of youth in the larger Naivasha District. The *ex post facto* research design was used. The study population was 1172 youth from the 51 YEDF funded groups. A sample of 182 youths was selected from the study population using stratified and proportionate simple random sampling procedures. An interview guide was used for data collection. Content validity of the instrument was determined through expert on youth development issues who included three lecturers and two Ministry of Youth Affairs and Sports personnel, while reliability of the data collection instrument was established from pretested data through split half technique, where the reliability coefficient of the two halves was calculated and found to be 0.79. Data was analyzed through the use of descriptive statistics such as percentages, frequencies and chi-square test for goodness-of-fit, at 95% level of confidence. The results indicated that YEDF had enabled youth to start and/or expand their micro and small enterprises, at total of 27 enterprises had been expanded, while four enterprises were started. Consequently small enterprises increased by 31.5%, while micro enterprises decreased by 28.5%. Chi-square test computed ($\chi^2(2, N=182)=9.8, p < 0.01$.) indicated that YEDF had significantly changed youth income. The amount of monthly income committed to education and the number of youth who sought medical services when sick changed significantly. Further, the enterprises started or expanded through YEDF had employed some youth in Naivasha District and the youth standards of living had improved. Lack of information about YEDF was, however, a big challenge facing the youth. To improve the performance of the YEDF, the study suggests a need for the Youth Enterprise Development Fund Board to launch a campaign to educate Kenyan youth about the fund, intensify youth involvement, train youth on how to start and manage enterprises and to make the fund more easily accessible to the youth.

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LIST OF ABBREVIATIONS AND ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
ASTU	Anti-Stock Theft Unit
C-YES	Constituency Youth Enterprise Scheme
CBOs	Community Based Organizations
CBS	Central Bureau of Statistics
CDTF	Community Development Trust Fund
EDF	European Development Fund
ERS	Economic recovery strategy
EU	European Union
GoK	Government of Kenya
HIV	Human Immuno-Deficiency Virus
ILO	International Labour Organization
K-NOTE	Kenya National Outreach Training Empowerment
K-REP	Kenya Rural Entrepreneurial Programme
LBSI	Life Bloom Services International
KIHBS	Kenya Integrated Household Budget Survey
KIPRA	Kenya Institute for Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
MOYAS	Ministry of Youth Affairs and Sports
MSEs	Micro Scale Enterprises
NACADA	National Agency for the Campaign against Drug Abuse
NARC	National Rainbow Coalition.
NGO	Non Governmental Organizations
NYS	National Youth Service
SAP	Structural adjustment Programmes
SMEs	Small and Micro Enterprises
SPSS	Statistical Package for Social Scientists
UDHR	Universal Declaration of Human Right
UN	United Nations
UNDP	United Nations Development Programme
WDR	World Development Report
YEDEF	Youth Enterprise Development Fund

YEDFB Youth Enterprise Development Fund Board
Y.G Youth Group
YMCA Young Men Christian Association

CHAPTER ONE

INTRODUCTION

1.1 Background Information

Different countries and international organizations have different definitions for the term youth. For instance, the United Nations (UN) defines youth as a young person aged 15-24 years, while the Commonwealth Association of Nations defines it as a person aged 15-29 years (Mkandawire, 1996). Most African countries have either adopted the UN or Commonwealth definition. However, the age range between 15 and 30 years is generally taken as representing the category of youth in Africa. According to Ministry of Youth Affairs and Sport (MOYAS, 2007), a youth in Kenya is a young person aged between 18-35 years. This group constitutes 32% of the entire Kenyan population (Ministry of Youth Affairs and Sports [MOYAS], 2008).

The youth in Kenya live in poor socio-economic conditions, which are characterized by: poor housing facilities, lack of good medical services, poor sanitation, poverty, hunger, influences from social network, high crime rates, drug and substances abuse, unemployment and underemployment, health related issues among others (MOYAS, 2007). Unemployment has driven the youth into high risk behaviour such as crime and drug abuse, youth gangs/illegal grouping and spread of HIV and AIDS. In addition, unemployed youths are a financial burden to the employed.

According to United Nation Development Programme (2009), Kenya is faced with high dependence burden, with over 50% of the population being below 15 years of age. This has resulted in high dependency ratios, placing high demands on social services such as primary education and health care. Section 25(1) of the Universal Declaration of Human Rights (UDHR) states that: "Everyone has the right to a standard of living adequate for the health, and well-being of himself and his family, including food, clothing, housing and medical care...." (United Nations, 1948). Despite the declaration, majority of Kenyans do not have access to affordable health care. According to the Central Bureau of Statistics (CBS) (2003a) report on Household Health Expenditure, 44% of Kenyans who fall sick do not seek health services due to lack of finances. Many of these are youth who lack the resources to access the needed services.

Education is vital to youth development. While the Kenyan government has made major efforts to improve the education system, much remains to be done, particularly at the secondary school level where access and relevance continue to be key constraints (Saitoti, 2007). According to McGrath (1999), schools are a positive force in the lives of young people and provide a place where they can interact and be socialized. However, a large percentage of Kenyan youth only have a basic level of education, few usable skills, and minimal employment opportunities. The education system that does not match the labour market and subsequent idleness of these youth create a dangerous combination that frequently leads to drug abuse, early pregnancy, crime, and antisocial behaviors.

According to the CBS (2002) report of 1999 Kenyan population and housing census, deficit of houses is a major problem in Kenya since the public sector makes minimal direct investment of only 4% of houses, while the private sector caters for the remaining 96% of houses. Though the private sector holds the bulk share of housing construction, it is less responsive to the housing needs of middle and low income as well as the disadvantaged members of the population of whom majority are the youth. Often the houses constructed are not commensurate to the demand and the few that are available are not affordable. This group is therefore, forced to compete for the houses constructed for the low income, who in turn are pushed out into the informal settlements that are crowded with limited or no infrastructural services (Lumumba, 2004).

Youth are further affected by the social networks which they are part of. These networks involve connecting with others in and outside the youth groups, sharing knowledge and information and uncovering hidden opportunities, but more importantly, it is about building relationships and getting to know people. On community basis, networking is crucial to personal and youth group development as everything is built on relationships (Brown, 2006). Brown further states that, for any youth group which is trying to develop a name for itself and starting up operations and programs aimed at developing the youth and the community, networking is critical to success. Youth groups, even if they do not realize it, are in a networking game, with the end result being either success or mediocrity. Networking has resulted into strong relationships and improving the lives of the youth and local residents. These relationships at times may lure the youth into antisocial behaviours such as crimes, drug and substances abuse, irresponsible sex behaviour among others.

The poor socio-economic conditions the youth are facing could be attributed to unemployment and underemployment, since the youth population forms 60 % of the total Kenyan labor force. The Labour Force Survey stated that, the Kenya economic growth has not been strong enough to absorb the annual 500 000 new entrants to the labour market (Central Bureau Statistics, 2003a). Unemployment and under employment among young people have fuelled frustration and desperation, leading some to engage in anti-social activities such as involvement in criminal acts, drug and substances abuse among others (MOYAS, 2007).

To respond to these challenges the Government of Kenya through the Ministry of Youth Affairs and Sports is encouraging youth to engage in entrepreneurship. The government introduced the Youth Enterprise Development Fund (YEDF) in 2006, with an aim of supporting youth-owned enterprises and to enable other youths to start micro and small enterprises. This is expected to create employment, which is in line with, the government economic recovery strategy (ERS) for wealth and employment creation (2003-2007).

The youth enterprise development fund (YEDF) has two components namely:

- The C-YES (Constituency Youth Enterprise Scheme): This fund is meant for the youths in a constituency, who are organized into groups as it gives loans to group projects and not to individuals.
- Funds channeled through finance intermediaries: This is meant for all youth owned enterprise in a district and it can be accessed by a youth group or an individual.

In the Naivasha and Gilgil Districts YEDF through the constituency youth enterprise scheme had funded twenty nine youth groups, while YEDF had funded thirteen youth groups through Equity Bank and nine youth groups through K-REP bank. (Naivasha District Youth Office, 2009). However, no study has been conducted in Naivasha and Gilgil Districts to determine the effects this fund has on the youth. Hence, this study sought to establish the effects of the C-YES and the Fund channeled through finance intermediaries on the socio-economic conditions of youth in the Naivasha and Gilgil Districts.

1.2 Statement of the Problem

YEDF was initiated in the year 2006 to address socio-economic challenges facing the youth in Kenya. These challenges are: poor housing facilities, lack of good medical services, poor sanitation, poverty, hunger, social exclusion, poor social networking, high crime rates, drug

and substances abuse and unemployment among the youth. The causes of these socio-economic problems facing the youth are related to unemployment. The initiation of the fund was a strategic move to arrest unemployment which is virtually a youth problem since 75% of youth are unemployed (Ministry of Youth Affairs and Sports, 2007). The fund was intended to enable the youth to start or expand their businesses, creating job opportunities for themselves and for others. Therefore the study was aimed at establishing the effects of YEDF on socio-economic conditions of youth in Naivasha and Gilgil Districts since not much had been documented about the YEDF in the two districts.

1.3 Purpose of the Study

The purpose of this study was to determine the effects of Youth Enterprise Development Fund on socio-economic conditions of youth in Naivasha and Gilgil Districts.

1.4 Objectives of the Study

- i. To determine the types of enterprises created through YEDF in Naivasha and Gilgil Districts.
- ii. To establish the number of youth employed in the enterprises created through YEDF in Naivasha and Gilgil Districts.
- iii. To determine whether there is any change in income of the youth as a result of enterprises started or expanded through YEDF in Naivasha and Gilgil Districts.
- iv. To find out the extent to which the YEDF has changed the standard of living of the youth in groups in the larger Naivasha and Gilgil Districts.
- v. To determine the factors that motivate youth participating in YEDF enterprises to join social networks in the larger Naivasha District.
- vi. To identify the challenges youth groups in the larger Naivasha District encounter in the process of accessing the YEDF.

1.5 Research Questions

- i. What are the types of enterprises created through YEDF in Naivasha and Gilgil Districts?
- ii. How many youth are employed in the enterprises created through YEDF in Naivasha and Gilgil Districts?
- iii. Is there any change in the level of income of the youth as a result of participating in enterprises started or expanded through YEDF in Naivasha and Gilgil Districts?

- iv. To find out the extent to which the YEDF has changed the standard of living of the youth in groups in Naivasha and Gilgil Districts.
- v. What are the motivating factors for the youth participating in YEDF enterprises to join social networks in the larger Naivasha District?
- vi. What are the challenges youth groups in the larger Naivasha District encounter in the process of accessing the YEDF?

1.6 Significance of the Study

The study is significant for both future practice and research. In terms of practice, several agencies could benefit from the results. For example, Ministry of Youth Affairs and Sports personnel may get to know the effects of YEDF on socio-economic conditions of youth as a result of this study. The youth could know whether YEDF had any effect on their socio-economic conditions, thus assisting them to make an informed decision of applying for the fund or not. The study findings could be useful in policy development by Ministry of Youth Affairs and Sports and any other development agency addressing the development issues of the youths. The study has highlighted the challenges the youth encounter in the process of acquiring and repaying the loan. Recommendations have been made, which may be applied by Youth Enterprise Development Fund board to enable it execute its full mandate and mitigate any negative effects to enable the youth realize their potential. Further the recommendation may be applied to enable the country achieve vision 2030 specifically economic and social pillars.

1.7 Scope of the Study

The study was conducted in Naivasha and Gilgil Districts. The study focused on the youth within the YEDF funded groups, that is, those funded By YEDF through C-YES and through finance intermediaries in Naivasha and Gilgil Districts. Specifically on the effect of YEDF on youth enterprises, youth income, youth employment, youth standards of living and factors that motivates the youths to join social networks as well as challenges youth encounter when accessing the funds.

1.8 Assumption of the Study

YEDF was meant to help the youth start income generating activities that would create employment for the youth. Therefore this study assumed that the fund was used to start or expand an income generating activity that created employment opportunities for the youth and it was still in operation.

1.9 Definitions of Terms

Conditions	The circumstances or situation in which people live, work or do things. In this study implied the situation in which the youth live in.
Crime	Activities that involve breaking of the law. In this study crime meant illegal activities conducted by youth, which have a negative consequence on the youth, including prosecution, being in police custody and/or imprisonment
Drug abuse	Habitual use of drugs to alter one's mood, emotion or state of consciousness
Effect	Is a change which is a result or consequence of an action or other cause. In this study effect implies the change of youth socio-economic condition due to the access and utilization of YEDF by the youth in Naivasha and Gilgil Districts. It was measured by the change in types and size of youth enterprises, change in youth income, change in the number of employed youth in Naivasha and Gilgil Districts, change in the type of schools and medical services the youth and their dependant have access to, change in monthly income committed to education and health services, change in type of houses the youth live in and in the frequency of seeking health services from a hospital when sick, due to access and utilization of YEDF.
Enterprise	These are activities that the youth engaged in, which were income generating
Financial intermediaries	These are financial institutions that had been identified by the Government of Kenya to lend YEDF to the youth on behalf of the government
Income	Income is the money a person, a country, a region earns from work, from investing money or from a business. In this study it implied the money the youth earn as a result of investing the YEDF. And the change in income was measured through comparing their income before YEDF funding and after funding

Micro enterprises	These were income generating activities carried out by the youth in the larger Naivasha District and had employed between 1-5 youths.
Small enterprise	These were income generating activities carried out by the youth in the larger Naivasha District and had employed between 6-10 youths
Socio-economic conditions	In this study socio-economic condition was measured in terms of Employment status, Types of youth enterprises, Youth Income, Standard of living: types of medical facility youth have access to, frequency of hospital attendance, amount which youth can afford to pay for education, type of houses the youth live in.
Social network	Social networks are relationships and flows between people, groups, organizations, animals, computers and other information processing entities. In this study social networks are relationships among the youth within a youth group, relationships between youth groups, relationships between youth groups and other organizations as well as relationships between the youth and other groups and organizations in Naivasha and Gilgil Districts.
Standards of Living	Oxford dictionary definition of standard of living is the amount of money or the level of comfort a person or a group has. In this study it implied the following: types of medical facilities youth have access to , amount of monthly income committed to medical services and the frequency of hospital attendance when sick, types of school the youth and their dependants have access to, amount which youth can afford to pay for education and type of houses the youth are living in.
Underemployment	This is a situation where a youth is employed, but what he is earning is not equivalent to his/her level of education or where he/she is not fully employed. In this study underemployment was taken to mean one who is partially employed or in an enterprise where the proceedings do not correspond to his level of education and training.

Unemployment	This is a situation where a youth is able and willing to work but he or she cannot get a job. In this study unemployment were situations where the youth are doing nothing to earn a living due to lack of employment opportunity and/or resources to establish income generating activities.
Youth	It is the quality or state of being young. In this study definition of a youth was adopted from MOYAS, Which is a youth is young person aged between 18 years to 35 years.
Youth Enterprise Development Fund	This is a loan from the Ministry of Youth Affairs and Sport in Kenya to the youth aimed at funding youth-owned enterprises and to enable other youth to start small businesses, thus, creating employment.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature that is related to socio-economic issues that are affecting the youth. The chapter is divided into subsections which include: Youth micro and small enterprises, youth employment, causes of youth unemployment, consequences of youth unemployment, government responses to youth unemployment, youth and housing, youth education, youth and health services, youth and social networking, theoretical framework and conceptual framework.

2.2 Role of Micro and Small Enterprises in economic development of countries

According to the Government of Kenya (2006), Small and Micro Enterprises contributed over 50 percent of new jobs created in the year 2005. Small and Micro enterprises (SMEs) have been recognized as a major source of employment and income in many countries of the Third World (Mead & Liedholm, 1998). The Inter-American Development Bank (1997) reported that micro enterprises make a major contribution to aggregate employment, production, and national income. SMEs provide income and employment for significant workers in the rural and urban areas by producing basic goods and services such as traditional foods. Mead (1998) further observes that the health of the economy as a whole has a strong relationship with the health and nature of micro and small enterprise sector. When the state of the macro economy is less favourable, by contrast, the opportunities for profitable employment expansion in SMEs are limited. This is true especially for those SMEs that have linkages to larger enterprises and the economy at large. Given this scenario, an understanding of the dynamics of SMEs is necessary not only for the development of support programmes for SMEs, but also for the growth of the economy as a whole.

SMEs face the following challenges; competition among themselves and from large firms, lack of access to credit, cheap imports, insecurity and debt collection. Relevant training or education is positively related to business success. According to Amyx (2005), one of the most significant challenges is the negative perception towards SMEs. Potential clients perceive small businesses as lacking the ability to provide quality services and are unable to satisfy more than one critical project simultaneously. Often larger companies are selected and given business for their clout in the industry and name recognition alone.

Starting and operating a small business includes a possibility of success as well as failure, because of their small size, a simple management mistake is likely to lead to death of a small enterprise hence no opportunity to learn from its past mistakes. Lack of planning, improper financing and poor management have been posited as the main causes of failure of small enterprises (Longenecker, *et al*, 2006). Lack of credit has also been identified as one of the most serious constraints facing SMEs and hindering their development (Oketch, 2000; Tomecko & Dondo, 1992; Kiiru, 1991).

Education is one of the factors that impact positively on growth of firms (King & McGrath, 2002). Many SMEs owners or managers lack managerial training and experience. The typical owner or managers of small businesses develop their own approach to management, through a process of trial and error. As a result, their management style is likely to be more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in its concept (Hill, 1987). Although this attitude is the key strength at the start-up stage of the enterprise because it provides the creativity needed, it may present problems when complex decisions have to be made. A consequence of poor managerial ability is that SME owners are ill prepared to face changes in the business environment and to plan appropriate changes in technology. Majority of those who run SMEs are ordinary lot whose educational background is lacking. Hence they may not be well equipped to carry out managerial routines for their enterprises (King & McGrath, 2002).

There are various financial challenges that face small enterprises. They include the high cost of credit, high bank charges and fees. The scenario witnessed in Kenya particularly during the climaxing period of the year 2008 testifies to the need for credit among the common and low earning entrepreneurs. Numerous money lenders in the name of Pyramid schemes came up, promising hope among the 'little investors,' which they can make it to the financial freedom through soft borrowing. The rationale behind turning to these schemes among a good number of entrepreneurs is mainly to seek alternatives and soft credit with low interest rates while making profits. Financial constraint remains a major challenge facing SMEs in Kenya (Wanjohi & Mugure, 2008). Lending to the poor or lower income group raises many debates among practitioners and academicians. The poor are usually excluded from credit facilities because of many reasons. These include insufficient collateral to support their loans, high transaction costs, unstable income, lower literacy and high monitoring costs. Usually they survive through involvement in micro business activities or informal activities that comprises

food processing and sales, small scale agriculture, services, crafts and petty trading. However, these activities actually contribute a number of total employment and gross domestic product (GDP) to the country.

2.3 Youth and Employment

According to the UN (1995) Young people in all countries are both a major human resource for development and key agents for social change, economic development and technological innovation. Their imagination, ideas, considerable energies and vision are essential for the continuing development of the societies in which they live. The problems that young people face as well as their vision and aspiration are essential components of the challenges and prospects of today's societies and future generations. Cling, Cogneau, Loup, Naudet, Razafindrakoto and Raubaud, (2007) observed that young people in Africa are confronted with many difficulties when it comes to their integration into the labour market and their search for decent and productive jobs. According to ILO (2005) youth unemployment has been increasing in the last decade and it is substantially higher than global adult unemployment. Cling *et al.*, (2007) noted that this situation is likely to deteriorate in Africa since the population is rapidly increasing.

The ILO (2005) observed that 62% of the global total population was below 25 years in the year 2005 and the total number of youth is forecasted to grow by an additional 22 million between 2005- 2015. The World Bank (2005) also noted that by 2010 the proportion of youth population in sub-Saharan Africa will reach 28%, making Africa the continent with highest population of young people in the world. According to labour force survey of 1998/99, it was estimated that 2 million or 14.6 % of the labour force in Kenya was openly unemployed. The majority of this labour force is between 16 and 39 years old, which accounts for 45 % of the total the total labour force in Kenya. Estimates indicate that there is an increasing trend on unemployment over the last two decades, from 16 to 25 % between 1986 and 1999 in urban areas, while it remained lower, around 9.4 %, in the rural areas in the same period (CBS, 2003a). In 2005/06, the overall unemployment was 12.7 % with urban and rural areas having unemployment rates of 19.9 % and 9.8 % respectively (Kenya National Bureau of Statistics (KNBS), 2007).

This mass unemployment has serious social, economic and political repercussions; first, the foregone national productivity, that is, what the unemployed could be adding to the economy. Secondly, the unemployment constitutes an economic burden on the employed. Kenya's

dependency rate stands at 84% as revealed in Kenya Integrated Households Budget Survey (KIHBS), 2005-2006). This has resulted in depressed saving and consequently low investment. Finally youth unemployment is associated with deviant and high risk behaviour such as drug abuse, spread of HIV/AIDS and illegal grouping.

In Naivasha and Gilgil Districts the youth have also been affected by unemployment and its resulting social and economic implications which have been evident due to the activities the youth engage in. For example, the vampire case in the headings of many local daily newspapers in October 2008, kidnapping, raping and killing of an innocent girl in march 2009, slaughtering of dogs and wild animals in July 2009, the high rate of immorality indicated by the high number of commercial sex workers in Naivasha Central Division of current Naivasha District and Gilgil Division of the current Gilgil District (K-NOTE, 2009). According to Wambugu et al (2009) unemployment and youth employment in particular, has been singled out as a potential contributing factor to the violence.

2.4 Causes of Youth Unemployment in Kenya

Unemployment in Kenya is attributed to a number of factors that include: rapid growth of the population and the labour force, skill mismatch, information problems in the labour market, structural adjustment programs, slow or declining economic growth, and the labour market setup, among others. The YEDF was initiated to address the unemployment among the youth, by enabling them to start their own enterprise consequently creating employment. This section discusses potential causes of unemployment in Kenya.

2.4.1 High Population Growth

High population growth rate in Kenya has resulted in a relatively young population and a large population of youth in the population of the working age (Njonjo, 2010). This increase in the youthful population and increasing labour force has led to labour supply outstripping demand. Consequently, unemployment, especially among the youth, has surged. In particular, high population growth has resulted in higher levels of unemployment.

2.4.2 Skills Mismatch

The education system produces skills that are not valued by employers, while raising the expectations of those who acquire them. Consequently, the unemployed do not take up existing job vacancies, and employers are unwilling to hire available candidates (Njonjo, 2010). The mismatch is more marked for school leavers and graduates who have just finished school, partly providing an explanation for the high unemployment rate among youth and new entrants into the job market. The suggested remedy is to reform the education system and increase focus on technical education and vocational training, matching them to the needs of the job market (Coenjaerts et al. 2009).

2.4.3 Lack of Labour Market Information

To some extent lack of labour market information is a constraint in searching for job. The CBS (2002) contends that absence of active job placement bureaus is a potential explanation for unemployment in Kenya. Lack of appropriate and updated labour market information may also worsen the discrepancy between labour demand and supply of particular types of skills. Lack of information is usually cited as one of the causes of the apparent mismatch of job seekers qualifications with employer needs (Pouget 2009).

2.4.4 Structural adjustment programs

Structural Adjustment Programs (SAPs) were instituted in Kenya in the early 1980s, although serious economic reforms began in 1992. Under the SAPs, domestic commodity prices were decontrolled; subsidies on fertilizer, transport and fuels were removed while subsidies on healthcare, education, and other social services were reduced. The Kenyan shilling was devalued and eventually floated. Public sector reforms sought to reduce government spending and promote a larger role of the private and non-governmental sector (Owino, 1996). Cuts in government spending and public sector downsizing led to reduced employment, retrenchments and privatization of non-strategic government institutions (CBS, 2002). Many hitherto well paid civil servants and parastatal employees became unemployed or entered low productivity (low pay) employment (Manda, 2004). Manda also noted that there was increased unemployment in the reform period (1970s to 1990s). This is attributed to retrenchment in the civil service, collapse of some private firms and retrenchment in others.

2.5 Consequences of Youth Unemployment in Kenya

Unemployment conditions of the youth are reflected through idleness. Many youth tend to congregates at shopping centre, roadside, cyber café. Consequently lack of employment compels the youth to engage in unorthodox livelihood sources mostly of criminal nature. This subsection addresses the consequences of unemployment which include; crime, drug abuse, poverty and hunger.

2.5.1 Crime and Drug Abuse Among the youth

The existence and the extent of drug abuse have been identified as one of the greatest problems among the youth both in and out of school (National Agency for the Campaign against Drug Abuse (NACADA), 2004). This affects the discipline as well as the performance of the youth. Muchai and Jefferson (2001) revealed that crime in Kenya has been on the increase in the last ten years due to the presence of a large number of unemployed youth who engage in crime to acquire basic needs. It is important to note that majority of youth residing in slums and informal settlement engage in crime, drug abuse and prostitution for survival. Crime in slums is evidenced by frequent shootouts between the police and youth. Every week at least two youth residing in the slums of Kenya are shot and killed by the police for crime (Muchai & Jefferson, 2001).

The Naivasha and Gilgil Districts have several flower farms which attract a lot of youths to the town for search of employment. Incase these youth fail to secure employment they are left with no option other than to settle in informal settlements and slums of Naivasha and Gilgil Districts urban centre. These slums include; Kihoto, Mithuri, Kabati, Bondeni among others. Majority of the crimes committed, are committed by the youth who reside in these slums due to idleness, especially after formal education and lack of employment, the youth become restless and try anything with some ending up in crime (MOYAS, 2008).

Naivasha District has experienced several criminal activities. Some of these were, crime reported as a rape turned bizarre when the body of a middle-aged woman was exhumed in a shallow grave under the bed of the suspect. In another incident, a 25-year-old former street boy raped, killed, cannibalized and buried the body in a shallow grave inside his house. The incident happened just two days after two women were rescued from a house in Kihoto estate where they had been locked up after being abducted. Their attacker is said to have drunk the blood of the 13-year-old teenager and 25-year-old housewife. But just before the heat abated, the body of a middle-aged man alleged to be another victim of the ‘vampire’, was found on a

roundabout in Industrial Area estate with his private parts missing (Life bloom Services international, 2009)

According to Life Bloom Services International (2009), two to three defilements are reported weekly from Naivasha and Gilgil Districts Naivasha and Gilgil Districts. For the last three years since the early 2007, rape and defilement cases, some of minors as young as two years, have been on the rise and are almost the order of the day. The Trans Africa highway cuts across the district, which makes it a hub for long distance truck drivers. Also the district has two military barracks and Anti Stock Theft Unit (ASTU) in Gilgil Township and National youth services colleges (NYS) in Naivasha and Gilgil town. This makes the district an environment conducive for commercial sex by frustrated youth who do not secure employment in the flower farm (Life bloom Services international 2009). Life bloom international has noted the rise of prostitution in the area.

2.5.2 Poverty and Hunger Among Youth

One of the current alarming trends in the world today is the urbanization of poverty with the youth being the most at risk. The majority of the youth in urban settings reside in slums that are characterized by unemployment, a filthy physical environment, poor housing, lack of sanitation facilities and general poverty situations. The youth in these areas do not have adequate education nor training; thus, have no prospects for meaningful employment. Majority do not participate in policies development and decisions that affect their lives. They are therefore vulnerable to crime, drug abuse, HIV and AIDS infection and prostitution (Muchai & Jefferson, 2001). Through groups they come up with small projects to provide them with income for survival and access funding from organisation.

According to Life Bloom Services International (LBSI, 2009) a local NGO, high numbers of the youth whose parents do not have a consistent income do not have access to secondary education. A number of boys opt for water selling business or find their way to the streets, as most of the girls find themselves in early sexual relationships (average sexual debut for girls is 14 years). To support their children, many girls find themselves on the streets and end up with more children. This poverty cum sex work cycle traps a number of the women and their families.

Most part of Naivasha and Gilgil Districts are semi arid area which is unfavorable for farming and a few industries which can create employment opportunities to young people in

this area some of them are not operational. This has contributed highly to the high rate of unemployment among young people. This has brought forth frustrations among most youth resulting to drug abuse and risky sexual behaviors. These young people especially adolescent girls who in most cases have dropped out of school, with inspiration to improve the standards of their lives find themselves engaging in transaction sex or periodic sex work with men with disposable income especially truck drivers and military men.

2.6 Government Response to youth Unemployment in Kenya

According to the World Development Report [WDR] (2007), employment marks an important transition period for young people and it is characterized by independence, increased responsibility and active participation in national building as well as social development. A successful transition to work for today's many young people can accelerate poverty reduction and boost economic growth. In spite of the benefits and opportunities brought about by employment, it is regrettable to note that majority of Kenya's young people are unemployed, underemployed or underpaid and are therefore in the swelling ranks of the working poor. Creation of adequate employment opportunities to absorb the rapidly growing labour force remains one of the greatest challenges in Kenya (Njonjo, 2010). Since independence the government of Kenya has undertaken various initiatives to address this issue.

2.6.1 Unemployment Related Policies in Kenya

Soon after independence in 1963, the Government of Kenya took measures to promote employment for Kenyans in the public and private sectors. The Kenyanization policy is an early example of government's commitment to create jobs for its citizens. The policy sought to exclude non-citizens from the agricultural sector and rural trade. By the early 1970s, there was growing concern that the rate of job creation was not rapid enough. An ILO mission to Kenya prepared a report identifying the gap between urban wage income and rural farm income as the key factor driving rural urban migration, which in turn worsened the urban unemployment problem (ILO, 1972). The report led to the formulation of the Wages and Income Guidelines in the Sessional Paper No.4 of 1985, and also increased attention to the role of the informal sector ever since (GoK, 1985).

A policy paper devoted to the problem of unemployment - the Sessional Paper No. 2 of 1985 on Unemployment was published in 1985. It spelt out measures to address the problem. Since then, there has not been a policy that deals with unemployment directly (GoK, 1985).

However, there have been policy initiatives to tackle developmental challenges and unemployment. For example, the eighth and ninth National Development Plans (1997 to 2001 and 2002 to 2008 respectively) recognize the role of human resources and labor market policies to Kenya's economic development. Some of the strategies contained in the recent development plans include intentions to provide an enabling environment for sustained employment growth, accelerating development of the informal sector, that is, the small scale enterprises, ensuring supportive regional development policies, and improving working conditions and environment. The Sessional Paper No. 2 of 1996 on Industrial Transformation to the Year 2020 sought to address the problem of unemployment although from different perspectives. It recognized the enormous employment challenge the country faces. The goal of the paper was to provide a framework of government policies that will stimulate economic growth and employment through the expansion of the industrial sector (GoK, 1996).

2.6.2 Economic Recovery Strategy for Wealth and Employment Creation

The National Rainbow Coalition (NARC) government that came to power in 2002 sought to alleviate poverty, create employment opportunities, promote economic growth and create an enabling environment for these to be achieved. The Economic Recovery Strategy (ERS) for Wealth and Employment Creation was developed to provide the necessary framework. It incorporated the objectives set out in the NARC Manifesto and the Poverty Reduction Strategy Paper (PRSP). The Sessional Paper No. 7 of 2005 on Employment Policy and Strategy for Kenya was developed based on the same theme. The overall objective was to improve the standards of living for Kenyans with the premise that creating employment will lead to poverty reduction. The general assumption is that economic growth would foster employment generation (GoK, 2005a).

2.6.3 National Unemployment Alleviation Initiatives

The national initiatives include organizations and institutions that are broadly involved in policy formulation and advocacy, capacity building, awareness and sensitization on employment and enterprise development programs. Some of these are; trees for jobs, YEDF and Community Development Trust Fund (CDTF).

2.6.3.1 Trees for Job

The Trees for Jobs Initiative program is an initiative of the Ministry of Sports and Youth Affairs. It is financed by the government of Kenya and UNDP. It aims to have 90 million seedlings planted per year and employ over 29,000 youths in the first two years. The program

would contribute in addressing two problems facing Kenya, that is, youth unemployment and deforestation (MOYAS, 2008).

2.6.3.2 Youth Enterprise Development Fund

The Youth Enterprise Development Fund is a recent initiative by the Kenya government to reduce youth unemployment. It targets youth who are 18-35 years old.

The objectives of the fund are:

- To provide funds to micro-finance institutions for lending to youth enterprises.
- To attract and facilitate investment in Micro and Small scale Enterprises (MSEs) oriented commercial infrastructure such as business and industrial parks and business incubators.
- To support MSEs of youth to develop linkages with large firms.
- To facilitate marketing of products and services of youth enterprises in domestic and international markets.
- To facilitate employment of youth in the international labor market.

Many youth aged 15-29 years are openly unemployed or engaged in the informal sector, which could cover unemployment. In the Kenya 2006 Budget, the government allocated Kshs.1 billion to a Youth Enterprise Development Fund. The fund was meant for young entrepreneurs so that they can access finance to set up or expand businesses to gain self-employment and employ others. The Youth Enterprise Fund is relatively new. However, the funds have already been accessed by youth entrepreneurs as indicated by the soaring number of beneficiaries. As at 30th September 2008, Ksh. 1.335 billion to finance 47,722 youth enterprises had been disbursed through financial intermediaries. The fund had also disbursed Ksh. 322 million to 7,840 youth groups spread across the Kenyan provinces (GOK 2011).

In Kenya poorly developed entrepreneurial culture is one of hurdles of YEDF. For example, the integrated labor force survey of 1998/99 indicates that a majority of job seekers (94%) were looking for paid employment, only 3 % sought to be business operators with or without employees (CBS, 2003b). If this is still the case, then there is need to intensify and sustain the ongoing entrepreneurship training initiatives for better outcomes of the funding programs. One recurring theme concerns the ideal channel of disbursing the funds. It is beneficial to study the best strategies for disbursement of the funds to maximize its effectiveness

2.6.3.3 Community Development Trust Fund (CDTF)

The Community Development Trust Fund (CDTF) was established in 1996. It is a joint initiative of the European Union (EU) and the Government of Kenya (GoK). CDTF supports

poverty reduction in Kenya by funding community-based development projects. CDTF's mandate is to oversee transfer of EU funds provided from the European Development Fund (EDF) for community development in Kenya. The objective of the CDTF is poverty reduction among the poor communities by enabling them to have access to social and economic services, improved livelihoods and employment opportunities. The focus of this program is to provide direct capital investment funds and technical assistance to support poverty alleviation projects in Kenya. The CDTF phase 3 (January 2007 to December 2009) has about Ksh. 350 million committed to it and is targeting to fund 150 projects countrywide. (Manda, 2002) Some of these projects will have a direct bearing on (un) employment.

2.7 Youth and Housing in Kenya

One of the current alarming trends in the world today is the urbanization of poverty with the youth being the most at risk. Kenya youth fall under the category of the low and middle income earners and as a result majority of the youth in urban settings reside in slums that are characterized by unemployment of youth, a filthy physical environment, poor housing, lack of sanitation facilities and general poverty situations (Wambugu, Munga & Onsomu, 2009). Thus majority of the youth cannot afford proper housing facility. Consequently this group is forced to compete for the houses constructed for the low income, who in turn are pushed out into the informal settlements that are crowded with limited or no infrastructural services (Lumumba, 2004). The housing a youth live in depicts his/her socio-economic conditions. Therefore the proposed study will establish how the YEDF has helped the youth to cope with the issues of housing within Naivasha and Gilgil Districts.

2.8 Youth and health in Kenya

Health has become a major issue among the youth. Apart from the traditional health problems like malaria, tuberculosis and the more conservative sexually transmitted diseases, the exponential spread of HIV/AIDS and drug abuse have become issues of major concern. Mental health is increasingly becoming a common problem among the youth. Depression, anxiety, eating disorders, psychosis and substance abuse are also becoming leading mental problems among the youth (Bankole, Biddlecom, Guiella & Singh, 2004).

Morbidity and mortality data show that young Kenyans have higher rates of suicide, unwanted pregnancies, and abortion and suffer more injuries – especially from traffic accidents – than in other age groups. Both the age group and the international comparisons suggest that, as a community, we are paying insufficient attention to the health of young

people and the importance of creating a healthy environment for youth development. The Kenya demographic health survey indicates that young Kenyans continue to suffer more ill health than their counterparts in other age groups is a matter of particular concern (Central Bureau of Statistics, 2003c).

Furthermore, reproductive health is one of the issues with the greatest impact on the youth. Some related problems and side effects include teenage pregnancies and abortion. Other common health problems are malaria and acute respiratory infections, which account for about one half of outpatient cases. Other diseases the youth grapple with include skin infections, intestinal worms and diarrhoea (World Health Organization, 1998). However, majority of Kenyan youth does not have access to affordable health care. About 46% of population lives below the poverty line. According to the Household Health Expenditure Report of 2003, 44% of Kenyans who fall sick do not seek health services due to lack of finances (CBS, 2003a).

2.9 Youth Education in Kenya

While Kenya did implement universal primary education, meaning that eight years of schooling are provided free, additional costs of uniforms and books prevent many from attending school. Families, who are able to pay these costs, and the opportunity cost of not having their children work; often cannot afford the fees to pay for secondary school. Secondary schooling that properly equips children for the next level is extremely expensive and rarely accessible in underserved areas (Abadzi, 2004). The easily visible result is that a large percentage of Kenyan youth only have a basic level of education, few usable skills, and minimal employment opportunities. The poor education system and subsequent idleness of these youths creates a dangerous combination that frequently leads to drug abuse, early pregnancy, crime and other severe behaviors (Republic of Kenya, 2005).

2.10 Youth Social Networking

According to Gilchrist (2004), social networking is connecting with others in and outside their organization, sharing knowledge and information and uncovering hidden opportunities, but more importantly, it is about building relationships and getting to know people. Young people join groups to act on their own behalf. These groups are involved in income-generating activities, recreation, education, and advocacy and awareness. These groups play a positive role in the lives of young people, including being a source of information, giving them a sense of belonging and self esteem, and helping them to feel empowered through their

collective action. Apart from networking within the groups, sports and recreation facilities provide the youth with an opportunity to socialize and spend their time productively hence strengthening and developing their character and talents. However, the facilities are very scarce, and where they exist, the youth may find it difficult to access and utilize them because of the high costs involved (Brown, 2006).

2.11 Summary of Literature Review

In summary, most past studies on youth in Kenya focused on the socio-economic challenges the youth are facing. These studies have clearly shown that most of these socio-economic challenges have a bearing on employment, (Muchai & Jefferson, (2001); KNBS, (2007); Wambugu et al 2009). This study focused on effects of YEDF on socio-economic conditions of the youth in Naivasha and Gilgil Districts to give an insight on how the YEDF is affecting the socio-economic conditions of the youth. Since there is no other study that had tried to determine the socio-economic conditions of the youth in Naivasha and Gilgil Districts as a result of YEDF funding.

2.12 Theoretical Framework

The study was guided by two theories, namely; social Exchange theory and social learning theory.

2.12.1 Social Exchange Theory

The Social Exchange Theory was initiated by George Homans in 1959 and later modified by John Thibaut and Harold Kelley. The theory explains social exchange and stability as a process of negotiated exchanges between parties. The theory posits that all human relationships are formed by the use of a subjective cost- benefit analysis and comparison of alternatives (Ritzer, 2008). Social exchange theory proposes that social behavior is the result of an exchange process. The purpose of this exchange is to maximize the benefit and minimize cost. People weigh the potential benefit and risks of social relationship. When the risks outweigh the reward people will terminate or abandon that relationship (Blau, 1994).

Social Exchange Theory makes use of reward and cost. Rewards are defined as the pleasures, satisfaction and gratification a person enjoys from participating in a relationship. Resources are any commodity, material or symbol that can be transmitted through the interpersonal behavior that gives a person a capacity to reward another (Ritzer, 2008). It is expected that youth in Naivasha and Gilgil Districts weighed out the benefit they anticipate to get if they

joined a certain group. They also took into consideration the cost and, if the benefits exceeded the cost they joined the group.

These social exchanges are regulated by norms such as reciprocity. In the case the youth in Naivasha and Gilgil District expected to get fairness and justice in the process of fund application, accessing and during utilization of the fund. They also expected their effort to be reciprocated by being funded by YEDF and the enterprises started or expanded to change their standards of living. They lead to individuals' commitment to the group and development of trust among the individuals in that relationship. Groups were probable maximizing profit for their members while minimizing cost when interacting with youth fund organizations. It is not possible to know the actual reward and cost involved in an interaction with others before the actual interaction occurs, however, they could guide their behavior through their expectations for reward and cost. Individuals are rational beings and with the limited information they possess, they calculate rewards and cost and consider alternatives before acting (Cook & Emerson, 2001). The standards that individuals use to evaluate reward and cost differs from person to person and can vary over time (Ritzer, 2008). This is the reason why some youth did not join groups while others are members. Also it explains why youth groups got services from certain youth fund development organizations and not others and why the organizations offer their services to some groups.

2.12.2 Social Learning Theory

The Social Learning Theory advocates that people do most of their learning and acquisition of their knowledge through observation, imitation and modeling. The theory proponent is Albert Bandura. The theory is rooted in the process of socialization which refers to learning one's culture and how to live within it. The theory indicates that learning requires four stages to be complete. This includes: attention, retention, motor reproduction and motivation. The theory emphasizes the influence of differing learning environment on behavior (Bandura & Walters, 1963).

The socializing agents who include: family members, peers and learning institutions, consciously and unconsciously, shape the behaviour and attitude of others. This may explain why youth acquired or fail to acquire entrepreneurship culture depending on one family's views and attitudes towards business activities. Those from business oriented families through observation and imitation may develop business culture and vice versa. Based on this theory it can be concluded that business specific cognitions are the strongest predictors of the

youth early business involvement. Consequently, entrepreneurship using role modeling is likely to have three consequential effects, beginning with observation and imitation of the business specific behaviors, followed by social involvement and thirdly, culminating into a youth's positive social and psychological consequence for future involvement in business activities.

YEDF was initiated to provide finances to the youth to start or expand their enterprises. For the youth to start an enterprise there are skill required. The social learning theory postulates that through socialization one learns his/her culture. Therefore the theory explains why youth started enterprise and why the type of enterprise started, since, youth do their learning through observation, retention and imitating the entrepreneur behavior and different learning environment have different influence on behavior. Consequently the youth from agricultural practicing families are likely to establish agricultural business, same to those from service providing business. Due to the socialization process the youth underwent it can be understood why they started the type of enterprise they operate after being funded by YEDF.

2.13 Conceptual Framework

The conceptual framework illustrates the relationship between the main concepts of the study. The study main concepts are; socio-economic conditions, YEDF and its main activities. The relationship is the effect of YEDF on the socio-economic conditions of youth in the Naivasha and Gilgil Districts as illustrated by Figure 1.

Independent Variable

Dependent Variables

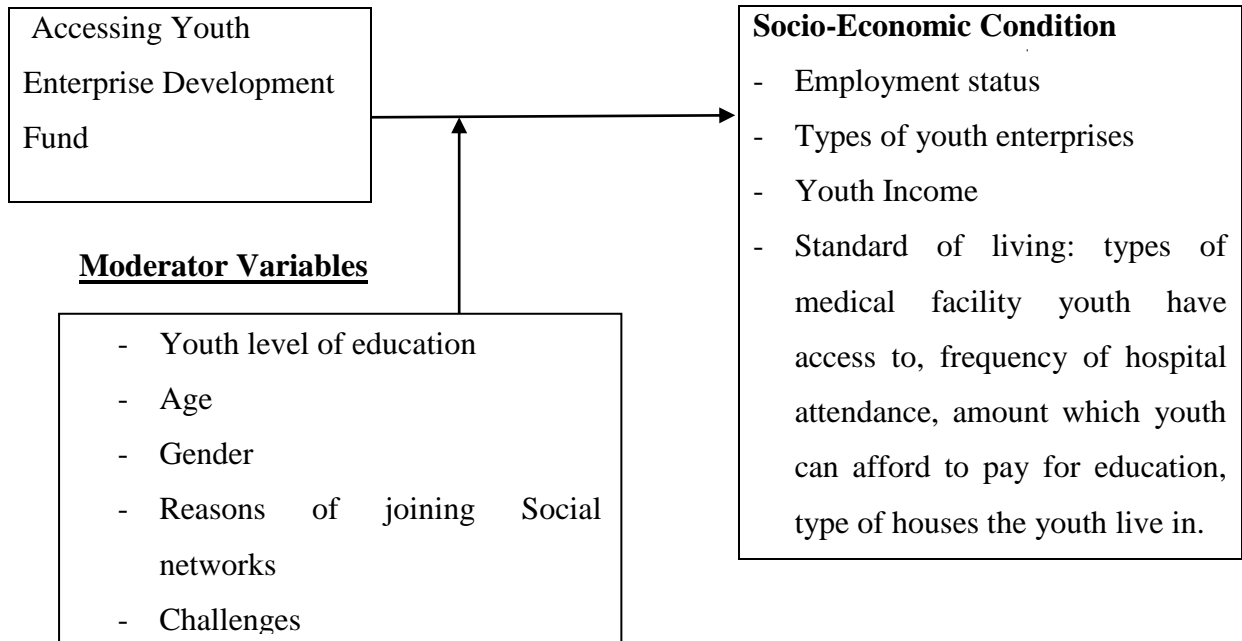


Figure 1: conceptual Framework.

The conceptual framework illustrates the relation between YEDF and the socio-economic conditions of Youth in Naivasha and Gilgil Districts. This includes youth employment status, youth income and Standard of living: types of medical facility youth have access to, frequency of hospital attendance, amount which youth can afford to pay for education, type of houses the youth live in. The moderator variables which included; the level of education of the youth in the funded group, alternative sources of funding, age, social networks, challenges and gender may have an effect on the socio-economic conditions on the youth..

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods that were used in conducting the study. It is divided into subsections that provide information on the research design, location of the study, sampling procedure and sample size, methods of data collection and data analysis.

3.2 Research Design

The study used ex post facto research design through survey. This design was used since the study sought to establish the effect of YEDF on socio-economic conditions of youth which have already been experienced by the youth in Naivasha District and Gilgil District.

3.3 Location of the Study

Naivasha and Gilgil Districts were one district covering 2837.4 square kilometers. It had five divisions, namely: Naivasha central, Kongoni, Mai-mahiu, Gilgil and Elementaita. The District has been split into two districts, namely Naivasha and Gilgil Districts. The current Naivasha District is made up of the former Kongoni, Mai- Mahiu and Naivasha Central Divisions while Gilgil District is constituted by the former Gilgil and Elementaita Divisions. The larger Naivasha District is distinctively known for its diverse population background, with basically each of the 42 Kenyan ethnic backgrounds represented.

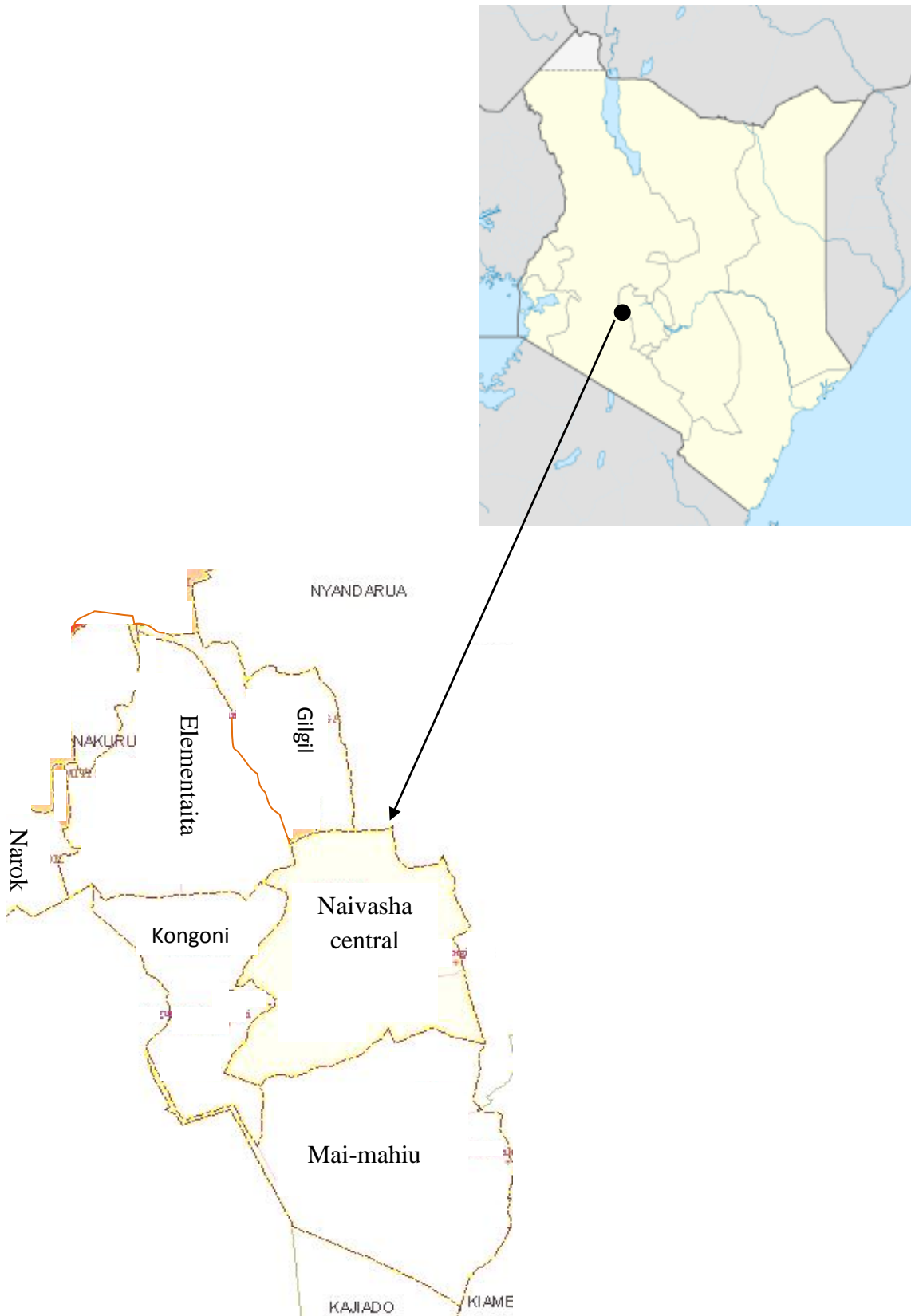


Figure 2: Map of the Location of the Studv-Naivasha and Gilgil Districts

Source: Modified from Government of Kenya. (2005b)

3.4 Population of the Study

According to 2009 census report, Naivasha and Gilgil Districts had a population of 376, 243 people (KNBS, 2010), while the United Nation Development Program (2009) report, on Kenya Human Development, states that in Kenya the youth population, (young people aged between 18-35 years) constitute 36% of the population. Therefore the youth in Naivasha district were estimated at 135,447. This youth population had formed 361 registered youth groups in the District which had a population of 9734. Out of these groups, 51 had been funded by YEDF through Constituency Youth Enterprise Scheme(C-YES) and through financial intermediaries. These groups comprised of 1172 youth who formed the study population as shown in Table 1.

Table 1

Number and Membership of Youth Groups Funded through

No. of groups	Components of YEDF	Group Members			Total
		Male	Female	percent	
29	C-YES	313	264	57	577
	Financial intermediaries				
13	• Equity Bank	175	176	25	351
09	• K-REP Bank	156	88	18	244
51		644	528	100	1172

Source: Ministry of Youth Affairs and Sports, 2010

3.5 Sample Size and Sampling Procedure

A sample is a smaller group or sub-group obtained from the accessible population (Mugenda and Mugenda, 1999). This subgroup is carefully selected to be representative of the whole population with the relevant characteristics. Sampling is that part of the statistical practice concerned with the selection of individual or observations intended to yield some knowledge about a population of concern, (Mugenda and Mugenda, 1999).

3.5.1 Sample Size Determination

The sample size required for the survey was determined by using a ninety-five per cent confidence interval and a sampling error of five per cent. The sample was calculated using the statistical formula given below (Mugenda and Mugenda, 1999). There were 51 YEDF

funded youth groups which had a total of 1172 youths, in Naivasha and Gilgil Districts and a total of 361 registered youth groups with a population of 9734 youths.

$$n = \frac{z^2 (p \times q)}{d^2}$$

n= size of the sample

z= 1.96 statistical constant representing 95% score at the respective confidence level

p= sample proportion/proportion of interest/possibility of success (1172 ÷ 9734)

q= possibility of failure (1-p)

d= sampling error/alpha error/acceptable error (5% or 0.05)

$$\begin{aligned} n &= \frac{1.96^2 (0.1204 (1-0.9798))}{0.05^2} \\ &= \frac{3.8416 \times (0.1204 \times 0.9798)}{0.0025} \\ &= \frac{3.8416 \times 0.11797}{0.0025} \\ &= \frac{0.4532}{0.0025} \\ &= 181.2742 \\ &\approx 182 \end{aligned}$$

Thus, a sample size of 182 youth was obtained for this study.

3.5.2 Sampling Procedure

In order to obtain a representative samples of youths in the YEDF funded youth groups in terms of source of funding, that is either through C-YES or financial intermediaries as well as gender balancing, a three-stage sampling technique selection procedure was adopted. The first stage involved obtaining representative samples of youth groups depending on the source of funding by proportionate stratification, such that 57% of the groups in the sample had been funded by YEDF through C-YES, 25% of the groups in the sample were funded by YEDF through Equity Bank and 18% of the groups in the sample were funded by YEDF through K-Rep Bank. The second stage was to incorporate gender, each stratum on source of funding were proportionately stratified in term of gender such that for YEDF funded youth groups through C-YES, 46% were female and 54% were males, for YEDF funded youth groups through Equity Bank funded youth groups 50% were females and 50% were males and for

YEDF funded youth groups through K-Rep Bank funded youth groups 36% were females and 64% were males. The stratification ensured that males and females as well as different component of funding were represented in the sample in the same proportion as they are in the population. Finally Simple random sampling procedure was then applied in each stratum to obtain the required sample size of 182 youth as indicate in Table 2

Table2

Sample Size for each Stratum

Male	Sample size		Component of YEDF	
	%	Female	%	C-YES
56	54%	48	46%	Financial Intermediaries
23	50%	23	50%	• Equity Bank
20	64%	12	36%	• K-REP Bank
100	100%	82	100%	Total

3.6 Instrumentation

Data was collected using self administered questionnaire, whereby the interviewer clarified the questions that were not clear to the respondent, thereby helping the respondent to give relevant answers (Mugenda & Mugenda, 1999). The questionnaire comprised of section one and section two. Section one contained questions on personal and group related questions while section two contained questions on socio-economic conditions of youth and Youth Enterprise Development Fund. The questions were both open-ended and closed-ended questions.

3.6.1 Validity of the Instrument

Content validity was ascertained through checking the instrument items against the study objectives and through use of experts in area of study to ascertain whether the items measure the constructs or variables being studied. In this case the experts included: three lecturers who have specialized on youth developmental issues and entrepreneurship development and two experts from Ministry of Youth Affairs and Sports.

3.6.2 Pretest and Reliability of the Instrument

The data collection instrument was pre-tested to find out the following: whether the instrument would elicit responses required to achieve the research objectives, whether the content of the instrument was relevant and adequate, whether wording of questions was clear and suited to the understanding of the respondents, to test the other qualitative aspects of the instrument like question structure and question sequence, and to develop appropriate procedure for administering the instrument with reference to field conditions. The pre-test sample was youth belonging to YEDF funded groups from Subukia District. This was because Subukia District like Naivasha and Gilgil Districts are cosmopolitan districts; it is a tourist destination due to its geographical location on the floor of Rift valley and at a viewpoint and sceneries associated with the formation of Rift Valley such as Lake Solai. A pretest sample was selected through simple random sampling. Eighteen youth constituted the pretest sample which is 10% of the study sample size as recommended by Mugenda and Mugenda (1999). Out of the eighteen youths, nine were from C-YES funded groups, six from Equity bank and three from K-Rep funded youth groups.

The split- half technique of assessing reliability was used. Data from the pretest was divided into two halves. The scores from the two halves were correlated and a correlation coefficient of 0.79 obtained. This implied that there was a high degree of reliability and was considered acceptable since a coefficient $r \geq 0.7$ is considered good (Ary, Jacobo & Razavier, 1972).

3.7 Data Collection Procedure

The researcher was cleared and permitted by the Graduate School, Egerton University to go to the field to collect data. Letters explaining the intention of the researcher were written to District Youth officer Naivasha District and District Youth officer Gilgil District and reply obtained allowing the researcher to collect data from the YEDF funded youth groups in the districts. Appropriate dates and time schedules were organized with the respondents as to when the interviews were to be carried out. The researcher conducted the interviews on one to one basis. A good rapport and friendly relationship was established with the respondents prior to conducting the interviews. The purpose of the study and meanings which were not clear were explained to the respondents. The procedure to be used to keep the information confidential was also explained to the respondents (Mugenda & Mugenda, 1999). In addition the respondent was not in any case to disclose his/her identity and therefore it would not be possible to identify him/her from the responses obtained. Secondary sources of data included

published and unpublished documents and articles on youth, which were obtained from; the offices of the Ministry of Youth Affairs and sports in the Naivasha and Gilgil Districts and the Ministry web site, Equity and K-Rep banks branches in Gilgil and Naivasha urban centers and YEDF funded youth group. Also included in this category were data obtained from extensive literature review.

The main language used to collect data was English since the majority of youths were conversant with it. For those youth who did not understand English the interview guide was explained and interpreted for them into Kiswahili.

3.8 Data Analysis

Data was analyzed using both descriptive and inferential statistics as shown in table 3. The particular descriptive statistics applied include: percentage, frequencies and Chi-square test for goodness-of-fit. Chi-square test goodness-of-fit was used since the data was categorical. Data was fed into the computer for analysis using SPSS windows version 11.5. Analyzed data was presented in tables and graphs or figures. Graphs were used which acted as visual aid to enable a quick grasp of the information presented.

Table 3

Data Analysis by Objectives

Objective	Independent variable	Dependent variable	Method of data analysis
To determine the types of enterprises created through YEDF in Naivasha and Gilgil Districts.	YEDF	Types of Enterprises funded by YEDF	percentage, frequency distribution
To establish the number of youth employed in the enterprises created through YEDF in Naivasha and Gilgil Districts.	YEDF	Number of youth employed in YEDF funded enterprises	percentage, frequency distribution and chi-square
To determine whether there is any change in income of the youth as a result of enterprises started through YEDF in Naivasha and Gilgil Districts.	YEDF funded enterprises	Income of the youth	Percentage and frequency distribution Chi-square test
To find out the extent to which the YEDF has changed the standard of living of the youths in groups in the Naivasha and Gilgil Districts.	YEDF	Living standards	percentage, frequency distribution and chi-square
To determine the factors that motivated youth participating in YEDF enterprises to join social networks in Naivasha and Gilgil Districts.	YEDF funded enterprises	factors that motivated youth to join Social Networks	percentage, frequency distribution
To identify the challenges youth groups in the Naivasha and Gilgil District encounter in the process of accessing the YEDF.	Process of accessing the YEDF	Challenges	Frequency distribution and percentage

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The purpose of this study was to determine the effects of Youth Enterprise Development Fund (YEDF) on the socio-economic conditions of youth in the Naivasha and Gilgil Districts. The study objectives included: to determine the types of enterprises created through YEDF in Naivasha and Gilgil Districts; to establish the number of youth employed in the enterprises created through YEDF in Naivasha and Gilgil Districts; to determine whether there is any change in income of the youth as a result of enterprises started or expanded through YEDF in Naivasha and Gilgil Districts; to find out the extent to which the YEDF has changed the standard of living of the youth in Naivasha and Gilgil districts; To determine the factors that motivated youth participating in YEDF enterprises to join social networks in Naivasha and Gilgil Districts.; and to identify the challenges youth groups in Naivasha and Gilgil Districts encounter in the process of accessing the YEDF.

Data was collected through interviewing youth whose groups had been funded by YEDF either through Constituency Youth Enterprise Scheme (C-YES) or through financial intermediaries. The financial intermediaries in Naivasha District were Equity Bank and K-Rep bank. For the youth group to be included in the sample, it had to have received and invested the YEDF funding for at least three years by December 2009 when this study was conceived. Descriptive statistics were used to describe and summarize the features of the sample, while inferential statistics were used to make estimates of the population parameters. The particular descriptive and inferential statistics are percentage, mean, frequencies .and chi-square. This chapter has been organized in sub-topics based on the study objectives.

This chapter discusses the findings with regard to the variables in the objectives. It starts with a description of the respondents, followed by the presentation of the descriptive examination of the research questions, and discussions of the results.

4.2 Characteristics of the Respondents

There were three units of analysis in this study: Individual respondents, Youth groups and the youth group enterprises. Characteristics of these units of analysis are discussed below.

4.2.1 Age of the Respondents Involved in the Study

Majority of youth were aged between 30 and 35 years accounting for 44.5% of the total respondents as shown in table 4. The oldest respondent was 34 years while the youngest was 18 years old.

Table 4

Age of the Respondents by Gender

Age of the Respondents in Years	Gender of the respondents				Total	
	Females		Males		Frequency	Percent
	Frequency	Percent	Frequency	Percent	Frequency	Percent
18-23	0	0	23	12.6	23	12.6
24-29	73	40.2	5	2.7	78	42.9
30-35	9	4.9	72	39.6	81	44.5
Total	82	45.1	100	54.9	182	100.0

An examination of the variation of age of the respondents by gender revealed that there were no females in the age category of 18-23 years. In the age category of 24-29 years, there were 40.2% females and 2.7% males while in the age category of 30-35 years, females were 4.9% and males 39.6%. This indicates that youth groups in Naivasha and Gilgil Districts basically had more males than females. Male accounted for 54.9% and females 45.1% of all the surveyed youths.

4.2.2 Level of Education of the Respondents

All the studied youths had some formal education. Majority of them (63.7%) had secondary school level of education with a few (7.1%) having tertiary level of education, that is, college level. The level of education of the respondents is shown in Table 5

Table 5

Level of the Respondents Education by Gender

Level of education	Gender of the respondents					
	Females		Males		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Primary	51	28	2	1.1	53	29.1
Secondary	31	17.1	85	46.7	116	63.8
Tertiary	0	0	13	7.1	13	7.1
Total	82	45.1	100	54.9	182	100.0

Among the respondents 28% and 1.1% females and males respectively had primary level education, 17% and 46.7% females and males respectively had secondary level education and 7.1% males had tertiary level education, with no female in this category. This indicates that males were more educated than females, as males were more represented in the higher level of education than females. Majority of the males had secondary level education and a small number with tertiary while there was no female with tertiary level of education in the youth groups. This was in line with Mungai, (2002) and Mungai (2012) findings in which she noted that primary school overall enrolment rate for boys is higher than that of their female counterpart with higher dropout rate for girls than boys. Secondary school had even much lower enrollment of females, a trend that continues into tertiary institutions. This may be as a result of early marriages facing female student and Further some parents prefer to educate their sons over daughters.

The differences in level of education may have implications on how male and female youth access information necessary in managing their enterprises. Further, education has been found to have a positive impact on business performance, duration, and success. Bates (1990) found that entrepreneurs with a college education were dramatically less likely to fail than those without a college education (Mwangi 2006). College education also provides entrepreneurs with greater access to loans from commercial banks (Bates, 1990). Education improves enterprise survival and enterprise growth. Individuals with higher levels of education exhibit decreased probability of business exit during difficult economic times Cooper *et al*, (1994). Moreover, Thapa (2007) and Chiliya & Lambard (2012), found a positive association between education and small business success. The likelihood of failure was also found to be associated with the owner work experience prior to business launch and

education. For example, businesses where the owners had 10 or more years of work experience and/or 4 or more years of college/university education were less likely to fail (Boden & Nucci, 2000). Further Van der Sluis, *et al.*, (2008) argues that in least developing countries education is a major drawback for the success of small enterprises.

4.2.3 Group characteristics

Group characteristics were examined in term of group members and amount of YEDF accessed by the groups.

4.2.3.1 Group Membership

The survey found that 21 youth groups in the study were registered by the Ministry of Gender and Social Services and they had been in existence for at least three years. Out of the 21 youth groups, 16 were funded through constituency youth enterprise scheme (C-YES), while five were funded through financial intermediaries. Most youth groups 95.2% consisted of both females and males. However, 76.2% of the studied youth groups had more males than females, while only 23.8% of the studied groups had more females than males. There was no pure female youth group but there was one pure male youth group. The average membership per group was 14 members, while the highest membership was 26 members and the lowest membership was 12 members.

4.2.3.2 Amount of YEDF Accessed by a Groups

The youth groups were funded either through Constituency Youth Enterprise Scheme (C-YES) or through financial intermediaries. The C-YES funded youth groups in a constituency to start or expand group enterprises, while financial intermediaries funded individual youths within youth groups in a district to start or expand individual enterprises. The survey indicated that YEDF had funded 76.2% of the groups with Kshs 50,000, 14.3% had been funded with more than Kshs 50,000 and 9.5% was funded with less than Kshs 50,000 as illustrated by table 6.

Table 6

YEDF Amount Accessed by Groups

Amount of money Accessed by groups	Frequency	Percent
Less than 50,000	2	9.5
50,000	16	76.2
More than 50000	3	14.3
Total	21	100.0

The groups that received more than Kshs 50,000 and less than Kshs 50,000 were all funded by financial intermediaries. The funding for individual members by the financial intermediaries ranged between Kshs 1, 000 to Kshs 30, 000. The groups that received funds from C-YES were funded at a constant rate of Kshs 50,000.

4.2.4 Characteristics of Youth Enterprises

A total of 21 youth groups were studied. Within these groups a total of 31 enterprises were operated by youth funded by YEDF in Naivasha and Gilgil Districts. The enterprises differed in a number of ways; some enterprises were group-owned while others were individually owned. In this case 51.6% of the studied enterprises were group-owned while 48.4% were individually owned. The management of the youth enterprises also differed. For the individual owned enterprises the owner managed the enterprise. But for the group-owned enterprises, 12.5% of the enterprises had selected one group member to run the enterprise with the support of the others who were not actively involved in the group activities, while in 87.5% of the groups owned enterprises, all members were actively involved in carrying out the group activities with one group official tasked with overseeing the running of the enterprise.

The study found that all the youth enterprises were informal, that is, they were not legally registered. However, 22.6% of the enterprises were licensed to operate by local authority as single business enterprises while 78.4% of the enterprises paid the daily fees to the local authority upon bringing their products to the market.

4.3 Types and sizes of Enterprises Started or Expanded through YEDF

Various types of enterprises were started and expanded through YEDF by youths of Naivasha and Gilgil Districts. These youth enterprises were either agricultural, service providing, retail product or cottage industry. Youth agricultural enterprises were 48.4% and included: buying

& selling livestock, horticulture, dairy farming, poultry rearing, goats and sheep rearing. Service providing enterprises were 22.6% and included bicycle and motor bike transport, barber shop and Salon. Retail products enterprises were 16.1% and included kiosks and hawking. Cottage industry enterprises were 12.9% and comprised of quarry, selling handicrafts, ornaments and jewelleryes, tailoring and knitting as illustrated by table 7.

Table 7

Types of Enterprises Owned by Youths

Type of Enterprise	No. of Enterprises	Percent
Agriculture	15	48.4
service providing	7	22.6
Retail products	5	16.1
Cottage industry	4	12.9

Majority of the above enterprises (81%) were already in existence by the time the groups were receiving YEDF hence the funds were used to expand the existing enterprises. Only 19% of the enterprises were started using YEDF. The enterprises started using YEDF were three agricultural enterprises and one service enterprise.

To further establish the role of YEDF on the development of youth enterprises, the enterprises were further categorized in terms of their sizes as either micro or small scale enterprise. Enterprises with less than 5 employees were categorized as micro enterprises while those with employees in the range of 5 - 49 as small scale enterprises (Government of Kenya (GOK), 2003a). Before YEDF the respondents' enterprises were 73.4 % micro and 26.6% small. After funding, out of 27 enterprises that were existing before YEDF, the micro enterprise decreased to 44.4 % while small increased to 55.6% as illustrated by Table 8.

Table 8

Enterprises Expanded through YEDF

Type and sizes of Enterprises	Enterprises Before YEDF		Enterprises After YEDF	
	Frequency	Percent	Frequency	Percent
Micro agriculture enterprise	11	40.7	5	18.5
Micro service enterprise	4	14.8	3	11.1
Micro retail enterprise	4	14.8	4	14.8
Micro cottage enterprise	0	0	0	0
Sub total	19	73.4	12	44.4
Small Agriculture enterprise	2	7.4	8	29.7
Small service enterprise	2	7.4	3	11.1
Small retail enterprise	0	0	0	0
Small cottage enterprise	4	14.8	4	14.8
Sub total	8	29.6	15	55.6
Grand total	27	100	27	100

In addition three small enterprises and one micro enterprise were started using YEDF. Consequently the small enterprises constituted 58.1%, while micro was 41.9% of all the enterprises started and expanded through YEDF as shown by Table 9.

Table 9

Enterprises started and Expanded through YEDF

Type and sizes of Enterprises	Enterprises Before YEDF		Enterprises After YEDF	
	Frequency	Percent	Frequency	Percent
Micro agriculture enterprise	11	40.7	5	16.1
Micro service enterprise	4	14.8	4	12.9
Micro retail enterprise	4	14.8	4	12.9
Micro cottage enterprise	0	0	0	0
Micro Total	19	73.4	13	41.9
Small Agriculture enterprise	2	7.4	11	35.5
Small service enterprise	2	7.4	3	9.7
Small retail enterprise	0	0	0	0
Small cottage enterprise	4	14.8	4	12.9
Sub Total	8	29.6	18	58.1
Grand total	27	100	31	100

As already been mentioned, before YEDF the youth's enterprises were mainly micro and small. After funding the enterprises were still micro and small but the small enterprises had increased in number. Consequently micro enterprises decreased by 31.5% while small enterprises increased by 28.5%. These results show that there was a change in the size of enterprises youth engage in after the YEDF, hence the YEDF fund has enabled the youth in Naivasha and Gilgil Districts to start new enterprise as well as expanding some from micro to small enterprises. According to Omolo (as cited by Njonjo, 2010) micro and small enterprises are effective in the utilization of local social and natural resources, employing simple and affordable production technology. These enterprises are positioned to satisfy limited demands brought about by small and localized markets due to their low overheads and fixed costs. One objective of YEDF is to enable youth to start or expand their enterprises. The result indicates that this objective is being achieved, since the youth small enterprises doubled in number after the YEDF funding.

4.3.1 Performance of YEDF Funded Youth Enterprises

The enterprises were further analyzed according to their performance which was based on their ability to repay the loan. The study revealed that those enterprises belonging to groups that had equal members of both gender performed better than those dominated by same sex members, in terms of timely repayment of YEDF. This finding agreed with Boohene *et al*,

(2008) who argue that to increase the business performance there is a strong relationship between gender, strategies, and perceived values. Similarly Rosa *et al.*, (1996) states that, small business performance is highly affected by differential gender decision making processes, and also by their personal characteristics to respond to alerts and risks. In this study female dominated youth groups were timely in repaying their loan.

Further analysis on the performance of YEDF funded enterprises revealed that, individual owned enterprises performed better than the group owned enterprises. Individually owned enterprises were YEDF funded through the financial intermediaries while group owned enterprises were YEDF funded through C-YES. Out of the 15 individually owned enterprises 12 were doing well in terms of their loan repayment with only three not timely in repaying their loans. On the other hand, out of 16 group-owned enterprises six were doing well while 10 enterprises were not timely in repaying their loans as shown by figure 2. This could be attributed to the following reasons: youth funded by financial intermediaries had financial management skills, saving skills and pre funding training since it was a requirement to save certain amount of money every week for six week before they could be funded. Further the group members underwent a rigorous training on financial literacy and management. Moreover the youth funded by financial intermediaries signed a legal agreement with the financial intermediaries, it was also a requirement that they have collateral and guarantors, which was not the case with the C-YES funded groups.

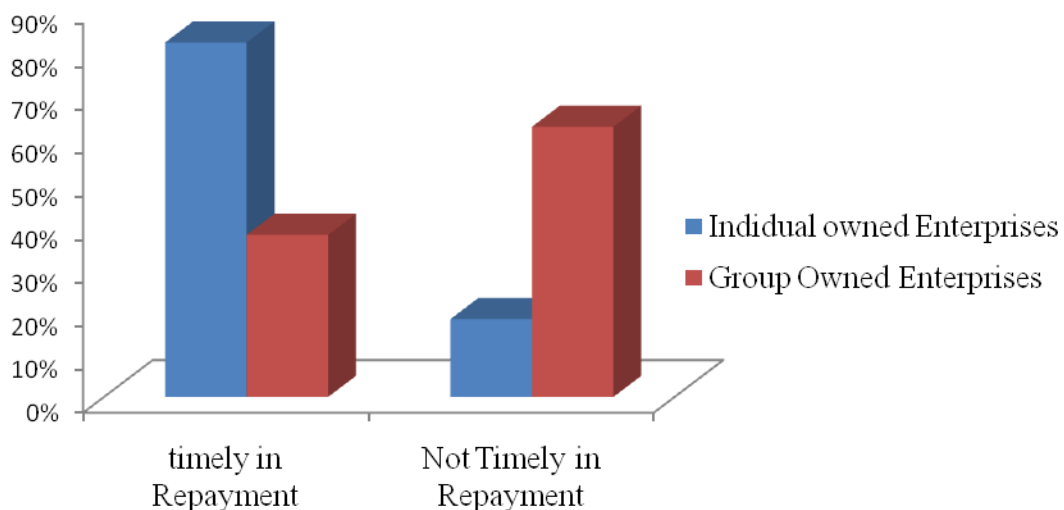


Figure 3: Groups and Individual Enterprises Performance

4.4 Youth Employed in the Enterprises Started or Expanded Through YEDF

A number of youth were employed in the enterprises started or expanded through YEDF as indicated in Table 10. The 27 enterprises expanded through YEDF had employed youth before and after YEDF funding, while four enterprises started through YEDF also employed some youth. Three of the start-up enterprises employed between 6 – 10 youth while one start up enterprise employed between 1 – 5 youth. Before YEDF 19 enterprises had employed between 1 - 5 youth, while 8 enterprises had employed between 6 - 10 youth. After YEDF 12 expanded enterprises had employed between 1 – 5 youth, while 15 expanded enterprises had employed between 6 – 10 youth as shown in table 12. To find out whether YEDF has any change on youth employed in YEDF funded enterprise, chi-square test was conducted on 27 youth enterprises constituting 81% of YEDF fund enterprises were analyzed since they had employed youth before and after YEDF funding. There was a significant increase in the number of youth employed in the enterprises as a result of YEDF funding ($\chi^2 (1, n=27) = 0.142, p= 0.03$). 25.92% of youth enterprises that had been in operation before YEDF funding increased their employees from between 1-5 to 6 – 10 youth, after funding, while the four started enterprises also employed some youth.

Table 10

Youth employed in Enterprises Started and Expanded through YEDF

Youth Employed in YEDF	Number of Enterprises employing Youth			
	Before YEDF		After YEDF	
Expanded Enterprises	Count	Percent	Count	Percent
1-5	19	73.4	12	44.4
6-10	8	26.6	15	55.6
Total	27	100	27	100

$$\chi^2 (1, n=27) = 0.142, p= 0.03$$

Further analysis of the findings indicated that group owned enterprises had employed more youth compared to the individually owned enterprises. Since 87.5% of the group enterprise involved the entire group in the enterprise, while individually owned, enterprises had only one youth running the enterprise. According to the World Development Report [WDR] (2007), employment marks an important transition period for young people and it is characterized by independence, increased responsibility and active participation in national building as well as social development. A successful transition to work for today's many young people can accelerate poverty reduction and boost economic growth. In spite of the

benefits and opportunities brought about by employment, it is regrettable to note that majority of Kenya's young people are unemployed, underemployed or underpaid and are therefore in the swelling ranks of the working poor (Muthee, 2010). According to the International Labour Organization (1995), the vast majority of jobs available to youth are low paid, insecure, and with few benefits or prospects for advancement. Since the youth enterprise development fund was initiated as a strategic move to arrest unemployment among the youth by funding them to start enterprises thus creating employment for themselves and other youth, the results of the study seem to indicate that this objective is being achieved. However, the youth employed in YEDF funded enterprises in Naivasha and Gilgil Districts is still very low compared to the number of the unemployed youth in the Districts. Hence, more youth groups needs to be funded and supported in running these enterprises.

4.5 Effects of YEDF on Youth Income in Naivasha District

The study compared the level of monthly income before and after funding. In this case the respondents were asked to indicate their level of income before and after YEDF funding. Figure 3 shows that 50% of the respondents were earning less than Kshs 6000 per month, 28.6% were earning between Kshs 6000-10001 while 21.4% were earning Kshs 10001-14000 before YEDF funding. After YEDF funding 21.4% were earning less than Kshs 6000 per month, 35.7% were earning between Kshs 6001-10000 while 42.9% were earning Kshs 10001- 14,000.

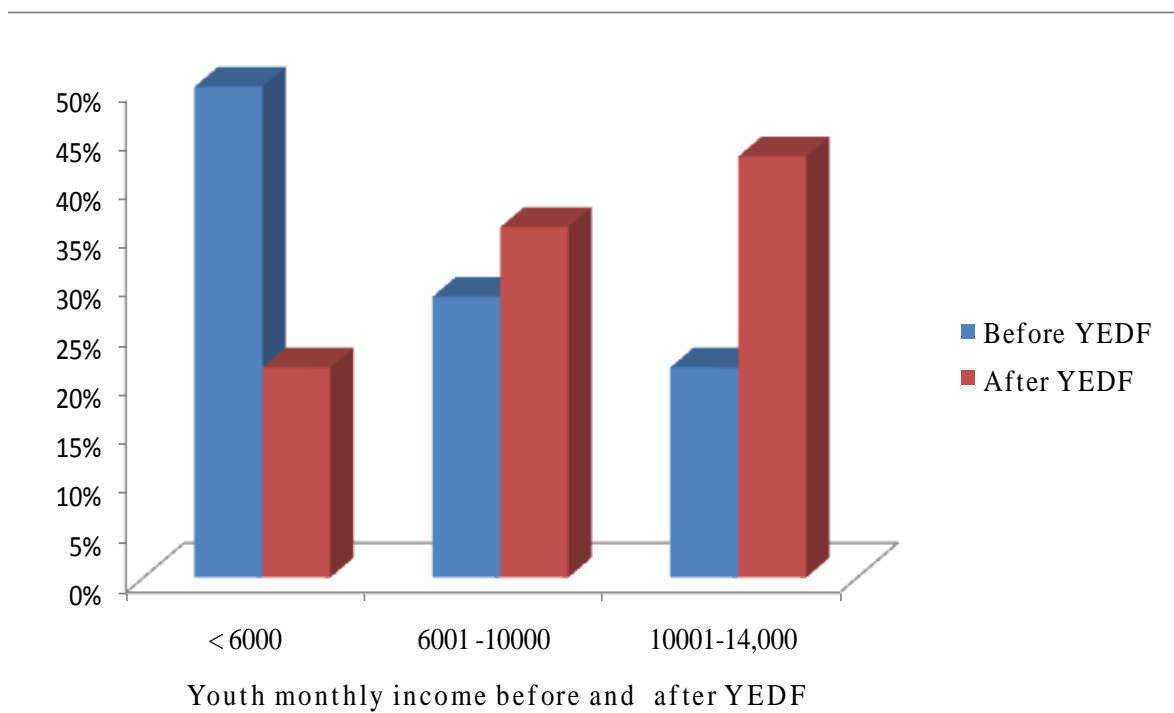


Figure 4: Monthly Income of the Youth

The chi-square test applied indicated that there was significant difference on the monthly earnings of the youth in Naivasha and Gilgil Districts before and after YEDF as $\chi^2(2, N = 182) = 9.8, p < 0.01$.

4.6 Effects of YEDF on Youth Standards of Living in Naivasha district

In this study the youth standards of living were determined by the following: the type of houses the youth were living in, type of school the youth dependants had access to, amount which youth could afford to pay for education and medical services, types of medical services youth had access to and how often the youth sought medical services while sick. These variables were analyzed in order to determine whether YEDF has brought any change to the standards of living.

4.6.1 Effects of YEDF on Youth Housing

The survey captured the type of housing of the respondents by asking them to state their housing unit structure. The types of houses youth were living in were categorized according to materials used to build their walls. Permanent houses were built with stones, semi permanent houses were built with timber or iron sheet while temporary were mud built houses. The types of houses were further categorized into self-owned or rental depending on whether the youth owned or rented the houses they lived in. Table 11 illustrates the type of

houses the respondents were living in before and after they were funded by YEDF. Majority of the respondents 85.7% owned the houses they lived in and 14.2% lived in rental houses.

Table 11
Types of Youth Houses Before and After YEDF

Types of houses	Housing Before YEDF		Housing After YEDF	
	Frequency	Percent	Frequency	Percent
Self Owned Temporary	39	21.4	-	-
Self Owned Semi Permanent	52	28.6	74	40.7
Self Owned Permanent	65	35.7	96	52.7
Rental Temporary	13	7.1	12	6.6
Rental Semi Permanent	13	7.1	-	-
Total	182	100.0	182	100.0

$\chi^2(8, N = 182) = 28.32, p = 0.05$.

Before YEDF most respondents owned the houses they inhabited which were in the following categories; permanent, semi permanent and temporary houses. After the YEDF funding there was a change in the type of housing the youth were living in. Self owned houses increased from 85.7% to 93.4% and rental houses decreased from 14.2% to 6.6%. The chi-square test applied indicated that there was significant difference on the type of housing the youth were living in before and after YEDF as $\chi^2(8, N = 182) = 28.32, p = 0.05$.

Majority of youth who were interviewed in Naivasha and Gilgil Districts reside in the rural areas. This has an advantage to the youth since they already have a land to build their houses on. This shows that YEDF has positive effect on the type of houses the youth are living in.

4.6.2 Effect of YEDF on Youth Education

The study showed that all the respondents were not in school before and after the YEDF funding since majority had already finished their previous level of education and were contented with their education level, that is, primary, secondary or tertiary level of education. The study established that before YEDF funding, 14.3% of the respondents had children in school while 85.7% had no children or children were below school age as shown by table 12.

Table 12

Dependant in School Before YEDF

Dependant in School	Frequency	Percent
Yes	26	14.3
No	156	85.7
Total	182	100.0

Result in, table 13 illustrate the amount of money the respondents committed to education before and after YEDF. Out of the 26 respondents who had children in school, 97.3% were committing less than Kshs 5000 to education and 2.7% of the respondents committed Kshs 6000 -Kshs 10000 to education before YEDF. The study further found that 25 respondents had children in public schools and one respondent had children in private schools. After YEDF majority of the respondents 84.6% were committing less than Kshs 5000 to education and 15.4% of the total respondents committed Kshs 6000 -Kshs 10000 to education. The number of the respondents who had children in public and private schools after YEDF was 22 and four respectively.

Table 13

Monthly Income Committed to Education Before and After YEDF

Monthly income committed to education	Before YEDF		After YEDF	
	Frequency	Percent	Frequency	Percent
Less than 5000	25	97.3	22	84.6
6000-10000	1	2.7	4	15.4
Total	26	100.0	26	100

The chi-square test applied indicated that there was significant difference on the amount of the income the respondents committed to education before and after YEDF as computed chi-square is $\chi^2(1, N = 26) = 5.72, p = 0.05$.

2.6.3 Youth and Access to Medical Services

The study showed that all the respondents sought medical services when needed before and after funding. It further revealed that before YEDF funding 29 youth sought medical services always when sick and 153 did not seek medical services always when sick. After funding, 43 youth sought medical services when sick and 139 youth did not seek medical services always when sick as shown by table 14.

Table 14

Youth Hospital Attendance when Sick

Hospital Attendance	Before YEDF	After YEDF
Always	29	43
Sometimes	153	139
Total	182	182

$$\chi^2(1, N = 182) = 96.36, p < 0.01.$$

The chi-square test applied indicated that there was significant difference on the number of youth who sought medical services when sick before and after YEDF funding. An observation based on data analyzed is that all youth relied on government hospitals for health services before and after the YEDF. This is because of lower charges at the government hospitals as compared to private hospitals which are expensive. Osero (1990) argues that the quality of treatment offered at the government facilities is at a cheaper price while privately run facilities prove rather expensive given the low level of income of the youth. The youth committed less than Kshs 5,000 of their monthly income to medical services before and after the YEDF funding. This shows that YEDF neither has effect on the type of hospital the youth have access to nor the monthly income of the youth committed to medical services, but there was an increase in the number of youth who always sought medical services.

Further analysis also established that the amount of funding did not influence the youth in seeking their medical services since all of the youth group that received less or more than Kshs 50,000 did not seek medical services always when sick before and after YEDF funding. But for those who received Kshs 50,000, 27 were seeking medical services before YEDF funding and the number increased to 39 after funding. This indicates that decision to seek medical services when sick is influenced by other factors other than income and amount of money the youth had. Some of these factors may include: lack of access to adequate information and services, for example youth friendly services that would enable youth to

access medical services as well as make informed choices and decisions regarding their health and general well being are lacking in most part of the country, and youth consider health to be a low to medium priority. According to Muganda-Onyando and Omondi (2008), only 12% of the health facilities meet the minimum requirement of providing youth friendly services thus utilization of the health care among youth remains low despite increased investment in the sector. Faces (2009) as by (Njonjo 2010) in a study of youth on expectation and priorities found that, 45% of young people ranked job opportunities as their top priority compared to only four percent who said the same of health. Health was ranked below education, wealth and income distribution and political participation.

Generally, the findings on the effects of YEDF on youth standards of living have indicated that YEDF has a positive effect on standards of living among youths in Naivasha and Gilgil Districts. For example their housing conditions significantly improved; there was an increase in the amount of money committed to education and the number of youth who always sought medical services increased. All these shows, that YEDF has potential of improving the youth standards of living.

4.7 Youth Social Networks

The survey sought to find out whether the youth are members of other social networks besides their groups. It was recorded that 71.4% of the respondents belonged to other social networks while 28.6% of the respondents did not belong to any other social network as shown in table

Table 15

Youth in Other Social Networks

Member of other social networks	Frequency	Percent
Yes	130	71.4
No	52	28.6
Total	182	100.0

4.7.1 Reasons for Youth in YEDF Funded Enterprises to Joins Social Networks.

The survey sought to find out reason that motivated youths who had been funded by YEDF to join social networks besides their groups. As shown in Table 16 the survey found that youth are motivated by many factors to join social networks. 36.3% said they joined them to source

for funding, followed by 28.6% who joined social networks to improve standard of living, 20.9% and 14.3% joined for resource pooling and sharing of ideas respectively.

Table 16

Reasons that make Youth to Join Social Networks

Reason	Frequency	Percent
Resource pooling	38	20.9
Sharing of ideas	26	14.2
Improving standard of living	52	28.6
To source for funding	66	36.3
Total	182	100.0

According to Zueschner (1997) people join social networks for several reasons which include; group synergy, support and commitment and interpersonal needs. Group synergy refers to the idea that two heads (or more) are better than one or, "The whole is greater than the sum of its parts," Put simply, groups are often capable of producing higher quality work and better decisions than the total of individuals working alone. The study identified similar reasons for joining groups that is, pooling resources and sharing of ideas.

Zueschner (1997) further observed that a group may be formed to provide support and commitment to its members. In this case a group may be more willing to take on a large project than would an individual. In addition to its increased ability to perform work, the group can provide encouragement and support to its members while working on a big project. The survey identified that the youth come together with the aim of getting funding. The sources of fund may be YEDF, banks, micro finance institutions and nongovernmental organizations. William (1958) as quoted by Zueschner, (1997) identified three interpersonal needs that individuals often join a social network to meet. These are: inclusion, control, and affection. For the inclusion he refers to the need of identifying with others, control is the need to exercise leadership and prove one's abilities. Social networks provide outlets for this need. Some individuals do not want to be a leader. For them, social networks provide the necessary control over aspects of their lives and the need to develop relationships with people. Social networks are an excellent way to make friends and establish relationships.

Social networks help transmit, information and knowledge among different groups and individual and provides innovation. Networks enhance the youth capacity to market their

products by enabling them to mobilize capital through sourcing for funding, finding relevant and reliable information quickly, and linking to appropriate outlets. Larson's and Frank (1989) research on development of successful start-up companies stresses that social networks are a mean for quick access to resources and know-how that cannot be produced internally. Participation of respondents in other social activities helps to enhance their skills and ability in taking appropriate decisions in management of enterprises. According to, Serener *and* Woolcock (2004), social networks build ties that connect people akin to others in similar situations, such as family, friends and neighbours. In this study youth in their networks had built ties with each other. These close ties provided a sense of identity, affiliation, shared purpose, support and information. Serener *and* Woolcock (2004) further urged that social networks provide ties that connect people to others who are somewhat distant. These distant ties can span professional boundaries and facilitate access to new ideas, information and knowledge. They urged that social networks further provides linking and ties with people who are unlike us and in dissimilar situations, institutions or in positions of authority. These ties allow people to broker useful resources such as information and finances across a range of networks and for others to leverage new resources from more distant networks into their existing network. This was the case in this study as 36.3% of the youth involved in the study joined social networks to access funding from YEDF and other organizations.

Further analysis based on the amount YEDF funding and being a member of other social networks revealed that all youth in the youth groups which received Kshs 50,000 or less than Kshs 50,000 were members of other social networks. While only four from youth group that received more than Kshs 50,000 were members of other social networks. Further all the 99 youth who felt that YEDF had improved their income level were members of other social network. Consequently the study findings tend to suggest that factors besides change in level of income and amount of money a youth had could influence one decision to join a social network. These factors may be access to internet, time to participant in social network and cost involved.

4.8 Challenges Youth Groups Encounter in the Process of Accessing YEDF

The survey established that the youth encountered various challenges which hindered them from accessing the youth fund. These challenges included: lack of funds for registering the group, lack of proposal writing skills, lack of information regarding the youth fund,

unpredictable fund processing time after applying for the fund, lack of group unity, poor group leadership and management among others as shown in table 17.

Table 17

Challenges Youth Encounter in the Process of Accessing YEDF

Challenges	Frequency	Percent
Lack of funds for group registration	26	14.3
Lack of proposal writing skills	26	14.3
Lack of information	13	7.1
Unpredictable fund processing time after applying	52	28.6
lack of group unity, poor group leadership and management	65	35.7
Total	182	100.0

The study revealed that group members make contributions to raise the money needed in group registration; Group registration process requires both time and money. There is a registration fee of Kshs. 1500 which must be paid to the government for the group to be legally recognized.

Research indicates that the youth lack proposal writing skills, which makes it difficult for them to apply for the fund. This is highly attributed to the youth lack of post secondary education. However, the youth hire skilled proposal writer to write proposal for them at a cost. The study also found that lack of information about YEDF is also a big challenge facing the youth. In the absence of access to adequate information, majority of the youth are left to speculate about the operations and functions of the YEDF. This finding concurs with Mburu (2010) who found that youth do not know that YEDF exist and also who are its beneficiaries. To deal with this the youth liaise with the area youth officer to be more informed about the YEDF processing. Another major challenge identified was unpredictable fund processing time after applying for the fund. The duration the ministry takes to process proposals and avail the fund to the youth is not certain which inconveniences the youth groups. This remains a big challenge as the youth do not have control over it. Amenya (2011) found that YEDF could be a preferred source of funding among the youth, however accessing it remained a great challenge.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of this study was to determine the effects of Youth Enterprise Development Fund on socio-economic conditions of youth in Naivasha and Gilgil Districts. An effort was made to determine the types of enterprises created through YEDF. In addition, the number of youth employed in the enterprises created through YEDF was established, changes in income of the youth, and therefore on standards of living, as a result of participating in YEDF funded enterprises was also established. Finally, factors that motivated the youth to join social networks and challenges youth groups in Naivasha and Gilgil Districts encounter in the process of accessing the YEDF were determined. The study population was the Youth groups that had been funded either through C-YES (constituency youth Enterprise Scheme) or financial intermediaries and had been in existence and utilized the YEDF for at least three years by December 2009. The groups were also registered by the Ministry of Gender and Social Services. A total of 21 youth group funded by YEDF and 182 youth were sampled through simple random sampling and stratified sampling procedures. Data was collected through face-to-face interviews with the youth and analyzed using frequencies, chi-square tests, percentages and then presented in tables and figures.

5.2 Summary of Study Findings

All the respondents involved in the study were aged between 18 years to 35 years; this is the official definition of a youth in Kenya. However, it was noted that majority of the studied youth were in the 30 to 35 years age group. Males accounted for 54.9%, while females accounted for 45.1%. It was further found that males had higher level of education than females. The study found that C-YES had funded 16 youth group to start group enterprises, while financial intermediaries funded individual youth within five youth groups to start or expand their enterprise.

5.2.1 Types and Sizes of Youth Enterprises in Naivasha District

Majority of the youth (48.4 %) operated agriculture-based enterprises. Others were service enterprises (22.6 %), retail enterprises (16.1%) and cottage industries (12.9%). All the studied enterprises were either micro or small in size. The size of enterprise was determined by the number of the youth involved in running the enterprise. If the number of youth was between one and five, the enterprise was classified as micro, if it had six to ten youth involved in

running the enterprise, then it was classified as a small enterprise. YEDF was found to have had positive and significant effect on the size of the enterprises with 28.5% of micro enterprises changing to small enterprises after YEDF funding, moving the total proportion of small enterprises from 29.6 % to 58.1%.

When performance was checked in terms of timely repayment of YEDF, the results showed that, enterprises belonging to groups that had equal number of males and females performed better than those dominated by one sex. It was also noted that individual-owned enterprises which were funded through financial intermediaries performed better than the group-owned enterprises. This could be attributed to the fact that for the youth to be funded by financial intermediaries they were required to save certain amount of money every week for six week before they could be funded and the group member underwent a rigorous training on financial literacy and management. Consequently they had financial management and saving skills. Moreover the youth funded by financial intermediaries signed a legal agreement with the financial intermediaries. It was also a requirement they have collateral and guarantors. This was not the case with the C-YES funded groups.

5.2.2 Effect of YEDF on number of Youth Employed in YEDF Funded Enterprises

The study established that enterprises started or expanded through YEDF had employed youth in Naivasha and Gilgil Districts although the numbers of youths employed was small since there were only 27 enterprises started or expanded which were small and micro. Further, the study found that group enterprises involved the entire group in carrying out the enterprise activities, while individually owned enterprises had only one youth running the enterprise. Consequently group-owned enterprises were found to have employed more youth than the individual-owned enterprises.

5.2.3 Effect of YEDF on Youth Monthly Income and Youth Standards of Living

The results showed that YEDF had effect on the level of monthly income of the youth in the funded groups. It was found that there was significant increase in monthly income of the youth after YEDF funding. As a result the youth standard of living had changed positively. The standard of living was measured using; the type of houses the youth were living in, type of school the youth dependants had access to, amount of monthly income which youth could afford to pay for education and medical services, types of medical services youth had access to and how often the youth sought medical services while sick. There was a significant change in the types of houses the youth were living in, the types of schools the youth

dependant had access to, the monthly income committed to youth dependants education and the number of times a youth sought medical services when sick.

5.2.4 Youth Social Networks

Youth social networks are about youth connections with others in and outside their organization, sharing knowledge and information and uncovering hidden opportunities, but more importantly, it is about building relationships and getting to know people. The study showed that, the main social networks the youth belonged to were the youth groups through which YEDF funds them. Only a half of the youth were members of other social networks. The youth cited that they are motivated to join the social networks, as they give them an opportunity to socialize, financial growth as well as sourcing for funding. The study findings showed that, the youth needed resources to establish or expand their enterprises and this motivated them to join social networks so that they can source for funding. The need to improve their standards of living was also cited by a number of youth. Further the realisation by the youth that information is power was evident as some joined the networks, to share ideas and to pool their resources. YEDF enabled the youth to join social networks mainly the youth groups, so that they could be funded. These social networks if well managed and organised can result in improving the youth standards of living.

5.2.5 Challenges the Youth Encountered in Accessing YEDF

Challenges the youth encountered when accessing the fund, were analyzed. It was established, that the youth face several challenges which has effect on their socio-economic conditions. Group management, unity and leadership were the major challenges. This shows that the youth lack skills on group dynamics, leadership and unity among members within the group is low. For any group to accomplish a task, management, unity and leadership should be good. Lack of proper management, unity and focused leadership result in late or failure to accomplish a task in hand, in this case accessing the YEDF. Lack of proposal writing skills make the groups to use more resources which could be used for other purposes within the group. Lack of information on YEDF indicates that the youth do not visit relevant offices and also there are no proper networks among the youth in Naivasha and Gilgil Districts. Lack of funds to register the group implies that the youth groups do not have constant sources of income while unpredictable fund processing time after applying indicates that there are no clear guidelines governing the fund on the duration in which to access the fund after applying or there are a very lengthy procedure involved to a certain that the group qualify for funding.

5.3 Conclusion

From the study findings the following conclusions were drawn; Most of youth in Naivasha and Gilgil Districts resides in the rural areas and a few in the urban centers within the district. Consequently, majority of the youth operated agriculture-based enterprises. Since, they had access to factors of production which mainly are land and labour. While services providing, retail product enterprises were found in urban centers within the district. The YEDF SMEs performance could be enhanced through encouraging the youth to form group that had equal number of males and females. Individual owned enterprises which were funded through financial intermediaries were performing better than the group owned enterprises. Individually owned enterprises were YEDF funded through the financial intermediaries while group owned enterprises were YEDF funded through C-YES. This could be attributed to the fact that youth funded through financial intermediaries had financial management skills, saving skills and pre funding training since it was a requirement to save certain amount of money every week for six week before they could be funded and the group member underwent a rigorous training on financial literacy and management. Moreover the youth funded by financial intermediaries signed a legal agreement with the financial intermediaries, it was also a requirement they have flexible collateral and guarantors, this was not the case with the C-YES funded groups.

Youth Enterprise Development Fund is an initiative by the Kenya government to reduce youth unemployment, since majority of youth are facing a huge problem of unemployment in the country. YEDF was meant for youth so that they can access finance to start up or expand their Micro and small enterprises to gain self-employment and employ others. Since, small and Micro enterprises (SMEs) have been recognized as a major source of employment and income in many countries of the Third World. The SMEs started or expanded through YEDF has employed a number of youth. Therefore YEDF is achieving its objective of creating employment for the youth. However the number of youth employed in YEDF enterprises in Naivasha and Gilgil Districts is minimal compared to the number of the unemployed youth in the district.

The finding of this study indicated that YEDF started or Expanded SMEs significantly changed the monthly income of the youth. This indicated that youth were able to get salaries, wages and profit from the SMEs started or expanded through YEDF. Therefore, SMEs provided income and employment for Youth in the rural and urban areas of the Larger

Naivasha by producing basic goods and services. Further the health of the economy as a whole has a strong relationship with the health and nature of micro and small enterprise sector.

Kenya government does not directly invest in housing facilities, leaving the private sector to deal with the issue of housing. The private sector does not consider the housing needs of the low income earners of whom majority are youth. Thus majority of the youth cannot afford proper housing facility. Consequently this group is forced to compete for the houses constructed for the low income, who in turn are pushed out into the informal settlements that are crowded with limited or no infrastructural services. The housing a youth live in depicts his/her socio-economic conditions. The YEDF positively changed the standard of living of the youth in Naivasha and Gilgil Districts. This implied that YEDF positively changed the types of houses the youth were living in, the types of schools the youth dependant had access to, the monthly income committed to youth dependants' education and the number of times a youth sought medical services when sick.

Social networks play a positive role in the lives of young people, including being a source of information, giving them a sense of belonging and self esteem, and helping them to feel empowered through their collective action. Apart from networking within the groups, sports and recreation facilities can provide the youth with an opportunity to socialize and spend their time productively hence strengthening and developing their character and talents. Through social network youth were able to mobilize and source for resources, share ideas and market their products.

Group management, unity and leadership were the major challenges facing the youth when accessing YEDF. Youth lack knowledge on group dynamics and leadership and unity among member and within the group is low. For any group to function it must understand the dynamics that affect a group. Poor leadership can result in conflict within the group while poor unity can lend to lateness in accomplishing given activities. Lack of proposal writing skills, Lack of information on YEDF, Lack of fund to register the group indicates that the youth are not empowered. While unpredictable fund processing time after applying require clear guidelines governing the fund on the duration in which to access the fund after applying.

YEDF had significant effects on socio-economic conditions of the youth in Naivasha and Gilgil District. YEDF has improved the youth's level of income, created employment for a number of youths, and improved the youth's living standards though still low. YEDF has helped the youth join social networks which has contributed to their personal development. Despite the fact that YEDF has played a positive role, in improving the socio-economic conditions of the youth in Naivasha and Gilgil District, there is still a lot to be done.

5.4 Recommendations

This section gives a summary of the recommendations for policy and areas for further research. This study offers lessons from a policy perspective. Recommendations are made in line with the outcome of the study and the conclusions drawn above.

5.4.1 Policy Recommendations

The study found that youth in the Naivasha and Gilgil Districts have YEDF funded enterprises which are micro and small sized. To improve the performance of the youth enterprises, there is need for the Government to aggressively market the youth products, engage the youth entrepreneurship training before and after obtaining the loans and the youth should have guarantors and sign a legal agreement.

The study found that YEDF has played a role in curbing youth unemployment. However Youth unemployment is still a big challenge facing the youth in Naivasha and Gilgil Districts as well as the country at large. Consequently YEDF cannot solely solve this challenge. Policy-makers should pay attention in creating forums with other key stakeholders to discuss the issue of youth unemployment. The following actors could be involved in addressing unemployment challenge faced by Kenyan youth: Faith-Based Organizations (FBOs), Community Based Organizations (CBOs), and Non-Governmental Organizations (NGOs), private sector, banks and other financial institutions. Further the government and other stakeholders should enhance youth entrepreneurship opportunities through improved access to financing for youth-led employment initiatives and implementing policy reforms that help to widen opportunities for youth employment through identifying specific barriers to youth employment. Further group enterprises were found to have employed more youth than the individual enterprises. Since majority of the group enterprises involved the entire group in carrying out the enterprise activities, while individually owned enterprises had only one youth running the enterprise. So, more funding need to be availed to groups and encouraged

to start or expand group enterprises so as to create employment for more youth, curbing unemployment.

YEDF has improved the youth's level of income, employed a few youth and the living standards of the youth, however there is still a lot to be done to improve the socio-economic conditions of the youth in Naivasha and Gilgil Districts. To improve the performance of the YEDF, study suggest a need for the MOYA to launch a campaign to educate Kenyan youth about the fund, intensify youth involvement, advise youth on how to start and manage business and to make the fund more easily accessible to the youth. The youth have a high development potential that should be exploited to the full. To fully utilize this potential, policy initiatives and resources need to be targeted at improving the youth's leadership abilities and channeling them to tackling development challenges. With the right combination of motivation, ideas and opportunities, young people are able to establish productive and creative business ventures and shift themselves from the status of job seekers to job creators.

The study found out that all the youth in YEDF funded groups in the Naivasha and Gilgil Districts were members of a social network mainly their youth group. Hence the Youth in Naivasha and Gilgil Districts should be educated on the importance of social networks other than their group since the social networks provides support systems and access to market as well as increase their client base and their negotiation power. Therefore the youth should be helped to build mechanisms that will help them to increase their networks.

Youth are faced with several challenges when accessing the YEDF. These challenges discourage them from applying for the fund and at times make it difficult for them to start the proposed enterprises, since, there is a long duration between receipt of the fund and the time of application. Consequently other factors such as inflation and competition set in. Therefore the study recommends that Youth Enterprise Development Fund Board (YEDFB) revise their policy and reduce the duration of accessing the fund after applying. It also needs to introduce a product whereby the youth can access YEDF even without being a member of a youth group. Further before and after funding youth need to be educated on entrepreneurial skill, specifically on proposal writing, writing a business plan, saving, budgeting and business record keeping. The youths still need to be sensitized on youth group formation and registration in order to benefit more from the fund.

5.4.2 Areas for Further Research

The study suggests a few areas of research as guided by the results and conclusions. First, this study examined effects of youth enterprise development fund on socio-economic conditions of youth in Naivasha and Gilgil Districts. There is need to replicate this study in other District in Kenya to established effects of youth enterprise development fund on socio-economic conditions of youth in those Districts.

Further research is necessary to identify the effects of personal characteristics in management of YEDF and enterprises created through YEDF. These should focus on youth education and training and YEDF enterprises, youth gender and YEDF management and running of YEDF enterprises and age of the youth and management of YEDF and running of YEDF funded enterprises.

YEDF is given to youth group or a youth within a youth group therefore there is need for another study to establish how group characteristics affects the running of YEDF and the enterprises started through it. This should focus on group characteristics which include cohesiveness, group leadership and management and group interaction and commitment and YEDF.

There is a need to study the policy governing the fund and how they impact on the youth and YEDF running. Further research is needed to show how policies affect youth when accessing the fund as well as running of enterprises started through YEDF.

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APPENDICES

APPENDIX 1: Interview Guide

Section One: Personal and Group Profile

1. Age of the respondent
2. Level of education of the respondent.
 - a) Primary.....
 - b) Secondary.....
 - c) Tertiary.....
 - d) University
 - e) Others.....
3. What is the name of your youth group?.....
4. What is the distribution of your group members? Male.....
Female Total.....
5. What motivated you to join the group.....
.....
.....
6. Which projects does your group deals with?
.....
.....
7. As a member how do you benefit from the above named projects?
.....
.....
8. Which are the challenges that face you as a group when running the projects cited above?
.....
.....
9. How do you address these challenges?
.....
.....
.....

Section Two: Socio-Economic conditions and YEDF Data

- 10a).Has your group ever been funded by youth enterprise development fund? Yes [] No[]
 - b) If yes, how much money have you been given so far?

.....
.....
11a) .Which are the projects that your group has established through YEDF?
.....
.....
.....

b). How many youths are employed in the project?
.....

c). Are you among the youths employed in the project? YesNo

If you are employed has it improved your level of income? Yes No

If it has improved your level of income explain how
.....
.....
.....
.....
.....

d). Do the proceeding from these activities adequately meet your basic requirements?

Yes [] No []

e). If No, what are your other sources of livelihood?
.....
.....
.....

12a). What were your monthly earnings before your group started YEDF funded projects?

Less than Kshs 5000 []

6000 – 9000 []

10,000 -14,000 []

15,000 -19,000 []

20,000-24,000 []

25,000 and above []

12b). What is your monthly earnings after your group started YEDF funded projects?

Less than Kshs 5000 []

6000 – 9000 []

10,000 -14,000 []

15,000 -19,000 []

20,000-24,000 []
25,000 and above []

13a) Are there any challenges the group encounter in the process of accessing the YEDF?

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

c) If any how do you solve them?.....

.....
.....

14. What skills do you posses that can help your group to start and run its YEDF funded projects effectively?

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

15a)i) Do you go to hospital when you fall sick? Yes [] No []

ii) If yes, government or private and explain why?

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

iii)If yes how often do you go to the hospital when sick? (i) Always [] (ii) sometimes []

iv) If you do not go to the hospital where do you get you health services from and why?

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

15b) i) Were you seeking medical services before you were funded by YEDF? Yes []

No []

ii) If yes, government or private and explain why?

.....
.....

.....
.....
iii) If yes how often were you go to the hospital when sick? (i) Always [] (ii) sometimes []
iv) If you were not going to the hospital where were you getting you health services and why?
.....
.....
.....

16a).How much of your total monthly income was you committing to medical care and services before your group started YEDF funded projects?

- Less than Kshs 5000 []
- 6000 – 9000 []
- 10,000 -14,000 []
- 15,000 -19,000 []
- 20,000-24,000 []
- 25,000 and above []

16b).How much of your total monthly income do you commit to medical care and services after your group started YEDF funded projects?

- Less than Kshs 5000 []
- 6000 – 9000 []
- 10,000 -14,000 []
- 15,000 -19,000 []
- 20,000-24,000 []
- 25,000 and above []

17a).What type of housing was you living in before your group started YEDF funded projects?

i) Self- owned house

- Temporary []
- Semi permanent []
- Permanent []

ii) Rental house

- Temporary []
- Semi permanent []
- Permanent []

17b) which household goods did you own before your group started YEDF funded project?

List them

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

17c).What is the type of the housing you are living in after your group started YEDF funded projects?

i) Self- owned house

Temporary []

Semi permanent []

Permanent []

ii) Rental house

Temporary []

Semi permanent []

Permanent []

17d) which household goods do you own after your group started YEDF funded project? List them

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

18a)i) were you in school before your funded by YEDF? Yes [] No []

ii) If yes which one? Private [] Public []

iii) If no explain why

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

iv) Did you have any of your children in school? Yes [] No []

v) If yes which one? Private Public

v)If no explain why.....

18b) are in school after you are funded by YEDF? Yes No

ii) If yes which one? Private Public

iii) If no explain why.....

iv) Do you have any of your children in school? Yes No

v) If yes which one? Private Public

v)If no explain why.....

19a).How much of your total monthly income was you committing to education before your group started YEDF funded projects?

- Less than Kshs 5000
- 6000 – 9000
- 10,000 -14,000
- 15,000 -19,000
- 20,000-24,000
- 25,000 and above

19b).How much of your total monthly income do you commit to education after your group started YEDF funded projects

- Less than Kshs 5000
- 6000 – 9000
- 10,000 -14,000
- 15,000 -19,000

20,000-24,000 []
25,000 and above []

20a). Are there any crime and drugs abuse among youth in Naivasha? Yes [] No []

b) If yes, which one?.....

i) Which are the commonly committed crimes?

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

ii) What are the commonly abused drugs?

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

iii) a) In your view has YEDF helped in reducing the crime and drug abuse? Yes.....
No.....

a) Give reason for your answer.

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

21).Has your group ever been funded by other organizations apart from youth enterprise development fund?

Yes []
No []

b) If yes, how much money have you been given so far and cite the source of the money

.....
.....

22a) .Which projects did your group established through this other fund?

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

b). How many youths employed in this project?

.....

23a) How do the group members interact with each other? Meetings [] Phone []

Letters [] others []

Specify

b) How often does group official interact with the members?

.....

c) Rate your group management and leadership

Excellent []

Very good []

Good []

Fair []

Bad []

d) How many times in a month do you carry out the group project?

.....

24a) Rate the level of unity of your group

Very high []

High []

Moderate []

Low []

Very low []

b) Is this unity of any help to the running of the YEDF funded project?

Yes [] No []

Explain.....

.....

.....

25a) Apart from your group, are you a member of any other social network?

Yes [] No []

b) If yes cite them

.....

.....

.....

c). Which activities do you undertake in these networks?

.....

.....
.....

d) Have these networks contributed to your personal and group development in any way?

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

e) If you are not a member of any social network, explain why?

,.....
.....
.....

f)i) did you join the networks before or after the initiation of youth fund?.....

ii) Give reasons

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

26). Rate the performance of youth enterprise development fund in improving socio-economic conditions of the youth in Naivasha District?

- Very high []
- High []
- Moderate []
- Low []
- Very low []

Appendix 2: Board of Postgraduate Studies Permission of Data Collection

EGERTON

Tel. *Pilot:* 254-51-2217620
254-51-2217877
254-51-2217631
Dir. line/Fax: 254-51-2217847
Cell Phone



UNIVERSITY

P.O. Box 536 - 20115
Egerton, Njoro, Kenya
Email: eggradschool@wananchi.com
www.egerton.ac.ke

OFFICE OF THE DIRECTOR GRADUATE SCHOOL

Ref:..... EM21/2369/09

Date:..... 1st July, 2011

Ms. Tabitha Mumbi Gachugia
ACDS Dept.
Egerton University,
P. O. Box 536,
EGERTON.

Dear Ms. Gachugia

RE: CORRECTED PROPOSAL

This is to acknowledge receipt of two copies of your corrected proposal, entitled: **"Effects of Youth Enterprise Development Fund on Socio-Economic Conditions of Youth in Naivasha District"**.

You are now at liberty to commence your fieldwork.

Thank you.

Yours sincerely,

Prof. Michael A. Okiror
DIRECTOR, BOARD OF POSTGRADUATE STUDIES

c.c. Supervisors

MAO/das



Appendix 3: District Youth Officer Naivasha Permission of Data Collection

MINISTRY OF YOUTH AFFAIRS AND SPORTS



Gilgil District
P.O Box 502-20116
Gilgil

19th July, 2011.

REF:DYO/GIL/VOL1/NO1

The District Youth Officer,
Gilgil District,
P.O Box 502-20116,
Gilgil

RE:PLACEMENT FOR MSC IN COMMUNITY STUDIES AND EXTENSION DATA COLLECTION.

MS Tabitha Mumbi Gachugia,
Egerton University
P.O Box 536
Nioro

The above named person is an MSc student from Egerton University. Her request to collect data from the youths in Gilgil District through one on one interview has been granted.

Kindly accord her the necessary assistance

Thank you

A handwritten signature in blue ink, appearing to read 'Mathew Ngura Mwangi'.

Mathew Ngura Mwangi

District Youth Officer Gilgil

C.C. Tabitha Gachugia

Appendix 4: District Youth Officer Gilgil Permission of Data Collection



**MINISTRY OF YOUTH AFFAIRS AND SPORTS
DEPARTMENT OF YOUTH DEVELOPMENT**

REF:DYO/NVSL/VOL1/NO56

Naivasha District

P.O Box 11

Naivasha

The District Youth Officer,
Naivasha District,
P.O Box 502-20116,
Naivasha

15th July, 2011.

**RE: PERMISSION TO MS TABITHA MUMBI GACHUGIA FOR DATA COLLECTION
FOR MSC IN COMMUNITY STUDIES AND EXTENSION.**

The above named person is from Egerton University where she is pursuing an Msc in community studies and extension. She has been permitted to collect data from the youths, in the YEDF funded youth groups in Naivasha District.

Kindly cooperate with her.

Thank you

Janet B. Ayusa

District Youth Officer Naivasha

C.C. Tabitha Gachugia

Appendix 5: Research Permit

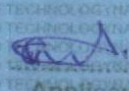
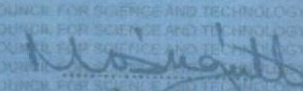
PAGE 2 PAGE 3

THIS IS TO CERTIFY THAT:
Prof./Dr./Mr./Mrs./Miss/Institution
Gachugia Tabitha Mumbi
of (Address) Egerton University
P.O.Box 536-20115, Egerton
has been permitted to conduct research in

Research Permit No. NCST/PCD/14/012/117
Date of issue 27th August, 2011
Fee received KSH. 5,000

Location
Naivasha and Gilgil District
Rift Valley Province

on the topic: Effects of youth enterprise development fund on socio-economic conditions of youth in Naivasha and Gilgil Districts

Applicant's Signature  **Secretary** 


for a period ending: 30th September, 2011.

National Council for Science & Technology

CONDITIONS

1. **You must report to the District Commissioner and the District Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit.**
2. **Government Officers will not be interviewed with-out prior appointment.**
3. **No questionnaire will be used unless it has been approved.**
4. **Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
5. **You are required to submit at least two(2)/four(4) bound copies of your final report for Kenyans and non-Kenyans respectively.**
6. **The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice**

RESEARCH CLEARANCE PERMIT


REPUBLIC OF KENYA

GPK60553mt10/2011 **(CONDITIONS—see back page)**