
YOUTH ENTERPRISE FUND AND GROWTH OF REGISTERED YOUTH OWNED ENTERPRISES IN NAIROBI COUNTY
CHIRCHIR JUSTUS KIBET

Abstract

This study focused on establishing the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County. Specific objectives were; to assess the effect of entrepreneurship training on growth of registered youth owned enterprises in Nairobi County, to determine the effects of accessibility of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County, to examine the effects of sufficiency of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County and to assess the effect of repayment of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County. The researcher used descriptive research design. The target population for this study was 1319 youth owned Enterprises in Nairobi, Kenya. The researcher used simple random sampling to select the sample. The sample size for the study was a total of 307 respondents. The study used questionnaires as the research tool. The study used both quantitative and qualitative methods of data analysis. Qualitative data analysis involved coding and systematically putting into themes the open-ended questions which was analyzed through content analysis. Quantitative data was analyzed using descriptive and inferential statistical techniques. Descriptive statistics was used to present the main characteristics of the sample. Correlation analysis was used to investigate relationships between youth enterprise fund and growth of registered youth enterprises. The study used SPSS version 23 software to carry out regression analysis. Multiple regressions were done to establish the effect of Youth Enterprise Fund on growth of youth owned enterprises in Nairobi County. Data was presented using tables, and pie charts to make them reader friendly. The study found strong positive relationship between Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF and Growth of Youth Owned Enterprises. The study also found that Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF, and Repayment of YEF significantly influenced Growth of Youth Owned Enterprises. The study further revealed that entrepreneurship training, accessibility of YEF, sufficiency of YEF significantly and positively relate with Growth of Youth Owned Enterprises. Also repayment of YEF significantly and negatively relate with Growth of Youth Owned Enterprises. The study recommends that before the funds are disbursed to the youths either individuals or groups, they should first receive training on training on entrepreneurship. Bodies in charge of Youth Enterprise development Funds should revise their policies and ensure that the funds can be easily accessed by either individuals or groups. YEDF management should adopt new technologies that will ease and fasten the process of fund application, processing and disbursement. The government of Kenya should allocate more funds for youth development projects this will increase fund accessibility and therefore boost growth of enterprises.

Keywords: Sufficiency, Accessibility, Growth, Entrepreneurship Training, Youths and Youth Enterprise Development Fund.

Introduction

Youth-owned enterprises have increasingly been seen as playing an important role in the economies of many countries. Many governments throughout the world have focused on the development of enterprises owned by the youth in the sector in order to promote economic growth (Olawe & Garwe, 2010). Youth-owned enterprises evolve in difficult business environments that are characterized by globalization, the internationalization of markets and there is a need to enhance greater efficiency, effectiveness, and competitiveness that are based on innovation and knowledge (Mateev & Anastasov, 2010). The enterprises have faced many barriers that have prevented their start-up or growth and hinder their potential.

Performance of youth owned and operated economic enterprises in general are of great importance in achieving high gross domestic product (G.D.P) in many countries. Young people form the foundation of a society's future. They represent inevitable transition between the children and the old (Chigunta, 2012). Thus, many nations are recognizing the importance of the youth in their development hence formulation of policies and programmes to guide them. The European Union (EU), in recognition of the importance of the youth in growth and development of a region met, thus the Council Resolution of 27 November 2009 on a Renewed Framework for European Cooperation in the Youth Field (2010-2018).

The ILO report said that the world was facing a worsening youth employment crisis where young people were three times more likely to be unemployed than adults and that almost 73 million youth worldwide were looking for work. The ILO had warned of a scarred generation of young workers facing a dangerous mix of high unemployment, increased inactivity (not in the labour force) and precarious work in developed countries, as well as persistently high working poverty in the developing world (www.ilo.org , 18- 12-2013).

In Britain, the Prince's Trust Enterprise Programme is for people who have a business idea they want help to explore, are aged 18-30, unemployed or working less than 16 hours per week. Services provided include; Advice on employment options, business skills training, business planning support, start-up loan funding, on-going support from a volunteer business mentor, access to specialist support, including free legal services and, if one wants to start a business, access to a wide range of free and discounted products and services (The Prince's Trust, 2012). In a research done among black youth in America, Walstad and Kourilsky (2018) found out that the black youth strongly desire to start a business, and also want entrepreneurship taught in schools. They further suggest that an environment that encourages positive and self-enabling perceptions of potential entrepreneurs should be created at early ages and one such intervention can be done through entrepreneurship education.

In Sub-Saharan Africa, access to funds by the youth is not guaranteed and therefore there have been reports of most youth-based small businesses failing in their first year due to lack of finance to sustain their development (Biekpe, 2014). The evidence supporting the view of youth access to business funds in youth enterprises as the engine of growth is in fact not conclusive. Thus, governments in SSA have continued to focus on enhancing access to funds among the youths to drive the small-scale business sector to promote economic growth (Malonza, 2017).

SMEs in Ghana tend to have few employees who tend also to be mostly relatives of the owner hence there is often lack of separation between ownership and control. Also since SMEs do not traditionally rely on public funds there is lack of accountability and no

regulations to comply with in relation to compliance (Abor & Adjasi, 2017). Mostly, the owner managers of these SMEs are hampered by lack of managerial competencies (Gockel & Akoena, 2012). In Ghana about 48 percent of the population represents the youth population which is from ages 15-35 years of age. Like many African countries, Ghana's population is fairly youthful (Baah *et al.*, 2017). The study confesses that in Ghana, the Government had taken a sectoral approach to the problem and developed a National Youth Employment Program that aims to actively engage youth in productive employment where they would need health extension workers, waste and sanitation workers, teachers, and as paid interns in industry (Kwame *et al.*, 2013).

YEDF in Kenya commonly referred to as the Youth Enterprise Fund was established in 2006 with the sole purpose of reducing unemployment among the youth and was one of the flagship projects of Vision 2030 under the social pillar. The target of the fund was young people within the age bracket of 18 to 35 years and was gazetted on 8th December 2006 and transformed into a State Corporation on 11th May 2007. Its strategic focus was on enterprise development as a key strategy to increase economic opportunities for the youth in nation building. In 2008 YEDF developed a three-year strategic plan to address varied needs and aspirations of the youth, and to address the challenges it had faced in the past and was currently working on a 5-year strategic plan in line with the Medium-Term Plan (MTP) of the Vision 2030. The fund is constantly reviewing its operational mechanisms from time to time in order to make it responsive to needs and expectations of the youth. Its vision is to create a sustainable and growing fund, which would economically empower Kenyan Youth and their strategic partnerships.

The Kenya National Youth Policy (KNYP) defines the youth in Kenya as persons in the age bracket 15 to 35 years. Therefore, youth enterprises are defined as businesses owned and managed by a young person aged from 15 to 35 years. The magnitude of the youth development challenge in developing countries manifest itself in size and share of the population that youth represent in the developing countries. In Kenya, 60% of the population is youth. According to the Kenya Nation Bureau of Statistics (2015) report up to 75% of them are jobless or in non-formal employment. The labour force is more than 40% of the total population. The unemployed rate is estimated at 40% of labour force out of which approximately 67% of the unemployed in the country are the youth (Republic of Kenya, 2015).

The youth owned and operated economic enterprises have played an important role in Kenya's economy by providing alternative means of survival for youths, up to over 50% of youth's population. Over the past years, the Kenya government has pursued policies that should provide fertile ground for small-business including: Session paper No 2 of 2005: development of micro and small enterprises for wealth creation and employment creation for poverty reduction, (MSE bill 2011 & Kenya's vision 2030). In the light of these support and incentive programs, it would seem reasonable to expect that small business would grow and flourish in Kenya. However, the effectiveness of these programmes remains unclear, and the rate of business failure continues to increase while others stagnate.

On the 7th December 2005, the government established the ministry of state for youth affairs to represent, address and harmonize youth enterprise development fund (Y.E.D.F.), a lean product is developed in 2007 to give loans to youths through youth groups (Y.G.S.) and financial intermediaries so as to empower the youths economically as to create employment once the youths get money and start their own businesses and projects (Moyas, 2010).

Although generally in Kenya there has been an increase in the promotion of youths owned enterprises, not much has been achieved. These promotions have been through the affirmative action like establishment of Youth Enterprise Development Fund (YEDF) in 2007. Budget of 2013/2014 set an ambitious youth and women empowerment programme (uwezo fund) by allocating 6 billion as revolving fund to be loaned to the youths and women, the presidential directive of thirty (30) percent access to government procurement opportunities to youth, women (King'ori, 2012).

In Nairobi County a high population of youth face myriad of problem from low business survival rate to higher rates of unemployment. Further research shows that there is an absolute shortage of financial management skills among the disadvantaged individuals and these results to possible failure of the entrepreneurs (Simcock, 2017). This agrees with Schumpeter (1934) who asserted that there is need to promote entrepreneurship training so as to promote youth business performance. Despite Y.E.D.F. funding of youth enterprises in Nairobi County there is no follow up to assess the performance of the youth owned enterprises. Enterprise performance can be due to existence of opportunities as well as conducive entrepreneurial environment, but profitable business opportunities are a necessity. The focus of this study is to establish the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Statement of the Problem

With limited growth in opportunities for formal sector employment, state-supported self-employment and entrepreneurship initiatives have become increasingly common. In Kenya, the government sought to promote youth employment and empowerment through the Youth Enterprise Development Fund (YEDF). However, the challenge with Youth Enterprise Development Fund is that only 28% of youth eligible for the fund, actually get the funds. According to YESS Kenya (2016) every constituency in Kenya was allocated a revolving fund of Kshs. 4.5 million, however, only a handful of youth in the constituencies are able to access these funds. Even with the option of youth accessing such funds through NGOs, SACCOs, and MFIs the efforts have not yielded the much-desired uptake. Gumbo (2010) establishes that the critical problem faced by MFIs was limited and unreliable sources of funding and inflation which had eroded the monetary value of the currency. Mburu (2010) observes that the loan given was minimal below KShs 20,000 and that some lending institutions required collaterals which indicates that a small fraction of the youth are likely to have access to the funding.

The Poverty Reduction Strategy Paper (1999-2015) supports youth owned enterprise as key strategy for elimination of poverty and unemployment. Despite these efforts, problems still face potential young entrepreneurs with recent statistics showing that three out of five youth enterprises in Kenya fail within the first few months of operation (Kenya National Bureau of Statistics, 2017). Information in the Ministry of Devolution and Planning indicates that by end of 2016, the Y.E.D.F. had disbursed over Ksh. 5.9 billion to youth led enterprises. (Y.E.D.F. status report 2016). The money had been distributed countrywide where over 45 youth groups benefited. Despite this effort by the government and other stakeholders investing in the youth enterprises, very few of these projects go beyond implementation stage (Kenya Vision 2030).

Empirical studies include; Makini (2015) studied the influence of youth enterprise development fund on performance of youth owned and operated economic enterprises in Manga Sub County, Nyamira County. Opiyo, Kivuva and Onyancha (2015) studied the

contribution of youth enterprise development fund on youth empowerment in Kangundo Constituency, Machakos County. Kemunto (2014) did a study on the impact of the youth enterprise development fund on the performance of youth owned enterprises in Kenya: the case of Ruaraka Constituency, Nairobi County. Most of the studies aimed to determine effect of YEF on performance. This study therefore focused on establishing the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Objective of the Study

General Objective

The general objective of the study was to establish the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Specific Objectives

This study was guided by the following specific objectives;

- i. To assess the effect of entrepreneurship training on growth of registered youth owned enterprises in Nairobi County.
- ii. To determine the effects of accessibility of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.
- iii. To examine the effects of sufficiency of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.
- iv. To assess the effect of repayment of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Theoretical review

According to Kombo and Tromp (2016), theoretical framework refers to a collection of interrelated ideas based on theories attempting to clarify why things are the way they are based on theories, introducing new view of the research problem, allowing understanding realm of the problem, helping to conceptualize topic in its entirety and to acknowledge problem from a wider perspective for objectivity. Theoretical framework provides the researcher the lens to view the world. The study was anchored on self-efficacy theory, Pecking Order Theory, Adverse Selection Theory, and Resource Based Theory as it sought to establish the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

The Uncertainty-Bearing Theory of

This theory was developed by Knight (1957) in his book Risk, Uncertainty and Profit regards profit of the entrepreneur as the reward of bearing non-insurable risks and uncertainties. Entrepreneurship is genuinely associated with risk bearing. Knight had distinguished risk into insurable risks and non-insurable risks. There are certain risks that are measurable, and the probability of such risk can be statistically estimated and hence such risks can be insured. Example of insurable risks include theft of commodities, fire in the enterprise, accidental death etc. On the other hand, there are certain risks which cannot be calculated. The probability of their occurrence cannot be statistically ascertained. Such risks include risks associated to changes in prices, demand and supply. These risks are non-insurable. Knight (1921) opined that the profit is the reward for bearing the non-insurable risks and uncertainties. Therefore, when youth are planning to venture on entrepreneurial activities, they should have an understanding on the risks and uncertainty associated with businesses.

This theory explained the importance of entrepreneurship training on growth of registered youth owned enterprises in Nairobi County.

Theory of Social Change

The theory as developed by Max Weber in (1864-1920). Max Weber advocated a sociological explanation for the growth of entrepreneurship in his theory of social change. He felt that religion had a profound influence on the growth of entrepreneurship. The religious belief and ethical value associated with the society plays a vital role in determining the entrepreneurial culture. Max Weber opined that the entrepreneurial energies of a society are exogenously generated and supplied by religious beliefs. Some religions profess the basic values to earn and acquire money whereas some religions put less emphasis on it. In order to understand the gist of Max Weber's theory we need to understand few fundamental points of the theory. In his theory spirit of capitalism is a fundamental concept. Capitalism refers to the economic system where market forces of demand and supply are allowed to play freely. As economic freedom and private enterprises are promoted in capitalism, the entrepreneurship is eulogized, and entrepreneurial pursuits are encouraged. Spirit of capitalism promotes the entrepreneurs to engage in entrepreneurial pursuits and earn more and more profits.

Theory of Frank Young

A Micro-sociological interpretation of entrepreneurship as coined for the theory propounded by Young (1971) emphasizes that the entrepreneurial initiatives are conditioned by group level pattern. Young rejected the psychogenic interpretations of entrepreneurship. He considered the solidarity groups responsible for building entrepreneurship. Young (1971) opined that the entrepreneurial characteristics are observed in clusters, ethnic groups, occupational groups and groups with political orientation. Entrepreneurism at the individual level is the manifestation of the group level pattern. Young disapproves the notion of an entrepreneur working individually. The entrepreneur functions as a member of a group. This theory explained the effects of sufficiency of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Resource Based Theory

The resource-based theory of entrepreneurship explains that access to resources by enterprises is an important indicator of opportunity-based entrepreneurship and new enterprises growth, (Alvarez & Busenitz, 2011). This theory emphasizes the importance of financial, social and human resources in support of youth owned SMEs (Aldrich, & Zimmer, 1999). Hence, access to resources enables the SMEs ability to detect and act upon different opportunities that may arise, (Davidson & Honing, 2013). It is also of importance to note that financial, social and human capital are representatives of three classes of theories under the resource-based entrepreneurship theories that are very important in the determination of growth of MSEs. The theory further explains that tangible assets are physical resources which can be seen and evaluated. When the youth repay their loans then the funds can be used to support other youths to grow their enterprises. This theory explained the effect of repayment of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Conceptual Framework

A conceptual framework is a set of concepts or ideas organized in a manner that makes them easy to communicate to others. Conceptual framework, according to educational researcher

Stratman and Roth (2016) are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify his research question and aim (Kothari, 2016). The conceptual framework for the study is shown in Figure 1.

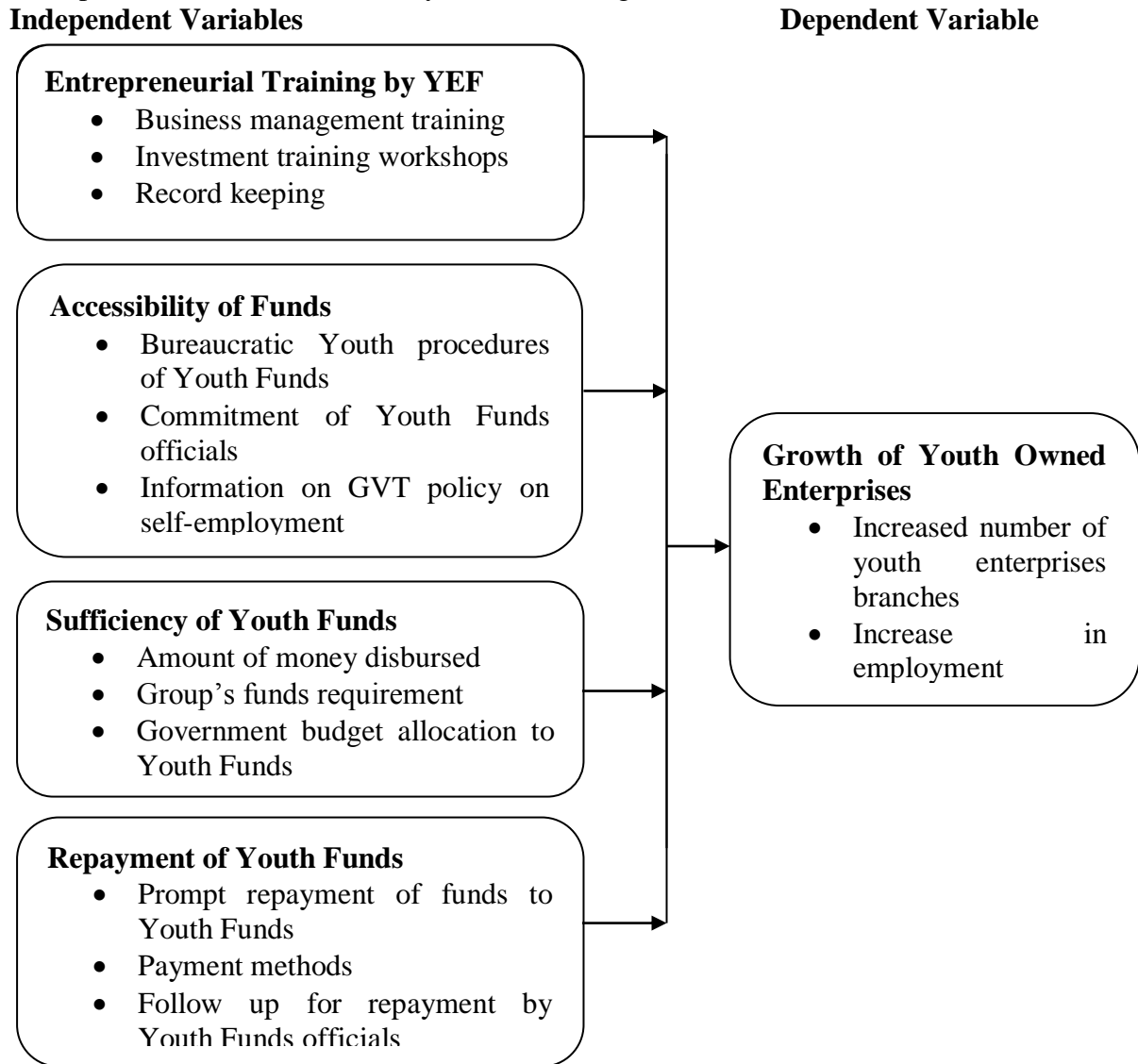


Figure 1: Conceptual Framework

Critique of Existing Literature

Many researchers have conducted studies on areas of youth development funds and growth of youth owned enterprises. Review of various relevant empirical literature points out significant differences from the study being currently conducted. For instance, the study by Ahiawodzi and Adade (2012), analysed the access to credit and growth of youth owned SMEs in the Ho Municipality of Ghana. The objective of their study was to examine access to credit and growth of youth owned SMEs in Ghana and more especially Ho Municipality. While this study mainly focused on SMEs and was conducted in Ghana, our current study is focusing on all enterprises that are owned by youth in Kenya and more specifically in Nairobi County.

Kuzilwa (2010) did a survey study on the role of credit for small business success in Tanzania. The study was conducted in Tanzania and the success indicators were; increase in demand for products, change in investment level, expanding business space, creation of employment and increase in profits. The study however only focused on the role of credit towards the success of small businesses. Odhiambo et al. (2013) sought to determine the effect of the YEDF on youth enterprises. The variables used were Number of Successful Applicants against total number of applicants for YEDF loans in average, amount of loan disbursed in each Constituency and revolved repayment. The variables are totally different from what this current study focuses on.

Irungu and Kamau (2015) investigated the effect of youth enterprise development fund on growth of new enterprises in Kenya: a survey of selected youth enterprises in Mathioya district. This research aimed at finding out the effects that Youth Enterprise Development Fund has had on growth of new enterprises in Kenya with a special reference to Mathioya District. It aimed at finding out how financial support, entrepreneurial training and networking impacted on growth of new enterprises at a district level. The current study will be conducted in Nairobi County and it will focus on registered youth owned enterprises. Mungai (2013) researched on the influence of youth enterprise development fund on the growth of youth group projects in Kenya; a case of Gatundu North District. The purpose of this study was to find out the influence of youth enterprise development fund on the growth of youth groups projects in Kenya but more specifically in Gatundu North District. The study was conducted in Gatundu North District whereas this current study will be conducted in Nairobi County.

Atieno (2015) did a study on the contribution of youth enterprise development fund on youth empowerment in Kangundo constituency, Machakos County. This study sought to examine the contribution of Youth Enterprise Development Fund (YEDF) on empowerment of the youth aged between 18 to 35 years in Kangundo Constituency. Chemwa (2015) researched on factors influencing repayment of youth enterprise development fund loans by youth groups in Chepalungu Constituency, Bomet County, Kenya. The purpose of this research was to investigate the factors that influence loan repayment by the youth groups in Chepalungu Constituency. This study completely deviates from our current study which aims to establish the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Research Gaps

Ahiawodzi and Adade (2012) analysed the access to credit and growth of youth owned SMEs in the Ho Municipality of Ghana. The study was conducted in Ghana and therefore the findings cannot be generalised for the Kenyan Case. Kuzilwa (2010) did a survey study on the role of credit for small business success in Tanzania. The study focused on all forms of credit and not just the youth funds and was conducted in Tanzania. The findings of this study cannot apply for the case of youth fund in Kenya. Irungu and Kamau (2015) investigated the effect of youth enterprise development fund on growth of new enterprises in Kenya: a survey of selected youth enterprises in Mathioya district. The study was conducted in Mathioya County; the current study will be conducted in Nairobi County. Mungai (2013) researched on the influence of youth enterprise development fund on the growth of youth group projects in Kenya; a case of Gatundu North District. The study was conducted in Gatundu North District whereas this current study will be conducted in Nairobi County. Atieno (2015) did a study on the contribution of youth enterprise development fund on youth empowerment in Kangundo

constituency, Machakos County. The study focused on youth empowerment while our current study focuses on growth of youth owned enterprises and the study location is Nairobi County. Chemwa (2015) researched on factors influencing repayment of youth enterprise development fund loans by youth groups in Chepalungu Constituency, Bomet County, Kenya. The current study will establish the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County.

Research Methodology

In this study, the researcher used descriptive research design to assess the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County. The target population for this study was 1319 youth owned Enterprises in Nairobi, Kenya registered with Access to Government Procurement Opportunities Program (AGPO). The researcher used simple random sampling to select the sample of 307 respondents. The study used questionnaires as the research tool because it is economical than other data generation methods. Qualitative data analysis involved coding and systematically putting into themes the open-ended questions which were analyzed through content analysis. Quantitative data was analyzed using descriptive and inferential statistical techniques. Descriptive statistics were used to present the main characteristics of the sample and involved use of mean, measures of dispersion and percentages. Inferential statistics were used to test the hypotheses of the study.

Results and Discussion

The sample size for the study was 307 respondents and they were all issued by questionnaires but only 257(83.7%) were returned, dully filled. Reliability of data collection tool was determined by performing reliability analysis. Cronbach's Alpha was used. According to Gliem and Gliem (2003) acceptable threshold alpha value is 0.7 and was therefore used as a benchmark in this study. The reliability of each objective of the study was determined using Cronbach's alpha. From the findings presented in Table 1 indicate that Entrepreneurship training, has an alpha of 0.745, Accessibility of youth enterprise fund has an alpha of 0.763, Sufficiency of youth enterprise fund has an alpha of 0.771, Repayment of youth enterprise fund has an alpha of 0.751, Growth of Youth Owned Enterprises has an alpha of 0.769 and employee performance has an alpha of 0.849.

Table 1: Reliability analysis

Scale	Cronbach's Alpha
Entrepreneurship training	0.745
Accessibility of youth enterprise fund	0.763
Sufficiency of youth enterprise fund	0.771
Repayment of youth enterprise fund	0.751
Growth of Youth Owned Enterprises	0.769

The results on reliability indicate that the Cronbach reliability alpha of all the questions was greater than 0.7 and hence there was no need to change the measures and indicators in the questions; they were all reliable.

Descriptive Statistics

Entrepreneurship Training

Respondents provided their levels of agreement or disagreement with various statements about entrepreneurship training. The results were as presented in Table 2.

Table 1: Entrepreneurship Training

Statements	Mean	Std. Dev.
I have been trained on business management overview	3.955	1.406
I have been trained on financial Management	3.910	1.320
I have been trained on costing and pricing of products and services	3.848	1.432
I have been trained on quality Improvement and management	4.101	1.326
I have been trained on marketing of products and services	4.084	1.151
I have been trained on human Resources Management	3.938	1.300
I have been trained on business Expansion and growth strategies	3.882	1.298
I have been trained on networking for business success	3.803	1.281
I have been trained on record keeping	3.899	1.383
I have been trained on management of cash, stock and credit	3.994	1.461

From the findings, the respondents were in strong agreement that they have received training on quality Improvement and management as shown by a mean of 4.101 and that they have also been trained on marketing of products and services as shown by a mean of 4.084. The findings also showed that the respondents agreed that they have been trained on management of cash, stock and credit as shown by a mean of 3.994, they have been trained on business management overview as shown by a mean of 3.955, they have been trained on human Resources Management as shown by a mean of 3.938, they have been trained on financial Management as shown by a mean of 3.910, they have been trained on record keeping as shown by a mean of 3.899, they have been trained on business Expansion and growth strategies as shown by a mean of 3.882, they have been trained on costing and pricing of products and services as shown by a mean of 3.848, and they have been trained on networking for business success as shown by a mean of 3.803. Youth Enterprise Fund has initiated programs meant to cushion youths from unemployment for example through extension of low interest loans to individuals and groups of youths. However, before any disbursement of funds to youths either in a group or individually is done, training on entrepreneurship has to be carried out (YEDF, 2017). Youth Enterprise Fund has a mandatory pre financing training programme to enhance sustainability of youth enterprises (YEDF, 2012).

Accessibility of Youth Enterprise Fund

Respondents presented their level of agreement or disagreement with various statements about the effects of accessibility of YEF on growth of registered youth owned enterprises in Nairobi County. The results were as presented in Table 3.

Table 2: Accessibility of Youth Enterprise Fund

Statements	Mean	Std. Dev.
Conditions set for accessing YEF are friendly	2.803	0.594
The processing of the funds after application takes a short time	2.148	0.430

YEF offices can easily be accessed	2.959	0.562
Amount of money received from YEF is enough to undertake required purchases of the business	2.215	0.463
The funds received from YEF have led to the expansion of the enterprise	3.581	0.472
The business has enough money to improve	2.859	0.494
YEF has positive effect on growth of the enterprise	3.503	0.512
Accessing loan from the YEF is easy.	2.048	0.437

From the findings, the respondents were in agreement that the funds received from YEF have led to the expansion of the enterprise as shown by a mean of 3.581 and that YEF has positive effect on growth of the enterprise as shown by a mean of 3.503. The findings also showed that the respondents were in disagreement that accessing loan from the YEF is easy as shown by a mean of 2.048, processing of the funds after application takes a short time as shown by a mean of 2.148, conditions set for accessing YEF are friendly as shown by a mean of 2.803, the business has enough money to improve as shown by a mean of 2.859, YEF offices can easily be accessed as shown by a mean of 2.959, and that amount of money received from YEF is enough to undertake required purchases of the business as shown by a mean of 2.215. The findings concur with Babu (2017) who studied the factors affecting access to formal finance by youth owned SMEs in Kenya: A Case of Kiambu County and found that manufacturing industries faces more challenge accessing finance as compared to SME's in trading and service industry, smaller SME's experience a challenge accessing finance as compared to larger SME's, years of business has been around influences access to finance and registered SME's are more likely to borrow than non-registered SME's.

Sufficiency of Youth Enterprise Fund

Respondents gave their level of agreement or disagreement with various statements about the effects of sufficiency of YEF on growth of registered youth owned enterprises in Nairobi County. The results were as presented in Table 4.

Table 3: Sufficiency of Youth Enterprise Fund

	Mean	Std. Dev.
My group received money from YEF.	3.994	1.461
The amount of money given to my group project by YEF was enough.	2.941	1.311
Funds given by YEF have led to the expansion of this group project in terms of size.	3.944	1.511
The Government's budgetary allocation to YEF contributes to the money given to my group project	4.056	1.314
The growth in profit and size of this group project depends on the amount of money given by YEF.	3.854	1.303
If my group project received more money from YEF it would have enlarged its capital base.	3.944	1.382
YEF has positive effect on the growth of youth group project.	3.949	1.299

From the findings, the respondents were in strong agreement that the Government's budgetary allocation to YEF contributes to the money given to their group project as shown by a mean of 4.056. The findings also showed that the respondents agreed that their group received money from YEF as shown by a mean of 3.994, YEF has positive effect on the

growth of youth group project as shown by a mean of 3.949, if their group project received more money from YEF it would have enlarged its capital base as shown by a mean of 3.944, funds given by YEF have led to the expansion of their group project in terms of size as shown by a mean of 3.944, and the growth in profit and size of this group project depends on the amount of money given by YEF as shown by a mean of 3.854. The study further established that the respondents disagreed that the amount of money given to their group project by YEF was enough as shown by a mean of 2.941. The findings are in agreement with Atieno (2015) who did a study on the contribution of youth enterprise development fund on youth empowerment in Kangundo constituency, Machakos County and found that provision of the loans to the youth and training has improved their economic and social status through the income generating activities the youths engaged in. The study concluded that the provision of YEDF loans led to empowerment of the youth and that training given to the youth further enhanced the chances of youth empowerment after receiving the loans.

Repayment of Youth Enterprise Fund

Respondents gave the level to which they agreed or disagreed with the statements about the effect of repayment of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County. The results were as presented in Table 5.

Table 4: Repayment of Youth Enterprise Fund

	Mean	Std. Dev.
The provided repayment period is too short	3.944	1.511
The operational cost deducted from the loan do not interfere with business operations	2.067	1.43
My repayment depends on the income received from the business	3.938	1.254
The business is servicing the loan as per instalments schedule	3.792	1.198
I can save and repay the loan at the same time	3.843	1.279
The repayment period should be prolonged	3.747	1.223
I am able to pay back the YEF loan at the required period	3.492	1.413

From the findings, the respondents were in agreement that the provided repayment period was too short as shown by a mean of 3.944, their repayment depends on the income received from the business as shown by a mean of 3.938, they can save and repay the loan at the same time as shown by a mean of 3.843, the repayment period should be prolonged as shown by a mean of 3.747, the business is servicing the loan as per instalments schedule as shown by a mean of 3.792, and that they are able to pay back the YEF loan at the required period as shown by a mean of 3.492. The study further found that the respondents disagreed that the operational cost deducted from the loan does not interfere with business operations as shown by a mean of 2.067. The findings disagrees with Oduor (2013) who evaluated the determinants of repayment of youth enterprise development fund loans in Ol Kalou Constituency, Kenya and found that the disbursed loan amount is sufficient to improve the youth welfare, the grace period given is sufficient, loan repayment duration has been sufficient; also the loan amount lend leads to slow repayment of loan and that the avenues of payment are efficient. The amount of loans disbursed is adequate.

Growth of Registered Youth Owned Enterprises

Respondents gave the level to which they agreed with statements about growth of registered youth owned enterprises. The results were as shown in Table 4.6.

Table 5: Growth of Registered Youth Owned Enterprises

	Mean	Std. Dev.
Increased number of youth enterprises branches	3.843	1.279
Increase in employment	3.764	1.329

From the findings, the respondents were in agreement that there is increased number of youth enterprises branches as shown by a mean of 3.843 and that there has been an increase in employment as shown by a mean of 3.764. The findings concur with findings of Irungu and Kamau (2015) who investigated the effect of youth enterprise development fund on growth of new enterprises in Kenya: a survey of selected youth enterprises in Mathioya district and concluded that Youth Enterprise Development Fund has had a positive effect on growth of new enterprises in Kenya. Kemunto (2014) concluded in his study that YEDF plays an important role in improving youth enterprises through the positive and significant relationship revealed by market linkages and access to credit.

Correlation Analysis

The linear association between two variables is correlation coefficient. The correlation coefficient values range from -1 to 1 where -1 implies perfect negative correlation and +1 perfect positive correlation. Correlation coefficient value is 0 it implies that there is no relationship existing between the two variables under consideration. The correlation coefficient is considered weak if it's between 0.0 and 0.39, it is considered moderate if it is between 0.40 and 0.59, and it is strong if it's above 0.6 it is strong. The study conducted Pearson Product moment correlation analysis. Using the correlation coefficient, the study tested whether interdependency existed between the predictor variables and also whether there was any relationship between the response variable (growth of youth enterprises) and predictor variables.

Table 6: Correlation

		Growth	Entrepreneurship training	Accessibility of YEF	Sufficiency of YEF	Repayment of YEF
Growth	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	257				
Entrepreneurship training	Pearson Correlation	.721**	1			
	Sig. (2-tailed)	.001				
	N	257	257			

Accessibility of YEF	Pearson Correlation	.735**	.417	1		
	Sig. (2-tailed)	.000	.062			
	N	257	257	257		
Sufficiency of YEF	Pearson Correlation	.732**	.411	.396	1	
	Sig. (2-tailed)	.001	.058	.079		
	N	257	257	257	257	
Repayment of YEF	Pearson Correlation	-.749**	.334	.472	.413	1
	Sig. (2-tailed)	.000	.083	.064	.179	
	N	257	257	257	257	257

The results reveal that Entrepreneurship training and Growth of Youth Owned Enterprises were positively and strongly related ($r=0.721$, $p\text{-value}=0.001$). Accessibility of YEF and Growth of Youth Owned Enterprises were also found to be strongly and positively associated ($r=0.735$, $p\text{-value}=0.000$). The findings also established that Sufficiency of YEF and Growth of Youth Owned Enterprises were strongly and positively associated ($r=0.731$, $p\text{-value}=0.001$). Finally, Repayment of YEF and Growth of Youth Owned Enterprises were found to be strongly and negatively related ($r=-0.749$, $p\text{-value}=0.000$). These results show that the independent variables (Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF and Repayment of YEF) influenced Growth of Youth Owned Enterprises.

Multiple Regression Analysis

Model summary was used to show the variation in growth of youth owned enterprises as a result of change in Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF and Repayment of YEF. The results as presented in Table 8.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845 ^a	.714	.679	.01374

The association between the variables under study is shown by R which is correlation coefficient. Correlation value of 0 shows that there is no relationship between the dependent and the independent variables while value of 1 show they are perfectly related. A value of ± 0.5 and above showed that the relationship between the variables was strong. From the findings, results of correlation coefficient indicate a strong positive relationship between youth enterprise fund and growth of youth owned enterprises ($r= 0.845$). The adjusted r-square indicates that there was 67.9% variation of Growth of Youth Owned Enterprises as a result of change in Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF and Repayment of YEF. The remaining 32.1% implies that there are other factors that affect Growth of Youth Owned Enterprises which were not discussed in the study.

Analysis of Variance

In order to establish whether the data used in the study was significant, the study computed ANOVA. Significance level selected was 5%.

Table 8: Analysis of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.129	4	2.032	17.218	.000 ^b
	Residual	29.743	252	0.118		
	Total	37.872	256			

The results show that the p-value for the processed data is 0.000 which implies that the data was ideal for making conclusion because the p-value was less than the selected level of significance i.e. 0.05. The F critical was less than F calculated ($2.407 < 17.218$). The F-critical value was obtained from the f distribution table, and since the calculated value was greater than critical value it implied that, Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF and Repayment of YEF significantly influenced Growth of Youth Owned Enterprises. The relationship was considered to be significant because the significance value in the above table was less than (≤ 0.05).

Beta Coefficients of the Study Variables

The model demonstrated the relationship between practices of youth enterprise fund and Growth of Youth Owned Enterprises. The model was as follows; $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$. Y is the dependent variable (Growth of Youth owned Enterprises), β_0 is the regression constant, β_1 , β_2 , β_3 and β_4 are the coefficients of independent variables, X_1 is Entrepreneurship Training through YEDF, X_2 is Accessibility of Youth Enterprise Funds, X_3 is Sufficiency of Youth Enterprise Funds, X_4 is Repayment of Youth Enterprise Funds, and ϵ is the error term.

Table 9: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.725	0.073		9.932	0.000
Entrepreneurship training	0.412	0.091	0.341	4.527	0.003
Accessibility of YEF	0.309	0.066	0.293	4.682	0.016
Sufficiency of YEF	0.226	0.061	0.192	3.705	0.021
Repayment of YEF	-0.311	0.067	-0.270	-4.642	0.004

Based on the findings of the regression analysis presented in Table 4.10, the regression model became; $Y = 0.725 + 0.412X_1 + 0.309X_2 + 0.226X_3 + 0.311X_4$.

The equation above reveals that holding Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF and Repayment of YEF constant, the variables will significantly influence Growth of Youth Owned Enterprises by a constant of 0.725.

Entrepreneurship training is statistically significant to Growth of Youth Owned Enterprises as shown by ($\beta = 0.412$, $P = 0.003$). Entrepreneurship training significantly and positively relate with Growth of Youth Owned Enterprises. Therefore, increasing Entrepreneurship training by a single unit would lead to an increase in Growth of Youth Owned Enterprises by 0.412 units. Accessibility of YEF is statistically significant to Growth of Youth Owned Enterprises as shown by ($\beta = 0.309$, $P = 0.016$). Accessibility of YEF significantly and positively relate with Growth of Youth Owned Enterprises. Therefore, increasing Accessibility of YEF by a single unit would lead to an increase in Growth of Youth Owned Enterprises by 0.309 units.

Sufficiency of YEF is statistically significant to Growth of Youth Owned Enterprises as shown by ($\beta = 0.226$, $P = 0.021$). Sufficiency of YEF significantly and positively relate with Growth of Youth Owned Enterprises. Therefore, increasing Sufficiency of YEF by a single unit would lead to a increase in Growth of Youth Owned Enterprises by 0.226 units.

Repayment of YEF is statistically significant to Growth of Youth Owned Enterprises as shown by ($\beta = -0.311$, $P = 0.004$). Repayment of YEF significantly and negatively relate with Growth of Youth Owned Enterprises. Therefore, increasing Repayment of YEF by a single unit would lead to a decrease in Growth of Youth Owned Enterprises by -0.311 units.

Conclusions

The study found strong positive relationship between Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF and Repayment of YEF and Growth of Youth Owned Enterprises. The study also found that Entrepreneurship training, Accessibility of YEF, Sufficiency of YEF, and Repayment of YEF significantly influenced Growth of Youth Owned Enterprises. The study revealed that entrepreneurship training is statistically significant to Growth of Youth Owned Enterprises. The study further revealed that entrepreneurship training significantly and positively relate with Growth of Youth Owned Enterprises. Therefore, the study concludes that increasing entrepreneurship training by a single unit would lead to an increase in Growth of Youth Owned Enterprises by 0.412 units.

The study found that accessibility of YEF is statistically significant to Growth of Youth Owned Enterprises. It further found that accessibility of YEF significantly and positively relate with Growth of Youth Owned Enterprises. Therefore, the study concludes that increasing Accessibility of YEF by a single unit would lead to an increase in Growth of Youth Owned Enterprises by 0.309 units. The study revealed that sufficiency of YEF is statistically significant to Growth of Youth Owned Enterprises. It was also found that sufficiency of YEF significantly and positively relate with Growth of Youth Owned Enterprises. Therefore, the study concludes that increasing Sufficiency of YEF by a single unit would lead to an increase in Growth of Youth Owned Enterprises by 0.226 units.

The study established that repayment of YEF is statistically significant to Growth of Youth Owned Enterprises. It was also established that repayment of YEF significantly and negatively relate with Growth of Youth Owned Enterprises. Therefore, the study concludes that increasing Repayment of YEF by a single unit would lead to a decrease in Growth of Youth Owned Enterprises by -0.311 units.

Recommendations

The study found that training has positive influence on growth of youth enterprises, the study therefore recommends that before the funds are disbursed to the youths either individuals or groups, they should first receive training on training on entrepreneurship. Skills training programs should provide youth with opportunities to master core literacy and numeracy skills, vocational as well as life skills. Skills training should build upon the existing knowledge and experience of participating youth and relate these to the predominant entrepreneurial strategies. This will improve their management skills and therefore ensure that their businesses triumph.

The study found that it is not easy to access youth funds because of the many requirements needed. The study therefore recommends that the bodies in charge of Youth Enterprise

development Funds should revise their policies and ensure that the funds can be easily accessed by either individuals or groups. Another challenge was that it takes long before the funds are processed; the study thus recommends that YEDF management should adopt new technologies that will ease and fasten the process of fund application, processing and disbursement.

The study found that sufficiency of funds has positive influence on growth of youth enterprises. Youth Enterprise Fund face the challenge of inconsistency in budgetary allocation from the government which makes it unable to adequately fund the growing number of Kenyan youths on the enterprise development mandate. The study recommends that the government of Kenya should allocate more funds for youth development projects this will increase fund accessibility and therefore boost growth of enterprises. The government should also increase awareness on existence of such funds so that more youth can access it and therefore reduce rates of unemployment.

The study found negative relationship between repayment of youth enterprise fund and growth of youth owned enterprises. Youth enterprises face challenges in repaying their loan because most of their businesses are not performing as expected. The study therefore recommends that adding a savings and financial literacy component to a short-term youth unemployment scheme; this will open new doors to project completers and can serve to build a measure of sustainability to project outcomes.

Suggestion for Further Studies

The general objective of the study was to establish the effect of youth enterprise fund on growth of registered youth owned enterprises in Nairobi County. The study focused on youth owned enterprises in Nairobi County, the study therefore recommends replication of the research study in other Counties, and this will facilitate generalization of the research findings. The study also recommends a research study to be conducted on the challenges faced by youths in accessing Youth Enterprise Development Funds.

References

- Abor J. (2010). Corporate Governance and the Small and Medium Enterprise Sector. *Theory and Implications Journal of Corporate Governance*. 7(2) 127
- Alvarez, S. A. & Busenitz, L. W. (2011). The entrepreneurship of resource-based theory, *Journal of Management*, 27, 755-775
- Atieno. O.S, (2015). The contribution of youth enterprise development fund on youth empowerment in Kangundo constituency, Machakos County. *The Strategic Journal of Business and Change Management*, 2 (55), 192-249.
- Babu, P.K (2017). *Factors affecting Access to Formal finance by Youth owned SMEs in Kenya: A Case of Kiambu County*. Unpublished Thesis, United States International University Africa
- Bandura, A. (1994). Guide for Constructing Self-Efficacy Scales. In F. Pajares & T. Urdan (Eds.), *Adolescence and Education: Self-Efficacy Beliefs of Adolescents* 5, 307-337.
- Brixiova, Z., Mthuli, N. & Zorobabel, B. (2014). Skills and Youth Entrepreneurship in Africa: Analysis with Evidence from Swaziland. *Journal of Marketing* 7(3), 142-158
- Davidsson, P. & B. Honig (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18, 301-331.
- Galbreath, J. & Galvin, P. (2018). Dynamic Adverse Selection: A Theory of Illiquidity, Fire Sales, and Flight to Quality. *American Economic Review*, 104(7), 1875-1908

- Judge, T. A., Erez, A., Bono, J. E., & Thoresen, C. J. (2012). Are measures of self-esteem, neuroticism, locus of control, and generalized self-efficacy indicators of a common core construct? *Journal of Personality and Social Psychology*, 83(3), 693-710
- Kipkinyor, T.C (2016). Determinants of Repayment of Youth Enterprise Development Fund Loans in Ol Kalou Constituency, Kenya. *International Journal of Economics, Commerce and Management United Kingdom*, 4(4), 995
- Kwame E. M., Caleb, A., Alexander N. W, Prince, M. E., & Ramatu M. A. (2013). Performance and Constraints of Small Scale Enterprises in the Accra Metropolitan Area of Ghana. *European Journal of Business and Management*, 5(4), 136-143
- Mateev, M. & Anastasov, Y. (2010). Determinants of small and medium sized fast growing enterprises in Central and Eastern Europe: Panel Analysis Data. *Financial Theory and Practice*, 34(3) 269-295
- MoYAs (2010). Department of Youth Development: *Strategic Plan 2008- 2012*. Nairobi: MoYA
- Mubaiwa K.M (2013). *The Unique Challenges of Youth Entrepreneurs in Zimbabwe: Is Access to Credit Enough?* Paper presented at Makerere University Business School and Entrepreneurship conference, Kampala, Uganda May 24th 2013.
- Mugenda, O. & Mugenda, O. (2013) *Research methods quantitative and qualitative approaches*, Nairobi African center for Technology studies (Acts) press.
- Nduta, K.M. (2016). *Influence of Entrepreneurial Training on Business Growth of Small and Medium Enterprises among Youth Driven Initiatives in Nairobi County, Kenya*. . Unpublished Thesis, University of Nairobi
- NPAY (2017). *Devolved funds in Kenya an Assessment of the Constituency Development Fund. Nairobi, Kenya*. Constitution and Reform Education Consortium CRE-CO (2009), understanding Decentralized.
- Odhiambo, O.(2016). *Enhancing the Production Capacity of Rural Youth in Agriculture*. Environment and Natural Resource Management towards Employment Creation in Kenya: experiences for Kenya Rural Youth Livelihood Strategies Programme (KRYLIP).
- Oduor, S. et al. (2013).Effect of Youth Enterprise Development Fund on youth enterprises in Kenya. *International Journal of Advances in Management and Economics*, 2(1), 1112-1116
- Olawale, F. & Garwe, D. (2010). Obstacles to the growth of new SMEs in South Africa: A principal analysis approach. *African Journal of Business Management*; 4(5), 729 – 738.
- Pandya, K. M. (2012). *Comparative analysis of development of SMEs in developed and developing countries*. The 2012 International Conference on Business and Management 6-7 September 2012, Thailand.
- Republic of Kenya (2015). *Kenya National Youth Policy, Ministry of Youth Affairs and Sports*, Government printer, Nairobi.
- Schumpeter, J. A. (1934). The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle. *Transaction Publishers*. 55(24), 387-415
- Sikenyi, M. (2017). Does Kenya's Youth Enterprise Development Fund Serve Young People? *Africa's Youth Employment Challenge: New Perspectives*, 48(3)
- Simpeh, K. N. (2017). Entrepreneurship theories and Empirical research: A Summary Review of the Literature, *European Journal of Business and Management*, 3 (6), 547.

Wohoro, F. (2016). *Challenges Affecting Youth Access To Youth Enterprise Fund: Study of Youth Empowerment Support Services-Kenya*. Unpublished Thesis, United States International University Africa

Youth Enterprise Development Fund (2016). *Fund Status Report*, Government Printer, Nairobi.