EFFECTS OF YOUTH ENTERPRISE DEVELOPMENT FUND ON THE PROMOTION OF YOUTH OWNED BUSINESS ENTERPRISES IN NAKURU EAST SUB-COUNTY, KENYA

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Abstract:
The purpose of the study was to assess the effect of the YEDF on the promotion of youth owned business enterprises in Kenya focusing on youth groups in Nakuru East sub-county, Nakuru County, Kenya. The specific objectives of the study included an analysis of the effect of financial services offered by YEDF on the promotion of youth owned business enterprises in Nakuru East County, an assessment of the effect of capacity building offered by YEDF on the promotion of youth owned business enterprises in Nakuru East County, and an assessment of the effect of the marketing and linkages services provided by the YEDF on the promotion of youth owned business enterprises in Nakuru East County. The study adopted a descriptive survey research design, with a target population of 240 registered youth groups hence a sample size of 71 youth groups generated from the Nassiuma’s Sample Size Formula for larger population. The study adopted the mixed sampling methods (stratified random sampling (for the youth group’s respondents) and purposive sampling technique was used for the interview guide. The study results revealed that the independent variables (Marketing and linkages, capacity building, and financial support) had a huge influence on the variation of the growth of the youth owned enterprises. The study concluded that marketing and linkages services of YEDF had a statistically significant influence on the growth of the youth owned enterprises. The study concluded that the capacity building of YEDF had a statistically significant influence on the growth of the youth owned enterprises. The study concluded that the financial support given by YEDF had a statistically significant influence on the growth of the youth owned enterprises. That in respect to the marketing and linkages

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services, the YEDF should place greater emphasis on the YEDF created trade fairs impact on the marketing of the products for youth enterprises and YEDF created trade fairs impact on the networking with suppliers.

Keywords: financial services, capacity building, marketing and linkages, youth owned business enterprises

1. Introduction

Unemployment is one of the most daunting economic challenges facing Kenya. The Youth account for 61% of the unemployed in Kenya. Many of the unemployed Youth have no job training other than formal schooling. Hence, unemployment is not just a lack of jobs, but also a lack of job skills due to inadequacy of the training infrastructure as well as the means to acquire skills, due to poverty. It is in recognition of the above facts that the government conceived the idea of institutional financing as a way of addressing youth unemployment. The twin strategic pillars of this initiative are enterprise development and externally focused employment creation through Youth Employment Scheme Abroad (YESA) (United Nations, 2019).

The YEDF was established in 2006 and gazetted on 8th December 2006 with an aim of curbing and reducing the high unemployment levels in Kenyan youth. It is a flagship project of vision 2030 found under the social pillars. The fund targets youth who lacked formal jobs and have ideas that they can venture into and be economically viable. On 11th May 2007 the fund was transformed into a state corporation. The government actually realized that it was itself not able to provide enough employment opportunities to the vast percentage of job seeking youth at the time and to the others who are constantly released into the job market from the universities. The fund was therefore established to boost and support various small medium enterprises with a strategic focus on enterprise development. The government projected that if the already existing enterprises could be supported through financial support or various capacity building skills then they would gradually and greatly grow to big ventures that cold not only employ but also empower several youths in various ways and also lead to economic growth of the country and lead to technological innovations by the youth. Through such a government initiative youth have since then been involved in nation building as opposed to engaging themselves in vices such as robbery and drug abuse which always end up messing their lives and psychologically torturing the lives of their parents who mentally suffer from their children’s bad life decisions. The fund has been evolving and growing since its inception despite the several challenges it has faced which are nothing out of the ordinary. It has been able to support and mentor various youth over the years successfully hence achieved some of its goals (YEDF, 2016).

The requirements of the fund from the applicants are: The applicants should be youth (aged between 28-35 years old) under a registered group/company/cooperative that should have been in existence for at least three months prior to the application date.
The registered entity should have a bank account registered under it, at least 70% of its members should be youth and 100% youth leadership. The entity should prepare and submit a standard format business project to the YEDF committee through the youth officers/social development office. Upon receipt of the business project, the Divisional Youth Enterprise Development Fund Committee evaluates it using the evaluation guide provided by the Ministry of State for Youth Affairs. Recommended projects are then submitted to the district level where the fund committee assess them for approval or recommendation before they are submitted to the YEDF secretariat who then disburse the funds through various financial intermediaries to the applicant’s accounts. The various enterprises then start repaying the funds to the YEDF through instalments after the expiry of the grace period for re-circulation back to other applicants (YEDF, 2009).

The Kenyan government has made several efforts to help the youth population in the country. It has implemented the long term strategy vision 2030 and established the YEDF to empower and assist the youth towards self-employment and job creation through various entrepreneurial skills and made improvements in the education sector by introducing the free primary education system (United Nations Development Programme, 2013).

The Kenyan government also created the Ajira Programme that trained about 11,000 youths on online jobs. In addition, 1,200 interns have been trained under the Presidential Digital Talent Programme. To further support the youths, the government has reformed and consolidated affirmative action funds such as Uwezo Fund, Youth Enterprise Development Fund, into one robust Fund whose objective is to support business enterprises owned by youth (Budget Policy Statement, 2019).

The YEDF is a state corporation that was established in year 2006 as a strategy by the government to change the youth unemployment crisis in the country. It is a 2030 flagship project that provides financial aid support and capacity building development to the youth. The fund provides several types of loans to business owned by the youth hence increasing youth participating in nation building through enterprise development and strategic partnerships. It also provides and allows for links between the youth enterprises and other large business enterprises. Provides various trainings to nosiness owners and if possible, also business premises. The fund offers entrepreneurship training, mentorship and coaching and facilitate youth to obtain jobs abroad (Youth Enterprise Development Fund, 2016).

However, funding alone is not sufficient in most cases, particularly when youth are inexperienced, lack knowledge about business procedures and markets, and have not been equipped with the right entrepreneurial mindsets. Credit intervention therefore need to be wrapped with other support, in particular solid entrepreneurship and business training, facilitation of market linkages and intensive follow-up and mentorship (Franz & Omolo, 2014).
2. Statement of the Problem

Youth account for almost a half of Kenya’s population. Despite them forming a huge section of the country’s population, most of them are currently not economically productive which negatively impacts on the country’s economic growth. Unlike in the past where most youth would secure jobs immediately after completion of their undergraduate education or tertiary courses, things have changed and the job market especially the formal job market is crowded and not able to support the current increasing large number of youths into the market. This has led to very high unemployment rates among the youth who now seek other ventures to earn an income some of which are dangerous to both themselves and the entire society at large (Mwithalii & Were, 2019).

Youth if not well guided and directed have opted to get into crime and drug abuse. Crime is dangerous and most end up not being productive in the society. They are maimed and killed by the police while at crime and those into drugs waste their lives as they cannot be productive in any sector. Their lives are wasted just like that which is a big loss not only to them, their families but also to the government. This has led to a very large number of kids sired by them and have no one to fend or take care of them (Wohoro, 2016).

In Nakuru East Sub County for instance the major challenge faced by most if not all youth is lack of employment. Owing to these we have several gangs that have come up in the wards. The gangs are composed of youth who for lack of employment and a means to fend for themselves and their families have turned to crime and drugs as a means of getting money for survival. The gangs are very dangerous and pose a huge threat to the county as the wards are no longer a safe place to live or even invest in. When asked most of the youth will give you the same answer, they have not opted for drugs and crime out of choice but are into it due to lack of a better choice for their survival. Given a chance, they would be willing to get clean and indulge in legal business. I believe the YEDF would be of help to them through the various capacity building skills offered by them, the youth through the groups can learn a skill be it in the agricultural sector or manufacturing sector and turn over a new life and keep off illegal activities.

Despite the YEDF having its headquarters in Central Rift in Nakuru, most youth in Nakuru East County have not benefited from the fund. This could be because of the notion most of them have about the fund. Most youth have not applied for funds from the YEDF. This research hopes to enlighten various stakeholders and possibly bring about a positive impact in the county (Nakuru YEDF, 2020). YEDF information and literature is very hard to come by in Nakuru county as most if not all of it is not documented hence very hard for any researcher who would want to have information especially on the performance of the fund in Nakuru, what is available is generalized information about the fund in the country and not county. This research aims to add onto the already scarce literature on the youth fund available in Nakuru county.
3. Purpose of the Study

The purpose of this study was to investigate the assessment of the effect of the Youth Enterprise Development Fund on the promotion of youth owned business enterprises in Nakuru East Sub County, Kenya

3.1 Objectives of the Study

The specific objectives of the study were to investigate the:

1) Effects of financial services offered by the YEDF on the promotion of youth owned business enterprises in Nakuru East County, Kenya.
2) Effects of capacity building services offered by the YEDF on the promotion of youth owned business enterprises in Nakuru East County, Kenya.
3) Effects of marketing and linkages services provided by the YEDF on the promotion of youth owned business enterprises in Nakuru East County, Kenya.

3.2 Research Questions

1) How has financial support from the YEDF affected the growth and development of youth owned business enterprises in Nakuru East Sub County?
2) How has capacity building helped towards the growth and development of youth owned business enterprises in Nakuru East Sub County?
3) How has marketing and linkaging services by the YEDF affected the growth of youth owned business enterprises in Nakuru East Sub County?

4. Literature Review

4.1 The Importance of Capacity Building in Enterprise Development

Capacity building involves empowering youth with various skills that can then be used to start-up businesses which then lead to growth both socially and economically. Small and medium sized enterprises contribute greatly to economic growth. They are important drivers of job creation in developing countries (Chard, 2005).

Youth empowerment is both a means and an end, an attitudinal, structural, and cultural process whereby youth gain the ability, authority, and agency to make decisions and implement change in their own and other peoples’ lives both now and in their adulthood while bearing responsibility for the consequences of those decisions and actions. The Commonwealth Youth Ministers and Heads of States endorsed that “Empowering youth means creating and supporting the enabling conditions under which youth can act on their own behalf and on their terms, rather than the direction of others”. These enabling conditions include: Economic and social base, political will and commitment for mainstreaming youth issues at all levels, adequate resource allocation and supportive legal and administrative framework, a stable environment for equity, peace and democracy and access to knowledge, information and skills (Mwithalii & Were, 2019).
In a research investigating youth livelihood needs, the findings concluded that youth have a lot to learn about the available livelihood options and work with what is at their disposal. The knowledge they had acquired in class was not enough and they needed to learn other applicable life skills to remain relevant in the society, but NPI (2008) disagreed with the finding and cited that youth have a relatively good knowledge of their surroundings which can work to their advantage. In a study carried out on measuring youth awareness towards the fund, 84% youth confirmed to be aware of the existence of the fund what they lacked is the knowledge of how to access services from it (Gachuru & Mwirigi, 2013).

According to Gorman and King (2017), perspectives on entrepreneurship education, apart from the government focusing on financial support, there is need to emphasize on entrepreneurship growth, through training on management and business development skills that serves as major elements for enhancing youth enterprises success. Muteru (2013) examined the effect of microfinance institutions on growth of youth enterprises in Kikuyu Township found that lack of financial education thwarts the progress growth of the enterprises. Many youths get challenged on managing finances on the projects in progress. Thus, the study concludes that associated partners and governments need to train youth on income generating enterprises, monetary allocations, maintaining financial records, borrowing techniques and choosing appropriate business projects (Tomoda, 2017).

According to Omolo, increased participation in apprenticeships was an important option for increasing skills and the employability of youth. Apprenticeship training was generally considered highly relevant and very effective in facilitating a smooth transition from training to employment because it ensured an early exposure to workplace realities and to contextual learning. Both the formal and the Jua Kali apprenticeship systems appeared under-utilized in Kenya (Franz & Omolo, 2014).

Omolo argued that entrepreneurship and business training was key to business success alongside credit and market facilitation, but needed to be practical using experimental training methodologies and facilitate exposure to real business experience; and Intensive follow-up of business start-ups and mentorship arrangement were key to support the often unexperienced youth face the pitfalls of entrepreneurship in practice (Franz & Omolo, 2014).

According to Campos (2008), in an intervention model which was introduced in Peru for water supply recognized training of the community as a crucial component in ensuring project sustainability. He contended that training on subjects like operation and maintenance ensured empowerment of the communities to take care of water supply systems consequently aiding sustainability (Ng’ang’a, 2017). To succeed in today’s competitive global economy, the youth must be equipped with advanced skills beyond literacy (The World Bank, 2007).
4.2 Businesses Need Constant Funding to Develop and Stabilize in Performance

According to a study by Chigunta (2002), youth entrepreneurs encounter main constraints in accessing finance for their business projects. Such constraints include absence of personal savings and resources, lack of securities and credibility for financing debts, complicated documentation procedures, lack of knowledge and skills on management of finances as well as lack of knowledge to initiate financing possibilities. This has made it challenging to ensure sustainability of projects initiated by the youths (Ng`ang`a, 2017).

In a report done by the youth center, it was stated that small medium enterprises created employment for most youth in many countries. They are the cornerstone of most economies. Most however face a major challenge due to financial constraints hence the need to have constant funds supply for them to effectively run. From the report we also relate to the current study where the YEDF comes in to help the various youth by offering financial services to grow, develop and boost their business enterprises (International Trade Centre, 2019).

Svensson explained that finance is the backbone of business enterprises. He expounded that finances are needed to start up, expand, diversify business enterprises and at times used as working capital. Without finance, no business enterprise would achieve its objectives (Svensson Agnes, 2017).

Despite of considerable achievements in Kenya to deepen the financial sector and increase the availability of financial services, access to finance is still a major bottleneck, specifically for youth and poor target groups that lack collateral. Group credit schemes, which are plenty in Kenya, may not be appropriate to individual business undertakings, or operate with credit volumes that are considered too low (Franz & Omolo, 2014).

NPI (2008) asserts that Kenyan youth feel as though the fun is based and only favors some. 50% of the youth feel marginalized in access to the fund services, according to them, the requirements for loan application have been crafted to suit the chosen few who are well of in the society citing title deeds and log books as examples of the challenges they face when it comes to accessing the funds. Michael (2007) relates the poor uptake to inferiority complex and being risk averse (Gachuru & Mwirigi, 2013).

The effective access and utilization of the government youth entrepreneurship aided programmes is mostly hampered by limited awareness, bureaucracy and lengthy procedures, business models that are not in tandem with the prevailing socio-economic realities of the youth entrepreneur, lack of entrepreneurial skills, corruption among others. In a study to determine whether YEDF serve young people, Sikenyi (2017), observed a low uptake and repayment rates of YEDF by the youth more so in the rural areas (Mang`eni, 2019).

The YEDF offers various financial services to eligible youth. The loans are divided into: group loans( which include rausha, inua and special loans), individual loans(smart loans, swift loan), business expansion loan (vuka loan), and bids, bond, LPO financing (United Nations, 2019).
Rausha loan targets enterprise group businesses only. I.e. groups that have just recently been established. Maximum loan amount is Ksh. 50,000, management/Administration Fee: 5%, repayment Period is 12 Months .grace Period is 3 Months, Requirements are: Fill an application form which is available at any Youth Fund Office or online ,Valid Registration Certificate and certified membership list ,Copies of identity cards of group members and Group minutes authorizing the loan application. The Loan amount is usually recommended based on the business project as seen in the application form and appraisal of group’s ability to manage the funds (United Nations, 2019).

The Inua loan is majorly for business expansion purposes only. It gives a total minimum of kshs 50,000 and a maximum of kshs 500,000. Only groups that had applied for rausha loan qualify for this loan product failure to which the group must be already running a successful business and not on any bad debts by any financial institution. A loan application form has to be filled, have a valid registration Certificate and certified membership list, Copies of identity cards of group members and Group minutes authorizing the loan application .A copy of a current business license of proof of existence as may be agreed, a copy of three months bank statement and a Recent Business record (United Nations, 2019).

The YEDF aims to provide trading areas for youth applicants in various towns. These will help the youth better showcase and market their commodities. The fund has engaged various holders in the public and private sectors to see the success of the idea (United Nations, 2019).

4.3 Market and Linkages Provision to Boost Business Enterprises
Access to markets remains a challenge. This applies particularly to survivalist (including young) entrepreneurs who often tend to venture into already overtraded sectors (hawking, etc.). An appropriate answer from entrepreneurship programs is an intensified focus on follow up and mentorship during initial start-up phases, as well as an intensive focus in programs on supporting target groups in identifying realistic business opportunities (Franz & Omolo, 2014).

Both formal and informal networks that foster markets access exist in the ecosystem, but they are not tailored to fully support the dynamic needs. Without direct access to demand, entrepreneurs and start-ups cannot transform their ideas into opportunities. They may be able to access their first customers to prove their ideas, but the market demand remains the barrier to make their business sustainable. There is need to foster and nurture innovation, to develop networks, and to facilitate global export (International Telecommunication Union, 2019).

YEDF tries to support youth by marketing their products in various markets both locally and abroad. The YEDF organizes trade fairs where youth are allowed to showcase their products and form link with other traders from different regions of the country. The trade fairs are held at both the county and national levels. Youth with exemplary work
get to display their products outside the country courtesy of the YEDF (United Nations, 2019).

YEDF supports and markets various youth products and services by allowing them display and sell their various commodities at the ASK (Agricultural Showground Kenya) that are annual and conducted in various counties across the country. The ASK gala in Nakuru is held every July of the year and the YEDF always has its own stands and youth can exhibit their goods there such as beading work, farm produce and others. Also, YEDF allows members exhibit their goods at various trade fairs that are held across the country. This exposes them to the market and also gives them a chance to network with other members in a bid to grow and expand their businesses. Youth also market their goods through the funds various social media platforms such as Instagram, Facebook and their website which normal attracts a very large following (Nakuru YEDF, 2020).

Since 2008, the Youth Employment scheme abroad (YESA) implemented by the YEDF plays a special role in labor migration for youth. YESA supports youth aged 18 to 34 taking up jobs abroad through pre-departure support and training and loan funding to facilitate the migration. YESA cooperates with private employment agencies that are in charge of sourcing the employment and handling the loan. The target group of the scheme are unemployed youth that have skills which are required abroad. Since 2008, a total of 8,075 youth have been provided with pre-employment training and migration loans of KES 75,000 each (Franz & Omolo, 2014).

5. Theoretical Literature

Grant and Osanloo (2014) describes a theory as already existing concepts and statements supported by evidence in a bid to expound on given phenomenon. The study was founded on the empowerment theory and the economic theory of entrepreneurship as explained below.

5.1 Empowerment Theory

The empowerment theory was stipulated by Marc Zimmerman of the University of Michigan and Douglas Perkins of the University of Utah in 2000. According to this philosophy, empowerment is both a value orientation for working in the community and a theoretical model for understanding the process and consequences of efforts to exert control and influence over decisions that affect one’s life, organizational functioning, and the quality of community life (Perkins & Zimmerman, 1995; Rappaport, 1981; Zimmerman & Warschausky, 2010). The value orientation of empowerment suggests goals, aims, and strategies for implementing change. It provides principles and a framework for organizing our knowledge in productive status. For this reason, empowerment may be seen as a process where individuals learn to see a closer correspondence between their goals and a sense of how to achieve them, and a relationship between their efforts and life outcomes (Chigunta, 2012). The theory argues
that empowerment at the individual and community level involves collective action to improve the quality of life. Therefore, the theory was paramount in explaining the empowerment of youth through YEDF. The theory further shows that collective action must be taken by the youth and the YEDF for any meaningful and positive results to be achieved (Perkins & Zimmerman, 2000).

The theory is practical in this research as it tries to explain the importance of empowerment for the youth in the society. It’s through various empowerment initiatives by the government that has majorly brought about positive change to the society. Through empowerment individuals at different levels in life are able to grow and increase their knowledge on the different aspects of life hence becoming reliable and self-reliant in the society. Youth no longer see the need nor the urge to engage in criminal activities for monetary gain for they are now able to legally fend for themselves and their young families at the same time becoming law abiding citizens and actively participate in economic growth of a country. This is in line with empowerment being a value orientation. It puts up distinctive approaches for developing interventions and creating social change by directing attention towards good health, adaptation and general life competence. The theory argues that many problems exist due to unequal distribution of resources and skills. An empowerment approach advocates for equal distribution of resources by coming in and availing the required resources to people who need them to ensure that they have a positive impact in their lives (Wilkinson, 2015).

5.2 Economic Theory of Entrepreneurship
Economic Theory of Entrepreneurship was founded by Papanek (1962) and later reviewed by Harris in (1970). The economists perceived that entrepreneurship is an economic incentive whose main factor influences entrepreneurial activities of an individual or group of entrepreneurs. It’s the economic gains that spontaneously helps the entrepreneur to develop the willingness to undertake diverse entrepreneurial initiatives. The relationship between an individual’s inner urge and the desire for economic gains has an insightful influence in the development of entrepreneurial competencies (Gartner, 2010). Entrepreneurship is the act of identifying a viable business that can grow and make profit. An entrepreneur identifies what need is lacking in the environment and supplies to satisfy that need. Entrepreneurship growth automatically leads to economic growth. It is driven by the right environment accompanied by availability of resources to run it, right mindset and the skills know how. Entrepreneurship points out that it is a dynamic process of vision, change, and creation to recognize opportunity that requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions.

An ‘entrepreneurial perspective’ can be developed in individuals. This perspective can be exhibited inside or outside an organization, in profit or not-for-profit enterprises, and in business or non-business activities for the purpose of bringing forth creative ideas. Thus, entrepreneurship is an integrated concept that permeates an individual’s business in an innovative manner. It is this perspective that has revolutionized the way business
is conducted at every level and in every country. Entrepreneurship growth and economic progress are achieved whenever definite economic conditions are satisfactory (1q & Ahlstrom, 2013). However, the economists suggest that economic motivations are the main forces for all business ventures for individuals. There are a lot of economic factors which promote or demote entrepreneurship for youth groups. These factors comprise of: availability of finances, capital formation with a good flow of savings and investments, increased demand for consumer goods and services, availability of productive resources, efficient economic policies like fiscal and monetary policies and communication and transportation facilities (McFarlane, 2016). The theory was applied on the study to explicitly depict how YEDF has been used to spur entrepreneurship growth (Fowler, Ubels, & Acquaye-Baddoo, 2010).

6. Conceptual Framework

Ngulube, Mathipa and Gumbo (2015) describes conceptual framework as a figurative model that communicates the researcher’s perception on the studied variables. Figure 1 below shows the interaction of independent variables, intervening variable and the dependent variable. The components of independent variable include, entrepreneurship capacity building skill sets (financial literacy, frequency of training and effectiveness of training), and financial support services (type of financial intermediary, financial institution policies and financial information) and market linkages (Legal requirements needed for linkage to other markets abroad such as proper documentation and type of enterprise either agricultural or manufacturing enterprise). The intervening variables (government policies, group formations and type of business enterprise) restraint on the effects of YEDF on promotion of youth owned business enterprises in Kenya. Indicators of successful youth owned business enterprises (dependent variable) include: business expansion, product diversification and mobility in income generation. Therefore, the model depicts on how independent variables affect the dependent variables.
7. Research Methodology

Research methodology is a general strategy that lays out the techniques applied in conducting research and the methods adopted in the research process. The study adopted the mixed research approach which involves the use of more than one type of research method in a research. The study utilized a combination of quantitative and qualitative research methods for data collection and analysis concurrently. This was in a bid to provide a comprehensive analysis of the research phenomenon. The researcher used descriptive survey research design. The study looked into the population of youth groups registered since 2015 which is 240 groups. The groups are distributed across 5 wards in the sub county namely: Flamingo, Nakuru East, Menengai, Biashara and Kivumbini. The study used a sample size of 71 respondents derived through use of Naissuma formula.
8. Data Analysis, Interpretation and Discussions

8.1 Response Rate
The study sought to collect data through use of structured questionnaire to a sample size of 71 respondents composed of Youth group officials, group members and YEDF government officials. A set of 71 structured questionnaires were distributed to the respondents. The response rate on the distributed questionnaires is presented in Table 1 below.

<table>
<thead>
<tr>
<th>Distributed Questionnaires</th>
<th>Returned Questionnaires</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>67</td>
<td>94.3%</td>
</tr>
</tbody>
</table>

The researcher distributed 71 questionnaires in which 67 questionnaires were returned making a response rate of 94.3%. According to Gathii, Wamukuru, Karanja, Muriithi, and Maina (2019), a response rate of 80% and above is deemed adequate for a study. The response rate in this study having surpassed the recommended threshold was deemed sufficient for the study. A high response rate is associated with improved validity of the study due to the low levels of non-response bias which is the bias introduced to the study if the non-respondents hold a significantly different views from those of the respondents. The high response rate was attributed to the use of Drop Off and Pick Up later method of questionnaire distribution of the self-administered questionnaire. In this context, the respondents had been given time to fill in the questionnaires and reminders undertaken on the same.

8.2 Multiple Linear Regression Analysis
The multiple linear regression analysis is undertaken with a view of determining on the independent variables that were significant predictors of the dependent variable (Noble & Smith, 2015). In this context, the multiple linear regression analysis sought to examine on whether marketing and linkages services, capacity building, and financial support are significant predictors of growth of youth owned business enterprises in Nakuru East County, Kenya. The results of the study were presented through use of the model summary, ANOVA, and coefficients of the study through use of Tables 2, 3 and 4 respectively.

The model summary results were examined in order to understand the correlation between the independent variables against the dependent variables, and to be able to examine the variation in the dependent variable that is as a result of the independent variables. The results were presented in Table 2 below.
The model summary results present the multiple correlation coefficient (R) and the coefficient of determination (R Square). According to Cox (2017), the multiple correlation coefficient presents the correlation between the independent variables (Cumulatively) and the dependent variable. In the context of this study, the correlation coefficient presented the correlation between the independent variables (marketing and linkages, capacity building, and financial support) on the dependent variable (growth of youth owned business enterprises). The study found that the correlation coefficient stood at 0.791 indicating that there was a strong positive correlation between the independent variables (cumulatively) and the dependent variable. A high correlation coefficient is associated with a high coefficient of determination.

According to Lipovetsky (2019), the coefficient of determination provides an indication of the variance or change in the dependent variable that is a result of variance/change in the independent variables together. In this study, the coefficient of determination presents the variation in the growth of the youth owned enterprises that is as a result of change in the marketing and linkages services, capacity building, and financial support aspects. However, Cox (2017) indicates that in a multiple linear regression analysis the adjusted coefficient of determination (Adj R Square) should be used instead of the coefficient of determination (R Square) due to the upward bias of the coefficient of determination. This upward bias in the coefficient of determination in the multiple linear regression analysis (as opposed to simple linear regression) is due to increase in predictor variables impacting on the coefficient of determination even in contexts where they have no influence on the dependent variables. This study thus used the adjusted coefficient of determination in determining the variation in the dependent variable that is as a result of the variation/change in the dependent variables. The adjusted coefficient of determination stood at 0.607 which indicated that 60.7% of the variance in the growth of the youth owned enterprises were as a result of the changes in the marketing and linkages, financial support and capacity building of the youth owned enterprises by YEDF. On the other hand, 39.3% of the variance in the growth of the youth owned enterprises is not due to factors in the model but is rather due to other factors not considered in the model.

The one-way ANOVA was examined the results presented in Table 3 below.

### Table 3: ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2.791</td>
<td>3</td>
<td>.930</td>
<td>35.027</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1.673</td>
<td>63</td>
<td>.027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.464</td>
<td>66</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Growth
b. Predictors: (Constant), Marketing and Linkages Services, Capacity Building, Financial Support
According to (IBM Corporation, 2012) the one-way ANOVA is used to measure the overall significance of the model in prediction of the dependent variable. Thus, the one-way ANOVA is used in this study to examine on whether any of the independent variables (marketing and linkages services, capacity building, and financial support) has a statistically significant influence on the dependent variable. This was undertaken by testing the following null hypothesis at 5% level of significance;

\[ H_0: \beta_1 = \beta_2 = \beta_3 = 0 \]

\[ H_1: \text{At least one } \beta_i \neq 0 \text{ where } i=1,2,3 \]

\( \beta_1 = \) Unstandardized regression coefficient of Marketing and Linkages services
\( \beta_2 = \) Unstandardized regression coefficient of capacity building
\( \beta_3 = \) Unstandardized regression coefficient of financial support

The observed f statistic results to be used as the test statistic for testing the above hypothesis was \( F_{0.05}(3,63) = 35.027, \) p value = 0.000. According to Noble and Smith (2015), the achievement of the p value of less than the level of significance (0.05) leads to the conclusion to reject the null hypothesis and accept the alternative hypothesis. Since the study achieved p value less than 0.05, a conclusion was made to reject the null hypothesis and accept the alternative hypothesis. The acceptance of the null hypothesis led to the conclusion that at least of one of the independent variables has a statistically significant influence on the dependent variable and thus the model is good fit for data.

The finding that the regression model is good fit for data led to the examination of the unstandardized regression coefficients for practical significance of the study and the t test for statistical significance of the study. The results of the unstandardized regression coefficients and the t tests were presented in Table 4 below.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>.463</td>
<td>.293</td>
<td>1.583</td>
<td>.118</td>
</tr>
<tr>
<td>Marketing and Linkages Services</td>
<td>.273</td>
<td>.049</td>
<td>5.615</td>
<td>.000</td>
</tr>
<tr>
<td>Capacity Building</td>
<td>.430</td>
<td>.052</td>
<td>8.252</td>
<td>.000</td>
</tr>
<tr>
<td>Financial Support</td>
<td>.181</td>
<td>.053</td>
<td>3.404</td>
<td>.001</td>
</tr>
</tbody>
</table>

According to Cox (2017), the two tailed t statistics are used for checking on whether the independent variables have statistically significant influence on the dependent variable. The two tailed t tests in this study are thus used to check on whether the independent variables (marketing and linkages, capacity building, and financial support) individually have an influence on the growth of the youth owned enterprises. According to Noble and Smith (2015) to check on whether the independent variables have an influence on the dependent variable is undertaken through testing the null hypothesis that the specific...
In respect to whether the marketing and linkages services have a statistically significant influence on growth of the youth owned enterprises, the study found that $t_{0.025} = 5.615$, $p$ value $= 0.000$. This led to the conclusion that marketing and linkages have a statistically significant influence on the growth of the youth owned enterprises. The marketing and linkages had unstandardized regression coefficient of 0.273 which indicated that a unit increase in marketing and linkages was associated with 0.273 increase in the growth of the youth owned enterprises. The marketing and linkages are important in the growth of the youth owned enterprises. Prathivi (2020) study found that marketing and linkages were associated with the growth of the youth owned enterprises. The marketing and linkages influence on the capacity of the business to improve on its market share, customer base and sales of products thus impacting on the business performance aspects of the youth business. These views were consistent with those of Maingi, Kinanga and Odimba (2019) as well as (Nyangweso & Wambua, 2019) who have noted the importance of marketing and linkages services on the growth of youth owned businesses.

The study also examined on whether the capacity building has a statistically significant influence on the growth of the youth owned enterprises. The study found that $t_{0.025} = 8.252$, $p$ value $= 0.000$ which led to the conclusion that capacity building has a statistically significant influence on the growth of the youth owned enterprises. The capacity building unstandardized regression coefficient of 0.430 which indicated that a unit increase in capacity building was associated with 0.430 increase in the growth of youth owned enterprises. The capacity building is critical in the business performance of the youth owned enterprises. The capacity building in respect to the finances, marketing, customer service, and product development have an influence on the business performance of the youth owned enterprises. The study results were consistent with those of Kiai et al., (2016) and (Nyangweso & Wambua, 2019) who documented the influence of various capacity building aspects on the performance and growth of youth owned enterprises. This aspect was also noted by several interviewees. One of them commented that;

“In Nakuru East sub-county the fund is really trying to offer sufficient capacity building to the youth but I feel it is still not sufficient enough especially if you compare it with other counties which are way more proactive in the country.” (Interviewee #4)

Finally, the researcher examined on whether the financial support had a statistically significant influence on the growth of the youth owned enterprises. This was undertaken using the t test statistic. The results indicated that $t_{0.025} = 3.404$, $p$ value $= 0.000$. According to Caffo (2015), the achievement of a $p$ value of less than the level of significance (0.05) in the t tests indicates there is a significant influence of the independent variable on the dependent variable. The study thus concluded on the presence of a
statistically significant influence of financial support on the growth of the youth owned enterprises. The financial support had unstandardized regression coefficient of 0.181 which indicated that a unit increase in the financial support would lead to 0.181 increase in the growth of youth owned enterprises. The financial support is critical in the growth of the youth owned businesses.

9. Conclusions of the Study

The study results revealed that the independent variables (Marketing and linkages, capacity building, and financial support) had a huge influence on the variation of the growth of the youth owned enterprises. The study concluded that marketing and linkages services of YEDF had a statistically significant influence on the growth of the youth owned enterprises. The study concluded that the capacity building of YEDF had a statistically significant influence on the growth of the youth owned enterprises. The study concluded that the financial support given by YEDF had a statistically significant influence on the growth of the youth owned enterprises.

10. Recommendations of the Study

The study makes the following recommendations;

That in respect to the marketing and linkages services, the YEDF should place greater emphasis on the YEDF created trade fairs impact on the marketing of the products for youth enterprises and YEDF created trade fairs impact on the networking with suppliers. This is informed with these indicators of the marketing and linkages services having the respondents with the highest level of agreement amongst the respondents.

The YEDF should place emphasis on the following capacity building aspects in order to improve the growth of the youth-based enterprises; training the group members on the management of finances and the loan repayment of the credit facilities.

In respect to the impact of the financial support of the YEDF on the growth of the youth-based enterprises, the study recommends that in respect to the financial support that YEDF should continue having cheaper credit facilities which impact on the growth of youth owned enterprises.

Conflict of Interest Statement
The authors declare no conflicts of interests.

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References


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EFFECTS OF YOUTH ENTERPRISE DEVELOPMENT FUND ON THE PROMOTION OF YOUTH OWNED BUSINESS ENTERPRISES IN NAKURU EAST SUB-COUNTY, KENYA

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