ENTERPRISE FUND STRATEGY AND YOUTH UNEMPLOYMENT IN
KERICHO COUNTY, KENYA

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DECLARATION

This Research Project is my original work and has not been presented for a degree or other award in any university.

Signature________________________ Date________________________

Cheres Caroline Chebet

D53/KER/PT/28923/2014

This research project has been forwarded for examination with my approval as the University supervisor.

Signature________________________ Date________________________

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DEDICATION

I wish to dedicate this research project to the youth of Sigowet/Soi Sub County in Kericho County and my family for their support and encouragement.
AKNOWLEDGEMENTS

Special acknowledgments to the Almighty God for the gift of life, my supervisor Dr. Kipkorir Sitienei, Chris Simon for his unparalleled support and selfless guidance on this research project and my classmates for their invaluable resourcefulness.
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OPERATIONAL DEFINITION OF TERMS

**Access to Market**
The process to ensure that all appropriate patients who would benefit, get rapid and maintained access to the brand, at the right price.

**Credit facility**
Type of loan made in a business or corporate finance context, including revolving credit, term loans, committed facilities, letters of credit and most retail credit accounts.

**Enterprise Fund Strategy**
These are plans, procedures and ways that the government and other stakeholder provide the fund required by the specified group in order to support the less disadvantaged in the society for purpose of starting business and other activities.

**Information Technology**
The application of computers to store, study, retrieve, transmit and manipulate data, or information, often in the context of a business or other enterprise.

**Training**
Organized activity aimed at imparting knowledge to the youth in order to help them attain a required level of knowledge or skill.

**Youth Unemployment**
This represent an age between 18 years to 35 years, someone who is doesn’t have a job and is actively seeking for a job.
# LIST OF ABBREVIATIONS

<table>
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<th>Abbreviation</th>
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<tr>
<td>ALMP</td>
<td>Active Labor Market Policies</td>
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<td>ANOVA</td>
<td>Analysis of Variance</td>
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<td>C-YES</td>
<td>Constituency youth Enterprise Scheme</td>
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<td>ILO</td>
<td>International Labor Organization</td>
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<td>KKV</td>
<td>Kazi Kwa Vijana</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MFI</td>
<td>Micro Finance Institution</td>
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<td>MSME</td>
<td>Micro, Small and Medium size Enterprises</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NPEP</td>
<td>National Poverty Eradication Plan</td>
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<td>NYCA</td>
<td>National Youth Council Act</td>
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<td>RoK</td>
<td>Republic of Kenya</td>
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<td>SACCO</td>
<td>Savings and Credit Corporative Society</td>
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<td>SMEs</td>
<td>Small and Medium size Enterprises</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>UNDP</td>
<td>United Nation Development Program</td>
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<td>YEDF</td>
<td>Youth Enterprise Development Fund</td>
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ABSTRACT

Youth unemployment is one of the greatest challenges facing both developing and developed economies globally including Kenyan Youth. To curb this there are a number of initiatives that have been implemented by the Kenyan government. The study sought to examine enterprise fund strategy on youth unemployment in Sigowet-Soin Sub-County in Kericho County, Kenya. The specific objectives of the study were to determine the effects of credit facilities, training on entrepreneurial skills, access to markets and information technology on youth unemployment of youth in Sigowet-Soin Sub-county. The study was anchored on Human Capital Theory, Financial Intermediation Theory and Information Asymmetry Theory. The study adopted a descriptive survey design. Youth Enterprise Development Fund, Women Enterprise Funds and Uwezo Fund formed the target population of the study. A census of 73 respondents was carried out to form the study’s sample size. The study used questionnaires to collect data. Descriptive statistics and inferential statistics were used to analysis. The study revealed that credit facilities, training on entrepreneurial skills, access to markets and information technology had a positive significant effect on youth unemployment. This study concludes that access to credit facilities by youth was hard because they did not have collateral needed by the banking institutions as one of the requirements for the access to credit facilities. Training of youth on entrepreneurship skills is important in addressing high unemployment as young people are more likely to prefer self-employment than adults, but at the same time their rate of self-employment is much less. The study concludes that access to markets is central to success of any enterprise and therefore there is need for Youth Enterprise Development Fund to help in exposing the enterprises to potential youths. The study also concludes that information technology helps in addressing social and economic problems caused by the fast growth of urban youth populations in Kenya. The study recommended that the financial institutions should encourage the use of affordable collaterals that will ensure that youth entrepreneurs are able to access credit facilities. The study recommends that training programmes should be a focus on developing entrepreneurial mind-sets, which means changing attitudes. The knowledge required to be an entrepreneur is not only related to professional practice in running a business, but also to skills and attitudes, and to meta-qualities. The study recommends that youth enterprises need to be linked to youth strategy fund since only a few have been linked. Marketing is central to success of any enterprise and therefore there is need for Youth Enterprise Development Fund to help in exposing the enterprises to potential customers. Study recommends that mentor support for starting ICT-related enterprises is an important service that governments, non-governmental organization or international organizations could organize to provide advice and guidance to young entrepreneurs.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Youth unemployment in developing countries have decelerated the growth of economy. Most of the developing countries like Kenya have created several measures to cushion its effect. Some of the consequences youth unemployment includes; high crime rate, increase in poverty level, food insecurity, high mortality and poor living standards. Kenya is one of the Countries who have developed youth enterprise development funds. Youth Enterprise Development Funds was established in the year 2006 with the sole purpose of reducing unemployment among the youth. The target of the Fund is young people within age brackets of 18 years to 35 years who number 13 million. The Fund was gazette on 8th December 2006 and then transformed into a state corporation on 11th May 2007. The fund’s strategic focus is on enterprise development as a key strategy that will increase economic opportunities for, and participation by Kenyan youth in nation building (YEDF, 2011). Uwezo fund was established at 2014 is another youth funds government initiative that is purposed to provide financial facilities youth, women and person with disability at constituency level.

Enterprise Fund is a Kenyan government strategic program that was established to provide the youth with a platform and opportunity to engage in entrepreneurial activities across the country by financing them, attract and facilitate investment in micro, small and medium oriented commercial infrastructure that will be beneficial to youth enterprises, support youth oriented micro, small and medium enterprises to develop linkages with large enterprises and facilitate marketing of products and services of youth enterprises both in domestic and international markets. The Fund also provides business development services to youth enterprises (YEDF, 2011).

1.1.1 Youth Unemployment

According to Kobena, Hanson & Frannie (2011), in which the argued that a number of factors have led to youth unemployment and that to increase employability of
youth, strategies need to be put in place that enables the youth to become self-reliant. This is because the current labor market cannot accommodate the population both in the formal and informal sector. According to the International Labour Organization report of 2017 indicated that the increase in the number of youths in secondary and tertiary education is a positive development; however, labour markets in many countries are presently unable to accommodate the expanding pool of the skilled young graduates. It is estimated that about 400 million new jobs would be needed to absorb today’s youths. Due to this decline in jobs and the rise in the number of those unemployed, young people are forced in the informal sector. According to O’higgins (2017) the level of unemployment is a mirror image of the state of a nation’s economy. Youth unemployment is highly dependent on the overall status of the economy. Economic activity, measured by GDP growth, is probably the single factor that most influences the chances of young people finding a job.

According to UNDP (2013), Youth comprises a large group of people that represents two thirds of the population of working age. Many youths continue to face the hardships as a result of unemployment. The highest unemployment rates are for people between 20 and 35 years. Young people joining the labour market early between 15 and 16 years of age start with high unemployment rates of above 20%. However, the rates are even higher for older age groups and are highest for young people aged 18 to 30 years. The UNDP (2013), report also depicts that the youth aged around 25 and 30 years old show an unemployment rate of 25% and 15%, respectively, and as the youth approach adulthood, rates get closer to 10%. According to this, the youth unemployment challenge is not only a Kenya’s issue but a global challenge.

Breen (2015) indicates that entering the labor market poses major challenges for young people in many countries. While it is true that in general young people tend to be in a more vulnerable position than prime-age workers, the recent economic crisis has shown that youth integration into the labor market is problematic in some countries while it seems easier in other countries. In fact, some countries have been able to maintain stable employment over the last years and decades, also in times of recession, while elsewhere unemployment rates increased steeply. According to
Holzer (2016) shows that institutional settings and public policies play a prominent role in influencing the transition from school to work. Promoting a successful transition from school to work not only prevents long-term negative consequences of early phases of youth unemployment and idleness, but it also enhances individual professional careers, earnings increases, economic productivity and social cohesion.

Gregg (2014) observe that explaining differences in youths’ transition into employment needs to take into account, first, demographic developments and economic growth, and second, the interplay between these dynamics and long-standing institutional patterns, in particular regulatory provisions influencing the supply of flexible or permanent jobs as well as education and training policies. Both general education at schools as well as different forms of vocational training, either at schools and on the job or combining both elements in a dual apprenticeship are necessary preconditions for the employability and productivity of young people.

The Government of Kenya and its development partners are aware of the dire situation of unemployed youth. While this problem is more systemic than operational, they have introduced different programs to support youth employment and livelihood needs. The Kenyan government, in line with the Medium Term Plan (MTP) of Vision 2030, has chosen to support start-up and growth of youth enterprises. Government’s policy towards MSEs is one important factor into consideration when looking at the opportunities MSEs have for growth (Gatt, 2012).

According to ILO (2014), 23 million people are approximated to have been affected in the labor market by through long term unemployment has led to active labor market policies (ALMP) that can be put in place by force to address the inactive and skill mismatch. Otherwise due to high unemployment and discouragement within the labor force has created a risk of skills degradation and obsolescence. Thus, governments in developing countries are forced to come up with creative ways to address youth unemployment. Unemployment has come with high economic and social cost and has created discouragement and low quality jobs to the youth and thus undermines economic growth potential. The nation level of unemployed youth remains a challenge which is double that notional level (12.7%). UN employment has led to the

1.1.2 Enterprise Funds Strategies

The fund strategies that would support youth was established in 2006 by through government initiative in Kenya. The fund main aim was to assist on providing financial support to the youth with low interest rate and flexible financial packages. The funding targeted the youth-owned enterprises both micro and small enterprises by providing startup capital (YEDF, 2017). The government projected about 500,000 jobs creations annually, where 88% come from the SME sector (Government of Kenya, 2017). The YEDF loan was to support youth individual, companies, cooperatives and other SME with the country of Kenya. A second component that targeted the youth within Kenya was Constituency Youth Enterprise Scheme (C-YES) that provides financial assistance for the youth fraternity in the constituencies in Kenya. The government through legislation has developed Divisional Youth Enterprise Development Fund Committees (Divisional YEDFC) so as to effectively identify and recommend youth group enterprises that can be advanced loans so that they can be assisted to grow their enterprises and have a sustainable livelihood. Eligible groups for C-YES funding should be between the aged of 18 to 35 years comprised of diverse collection, with 70% of the group should attain the age bracket and while the leader should be 100% coming from the age bracket. This makes youths the highest representation in these groups. The C-YES encouraged youth to borrow finance to start their enterprises. Uwezo fund was started on 21st February 2014 aimed of the fund is to enable youth, women and person with disability access funds for running their business within constituency. This fund was to assist the groups to obtain 30% government procurement preference by mentoring and capacity building programs. The Key strategies behind the youth funds includes;

Access to credit facilities was one of the strategy used by government through the establishment of youth development funds and Uwezo funds. This programs main aim is to provide funds to persons under that age of 18 to 35 years which implied that any youth will qualify (YEDF, 2011). Their interest rates are low or none as compared
with other sources of loans and credit facility. Finance provides capital solution to the youth enterprises and hence assist in self-employment.

Training strategies is crucial in enabling youth to develop. Brownstein (2007) argues that management training makes a crucial tool that assists in poverty alleviation which needs gradual changes for its alleviation. Management training of youth entrepreneurs is very important on the youth enterprises on impoverished conditions.

Access to markets is important for growth of youth enterprises. Despite, youth accessing finance through YEDF and Uwezo funds a sustainable market is necessary for the organization. Market accessibility assist in running youth enterprises. Scoones, (2008) argued that market accessibility is crucial for increase in sales turnover. This can be translated to high profitability.

Information technology and innovation is a source of employment and competitive advantage to youth enterprises. Hence information technology has been made to be one of the pillars in vision 2013. Development of information technology allow development of new business opportunity and access to information in this technology era. According to Todd and Javalgi (2007) information technology and innovation is source of competitive advantage in business and creates leverage to youth enterprises.

1.1.3 Sigowet / Soin Sub County

Sigowet / Soin Constituency is an electoral constituency in Kenya. It is one of the six constituencies of Kericho County. It comprises of four County Assembly wards namely: Sigowet, Kaplelartet, Soliat and Soin. It is among newly created constituencies. The constituency has an area of 473.10 km² and population of 105,124. It was curved from the larger Belgut constituency and Ainamoi Constituency (Sigowet from Belgut and Soin from Ainamoi). The most part of the constituency is hardship area and less productivity compare to other sub-counties in Kericho County. Due to the geographical location and less productive; youth unemployment may be high thus the reason for the selection as the area of study.

Unlike the neighboring Belgut and Ainamoi constituencies which boast of several green leave tea manufacturing factories under the management of the Kenya tea
development agency, and the multinational foreign tea plantations and factories, this new constituency does not have a factory. A lot of cane produce in the area are transported to Muhoroni and Chemelil sugar mills since Soin sugar factory a small factory was closed down 3 years ago.

The small area plants green leaves teas which are transported to Tegat, Kabianga and Mamul factories in Belgut and Cheptororiet in Ainamoi and also crushed by factories owned by multinational tea factories in both Kericho, Konoin and Bureti district.

Most part of Sigowet/Soin is a semi-arid this has led to establishment of 500 acres irrigation project at Kapkormom village in Soin ward. The project was launched in 11/3/2014 and was to be implemented by expanded national irrigation programme. The project is estimated to cost more than 130 million (daily nation 12/3/2014). According to daily nation 12/3/2014 the area MP Justice Kemei he ordered the contractor to give blue collar jobs to local people. This show there is high unemployment in the area.

According to MOYAs Kericho County (2015) few youths apply for enterprise fund since most youth lack business skills and information on how to get enterprise fund that is youth enterprise fund, women fund and Uwezo Fund. Unemployment could be there in Sigowet/ Soin as per this.

1.2 Statement of the Problem

Most of studies are raising concerns of several factors that are not addressed including; training, finances, skills, information technology as major areas of solving the issues of unemployment. In current era, with exponential socio-economic changes, being a graduate from a reputable university with high marks is not enough to ensure rapid employment. There are many reasons behind the problem of youth unemployment, including: lack of particular skills, wrong educational system, mismatches between education and needs in labor market, lack of self-confidence, lack of self-esteem, and of course structural lack of working places.

Kenyan youth constitute about 37% of the country’s population justifying the prioritization of youth employment in the Country’s development plans including Vision 2030, under which the Youth Enterprise Development Fund is a flagship
project. The fund was meant to empower the Kenyan youth economically and win confidence and goodwill amongst them (YEDF, 2017). However, according to Kimando, Njogu and Kihoro (2017) there have been many challenges faced like lack of adequate awareness about the Fund among the youth, the level of awareness among the youth on the Fund’s products and how to access them was low. As a result, penetration of the Fund among target youth was limited, diversified needs of the youth and it has been difficult for the Fund to reach all youth segments with the limited product offering.

Awogbenle and Iwuamadi (2010) in their study on youth unemployment focusing on entrepreneurship development programme as an intervention mechanism found that without rapid economic growth to sustain the emerging democratic gains, unemployment situations will be grimmer. In Nigeria, Ajufo (2013) study on challenges facing youth unemployment focused on focused on guidance as the solution recommended that youths should be trained to possess skills which are congruent with real labour market demand. In Kenya, Kamau (2015) focused on the youth enterprise fund play a role in enhancing the growth of SMEs in Kenya and recommended that YEDF needs to intensify the on-lending campaign to the youth so that the problem of access to business finance can be minimized. However, limited research, if any, has been done on the relationship between Enterprise Fund strategy and unemployment in Sigowet/Soin Sub-County and therefore the necessity for this study to bridge the research gap.

1.3 Objective of the Study

The general objective of this study was to determine the effect of enterprise fund strategy on youth unemployment in Kericho County, Kenya.

1.3.1 Specific Objectives of the Study

i. To determine the effects of credit facilities on youth unemployment in Sigowet-Soin Sub county.

ii. To establish the effects of training on entrepreneurial skills on youth unemployment in Sigowet-Soin Sub-County
iii. To examine the effects of access to markets on youth unemployment in Sigowet-Soin Sub-County
iv. To analyze the effects of information technology on youth unemployment in Sigowet-Soin Sub-County

1.4 Research Hypothesis

i. $H_01$: There is no significant effect of credit facilities on youth unemployment in Sigowet-Soin Sub-County in Kericho Kenya.
ii. $H_02$: There is no significant influence of training on youth unemployment in Sigowet-Soin Sub-County in Kericho County, Kenya.
iii. $H_03$: There is no significant effect of access to labor markets on youth unemployment in Sigowet-Soin Sub-County in Kericho County, Kenya.
iv. $H_04$: There is no significant influence of information technology on youth unemployment in Sigowet-Soin Sub-County in Kericho County, Kenya.

1.5 Significance of the Study

This study was significant to several stakeholders. First, it would be valuable to the Government of Kenya in policy formulation especially on the regulation of youth fund enterprises, and Microfinance institutions. The findings from this study would act as a guide to future policy formulation processes. The findings of this study would also be important to youth entrepreneurs as it would provide useful information on youth fund strategies and how it impacts on the employability of youth in Sigowet Sub-County. This would help them to take necessary measures to ensure effective performance and growth of youth enterprises in order to create job opportunities for the youth of Sigowet Sub-County.

By making necessary arrangements to improve the chances of survival of youth enterprises in Sigowet / Soin Sub-County, they would be able to take on more projects hence improve their performance and growth of these enterprises and thus creating an opportunity for employment.

The findings of this study would also be of great value to the academic professionals as the findings from this study created significant literature as be used as reference
material. On the other hand, the recommendations for future research derived from this study were also invaluable to the future researchers.

1.6 Scope of the Study

The study was conducted in Sigowet / Soin sub-county, one of the six Sub Counties of Kericho County. The study was conducted in 2017 and descriptive research design was used on a sample of 85 registered youth group. The study focused only on enterprise fund strategy.

1.7 Limitations of the Study

The limitations expected when conducting this research study was securing appointments from those in authority in the Youth fund strategy organizations. Moreover, since the pick and drop method was applied, time delays in filling the questionnaires by the respondents were expected, and thus, the entire research might take longer than anticipated. On the other hand, due to the competitiveness of Youth Enterprises, the respondents may not disclose certain information for fear it may be used for competition purposes and thus hindering the research study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter deals with theoretical review, empirical review based on research objectives, summary of literature reviewed and research gaps and conceptual framework.

2.2 Theoretical Review
This section reviews theories that guided the study. It consists of the theories governing youth enterprises. In particular, the section looks at the theory of human capital, financial intermediation theory which holds that for a business to make returns, it has to obey the modern economics. It also reviews information asymmetry that holds that increased external market forces results into Market Power.

2.2.1 Human Capital Theory
Sir William in 1691 developed the theory of human capital. The ideology of Sir William proposed that human resource should be treated as capital for any firm since it act as source of profitability. This was as results of human capital that was available in England with estimated cost of those lost in wars and death. Human life value as part of working force become a center stage of the theory and Solomon Huebner in 1914 suggested that human capital should be accorded the same as convectional capital. Considering human resource as a capital and there become an important resource in business.

Studies review indicated that human capital factors positively influence people establishing entrepreneurs. According to Becker (1975), he noted that education and skills obtain represented a resource including financial resources that are central to understanding of identification and exploitation of opportunities at hand. Human capital approach emphasizes behavioral aspects of skills, innovation, and risk-taking for developing and managing new enterprises (Dejaeghere, 2014). Identification of specific youth needs and designing of youth oriented learning programmes, including extra-curricular training is critical in creating jobs through enterprise development
(United Nations, 2014) Education is important as it promotes enterprising mindset, positive thinking, problem solving and creativity forming a puts for young people to engage in entrepreneurial activities and business. Youth lack sufficient skills to preparing market analysis, preparing cash-flow statements, differentiating products and service, business ideas and presenting proposal for financial support, (White and Kenyon, 2001). This theory was important in the study since previous research has indicated that many individuals from different economic, social and educational backgrounds become entrepreneurs without undergoing any formal training while others do so only after training (Gichira, 1997).

2.2.2 Financial Intermediation Theory

Financial intermediation theory was developed by Leland and Pyle in 1977. Financial intermediation was postulated as a process where financial institutions provide credit facilities to other units with financial deficit. The financial institutions obtain finances from units with surplus finance and then lend the surplus to the units with deficits. Bisignano, (1992) noted four distinctive ideologies that form the foundation of financial intermediation theory. First, their core kinds of liabilities or deposits are stated for a fixed sum and does not relate to the portfolio of the organization. Second, the deposits represented short term asset than the organization assets. Third, large proportions of liability are money equivalent and fourthly, large proportion of the assets and liability are non-transferable. It recommends on steady flow of funds from surplus to deficits from one unit to another.

The role of the financial intermediary is important in business and organization that dependent on financial interdependency. It exists in market imperfections as oppose to an ideal market situation, with no transaction or information costs, financial intermediaries would not exist. Numerous markets are characterized by informational differences between buyers and sellers. In financial markets, information asymmetries are particularly pronounced. Borrowers typically know their collateral, industriousness, and moral integrity better than do lenders. On the other hand, entrepreneurs possess inside information about their own projects for which they seek financing. Moral hazard hampers the transfer of information between market
participants, which is an important factor for projects of good quality to be financed (Scholtens and van Wensveen, 2003). This theory is applicable since government is financing youth enterprises through enterprise fund strategy.

### 2.2.3 Information Asymmetry Theory

The theory of asymmetric information was developed by Michael Spence and Joseph Stiglitz in March 20th 1971. The theory postulates that insufficient information between sellers and buyers may lead to lack of efficient in specific market. The theory used to solve problems where generals’ equilibrium economics was not able to explain.

The theory can be an ex ante nature that can create moral hazards or ex post nature leading to costly auditing and legal implication (Healy and Palepu, 2001). These results to market imperfections like which is far from neoclassical framework. Youth enterprises operate in an environment characterized by high level of information asymmetry. For example, according to Healy and Palepu (2001), resistances that transmit more to stakeholders’ information, large number of authors have stressed the function of asymmetric information as a substitute rationalization for the significance the effects of micro financing on the financial performance of SMEs. This is also applicable to youth enterprises.

According to Healy and Palepu, (2001), one of the earliest papers, Leland and Pyle (1977), gave a suggestion that intermediaries can provide informed status by putting their wealth in investment about which they have full knowledge. Diamond (1984) added that organizations can overcome the asymmetric information by taking responsibility by acting as "delegated monitors." Microfinance overcome information asymmetry challenges by devising several products and pulling of risks especially where they lend to youth groups. With access to information technology, there has been improved network and informed decision making.

Information asymmetry theory is concept that enable youth to source for information investment, sourcing financing and market. It is crucial for youth to be provided with the right information most youth suffer from lack of sufficient information that leads to information asymmetry theory.
2.3 Enterprise Fund Strategy

This section comprises of access to credit facilities, training, access to market, and technology on youth unemployment.

2.3.1 Access to credit facilities on youth unemployment

Youth enterprises have high impact development and economic growth of a country. Though they are affected by challenges there are very many rooms for growth. These avenues include the non-governmental organization partnership, networking, multinational companies, franchise and multinational companies’ partnership. These youth enterprises can change the developing countries to a better environment from other organization and companies (Wanjohi and Mugure, 2008).

According to Wanjohi (2010) and Naidu and Chand, (2012) enterprises have faced limited access to funds as compared to larger firms who have high financial capability. This impend the growth and development of SMEs. The other financial problem faced by Micro and Small Enterprises (MSEs) and youth groups in venturing into business is handling sales and debtors (Mbonyane and Ladzani, 2011).

According to (Kimuyu and Omiti, 2000) small businesses and youth owned an enterprise has poor or no collateral base and hence not able to access credit facilities and credit market. Other challenges included lack of information on source of credit, weak contract knowledge and high cost of transaction.

According to the CBS, ACEG and KREP Holdings (1999) youth enterprises and SMEs starts business without enough capital and suggested that credit accessibility mechanism should be in place to ensure growth and performance of such enterprises. Small enterprises require small capital which most youth can start to assist their livelihood and also characterized with low income and savings (Kimura, 1999). The main source of finance of 80% of the SMEs based youth comes from savings (CBS, ACEG and KREP Holdings, 1999) and 19% from family assistances and auction of own properties. A small percentage has access to credit facility for start-up of enterprises. Established SMEs and youth enterprise also encounter working capital problems where they need support on finance and hence accessible credit source is required.
According to Mosley (1999), microfinance of both youth enterprises and SMEs was considered to be the major source of income and positive contribution to asset level hence eradicating poverty. Institution that provides financial loans and credit facilities to unemployed reduces the unemployment line while institutions that support larger loans reduce further by creating demand for labor and this create new opportunity of employment to the youth.

Hulme and Mosley (1998) noted that there a trade-off between reaching to those who are below poverty line and having contingency for impacting on the household income.

2.3.2 Training on entrepreneurial skills on youth unemployment

Goulet (2011) noted that development was important which included ability to sustain life, self-esteem and freedom from servitude. These revolve fulfilling the basic need from clothing, housing, food and education. According to Sen (2009), the well-being of humans is of paramount importance and the development is measurable in terms of how people can live life according to their capability. Sen further argues that no one is free if one cannot choose or live without education and skill. Development of human resource is important in development process in order to increase youth employment. Harbinson (2003) related human resource as capital and physical resource of national development. This forms the basis of the nation as he puts it that social-economic and political through accumulation capital and exploiting available natural resources can only be done through human resource. Acheampong (2006) adds to Harbinson’s claim using human based capital theory and dwelled on the development of skills and training development to enhance performance through growth and productivity. (Naude, 2008), related entrepreneurship as part of social-economic development. Education and training formed the main basis of the argument that would enhance skills, attitude and knowledge in any economic activity undertaking. Kenya as one of the developing country have constrained employment because of scarcity of resources and restricted employment in public sector.

According to Youth Business International [YBI], (2009), the youth are advance affected by unemployment and the estimates are about three billion youth under the
age of 25 years. About 40% of the youth are unemployed and based on these the trend of unemployed youth will keep raising. Mkandawire & Soludo (2003) added that due to this more youth would then have to seek other ways of employment besides the formal sector. Hence informal sector has been the best option for the youth. According to Hill (2007), many owners of youth enterprises lack entrepreneurial training and experience. Therefore, the youth establishes their method to entrepreneurial through a trial and error. As a result, their administration of youth enterprises is likely to be more intuitive than systematic, more to enable them make the right choices training and development of skills are important in entrepreneurial development.

Majority of youth enterprises are non-educated group of youth. Hence they are not prepared in entrepreneurial functions for their enterprises (King and McGrath, 2002). This therefore means that for the youth enterprises to grow there is a dire need for youth fund programs to include training on entrepreneurial skills for the youth. This enables them to utilize funds accorded to them effectively and manage their daily operations successfully and therefore achieving the objective of youth enterprises.

### 2.3.3 Access to Market on youth unemployment

According to UNDP, (2006), the young generations are exposed to poverty as compared to the other groups. They low in favor in term of social and economic position because of inability to possess property. This added to makes them vulnerable to unemployment.

The report of ILO (2010) indicated that youth not only are disadvantage in accessing, work but locating productive work and market for their products or services that can sustain. Considering vulnerability based on income level and stability has both pros and cons to the livelihood strategies.

Kollmair & Gamper (2002) noted that the livelihood strategies comprise; access to markets, access to consumption commodities, process and exchange practices to develop asset basis. The argument is more based on livelihood assets or capital that can be assessed by people. Bebbington (1999) view livelihood assets as more of
portfolio that give ability to act on life. Access to markets is among the portfolio of a successful youth enterprise since through it youth was self-employed.

According to ILO (2012), report, the strategy behind enterprise fund is not only to provide an easy access to credit facilities to youth enterprises and SMEs but also to enhance youth enterprises’ access to markets for their products and services which will subsequently lead to increased sales turn over. This enables the youth to become self-reliant because of improved livelihood.

Scoones, (2008) asserts that access to market is an important tool youth enterprise to increase its sales turnover. This therefore means that the role of enterprise fund strategy is also to the enterprises with opportunities that will enable them access market for their products and services. The government of Kenya according to the ILO (2012) report has provided youth enterprises with a platform to access markets in the county level and even providing them with enterprise programs that are geared towards providing the youth with relevant business networks. This enables the youth to become self-dependent and therefore limiting the exponentially increasing rate of youth unemployment.

2.3.4 Information Technology and Youth Unemployment

According to MOYA Strategic plan, (2007), most training institutions are not only inadequate, but lack the essential facilities and technology to prepare the youth for the challenging labor market demands. The (Gok, 2006), also reported that In addition, training institutions have no linkages with the labor market.

According to Munga, (2014), the technological advancement is also a critical area of concern in regard to youth unemployment. The Kenyan government initiative on enterprise fund strategic focus on the implementation and development of ICT can be depicted a critical milestone that provides the youth with necessary network, not only locally but also globally and therefore enabling them access to information that will assist them in making informed decisions which reduces unemployment due to lack of information on availability of the opportunity.

However, Wyn, et al. (2008) refutes that the society’s negative attitudes towards the information technologies discourages some youth from utilizing technology especially
in developing countries. To enhance education and training for the youth, there is a dire need to improve affordability and accessibility to information technology and to create relevant networks between educational institutions and the private sector through research, technical education, and financing institutions. The youth with information technology skills can start their own businesses thus reducing youth unemployment.

2.4 Empirical review

Several scholars and researchers have reviewed the concept of performance of youth enterprises and the challenges they face.

Abrams and von Stauffenberg (2007) conclude that an increase in international support of youth enterprises by development institutions is crowding-out private enterprises. Development agencies are supporting the largest and most successful MFIs, increasing their scale, and discouraging support of these institutions that should be the primary market for private investors.

Strong, (2008) did a study on entrepreneurial solutions to poverty alleviation concluded that although funding strategies has become extremely popular as approach alleviation, there are still various controversies associated with it. For instance, he argued that funding strategies is primarily used for debt and consumption rather than real investment in revenue-generating business. In the same effect, Copestake, (2002) argues that funding strategies has a polarizing effect as there is discrimination in favor of bigger enterprises, who benefit from better access to credit, and exclusion of youth enterprises. He adds that if one of the aims of funding strategies is to assist the “Poorest of the Poorest” then these strategies are not always the most appropriate intervention.

Todd, (2007) studied internationalization of enterprises in India. The study sought to determine factors influencing the internationalization of enterprises in India. It evaluated the business environment and, then, examined the importance of developing and promoting entrepreneurship to allow enterprises in India to develop a competitive position in the international marketplace. The study proposed that the primary method for fostering or promoting the growth of entrepreneurship was through the utilization
of technology and that special attention be given to the gaps in infrastructure that could enable a more efficient use of resources and the impact of entrepreneurship on the economic growth of the SMEs.

Akisimire, (2010) did a study based on microfinance credit terms and performance of enterprises in Uganda. The study researched on the relationship between credit terms and performance of enterprises in Mbarara Municipality. The study was carried out to establish whether funding institutions provided favorable credit terms to enterprises in Uganda and the relationship between credit terms, liquidity levels and performance of enterprises. He performed a cross sectional and correlation quantitative design analysis on the population and found out that terms from the funding institutions to enterprises were not favorable. It was also established that there existed a significant and positive relationship between credit terms and the performance of these enterprises.

Wambugu, (2011) did a study into management strategies affecting performance of youth enterprises in Kenya. The objectives were: identify the critical management causes touching the performance of youth enterprises in Kenya; To establish the process through which managerial factors affect the performance of youth enterprises in Kenya; regulate the integrative result of various management factors in the youth enterprises in Kenya; establish the effect of demographics and management factors on performance; and establish effects of external environment on internal management factors. The study found that proper management skills are critical to performance of youth enterprises.

Okello, (2010) did a study investigating factors influencing growth of MSEs owned by youth in Rachuonyo South District in Kenya, made recommendations that relate to finance in enhancing MSEs growth. He recommended that introduction of tax relief, change in tax rates so as to ensure that SMEs grows. The study found SMEs growth among other factors through access to finance.

Obamuyi, (2009) assessed the relation between interest rates and economic growth in Nigeria. The study showed that lending rate affected to a great extend the economic
growth. It recommended good interest rate policies based investment to improve economic growth.

The study on East Africa community countries noted that 94% of banking facilities demanded collateral from SMEs. The report further noted that collateral requirement was high than consumer loans. The SMEs were treated by banks to be with high risk and hard in evaluation on the capability of repaying the loan. There many other reasons that were laid by banks in the region why the credit facilities required a higher security (Pietro et al, 2012).

Another study in Nigeria found out that lack of management skills contributed mostly to the success of enterprises. On investigation it was noted that most of the youth enterprises and SMEs started when the owner had no or poor management skills and knowledge. They also still encountered after they had also grown up. It recommended on training, workshops and seminars was important for sustainable growth of such enterprise on marketing, accounting and management skills (Okpara, 2011).

Siwadi, (2010) identifies linkages to be source of opportunity for the SMEs through improving technology and differentiating products. This has ability in creating new market and makes them more competitive. Cacciolotti et al. (2011), found out that SMEs should use marketing information to increase the chance of better growth.

2.5 Summary of Gaps in Literature

Human capital theory according Sir William explain the role of human labor in business environment. The theory does not explain access of credit, training, access to market and information technology but explain employability of youth hence does not cover all the concept of youth development funds. Financial intermediation theory explains only the finance accessibility leaving other variable unexplained. An information asymmetry theory provides the need of information on market access and information concerning accessibility to finance. Hence the theories provide weak understanding of youth unemployment and youth development funds strategies used.

The empirical review on access to credit facility revolves on growth, financial capability and SMEs and does not focus on youth unemployment (Mosley, 1999; Wanjohi, 2010; Kimuyu and Omiti, 2000). Training is important to youth for gain
experience and from other scholar they have concentrated on entrepreneurial skills in
the current research training is focused on seminars, capacity building as sub
indicators creating a gap (Hill, 2007). Empirical on market access focused on sales
increase and SMEs growth and did not focus on the youth unemployment (Scoones,
2008; Kollmair & Gamper, 2002). Finally, information technology development is
having been improve in Kenya and with new opportunities. It has also concentrated in
job employment (Munga, 2014).

This chapter has literature reviewed from various scholars on enterprises,
microfinance, and financial performance of enterprises. The studies that exist have
theories, concept and practices in enterprises and SMEs with performance
measurement systems. Scholars like (Akisimire, 2010; Todd, 2012; Strong, 2008; Lin,
2007) has been done from different countries assisted in shading light to the study
done in Sigowet-Soin Sub-County. For the studies done in Kenya, Wambugu, (2011)
the study concentrated on other areas including management of youth enterprises.
This study sought to filled research gap by determining enterprise fund strategy on
youth unemployment in Sigowet-Soin Sub-County in Kericho Kenya. This was
expressed in the following table 1.

Table 1: Summary of Research Gaps

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Objectives</th>
<th>Findings</th>
<th>Gaps</th>
<th>Focus of current study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong, (2008)</td>
<td>Entrepreneurial solutions to poverty alleviation</td>
<td>Funding strategies are used for debt and consumption rather than investing in revenue generating activities</td>
<td>Entrepreneurial solutions to unemployment</td>
<td>Enterprise fund strategy solution to unemployment</td>
</tr>
<tr>
<td>Todd, (2007)</td>
<td>Factors influencing internationalization of enterprises in India</td>
<td>The use of ICT strategies are crucial to the growth of enterprises</td>
<td>Technology on unemployment</td>
<td>ICT on youth unemployment</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Title</td>
<td>Findings</td>
<td>Focus</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Akisimire, (2010)</td>
<td>Microfinance credit terms and performance of youth enterprises in Uganda</td>
<td>Funding terms in Uganda was not favorable to youth enterprises. Besides, there exists a positive relationship between favorable credit terms and performance of youth enterprises in Uganda</td>
<td>Strategies performance of business</td>
<td></td>
</tr>
<tr>
<td>Kwaku &amp; Singh, (1998)</td>
<td>Customer orientation performance link in Small and Medium size enterprises</td>
<td>There is a positive effect of customer orientation on performance of SMEs</td>
<td>Youth and business enterprises</td>
<td></td>
</tr>
<tr>
<td>Wambugu, (2011)</td>
<td>Management strategies affecting performance of youth enterprises</td>
<td>Proper management strategies enhance the performance of youth enterprises</td>
<td>Dealt with enterprise management of funds</td>
<td></td>
</tr>
<tr>
<td>Okello, (2010)</td>
<td>Factors influencing growth of SMEs owned by youth</td>
<td>Accessibility of finance affect growth of SMEs</td>
<td>Availability of loan and business enterprise</td>
<td></td>
</tr>
<tr>
<td>Obamuyi , (2009)</td>
<td>Relationship between interest rate and economic growth</td>
<td>Lending rate has a significant effect on economic growth</td>
<td>Interest rate and youth enterprise</td>
<td></td>
</tr>
<tr>
<td>Piero. et.al, (2012)</td>
<td>Banking financing to small and medium enterprises in east Africa</td>
<td>Collateral requirement for SME loans are higher than consumer loan</td>
<td>Collateral and youth enterprise</td>
<td></td>
</tr>
<tr>
<td>Okprara, (2011)</td>
<td>Factors constraining the growth $ survival of SMEs</td>
<td>Lack of management skill is a major constraint for business</td>
<td>Entrepreneurial skill and youth unemployment</td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td>Title</td>
<td>Study Focus</td>
<td>Findings</td>
<td>Implications</td>
</tr>
<tr>
<td>--------</td>
<td>-------</td>
<td>-------------</td>
<td>----------</td>
<td>--------------</td>
</tr>
<tr>
<td>Siwadi, (2010)</td>
<td>Business linkages as strategy for marginalized manufacturing industries</td>
<td>There is positive effect on linkages of MSEs to improve their technology and products</td>
<td>Business linkages and performance of youth enterprises.</td>
<td>Linkage and networking on youth unemployment</td>
</tr>
<tr>
<td>Cacciolottiet.al, (2011)</td>
<td>Relationship between business growth and use of structured marketing</td>
<td>SMEs that make good use of structured marketing information present a higher probability of growth.</td>
<td>Youth funds and management in improving youth.</td>
<td>Marketing information and youth enterprise</td>
</tr>
</tbody>
</table>

**Source: Researcher (2018)**

**2.6 Conceptual Framework of the Study**

Conceptual framework brings out clearly the relationship between Enterprise fund Strategy and youth unemployment. It describes youth unemployment as a dependent variable which is affected by the enterprise fund Strategy. Access to credit facilities is perceived to be the cause of youth unemployment. Management training also perceived to determine the level of youth unemployment. Providing the youth with entrepreneurial skills plays a major role in youth unemployment. On the other hand, empowering the youth through IT is also a significant aspect to youth unemployment.
Figure 1: Conceptual Framework

Source: Researcher (2017)
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section provides research design, target, sampling design, data collection instrument and data analysis. It gives the blue print of the entire procedures of collecting data up to analysis.

3.2 Research Design

The study adopted a descriptive survey design. It was appropriate since the study sought to describe the characteristics of a phenomenal based on proportion of opinion of people and make interpretation from it (Churchill, 1991). Descriptive research designs use presentation, summary and data interpretation of in preliminary and explorative studies (Orodho, 2003). The study aims at collecting information from respondents on relationship between youth fund strategy and employment in Sigowet/Soin Sub-county. Khan (1993) recommends that the use of descriptive survey design enabled statistical analysis of issue in policy making. The purpose of the descriptive survey design in the study is to determine and report current state of affairs in the sub county as well as enable to minimize biasness and maximize reliability of data (Mugenda and Mugenda, 2003).

3.3 Target Population

Target Population represented the desired group of people where the required information is found (Kothari 2014). YEDF and Uwezo Fund formed the target population of the study. The research targeted 73 respondents comprising of 38 respondents from YEDF and 35 from Uwezo Fund youth groups in Sigowet/ Soin Sub County. This was below shown in Table 3.1.
Table 2: Distribution of target population

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sigowet Ward</td>
<td>22</td>
<td>30.1</td>
</tr>
<tr>
<td>Soin Ward</td>
<td>16</td>
<td>21.9</td>
</tr>
<tr>
<td>Kaplelartet Ward</td>
<td>17</td>
<td>23.3</td>
</tr>
<tr>
<td>Soliat</td>
<td>18</td>
<td>24.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>73</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Kericho County Youth Affairs report of 2016

3.4 Sampling Design and Sample Size

As observed by Gay (2002), a sample is selected which can be representative of the total population because of various constraints that may face the researcher in accessing the whole population. On the other hand, Mugenda and Mugenda, (2003), observe that in a situation where the study population is small there is no need to sample otherwise the total population should be studied. The two stratus comprised of YEDF youth enterprises in with 38 youth group obtained from Kericho County youth enterprises records and 35 youth group benefiting from Uwezo funds in Sogowet/Soin Sub County coming from Sigowet, Soin, Kaplelartet and Soliat wards. Therefore, census of 73 respondents was carried out which formed the study’s sample size. This was arrived at since the sample size was less than 100 (Mugenda and Mugenda, *ibid*).

3.5 Data Collection Instruments

The study used primary data sources for the purpose of collecting data. Primary data sources are preferred as they exude scientific basis as primary data are non-manipulated Mugenda & Mugenda (2003). Primary data was collected using questionnaires. The study used questionnaires because of the ease with which it collects information and ease of analysis as they are standardized Kothari, (2004). The questionnaires contained structured questions and were designed as to capture the information on the relationship between youth fund strategy and unemployment in
Sigowet / Soin sub-county. The questionnaire was divided into section A covering personal details and section B containing Part 1-4 representing each objective respective and section C contained youth unemployment. Section A of the questionnaires were closed ended questionnaires while section B and C were closed questionnaires with Likert scales of 1-5 each testing the strength of agreeability from strongly disagreed to strongly agreed. The research instrument used for this study was self-administered questionnaires.

3.6 Validity and Reliability

Validity and reliability of research instrument was given as below;

3.6.1 Validity of the Research Instruments

According to Orodho, (2005), Validity entails the extent to which instruments used to collect data will be meant to measure what the researcher wants to measure from the study objectives. In this case, to ensure that the instruments are valid three validity tests were tested. First, content validity was done to ensure that the research instruments are clear and expressed in simple language. Construct validity was done by ensuring that the study is tied within the specific objectives and criterion validity was done to ensure that all the questions addressed the specific objectives of the study in a systematic manner.

This was done through giving to experts, supervisor and fellow student who assist in checking the construct of the questionnaire, grammar and understandability of the questions. Content validity was done through giving to supervisor and a research expert to check whether the content would measure the objective of the research.

3.6.2 Reliability

Cronbach’s alpha test was used to measure the internal consistency of the research instrument by obtaining a correlation coefficient. It also allows measurement of reliability of every statement used to measure an objective under different categories and estimates the extent to which scores vary in different variables attributed chance or random errors (Reid, 2006). The author further shows that for the instruments to be
reliable the correlation coefficient must be greater than 0.7. This study obtained a correlation coefficient of 0.801 as shown in Table 3.

**Table 3: Reliability Test Results**

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.801</td>
<td>.745</td>
<td>68</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

**3.7 Data Collection Procedure**

The questionnaires were made ready prior to obtaining permit to conduct research. Permit letter that allowed research to be conducted were obtained from NACOSTI with other letter from Kenyatta University, ministry of education and county commission office. This enabled research to give out questionnaire to respondent in Sogowet/Soin Sub County. The questionnaires were given by dropping to the respondent then picked at a later date. The respondents were given more than two days and not more a week to ensure that questionnaire were picked.

**3.8 Data Analysis and Presentation**

Descriptive analysis was used to analyze the primary data of quantitative nature (structured questions). Descriptive statistics was also used. Descriptive analysis comprised of mean and standard deviation. The study also used Statistical Package for Social Sciences (SPSS) Version 21.0 as an aid to data analysis process.

The objectives were analyzed using inferential statistics where linear regression was conducted with regression model represented below:

The model was given by:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 - \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Where \( Y \) - youth unemployment

\( \beta_0 \) - Constants
\( \beta_1, \beta_2, \beta_3, \beta_4 \) – Coefficients

\( X_1 \) – Access to credit.

\( X_2 \) – Training entrepreneurial skills

\( X_3 \) – Access to market and

\( X_4 \) – Information technology and \( \varepsilon \) - Error term

The operationalization of quantities was given as follows.

**Table 4: Operationalization and measurements of variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type of variable</th>
<th>Indicators</th>
<th>Quantification of variable</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise fund strategy</td>
<td>Independent</td>
<td><strong>Access to credit facilities</strong></td>
<td>Additional qualification on amount of credit.</td>
<td>Rating 1-5. Nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Amount of credit</td>
<td>No. of loans applied</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interest rate</td>
<td>No. of times of taking loans</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Collateral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training on entrepreneurial skills</td>
<td></td>
<td><strong>Management skills</strong></td>
<td>No. of enterprises</td>
<td>Rating 1-5. Nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Capacity building</strong></td>
<td>No. of documents properly done</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Seminars</strong></td>
<td>No. of records</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Sensitization</strong></td>
<td>No. of employment opportunity</td>
<td></td>
</tr>
<tr>
<td>Access to market</td>
<td></td>
<td><strong>Market Knowledge</strong></td>
<td>No. of customers served</td>
<td>Rating 1-5. Nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Sales turnover</strong></td>
<td>No. of sales made</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>30% preference on government procurement</strong></td>
<td>No. of contracts awarded</td>
<td></td>
</tr>
<tr>
<td>Access to information technology</td>
<td></td>
<td><strong>Efficiency</strong></td>
<td>No. of business links</td>
<td>Rating 1-5. Nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Networking</strong></td>
<td>No. of business network</td>
<td></td>
</tr>
</tbody>
</table>

28
<table>
<thead>
<tr>
<th>Youth unemployment</th>
<th>Dependent variable</th>
<th>No. of business ideas enterprises inform of entrepreneurial activities</th>
<th>No. of business to business partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business growth</td>
<td>No. of youth groups formed</td>
<td>No of contracts awarded</td>
<td>Rating 1-5, Nominal scale</td>
</tr>
<tr>
<td>Performance</td>
<td>No of trained youth</td>
<td>No of linkages</td>
<td></td>
</tr>
<tr>
<td>Business opportunities</td>
<td>No of contracts awarded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency in business</td>
<td>No of linkages</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

3.9 Ethical Considerations

Before conducting the research study, the researcher obtained permission from the relevant authorities. A letter of introduction was provided by the University which explained to the respondents the purpose of the study before engaging them. A research permit was obtained from the National Commission for Science, Technology and Innovation (NACOSTI). Moreover, the respondents were assured that the information they provided was only used for the purpose of the study, and all the information they provided was treated with utmost confidentiality.
CHAPTER FOUR
DATA ANALYSIS RESULTS AND PRESENTATION

4.1 Introduction
The chapter provides the research findings and discussion based on the specific objectives of the study that evaluated credit facilities, training on entrepreneurship, access to markets and information technology on youth unemployment. Questionnaire response rate is given first followed by background information of the respondents, descriptive statistics and inferential statistics.

4.2 Response Rate and Reliability
The response from the field showed that out of 73 sampled respondents, 68 respondents returned their questionnaires forming an overall response rate of 93.2% (Table 5).

Table 5: Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Administered</th>
<th>Responded</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sigowet Ward</td>
<td>22</td>
<td>21</td>
<td>95.5</td>
</tr>
<tr>
<td>Soin Ward</td>
<td>16</td>
<td>15</td>
<td>93.7</td>
</tr>
<tr>
<td>Kaplealmartet Ward</td>
<td>17</td>
<td>16</td>
<td>94.1</td>
</tr>
<tr>
<td>Soliat</td>
<td>18</td>
<td>16</td>
<td>88.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>73</strong></td>
<td><strong>68</strong></td>
<td><strong>93.2</strong></td>
</tr>
</tbody>
</table>

Source: Research data (2017)

Overall response rate was 68(93.2%) from general target of 73 respondents. The response rate was high because that researcher explained the purpose of the study to them and assured them of strict confidentiality of any information disclosed by them as pertains to the study. According to Mugenda and Mugenda (2003) a response rate threshold of 80% was termed to be excellent for a research to obtain a meaningful result.
The reliability of the questionnaires was examined and from the analysis the Cronbach coefficient were found as follows;

Table 6: Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to credit</td>
<td>0.792</td>
</tr>
<tr>
<td>Training entrepreneurial skills</td>
<td>0.865</td>
</tr>
<tr>
<td>Access to market</td>
<td>0.764</td>
</tr>
<tr>
<td>Information technology</td>
<td>0.847</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>0.801</td>
</tr>
</tbody>
</table>

**Source:** Research data (2017)

Credit facility, training entrepreneurial skills, access to market and information technology independent variable indicated Cronbach’s Alphas that were above the recommended minimum of 0.7. It was concluded that the variables in the questionnaires were found to be reliable as argued by Patton (2001).

4.3 Background Information

The background information of the respondents was based on respondents’ age, gender, level of education, formal employment, most accessed funding institutions.

4.3.1 Age

![Figure 2: Respondents’ Age](image)

**Source:** Research data (2017)
Figure 2 shows that majority (60.29%) of the respondents were aged between 25 years to 35 years, followed by 20.59% of those aged over 45 years, 14.71% were aged between 35 and 45 years and those aged below 25 years accounted for 4.41%. These findings show that the respondents who participated in the study cut across all the ages.

4.3.2 Gender

Table 7: Respondents’ Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>46</td>
<td>67.6</td>
<td>67.6</td>
</tr>
<tr>
<td>Female</td>
<td>22</td>
<td>32.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research data (2017)

Table 7 shows that majority (46.0%) of the respondents was male and female respondents accounted for 32.4%. These findings show that all the gender was represented in the study thus avoiding gender biasness.

4.3.3 Level of Education

Figure 3: Respondents’ Education Level

Source: Research data (2017)
Figure 3 shows that majority (42.65%) of the respondents had Bachelor’s degree level of education, followed by 38.24% who had Master’s Degree, 11.76% had attained post graduate diploma level of education and those who had diploma accounted for 7.35%. These findings show that majority of the respondents were highly educated and thus could provide rich information necessary for the study.

4.4 Enterprise Strategies, Descriptive and Inferential Statistics

This part covers credit facilities, training on entrepreneurship, access to markets and information technology on youth unemployment and inferential statistics. Responses were rated as Strongly Agree (SA) = 5, Agree (A) = 4, Neutral (N) = 3, Disagree (D) = 2, and strongly Disagree (SD) = 1 while M= Mean and Std. Dev = Standard Deviation.

4.4.1 Credit Facilities

The first research objective sought to determine the effects of credit facilities on youth unemployment in Sigowet-Soin Sub County, Kericho County. The findings are shown in Table 8.

Table 8: Credit Facilities and Youth Unemployment

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
<th>M</th>
<th>St.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of access to credit facility influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The number of youth entering into business</td>
<td>63.7</td>
<td>50.0</td>
<td>3.0</td>
<td>4.5</td>
<td>0.0</td>
<td>4.6</td>
<td>0.60</td>
</tr>
<tr>
<td>Amount of money accessible affect the progress in youth business enterprises</td>
<td>59.4</td>
<td>41.3</td>
<td>9.1</td>
<td>6.1</td>
<td>0.0</td>
<td>3.8</td>
<td>0.57</td>
</tr>
<tr>
<td>Interest rates affect amount of loan borrowed by youth entrepreneurs</td>
<td>28.8</td>
<td>43.9</td>
<td>19.7</td>
<td>6.1</td>
<td>1.5</td>
<td>4.1</td>
<td>0.71</td>
</tr>
<tr>
<td>Value of collateral influences the frequency in loan application</td>
<td>34.8</td>
<td>37.9</td>
<td>21.2</td>
<td>6.1</td>
<td>0.0</td>
<td>3.1</td>
<td>0.69</td>
</tr>
<tr>
<td>Access to credit facilities affect youth unemployment</td>
<td>42.4</td>
<td>36.4</td>
<td>7.6</td>
<td>4.5</td>
<td>9.1</td>
<td>2.9</td>
<td>0.54</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>45.8</strong></td>
<td><strong>41.9</strong></td>
<td><strong>12.1</strong></td>
<td><strong>5.5</strong></td>
<td><strong>2.1</strong></td>
<td><strong>3.7</strong></td>
<td><strong>0.62</strong></td>
</tr>
</tbody>
</table>

**Key:** SA – Strongly Agree; A – Agree, N – Neutral; D – Disagree; M – Mean; St.Dev – Standard Deviation

**Source:** Research data (2017)
Table 8 shows that ease of access to credit facility influence the number of youth entering into business with significance to a very great extent as it was indicated by mean of 4.6 with a significance variance of 0.60. This was strongly agreed by majority (63.7%), 50.0% agreed, 3.0% neutral and 4.5% disagreed. These findings are in line with the findings of Wanjoji (2010) and Naidu and Chand (2012) who observed that enterprises have faced limited access to funds as compared to larger firms who have high financial capability. This impend the growth and development of SMEs. The other financial problem faced by Micro and Small Enterprises (MSEs) and youth groups in venturing into business is handling sales and debtors (Mbonyane and Ladzani, 2011).

The mean of 4.1 indicated that interest rates highly affects amount of loan borrowed by youth entrepreneurs with a significance variance of 0.71. This was strongly agreed by 28.8% of the respondents, majority 43.9% agreed, 19.7% neutral, 6.1% disagreed and 1.5% strongly disagreed. These findings agree with the findings of Abrams and von Stauffenberg (2007) who observed that an increase in international support of youth enterprises by development institutions is crowding-out private enterprises. Development agencies are supporting the largest and most successful MFIs, increasing their scale, and discouraging support of these institutions that should be the primary market for private investors.

The mean of 2.9 indicated that access to credit facilities averagely affects youth unemployment which varied significantly as indicated by standard deviation of 0.54. This as strongly agreed by majority (42.4%), 36.4% agreed, 7.6% neutral, 4.5% disagreed and 9.1% strongly disagreed. These findings contradict with the findings of Kimuyu and Omiti (2000) who indicated that small businesses and youth owned an enterprise has poor or no collateral base and hence not able to access credit facilities and credit market. Other challenges included lack of information on source of credit, weak contract knowledge and high cost of transaction.
4.4.2 Training of Entrepreneurial Skills

The second research objective sought to determine the effects of training on entrepreneurial skills on youth unemployment in Sigowet-Soin Sub County, Kericho County. The findings are shown in Table 9.

Table 9: Training of Entrepreneurial Skills and Youth Unemployment

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
<th>M</th>
<th>St.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management skills affect the number of enterprises started by the youth</td>
<td>42.6</td>
<td>29.4</td>
<td>11.8</td>
<td>10.3</td>
<td>5.9</td>
<td>3.9</td>
<td>1.23</td>
</tr>
<tr>
<td>Capacity building influence the documentation done by youth entrepreneurs</td>
<td>33.8</td>
<td>55.9</td>
<td>4.4</td>
<td>2.9</td>
<td>2.9</td>
<td>4.2</td>
<td>0.87</td>
</tr>
<tr>
<td>Seminars attended by the youth lead to improvement of record keeping</td>
<td>41.2</td>
<td>51.5</td>
<td>2.9</td>
<td>2.9</td>
<td>1.5</td>
<td>4.3</td>
<td>0.79</td>
</tr>
<tr>
<td>Youth sensitization affect the youth self-employment opportunities</td>
<td>38.2</td>
<td>50.0</td>
<td>8.8</td>
<td>2.9</td>
<td>0.0</td>
<td>2.8</td>
<td>0.74</td>
</tr>
<tr>
<td>Training on entrepreneurial skills influence youth unemployment</td>
<td>48.5</td>
<td>41.2</td>
<td>0.0</td>
<td>4.4</td>
<td>5.9</td>
<td>4.0</td>
<td>1.08</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>40.9</strong></td>
<td><strong>45.6</strong></td>
<td><strong>5.6</strong></td>
<td><strong>15.9</strong></td>
<td><strong>3.2</strong></td>
<td><strong>4.0</strong></td>
<td><strong>0.94</strong></td>
</tr>
</tbody>
</table>

**Key:** SA – Strongly Agree; A – Agree, N – Neutral; D – Disagree; M – Mean; St.Dev – Standard Deviation

**Source:** Research data (2017)

Table 9 shows that seminars attended by the youth lead to improvement of record keeping greatly affects youth unemployment to a very large extent as indicated by mean of 4.3 with a significance variance of 0.79. This was strongly agreed by 41.2% of the respondents, 51.5% agreed, 2.9% neutral and disagreed respectively with 1.5% strongly disagreed. These findings concur with the findings of Goulet (2011) who noted that development was important which included ability to sustain life, self-esteem and freedom from servitude. These revolve fulfilling the basic need from clothing, housing, food and education. According to Sen (2009), the well-being of humans is of paramount importance and the development is measurable in terms of how people can live life according to their capability.
The mean of 4.2 indicated that capacity building greatly influences the documentation done by youth entrepreneurs with a significance variance of 0.87. This was strongly agreed by 33.8% of the respondents, 55.9% agreed, 4.4% neutral and 2.9% disagreed and strongly disagreed respectively. These findings agree with the study on entrepreneurial solutions to poverty alleviation by Strong (2008). The conclusion was that funding strategies has become extremely popular as approach alleviation, there are still various controversies associated with it. For instance, he argued that funding strategies is primarily used for debt and consumption rather than real investment in revenue-generating business.

The mean of 2.8 indicated that youth sensitization just affect the youth self-employment opportunities with a significance variance of 0.74. This was strongly agreed by 38.2% of the respondents, 50.0% agreed, 8.8% neutral and 2.9% disagreed. These findings contradict with the findings of Copestake (2002) who observed that funding strategies has a polarizing effect as there is discrimination in favor of bigger enterprises, who benefit from better access to credit, and exclusion of youth enterprises.

4.4.3 Access to Markets

The third research objective sought to determine the effects of access to markets on youth unemployment in Sigowet-Soin Sub County, Kericho County. The findings are shown in Table 10.

Table 10: Access to Markets and Youth Unemployment

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
<th>M</th>
<th>St.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge on marketing determine the number of customers served by youth entrepreneurs</td>
<td>41.2</td>
<td>47.1</td>
<td>0.0</td>
<td>8.8</td>
<td>2.9</td>
<td>4.3</td>
<td>0.75</td>
</tr>
<tr>
<td>Sales turnover play a role in the number of sale made by youth entrepreneurs</td>
<td>50.0</td>
<td>42.6</td>
<td>0.0</td>
<td>5.9</td>
<td>1.5</td>
<td>4.4</td>
<td>0.67</td>
</tr>
<tr>
<td>30% preferences on government procurements affects contracts awarded to youth enterprises</td>
<td>39.7</td>
<td>35.3</td>
<td>10.3</td>
<td>5.9</td>
<td>8.8</td>
<td>3.9</td>
<td>1.24</td>
</tr>
<tr>
<td>Involvement of government in marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
influence youth unemployment

Access to market is critical in leading to decline in youth unemployment

Aggregate Score

Key: SA – Strongly Agree; A – Agree, N – Neutral; D – Disagree; M – Mean; St.Dev – Standard Deviation

Source: Research data (2017)

Table 10 shows that the mean of 4.4 indicated that sales turnover play a great role in the number of sale made by youth entrepreneurs on youth unemployment with a significance variance of 0.67. This was strongly agreed by 50.0% of the respondents, 42.6% agreed, 5.9% disagreed and 1.5% strongly disagreed. These findings agree with the findings of Kwaku and Singh (1998) who evaluated the customer orientation-performance SMEs business and noted that that innovation orientation, competitive intensity and market changes had significant effect to customer orient drive firms’.

The productivity and performance was based on return on investment, sale increment and new products were used in the study. There was positive link between customer orientation on the small and medium enterprises. There were further findings that relate innovation oriented and competitive environment on the levels of small medium scale customer oriented.

The mean of 4.3 indicated that knowledge on marketing determine the number of customers served by youth entrepreneurs to a very large extent which varied significantly as indicated by standard deviation of 0.75. This was strongly agreed by 41.2%, 47.1% agreed, 8.8% disagreed and 2.9% strongly disagreed. These findings concur with the ILO (2012) report which indicated that the strategy behind enterprise fund is not only to provide an easy access to credit facilities to youth enterprises and SMEs but also to enhance youth enterprises’ access to markets for their products and services which will subsequently lead to increased sales turnover. This enables the youth to become self-reliant because of improved livelihood.

The mean of 2.4 indicated that involvement of government in marketing some little extent influence youth unemployment with a variance of 1.34. This was strongly agreed by 35.3%, 30.9% agreed, 14.7% neutral, 7.4% disagreed and 11.8% strongly
disagreed. These findings contradict with the report of ILO (2010) which indicated that youth not only are disadvantage in accessing, work but locating productive work and market for their products or services that can sustain. Considering vulnerability based on income level and stability has both pros and cons to the livelihood strategies.

4.4.4 Information Technology

The fourth research objective sought to determine the effects of information technology on youth unemployment in Sigowet-Soin Sub County, Kenya. The findings are shown in Table 11.

**Table 11: Information Technology and Youth Unemployment**

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
<th>M</th>
<th>St.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency in ICT plays a crucial role in number of business links</td>
<td>52.9</td>
<td>20.6</td>
<td>0.0</td>
<td>20.9</td>
<td>5.9</td>
<td>3.9</td>
<td>1.38</td>
</tr>
<tr>
<td>Networking is the pillar of business partnerships and deals</td>
<td>36.8</td>
<td>42.6</td>
<td>1.5</td>
<td>17.6</td>
<td>1.5</td>
<td>4.0</td>
<td>1.11</td>
</tr>
<tr>
<td>Information sharing of business ideas in turn direct entrepreneurial activities</td>
<td>60.3</td>
<td>17.6</td>
<td>0.0</td>
<td>7.4</td>
<td>14.7</td>
<td>4.2</td>
<td>1.50</td>
</tr>
<tr>
<td>Communication influence business to business entrepreneurial partnerships</td>
<td>52.9</td>
<td>44.1</td>
<td>0.0</td>
<td>2.9</td>
<td>0.0</td>
<td>4.5</td>
<td>0.66</td>
</tr>
<tr>
<td>Access to information technology influence the level youth unemployment</td>
<td>58.8</td>
<td>30.9</td>
<td>0.0</td>
<td>4.4</td>
<td>5.9</td>
<td>4.4</td>
<td>1.02</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td>52.3</td>
<td>31.2</td>
<td>0.3</td>
<td>10.6</td>
<td>5.6</td>
<td>4.2</td>
<td>1.13</td>
</tr>
</tbody>
</table>

**Key:** SA – Strongly Agree; A – Agree, N – Neutral; D – Disagree; M – Mean; St.Dev – Standard Deviation

**Source:** Research data (2017)

Table 11 shows that communication influence business to business entrepreneurial partnerships to a very great extent as indicated by mean of 4.5 with a significance variance of 0.66. This was strongly agreed by 52.9% of the respondents, 44.1% agreed and 2.9% disagreed. These findings are similar with the findings of Munga, (2014) who observed that the technological advancement is also a critical area of concern in regard to youth unemployment. The Kenyan government initiative on enterprise fund strategic focus on the implementation and development of ICT can be depicted a critical milestone that provides the youth with necessary network, not only
locally but also globally and therefore enabling them access to information that will assist them in making informed decisions which reduces unemployment due to lack of information on availability of the opportunity.

The mean of 4.4 indicated that access to information technology highly influence the level of youth unemployment with a significant variance of 1.02. This was strongly agreed by 58.8% of the respondents, 30.9% agreed, 4.4% disagreed and 5.9% strongly disagreed. These findings concur with the findings of Wyn and White (2008) who refutes that the society’s negative attitudes towards the information technologies discourages some youth from utilizing technology especially in developing countries. To enhance education and training for the youth, there is a dire need to improve affordability and accessibility to information technology and to create relevant network between educational institutions and the private sector through research, technical education, and financing institutions. The youth with information technology skills can start their own businesses thus reducing youth unemployment.

The mean of 3.9 indicated that efficiency in ICT moderately plays a crucial role in number of business links with a significant variance of 1.38. This was strongly agreed by 52.9% of the respondents, 20.6% agreed, 20.9% disagreed and 5.9% strongly disagreed. These findings contradict with the findings of Munga (2014) who observed that the technological advancement is also a critical area of concern in regard to youth unemployment.

### 4.4.5 Youth Unemployment

On the measurement of how enterprise fund strategy influences youth unemployment the findings are shown in Table 12.

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
<th>M</th>
<th>St. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise fund strategy has reduced youth unemployment rate</td>
<td>41.2</td>
<td>52.9</td>
<td>0.0</td>
<td>0.0</td>
<td>5.9</td>
<td>4.2</td>
<td>0.95</td>
</tr>
<tr>
<td>Enterprise fund strategy has reduced youth-to-adult unemployment ratio</td>
<td>47.1</td>
<td>38.2</td>
<td>2.9</td>
<td>1.5</td>
<td>10.3</td>
<td>4.1</td>
<td>1.22</td>
</tr>
<tr>
<td>Performance of trained youth determine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

39
Table 12 shows that enterprise fund strategy has reduced youth unemployment rate to a very great extent as indicated by mean of 4.2 and a significance variance of 0.95. This was strongly agreed by 41.2% of the respondents, 52.9% agreed and 5.9% strongly agreed. The mean of 4.1 indicated that enterprise fund strategy has reduced youth-to-adult unemployment ratio to a great extent. This was strongly agreed by 47.1% of the respondents, 38.2% agreed, 2.9% neutral, 10.3% disagreed and 4.1% strongly disagreed. According to YEDF (2011), enterprise Fund is a Kenyan government strategic program that was established to provide the youth with a platform and opportunity to engage in entrepreneurial activities across the country by financing them, attract and facilitate investment in micro, small and medium oriented commercial infrastructure that will be beneficial to youth enterprises, support youth oriented micro, small and medium enterprises to develop linkages with large enterprises and facilitate marketing of products and services of youth enterprises both in domestic and international markets. The Fund also provides business development services to youth enterprises.

The mean of 3.9 indicated that efficiency in business linkages is moderately important regarding level of youth unemployment with a significance variance of 1.07. This was strongly agreed by 42.6%, 39.7% agreed, 4.4% neutral, 13.2% disagreed and also the mean of 3.5 indicated that performance of trained youth moderately determine level of unemployment which varied significantly as shown by a standard deviation of 1.71. The UNDP (2013), report also depicts that the youth aged around 25 and 30 years old show an unemployment rate of 25% and 15%, respectively, and as the youth approach adulthood, rates get closer to 10%. According to this, the youth unemployment challenge is not only a Kenya’s issue but a global challenge.
4.5 Inferential Statistics

Correlation analysis was done to show the strength of a relationship between the independent variables and dependent variable. Regression analysis was done to show the relationship between variables.

4.5.1 Correlation Analysis

Table 13: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Credit facilities</th>
<th>Training on Entrepreneurial Skills</th>
<th>Access to Markets</th>
<th>Information Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit facilities</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.254</td>
<td>.593</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.037</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>68</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Training on Entrepreneurial Skills</td>
<td>Pearson Correlation</td>
<td>.254</td>
<td>1</td>
<td>.558</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.037</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>68</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Access to Markets</td>
<td>Pearson Correlation</td>
<td>.593</td>
<td>.558</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>68</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Pearson Correlation</td>
<td>.464</td>
<td>.407</td>
<td>.730</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.001</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>68</td>
<td>68</td>
<td>68</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Research data (2017)

Table 11 shows the correlation analysis which revealed that the data sets were highly correlated with each other. Credit facilities were found to have a good positive relationship with access to markets (0.593) and but a weak positive relationship with information technology (0.464) at the 0.01 significance level. This means that the higher the rate of credit facilities the higher the rate to access to markets. Entrepreneurial skills had strong significant relationship with access to markets (0.558) and strongly related with information technology (0.607) at 0.01 level of significance. Access to markets was strongly related to information technology (0.730), credit facilities (0.593) and training on entrepreneurial skills (0.558). Hence
credit facility, entrepreneurial skills, access market and information technology has positive relationship with each other.

4.5.2 Regression Analysis

Table 14: Analysis of Coefficient of Determination using SPSS Version 21

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.966a</td>
<td>.934</td>
<td>.885</td>
<td>1.122</td>
<td>.234</td>
<td>4.811</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Information Technology, Training on Entrepreneurial Skills, Credit facilities, Access to Markets

Adjusted R square is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. R-square of 0.885 indicated that variation of 88.5% on youth unemployment was due to changes in credit facilities, training on entrepreneurial skills, access to markets and information technology. This therefore, meant that 11.5% of youth unemployment were due to other factors not discussed in this study.

Table 15: Analysis of Variance (ANOVA) using SPSS Version 21

<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>1</td>
<td>Regression</td>
<td>24.209</td>
<td>4</td>
<td>6.052</td>
<td>4.811</td>
</tr>
<tr>
<td>Residual</td>
<td>79.261</td>
<td>63</td>
<td>1.258</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>103.471</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Information Technology, Training on Entrepreneurial Skills, Credit facilities, Access to Markets

b. Dependent Variable: Youth Unemployment

Source: Research data (2017)

The significance value was 0.002a which was less than 0.05 thus the model was statistically significance in predicting how various factors affect youth unemployment in Sigowet-Soin Sub –County. The F critical at 5% level of significance was 4.811.
Since F calculated was greater than the F critical (value = 6.052), this shows that the overall model was significant. The relationship (p < 0.05) indicated a linear relationship among the variables under the study meaning there was 95% chance that the relationship among the variables was not due to chance.

**Table 16: Coefficients for Regression Model using SPSS Version 21**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>95.0% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.405</td>
<td>1.013</td>
</tr>
<tr>
<td></td>
<td>Credit facilities</td>
<td>.610</td>
<td>.233</td>
</tr>
<tr>
<td></td>
<td>Training on Entrepreneurial Skills</td>
<td>.521</td>
<td>.154</td>
</tr>
<tr>
<td></td>
<td>Access to Markets</td>
<td>.720</td>
<td>.327</td>
</tr>
<tr>
<td></td>
<td>Information Technology</td>
<td>.825</td>
<td>.298</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Youth Unemployment

**Source: Research data (2017)**

As per the SPSS generated table above, the equation \( Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \) becomes: \( Y = 0.405 + 0.610 X_1 + 0.521 X_2 + 0.720 X_3 + 0.825 X_4 \)

Where

- \( Y \) = Youth Unemployment
- \( X_1 \) = Credit Facilities
- \( X_2 \) = Training on Entrepreneurial Skills
- \( X_3 \) = Access to Markets
- \( X_4 \) = Information Technology

According to the regression equation established, taking all the independent variables into constant at zero, youth unemployment in Sigowet-Soin Sub –County will be 40.5%. The data findings analyzed also showed that all the independent variables had a positive and significant effect on youth unemployment in Sigowet-Soin Sub –
County as indicated by beta values. The relationships (p < 0.05) are all significant with credit facilities (β=4.361, p< 0.05), training on entrepreneurial skills (β=1.018, p< 0.05), Access to Markets (β=3.432, p< 0.05) and Information technology (β=4.502, p< 0.05). Information technology was found to have a greater (0.825) significance compared to other variables under study followed by access to markets (0.720), credit facilities (0.610) and training on entrepreneurial skills (0.521).

According to Kimuyu and Omiti, (2000) small businesses and youth owned enterprise has poor or no collateral base and hence not able to access credit facilities and access to market. Other challenges included lack of information on source of credit, weak contract knowledge and high cost of transaction. According to UNDP, (2006), the young generations are exposed to poverty as compared to the other groups. They are low in favor in term of social and economic position because of inability to possess property. This added to makes them vulnerable to unemployment. According to Munga, (2014), the technological advancement is also a critical area of concern in regard to youth unemployment.

**HO₁:** There is no significant effect on credit facilities and youth unemployment.

The null hypothesis was thus rejected because t statistics 2.616 has a p value of 0.00 less than 0.05.

**HO₂:** There is no significant effect on training on entrepreneurial skills and youth unemployment.

The null hypothesis was thus rejected because t statistics 2.134 has a p value of 0.00 less than 0.05.

**HO₃:** There is no significant effect on access to markets and youth unemployment.

The null hypothesis was thus rejected because t statistics 2.200 has a p value of 0.00 less than 0.05.
HO$_4$: There is no significant effect on information technology and youth unemployment.

The null hypothesis was thus rejected because t statistics 3.106 has a p value of 0.00 less than 0.05.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter provides summary of the findings, conclusions and recommendation.

5.2 Summary

5.2.1 Credit Facilities

The study revealed that credit facilities had a positive significant effect on youth unemployment. Credit facilities moderately affect youth unemployment. Ease of access to credit facility influence the number of youth entering into business. Interest rates highly affects amount of loan borrowed by youth entrepreneurs with. Access to credit facilities moderately affects youth unemployment.

5.2.2 Training entrepreneurial skill

The study established that training on entrepreneurship skills had a positive significant effect on youth unemployment. Training on entrepreneurial skills affect youth unemployment to a very great extent. It was established that seminars attended by the youth lead to improvement of record keeping greatly affects youth unemployment to a very large extent. Capacity building greatly influences the documentation done by youth entrepreneurs. Youth sensitization moderately affect the youth self-employment opportunities.

5.2.3 Access to market

The study found that training on access to markets had a positive significant effect on youth unemployment as indicated. Access to markets affect youth unemployment to a very great extent. Sales turnover play a great role in the number of sale made by youth entrepreneurs on youth unemployment. Knowledge on marketing determine the number of customers served by youth entrepreneurs to a very large extent. Involvement of government in marketing moderately influence youth unemployment.
5.2.4 Information technology

The study identified that information technology had a positive significant effect on youth unemployment. Networking and information sharing is important in growth of youth enterprises. It was identified that communication influence business to business entrepreneurial partnerships to a very great extent. Access to information technology highly influence the level youth unemployment. Efficiency in ICT moderately plays a crucial role in number of business links.

5.3 Conclusion

The study concluded that credit facilities influence the unemployment of youths. It was necessary for the youth to access finance because of startups and growth of businesses. High value of collateral and interest rate on credit borrowed affects the accessibility of the funds. It is important to enable youth to access to credit facilities with no or low collateral and interest rates in Sigowet-Soin Sub-County in Kericho County, Kenya.

Training of youth entrepreneurship skills is important in addressing high unemployment as young people are more likely to prefer self-employment than adults, but at the same time their rate of self-employment is much less. Management skills, capacity building, seminary and youth sensitization are some factors that were found to be necessary for creation of skills necessary to youth. This is increases innovativeness and new ideas in youth enterprises.

The study concludes that access to markets is central to success of any enterprise and therefore there is need for YEDF to help in exposing the enterprises to potential youths. The knowledge in marking was found to be necessary for growth of youth enterprises. It was found that there was low government involvement in marketing. The 30% preference on government tenders was also important for youth involvement in public tenders.

The study concludes that information technology helps in addressing social and economic problems caused by the fast growth of urban youth populations in Kenya. Information technology offer opportunities to young people for learning, skill
development and employment. But there are downsides, young people in many parts of the country lack in having broad access to these new technologies. It has heightened communication, partnership and efficiency in youth enterprise.

5.4 Recommendation

Most of the funds from youth development funds have not reach the main needs and targeted youth. The study recommend that interest rate and collateral security should be considered in any credit facility. It is also important for youth to be sensitized on youth funds programs available.

The study recommends that training programmed should be a focus on developing entrepreneurial mind-sets, which means changing attitudes. The knowledge required to be an entrepreneur is not only related to professional practice in running a business, but also to skills and attitudes, and to meta-qualities. Participants should be selected based on their motivation to set up a business rather than other characteristics and segmentation can be based on background of participants and their aims.

The study recommends that youth fund strategy need to be linked to youth enterprises since only a few have been linked. Marketing is central to success of any enterprise and therefore there is need for YEDF to help in exposing the enterprises to potential customers.

It is clear that there is an extensive potential for information technology to generate employment for young people. However, this potential will not be realized unless a country has a range of supporting strategies in place, including an enabling environment. Therefore, this study recommends that mentor support for starting ICT-related enterprises is an important service that governments, NGOs or international organizations could organize to provide advice and guidance to young entrepreneurs.

5.4.1 Recommendation for further study

There are needs for further studies on the following areas; Examination of opportunity on area of improvement to youth unemployment. Also there is need to look at assessment of training and employment of youth which need to be improve so that more youth can access job especially programs that would assist the secondary level
and primary drop outs. The access to labor market and youth unemployment is also very important element to be assessed so that where there is weakness can be reinforced.
REFERENCES


ILO publication (2017). *Youth in Crisis; Coming of Age in the 21st Century.*


Janneke P, (2013). *Youth Employment in Developing Countries.*


MoFPED, (2010). The Background to the Budget 2010/11, Strategic Priorities to Accelerate Growth Employment and Socio-Economic Transformation for Prosperity.


APPENDICES

Appendix I: Respondents Letter

Caroline Chebet Cheres,
Kenyatta University,
P.o Box 43844-00100,
Nairobi.

Dear Respondent,

RE: QUESTIONNAIRE ON ENTERPRISE FUND STRATEGIES ON YOUTH UNEMPLOYMENT

I am a student of Kenyatta University taking Master of Business Administration. I am carrying out a research on ‘Enterprise Fund Strategy on youth unemployment in Sigowet/Soin Sub-County’. It is a requirement to carry out a research project as part of the syllabus before completion of the program. I therefore request that you fill this questionnaire to enable me carry out this research successfully. Please answer all the questions honestly so that I may be able to draw a correct conclusion from the study. Do not indicate your name or the name of your group anywhere in this questionnaire. The information you give was treated with utmost confidentiality and will not be revealed to anybody but is purely for academic purpose.

(Use a √ to affirm a statement)

Thank you,

Yours Faithfully,

Caroline C Cheres

D53/KER/PT/28923/2014
Appendix II: Questionnaire

SECTION A: RESPONDENT'S PERSONAL DETAILS

1. What is your age in years?
   - Below 25 years [ ]
   - 25-35 years [ ]
   - 36-45 years [ ]
   - Over 45 years [ ]

2. Gender:
   - Male [ ]
   - Female [ ]

3. Level of Education:
   - Diploma [ ]
   - Post Graduate Diploma [ ]
   - Bachelor Degree [ ]
   - Master's Degree [ ]

4. From which funding institution have you accessed financial support? Please tick the appropriate
   - Youth Enterprise Development Fund [ ]
   - Women Enterprise Fund [ ]
   - Uwezo Fund [ ]

SECTION B: Enterprise Fund Strategies

The statement below relates to the Enterprise funds strategies in Sigowet/ Soin Sub-County in Kericho County, Kenya. The responses are rated on likert scales as follows:
- Strongly agree (SA) = 5, Agree (A) = 4, Undecided (U) = 3, Disagree, D =2 and
- Strongly Disagree (S D) =1. Please tick the option that best suits your opinion on the statement.
Part 1. Access to credit facilities

<table>
<thead>
<tr>
<th>Access to credit facilities</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of access to credit facility influence the number of youth entering into business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of money accessible affect the progress in youth business enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rates affect amount of loan borrowed by youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of collateral influence the frequency in loan application</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to credit facilities affect youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part 2. Training on entrepreneurial skills

<table>
<thead>
<tr>
<th>Training on entrepreneurial skills</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management skills affect the number of enterprises started by the youth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity building influence the documentation done by youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seminars attended by the youth lead to improvement of record keeping</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth sensitization affect the youth self-employment opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training on entrepreneurial skills influence youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Part 3. Access to market

<table>
<thead>
<tr>
<th>Access to markets</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge on marketing determine the number of customers served by youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales turnover play a role in the number of sale made by youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% preferences on government procurements affects contracts awarded to youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involvement of government in marketing influence youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to market is critical in leading to decline in youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part 4. Access to Information Technology

<table>
<thead>
<tr>
<th>Access to information technology</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency in ICT plays a crucial role in number of business links</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Networking is the pillar of business partnerships and deals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information sharing of business ideas in turn direct entrepreneurial activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication influence business to business entrepreneurial partnerships</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to information technology influence the level youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION C: Youth unemployment

Choose the appropriate Likert scale from 5-1 with strongly agree (SA) = 5, Agree (A) = 4, Undecided (U) = 3, Disagree, D =2 and Strongly Disagree (S D) =1.

<table>
<thead>
<tr>
<th>Youth unemployment</th>
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<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business growth in terms of youth groups influence the level of unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance of trained youth determine level of unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business opportunities in terms of contracts awarded influence youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency in business linkages is important regarding level of youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business growth, performance, business opportunities and efficiency are critical in lowering the level of youth unemployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thanks for your cooperation and honesty