THE ROLE OF COUNTY GOVERNMENTS IN PROMOTING EASE OF DOING BUSINESS AMONG THE YOUTH IN KENYA: CASE OF KIAMBU COUNTY

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A RESEARCH PROJECT REPORT SUBMITTED TO THE SCHOOL OF HUMANITIES AND SOCIAL SCIENCES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN PUBLIC POLICY AND ADMINISTRATION OF KENYATTA UNIVERSITY

2018
DECLARATION

This project report is my original work and has not been presented for a degree in any other university

Signature__________________________ Date ______________________

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C153/CTY/PT/32722/2015

This project report has been submitted for examination with my approval as University supervisor.

Signature__________________________ Date ______________________

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DEDICATION

This research report is dedicated to my wife Flora, my children Favour, and Speranza for their support and encouragement during this study.
ACKNOWLEDGEMENT

I express my gratitude to my lecturers, colleagues, and friends for availing to me the necessary resources and encouragement that enabled me to conclude this study.

I thank my research supervisor, Dr. Wilson Muna for his intellectual guidance and dedication during this study.

To my classmates, I thank them all for the many times we were together in learning discussions that enabled me to complete this work.

Finally am grateful to Almighty God for the grace and provision to complete this report.
The Constitution of Kenya, 2010 ushered a new era of governance and introduced a new framework of doing business. One of the main objectives of devolution was to promote social and economic development and provision of proximate, easily accessible services to the citizens. County governments are to achieve this objective by providing favourable environment which enable the populace engage in meaningful economic activities. The County Government of Kiambu was ranked among the top counties by World Bank Group as one of the counties that had performed quite well in promoting ease of doing business especially in starting business sub-index. This study sought to identify the enabling factors as well as complimentary services put in place by the county government of Kiambu to promote ease of doing business among the youth. The Study was guided by the Entrepreneur Alertness theory and the Population Ecology theory. The study purposively sampled Thika Sub County in Kiambu County as the area of study. The study adopted descriptive research design and through non probability sampling technique ninety seven (97) youth doing business in this Sub-County were selected for the purpose of collecting the information required. The instruments used for data collection were questionnaires and interview guides. To ensure reliability and validity of the instruments, a pilot study was conducted. The researcher selected four youths doing business in Thika Sub-County and used them for pilot study. The quantitative data collected was coded, analyzed using Statistical Package for Social Sciences (SPSS). The information was presented through tables, charts and graphs. The researcher ensured that ethical principles were observed and the respondents were aware of their rights. The data collected was wholly used for the purpose of the study. The study concluded that capital accessibility, supportive infrastructure and adherence to business regulations were the main requirements for starting a business, however, youths indicated that those requirements were a great challenge. Infrastructure such as drainage, street light, road pavement and garbage collection for the last four years have improved. Most of the youths had not attended training before engaging in business activities. Further, they deal with customers drawn from within the county. Most of the youth’s businesses have been in operation for a period of 1-2 years. The study concludes that youths conducting businesses within the county have never attended any training offered by the county government. The study found out that there was no follow up made after training was offered to access the applicability of the training to youth businesses. The study recommends that county governments should create enabling environment that support youth business such as developing structures that can enhance accessibility to capital by increasing the maximum loan that an individual may receive. The structures such as stalls developed by the county should be favorable to youths in terms of pricing. Further, the county should conduct enhanced awareness campaign on the available business opportunities and services like training which are offered.
<table>
<thead>
<tr>
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<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
<tr>
<td>EDB</td>
<td>Ease of Doing Business</td>
</tr>
<tr>
<td>GoK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>ICPSK</td>
<td>Institute of Certified Public Secretaries of Kenya</td>
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<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
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<td>KEPSA</td>
<td>Kenya Private Sector Alliance</td>
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<tr>
<td>KES</td>
<td>Kenya Shillings</td>
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<tr>
<td>KIHBS</td>
<td>Kenya Integrated Household Budget Survey</td>
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<tr>
<td>KKV</td>
<td>Kazi Kwa Vijana</td>
</tr>
<tr>
<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
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<tr>
<td>KNCCI</td>
<td>Kenya National Chamber of Commerce and Industry</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>SSBs</td>
<td>Small Scale Businesses</td>
</tr>
<tr>
<td>WBG</td>
<td>World Bank Group</td>
</tr>
<tr>
<td>YEDF</td>
<td>Youth Enterprise Development fund</td>
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DEFINITION OF OPERATIONAL TERMS

Business regulations - Rules and laws which must be adhered/ complied to before and during operations of a business

Complimentary services - Mechanisms put in place to enable business community to sustain their business

Ease of doing business - World Bank group index that compares different jurisdictions on conduciveness and competitiveness of business environment using various parameters (World Bank Group, 2016).

Enabling factors – Mechanisms put in place to encourage development, establishment and operation of business activities especially by the small and medium businesses (ILO, 2003).

Youth - collectivity of all persons who have attained the age of eighteen years but have not attained the age of thirty-five years (GoK, 2010).

Small scale business – Business with not more than 30 employees (White, 2005).
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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Globally, 85 percent of the world’s young population lives in developing countries and an ever-increasing number of them are brought up in cities (UNDP, 2013). By 2030, it is estimated that as many as 60% of all people living in towns will be under the age of 18. The youth is a vital resource that should be tapped to address numerous global problems such as unemployment and underemployment however, worldwide, young people are finding it increasingly difficult to access the labour market (Nebe, Helmut Danner, Monica, Kerretts-Makau, 2016). The majority of Kenya populations are youths, most of who are jobless and look up to sustain their lives through either informal or formal self-employment. The most preferred areas of engagement for youth is in business related activities (GoK, 2006).

One of the pillars anchoring the Constitution of Kenya (2010) is devolution. This pillar was meant to realign the governance in Kenya, steer the nation in the citizen driven direction and ensure the will and the needs of the people are adequately addressed. Through devolution, county governments were established with the aim of taking services closer to the people. Article 174 (f) provides that devolution was meant to promote social and economic development and the provision of proximate, easily accessible services (GoK, 2010). It was expected that the economic status of the populace would improve since devolution is presumed to refer to transfer of resources from the national level to local levels. Further, fourth Schedule Part 2 (7) county governments have a mandate on trade development and regulations (GoK, 2010). Thus, county governments are expected to empower their people economically; assist them in engaging in meaningful source of income activities which would sustain their lives.
The United Nations defines youth as persons aged between 15 - 24 years (UNDP, 2013). The Kenya National Youth Policy (2006) defines youth as individuals aged between 18- 30 years. Further, the Constitution, 2010 Article 260 defines youth as collectivity of all individuals in the Republic who have attained the age of 18 years but have not attained the age of 35 years (GoK, 2010). For the purpose of this study, the definition by the Constitution will be adopted.

A report by the Aga Khan University on the Kenya Youth Survey indicated that the youth in Kenya are majority amongst the population (about 80 percent) and most of them had confidence in life if they engaged in business activities. The majority would like to start their own business, rather than pursue careers (Alex and Scott, 2016). The Kenya Integrated Household Budget Survey (KIHBS) 2005/06 report showed that 80 percent of Kenya’s unemployed populations are youth. The majority are aged between 20 and 29 years (UNDP, 2013).

A report of a Review on Youth Employment initiatives in Kenya Commissioned by the World Bank Group (WBG) and Kenya Vision 2030 indicted various initiatives put in place by national government to improve youth unemployment. However, very little was done to indicate the role of the county governments in reducing youth unemployment (Jutta, 2014). An article on Engaging the Youth in Kenya: empowerment, education, and employment showed that developing and implementing appropriate strategies, policies and programmes was a means through which governments would mitigate the risks and challenges which unemployed youth pose to the society. It also noted that any government must give much more priority to such means (Hope, 2012). In order to ensure youths are quite engaged in meaningful activities, it is important for any government to ensure they are able to assess essential services. The governments should endeavor to motivate them to venture into income generating activities.
The WBG is concerned with comparing different countries in the world on ease of doing business. The group considers several aspects of regulation which affect basic areas of business life. The aspects used to rank countries in terms of EDB include starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency and features of labor market regulation (World Bank, 2017). The report on Ease of Doing Business (EDB) in Kenya indicated that different counties had established various mechanisms to provide conducive environment for investors to do business. Some of the identified parameters included provision of startup capital, processing of permits, registering property and enforcing contracts (World Bank Group, 2016).

The mechanism that promote ease of doing business include time taken to register the business, complexity of the registration process, availability of credit, availability of supportive infrastructure and property transfer process (Mathew, 2015). Kenya Private Sector Alliance (KEPSA) has indicated that on promulgation of the Constitution, county governments stood as new frontiers for investment. However, the policies they develop pose a challenge in the sense of stifling trade and deterring investments. Some of the bottlenecks include; multiple taxes, bureaucracy in solving investment related matters, poor infrastructure and unpredictable policies and regulations (KEPSA, 2016).

Doing business is an indispensable strategy, which with better approaches, would improve employment in the nation. Micro-business also referred to as small scale business is critical, it not only creates jobs, but it’s a viable option for youth. It is incumbent for the governments to develop policies which support or promote ease of doing business or entrepreneurial initiatives/ development as a core strategy for engaging youths. The policies should focus on provision of
credit facility/ access to finance, business training, mentorship and facilitation of market linkages (Jutta, 2014). This is because youths prefer venturing into business though many challenging factors which hinder their involvement. These factors include huge capital requirement, lack of information, high costs of running business, high taxation and legal fees (Chigunta, Schnurr, James-Wilson, & Torres, 2005).

Kiambu County is one of the counties which neighbour the Kenya capital city, Nairobi. The number of youths in Kiambu County was projected by Kenya National Bureau of Statistics (KNBS) to approximately 604,780 in 2014. This is about 33.7% of the population (Statistics, 2015). The argument behind high youth population is due to several training institutions within the county and upon graduation most of youth opt to remain within the County. Secondly, since the county borders the capital city most youth prefer to live in this county rather than moving to the city where cost of living is significantly higher. This has tremendously increased the population of youths in this county. Greater proportion of this youthful population is hopeful that they will venture into business and succeed in life. The county was ranked position 2 on EDB in starting business category/index. The report however, did not provide details on the response of investors to this advantage in relation to establishing businesses (World Bank Group, 2016).

Most of the studies done on the SSBs were geared towards identification of factors that affect their businesses. A study by Mbugua (2014) identified key factors affecting the performance of SSBs in Limuru town market of Kiambu County. However, the study did not identify the role of the county government in facilitating the SSBs run their businesses with ease. Wangui (2015) studied factors influencing growth of small micro-enterprises in Ngurubani town, Kirinyaga County. Kathure (2013) identified factors influencing the growth of youth owned micro and small
enterprises in Tigania West Division, Meru County. The role of the county governments in improving business environment has not been extensively studied.

Table 1.1 County Ranks on Ease of Starting Business (World Bank Group, 2016)

<table>
<thead>
<tr>
<th>County</th>
<th>Procedures (Number)</th>
<th>Time (Days)</th>
<th>Cost (% of income per capita)</th>
<th>Paid in Minimum Capital (% of income per capita)</th>
<th>Distance to frontier Score (0-100)</th>
<th>Ease of starting a business (rank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Busia</td>
<td>7</td>
<td>24</td>
<td>24.1</td>
<td>0.0</td>
<td>82.26</td>
<td>7</td>
</tr>
<tr>
<td>Isiolo</td>
<td>7</td>
<td>25</td>
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<td>82.44</td>
<td>6</td>
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<tr>
<td>Kakamega</td>
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<td>26</td>
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<tr>
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<td>21</td>
<td>19.1</td>
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<td>83.64</td>
<td>2</td>
</tr>
<tr>
<td>Kisumu</td>
<td>7</td>
<td>25</td>
<td>22.1</td>
<td>0.0</td>
<td>82.26</td>
<td>7</td>
</tr>
<tr>
<td>Machakos</td>
<td>7</td>
<td>21</td>
<td>20.9</td>
<td>0.0</td>
<td>83.41</td>
<td>3</td>
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<tr>
<td>Mombasa</td>
<td>7</td>
<td>20</td>
<td>26.9</td>
<td>0.0</td>
<td>82.91</td>
<td>4</td>
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<tr>
<td>Nairobi</td>
<td>7</td>
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<td>Narok</td>
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<td>20.8</td>
<td>0.0</td>
<td>81.92</td>
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<tr>
<td>Nyeri</td>
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<td>27</td>
<td>18.1</td>
<td>0.0</td>
<td>82.26</td>
<td>7</td>
</tr>
<tr>
<td>Uasin Gishu</td>
<td>7</td>
<td>20</td>
<td>20.4</td>
<td>0.0</td>
<td>83.73</td>
<td>1</td>
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This study focused on the role of the county government interventions on promoting ease of doing business among youth in Kiambu County.

1.2 Statement of the Problem

Kenya has faced a significant youth unemployment problem over the years and it has been a serious problem for any government in power (Jutta, 2014). The problem is related to investment climate in the country and economy’s low capacity to create new jobs adequate to absorb the graduates
released to the labor market by the training institutions. Different governments have come up with different strategies to address the problem but little has been achieved (Boaz, Munga, Eldah, 2014). Some of the initiatives include 30% preference for youth in all government tenders, *Kazi Kwa Vijana* (KKV), Uwezo Fund, Youth Enterprise Development fund (YEDF), National Youth Service (NYS) and government internship initiative (Jutta, 2014);(Nebe, Helmut Danner, Monica, Kerretts-Makau, 2016).

In 2010, when devolved governments units were established it was expected that the economic status of the populace would improve since the aim of devolution was to make the local economy more vibrant. Secondly, devolved governments were expected to empower constituents economically by assisting them to engage in economic sustainable activities to boost their income.

The World Bank report on survey conducted in selected counties in Kenya on the EDB ranked Kiambu County at position 2 in ease of starting business sub-index. The report did not inform on the impact of such an achievement to the constituents. It is imperative to assess the effectiveness of such efforts in changing/improving the livelihoods of the youth.

The County Government of Kiambu established a *Biashara* Fund which was targeting to empower constituents to access capital for business start-ups and expansion of existing businesses (County Governemnt of Kiambu, 2016b). The county also conducted trainings on technical skills in entrepreneurship, constructed modern stalls and rehabilitated markets. The government created a communication department or outreach programmes to enhance dissemination and publication of information on the initiatives it was offering to its constituents.

It was expected that with the above mentioned initiatives the youths in Kiambu were at advantage in terms of doing business and most of them would easily get involved in meaningful income
generating activities. This study sought to assess the role of devolved governments in promoting ease of doing business among the youth as well as effectiveness of interventions made by the County Government. The study focused on ease at which youth are able to start and sustain businesses in Kiambu County.

1.3 Objectives of the Study

The objectives of the study were:

1. To identify the enabling factors that promotes ease of doing business among the youth in Kiambu County.

2. To establish the effects of complimentary services on sustainability of youth run business in Kiambu County.

3. To examine how business regulations affect youth-run businesses in Kiambu County.

1.4 Research Questions

1. What were the enabling factors put in place by the county government of Kiambu to promote ease of doing business among youth in the county?

2. What was the effect of complimentary services on sustainability of youth run business in Kiambu County?

3. How did the county government regulations affect youth run businesses in Kiambu County?
1.5 Justification and Significance of the Study

The Kenya National Youth Policy noted that youth unemployment was a major crisis that had persistence globally. To address the problem the policy acknowledged the role of government in providing favourable environment that would enable the youth to pursue self-driven initiatives for self-employment (GoK, 2006). Starting and sustaining businesses was one of the self-driven initiatives. This study aimed at assessing the influence of devolved governments’ role in promoting ease of doing business among the youth in Kenya. The main question this study aimed to answer was whether the county government’s initiatives to promote ease of doing business had influenced the youth to start and sustain businesses activity. The information so obtained from the study would lead to a better understanding on the role of devolved governments in promoting ease of doing business. Further, it would help in identifying the requirements considered by youth to be vital in starting a business and hence devise appropriate programs to motivate them.

Kiambu County had been identified as case study because of relatively high youth population (Statistics, 2015). Secondly, the WBG ranked this county position 2 in ease of starting business sub-index (World Bank Group, 2016).

The significance of this study was to shed light on the problems encountered by youth running businesses in the county. Further, it was to identify the interventions made by the county government to facilitate the youth start and run their businesses with ease. Additionally, it would assist the county government in formulation of policies and strategies with appropriate measures to alleviate challenges faced by youth run-businesses.
1.6 Scope and Limitations

The Constitution of Kenya (2010) through devolution established 47 counties or devolved units and the functions of these counties are similar. County governments have opportunity to individually or collectively put mechanisms in place to enhance ease of doing business. However, this study focused on Kiambu County only. Secondly, the interventions of the county government initiatives may have benefited different demographic groups but the interest of the study was only interested with particular group; the youths. The main limitation was related to the vast area of Kiambu County. This led to sampling a sub county. Further, in the sampled sub county sampling was done such that the effects of limitation were negligible.
CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Review of Related Literature

This chapter reviews several literatures that have written in regard to the objectives of the study from different parts of the world on factors that influence the growth of Small Scale Businesses. The theories related to the literature have been reviewed and a conceptual framework identified.

Devolution involves the transfer of authority and responsibility from central government to lower level agencies which may be autonomous or semi-autonomous. This is achieved through statutory or constitutional provisions that transfer formal powers and functions (Auclair, 2005). Devolution allows public policy decisions for political, administrative and fiscal purposes to be made at the local or devolved units. Devolution differs from decentralization in that devolved units enjoy much more autonomy from central government. The devolved governance is structured in such a way as to ensure interdependence between the central and devolved governments (Mwenda, 2010).

Devolution in Kenya was manifested through establishment of two levels of government namely national and county governments. This led to restructuring of the governance system (to include 47 devolved units/counties) and provisions of specified functions. Article 6 of the Constitution, provides that the processes, operations and procedures in execution of public mandate at both levels of government shall be through consultation and cooperation (GoK, 2010). The working paper by International Labour Organisation (ILO) (2005) on assessing the influence of the business environment on small enterprise indicated that devolved governments have a greater mandate to fulfill in assisting citizens to intending to establish small businesses. The role of devolved governments include: provision of information and direct assistance, creation of fora for small businesses to meet and share experiences, act as a catalyst and facilitator in identifying small business needs and opportunities, formulation of specific policies and regulations that promote
small and medium businesses and develop a local data base on small enterprise activity in their jurisdiction (White, 2005).

The World Bank Group EDB index is meant to provide comparable measures of various elements of business administration and regulation. It considers regulations directly affecting businesses though do not directly measure more general conditions such as a nation’s proximity to large markets, quality of infrastructure, inflation, crime, and other social factors. A nation's ranking on the index is based on the average of 10 sub-indices which World Bank Group considers important in doing business (Mathew, 2015).

The sub-indices are explained herein. Starting business sub-index considers the procedures, time, cost and minimum capital required to open a new business. Dealing with construction permits sub-index investigates the procedures, time and cost to build a warehouse. Connection to electricity sub-index evaluates the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Registration of property sub-index considers procedures, time and cost to register commercial real estate. Ease of getting credit sub-index evaluates the strength of legal rights index and depth of credit information. Protection of investors sub-index considers the extent of disclosure, extent of director liability and ease of shareholder suits. Payment of taxes sub-index considers the number of taxes paid, hours per year spent preparing tax returns and total tax payable as share of gross profit. Trading across borders sub-index looks at the number of documents, cost and time necessary to export and import. Enforcement of contracts looks at the procedures, time and cost to enforce a debt contract. Resolving insolvency sub-index, WBG considers the time, cost and recovery rate under bankruptcy proceedings (World Bank Group, 2016); (Mathew, 2015).
The British Journal of Economics, Management and Trade reported that ease of doing business is determined by several factors like policies to foster corruption control, improved education, reduced government control/ regulations, increased globalization, nature of population and infrastructure (Pollard, Piffaut, & Shackman, 2013).

Governments and states have a mandate to ensure they are attractive to business investors, an obligation to put mechanisms in place to promote ease of doing business (World Bank Group, 2016). Below are examples of some governments which took drastic measures to guarantee conducive and competitive environment for business to thrive. This is a clear indication that states or devolved governments have a major role to play in improving ease of doing business.

In 2016 open governments for SDGs and Partnerships reported that in the past it was very difficult to do business in Philippines due to the requirements of processes which were quite bureaucratic. Aiming to address the issue around bureaucratic red tape and delays, in 2013, a tech-based feedback and monitoring platform was commissioned to provide key insights on improving government service delivery through open governance (citizen participation) and online connectivity. An extensive information dissemination campaign, including Citizen’s Charter and enactment of the Anti-Red Tape laws (laws on transparency in government service delivery) were initiated. That ensured citizens were aware of their right to quality public service delivery. Following the milestones made, an EDB Portal was established. This was to promote values of open governance through publication of data related to starting and operating a business. The portal aimed at providing the public with relevant business-related government services published online for easier access. The key services provided included: information on business registration - including fees, registration process (step and duration); business permit renewal; tax exemptions
applicable to the type of business, and other tax-related information like filing and incentives (Roxanne, 2016).

Nigeria, in 2017 EDB report, was ranked position 169 out of the 190 countries. This caused the Nigerian 8th National Assembly to take steps towards improving the Nigerian business environment, with key legislations cutting across vital sectors of the economy. The legislature passed 11 key priority bills, designed to reposition the Nigerian economy, steering it out of the recession and creating jobs for the unemployed youth (“National Assembly Takes Steps On Improving Ease of Doing Business in Nigeria,” 2016).

The EDB Report 2015, ranked India at 142 among 189 countries; in 2016 it improved to position 130. This was after government of India adopted an initiative dumped 'Make in India' which emphasized on the importance of 'Ease of Doing Business'. A 98-point Action Plan, business reforms were adopted by the Department of Industrial Policy and Promotion. The Action Plan was implemented by the States/Union Territories by June, 2015. In 2016 a 340 Point Action Plan was prepared for implementation by the State Governments after detailed stakeholder consultation. Through the State Governments there was an improvement on ease of doing business (Mathew, 2015).

In Kenya, other than national government, county governments have a significant role to play in ensuring regulatory environment is favorable for startup and operation of businesses. In this aspect, both county executives and assemblies must offer incentives and initiatives aimed at improving ease of doing business. There has been indication that government had taken steps to remove obstacles by streamlining and simplifying bureaucratic procedures by use of technology, and reducing or eliminating minimum-capital requirements (USAID Kenya, 2015).
Governments have a role in enterprise development which is to facilitating, through creation of supportive infrastructure. Regulating with restrictive laws is contrary to the spirit and principle of facilitation. Regulation is not prohibited but it is only required to ensure business do not turn to be harmful to itself, other businesses, or the community. Thus, the role of the government should be more of a facilitator and less of a regulator. When a government achieves such then it may be declared that ‘Ease of Doing Business’ has prevailed (Mathew, 2015).

Youth unemployment is a bigger challenge for governments in Kenya and globally. Youth Employment Network (YEN) and Youth Employment Summit (YES) identified entrepreneurship as a key priority in the promotion of youth livelihoods and employment (Chigunta et al., 2005). Governments have an obligation to provide alternatives to formal employment which is earnestly sought after by the youth. The main alternative is supporting and promoting ease of doing business especially the small scale businesses. Evidence indicates that micro-businesses not only create jobs, but it is a viable option for the youth. Thus, every government policy should be geared towards supporting business development as a core strategy for the youth (Jutta, 2014).

The Wales Action Plan 2010- 2015 noted that young people are positive to the idea of starting a business, but are not equipped or have no confidence to take the initial steps. The government launched a campaign to bring together opportunities to help young people develop ideas and also prepare them to make the decision to start up business (Welsh Assembly Government, 2010). The European Commission (EC) Policy Brief on Youth noted that youth face several barriers which prevent them from venturing into business. Some of the barriers identified include social attitudes, lack of skills, inadequate entrepreneurship education, lack of work experience, insufficient capital, lack of networks, and market barriers (OECD, 2012). A study on assessing the influence of business environment on SSB indicated that youth encounter obstacles in their course of starting
business or even doing business. The challenges include access to finance, business training, market linkages, market information, skills on record keeping, information on investments and savings, follow-up and mentorship, registration of business and infrastructure (White, 2005).

Governments can support the youth who venture into business by securing a supportive infrastructure that would help them overcome barriers associated with lack of networks, business incubators, finance for premises and access to associated start-up support like young entrepreneurs networks (OECD, 2012). An effective government policy aimed at dealing with (decrease) youth unemployment should stimulate development and initiation of new businesses (Mirjam, 2003). In 2013, Franz, Kiambuthi and Muthaka, reporting for World Bank on Effective Dimensions of Entrepreneurship Education and Training observed that a government can initiate several programs to inspire youth to engage in business related activities. These programs would include entrepreneurship education, Sector/product-specific programs, Micro-finance projects, Incubators, Business plan competitions, integrated Business Development Services (BDS) hubs and Market development projects (Jutta, 2014).

Business survival is critical. Governments should not only stimulate business start-ups but should also offer complimentary services to ensure those businesses are sustained. A well-known problem with new businesses is their high dissolution rate such that for every 100 start-ups only 50 firms survive the first three years (Mirjam, 2003). Since many youth-run businesses operate in highly competitive markets with low barriers to entry, it is the reason that many do not necessarily grow, survive or provide sustainable incomes. This is an indication of the broad challenges that most young businesses have in growing and surviving (OECD, 2012).
The County Government of Kiambu has endeavored to encourage youth to start up small business. Several incentives have been put in place to motivate and make it easier for youth to innovate and engage in business activities. The process to obtain the business permit is relatively inexpensive and takes two days and thus it is one of the counties where it is easiest to start up a business in Kenya (World Bank Group, 2016). In 2014, the county set aside a biashara fund to support business startups. The fund was meant for both groups and individuals. The fund was to be implemented into two folds/ dimensions Mobiloan at a 1% interest rate – meant for small market businesses and through a revolving fund Kshs. 200m was set aside. The fund offered a capital advance of up to Kshs. 100,000 to individuals who intended to start business. The individuals targeted were youth, women and persons living with disabilities. The fund also offered up to KES 500,000 to eligible groups seeking to start a business or willing to expand already existing small business (County Governemnt of Kiambu, 2016b).

In 2014, approximately 7,407 youth (both male and female) enrolled in tertiary institutions to train in different courses. The county also embarked on training the youth for skill enhancement with a view to preparing them for the labour market and equipping them with useful skills necessary for doing to do business (Statistics, 2015). Appropriate infrastructure is critical for business establishment and survival. The county made effort to provide conducive infrastructure like construction of modern stalls, rehabilitation of markets, street lighting and improvement on road network. Efforts were made to ensure dissemination and publication of information on incentives and opportunities available for youth (County Governemnt of Kiambu, 2016a).

Starting and sustaining business involves several steps which must be met in order for the business to operate legally. A study on factors influencing the growth of youth owned micro and small businesses in Meru County indicated that these business suffer from access to financial resources,
unfriendly business environment (government regulations and stiff competition) and inadequate experience/skills (Kathure Kiruja, 2013). A study on factors affecting the performance of Small and Micro businesses revealed there was scarcity of access to information, finance, managerial experience and infrastructure (Kamunge, Njeru, & Tirimba, 2014).

A concerned government has very key role in promoting ease of doing businesses. Counties in Kenya play a significant role in creating favourable environment for businesses establishment, growth and flourishing. The government acts as a promoter, facilitator and a regulator (ILO, 2003). This study focuses on the enabling factors, complimentary services and business regulations put in place by county government of Kiambu to promote ease of doing businesses among the youth. The focus is on county government because government policies are crucial in providing the basic environment for business to flourish. Policy resolutions pave way for business environment (Saleem, 2010).

**Enabling Factors**

ILO, 2003, defines enabling factors as the mechanisms/initiatives put in place to encourage development, establishment and operation of business activities especially by the SSB. Businesses are delicate adventures and without the support of the government new businesses or enterprises cannot take off (Orwa and Abd, 2012). Governments may appear to have very limited role in promoting ease of doing business but they have the responsibility to create an ecosystem that will stimulate establishment of new businesses by private actors, facilitate business continued sustainability, and eventual exit as and when the purpose is complete or the business turns unviable, physically, financially or otherwise (Mathew, 2015).

Governments can provide enabling factors for target business to succeed through policies and laws designed to help businesses startup and growth. To attract business startup in counties, the
investors must be supported by an enabling environment that creates confidence for investment (KEPSA, 2016). This can be achieved by removing unnecessary legal and regulatory requirements and facilitating compliance with regulatory authorities. Through such efforts the target group may have easy access to markets, inputs required, financing and necessary information. Addressing the barriers and constraints to small business or enterprise growth, governments can provide a more enabling environment that improves the prospects for such businesses (ILO, 2003).

The youth looking to start businesses are in need of support such as information, advice, coaching and mentoring to help them overcome knowledge gaps especially those who lack self-employment experience and labour market experience. Supporting youth during and after start-up with some form of training is critical for it complements any knowledge acquired earlier in school (OECD, 2012).

Infrastructure emerges as a major constraint on doing business. The Commission for Africa indicated that infrastructure is a key determinant of investment climate, reducing the costs of doing business and enabling people to access markets. (Africa’s Infrastructure: A Time for Transformation, 2010). A study showed that business infrastructure is exceptionally important in supporting and promoting ease of doing business (Pollard et al., 2013). To attract and facilitate youth investment in SSBs it is important to provide oriented commercial infrastructure such as business or industrial parks, and markets or business incubators (Sambo, 2016). Inappropriate business premises or infrastructure pose a challenge to youth intending to set up business. They also suffer from inability to secure supportive infrastructure that can help overcome barriers associated with finance for premises, office or operation centers. This is mostly attributed to extremely high lease charges, location and cost of premise, lack of networks and access to associated start-up support (OECD, 2012). Most business people cite high rental charges as a
A major impediment to startup and growth of businesses (Achimba Okirigiti, Abdul Raffey, & Ambedkar, 2015). Some major functions of the Kenya devolved governments geared to enable business thrive include critical functions such as refuse collection, street lighting, pavement / road improvement, oversee the market stall ownership (GoK, 2010).

A study on challenges facing youth entrepreneurs in Kenya indicated that there are many youths who have an idea of establishing business but they face unique challenges (Achimba Okirigiti et al., 2015). Some of the challenges are related to government requirements like business registration and licensing and fear of failure (Katz, 2009). There are certain qualities or skills that are needed for establishing and running a business regardless of the type of business (Nickels, 2007). The key socio-economic factors affecting the performance of businesses are access to finance and availability of management experience, access to business information and access to infrastructure (Kamunge et al., 2014).

Source of initial capital and business financing is a crucial challenge (Katz, 2009). The majority of potential youth entrepreneurs cite capital as the major challenge to startup and growth of business (Chigunta et al., 2005). It has been identified as the most significant barrier to business start-up since attracting equity capital is quite difficult for a small start-up for they find it difficult to borrow from banks, as they can offer neither collateral nor a track record of successful repayment. Then youth require to be provided with alternative finance programmes to ease access to capital (OECD, 2012). Young people are disadvantaged because they suffer from low personal savings and fail to qualify for external financing from financial lending institutions. The financial institutions apply a set of criteria in the assessment of loan applications such as credit history, past business performance and collateral (OECD, 2012).
Business information is a pillar to successful startup and sustenance of business. The youth have limited business networks and business-related social capital. This has adverse effects on setting up and running businesses as well as building trust among the key stakeholders (OECD, 2012). Although some youth may be educated and are likely to have more information about access to resources, technology and market conditions, they still face entry barriers to informal sector (Chigunta et al., 2005).

Complimentary Services
Running a business requires expertise since markets are unstable and unpredictable and the government should be business supportive rather than stifle business (Orwa and Abd, 2012). The government should provide favourable conditions to enable the started business overcome the test of times. Research has shown that most new business started fail within two years depending on who runs the business (Headd, 2003). Noting that of every 100 start-ups only 50 firms survive the first three years governments should focus on both stimulating business start-ups, and minimizing business dissolutions (Mirjam, 2003). The government has a role in providing complimentary services to ensure the business initiated by young people survive the market dissolution trend.

The youths operating small business struggle to survive in the market. They suffer from challenges such as lack of business management, leadership and technical skills, inadequate of markets for their products and poor coordination of small business owners associations and institutions (Nebe, Helmut Danner, Monica, Kerretts-Makau, 2016).

The study on factors affecting the success of startup of youth enterprises in Nairobi County indicated that youth who had training were in better position to manage time, manage stock, handle customers, maintain updated business records and sustain general business performance (Murimi, 2014). Education and training is crucial for youth to establish and run their businesses. A study on
impact of entrepreneurship education showed that college graduates who are trained in SSB or entrepreneurship have higher chances of starting and sustaining the business than graduates who did not have such training (Libecap, 2000). The most common areas of training may include accessing market information, bookkeeping, savings and investment and financial and risk management. The most critical areas to help eliminate business failure are business plan, business finances, marketing, human resource development and accounting (Nickels, 2007).

**Business Regulations**

The 47 devolved governments in Kenya have constitutional power and autonomy to regulate trade activities. They are vested with the power to plan, develop, and regulate businesses in the areas within their jurisdiction (GoK, 2012). This includes regulation of hawkers, licensing and issues pertaining to public health as well as ensuring normal business operations (Yunus, Bustaman, Faridatul, Wan, and Rashdi, 2014).

Business community and especially SSB face different local regulations and practices, depending on the county of operation (World Bank Group, 2016). Governments have a responsibility to regulate business but also facilitate by removing potential barriers that may hinder business establishment and investment. Small scale businesses require special attention as they constitute the vast majority of businesses and contribute to creation of jobs and social economic success of the economy (European Commission, 2015).

The government regulations may as well impede startup of businesses. Introduction of regulations or practices mostly increases cost, time or complexity of doing business (World Bank Group, 2016). A government can make it increasingly difficult for business startup and flourishing through burdensome regulation that lengthens procedures and raises the chances of business failure. Regulations that increase either the cost, time or complexity of doing business are an
impediment (World Bank Group, 2016). Recognizing the challenge faced by youth intending to start business in Europe, the European Commission developed and adopted the Small Business Act which provided guidelines on the design and implementation of policies to help start-ups of business by young people. The aim was on improving the business environment for start-ups by simplifying administrative procedures and regulations, particularly regarding business start-up and registration (OECD, 2012).

Business regulation and quality of public administration is one of the main areas of structural reforms through which states can improve their economic outcomes. Promoting the "ease of doing business" or cutting "red tape" may be accomplished through measures that imply no, or limited, budgetary cost to individuals willing to set up business (European Commission, 2012a). Every aspects of business may be regulated but success of any business is dependent on the legal environment. Laws relating to licensing, taxation and levies, monopoly controls, public health administration and shops establishments play crucial role in both establishing and sustaining businesses (Saleem, 2010).

Government policies and regulations have a reasonable effect on performance of business. Any government has to ensure businesses thrive since it drives some of its revenue through taxes and reduces unemployment. It is upon the government’s best interest for business environment or economy to be healthy for business to thrive (Kamunge et al., 2014). Government may ensure this through use of interest rates, tax incentives, trade policies, contracting and grants. The regulations the government put in place are very key to the nature of environment created for success of businesses. Certainty or predictability of policy and regulation is important for predictability in business environment. This would support planning and decision making (KEPSA, 2016).
2.2 Theoretical Framework

Theoretical Framework
This study aimed at determining the role of county government in promoting ease of doing business and its influence among the youth in Kiambu County. The study was based on two theoretical frameworks namely the entrepreneur alertness theory and the population ecology theory.

The Entrepreneur Alertness Theory

The proponent of this theory is Prof. Israel M. Kirzner. The theory postulates that markets are not always clear, and there is no perfectly informed agent and for any change, the entrepreneurs need incentives (Kirzner, 1973). The incentives come from different players in terms of information and knowledge. Entrepreneurship involves discovery of opportunities and the extent to exploit the same. The theory emphasis on the conditions necessary to establish and sustain an equilibrium in a market (Tiryaki, 2005).

This study explored the roles of devolved government in promoting ease of doing business among youth in Kiambu County. The study acknowledged the challenges small scale business experienced in the process of startup and operations. It assumed that the youth were alert to any initiatives or opportunities that the county government presented to enable them engage in business related activities.

The Population Ecology Theory

The proponent of this theory is Prof. Michael T. Hannan in 1977. The theory assumes that the external environment determines the entire existence of a new firm from the beginning—birth, growth and death (Hannan, 1977). The theory takes the organisations as the unit of analysis and
examines the external environment which includes structural, economic and political conditions, which lead to the creation of new forms of organisations (Hannan & Freeman, 2010). Organizational ecology is concerned with investigating how social conditions influence the rate of creation of new firms or businesses and demise of businesses (Singh & Lumsden, 1990). This approach explains the birth of new firm and examines questions regarding the factors that influence the rate at which business are established and dissolved (Evers, 2003).

Based on this theory, this study assumed that any started business was bound to be dissolved at some point. There are many causes of the dissolution most of which are external. This study sought to identify the complimentary services and business regulations put in place to ensure the business startup and operation was favourable to avoid unprecedented business deaths. The assumption was that if the county government provided complimentary services and friendly business regulation, the business established and operated by youth would overcome other adverse external impacts.
Conceptual Framework

**Independent Variables**

- **Enabling Factors**
  - Access to capital
  - Link to the market
  - Infrastructure/ Premises

- **Complimentary Services**
  - Market information
  - Training
  - Business performance monitoring

- **Business Regulations**
  - License application process
  - Business registration
  - Types of taxes

**Dependent Variable**

**Ease of doing Business**
- Efficiency
- Responsiveness
- Timeliness

**Modulating variables**
National government policy

Figure 2.1 Conceptual Framework
CHAPTER THREE: RESEARCH METHODOLOGY

The main aim of the study was to assess the role of devolved governments in promoting ease of doing business among the youth in Kiambu County. Research methodology refers to the systematic approaches applied to solve a research problem (Kothari, 2009). This chapter outlines the research design, population and sample, research instruments, data collection procedures and data analysis methods, which were used to conduct the research.

3.1 Research Design

Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2009). Descriptive research design was adopted for this study. Descriptive design involves collecting data in order to test hypothesis or answer questions concerning the status of the subject of study with aim of making generalization (Kothari, 2009). Considerable attention was given to selection of the sample that was representative of the population. Further, the descriptive survey was intended to produce statistical information about aspects of comparative study.

3.2 Variables/ Categories of Analysis

A variable is a measurable characteristic that assumes different values among subjects. The variable assumed to be the cause is called an independent variable and the variables in which it produces changes is called the dependent variables. Modulating variable is a variable that affects the strength of the relation between the independent and dependent variables (Kumar, 2011).

The ease of doing business among youth, as the dependent variable, was a function of role of the devolved governments. Thus, role of devolved governments was the independent variable.
3.3 Site of the Study

The study was carried out in Kiambu County and purposive sampling was done to select the youth operating businesses in Thika Sub-County (Map Attached).

3.4 Study Population

The estimated population of the youth in Kiambu County is 632,816 and Thika Sub County was 70,556 (KNBS and SID, 2013). The registered businesses in Thika sub County were 10,100 as at September 2016. The total number of small scale businesses owned by youth in Thika Sub-County was 3,500 (County Government of Kiambu, 2016b).

3.5 Sampling Techniques and Sample Size

A non-random sampling method was employed and purposive sampling technique was adopted in selection of the sample. The essence of this method was the consideration of who can provide the best information to achieve the objectives of the study (Kumar, 2011).

In determining the appropriate sample size three criteria are usually specified or put into consideration. These were the confidence level, confidence interval and the degree of variability in the attributes being measured (Kumar, 2011).

To determine the sample size at confidence level of 95%, 10% precision level and 50% degree of variability; it followed that-

The Sample size (SS) = \( Z^2 \times P(1-P)/Q^2 \) (Kothari, 2004).

Where \( Z \) is \( Z \) score at 95% Confidence level

\[ P \] - degree of variability

\[ Q \] - precision level
SS = (1.96^2)\times 0.5(1-0.5)/(0.1^2) = 96.04 \approx 97

Using the formula for proportions; SS = N/ \{1 + (N\times Q^2)\} (Yamane, 1967).

Where N was population size

Q is precision level

Thus, SS = 3500/ \{1 + (3500\times 0.1^2)\} = 97

A sample size of 97 youth owning business in Thika Sub- County, Kiambu County was selected. It was constituted such that it was typical or representative of the whole population (Kothari, 2009).

The researcher also interviewed the Chief Executive Committee (CECs) Members in charge of Youth, Sports and Communication in Kiambu County; Trade, Tourism, Industry and Cooperatives and the Chairman, Kenya National Chamber of Commerce and Industry Kiambu chapter.

3.6 Research Instruments

The research instruments refers to data gathering tools which are used by a researcher to collect the required data (Gray, 2009). This study used both questionnaires and interview guides.

A questionnaires is a document containing questions and other types of items designed to solicit information appropriate to analysis (Bartjan, 2010). Questionnaires are easier to administer, analyze and economical (Kothari, 2009). A questionnaire was designed to enable collection of primary data. The questionnaires were designed using simple and precise language. It contained both open and close-ended questions. It was the most appropriate method of collecting data because it took little time of the respondent.

Interview guide is a schedule or a set of questions that the researcher uses when conducting interview (Kothari, 2009). An interview guide was designed to assist the researcher to collect information from Kenya National Chamber of Commerce and Industry (KNCCI) – Kiambu
County Chapter, CECs in charge of Trade, Tourism, Industry and Cooperatives; and Youth, Sports and Communication in Kiambu County.

3.7 Pilot Study

The purpose of pilot testing was to establish if the data collection instruments work as intended. It was done by administering the questionnaire to four non-randomly selected youths doing business in Thika Sub-county. The outcome of pilot study was used to test whether the instruments were effective, such that the questions were clear and understandable (Gray, 2009). The response from pilot testing was used to ascertain the validity and reliability of research instruments.

3.8 Validity and Reliability

Validity

This refers to the appropriateness, quality and accuracy of the procedures adopted for finding answers to the research questions; validity is the ability of an instrument to measure what it is designed to measure (Kothari, 2004). To ensure validity the researcher scrutinized the instruments of research and compared them with those in the set objectives to ensure that they contain all the information that adequately address the research questions.

Reliability

This is the degree of accuracy or precision in the measurements made by a research instrument (Kumar, 2011). The researcher tested the instruments of data collection after pilot study to ensure their reliability. This was achieved by comparing the observations and data provided by the four respondents selected for pilot study. The comparison was done to ascertain consistence of the
information obtained. In addition, there was expert input from the supervisor in scrutinizing the relevance of the items on the instruments.

3.9 Data Collection

Interviews and questionnaire were used to collect data. The researcher administered the questionnaires to the identified youth. The respondents were expected to read and understand the questions and write down the reply in the space meant for the purpose in the questionnaire (Kothari, 2004).

The researcher conducted personal interview to collect information from CEC in charge of Trade, Tourism, Industry and Cooperatives; and CEC in charge of Youth, Sports and Communication in County Government of Kiambu. The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses (Kothari, 2004). The researcher visited the offices of the CECs and KNCCI – Kiambu County Chapter and conducted the interview.

3.10 Data Analysis

Data analysis is the calculation of statistics, word processing and the graphic presentation of data (Kumar, 2011). It is also computation of certain indices or measures along with searching for patterns of relationship that exist among the data groups (Kothari, 2009). Thus, it may be simplified to mean processing of observations to draw out or understand their meaning. It involves editing, coding, cleaning- removing inconsistencies and incompleteness, classification, tabulation, computation and representation (Kothari, 2009).

The qualitative data collected was coded, processed and analyzed using thematic analytical tools. The qualitative data was converted to numerical codes representing attributes of measurements of variables, open ended questions was coded by grouping responses according to recurring themes.
Quantitative data was processed and analyzed using Statistical Package for Social Sciences (SPSS). The data was then tabulated and classified into sub-samples according to common characteristics. Responses were coded to facilitate descriptive statistics analysis. Tables, charts, graphs, and computer graphics were used to present data.

### 3.11 Ethical Considerations

Ethical consideration and data management is critical to effective research. It is important to look at ethical issues in relation to various stakeholders in a research activity. The main stakeholders are the research participants or subjects, the researcher and the funding body (Kumar, 2011).

The ethical issues were adhered to by ensuring all the respondents participated voluntarily and their feelings considered with utmost respect and confidence (Kumar, 2011).

The researcher informed the respondents on the purpose of the data and also collected only the data related to the study. He also ensured that the processing of data conformed to the pledge made and controlled data disclosure for privacy purposes (Kumar, 2011).

The researcher also ensured punctuality in appointments as well as use of clear and simple language when communicating to the respondents (Kothari, 2004).
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction
In this chapter the results of the research were presented, analyzed and interpreted. The purpose of the study was to investigate role of county governments in promoting ease of doing business among the youth in Kenya with focus to Kiambu County government. The study made use of frequency tables and figures to present data. The finding was intended on answering the study’s research questions. Data composed was collated and reports were produced in form of tables and figures and qualitative analysis done in prose.

4.2 Response Rate
The study targeted a sample of 97 respondents’ of youth owning business in Thika Sub-County. However, out of 97 questionnaires distributed 85 respondents filled in and returned the questionnaires, this represented a 88% response rate. This is a reliable response rate for data analysis since for generalization a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is excellent (Mugenda, O. and Mugenda, 2003). The response rate demonstrates enthusiasm of the respondents to partake in the survey that the study sought.

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled in questionnaires</td>
<td>85</td>
<td>88</td>
</tr>
<tr>
<td>Un returned questionnaires</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>97</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.3 Demographic Characterization of the Respondents
The study relied on the following information so as to categorize the different results according to their acquaintance and responses.

4.3.1 Gender of the Respondents
The findings show the gender of the respondents. From the findings, the study established that the majority (56%) of the respondents were female while (44%) were male. This shows that there are more female than males involved in business activities in Thika Sub-County. This is an indication
that most of the youth doing business were of female gender. KOT 1 informed that the projected youth running business in Kiambu County was approximately 3500. KOT 2 indicated that-

‘the youth form less than 30% of the membership of the KNCCI, Kiambu chapter’.

This was an indication that most of the youth were not members of the chapter.

**Table 4.2 Gender of the Respondents**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>37</td>
<td>44</td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)

**4.3.2 Age Bracket**

The study aimed to identify the age bracket of the youth participating in the interview. Table 4.3 shows the summary of the findings, from the study 32% of the of the respondents were aged 30-35 years, 35% aged between 25-29 years, 28% aged between 20-24 years while 5% were below 20 years. This is an indication that majority respondents were between 25 and 35 years.

**Table 4.3 Age Bracket**

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>20-24</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>25-29</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>30-35</td>
<td>27</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)

**4.3.3 Marital Status of the Respondents**

Marriage is one of the most important social institutions. The perceptions and attitudes of the person can also differ by the marital status of the persons because the marriage might make the persons little more responsible and matured in understanding and giving the responses to the questions asked. Figure 4.1 shows that majority of the respondents 52% of the respondents were
single while 48% were married. This is an indication that the respondents were fairly distributed in this research and thus the findings of this study did not suffer from gender insensitivity.

**Figure 4.1 Marital Status of the Respondents**

![Marital Status Chart]

Source: Author (2018)

**4.3.4 Level of Education**

Education is one of the most important characteristics that might affect the person’s attitudes and the way of looking and understanding any particular social phenomena. In a way, the response of an individual is likely to be determined by his educational status and therefore it becomes imperative to know the educational background of the respondents. Figure 4.2 shows the findings of the results, most (47%) of the respondents had attained diploma as their highest academic qualification, 22% had KCSE certificate as their highest academic qualification, 18% had bachelor, 7% had attained KCPE certificate while 1% had no education background. The study showed that 92% had at least acquired basic education. This was an indication that most of the youth running businesses had attained some academic qualification. Additionally, the respondents had ability to respond to the questions appropriately.
Form of Business Ownership

The study required the respondents to indicate the form of business ownership. The results are as depicted in table 4.4, majority (62%) of the respondents indicated that their enterprises were sole proprietorship, 29% indicated that they are in partnership, 7% indicated that they are in other category while 2% were in corporation.

Most youth prefer starting a business as an individual and later enter into partnership on examining the success (European Commission, 2012b). KOT 1 and KOT 2 informed that most of the youth practised sole proprietorship form of business and were in business activities such as agribusiness, horticulture, livestock keeping, poultry, value additions and hawking.

Table 4.4 Form of Business Ownership

<table>
<thead>
<tr>
<th>Form of Business Ownership</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole proprietorship</td>
<td>53</td>
<td>62</td>
</tr>
<tr>
<td>Partnership</td>
<td>25</td>
<td>29</td>
</tr>
<tr>
<td>Corporation</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)
4.3.6 Nature of the Business

The study further sought to establish the various business activities that the participating enterprises involved in. Majority (34%) of the respondents were running a retail business, 18% were running clothing and wears business, 13% were running a beauty/salon business, 11% were running a wholesale shop while 8% were in hospitality sector. There were several reasons which informed the choice of a business an individual wants to run (Wangari, 2006). KOT1 and KOT 2 informed that most youth in business were dealing with clothing, hardware, carpentry, manufacturing of paints, metal melting, paints and chemicals, printing services such as printing of posters, brochures, magazines, spare parts, tiles manufacturing and welding of chairs and tables. KOT2 further indicated that most of the youths had engaged on business activities such as hawking, transport industry, agri-business, beauty shops, cyber cafes, mobile money Shops, construction industries, tailoring and design and others were on value additions.

Kirunja (2013) study on factors influencing the growth of youth owned micro and small enterprises identified similar business activities which youth conduct. Mureithi (2015) in a similar study identified similar business activities.

Table 4.5 Nature of the Business

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Wholesale shop</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Transport</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Hospitality</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Beauty/Salon</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Clothing/wears</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Construction</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Workshop/garage</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>spare parts shop</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)
4.4 Enabling Factors

4.4.1 Requirements to Start a Business

The respondents were required to indicate their level of agreement with the various statements relating to credit availability. A scale of 1 to 5 was used where 1-very difficult, 2-difficult, 3-fair, 4-good, 5-very good was provided to the respondents to enable ranking of the factors. From the findings, respondents pointed that accessibility to sources of capital was the main challenge that youth found when intending to start a business, as indicated by mean score of 3.52, supportive infrastructure was ranked second with a mean score of 3.26, and adherence to business regulations was ranked third indicated by mean score of 2.93 while business premises was ranked fourth as the requirement that they found difficult when starting a business.

The findings indicated that lack of access to sources of capital and supportive infrastructure were common and key challenge to a youth who intended to start a business (Kamunge et al., 2014).

<table>
<thead>
<tr>
<th>Table 4.6 Requirements to Start a Business</th>
<th>Mean</th>
<th>STDev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business premises</td>
<td>2.59</td>
<td>0.904</td>
</tr>
<tr>
<td>Capital Accessibility</td>
<td>3.52</td>
<td>1.310</td>
</tr>
<tr>
<td>Adherence to business regulations</td>
<td>2.93</td>
<td>0.923</td>
</tr>
<tr>
<td>Supportive Infrastructure</td>
<td>3.26</td>
<td>0.549</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.4.2 Awareness of County Activities to Promote Youth Business

The study further aimed to investigate the awareness of the respondents about the county government initiatives to promote youth to start business. From the findings, most (64%) of the respondents indicated that they were aware of the county government initiatives to promote youth business in the county while 36% were not aware of any county government initiatives.

This was an indication that majority of youth were aware of the mechanisms put in place by the county government to promote youth business.
4.4.3 Initial Capital

The study further sought to establish the initial capital that was required to start a business in Thika Sub-county. According to the results in table 4.7, most (32%) of the respondents indicated that they had an initial capital of between Ksh 20,000 and 50,000, 25% had an initial capital of between Ksh 100,000 and 200,000, 24% had an initial capital of Ksh 50,000-100,000, 11% of had an initial capital of Ksh 200,000-500,000, 7% had a starting capital below Ksh 20,000 while 2% had more than Ksh 500,000 as their initial capital.

This indicated that most of the respondents had low initial capital. This was tied to the finding that greatest challenge in starting up business was accessibility to sources of capital. Further it indicated that most of the youth operate small businesses.

Table 4.7 Initial Capital

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20,000</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>20000-50000</td>
<td>27</td>
<td>32</td>
</tr>
<tr>
<td>50000-100000</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>100000-200000</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>200000-500000</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Above 500000</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)
4.4.4 Main Source of the Capital

The respondents were requested to indicate the main source of their capital for starting a business. Figure 4.4 shows the finding of the study, majority (59%) of the respondents indicated that they main source of capital was from the grant/gifts, 21% from bank loans, 12% sourced from the Sacco loan, 6% from their savings while 2% sourced from the county business fund. KOT 1 informed that-

‘The county government, in 2015, established a youth business fund. The fund was given to youth in form of loan attracting a one off interest rate. It was payable between 1-2 years. The repayment was monthly. However, a successful individual applicant could get a maximum of Ksh.100, 000’.

The findings show that most of the youth business sourced the main capital for their business from gift and grants. Similar studies showed that small enterprises have trouble obtaining access to finance (White, 2005). A study on factors affecting performance of small and micro business revealed that access to capital or finances was a challenge to a great extent to the performance of business (Kamunge et al., 2014). The findings of this study agreed to study which concluded that most small scale businesses use their own personal finance or boost from friends as seed capital (Evers, 2003).

Figure 4.4 Source of the Capital

![Source of the Capital](image)

Source: Author (2018)
4.4.5 Number of Employees

The study also sought to establish the size of the companies in terms of number of employees. The results in Figure 4.5 shows that 44% of the business enterprises had less than 5 employees, 28% of them had between 11 to 20 employees, 25% of the enterprises had between 5-10 employees while 4% of the respondents indicated that their enterprises had between 30-40 employees. There was indication that close to 69% businesses had less than 10 employees. This shows that the businesses operated were small in size. This was because the size of the business determines the number of employees (Evers, 2003).

Figure 4.5 Number of Employees

Source: Author (2018)

4.4.6 Level of awareness about County Government Youth Business Fund

The respondents were required to indicate whether they were aware of the existence of county government youth business fund. According to the results, 57% of the respondents pointed that they were aware while 44% of the respondents pointed that they were not aware. This was an indication that the information on the business fund was not available to every youth.

Table 4.8 Level of awareness about County Government Business Fund

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>48</td>
<td>57</td>
</tr>
<tr>
<td>No</td>
<td>37</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)
4.4.7 Request for Fund
The respondents were required to indicate whether they had applied for the youth business fund. From the findings, majority (92%) of those aware applied for the fund. Further, 54% applied as individual while 46% applied in group under group category.

Table 4.9 shows the findings on who applied. Though 44 respondents were aware of the fund, 8% did not apply. KOT1 pointed that

‘individual applicants got a maximum of Kshs. 100,000 while groups were legible for a maximum of Kshs. 500,000. The fund targets mostly the start-up of youth businesses’.

To start a business Kshs. 100,000 may be quite little and may require other complimentary source of funds.

Table 4.9 Application of Fund

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>44</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.4.8 Purpose of the Business Support
The study investigated the purpose for requesting for the fund. From the findings, majority 41 (94%) of the applicants indicated that they wanted the fund as a source of capital or as a compliment to their capital source while 3(6%) indicated that they wanted the fund to expand their businesses. KOT 2 informed that -

‘KNCCI had initiated necessary platform to assist introduce youth to various helpful organizations that may help in financing youthful entrepreneurs.’

This indicated that most of the youth had hope in starting businesses through financing provided by the county business fund.
4.4.9 Beneficiary of Business Fund

The study further sought to investigate whether the applicants benefited from youth business fund. From the study 82% (36) of the applicants indicated that their requests were successful. 18% (8) of the applicants did not receive the fund from county government. KOT1 indicated that-

‘funds were used to fund the youth through asset financing model, for example some beneficiaries had benefited with 600 water tanks for agri-business, 1000 motor bikes for bodaboda businesses, brooding machines and chicks, and over 1400 beneficiaries (small scale business through mobi loan.’

KOT 2 indicated that-

‘the model adopted by the county on youth business fund was not quite beneficial to the residents.’

Figure 4.7 Beneficiary of Business Fund

Source: Author (2018)
4.4.10 Duration Taken to Receive Fund

The study sought to investigate the time taken from application to disbursement of the fund or receive response. Most (33%) of the beneficiaries pointed that it took 2-4 weeks to get the response, (28%) pointed that it took 1-2 months, 19% indicated that it took 4-6 months, 15% indicated that it took less than 2 weeks, 2% pointed that it took 2-4 months while 2% pointed that it took more than 6 months to get the fund they applied for.

There was no uniformity on the time taken to process the application and providing response to the applicants.

Studies have shown that in enhancing ease of doing business government administration is supposed to provide feedback the soonest possible without delay (“Theme 5 : Enhancing the business environment,” 2010).

**Figure 4.8 Duration for Taken for the Fund Disbursement**

```
<table>
<thead>
<tr>
<th>Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 2 weeks</td>
<td>15</td>
</tr>
<tr>
<td>2-4 weeks</td>
<td>33</td>
</tr>
<tr>
<td>1-2 months</td>
<td>28</td>
</tr>
<tr>
<td>2-4 months</td>
<td>2</td>
</tr>
<tr>
<td>4-6 months</td>
<td>19</td>
</tr>
<tr>
<td>more than 6 months</td>
<td>2</td>
</tr>
</tbody>
</table>
```

Source: Author (2018)

4.4.11 Percentage of Fund Obtained

Table 4.10 shows the percentage of fund disbursed from the total fund applied for. From the study findings, 44% of the beneficiaries indicated that they got 40-59%, 35% got less than 40% of the fund they applied, 13% got 60-90% of the fund they applied while 8% got above 90% of the fund.

KOT 1 pointed that-

‘as at April 2018 KShs. 230 million had been disbursed. The rate of defaulting was minimal since the fund focuses on asset financing model. Further, there was rigorous vetting before an individual/ group qualifies for the fund. There was framework to assist in following up to
ensure the funds were used for the right purpose. Training beneficiaries was also a means of follow up.’

The information published by (County Governemnt of Kiambu, 2016a) confirmed the above statements. This was indication that most of the beneficiaries received less than (even less than 40%) the amount they applied. This was reflected in the earlier finding that the youth fund was not the main source of capital. Receiving less than 40% of the fund applied for may not be very facilitative since the applicant must look for complimentary source of capital.

Table 4.10 Percentage of Fund Disbursed

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 90%</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>60%-90%</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>40%-59%</td>
<td>14</td>
<td>44</td>
</tr>
<tr>
<td>less than 40%</td>
<td>11</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.4.12 Adequacy of Fund to Accomplish Business Purpose

Figure 4.9 shows the finding of the study on whether the fund disbursed was enough to accomplish the business purpose. From the findings, 52% of the respondents pointed that the fund was not enough while 48% indicated that the fund was adequate in complimenting other source of capital for their businesses.

This was an indication that the funds acquired from the county solely was not enough to start a business. The applicants sought for complimentary funding to either start or boost the level of their stock.

Figure 4.9 Adequacy of Fund to Accomplish Business Purpose

Source: Author (2018)
4.4.13 Requirements for Youth Business Fund Repayment

The researcher requested the respondents to rate the terms for youth business fund and conditions for repayment. From the findings grace period for the fund repayment ranked highly as indicated by mean score of 3.04, monthly installment, repayment period and interest rate were ranked as indicated by mean score of 2.96, 2.95 and 2.92 respectively.

The indication was that though grace period ranked high, the respondents weighed all the terms at almost the same level. These challenges have a great effect in determination of the form of business financing to apply.

That is similar to the findings that at the point of applying for the loan for capital the terms and conditions may not make much difference (Kamunge et al., 2014). A study on factors influencing growth of youth owned small and medium enterprises in Nairobi County found out that the youth owning business have challenges such as short repayment period, high interest rates and lack of collateral to obtain a loan for their business (Sharu & Guyo, 2015).

<table>
<thead>
<tr>
<th>Table 4.11 Requirements for Biashara Fund Repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Interest rate</td>
</tr>
<tr>
<td>Repayment period</td>
</tr>
<tr>
<td>Grace period</td>
</tr>
<tr>
<td>Monthly installment</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.5 Infrastructure Promoting Ease of Doing Business

4.5.1 Development of Infrastructure

The study further determined how the infrastructure in Thika sub-county has been improved in the last four years. From the study most of the respondent indicated that drainage has been highly improved in the last four years as indicated by mean of 3.47, followed by street light by mean score of 3.33, pavement/road has also improved as depicted by mean score of 3.29. Market facilities and garbage collection has also improved as indicated by mean score of 3.12 as shown in each case. Lastly, water supply was ranked least to have been improved as indicated by mean score of 2.82.
Small scale businesses mostly care about infrastructure which has direct impact on their business (Africa’s Infrastructure: A Time for Transformation, 2010). Thus, drainage and street lighting ranked higher.

**Table 4.12 Development of Infrastructure**

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Mean</th>
<th>STDev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavements/roads</td>
<td>3.29</td>
<td>0.355</td>
</tr>
<tr>
<td>Water supply</td>
<td>2.82</td>
<td>0.759</td>
</tr>
<tr>
<td>Street lighting</td>
<td>3.33</td>
<td>0.024</td>
</tr>
<tr>
<td>Drainage</td>
<td>3.47</td>
<td>0.218</td>
</tr>
<tr>
<td>Market facilities</td>
<td>3.12</td>
<td>0.884</td>
</tr>
<tr>
<td>Garbage collection</td>
<td>3.12</td>
<td>0.005</td>
</tr>
</tbody>
</table>

Source: Author (2018)

**4.5.2 Support of Infrastructure Improvement on Business**

Figure 4.10 shows the finding of the study on whether infrastructure improvement has promoted business activities. Majority (80%) of the respondents pointed that infrastructure improvement had promoted business activities while the rest (20%) indicated otherwise. KOT 2 indicated that –

‘there were market facilities done by the county with intention to hand them over to youth however, the stalls were sold at very high prices.’

That was an indication that the improvement on roads was critical in easing movement of goods thus improving ease of doing businesses. Nijsen (2009) noted that infrastructure improvement is very essential for business growth. To attract and facilitate investment in micro, small and medium business, oriented commercial infrastructure like business or industrial parks, and markets should be prioritized (Pollard, Piffaut, & Shackman, 2013).

**Figure 4.10 Support of Infrastructure Improvement on Business**

Source: Author (2018)
4.6 Link to the Market

4.6.1 Business Training
The study also aimed to establish whether the respondent had attended any business related training before engaging in business activities. The study established that out of 85 respondents who participated in this study, 34% have attended business training while the rest (66%) had not attended any business training.

This is an indication that most of the youth doing business have no skills in business management. This may be attributed to the nature or size of the business they run. Further, a study on factors affecting youth entrepreneurship development within Kenya: the perspective of entrepreneurship education showed that there was a very weak positive relationship between level of education to youth entrepreneurship development but a strong positive relationship between provision youth entrepreneurship training and youth entrepreneur development (Sambo, 2016). Training on areas such as managerial and marketing skills was crucial since it gives more knowledge which in turn improves the performance of the business (Sharu & Guyo, 2015).

Figure 4.11 Business Training

![Pie Chart showing the percentage of businesses that have attended training and those that have not.]

Source: Author (2018)

4.6.2 Source of Business Stock
The study also sought to establish the percentage of stock sourced within the county for the businesses. It is established that out of 85 respondents who participated in this study, 80% sourced their stock within the county while the remaining 20% source outside the county.
This was an indication that the businesses were dealing with goods and services which are locally available. This was a trend for small scale businesses.

Table 4.13 Source of Business Stock

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>68</td>
<td>80</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.6.3 Creation of Business Awareness

Figure 4.12 indicated the way in which the business owners create awareness about their business to the clients. From the findings, 62% of the respondents indicated that most of their customers are referrals by other clients. 36% pointed that they advertise through social media and pamphlets to get customers, while the rest customers come to know about their business through other means. KOT1 indicated that-

‘the county government of Kiambu had special considerations on awarding tenders to youth as required by the law. Further, in any other procurement opportunities youth would always be given the priority.’

Figure 4.12 Creation of Business Awareness

Source: Author (2018)
4.6.4 Origin of the Customers

The study further established the origin of the customers, majority (93%) of the respondents indicated that most of their customers are from within the county while the rest (7%) indicated that their most of the customers are not from the county.

This indicated that most of the small scale businesses deal with local customers. This was mainly due to the services and goods they offer to the market.

<table>
<thead>
<tr>
<th>Table 4.14 Origin of the Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.7 Complimentary Services

4.7.1 Duration of Business Operation

The study aimed to investigate the duration of which the business had been in operation. From the findings, 37% of the respondents pointed out that their business had been in operation for a period of 1-2 years, 18% that their business have been in operation for 4-5 years, 15% pointed that they have operated for 2-3 years, 14% have operated for more than 5 years, 11% indicated that they have been operating for between 6-12 months while 6% indicated that they have operated for less than 6 months. This indicates that 54% of the respondents had operated their business for a period less than three (3) years.

This implied that most of the youth were not in business for long time. This is mainly attributed to business failure especially on businesses operated by youth (European Commission, 2012b).

KOT2 observed that-

‘there was high rate of business failures of business run by youth because youths assumed their newly started businesses were enterprises hence very high return expectation within a short duration.’
General more than half of the respondents were in business for a period less than 2 years. This indicates that most of the businesses started had not lasted for a long period.

### Table 4.15 Duration of Business Operation

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-6 months</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>6-12 months</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>1-2 years</td>
<td>31</td>
<td>37</td>
</tr>
<tr>
<td>2-3 years</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>4-5 years</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>more than 5 years</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)

#### 4.7.2 Challenges that Face Youth Run Businesses

Tables 4.16 shows the finding of the study on challenges that the business run by youth face in. From the findings, most of the respondents indicated that scarcity of raw material/stock is the main challenge that they faced as indicated by mean score of 3.29, inadequate capacity / skills was ranked second with a mean score of 3.01, Accessing the market was ranked as the third with mean score of 2.98, financial and risk management was forth with a mean score of 2.46 while stiff competition was ranked fifth with a mean score of 2.13. KOT 1 indicated that-

‘the common challenges facing youth run businesses included financial management such as record keeping, insecurity and inadequate capital. Further, failure to reinvest the profits accrued. Additionally, betting had led to closer of several businesses.’

KOT 2 highlighted that-

‘some of challenges experienced were such as inadequate capital, financial management, impatient/abandoning business too early, trying so many businesses at the same time. Further that the youth who had contracts from the county government their businesses had severely suffered due to delayed payments.’

The most common challenge to youth business was scarcity of raw materials or stock for their business. This was followed by inadequate skills to run the business. This may be cured by acquisition of appropriate skills. That was closely followed by ability to access market. Limited
access to markets remains a severe constraint to SME growth and competitiveness in Kenya owing to a shrinking domestic market due to globalization (Sharu & Guyo, 2015).

Table 4.16 Challenges that Face Youth Business Operations

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Mean</th>
<th>STDev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scarcity of raw material/stock</td>
<td>3.29</td>
<td>0.360</td>
</tr>
<tr>
<td>Stiff competition</td>
<td>2.13</td>
<td>0.818</td>
</tr>
<tr>
<td>Financial and risk management</td>
<td>2.46</td>
<td>0.888</td>
</tr>
<tr>
<td>Inadequate capacity / skills</td>
<td>3.01</td>
<td>0.912</td>
</tr>
<tr>
<td>Accessibility to the market</td>
<td>2.98</td>
<td>0.883</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.8 Training

4.8.1 Training Offered by County Government on Operations of Business

The study further aimed to investigate whether respondents have attended any training offered by the county government. From the findings, majority (81%) of the respondents pointed that they had not attended any training offered by the county government while only (19%) indicated that they have attended. KOT1 informed that-

‘the county department of youth had organized different types of training for the youth who venture into business or are planning to venture.’

This was an indication that most youth doing business were not aware of such training opportunities organized by the county.

Figure 4.13 Training on Operations of Business

Source: Author (2018)
4.8.2 Areas of Training Offered during the Training

Figure 4.14 indicate the areas in which the youths were trained on by the county government pertaining business operation. From the 17 respondents who attended training on business operation that were offered by the county government, 41% of the respondents indicated that they were trained on financial and risk management, 29% were trained on market information, 18% were trained on bookkeeping skills while 12% were trained on saving and investment. KOT1 indicated that-

‘some of the trainings offered to youths were basically on technical skills enhancement such as painting, plumbing, woodwork, and ceiling, masonry, entrepreneurship and how to access government procurement opportunities.’

Figure 4.14 Areas of Training Offered during the Training

![Bar chart showing areas of training](chart.png)

Source: Author (2018)

4.8.2 Impact of training on Running Business

The study requested respondents to indicate whether the training offered to them benefited the business operation. From the findings (88%) of the respondents indicated that the training offered was of great benefit to their business operation while the rest (12%) indicated that the training does not offer any benefit to their business. KOT1 informed that-

‘the trainings offered were quite helpful to the youths running business. Especially trainings on financial management, record keeping and risk management.’
Appropriate business skills are critical for growth of small scale business. Likewise development of a skilled and educated business community was fundamental to the growth of small businesses generally (White, 2005).

Table 4.17 Impact of training on Running Business

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>15</td>
<td>88</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.8.3 Awareness of Training

Further the study aimed to investigate how respondents learnt about the training. From the findings (47%) of the respondents indicated that they learnt about the training through notice in public places and posters, 24% learnt through mainstream media advert and social media advert as shown in each case, while 5% learnt through other sources.

Majority of the respondents were not aware of the trainings offered by the county government. However, out of those aware majority learnt from notices in public places and posters. This was an indication that expansive use of notice and posters would assist in reaching a wider group of persons. The county should adopt new technologies in order to reach a wider coverage. Such initiative should enable seamless access to information and seamless flow of information (Mathew, 2015).

Table 4.18 Awareness of Training

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainstream Media advert</td>
<td>4</td>
<td>24</td>
</tr>
<tr>
<td>Social media advert</td>
<td>4</td>
<td>24</td>
</tr>
<tr>
<td>Notice in public places and posters</td>
<td>8</td>
<td>47</td>
</tr>
<tr>
<td>Other means</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17</td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)
4.9 Monitoring Business Performance

4.9.1 Follow up on Training Applicability in Youth Businesses
The study also requested whether county government make any follow on the training they offered to see whether it is applied in the business. From the findings, 59% indicated that there was no follow up while only 41% indicated that there was follow up.

This was indication that after training the county let free the trainees to use the skills acquired without close monitoring. Training is critical and its important in improving business performance is well understood thus, training on managerial skills are required in the businesses to a great extent (Kamunge et al., 2014) then it may not be necessary to follow the extent of application of skills required.

Figure 4.15 Follow up on Training Applicability in Youth Businesses

Source: Author (2018)

4.10 Business Regulation

4.10.1 Duration taken to Acquire Business License or Permit
The study aimed to investigate the duration taken by the respondents to acquire business permit. From the findings, most (38%) of the respondent pointed that it took 2-4 weeks, 33% pointed that it took 1-2 weeks, 23% it took less than a week, 5% it took 4-6 weeks while the rest (1%) indicated that it took more than 6 weeks to acquire business permit.

This indicates that it averagely takes a month (4 weeks) to acquire a business license/ permit.
4.11 License Application Process

4.11.1 Total Cost for Business Permit Application

The study aimed to investigate the amount the respondent incurred when applying for the business permit/license. Figure 4.17 shows that majority (65%) pointed that it cost them 5000-10000, 20% it cost them 10001-20000, 10% it cost them less than 5000 shillings while the remaining 5% indicated that it cost them 20001-50000 shilling to apply for the business permit. KOT 2 informed that-

‘the cost of acquiring business permit depends on the nature and size of the business.’

This implied that the cost/charge is proportional to the nature of business. It further indicated that the small businesses were not burdened with huge charges or costs of business renewal.
4.11.2 Rating the Cost of License Application

The respondents were requested to rate the cost of license/permit application. The table 4.19 shows that majority (51%) pointed that the cost of application of business permit was average, 25% indicated that the cost was high, 21% indicated that the cost of acquiring the permit was very high while the rest 4% indicated that the cost was very low.

These perceptions may be justified since different respondents had paid different charges in applying the business permit because their businesses were not homogeneous.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>High</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>Average</td>
<td>43</td>
<td>51</td>
</tr>
<tr>
<td>Very low</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.12 Types of County Rates/ Fees and Effect

4.12.1 Effect of Rates Payable on Business Operation

Further the study investigated the effect of rates payable. From the findings, 61% of the respondent indicated that the effects of the rates payable were average, 21% indicated that the rate is high, 14% indicated that it is very high while 4% indicated that the rate is low. KOT 2 indicated that –

‘Business charges/ rates were dependent on the nature of business operated.’

Majority indicated that the effect of charges was average. This implied that the businesses were not adversely affected by the rates payable. That indicates a positive trend since administrative burdens or regulatory costs like business processes to meet requirements, payments for licensing fees tend raise investment costs (European Commission, 2017).
Table 4.20 Effect of Rates Payable on Business Operation

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>12</td>
</tr>
<tr>
<td>High</td>
<td>18</td>
</tr>
<tr>
<td>Average</td>
<td>52</td>
</tr>
<tr>
<td>Low</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.12.2 Certainty of the Amount Payable as Fees to County Government

The study established the level of certainty of the levies/fees payable. Figure 4.18 shows the finding of the study on the certainty of the amount payable as fees to county government. The study shows that the certainty of the amount payable as fees to county government is average as indicated by 58% of the respondents, 26% indicated a high certainty, 14% had very high certainty while 2% had low certainty on the amount paid to county government. KOT 2 informed that-

‘Business charges/rates were not predictable since they kept changing annually depending on the County Finance Act.’

4.12.3 Duration taken to Renew Business Permit after Paying Rates

Table 4.22 shows the duration taken to renew business permit after paying/clearing rates or charges. From the findings, 42% of the respondents indicated that it took 2-5 days, 38% it took less than 2 days, 11% it took 2 weeks while 9% indicated that it took more than 2 weeks.
This indicates that it mainly takes 5 working days to clear/renew business permit once the rates/charges were paid.

**Table 4.21 Duration taken for Clearance after Paying Rates**

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 days</td>
<td>32</td>
<td>38</td>
</tr>
<tr>
<td>2-5 days</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>2 weeks</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>more than 2 weeks</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of study findings, conclusion and recommendations on the role of county governments in promoting ease of doing business among the youth in Kenya with focus to Kiambu County.

5.2 Summary of Findings

5.2.1 Enabling Factors
The study investigated the enabling factors put in place to promote ease of doing business among the youth. From the findings, the highest ranking challenge was accessibility to capital. This was the main requirements and it’s a challenge youth who wish to start a business. Supportive infrastructure was ranked second, adherence to business regulations was ranked third.

Access to Capital
Most of the youth businesses run at Thika town had an initial capital of between Ksh 20,000 and 50,000. The findings indicated that most of capital was sourced from grant and gifts. This is despite the county government setting aside business fund which was established in 2015. The fund was given to youth in form of loan attracting one off interest rate. It was payable between 1-2 years. However, only 57% of the respondents pointed were aware about existence of county government business fund. Further, not everyone aware applied for the fund, its only 92% that applied. Qualifying for the fund was not guaranteed, this is because only 75% of the applicants succeeded. Notable was that the applicant did not get the 100% of the fund applied for, majority got between 40-60%. A majority of applicants (54%) of the beneficiary applied for the fund as individuals and majority had sought funds for business capital.

Infrastructure Improvement
The study established that there was improvement on infrastructure development especially drainage, street light, road pavement and garbage collection for the last four years. Provision of necessary infrastructure such as market facilities (kiosks/ stalls) facilitated business activities in aiding youth start business, even though it was sold at quite high prices. The improvement on roads was critical in easing movement of goods thus improving ease of doing businesses.
Link to the Market
The study established the role played by the county government in linking youth business to the market. It was established that majority of the respondent did not attend business training before engaging in business activities. The study revealed that majority of the business sourced their stock within the county. Further, most of the businesses relied on referral as a means of creating wider customer base. In addition, it was established that majority of the customers/clients were from within the county.

5.2.2 Complimentary Services
The study revealed that majority of the youth’s businesses had been in operation for a period less than 2 years. However, the businesses faced enormous challenges including scarcity of raw material and stock, inadequate capacity/skills, access to the market, financial and risk management. KOT1 and KOT2 identified similar challenges faced by youth run businesses. The challenges included financial mismanagement, record keeping, insecurity, inadequate capital and failure to reinvest. Further, youths who conduct business with the county government suffered from delayed payments. KOT1 indicated that the county government was offering some services to enable youth sustain their businesses.

Trainings Offered by County Government
The study established that most of the youths conducting businesses had not attended any training offered by the county government. However, the county government through youth department organized different types of training for the youth who venture into business or are planning to venture. Those who had attended the training indicated it was on financial and risk management, market information and bookkeeping skills. In addition, they indicated that the training was of great benefit. Most of the participant in these training learnt about the training through notices and posters in public places.

Monitoring Businesses Performance
The study established that though the county government offered training, it did not conduct follow up on whether the trainings were applied or benefiting the trainees. However, the county government monitored businesses of those who sourced the fund from the county business fund. The monitoring program was conducted to minimize the insecurity and risks of the assets acquired through the fund.
5.2.3 Business Regulation
The study established that it took 2-4 weeks to acquire business permit/license. The cost of the application and processing the permit was between KShs. 5000-10000. To majority of the businesses this cost was moderate. However, the cost of permit/license depended on the nature and size of the business. Likewise, to renew business licenses or permit, the process took 1-2 weeks. This is quite effective since most governments all over the globe had initiated programs on cutting the red tape (Nijsen, 2009).

County Rates and Charges
The study found that the effect of rates payable on business operations was average. This was because the payments depend on the size of the business. Further, it was judiciously possible to predict the rates payable each year. The process of clearance of county rates and charges took 2-5 days. This was quite short duration meaning the responsible department was facilitative.

5.3 Conclusion
The study concluded that access to capital, supportive infrastructure and adherence to business regulations were main requirements. The youths found such as the main challenge when starting a business. Most of the youth business startup capital was between Ksh 20,000 and 50,000 where most of the capital was sourced as grant or gifts. This was despite the county government setting up business fund in 2015 business startups. Further, only 57% of the youth running business were aware about existence of county government business fund. Majority of those aware applied for the fund and majority were successful. However, the funds approved for each applicant was between 40-59% of the request. The beneficiaries pointed that the funds received were not adequate to meet the total capital requirement.

The infrastructure such as drainage, street light, road pavement and garbage collection was core to any business. It required continuous improvement so as to attract business and improve easing the movement of goods thus improving ease of doing businesses. Business infrastructure was an indicator about how easy it was to conduct business in a country (Pollard et al., 2013). Construction of infrastructure such as market stalls had assisted the youth to easily access markets though they were sold at high prices.
The complimentary services offered by the county government were training, offering market information and monitoring business performance. This was important for it would support already running business ensuring that the rate of business failure was minimal. However, indications were that most of the youths’ businesses were in operation for a period less than 2 years. Majority of the youths doing businesses within the county had never attended any training offered by the county government, even though, county government through youth department organized different types of trainings. The skills acquired in such trainings were helpful in decision making, handling customers, understanding needs of clients, improving business performance through better managerial and marketing skills (Sharu & Guyo, 2015). The study showed that the means through which the information about such trainings was disseminated to the youth was not adequate to reach the majority. Further, the county government was not keen in monitoring whether trainees were implementing the acquired skills in running their businesses. The only monitoring done was on business whose capital was sourced from the county business fund.

The study established that the regulations on processing of business permit and licenses for small scale businesses took 2-4 weeks while it cost Kshs 5000-10000 to apply for a business permit. To renew business licenses or permit, the process took 1-2 weeks. This was quite effective since Nijsen, (2009) found that costs of compliance place a relatively substantial burden on small scale businesses. Business related policies and laws are indispensable to promote and stimulate growth of the small scale businesses. Further, the study found that the effect of rates payable on business operation was moderate and there was a high level of predictability on amount payable as fees and rates to county government. It took an average of 5 days to process clearance on such matters of rates and charges.

5.4. Recommendations

Based on the study findings the following recommendations were made:

1. The county governments should create enabling environment that support youth business such as developing structures that can enhance accessibility of capital by increasing the maximum loan that an individual applicant may receive.
2. In order to assist youth start businesses, the county government should venture into development and improvement of existing infrastructure. The infrastructure such as
business stalls developed by the county government should be affordable to the target group, this would ensure the objective of such undertakings was achieved.

3. There was need for the county government to conduct enhanced awareness campaign to the youth’s business community on the available business opportunities and services. Such approaches would make youths aware and enable them make use of the complimentary services offered by the county government.

4. To enhance growth of youth businesses, the County Governments should prioritize and promptly pay for the services or goods supplied by the small scale youth businesses.

5.5 Areas for Further Study

This study conducted a research on role of county governments in promoting ease of doing business among the youth in Kenya with focus to Kiambu County. The study suggested that further research could be done on the challenges faced by the county government in implementation of youth oriented/related business programs. The study also suggested that further study be done on the effect of county government programs on growth of youth run businesses focusing on other counties in order to give reliable result that can be adopted across the country.
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APPENDICES

A 1: Introductory Letters

Christopher Gitonga
Kenyatta University
Cell Phone: 0723 443 437
nyagagitonga@students.ku.ac.ke
Nairobi.

26th January, 2018.

Dear Sir/Madam,

RE: REQUEST FOR PARTICIPATION IN THE RESEARCH STUDY

I am a student at Kenyatta University pursuing Master of Public Policy and Administration (MPPA). I am currently undertaking a research project on" "The Role of County Governments in Promoting Ease of Doing Business among Youth in Kenya: A Case of Kiambu County".

This is to request for your participation in the research by completing the enclosed questionnaire. All the information provided will be used purely for academic purposes and will be treated with utmost confidence.

Thank you for your cooperation.

Yours faithfully,

Christopher Gitonga,
MPPA Student: Kenyatta University.
Christopher Gitonga
Cell Phone: 0723 443 437,
nyagagitonga@students.ku.ac.ke
Nairobi.

26th January, 2018.

Chief Executive Committee Member
Trade, Tourism, Cooperatives & Enterprise Development
County Government of Kiambu
Kiambu.

Chief Executive Committee Member
Youth Affairs, Sports, ICT & Communication
County Government of Kiambu
Kiambu.

Dear

RE: REQUEST FOR PARTICIPATION IN THE RESEARCH STUDY

I am a student at Kenyatta University pursuing Master of Public Policy and Administration (MPPA). I am currently undertaking a research project on” "The Role of County Governments in Promoting Ease of Doing Business among Youth in Kenya: A Case of Kiambu County".

Part of my data collection in my study involves interviewing the CECs in charge of:

a) Trade, Tourism, Cooperatives & Enterprise Development; and
b) Youth Affairs, Sports, ICT & Communication.

The purpose of this letter is to request for a meeting with you in your office for the purpose of data collection.

All the information provided will be used purely for academic purposes and will be treated with utmost confidence.

Thank you for your cooperation.

Yours faithfully,

Christopher Gitonga,
MPPA Student: Kenyatta University.
Christopher Gitonga
Cell Phone: 0723 443 437,
nyagagitonga@students.ku.ac.ke
Nairobi.

26th January, 2018.

Chairman,
Kenya National Chamber of Commerce and Industry,
Kiambu County Chapter
Kiambu.

Dear

RE: REQUEST FOR PARTICIPATION IN THE RESEARCH STUDY

I am a student at Kenyatta University pursuing Master of Public Policy and Administration (MPPA). I am currently undertaking a research project on "The Role of County Governments in Promoting Ease of Doing Business among Youth in Kenya: A Case of Kiambu County".

Part of my data collection in my study involves interviewing the Chairperson, Kenya National Chamber of Commerce and Industry – Kiambu County Chapter.

The purpose of this letter is to request for a meeting with you in your office for the purpose of data collection.

All the information provided will be used purely for academic purposes and will be treated with utmost confidence.

Thank you for your cooperation.

Yours faithfully,

Christopher Gitonga,
MPPA Student: Kenyatta University.
A2: Questionnaire

This questionnaire is designed to collect data towards the study on “The Role of County Governments in Promoting Ease of Doing Business among the Youth in Kenya: A Case of Kiambu County”. The data will be used for academic purposes only and it will be treated with utmost confidence. The respondents are highly encouraged to respond to the statements in this questionnaire objectively. Your participation in facilitating this study will be highly appreciated.

The Questionnaire has four (4) Sections. Kindly, tick in the space provided appropriately or supply the required information.

SECTION A: Demographic details and General information (Tick appropriately)

a) Sex:  
   Male [ ]  Female [ ]

b) Age in Years:  
   Below 20 [ ]  
   20-24 [ ]  
   25-29 [ ]  
   30-35 [ ]  
   Above 35 [ ]

c) Marital Status  
   Married [ ]  Single [ ]

d) Highest level of Education:  
   Post Graduate [ ]  
   Bachelor [ ]  
   Diploma [ ]  
   KCSE [ ]  
   KCPE [ ]  
   Non Formal [ ]  
   Any Other level [ ] Specify ________________________

e) Form of business ownership (Tick one)  
   Sole proprietorship [ ]  
   Partnership [ ]
Corporation []
Others [] Specify____________________________

f) **Nature of the business (You may tick more than one)**
   Retail Shop []
   Wholesale Shop []
   Transport []
   Hospitality []
   Beauty/ Salon []
   Clothing/ Wears []
   Construction []
   Workshop/ Garage []
   Spare parts []
   Others [] Specify____________________________

**SECTION B: Enabling Factors**

a) How do you rate ease of fulfilling/ meeting the following requirements to start a business? (Tick Appropriately)

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Very difficult</th>
<th>Difficult</th>
<th>Fair</th>
<th>Good</th>
<th>Very Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business premises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Accessibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adherence to business regulations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supportive Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

i) Are you aware of any county government initiatives to promote youth to start business? (Tick one)
   Yes []
   No []

b) **Initial and Access to Capital**

i) How much was your initial capital? (Tick one)
   Below 20,000/= []
   20,000 - 50,000/= []
   50,000 - 100,000/= []
   100,000 - 200,000/= []
   200,000- 500,000/= []
   Above 500,000/= []

ii) What was the source of the capital? (you may tick more than one)
    Savings []
    Bank Loans []
SaCCO Loans []
County Business funds []
Gifts/Grants []
Others [] Specify____________________________

iii) How many employees do you have in your business? (Tick one)
Less than 5 []
5-10 []
11-20 []
30-40 []
40-50 []
Above 50 []

iv) Are you aware of County government biashara fund (Business Fund)/Revolving fund? (Tick one)
Yes []
No []

v) Which one ________________________________

vi) How did you apply as (Tick one)
A group []
An Individual []

vii) What was the purpose of the business support? (Tick one)
Business expansion []
Business capital []

viii) Have you ever benefited from any of the business fund? (Tick one)
Yes []
No []

ix) How long did it take from application to disbursement of the fund (Tick one)
Less than 2 weeks []
2-4 weeks []
1-2 months []
2-4 months []
4-6 months []
More than 6 Months []

x) What portion of the fund requested you receive? (Tick one)
Above 90% []
60% - 90% []
40% - 59% []
Less than 40% []

xi) Was the fund adequate to enable you accomplish the purpose intended as stated in (viii)? (Tick one)
xii) How do you rate the following requirements for *biashara fund* repayment?

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Very High</th>
<th>High</th>
<th>Average</th>
<th>Low</th>
<th>Very Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grace period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Installments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c) **Infrastructure Improvement**

i) How do you rate improvement of infrastructure in Thika sub-county in the last four years?

<table>
<thead>
<tr>
<th></th>
<th>Very High</th>
<th>High</th>
<th>Average</th>
<th>Low</th>
<th>Very Low</th>
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<tbody>
<tr>
<td>Pavements/roads</td>
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<tr>
<td>Water supply</td>
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<tr>
<td>Street lighting</td>
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<td>Drainage</td>
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<td>Market facilities</td>
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<td>Garbage collection</td>
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</tbody>
</table>

ii) Has the infrastructure improvement promoted business activities? (Tick One)

Yes [ ]

No [ ]

iii) How has the infrastructure improvement in (ii) above benefitted your business?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

iv) What other facilitation did you receive from the county government in establishing and running your business?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
v) What do you think the county government should do to improve business environment?
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________


d) **Link to the market**

i) Did you attend any training before starting your business (Tick one)
   Yes [ ]
   No [ ]

ii) How did you identify the business opportunity?
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

iii) Do you get supply of your stock from within the county? (Tick one)
    Yes [ ]
    No [ ]

iv) How do the people get to know your business? (Tick one)
    Advertisements [ ]
    Referrals [ ]

v) Are most of your customers from the county? (Tick one)
    Yes [ ]
    No [ ]

**SECTION C: Complimentary Services**

a) How long have you been in this business? (Tick one)
   0-6 months [ ]
   6 – 12 months [ ]
   1-2 Years [ ]
   2-3 Years [ ]
   4-5 Years [ ]
   More than 5yrs [ ]

b) How do you rate the following challenges that face operations of the business?
<table>
<thead>
<tr>
<th>Scarcity of raw material/ stock</th>
<th>Very High</th>
<th>High</th>
<th>Average</th>
<th>Low</th>
<th>Very Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stiff Competition</td>
<td></td>
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<tr>
<td>Financial and risk management</td>
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<tr>
<td>Inadequate capacity/ skills</td>
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<tr>
<td>Accessibility to the market</td>
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<tr>
<td>Other ________________________</td>
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</tbody>
</table>

**c) Trainings Offered by County Government on Operation of Business**

i) Have ever received any training on operations of business organized by county government of Kiambu (Tick one)
   - Yes [ ]
   - No [ ]

ii) If the answer in (i) above is ‘yes’, tick the topics you were trained on (you may Tick more than one)
   - Financial and risk management [ ]
   - Market information [ ]
   - Bookkeeping Skills [ ]
   - Savings and investment [ ]
   - Other [ ] Specify _______________________

iii) Was the training beneficial in the running of your business (Tick One)
   - Yes [ ]
   - No [ ]

iv) How did you learn about the training? (Tick One)
   - Mainstream media advertisements [ ]
   - Posters [ ]
   - Social Media [ ]
   - Notices in public places [ ]
   - Other means [ ] Specify _______________________

v) What other areas would you recommend for training?
   _______________________________________
   _______________________________________
   _______________________________________

**d) Monitoring Business Performance**
i) If you are a beneficiary of the training, does the county government follow up to ascertain whether the training is being applied?
   Yes []
   No []

SECTION D: Business Regulation

a) Business Registration
   i) How long did it take to acquire the license or permit? (Tick One)
      Less than 1 week []
      1-2 weeks []
      2-4 weeks []
      4-6 weeks []
      More than 6 weeks [] Specify __________________________

   ii) What is the main challenge faced in the process of acquisition of business licenses/permit?
       __________________________________________________________

b) License Application Process
   i) What was the total cost of application of business permit/ license?
      Less than KES 5000 []
      KES 5000- 10000 []
      KES 10001- 20000 []
      KES 20001 – 50000 []
      KES 50001- 100000 []
      Above KES 100000 []

   ii) How do you rate the cost of license/ permit application? (Tick One)
      Very High []
      High []
      Average []
      Low []
      Very Low []

c) Types of county Rates/ fees and effect

   i) What is the effect of rates payable/ chargeable for rates/ fees on the operations of your business
      Very High []
      High []
      Average []
      Low []
ii) What is the certainty of the amount payable as fees to county government?
   - Very High [ ]
   - High [ ]
   - Average [ ]
   - Low [ ]

iii) How long does it take to be cleared by the authority after payment of tax/fees? (Tick one)
   - Less than 2 days [ ]
   - 2-5 days [ ]
   - 2 weeks [ ]
   - More than 2 weeks [ ]

Thank you for cooperation and spending your valuable time
A 3: Interview Guides

Department of Trade, Tourism, Cooperatives &Enterprise Development

a) What are the businesses opportunities for youth in Kiambu County?

b) What special consideration is given to youth when establishing businesses in the county?

c) What is the affirmative action on encourage youth venture into business related to:

   i) Registration of youth run Businesses

   ii) Payments of rates

d) What has been the allocation for the Business fund?

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Fund in Kshs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/2014</td>
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<tr>
<td>2014/2015</td>
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<td>2015/2016</td>
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<tr>
<td>2016/2017</td>
<td></td>
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<tr>
<td>2017/2018</td>
<td></td>
</tr>
</tbody>
</table>

e) Who is the beneficiary of the business fund?

f) What are the major complimentary services offered to sustain the youth-run businesses?

g) Does the county government monitor the performance of the business established through county business funds?

h) What is the rate of business continuity in the county?
Interview Guide - Department of Youth, Sports and Communication

a) What is the actual population of youth in the county?

b) What are the most common businesses operated by the youth in
   i) Rural Areas
   ii) Urban Areas

c) What is the number of business run by youths in the county?

d) What are most common businesses operated by the youth? What are the reasons for the bias on the nature of the business?

e) Does the department organize trainings for youth on establishing and running businesses?

f) What special consideration is given to youth venturing into business related activities?

g) What are the available business opportunities for youth in Kiambu County?

i) What are the conditions to access the fund?

j) What is the total amount of fund disbursed to youth to assist them establish businesses?

k) What is the rate of repayment for loans acquired to establish business?

l) How many trainings has the county conducted to sensitize the youth on doing business?

   i) What are the major topics covered in these trainings?
   ii) What is the participants’ response to these trainings?

m) What is the rate of compliance to the business regulations by youth doing businesses in the county?

h) What are the main challenges affecting the youth run business in the county?

i) Which the most effective means of communication for information targeting the youths?

j) What is the effect of betting on the business run by youth?
Kenya National chamber of Commerce and Industry – Kiambu county Chapter

a) What percentage of businesses are owned by youth in Kiambu County?

b) What are the most common business operated by the youth in
   
i. Rural Areas
   
ii. Urban development

c) Does KNCCI have special incentives for youth?

d) How often does KNCCI organize for activities that promote youth run businesses/engaging in formal businesses?

e) What are the challenges that affect the youth run businesses in the county?

f) What are the enabling factors that the county government has put in place to encourage youth engage in business?

g) What is the effectiveness of the business fund/biashara fund offered by the county government to business community?

h) How would you rate the effectiveness of improvements on the following in relation to doing business in Kiambu?

<table>
<thead>
<tr>
<th>Pavements/roads</th>
<th>Water supply</th>
<th>Street lighting</th>
<th>Drainage</th>
<th>Market facilities</th>
<th>Garbage collection</th>
</tr>
</thead>
</table>

i) How would you rate business regulation in Kiambu County by the county government of Kiambu?

j) How is the license application process?

k) What form of levies and fees does the county government collect from the businesses in Kiambu County? What is the level of predictability of such fees?

l) What incentives has the county put in place to encourage the youth engage in formal business?
A 4: Map

Map of Kenya Showing 47 Counties
Kiambu County Map Showing Sub-Counties

KEY

1- Thika
2- Juja
3- Ruiru
4- Kiambu
5- Kiambaa
6- Kabete
7- Kikuyu
8- Limuru
9- Githunguri
10- Lari
11- Gatundu South
12- Gatundu North
### A 5: Study Time Lines

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>August</td>
<td>September</td>
</tr>
<tr>
<td>Proposal Writing</td>
<td></td>
<td></td>
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<tr>
<td>Defending of Proposal</td>
<td></td>
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<tr>
<td>Approval from Relevant Authority</td>
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<tr>
<td>Data Collection</td>
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<td>Data Analysis</td>
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<tr>
<td>Report Writing</td>
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<tr>
<td>Project Submission and Presentation</td>
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</tr>
</tbody>
</table>
A6: Research Authorization

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

FROM: Dean, Graduate School
DATE: 23rd January, 2018

TO: Christopher Gitonga Nyaga
C/o Public Policy and Administration Dept.

REF: C153/CTY/FT/32722/2015

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 10th January, 2018 approved your Research Project Proposal for the M.PPA Degree Entitled, “The Role of County Governments in Promoting ease of doing Business among the Youth in Kenya: The Case of Kiambu County”.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

ANNABEL MWMANDI
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Public Policy and Administration Department.

Supervisors:

1. Dr. Wilson Muna
C/o Department of Public Policy and Administration
Kenyatta University

AM/inn
Ref. No. NACOSTI/P/18/58120/20934 Date: 25th January, 2018

Christopher Gitonga Nyaga
Kenyatta University
P.O Box 43844-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “The role of county governments in promoting ease of doing business among youth in Kenya. Case of Kiambu County” I am pleased to inform you that you have been authorized to undertake research in Kiambu County for the period ending 25th January, 2019.

You are advised to report to the County Commissioner and the County Director of Education, Kiambu County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Kiambu County.

The County Director of Education
Kiambu County.
THIS IS TO CERTIFY THAT:
MR. CHRISTOPHER GITONGA NYAGA
of KENYATTA UNIVERSITY, 41842-100
Nairobi, has been permitted to conduct
research in Kiambu County

on the topic: THE ROLE OF COUNTY
GOVERNMENTS IN PROMOTING EASE OF
DOING BUSINESS AMONG YOUTH IN
KENYA, CASE OF KIAMBU COUNTY

for the period ending:
25th January, 2019

Applicant’s Signature

Permit No: NACOSTI/P/18/58120/20934
Date Of Issue: 25th January, 2018
Fee Received: Ksh 1000

DG Kalama
Director General
National Commission for Science,
Technology & Innovation