

The main purpose of this research work was the determination of the impact of credit provision on employment creation through the encouragement of the small business sector. Hence the study aimed at finding a solution to the problem of unemployment in the country today. The research work dated back 2 years to find the impact, if any, of credit lending on small business performances and consequently to provide for far reaching recommendations for the effectiveness of the Government's policy implementation on Wealth and Employment creation by the year 2007. The research involved 300 business units which were relatively small in nature and each employing not more than 50 employees. These businesses were located at Gikomba/Kamukunji areas of Nairobi. The research type used was applied research aimed at finding a solution to the problem of unemployment through the small business sector. The research design employed was descriptive research whereby information was collected through quantitative and qualitative measures employing instruments i.e questionnaires, interviews and observations. The research involved primary data obtained through observation, questionnaire and interviews and secondary data obtained through classified Government documents, past literature etc. The data analysis techniques used were tables and measures of central tendencies i.e mode, median and mean. The research findings also targeted to benefit the Government as the sole beneficiary and other possible beneficiaries (consumers) were the small business sector, Micro-Finance Institutions (MFIs), Training Institutions offering courses on small business development, Local authorities and the many NGOs dealing with small business sector.