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**An Investigation of the Effect of Select Policy  
Interventions on Youth Unemployment in Kenya**

**Patricia Elizabeth Ahawo Gwambo**

**MDF/114235/18**

**Submitted in partial fulfilment of the requirements for the  
Degree of Master of Science in Development Finance at  
Strathmore university**

**Strathmore Business School**

**Strathmore University**

**Nairobi, Kenya**

**October 2022**

## DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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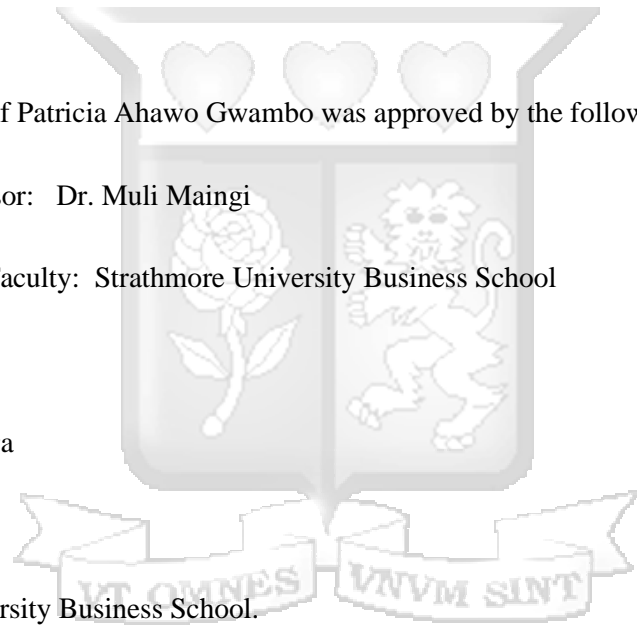
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## ABSTRACT

In Kenya, the problem of unemployment has since independence occupied the minds of policy planners in both the Government and the private sector. The third National Development Plan of 1974-78, stipulates the efforts made to address unemployment among the youth, warning that the problem would in future continue to need proper redress. A major problem to addressing this issue for the country is the deficit and risk thinking carried by Kenyan policy makers. There are evident research gaps as pertains to attaining a context that arises from previous studies on policy interventions in youth unemployment globally and regionally that can be replicated in Kenya. The objective of the study sought to investigate the effect of select policy interventions on youth unemployment in Kenya. The methodology is hinged on the positivism research philosophy, the research design applied is descriptive survey making use of a questionnaire as the primary data collection tool. The data analysis model employed is Spearman's Rank Correlation. The contribution of the study is that the research findings enable the researcher to investigate the effectiveness of various policy measures used to address youth unemployment in Kenya. The outcome is a contribution to what can continue to be applied as policy interventions and what has been the effect this far. The research concludes that education and training programmes, industry skills matching, access to finance, access to affordable technology as policy interventions have a significant positive effect on youth unemployment in Kenya. Human capital development currently does not have a significant effect on youth unemployment in Kenya.

**Key Words:** Policy Interventions, Youth Unemployment, Kenya, Unemployment, Education, Training, Industry Skills, Access to Finance, Access to Technology, Human Capital Development.

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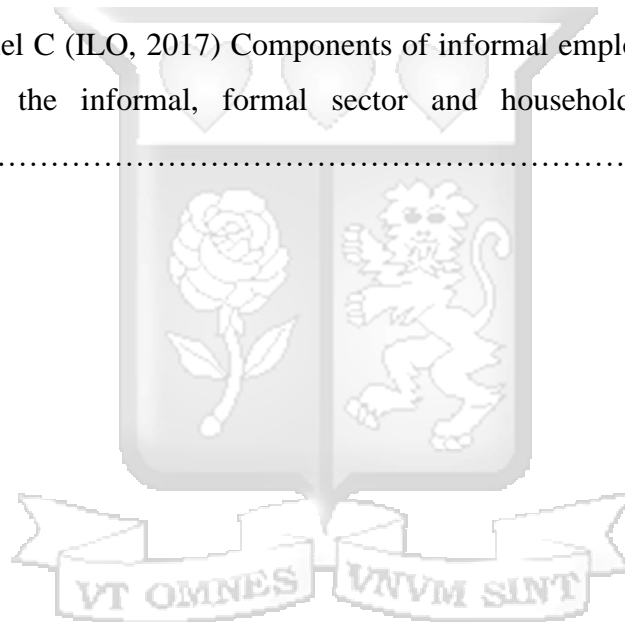
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## LIST OF ABBREVIATIONS AND ACRONYMS

FKE: Federation of Kenyan Employers

GOK: Government of Kenya

KEPSA: Kenya Private Sector Alliance

KNBS: Kenya National Bureau of Statistics

KYDF: Kenya Youth Development Fund

KYEOP: Kenya Youth Employment

ILO: International Labour Organisation

NACOSTI: National Commission for Science and Technology

UN: United Nations

YUR: Youth Unemployment Rate



## DEFINITION OF TERMS

**Policy Intervention:** This refers to any course of action, programme or activity taken or mandated by national or international authorities and non-state actors. This includes, for instance, regulations, market-based incentives, information schemes and the provision of infrastructure. Policy interventions often address a variety of measures including technologies, processes, practices and behaviour, (Mundaca, 2021)

**Unemployment:** This is when people report that they are without work, that they are available for work and that they have taken active steps to find work in the last four weeks. (OECD, 2022).

**Youth:** This is a person aged 18 years and who has not reached the age of 35 years (Constitution of Kenya, 2010). However, for purposes of labour analysis, persons aged 15-34 years were considered, (Kenya Youth Development Policy, 2020). Youth is best understood as a period of transition from the dependence of childhood to adulthood's independence, (UN Youth, 2007). The UN Secretariat uses the terms youth and young people interchangeable to mean age 15-24 with the understanding that member states and other entities use different definitions (United Nations, 1995). The Africa Union defines youth as aged between, 15 to 35 years (African Union, 2006).

**Youth Unemployment:** This is when individuals defined globally as youth in the 15 – 24 year age group and in Kenya in the 18 – 35 year age group are without any source of livelihood. They are not accounted for in any form of employment both formally and informally and hence have no income source. They are inactive in the economy as labourers (Njonjo, 2010).

**Youth Unemployment Rate:** The youth unemployment rate is the number of unemployed 15-24 year-olds expressed as a percentage of the youth labour force, (OECD, 2022).

## ACKNOWLEDGEMENT

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## DEDICATION

This research has been made possible because of all the support I have received in enabling me to undertake this journey, it goes without argument that the common saying among the youth ‘a degree is by contribution’ is true. I would like to dedicate this work to my Late Dad, Caleb & Late Mum, Phoebe who taught me to love knowledge and to enjoy reading from a young age, my Aunts Judith, Lynette, Rose, Gladys, Evelynne, Phylis, Joy, Jacque, my Uncles Peter, Joshua, Paul, Francis, Kennedy, Abenayo (Late), Arthur & David who constantly remind me to believe in my dreams and pursue them, my mentors, Mr. Beuttah (Late), Carmen, Carol, Esther, Martha, Mary & Njoki who keep nudging me to do more with the foundations that I have already and my mentees, Kevin, Cynthia, Wangeci, & Daniella who remind me that they are looking up to me, my siblings Kennedy, Emmanuel, Christian, Sharleen, Phoebe, Helen, Vera, Dalys, Gideon to mention but a few, for being my biggest critics and fans at the same time, my friends Fanice, Phoebe, Rita, Winnie and many others who understand my ambitions and allow me to be the best me I could be, my work mates and the young people I meet every day with fire in their eyes looking for ways to do better, be more and leave a mark on the world they remind me why this research is so important.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

For the past few years there has been a lot of dialogue revolving around youth and how they can be better participants to the global economy through their contribution in developing economies and more so in Africa. It is reported that today globally there are 1.2 billion young people between 15 to 24 years of age, a total of 16 per cent by population size (United Nations, 2018). According to the African Union report on the State of Africa's Population (2017), the population pyramids of the various regions of Africa generally show that the population in Africa is mostly young, with a total of almost 40% being under 15 years. It is important to note this because it means there is potentially a great workforce here that could provide the labour needed for consistent economic development and inclusive growth (African Union, 2017). There could also be a more specific look at Kenya where the number of persons 15 – 24 years of age has been on the rise at a modest pace from the 1950's to a climax close to 22 % in 2000s, an expected gradual decrease after 2030. Furthermore, the youth continue to constitute a large part of the working population (15 years – 59 years) since independence (Njonjo, 2010).

Even though the economy globally has started to recover from the last economic downturn in 2008-2009, youth employment has worsened in recent years. This raises a concern on how better to ensure the youth access opportunities in all sectors of the economy. It brings for the question to be asked 'in what ways can the youth be further engaged?' The International Labour Organisation reported in 2017 that there are 71 million unemployed young people, and many millions more are in informal or unstable work. A keen analysis on this brings out the fact that youth are vulnerable. Hence more needs to be done in an attempt to raise them out of situations that not only hinder them but also curtail their active economic participation (International Labour Office, 2017). According to a more recent 2020 report from the International

Labor Organization, a specialized agency of the United Nations, the global youth unemployment rate stands at 13.6% and unemployment numbers at 67.6 million globally as at 2019 (International Labour Office, 2020).

International Labour Office, (2017) estimates that 156 million youth in low and low middle-income economies are living in poverty even though they are employed, in effect they can be ranked among the working poor. The challenges of securing and retaining decent work are even more serious and complex for vulnerable and marginalized youth. At the level of global policy, finance and measurement are major issues that need to be addressed as part of worldwide youth development efforts. At the national level, policy and programmatic responses to the Sustainable Development Goals have been slow and should be accelerated (United Nations, 2018).

The evident research gaps that continue to arise and that necessitate the need for further discourse on this matter are first that additional research specific to the Kenyan context needs to be undertaken compared to what has been done in more advanced economies. The studies as undertaken by Lerman, 2013; Eichhorst, 2012; Aleandri & Refrigeri, 2012; Pusteria, 2017, Rathelot & Van rens, 2017; Ali and Jabeen, 2016, Anosike, 2018; Olufemi, 2020; Meyer, 2017 on America, European Union, Ethiopia, Nigeria and South Africa, respectively model what can be employed in analysing the Kenyan context. Another gap exists in that most of the studies in Kenya when discussing youth unemployment are focussed principally on entrepreneurship, which is not the only approach that can be used as an intervention to the established incidence of youth unemployment, this is evidenced in the studies by Muiya, 2014; Mbithi & Khainga, 2018; Nason, 2019. Further to this a focus on particular regions and on the youth only rather than the youth engagement stakeholders is also a research gap that the study has noted and could build up further on the studies undertaken by Babu, 2017; Picatoste, Perez-Ortiz & Benito, 2018 & Rogito, Makhanu, Mombinya & Naymota, 2020. The study thus sought to further review the Kenyan situation by looking at youth unemployment through an assessment of the effect of select policy interventions. The aim was to provide

recommendations on the policy interventions that could form part of the redress to a problem that has been persistent to date.

### **1.1.1 Youth Unemployment**

Global Unemployment has caught the attention of many, requiring the need of intervention to be able to deal with it and the resulting effects. Consequently, it is featured in the Sustainable Development Goals, as to be tackled under Goal 8; Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (UNECOSOC, 2019). The SDGs are a spin off from the Millennium Development Goals (MDGs) that run from 2000 to September 2015. We had the issues of unemployment during this time being targeted for accomplishment under MDG 1, to eradicate extreme poverty and hunger. The UNECOSOC (2019) report further highlights that since the global economic downturn of 2009, labour productivity (measured as GDP per employed person) has been increasing in the world, recording positive annual growth rates consistently since 2010. In addition, the report further states that, in 2017 the global growth rate of real GDP per capita was 1.9 per cent and is expected to remain at about 2 per cent from 2018 to 2020. This is significantly less than the 3 per cent rate attained in 2010 and slightly higher than the 2015 rate of 1.63 per cent. Real GDP growth rate for least developed countries, where Kenya is placed is expected to increase from 4.5 per cent in 2017 to 5.7 per cent in 2020, which is less than the 7 per cent envisioned by the current 2030 Agenda.

Youth can be broadly categorised into school going youth and those out of work, in this study, the approach used did not seek to distinguish the two. The review undertaken was applied on the general youth cohort with the understanding that there are youth who are in school but seeking work to meet daily needs whilst there are those out of work due to a lack of opportunity of being in school.

### **1.1.2 Interventions for Reduced Youth Unemployment**

Globally there has been introduction of elements like unemployment insurance and work support since the early 1900's that could also be reviewed as possible

livelihood options on a short-term basis especially for those who happened to already have been employed and then are out of employment for a time (Baily & Okun, 1982). The dialogue globally has shifted to encourage the youth to think on innovative ways to contribute to the economy. This has increased the setting up of businesses and ventures in a bid to capitalise on opportunities and find ways to earn a living where the formal employment space is listed as limited (UNCTAD, 2015). In high income economies systems such as the cash transfers for period of unemployment have worked for instance in Switzerland, they have a system called 'Chomage'. This is where one contributes to reserve funds when employed and in the event of unemployment, they receive cash support, before they get work. They can get support too for a given period without the reserved funds but pay back at the time they are employed. A particular focus on the United States, establishes that in the 1930's following the great depression an economic principle referred to as Say's Law that states; demand creates its own supply; could not hold any longer and private economy alone could not deal with labour issues. This necessitated for the battle of public policy against unemployment to take shape bringing to rise the need for engagement for policy creation that could direct issues on unemployment and be captured in the macro-economic policy of the USA, (Baily & Okun,1982). Were (2017), highlights that alternate measures to youth unemployment in Kenya need to be presented through policy interventions, she leaves the question to be answered on how policy can be made part of this conversation. Another tangent that has been introduced and worked effectively has been the technical institutes that encourage skills training and lead to apprenticeship placements. This creates better transition to the work force and ensuring trainees are gaining the relevant skills for the market, a good example of this has been Germany. Europe in general have come a long way in changing the youth unemployment story, with countries like Ireland having gone through great strides over a period of time in the 1970's to 80's to address these issues (Kerins, 1988).

In Kenya there are certain programmes that have been placed into effect both by the government and private players, to mention but a few the Kenya Youth Development Fund, the KCB Lions Den, Kenya Youth Empowerment Programme (2017), the

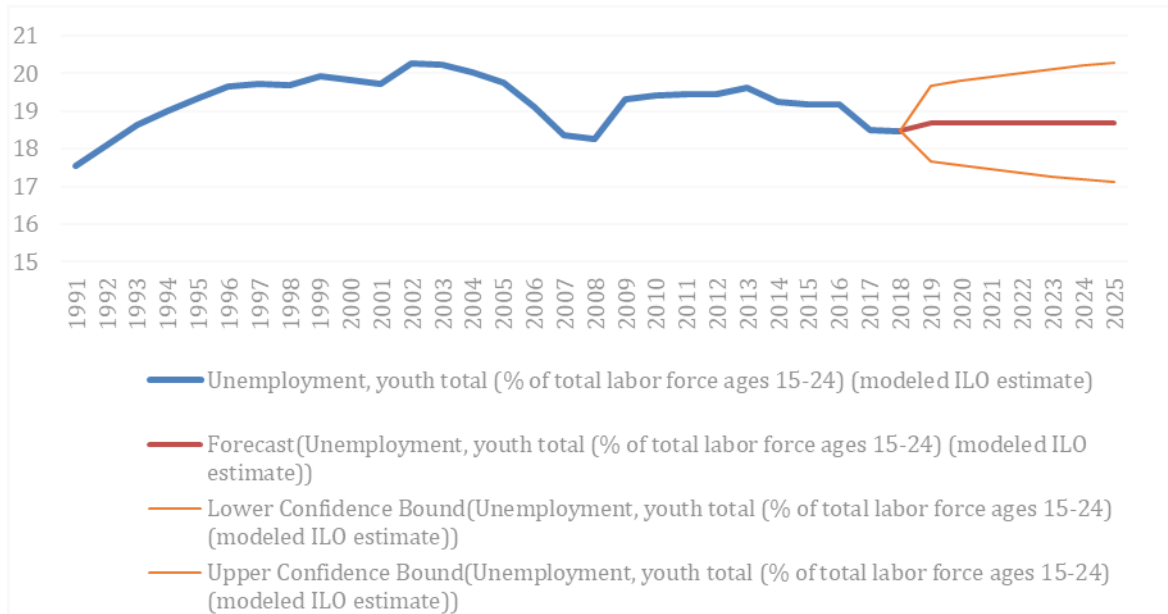
Uwezo Fund for Women and Youth amongst others that shall be reviewed in the course of the study. The government intervention is important to document because they are a key player in the macro-economic economy and influencer of policy the active participation of government in youth engagement as a means to policy interventions in the wake of unemployment will be key to changing the dialogue on the same.

### **1.1.3 Youth Unemployment in Kenya**

An overview of Africa and other developing economies, according to the global statistics on current measured status of unemployment shows that the largest cohort affected are the youth. This is because of the fact that it is this age group that is entering the job market, in addition they are the largest number especially in Africa and Asia (ILO, 2019). The ILO (2019) feature further goes ahead to state that the unemployment problem when related to the quality of work is no longer unemployment in the sense of absence of work which is just 4.5 % of the total youth population with 60 % of youth being employed. The arising issue is the quality of the work available in terms of working conditions and social security that relates to not just having a job but it being a good one. Further, a 14 million per year labour force expansion is projected in Africa with an expectation that economic growth rates until 2020 may lack capacity for creation of quality jobs for the growing labour force (ILO, 2019).

The situation in Kenya is captivating because of the need to understand the national demographics, the youth demographic, the national unemployed demographic and the national youth unemployed demographic. Kenya defines the youth as 18-35 years of age (Constitution of Kenya, 2010), whilst the United Nations (UN) definition is 15 – 24 years. The study shall capture both the indicated ages brackets. The 2019 census results for Kenya show that the economically active population was 22.3 million, comprising the working (19.7 million) and those seeking work (2.6 million). Females accounted for 50.2 per cent of the total working population. The proportion of males in the urban areas that reported having worked was 50.4 per cent compared to 40.6 per cent of females. A total of 18.9 million individuals were

outside the labour force during the reference period. There were 10.1 million youth aged 18-34 years and 4.1 million youth aged 15-24 years in the labour force.



Key: X- axis, Years, Y-axis, % Youth Unemployment

Figure 1. Unemployment Youth Total - World Bank, 2018

In reviewing the unemployment statistic, the youth cohort in Kenya also are the bulk majority here. The line graph shows us on the y-axis the % youth unemployment in comparison to the total population over the past 19 years with a 5-year projection on where it looks to be. It is important to note from this data, that there has been a steady average of between 18% - 21% as the constant standing of youth unemployment. The statistical presentation above enables us to understand the history of what has been happening in terms of the population pie occupied by youth. Here we see the representation clearly that as a percentage of the population the youth hold a high demographic.

There is evidence of research gaps because the prevailing high unemployment rates in Kenya, make it difficult to identify the relatively successful public policy interventions. However, each that has been employed has had its fair share of

success and failures. The endeavours to initiate youth development programmes have been made in more recent policy documents, such as Sessional Paper No. 2 of 1992 on Small Scale and Jua Kali Enterprises, the 1997-2001 Development Plan and the National Poverty Eradication Plan 1999-2015 and recently the 2020 National Youth Development Policy amongst others. Youth unemployment in Kenya remains high despite the work on this in addition to an increase in the number of agencies dealing with the youth like Ministry of Youth Affairs under whose docket falls Youth Fund, Uwezo, National Youth Service together with other nongovernmental organizations and private sector.

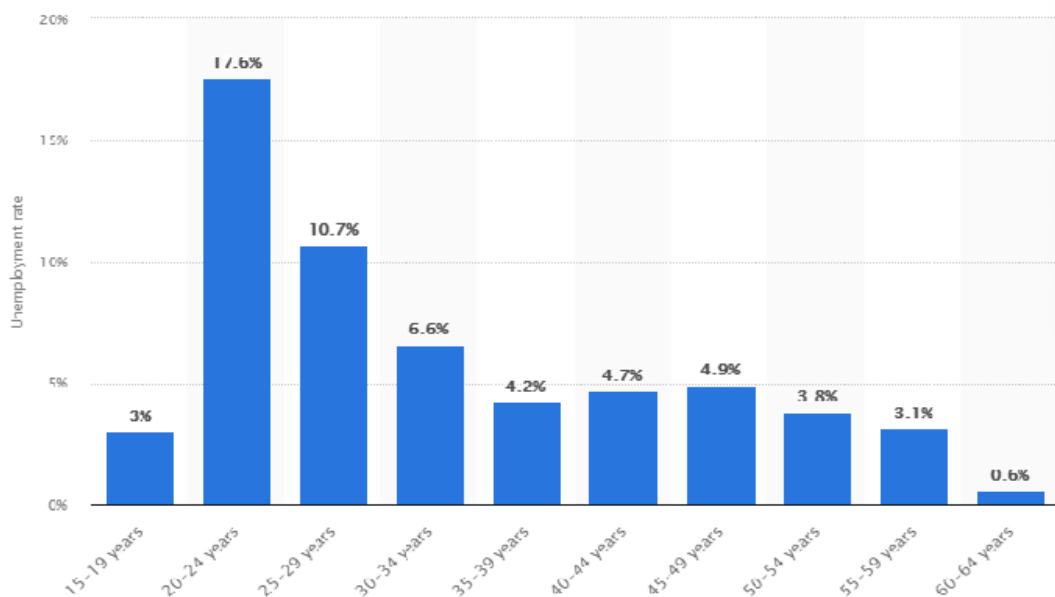


Figure 2. Unemployment Rate in Kenya as of 3<sup>rd</sup> Quarter 2020 (Statista, 2021)

#### 1.1.4 Reduced Youth Unemployment in Kenya

Youth unemployment established for review in this study included low youth literacy rate; lack of access to education and training; missing skills in the job market; poor collaboration between industry and education providers; lack of access to credit and other financial services and lack of access to affordable technology (Njonjo, 2010, Kerrets, 2016). These were captured based on the policy interventions

under investigation education and training; industry skills matching; access to finance, access to affordable technology and human capital development.

## **1.2 Statement of the Problem**

The problem of unemployment has since independence occupied the minds of policy planners in both the Government and the private sector in Kenya according to (Mbae, Mukulu & Kihoro, 2016). The third National Development Plan of 1974-78, stipulates the efforts made to address unemployment among the youth, warning that the problem would in future continue to need proper redress. In undertaking a review of Kenya's unemployment, a major problem relatable to addressing this issue for the country is what is termed by Munga & Onsomu, 2014 as the deficit and risk thinking carried by Kenyan policy makers. This from their study meant that there has been a view that youth have been the source of their problems and that unemployment is addressable if the youth were more willing and co-operative this has continued to shape research, policy, and practice to date. In 2018, Kenya had initiated to raise 800,000 jobs however only 100,000 were created in the formal sector with the rest being realized in the informal sector (Government of Kenya, National Bureau of Statistics, 2019). Furthermore, the problem has been a persistent one since independence with the first president of Kenya setting out in Sessional Paper No. 10 of 1965 key areas of address, as political equality, social justice, human dignity, including freedom of conscience, freedom of want, disease and exploitation, equal opportunities, high and growing per capita incomes, equitably distributed.

The Classical theory of unemployment, addressed this problem from a labour demand and labour supply angle, relating it to the wage rate employed. This approach served its purpose for a time but has since been advanced to better address the continued problem (Rodriguez, 2015). The Keynesian theory of unemployment, advance the approach that recognises the increasing dynamic nature of the labour market and went ahead to introduce the policy approach to finding interventions (Escudero & Mourelo 2013). The Human capital theory is one of the more recent theoretical interventions to unemployment that advances the use of current skills

possessed by individuals and their continued improvement through education and training (Awogbenle & Iwuamadi, 2010). The systems theory postulates the adoption of policy through and analysis of why and where it is needed. This translates to the how of the adoption and eventual effectiveness in addressing the matter at hand (Eising, 2013).

The research gaps identified indicate that further study can go into the work of Munga and Onsomu (2014); Mbae et al (2016); Babu (2017); Farah & Ali (2018); this includes but is not limited to an additional review of the Kenyan situation, highlighting some important factors that need further study. First, the gaps indicate that most reviews come from the youth themselves yet there are those stakeholders with whom they engage who can form a very good source of guidance on what can be done for the youth. Second, there is the greater need for an in depth look at the National Kenyan context as most studies undertake a regional analysis. Third, more research could be undertaken beyond entrepreneurship and a wider scope in reviewing a nationwide effect beyond what has happened within regions and among certain homogenous groups.

The strong reason for undertaking this study is that despite the efforts that have been placed in this area and the advent of better ways to tackle the issue, a lasting intervention is yet to be found. Furthermore, the study sought to contribute to the understanding of the outcomes of policy interventions towards addressing Youth Unemployment in Kenya. This is to continue the work towards bring the Youth Unemployment Rate (YUR) down in Kenya. For this reason, the largest cohort of the population stays out of active and consistent economic engagement. The % unemployed youth in the World defined age group of 15 – 24 years for Kenya since 1991 – 2018 has remained between 17 % - 20% (ILO, 2018). Kenya as at 2020 still has a lower youth unemployment elasticity at 0.4 in relation to overall employment elasticity observed in the country at 0.9. The goal of this study is to derive lessons, determine best practices and work towards policy interventions that can address the problem having understood it comprehensively and with a country focus on Kenya. A policy response that will be deemed as successful could be reviewed based on

three pillars, these include but are not limited to broadening opportunities for young people to accumulate and preserve human capital, increasing the capability of youth to take advantage of work opportunities and providing a second opportunity to those left behind (Garcia & Fares, 2008). The study will focus on the effects of select policy intervention on youth unemployment in Kenya.

### **1.3 Research Objective**

The study sought to investigate the effect of select policy interventions on reduced youth unemployment in Kenya.

### **1.4 Specific Objectives**

- i. To determine the effect of education and training programmes on youth unemployment in Kenya.
- ii. To assess the effect of industry skills matching on youth unemployment in Kenya.
- iii. To find out the influence of access to finance on youth unemployment in Kenya.
- iv. To find out the effect of access to affordable technology on youth unemployment in Kenya.
- v. To assess the effect of human capital development on youth unemployment in Kenya.

### **1.5 Research Questions**

- i. Does education and training affect youth unemployment in Kenya?
- ii. Does industry skills matching affect youth unemployment in Kenya?
- iii. Does access to finance influence youth unemployment in Kenya?
- iv. Does access to affordable technology influence youth unemployment in Kenya?

- v. Does human capital development affect youth unemployment in Kenya?

### **1.6 Scope of the Study**

The variables investigated are education and training, industry skills matching, access to finance, access to affordable technology and human development. The geographical scope is that the study was done in the Kenyan context. It took a national approach by engaging youth engagement stakeholders who are addressing youth unemployment targeting the whole youth demographic in Kenya. The time scope was a cross-sectional study.

### **1.7 Significance of the Study**

The study comes in a time in history when the matter of youth unemployment is almost being cited as a global crisis. It served to provide additional information on the outcomes of select policy intervention in Kenya. It looked at the outcomes of the select interventions from the lens of youth engagement stakeholders in Kenya both in the public and private sector. The information obtained is significant as it is indicative of what has been enacted thus far and what are the effects and where does concerted effort need to be applied continually or thought though afresh for the desired outcome in addressing youth unemployment in Kenya.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter, the study begins with a discussion on relevant theories followed by empirical studies on policy interventions on youth unemployment in Kenya. In addition to this the research gaps are to be identified and highlighted for review. Here there is also a discussion of the conceptual framework that is to form the building block of the research methodology to be employed.

#### **2.2 Theoretical Review**

The theories under review in this section are four (4): Classical theory of unemployment, Keynesian theory of unemployment, Human Capital theory and Systems Theory of Public Policy. Each theory is proposed and discussed from the lens of reduction in youth unemployment and increased youth employment. All theories on the labour market as discussed in labour economics are a work in progress with potential to be advanced better through analysis, critic, and upgrade to suit application in the prevailing market situations.

##### **2.2.1 Classical Theory of Unemployment**

The Classical Theory of Unemployment deliberates on labour demand, labour supply and wage equation. Labour demand is the determinant of the amount of labour that firms employ at a given real wage, labour Supply basically determines the size of the labour force: total individuals willing to work at a given real wage (Rodriguez, 2015). The classical unemployment theory as shown by research has really been the groundwork on the early thoughts on the labour market. It focuses on labour supply and labour demand as relates to the wage rate and how adjustments to these affected the unemployment rate. In the proposition to tackle, real wages, labour demand and labour supply proponents of the Classical theory missed the dynamic nature of the labour market and the changes that it is currently facing. Hence, the classical theory worked at a time, but it has since been revised in line with more advanced theories and progressive development in the labour market to date. The critique to this theory

is that for a long time, the proponents looked at it as having captured the full essence of what needed to be addressed to move to better employment levels, however a review at more recent theories indicates that this school of thought was incomplete especially in capturing the dynamism in the labour market. The Classical Theory is of relevance to this study because it captures the essence of what was earlier established as the pathway to dealing with youth unemployment; that is an approach that was wage rate dependent. This theory creates an understanding of where we were coming from as regards handling unemployment and why the focus now needs to move to gaining a better understanding of the dynamic nature of the labour force that was previously not the case.

The classical employment theory enables the researcher to determine the current conversations on youth unemployment and review them in light of the move from a labour demand focus. It brings to light that more factors such as have been identified relating to education and training, industry skills matching, access to finance, access to affordable technology and human capital development are now at play. This then necessitates for the study to continue to interrogate more theories.

### **2.2.2 Keynesian Theory of Unemployment**

Keynes (1936), theory on a macroeconomic level proposed that unemployment can be caused by changes in aggregate demand that results from there being inadequate opportunities of engagement for the labour force availed to the market at a time. A few decades ago, this theory was divided in several branches. In what concerns this study, original Keynesians and New-Keynesianism declare: “employment is what determines the real wage, not the other way around like classical model predicts”. Consequently, real wage cannot be considered as a mechanism to adjust employment anymore. Labour demand here is from the perspective, real wage is only determined by the wage equation when firms have already employed all the workers. This theory also implies the aggregate demand is the mechanism through which employment can be changed.

This new conception forces us to revisit some other points and urges for a focus on the monetary and fiscal policies as vehicles for changing the aggregate demand, and as a corollary employment, (Rodriguez, 2015) rather than on the wage rate as it related to labour demand and labour supply. In addition, the macroeconomic perspective is clear that youth unemployment is influenced by overall traits of the youth labour markets; these include but are not limited to aggregate demand, youth labour force size and youth wages, (O'Higgins, 2001; Escudero & Mourelo, 2013). The effect of aggregate demand as theorised here has the same effect on overall unemployment as youth unemployment; a decline in the demand for labour in general and for the youth will be the result of a fall in aggregate demand, (Escudero & Mourelo 2013). The Keynesian theory hence aims to capture the dynamism in the labour market more aptly as it proposes a consideration of factors that create the dynamic nature of the labour market. Keynes call and that of his scholars is one that pushes for policy to be tackled more adequately in this area and in so doing produce the outcomes that create the demand environment that eases unemployment and thus creates more employment opportunities. A critique of the Keynes theory enables the study to observe that it has the strength in that is builds up from just a labour demand view to an aggregate demand view; in addition, it needed to be advanced further as there has been increased youth unemployment that can no longer be pegged solely to demand related factors but to more current factors that continue to arise.

Keynes Theory here is relevant in that it brings out the aspects that should be considered as concerted effort is being made in tacking youth unemployment. This includes highlighting the role that policy should play and at the same time bringing to the forefront the core needs to capture how the labour market has been evolving and current changes in the shift of focus on what really drives unemployment hence different ways in which it can be addressed. The Keynesian theory relates very closely with some of the current conversation on reduction in youth unemployment and is critical especially in reviewing the objectives of the study. It's focus on aggregate demand and perspectives on availability of opportunities elates with the factors on access to finance, access to technology and the effect of human capital development. The study is able to see how these areas are deterministic from an

aggregate demand point of view even though there has been increased influence from such factors as detailed on the objectives.

### **2.2.3 Human Capital Theory**

Human capital theory is a more recent theory having been formulated during the 20th century long after the two theories above had been under discussion. It comes with a new wave of thought on labour economics and is closely linked with another theory called the signalling theory. It was initially formulated by Becker (1962) and Rosen (1976) and argues that individual workers have a set of skills or abilities which they can improve or accumulate through training and education. It brings more definition to the schools of thought presented by the Classists and Keynesians by capturing more specific factors that relate to the employability of workers especially the focus on skills, education and training.

The labour economic view of today is moving from abstractness of earlier theories to more practical application of their understanding. In a study by Awogbenle & Iwuamadi (2010), it is highlighted that a major contribution to losses to human capital is youth unemployment, (Lawanson, 2007). The reference here is to human capital as practical life skills in the form of unattainable social, political, and economic status that defines them as adults. Human capital is proportional to the amount of time an individual has worked. It declines when an individual is unemployed (Awogbenle & Iwuamadi, 2010).

It is a novel idea and a strong case for one of the biggest factors that has been highlighted when tackling youth unemployment; that is education and training. It opens the economic world to a view of labour as a human resource hence even the use of the terminology, human capital. It pushes for an understanding that increased competence through learning opportunities create value both for the labour market and labourer and in so doing determines how opportunities become available. It also advances that this learning has a cost to it that is sometimes shared by both the labour market and labourer. In critiquing the human capital theory, it can be rightly highlighted that it being a very recent theory it has captured the more recent factors

that affect youth unemployment. Further to this it has also allowed proper correlation of factors, for instance it is discussed in tandem with signalling theory making it important to understand other aspects of what is happening in the area of youth unemployment.

The Human Capital Theory is very core to this study because it captures the most recent development in the area of tackling unemployment. The human development theory brings home the fact that the issues at hand revolve around individuals, skills set, actual work experience, ability and opportunity to upskill amongst other more tenable aspects by individuals in the pursuit of gainful employment. It captures the essence of where there could continue to be increased output to generate the positive outcomes in changing the unemployment dialogue. The Human Capital Theory especially postulates the objective to the study that seeks to assess the effect of human capital development on youth unemployment. It further avails the opportunity to identify how these other policy interventions also add to the quality of human capital available for employment. For this reason, it serves as one of the most relevant theories to be discussed and factored in the endeavour to reduce youth unemployment in Kenya.

#### **2.2.4. Systems Theory of Public Policy**

The Systems theory of public policy defines public policy as the response that a political system gives to rising demands from its environment. Eising, 2013; Easton, 1965, defines the political system as comprising the identifiable and interrelated institutions and activities which we usually think of as government, institutions and political process in a society that make authoritative allocation of decisions that bind the society, (Eising 2013; Anderson, 1997). A political system receives information from its environment and converts them into outcomes. The information is in the form of demands from individuals or groups for specific policy outcomes. The policy outcomes become the determinants of societal values and allocation of resources.

The Systems Theory of Public Policy is advantageous as it enables the study to be angled on understanding policy development. It brings to the study the understanding of why a policy approach is important as it is a key decision making and enacting tool. In critiquing the systems theory, it can be postulated that it best functions in already organised and efficient implementation frameworks.

The Systems Theory especially postulates the objective to the study that seeks to assess the effects of policy interventions on youth unemployment. It further avails the opportunity to identify how the interventions under review have been applied and could be further enacted for better outcomes. Therefore, it serves as one of the most relevant theory to be discussed and factored in the endeavour to reduce youth unemployment in Kenya.

### **2.3. Empirical Review**

The empirical review presents policy interventions on other contexts, clearly showing the need to adequately study the select policy interventions in the Kenyan context. These are education and training programmes, industry skills matching, access to finance, access to information technology and human capital development.

#### **2.3.1 Education, training programmes and youth unemployment**

Lerman (2013), undertook a study in The United States of America focusing on the period beginning in the 1980s through to the Obama administration that discussed the area of education and trading programmes as relates to youth unemployment. The study sought to determine; if employability skills are gained from targeted American youth education and training programmes; if the skills that are relevant to success in the labour market especially for workers who are at risk and those holding middle skills jobs were gained there too. Furthermore, the aim was to identify what interventions resulted in an increase in non-academic skills or occupational skills assisting participants increase competency in the job market. Lerman (2013) used an expository approach with a research design that focussed on a timeseries collection

of data to draw outcomes and interventions, with data analysed through descriptive statistics. Lerman (2013) found that courses that have a classroom focus provide too little preparation for productivity in non-academic and occupational skills. A body of evidence has been generated by economists to highlight the increasing importance of cognitive skills in achieving high earnings. Furthermore, it has been evidenced that high math scores are positively correlated with higher earnings and that women's relative earning gains can be significantly connected to occupational shifts requiring more cognitive skills.

Eichhorst (2012) explored the determinants of the labour market situation of young people in developed and developing nations as part of a research paper towards the compilation of the World Bank, World Development Report (2013). The study looked to determine the role of vocational training and education policies on tackling youth unemployment, globally, nationally and locally with a focus on key countries in either of the two key development stages. Further another objective was to highlight the role of demographic factors, economic growth and labour market institutions in detailing better the transition of the youth into work; this was in addition to the assessment of differences in setup and functioning of the vocational education and training policies in major world regions as an important driver of differential labour market situations of youth. The methodology was exploratory as an attempt to find interventions is the approach in this paper with a research design that is cross sectionally done as a survey and uses a descriptive approach to the analysis. The study takes into account the major differences in the institutional set-up in different parts of the world looking at how to implement vocational training under largely differing institutional and economic situations. Eichhorst (2012) found that young people thought that a good job is one that begun as a long-term investment in and created an attachment in the labour market. Hence a job with formal training was considered a good job. Another finding was that good education and training contributes to economic productivity and social cohesion, vocational training and on the job training with young people requires working with partners like government, social partners and other change movers in the community. In addition, there was

strong evidence that more and better education in general raises the chances to finding a good and stable employment and reduces the risk of unemployment.

Aleandri & Refrigeri (2012), in examining experiences in Europe and with a particular focus on Italy, approached education and training programmes and youth unemployment with the objective that youth unemployment can only be reduced through introduction of policies that focus on a work-related curriculum and seek to change education systems and enhance professional development. The methodology used is explanatory, with a research design that comprises of descriptive analysis and a more cross-sectional focus. Aleandri & Refrigeri (2012), found that the policies advanced require the introduction of professional orientation and training programmes alongside work placement and career counselling in school and university curricula. This in effect reduces to a minimum the gap left by limited work experience hence improving the quality of working capital and enabling an improvement in the education within the labour market. Another finding held that youth unemployment can only be reduced through the implementation of educational policy where vocational training is given if not more but the same significance as other economic policies.

Pusteria (2017) wrote for the Swiss Economic Institute with the objective to explore changes in the labour market after the 2009 World economic crisis at international levels so as to verify the connection between unemployment, inactivity and education training enrolment. The study reviewed a select panel of three (3) groups of countries of interest in Europe based on their performance on the KOF Swiss Economic Institute, Youth Labour Market Index (YLMI) developed in 2014. The KOF YLMI is a multidimensional tool that allowed comparisons of the youth situation on labour markets across countries and over time. The country groups were selected to be able to capture the heterogeneity across the countries as regarded the youth labour market highlighting the importance of not just evaluation of whole indices but also looking at individual indicators. The methodology used took a survey approach with a research design that worked with descriptive analysis, in addition to working from a time series approach. Pusteria (2017) found that one of

the most feasible interventions to the reduction of youth unemployment and in order to maintain it at natural level (assumed at 10% of total employment) and to ensure it does not become long-term unemployment was to use a policy mix strategy. This entailed adoption of traditional economic policies that encourage more flexibility in the labour market making entry and exit easier for the youth as they job seek. In addition to this are education policies that engage young people in the labour market as soon as possible even if it means starting with short term employment that is not stable as employment would be traditionally defined.

Nason (2019), explored the issue of education, training and youth unemployment with the objective of determining how much knowledge the youth have on skills driven courses and to identify the programmes that are likely to lead to higher rate of employment in Kenya. The study sought to analyse the handling of unemployment among college graduates within the Kenyan youth demographic. The study was undertaken with a focus on a youth demographic from Nairobi, narrowed down to an African Inland Church (AIC) in Jericho. Nason (2019) methodology was a descriptive study where the researcher collected data from 50 respondents who were a sample from a population of 1500 church going youth, the research design encompassed a cross sectional approach. The findings in this paper indicated that unemployment rate was 12% for Tertiary and Vocational Training (TVET) graduates, 93.75% for non- TVET diploma graduates and 80% for degree graduates. A vast majority of the youths lacked entrepreneurship and technical skills due to the fact that they only had academic diploma's as opposed to those who had TVET. Skills inadequacy became a huge barrier to accessing job opportunities leading to unemployment. The paper further identified vocational education as successful in preparing the youth to enter the job market in trade and building skills like in crafts, artisanry, and technical or professional vocations.

In the study by Lerman (2013), the knowledge gap of interest is conceptual looking at the variables observed, the study would be keen to use more indicative variables to enable the study have input beyond just looking at the problem and presenting the interventions but also attempting to measure and evaluate the outcomes to determine

success of what has been proposed and implemented. The identifiable research gap in Eichorst (2012) study is methodological with there being a need for better data and a suitable design of programmes rolled out for proper evaluation of policy initiatives. In addition, a need for generation of representative survey data from a longitudinal approach with a full set of characteristics that can be individually investigated. The knowledge gap from the study by Pusteria (2017) is contextual, given the depth of the study, it would be key to have such a study undertaken more recently for the African region allowing for definition of the current situation in 2021 and working with indices as well as individual country indicators. The knowledge gap identified from the study by Aleandri & Refrigeri (2012) is a conceptual one it would be important to study the efforts towards human capital development that comes from availability of opportunities to continue to learn and achieve professional development that assists a young person in better decision making. The knowledge gap that comes across from the study by Nason (2019) is that he has focussed on the youth themselves but for further study one could seek to engage the stakeholders who are key in creating policy or with the capacity to create employment so government and youth engaging organisations and institutions. Furthermore, another knowledge gap to note is that there is a possibility to bridge this by attempting to look beyond Nairobi to obtain a demographic for the whole of Kenya.

Lerman (2013); Eichorst (2012); Pusteria (2017); Aleandri & Refrigeri (2012) & Nason (2019), discussions on education and training, enable the identification of core gaps. First there are conceptual gaps in the variables applied in the studies, with there being more room for additional variables to be observed. In addition to this identifying the fact that further study on education and training as catalysts for human development need to be undertaken. A stronger focus in past studies have been on the youth themselves rather than the youth engagement stakeholders who play a key role in working towards reduction of youth unemployment. Second contextual gaps are identifiable in the need for more detailed studies within the African context and greater definition to the situation in Kenya with application of more critical country indicators and indices for better policy outcomes. Third a

methodological gap exists in the need for better data availability and well-designed policy evaluation programmes; there is also a need for data that can be individually analysed and assessed for policy outcomes.

### **2.3.2 Industry skills matching and youth unemployment**

Mbithi and Khainga (2018), sought to understand industry skills matching and youth unemployment and set out to investigate youth unemployment distribution in the Kenyan economy. In particular the study sought to determine the distribution of youth graduates across various economic sectors in the country. Further to this, they wanted to review, why young people sought work in Kenya and find out the factors that contributed to the distribution of youth in various economic sectors in Kenya. Kenya was the context of the study with a focus on youth graduates aged 18 years to 35 years as per the definition by the Constitution of Kenya (2010). The methodological approach was a snowball one, with 304 respondents interviewed who are holders of diploma's, bachelors, Masters and PhD degrees, who graduated between 2008 and 2018, hence a 10 year time series evaluation. The factors were analysed using a multinomial logit. Mbithi & Khainga (2018) found that the private sector employs the largest number of youth graduates, followed by the public sector and NGOs with self-employment engaging the least number of graduates. In addition to this a large number of youths employed in the public sector hold Masters and Bachelors degrees. It was further identified that the key reasons for seeking employment were; the need for career growth, income, experience and networking. It was found to be very important to have the requisite and relevant skills, education level, nature of employment and the duration of the search, as determinants of employment for youth graduates.

Bartlett (2018), sought to investigate in West Balkans region in Europe, the use of multiple skills anticipation methods to inform education and training. He further sought to address the fact that the information garnered on skills gaps through the established methods are not in effective use in the address of the skills mismatch. In

addition to this the study reviewed how existing supply-led marching policies were failing to meet the challenge of high levels of structural unemployment. Bartlett (2018) found that different methods of identifying skills gap can be determined as stylised by their varying orientation to policy design, (EE0, 2008). For instance, macroeconomic models aimed to predict labour demand by educational qualification and sector of activity over a given number of years in the future, can be used to determine the national level of quantitative forecasts of future skills needs. Further, the study established that given the negative effects of the global economic crisis on labour demand, skill imbalances remain significant in the entire Western Balkans region. Despite the broad patterns of skill mismatches and skill gaps being identified, this knowledge had barely been implemented to enact change in the mix of skills taught in secondary school systems, be it in general or vocational settings or higher education sectors, a bulk of which are outdated and unadjusted to ever evolving labour market demands brought about by transitions in the economy. Further to this the study established that given the limit in budget and the absence of labour market experts to carry out skills gap analyses, the capacity of the public administration to carry out detailed labour market surveys had been severely limited in some countries. In the event the surveys are undertaken they still faced the challenge of a slow pace in the adjustments and reforms to the public education and training systems. In addition, it was found that the private sector has also not been able to fill the gap in education and training provision as employers tend to be relatively unwilling to provide training for their labour forces. The study established a positive trend because of there being a significant new entry of private higher education institutions into the tertiary sector as they responding to the changing demand for skills better than the traditional state universities, the downside being the quality of the education they provide is not monitored and their role remains dubious. Regardless of this the augmented number in private provision at the tertiary level highlights the shortcomings of the highly centralised supply-led approach in the region to education and training provision.

Muiya (2014), discussed on industry skills matching and youth unemployment, with a focus on understanding the nature, challenges, and consequences of urban youth

unemployment in Nairobi, Kenya. Further to this, the study interrogated the problems associated with urban youth unemployment in Nairobi and assessed the magnitude according to gender segregation of urban youth employment in Kenya. Muiya (2014), took unemployed youth in Nairobi Kenya from Mathare Informal Settlement and key informants as the focus area for the study. The study took a methodological approach that entailed, sampling through multistage clusters given that there is not available sampling frame for urban youth. Pursuant to this the analysis undertaken is descriptive and took the route of establishing emerging themes. Muiya (2014), found that most of the youth in Mathare were unemployed because of a lack of education and necessary skills. The resultant effects of unemployment were, lack of housing, prostitution, school dropouts, marginalisation, rape, rise in HIV/AIDs infections as well as early marriages. Further to this, a key way to address this issue was identified from this study that the Kenyan Curriculum should be tailored to ensure compatibility between work and training through the offering of courses that are more intensive and industry integrated. It should be encouraged that youth should participate in vocational training to promote the development of enterprise and provide skills for self-employment. It was identified that the problem of urban youth unemployment is augmented by the lack of education and training skills for the workplace.

Kucel, Robert, Buil & Maferrer (2016), examined entrepreneurial education and the impact that it had on job-skills matches for higher education graduates. It focuses on entrepreneurial education that is aimed at provision of skills for entrepreneurship and not entrepreneurship in education. The skills for entrepreneurship under investigation were a combination of 3 factors, first scanning and search, second association and connection and third evaluation and judgement. Kucel et al (2016), reviewed 18 OECD Countries and made use of an institutional context, the REFLEX approach and HEGESCO approach to test the hypotheses were applied in the study, in the form of a large comparative study. A time series approach was also applied spanning a period of five (5) years. Further to this a multiple regression was applied in interrogating which industry characteristics are affecting the matching of graduates with jobs. The data collection tool in use was a questionnaire that was later

merged into one coherent dataset. Kucel et al (2016) found that there is a greater need for entrepreneurial skills training at higher education institutions in addition to introduction of policies that promote innovation at the micro & macro levels within the countries under study. The triple helix model of industry-university-public sector that had been applied allowed for better collaboration in knowledge creation and transfer to productive action. The highly competitive knowledge gained by workers through entrepreneurial education at universities that are connected closely to industry was expected to prepare them to possess the right skill set for industry and thus find matching jobs in their early careers.

Meyer (2017), sought to determine perceptions of students pertaining their entrepreneurial outlook and perceived employability with skills development in Gauteng, South, Africa. It was an area of interest given the telling statistic from South Africa whereas at 2016, 1.9 % of the Youth Unemployment rate was in South Africa yet they only contribute 0.77% of the World Youth Population. The methodology employed involved a non-probability sample of about 350 students taken from a university campus. The data collection tool applied was a questionnaire, that had 293 useable responses. Descriptive analysis was used with histograms, Pearson correlation, MANOVA & ANOVA. In addition, validated entrepreneurship and employability scales were used to determine entrepreneurial perceptions and the outlook on employability. Meyer (2017) found that some of the students sampled felt that entrepreneurship is a possible solution to the youth unemployment challenge in South Africa. The outcomes showed a positive correlation with entrepreneurship skills and employability although no correlation between entrepreneurial outlook and employability. It further was found that unemployment was correlated negatively with entrepreneurial activity this meant that the higher the unemployment rate the level of entrepreneurial activity was lower therefore increasing the entrepreneurial support and activities that could reduce the rate of unemployment.

Rathelot & Van rens (2017), wrote to better understand skills match so as to find effective policy interventions within the American labour market and that of

European Union member states. The methodology applied was a cross sectional study that later was broken down through a descriptive analysis. Rathelot & Vans Rens (2017) analysis shows that 4% of workers are under skilled and 10% are over skilled for the work they do. Further to this it was found that mismatch is an important determinant of wages and productivity and a harmful effect early in one's career is large and persistent. During an economic downturn joblessness was found to affect one-third less people if the problem of mismatch were resolved. It was determined through reliable estimates that skills mismatch lowers individual workers productivity, although the effect on aggregate productivity was yet to be determined. Rathelot & Vans Rens (2017) further found that recent literature is indicative that a focus on education and training to boost worker skills may be misguided and it may be better to take the approach where firms for example adjusting wages could be a key determinant to the match in skills.

The study by Mbithi & Khainga (2018), has a contextual knowledge gap, in that the focus was solely on youth who have attained some form of tertiary education, it is lacking in the review of youth with lower academic qualifications. Further to this a conceptual knowledge gap is identifiable in that a review could have been undertaken on how the same youth play a role in not being employed as easily as would be expected. Bartlett's (2018) study is lacking in context with there being a need to undertake such a study within Kenya that can determine how better to measure the mismatch in skills gap for this region, given what has been identified one would seek to determine if the same is the case here. In addition, the methodology could have taken a time series approach hence the period under review being longer to allow outcomes to be determined over a longer period of time. Muiya (2014), leaves a contextual knowledge gap with the possibility of undertaking a review of more objectives; these should not be limited to the problems of unemployment and magnitude of gender disaggregated youth. Kucel et al (2014) study evidences a gap in concept as the focus is only on entrepreneurial skills, more skills can be applied for testing, in addition, this can be further explored in the African context to determine how the area of job matching in the quickly growing skills-based technology can be actioned. Further to this Kenya's current progress in

applying entrepreneurial skills to foster innovation in industry amongst youth and ensure better matching and higher employability can be additionally explored. Meyer (2017) carries a contextual knowledge gap as it would be ideal to investigate how these same statistics play out in Kenya and how well is building usable entrepreneurial skills going to alleviate the skills mismatch problem while at the same time contribute to reducing the youth unemployment rate. Meyer (2017) also carries a methodological gap where the data captured is over a short period of time, it would be more beneficial to carry out a time series and know the outcomes in the long term. Van Rens (2017), study allows one to identify a contextual gap where there could have been more studies done to include developing nations statistics. Further to this a conceptual gap where measures on the skills mismatch outcomes could have been used beyond examining gaps and productivity but also looking at effects over time, more on education and training.

Mbithi and Khainga (2018); Bartlett (2018); Muiya (2014); Kucel et al (2014); Meyer (2017) & Rathelot and Van Rens (2017) in the studies they undertook seek to investigate the effect of industry skill matching on youth unemployment leave certain gaps that can be further pursued. Primarily, a contextual gap exists in that the youth under study are those who have attained tertiary education, there is no detailed review of youth with lower academic qualifications. Further to this a focus on Kenya that identifies the country-based effects of mismatch of skills on youth unemployment is necessary; this highlights the need of better statistical information on developing nations with measured outcomes. More objectives can be reviewed that increase the contextual focus hence providing more information as opposed to a focus on demographic disaggregation only. A conceptual gap is identifiable in the need for studies that review how the youth play a role in their reduced employability hence keeping unemployment number high. In addition, more skills can be researched on and their effects on youth unemployment in Kenya in addition to entrepreneurial skills; for instance, a review of how technology is becoming highly skills based and the benefits towards reduction of youth unemployment. A greater look could also be applied beyond just measuring outcomes of skills matching to productivity but also how it affects other factors like education and training. Finally,

a methodological gap exists in application of research over a more diverse period of time and in so doing be able to gather more progressive data for policy interventions on youth unemployment in Kenya.

### **2.3.3 Access to finance and youth unemployment**

Ali and Jabeen (2016), set out to find the supply sided determinants of youth unemployment like education, training, access to finance and job information in both formal and informal sectors. A further objective was to compare the determinants of youth unemployment in different provinces. The study was focussed in Zambia, Africa with three (3) provinces being the samples, these are Copper belt, Luapala and Southern, these three (3), were developed, less developed and backward respectively. Different towns and cities in the 3 provinces served as sources of data, within the period between September to November 2015, where young people as defined by the United Nations (UN) definition of youth aged between 15 to 24 years formed the population of interest. Ali and Jabeen (2016), study used multistage random sampling technique for the sample selection, applying a questionnaire as the data collection tool and analysing the data by use of simple averages and percentages. Ali and Jabeen (2016), found that two-third unemployed youth studied up to secondary level and the average number of years of training could be ignored given that they period of youth unemployment was 3 – 6 years compared to 0.15 years only in training. It was also determined that nearly half had ICT skill and access to the internet. The finding of interest was that in the formal sector the main factor determining youth unemployment was lack of training and required qualification but in the informal sector the youth could not take up self-employment because of lack of access to finance hence they could not start any economic activity.

Babu (2017), wrote with the objective to determine the factors affecting financial access to youth owned businesses in the small and medium sized enterprises. The focus of the study was Kiambu, Kenya as a case study examining 2750 registered SMEs with 1-50 employees. A descriptive research design was used with stratified random sampling design applied in obtaining samples from clients. Further Pearson correlation and regression analysis were undertaken to determine how the

independent variables influence dependent variables. Babu (2017), found that manufacturing industries faced more challenges accessing finance as compared to SMEs in trading and service industry. The ones that are smaller experience a challenge accessing finance in comparison to larger ones. Babu (2017), further determined that high interest rates influence access to finance as financial institutions require collateral as security before giving finance to SMEs. Many SMEs do not have enough collateral to qualify for a loan and lack well maintained and managed financial records for access to finance. In addition, it was determined that gender and networking have an influence on access to finance, as through networks SMEs are able to improve their performance. SMEs also need further training to access loans and lenders look at education levels before allowing access to funds.

Olufemi (2020), sets out to study the importance of youth entrepreneurship; to provide suitable suggestions to promote entrepreneurship; to examine the role of entrepreneurial education in youth employment and to study schemes that boost youth entrepreneurship. The data relating to the study was gathered from 220 youth entrepreneurs in Lagos, Nigeria. In addition, data was collected by use of a structured questionnaire from the primary source. The sample used was selected using a stratified random sampling technique. The target respondents were youths between the ages of 20 and 40 years. Findings from the study, indicated that parents and family influenced the decision by the youth to start a business. Most important it was found that the lack of access to finance and financial risks were significant demotivators for youths against starting up a business. Furthermore, education was seen to support the entrepreneurial careers of the respondents. The study also indicated that difficulty in attracting funding was a significant problem that affected entrepreneurship among youth. Some of the recommendation given were that tertiary institutions should train students in entrepreneurship; the government should set up special funds (Loans & Grants) for youth entrepreneurship; youth should be involved in policy development on entrepreneurship; capacity-building should be organized often for youth entrepreneurs; more functional incubation centers should be established across the country to breed young entrepreneurs; established adult and youth entrepreneurs should be encouraged to mentor up and coming, youth

entrepreneurs; the government should be consistent in youth entrepreneurship policy; the Government should address the issue of multiple taxations, poor infrastructure, poor planning, corruption, etc. ; the government should encourage citizens to patronize homemade goods; bureaucratic bottlenecks concerning government transactions with entrepreneurs should be eliminated and the government should improve the ease of doing business.

Rogito, Makhanu, Mombinya & Naymota (2020), had the objective to determine whether agribusiness offset huge employment potential considering its wide labour absorptive capacity and the role the youth have to play. Furthermore, the study aimed at assessing the relationship between access to financial services and youth involvement in agricultural value chains. Kakamega County in Kenya formed the area of study with 12 sub-counties selected as the sample area out of the large population, a total of 2,453 youth farmers participated in the study. The methodological approach entailed obtaining the sample size using Taro Yamane's formula in determining the requisite sample size for the study. A sampling error of 6.5% was used out of the assumption that a sampling error of less than 10% is acceptable. Further to this simple random and stratified random sampling technique was used. To determine instrument validity, they study made use of content valid index CVI to check consistency, legitimacy and significance. Rogito et al (2020), find that the youth had a high percentage of 98.1% as final consumers of agricultural produce and a lower standard deviation of 0.227. Second, the youth in general mainly are consumers and tend to work in processing plants, this was a worrying trend because the sample was drawn from young farmers. Third, it was determined that to receive a bank loan a farmer would need to produce a title deed, hence indicating a relationship between ownership of land and access to finance. Fourth, majority of farmers believed that loan repayments were high. Fifth, a large number of youths do not have access to the lending facilities a low standard deviation of 0.503 and this indicates that this is common for all farmers sampled regardless of gender or location. Finally, the conclusive findings are that there is a strong positive correlation between access to finance and youth involvement in consumption in the

agricultural value chain. More youth are consumers rather than producers because of this.

Mehari & Belay (2017), sought to assess issues related to youth unemployment and entrepreneurship in major cities in Addis Ababa and Dire Dawa both in Ethiopia, Africa. The specific objectives they embarked on were to determine the unemployment rate for male and female youth in the selected sub cities; to determine the extent of the unemployed across population subgroups by specific age, sex and urbanity; to identify major bottlenecks for the female youth and male youth in starting businesses in the selected areas of study. The study applied a methodology that investigated 3 hypotheses. It made use of descriptive data analysis, using frequency tables in depth. Further a correlation analysis tool was employed and it was used to check the prospect of youth self-employment in the study areas. The target group were youth aged 15 – 24 years as defined by the United Nations. A questionnaire was the data collection tool of choice, and it was divided into 3 parts for ease of information collection. Technology was employed in the data collection by using a tablet to capture responses rather the traditional paper and pen-based collection. Mehari & Belay (2017) found that the capital is the major factor that contributes largely to youth not being involved in self-employment where they cannot get employed. Financial constraints such as inadequate capital, insufficient loan amounts and inefficient financial markets are some of the main obstacles is doing business for most MSEs. Numerically out of 3,591 respondents, 1282 complained of the lack of capital as a major factor to influence unemployment. Given that MSEs are considered highly risky ventures and involve high administrative costs and lack of experience in dealing with financial institutions further limits them.

Ali and Jabeen's (2016), study leaves a conceptual gap in the they have focused only on demand sided determinants. Further to this a methodological gap is identifiable because the study indicates a sample that just had cities and town, it is not clear if this is representative of rural areas too. Babu (2017) leaves a contextual knowledge gap in that the study could have been done beyond Kiambu county. There also arises

a methodological knowledge gap in that he could have done the comparison for a longer period of time. Olufemi (2020), has a knowledge gap in the concept in that more variables could have been employed beyond entrepreneurship. Furthermore, there is also a methodological gap in that a longer time period could have been studied and a more cross-sectional approach could have been employed to achieve more telling outcomes. Rogito et al (2020), have a conceptual knowledge gap, with a larger focus on agribusiness, yet more variables could be explored. In addition a contextual knowledge gap that means more areas could have been included in the study to obtain more informative detail. Mehari & Belay (2017), leave a contextual gap in the age bracket that they choose to employ that is constrained to the UN defined ages of 15 to 24 years, the Kenyan context defines youth as 18 to 35 years hence more room for investigation in this area exists. There also arise a methodological knowledge gap in that there is potential and need to undertake larger comparative research beyond the framework of just two (2) regions. A conceptual gap also arises from the strong focus on entrepreneurship when more variables can be employed.

Ali and Jabeen (2016); Babu (2017); Olufemi (2020); Rogito et al (2020) & Mehari & Belay (2017), discussed access to funding and how it relates to Youth unemployment, the studies are mixed with some bringing a more global and regional view and others the local context of Kenya. First gap is a conceptual one with a focus only on demand sided determinants, again a focus on entrepreneurship as the main solution and another very good study undertaken but only on Agribusiness; more variables can be investigated. Another gap is a methodological one with a focus only on towns and cities, the clarity on the rural areas being captured is not defined; further to these more cross-sectional studies could have been employed to allow better outcomes for review. Furthermore, the age gap under review is a limited one and a bigger Kenyan context can be reviewed covering both the UN defined age group and Kenyan defined age group of Youth. Third a contextual knowledge gap is evidenced by there being a study of very limiting regions for instance in Kenya only Kiambu is studied in the research reviewed in addition, more regions can be reviewed in detail as the studies are strongly limited in the covering on Kenya.

#### **2.3.4 Access to affordable technology and youth unemployment**

Shank and Cotten (2014), investigated how different aspects of technology use and ownership had potential to empower urban youth through increasing self-efficacy. The focus was on STEM (Science, Technology, Engineering & Mathematics) subjects taken by 4th & 5th grade students in the United States of America (USA). The methodology applied was by use of a survey approach and descriptive analysis. Shank and Cotten (2014) found that technology use had an influence on each domain of efficacy in specific ways hence detailing why it was important to consider multiple areas of self-efficacy.

Owusu, Yaw, Bekoe, Addo – Yobu & Otioko (2020), examined the behavioural intentions of youth in Ghana as relates to mobile banking as a service delivery channel. Further the study interrogated the factors that influence the intention of individuals for the adoption of mobile banking. The study focused on business students at a large public university in Ghana, where a total of 517 valid responses were received and used. The methodological approach employed a questionnaire survey as the data collection tool with a descriptive analysis undertaken using the structural equation modelling technique. Eight (8), major hypotheses were tested, and a quantitative survey approach employed. The Likert scale was applied. Owusu et al (2020) found that the perceived ease of use, anticipated usefulness, relative advantage & complexity were key predictors of intentions to adopt mobile banking technology in Ghana.

Angioha and Ugal (2019), sought to examine the effect that information and communication technology had on the unemployment of youth, in Calabar, Municipality Cross River State Nigeria. Further they set to determine the relationship between call center operator and youth unemployment to assess if engagement in postiviely both influences youth unemployment. The methodology applied was purposive sampling with a questionnaire as the main data collection tool. Data collected was coded and analysed one hypothesis after the other using the Pearsons product moment correlation. Angioha and Ugal (2019), found that a

statistically considerable relationship between call center operators and youth unemployment in Calibar municipality, cross river states, Nigeria and unemployment outcomes exists. The outcome was indicative that call center programm operator forms part of the ICT that created employment for youth. Internet café operator and youth employment had a statistically considerable relationship, implying that internet café operator created employment for youth. Finally, it was determined that internet development will augment vocational opportunities to the youths where application of the internet was encouraged among youth.

Picatoste, Perez-Ortiz & Benito (2018), worked with the objective to determine how the informal education on Information Communication and Technologies (ICTs) affects youth employability in Europe. The study focussed in on youth aged 16 – 24 years living in the European Union. The methodological approach employed a structural equation modelling. Picatoste et al (2018), found that ICTs, trainings favour employment and training in computer management. It was also found that intergrating the teaching of information, communication and technology in universities as part of the curriculum in universities as a cross training topic was difficult yet an important challenge for preparing students for success in the labour markets.

Shank and Cotten (2014), leave a contextual knowledge gap, as the age group applied was young, the study could be done for an older age group within the youth cohort. A methodological gap is that this study could have been applied to a longer period of time. Owusu et al (2020), have a core conceptual gap as the only aspect of technology they investigate is mobile banking. Further a contextual gap can be identified in that this study can be undertaken in the Kenyan context too to obtain relevant outcomes to the unemployment issues. Angioha and Ugal (2019), study leaves a contextual knowledge gap where this study could be applied beyond Nigeria to determine information for other regions. Furthermore, a conceptual knowledge gap is identifiable in that more variables could have been applied to test the ICT engagement beyond the internet café and call center operator. A methodological knowledge gap is also noted as they could have done this study over a longer period

of time and even made it more cross sectional. Picatset et al (2018) , have a contextual knowledge gap in the limitation of the age gap applied where they use 16-24 years of age as the focus age group.

Shank and Cotten (2014); Owusu et al (2020); Angioha and Ugal (2019); Picatset et al (2018) undertook studies that discuss on access to affordable technology and youth unemployment. The research gaps identified are contextual first noting that the age group applied on some of the telling studies was quite young, an older age group could be reviewed within this study to address this. In addition to this the limited number of factors investigated within the context of information technology leaves room for additional study in this area and within the Kenyan context. Further to this a conceptual gap exists in the factors of study in the discussed researches being limited to mobile banking, hence allowing room for additional investigation.

### **2.3.5 Human capital development and youth unemployment**

Anosike (2019), Previous research focused on stable developed economies to predict that human capital and entrepreneurship education (EE) provision at the level positively affected entrepreneurial success. The study begun with an objective to investigate the outcome of recent entrepreneurship education (EE) projects in two higher education (HE) institutions in a conflict-torn northern Nigeria as a proxy to advocate the introduction of entrepreneurship as a compulsory component into the secondary school curriculum in Sub Saharan Africa. The methodology applied was the use of semi-structured interview data. It was found that the provision of EE at secondary education level could help to facilitate human capital development and assist efforts to reduce youth unemployment. The study more specifically suggested that EE comprises both generic and specific human capital that increases an individual's ability to identify and exploit opportunities, in particular for young people, and in so doing assists to decrease their vulnerability to poverty and involvement in armed conflict.

Hakooma & Seshamani (2017), sought to examine the impact of human capital on economic growth in Zambia both in the short and long run. They made use of Johansen's co-integration test and the Error Correction Model. The study used annual data from 1970-2013. The findings of the co-integration test indicated that there was in existence a long run relationship between economic growth represented by GDP per capita and human capital represented by government expenditures on health and education and secondary school enrolment. The estimated long run model indicated that human capital in the form of health represented by public expenditure on health was the main contributor to real GDP per capita rise followed by education human capital represented by secondary school enrolment. These findings aligned with the endogenous growth theories which proposed that an improvement in human capital in the form of skilled and healthy workers improved productivity.

Olawumi (2019), set out to investigate the effect of human capital development on economic growth, as well as controlling for country differences, in the BRICS economies in the period beginning 1990 to 2017. The methodology applied was the Ordinary Least Square (OLS) and Generalized Method of Moments (GMM) were used as the estimation techniques. The study made use of one-way ANOVA and Scheffe pairwise comparison tests to comprehend how human capital development differed between each pair of countries. It was found that the effect of human capital development on economic growth, though significant, was limited in the countries under study. A comparative analysis of results showed that China, Brazil, and Russia were able to utilise their human capital to enhance economic growth more efficiently than South Africa and India. Consequently, this study observed that a 1% increase in government expenditure on education would result in a 0.13% increase in GDP for China, a 0.06% increase in Russia, a 0.07% increase in Brazil, a 0.04% increase in South Africa, and a 0.01% increase in GDP in India. Furthermore, the study concluded that human capital development practices differ in all the countries. However, it was determined that a comparison of a comprehensive list of human capital development practices among countries was lacking. Overall, the paper presented that the classical theory of economic growth, in combination with the new theory, and the theory of market value, will not only help sustain a strategy tripod,

but also shed significant light on the most fundamental questions confronting human capital development and economic growth in many developing economies.

Anosike's (2018) study is limited to Nigeria in context and can further be extended to study other regions to obtain more indicative outcomes. In addition, the study can be expanded in concept to include more variables beyond a comparison of human capital and entrepreneurship. Hakooma & Seshamani (2017) is limited in concept as the variables are limited to the larger scope of economic growth, yet a larger study can be undertaken specific to youth unemployment. Olawumi (2019), could study more details on countries in Sub Saharan Africa other than South Africa and in so doing have a better comparison in how human capital affects youth unemployment and human capital.

Anosike (2018); Hakooma & Seshamani (2017) & Olawumi (2019) in studying human capital development and youth unemployment really pioneer this school of thought. The studies have contextual gaps as more research within this area needs to be undertaken in Kenya, with increasing focus on countries that are emerging economies. Conceptual gaps are identifiable in that the focus is more on economic factors when more factors can be investigated.

#### **2.4 Summary of Research Gaps**

The research gaps that arise from previous studies on policies in youth unemployment, create the need for additional research in the Kenyan context. A contextual knowledge gap exists as there is a need for further detailed study in Kenya, similar to what has been done in the United States of America or European Union. Further to this the studies undertaken in Kenya tend to be regionally focussed with few taking the nationwide aspect. It is important to note that these studies then tend to be homogenous and only give the effect of the select policy interventions on a limited demographic of the total youth population.

In addition, a conceptual gap arises in that numerous studies tend to focus on variables that are mostly aligned to entrepreneurship when a greater scope of investigation can be applied. It is important to acknowledge that there are more ways youth can be moved to employment

beyond just taking the entrepreneurship route, hence the study sought to undertake reviews beyond this scope. Furthermore, the investigation has focussed on the youth themselves when a greater knowledge base can be reached from interviewing the youth engaging interest groups and stakeholders that will include both private and public sector players. The importance of all rounded information cannot be downplayed in addressing youth unemployment in Kenya hence this study sought to capture the experiences of these crucial players as they implemented select policy interventions to youth unemployment in Kenya.

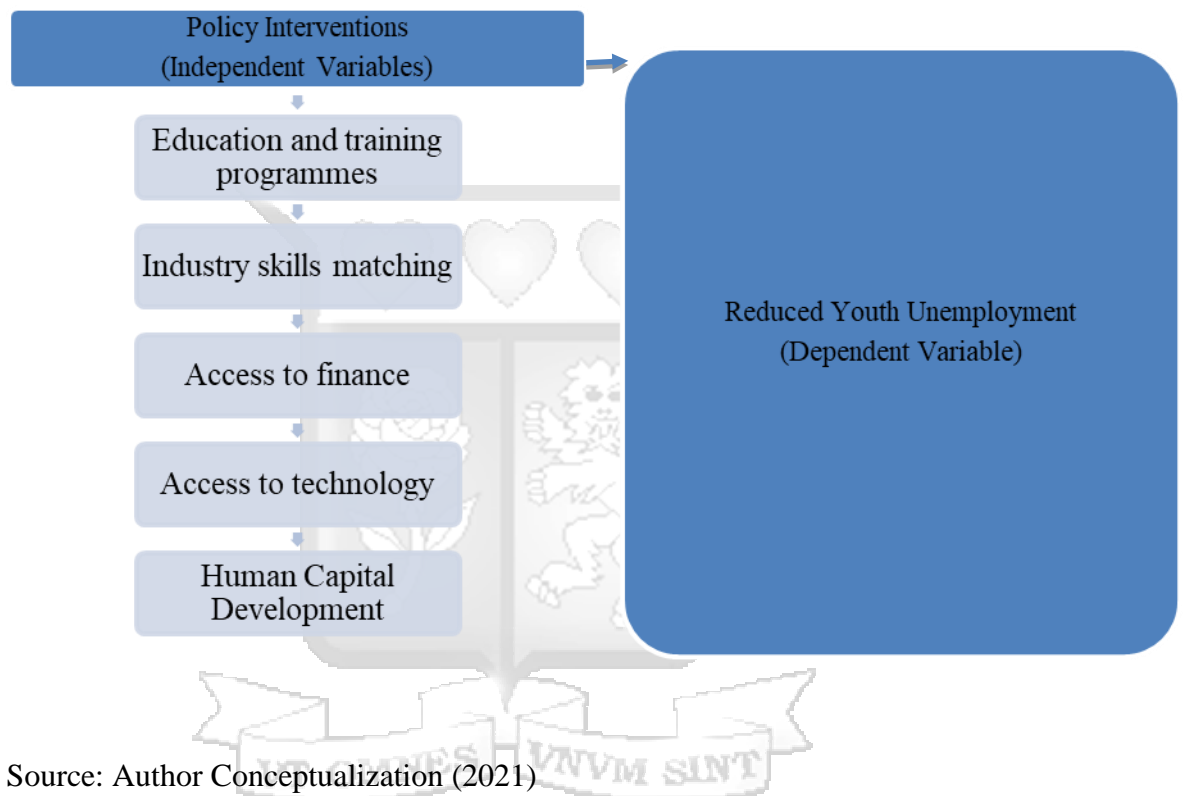
The methodological gap that appears across the studies observed is that very few use a time series approach that could be very useful in providing better historical data for decision making. Further to this some of the sample groups are too homogenous for the diversity of outcome needed for instance research undertaken on youth in one university or from one particular economic group is a limitation in many of the studies.

This study on effects of select policy interventions on for youth unemployment in Kenya sought to address the contextual, conceptual and methodological research gaps identified by bringing in a national Kenyan context, diverse interventions under review beyond just entrepreneurship and increased knowledge on the advances that have been made on addressing the unemployment issue among the youth in Kenya. The study is set out in a time in history when a pandemic has occurred that has also brought out the glaring need of proper and long-lasting policy interventions. The study attempts to review the effects of policy interventions over a time that period and experiences of youth engagement stakeholders in Kenya that provides more historical experience that contributes to informs the final recommendations to the address the matter.

## 2.5 Conceptual Framework

The conceptual framework below seeks to bring out the relationship between the independent and dependent variable, thus providing an understanding on the outcomes of the research.

**Diagram 2.1: Conceptual Framework**



Source: Author Conceptualization (2021)

In this study the independent variable under investigation are the select policy interventions on youth unemployment in Kenya, the dependent variable was reduced youth unemployment. The independent variable measures in place that are under review are education and training, industry skills matching, access to finance, access to information technology and human capital development.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the methods used to undertake this study. The key sections discussed here include research design, research philosophy, population and sampling, the procedures, and techniques for collecting data and data analysis processes. The data instruments and procedures used in data collection are entailed here too. It also entails the reliability and validity measures that are employed in the study, in addition to the ethical considerations applied as the study was undertaken.

#### **3.2 Research Philosophy**

The research philosophy that was applied is positivism, which takes the approach of natural science that entails working with a social reality that is observable with the outcome being generalisations that are law like (Saunders, 2015). This serves the purpose of allowing for the use of structure in the data collection method. In addition, large samples can be employed as needed and measurements can be both quantitative and qualitative where necessary.

The study made epistemological assumptions, that brought out the use of positivism, an assumption that when compared to others uses objective facts that are taken to offer the best scientific evidence that is considered objective and generalisable, (Saunders, 2015). In comparison to the four (4) other widely discussed philosophies that is critical realism, interpretivism, postmodernism and pragmatism, the positivist approach is best applied to this study as it will lead to the gathering of impressions of respondents hence providing a basis for subsequent testing of hypothesis.

#### **3.3 Research Design**

The research design that was used is descriptive survey, the research employed this method so as to describe policy outcomes thus far then make a recommendation on policy informing conclusions hence the work was undertaken with quantitative data & analysis. Saunders (2015) define descriptive studies as those that seek to gain a

profile of events, persons or situations that is accurate. Descriptive studies are a lead up from exploratory studies and then tend to precede explanatory studies.

The questions in this type of study sought to provide information on the pending and recurring nature of youth unemployment by asking targeted stakeholders for their contribution. It is core to note that situations with recurring and dynamic natures such as youth unemployment need to keep being assessed, monitored and policy interventions adapted to meet the most recent matters to be addressed. Youth unemployment has almost been tagged as global crisis and hence stays in the forefront of policymaker's mind. A study of this nature comes in a timely matter to add to the existent pool of knowledge by providing necessary information on the outcomes that youth engagement stakeholders are experiencing with select policy interventions towards addressing youth unemployment.

### **3.4 Population and Sampling**

The unit of analysis is youth engagement stakeholders in both the public and private sector involved in addressing youth unemployment in Kenya. The total population of these organisations applied in this study is 30 in number. This was guided by the Kenya National Youth Development Policy (2019), who avail a comprehensive list of youth unemployment policy interventions in Kenya. In the private sector the organisations of interest are those who are engaging with youth in an endeavour to create employment. In the public sector the government and its partners are the stakeholders of interest. The current youth engagement initiatives and programmes in Kenya are numerous and stationed within different government and private sector stakeholders, with the main ones being under the Ministry of ICT, Innovation and Youth Affairs, Ministry of Labour & Social Protection, Micro and Small Enterprises Authority and the Kenya Private Sector Alliance. An inventory from these five sources indicated the various youth engagement initiatives, programmes and stakeholders from which the study approached participants for the study.

### **3.5 Sampling Frame**

The research was a study involving 30 respondents drawn from each of the youth engagement stakeholders in Kenya. The study purposively identified the key

informant in each organisation as the respondent. The data was collected from the directors of each of these organizations because they are regarded as the key informants. This is the person who is in a vantage position to assess the success rates of the initiatives and the challenges encountered in an endeavour to address youth unemployment in the country. The table 3.1 below lists the youth engagement stakeholders and respective respondents applied to the study.

**Table 3.1 List of Youth Engagement Stakeholders in Kenya**

	<b>Name of the Institution/Company/Organisation/Government Ministry/Department/Office</b>	<b>Role in the Institution/Government Ministry /Company</b>
1	World Youth Alliance Africa, Operations	Regional Director
2	RTI NGO	Project Director
3	Ministry of Foreign of Affairs	Diplomacy
4	Strathmore University	Education provider
5	Office of the Attorney General and Department of Justice	State Counsel
6	Kabarak University	Assistant Dean of Law
7	Kenya Private Sector Alliance	Director - Ajira Digital and Youth employment
8	Christian Entrepreneurs Sacco Ltd	CEO, Team Leader
9	Strathmore University, Financial Aid	Manager
10	Micro and Small Enterprises Authority (MSEA)	Promotion, Development and Regulation of the Micro and Small Enterprises in Kenya
11	ICC Nairobi	Program Coordinator
12	ICT Authority	Capacity Development
13	State Department for Youth Affairs	Technical Officer
14	Strathmore University	Registrar

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15	The National Employment Authority	Director
16	RTI (Research Triangle Institute) International	M&E Officer
17	World Youth Alliance Africa	Regional Director of Operations
18	Kenya Youth Employment and Opportunities Project (KYEOP)	Monitoring and Evaluation Assistant
19	CAP Youth Empowerment Institute	Capacity Building
20	Youth Initiatives Kenya	Programmes Coordinator
21	Ministry of Labour and Social Protection	Officer
22	Federation of Kenyan Employers -FKE	Policy Research Officer
23	KYEOP	Research Administration
24	State Department for Youth Affairs	Research Administration
25	Ministry of ICT, Innovation and Youth Affairs, State Dept. For Youth Affairs	Research Administrator
26	Federation of Kenyan Employers	Human Resources
27	KIPPRA	Researcher
28	TVET AUTHORITY	Research
29	Federation of Kenyan Employers	Legal and Industrial Relations Officer
30	Federation of Kenyan Employers	Training Officer

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### 3.3 Data Collection Methods

The study relied on primary data. A five-point structured Likert scale questionnaire was used for the purposes of data collection. The point of scale indicates the degree of agreement by the respondent to the statement indicating the effects of various policy interventions on youth unemployment in Kenya. The questionnaire comprised questions related to education and training, industry skills matching, access to finance, access to affordable technology and human development, and how these

have affected youth unemployment (Appendix III). In addition, the questionnaire also had further questions that measured the respondents' demographics.

### **3.4 Research Quality**

The research quality measure ensured that it was undertaken in a timely manner and is well detailed. The sources used were well researched and detailed for the purposes of ensuring the relevant information to the study is adequately gleaned, analysed and proper recommendation determined on the way forward as regards youth unemployment in Kenya.

Research Quality is the scientific process that includes all facets of the study design, methods, the selection of subjects, measurements of outcomes and protection against bias (Boaz & Ashby, 2003). The research quality can be broadly discussed in two broad themes: Research Reliability and Research Validity.

#### **3.4.1 Validity and Reliability**

The research work is pegged on well distributed questionnaires that have been treated with confidentiality and personally delivered to ensure the questions are all responded to. On the other hand, validity which is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study; is to be achieved by analysing the questionnaire. In addition, the analysis from the pre-test informed the researcher whether the instrument measures what it was meant to measure (Saunders et al., 2016). For validity the study used the pilot test and for reliability the test applied was the Cronbach Alpha Coefficient.

Cronbach's alpha is a statistic commonly cited by authors to illustrate that tests and scales that have been employed for research projects are fit for purpose (Taber, 2017). It can also be defined as a way of testing reliability through undertaking a comparison of the amount of shared variance, or covariance, within the items that would constitute an instrument to the amount of overall variance. The expected outcome is that if the instrument is reliable then there is expected to be a great deal of covariance among the items relative to the variance, (Onwuegbuzie & Collins, 2007).

The interpretation hinges off the assumption that the resulting  $\alpha$  coefficient of reliability ranges from 0 to 1 in providing this overall assessment of the instrument's reliability. If all of the scale items are entirely independent from one another (i.e., are not correlated or share no covariance), then  $\alpha = 0$ ; and, if all of the items have high covariances, then  $\alpha$  will approach 1 as the number of items in the scale approaches infinity. In other words, the higher the  $\alpha$  coefficient, the more the items have shared covariance and probably measure the same underlying concept. Although the standards for what makes a "good"  $\alpha$  coefficient are entirely arbitrary and depend on your theoretical knowledge of the scale in question, many methodologists recommend a minimum  $\alpha$  coefficient between 0.65 and 0.8 (or higher in many cases);  $\alpha$  coefficients that are less than 0.5 are usually unacceptable, especially for scales purporting to be unidimensional (Goforth, 2015).

For validity the research instrument used in this study, the questionnaire was examined, pre-tested for face and content validity and finally approved by the researcher. Face validity is a check on what extent the measurement method is seen to measure the construct of interest, while content validity is the extent to which people's scores on a measure are correlated with other variables that one would expect them to be correlated with (Glass & Smith, 1986). Both these measures were assessed through a pilot test with responses from six (6) trial respondents further to this the research instrument was fine-tuned collaboratively between the researcher and the supervisor, where changes were proposed, evaluated and implemented in the final questionnaire.

Reliability of the study instrument was determined to establish the level of consistency of study measurement over time. Using Cronbach's alpha coefficient values between 0 and 1.00, Kothari (2008) stated that the rule of thumb for Cronbach's alpha is that the closer the alpha is to 1 the higher the reliability. The results are presented in Table 3.1 below.

**Table 3.1 Cronbach's Alpha Pilot Results**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>
Education and Training	0.8498	5
Industry Skills Matching	0.8867	5
Access to Finance	0.7639	5
Affordable Technology	0.7353	5
Human Capital Development	0.9282	5

Source: Author Compilation (2021)

The Results in Table 3.1 above established that the Cronbach's alpha for all the study variables was above .7 or closer to 1.00, hence the research instrument was considered reliable and was used in the study. The reliability of the constructs was deemed excellent in establishing internal consistency, suggesting that the instrument of the study was applicable in giving consistent results over time.

### **3.5 Data Analysis**

The research reviewed and analysed quantitative data with the focus to draw conclusions based on data collected from the primary tool. The data analysis is descriptive thus enabling the study to extend the research and create more content outcomes for analysis (Saunders et al, 2015).

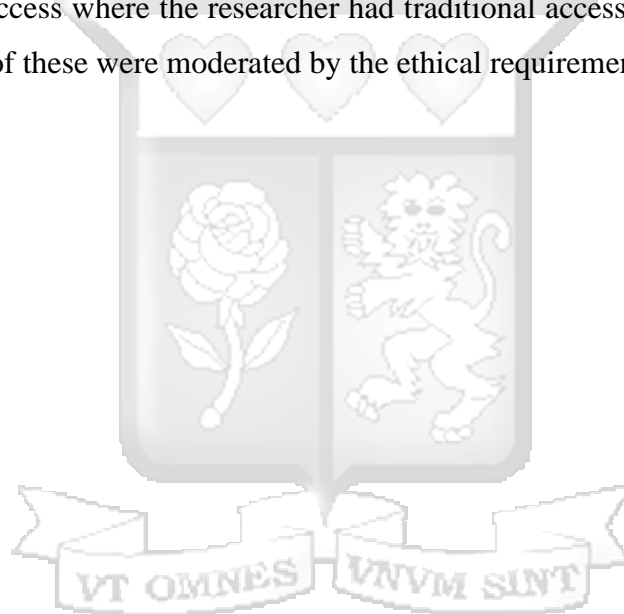
Descriptive statistics allows for the description and comparison of variables numerically, the focus mainly used the central tendency or the dispersion (Saunders et al, 2015). There are three main ways that central tendency is measured, these are mode, median and mean. The dispersion is widely described using two main ways, the difference within the middle 50 per cent of values, that is the inter-quartile range and the extent to which values differ from the mean, that is the standard deviation.

### **3.5.1 The Analytical Model**

The study employed a correlation analysis hence applied the Spearman's Rank Correlation as the analysis tool. This served the core approach of reviewing the data collected through the five-point Likert scale questionnaire.

### **3.6 Ethical Considerations**

The research was undertaken having obtained authorisation from the relevant authorities for the execution of this task, in addition all the respondents were asked to give consent before the research tool was distributed. The research worked with hybrid data access where the researcher had traditional access and internet-mediated access, both of these were moderated by the ethical requirements for engagement.



## **CHAPTER FOUR**

### **PRESENTATION OF RESEARCH FINDINGS**

#### **4.1 Introduction**

The findings of the research are presented in this chapter. The chapter focused on the demographic information, the exploratory factor analysis, the descriptive analysis and a correlation analysis.

#### **4.2 Response Rate**

The researcher administered thirty (30) questionnaires which were all applied to the study. A number of the youth engagement stakeholders approached were responsible for multiple youth engagement programmes and initiatives hence more than one questionnaire was duly filled. The results are as shown in Table 4.1 below. On the returned questionnaires, the response rate was 100.00 % which was within the range of what Sekaran (2003) suggested as being a significant response rate acceptable for statistical analysis and established it at a minimum value of 50%.

#### **4.3 Respondents' Demographics**

##### **4.3.1 Respondents by Sector**

The results in table 4.1 below show that of the respondents, 43.33 % of youth engagement stakeholders were within the public sector, 23.338% in the private sector, 16.67% in International Non-Governmental organisations, 3.33% in Regional Non-Governmental organisations, 10.00% in National Non-Governmental organisations and 3.33% in other that was listed as a trade union.

**Table 4.1: Respondents by Sector**

<b>Main Sector of engagement</b>	<b>Frequency</b>	<b>% Respondents by Sector</b>
a) Public	13	43.33
b) Private	7	23.33
c) International Non- Governmental Organisations	5	16.67
d) Regional Non-Government Organisations	1	3.33
e) National Non-Governmental Organisations	3	10.00
f) Other	1	3.33
<b>Total</b>	<b>30</b>	<b>100.00 %</b>

Source: Author Computation (2021)

The results show by count that thirteen (13) of the stakeholders are from the public space seven (7) from private, and five (5) in International Non-Governmental organisation, one (1) in Regional Non-Governmental organisation, three (3) in National Non-Governmental organisation and one (1) other that was listed as a trade union.

The outcomes show clearly that the largest youth engagement towards addressing youth unemployment in Kenya is by the public sector, closely followed by the private sector, then International NGO's, National NGO's and Regional NGO's. This exemplifies the need for partnership and collaboration across sectors in tackling youth unemployment in Kenya. Each of these stakeholders is playing a key role within the framework that they operate.

#### **4.3.2 Area of focus in youth engagement**

The results as presented in table 4.2 below show that of the respondents, 16.67% of the youth engagement stakeholders focus on self-employment, 30.00% focus on availing job opportunities and 53.33% focus on both.

**Table 4.2: Area of Focus in Youth Engagement**

<b>Areas of focus</b>	<b>Frequency</b>	<b>% Area of Focus</b>
a) Self-employment	5	16.67
b) Job vacancies	9	30.00
c) Both	16	53.33
<b>Total</b>	<b>30</b>	<b>100.00%</b>

Source: Author Computation (2021)

The results show by count that of the respondents five (5) of the youth engagement stakeholders focus on self-employment, nine (9) focus on job opportunities and sixteen (16) focus on both.

The outcomes show that the key area of focus by youth engagement stakeholders is on availing both job opportunities and encouraging self-employment. The second area of focus towards addressing youth unemployment by some stakeholders is a focus on availing job opportunities only, this is followed by a focus by some stakeholders only on creating self-employment.

#### **4.3.3 Period of operation in Kenya**

The results as presented in table 4.3 below show that of the respondents, 20.00% of the youth engagement stakeholders have been in existence for between 5 – 10 years, another 36.67% for 11 – 20 years and 43.33% for more than 20 years.

**Table 4.3: Period of operation in Kenya**

<b>Period of Operation</b>	<b>Frequency</b>	<b>% Period of Operation</b>
a) Less than 5 years	0	0.00
b) 5 - 10 years	6	20.00
c) 11 - 20 years	11	36.67
d) More than 20 years	13	43.33
<b>Total</b>	<b>30</b>	<b>100.00%</b>

Source: Author Computation (2021)

The results show by count that of the respondents, zero (0) of the youth engagement stakeholders have been in existence for less than 5 years, six (6) for between 5 – 10 years, eleven (11) for 11 – 20 years and thirteen (13) for more than twenty years.

The outcomes show that most youth engagement stakeholders have been around for more than 20 years. This is indicative that there has been a concerted effort in addressing youth unemployment in Kenya since the 1990's through intentional stakeholder action on the select policy interventions. It also means that the policy interventions have been employed over the youth demographic during this time period allowing review on how effective they are. There are those stakeholders that have been active for between 11- 20 years, signaling that there have been more players coming into youth engagement progressively in the 2000's. Other stakeholders have been active for at least 5 years an indicator that there is more recent engagement towards addressing youth unemployment in Kenya.

#### **4.3.4 Collaboration with education providers**

The results showed that all the respondents collaborated with education providers. The expected response to this question was yes or no. The question was posed this way to determine if education providers were in active engagement with the youth engagement stakeholders. It served the purpose of determining if there was inter sectoral engagement with education providers and not to assume that engagement was an automatic reduction of youth unemployment. The outcomes here are encouraging to note because of the extent to which the education system reaches the youth.

#### **4.3.5 Age group of the targeted youths**

The results as presented in table 4.4 below show that of the respondents 30% of the youth engagement stakeholders engage with youth between the ages of 15 – 35 years, 6.67% engage with those between 15 – 29 years, 3.33% engage with those between 15-24 years & 30 – 35 years, 16.67% engage with those between 20– 35 years, 3.33% engage with those between 15 – 24 years, 10.00 % engage with those between 20 – 29 years, 10.00% engage with those between 25-35 years, 3.33%

engage with those between 20 – 24 years, 10.00% engage with those between 25-29 years and 6.67% engage with those between 30 – 35 years.

**Table 4.4: Age group of targeted youths**

<b>Age Group</b>	<b>Frequency</b>	<b>% Age Group</b>
15 – 35 years	9	30.00
15 – 29 years	2	6.67
15 – 24 years & 30 – 35 years	1	3.33
20 - 35 years	5	16.67
15 – 24 years	1	3.33
20 – 29 years	3	10.00
25 – 35 years	3	10.00
20 – 24 years	1	3.33
25- 29 years	3	10.00
30- 35 years	2	6.67
<b>Total</b>	<b>30</b>	<b>100.00%</b>

Source: Author Computation (2021)

The results show by count that of the respondents nine (9) of the youth engagement stakeholders engage with youth between the ages of 15 – 35 years, two (2) engage with those between 15 – 29 years, one (1) engage with those between 15-24 years & 30 – 35 years, five (5) engage with those between 20– 35 years, one (1) engage with those between 15 – 24 years, three (3) engage with those between 20 – 29 years, three (3) engage with those between 25-35 years, one (1) engage with those between 20 – 24 years, three (3) engage with those between 25-29 years and two (2) engage with those between 30 – 35 years.

The study distinguishes age groups to ensure that overlaps in capturing data are reduced as much as possible. Each stakeholder was aligned as closely as possible to the age bracket within the youth cohort that they engage with. The majority of the stakeholder who responded engage with a youth cohort from 15 to 35 years with select others engaging with only a select group within the youth age bracket. This outcome shows that the entire youth cohort is being engaged actively and even in some instances by multiple stakeholders towards addressing youth unemployment.

#### 4.4 Descriptive Analysis

The study further conducted a descriptive analysis to tabulate the responses of the research obtained from the participants. The results were presented using means, standard deviation, and sums. The aim of the descriptive analysis was to provide a summary of the responses obtained from the research participants.

##### 4.4.1 Education and training programmes

The study sought to determine the effect of education and training on youth unemployment in Kenya. The respondents were asked to indicate their levels of agreement to four (4) statements that were considered in relation to youth unemployment in Kenya and aligned to education and training programmes. The responses were contained in a 5-point Likert scale with 1 representing strongly disagree and 5 representing strongly agree. The results are presented in table 4.5 below.

**Table 4.5: Descriptive Results for education and training programmes**

Statement	Mean	Standard Deviation
Youth literacy rates has an influence on youth unemployment levels in Kenya	3.77	1.25
Slow adaptation of curricula to the current needs has led to increased youth unemployment levels in Kenya	4.27	0.91
Poor structures of education systems have led to increased youth unemployment levels in Kenya	3.97	0.93
Lack of access to education has increased the youth unemployment levels in Kenya	3.23	1.30
	<b>3.81</b>	<b>1.10</b>

Source: Author Computation (2021)

From the analysis the average mean response on education and training programmes is 3.81 which means that most respondents are in agreement to education and training programmes being important in addressing youth unemployment in Kenya.

Standard Deviation of 1.10 is an indication of a consensus among the respondents on education and training programmes as affecting youth unemployment in Kenya.

The results indicate agreement among respondents that slow adaptation of curricula to the current needs has led to increased youth unemployment levels in Kenya as indicated by a mean of 4.27 and a standard deviation of 0.91.

The results indicate agreement among respondents that poor structures of education systems have led to increased youth unemployment levels in Kenya as shown by the mean 3.97 and standard deviation of 0.93.

#### 4.4.2 Industry skills matching

The study sought to determine the effect of industry skills matching on youth unemployment in Kenya. The respondents were asked to indicate their levels of agreement to five (5) statements that were considered in relation to youth unemployment in Kenya and aligned to industry and skills matching. The responses were contained in a 5-point Likert scale with 1 representing strongly disagree and 5 representing strongly agree. The results are presented in table 4.6 below.

**Table 4.6: Descriptive Results for Industry skills matching**

<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
Missing skills in the job market has led to increased youth unemployment levels in Kenya	3.87	1.14
There is a big proportion of workers who are overqualified in the jobs they are doing in the job market in Kenya	3.80	1.00
There is a big proportion of workers who are underqualified in the jobs they are doing in the job market in Kenya	3.13	1.04
There are vacancies in the job market in Kenya that are hard to fill because of lack of skills	3.43	1.07
Poor collaboration between industry and education providers has increased the levels of youth unemployment in Kenya	4.30	0.79
	<b>3.71</b>	<b>1.01</b>

Source: Author Computation (2021)

From the analysis the average mean response to industry skills matching is 3.71 which means that respondents are in agreement to industry skills matching is key in addressing youth unemployment in Kenya. Standard Deviation of 1.01 is an indication of a consensus among the respondents on industry and skills matching as affecting youth unemployment in Kenya.

The results indicate agreement among respondents that poor collaboration between industry and education producers has led to increased youth unemployment levels in Kenya as indicated by a mean of 4.30 and a standard deviation of 0.79. The results also showed missing skills in the job market has led to increased youth unemployment levels in Kenya as shown by the mean 3.87 and standard deviation of 1.14.

#### 4.4.3 Access to Finance

The study sought to determine the effect of access to finance on youth unemployment in Kenya. The respondents were asked to indicate their levels of agreement to four (4) statements that were considered in relation to youth unemployment in Kenya and aligned to access to finance. The responses were contained in a 5-point Likert scale with 1 representing strongly disagree and 5 representing strongly agree. The results are presented in table 4.7 below.

**Table 4.7: Descriptive Results for Access to Finance**

<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
Lack of access to loans credit services has increased youth unemployment in Kenya	3.80	1.24
Lack of access to venture capital has hindered reduction of youth unemployment in Kenya	3.73	1.17
Lack of adequate collateral has hindered youths in Kenya from pursuing self-employment	4.03	1.10
Lack of access to savings and investment services has increased levels of youth unemployment in Kenya	3.57	1.17
	<b>3.78</b>	<b>1.17</b>

Source: Author Computation (2021)

From the analysis the average mean response to access to finance is 3.78 which means that respondents are in agreement to access to finance is key in addressing youth unemployment in Kenya. Standard Deviation of 1.17 is an indication of a consensus among the respondents on access to finance as affecting youth unemployment in Kenya.

The results indicate agreement among respondents that lack of adequate collateral has hindered youth from pursuing self-employment hence leading to increased youth unemployment levels in Kenya as indicated by a mean of 4.03 and a standard deviation of 1.10. The results also showed that lack of access to loans credit services affects access to finance for youth in Kenya has led to increased youth unemployment levels in Kenya as shown by the mean 3.80 and standard deviation of 1.24.

#### **4.4.4 Access to affordable technology**

The study sought to determine the effect of access to affordable technology on youth unemployment in Kenya. The respondents were asked to indicate their levels of agreement to four (4) statements that were considered in relation to youth unemployment in Kenya and aligned to access to affordable technology. The responses were contained in a 5-point Likert scale with 1 representing strongly disagree and 5 representing strongly agree. The results are presented in table 4.8 below.

**Table 4.8: Descriptive Results for Access to affordable technology**

<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
Lack of computers and internet services has led to increased youth unemployment in Kenya	3.10	1.12
Poor IT connectivity (digital exclusion) has exacerbated youth unemployment in Kenya	3.33	1.18
Cost of access to internet has led to increased youth unemployment in Kenya	3.53	1.25
Lack of basic information technology application skills has led to increased youth unemployment in Kenya	3.47	1.20
	<b>3.36</b>	<b>1.19</b>

Source: Author Computation (2021)

From the analysis the average mean response to access to affordable technology is 3.36 which means that respondents are in agreement to access to affordable technology is key in addressing youth unemployment in Kenya. Standard Deviation of 1.19 is an indication of a consensus among the respondents on access to affordable technology as affecting youth unemployment in Kenya.

The results indicate agreement among respondents that cost of access to internet has led to increased youth unemployment in Kenya hence leading to increased youth unemployment levels in Kenya as indicated by a mean of 3.53 and a standard deviation of 1.25. The results also showed that a lack of basic information technology application skills has led to increased youth unemployment in Kenya has exacerbated youth unemployment in Kenya as shown by the mean 3.47 and standard deviation of 1.20.

#### **4.4.5 Human Capital Development**

The study sought to determine the effect of access to human capital development on youth unemployment in Kenya. The respondents were asked to indicate their levels of agreement to four (4) statements that were considered in relation to youth unemployment in Kenya and aligned to access to human capital development. The

responses were contained in a 5-point Likert scale with 1 representing strongly disagree and 5 representing strongly agree. The results are presented in table 4.9 below.

**Table 4.9: Descriptive Results for Human Capital Development**

Statement	Mean	Standard Deviation
Increased human capital development can contribute to lowering youth unemployment in Kenya	4.33	0.71
More policies in Kenya that require human capital development in the workforce will ensure more youth have access to skills that will assist in getting them employed	4.13	0.82
Human capital employment that is aligned to the employers' needs will be instrumental in reducing youth unemployment in Kenya	4.33	0.80
Human capital development when supported by both the private and public sector jointly assist in bringing down youth unemployment in Kenya	4.43	0.73
	<b>4.31</b>	<b>0.77</b>

Source: Author Computation (2021)

From the analysis the average mean response to human capital development is 4.31 which means that respondents are in agreement to human capital development as key in addressing youth unemployment in Kenya. Standard Deviation of 0.77 is an indication of a consensus among the respondents on access to human capital development as affecting youth unemployment in Kenya.

The results indicate agreement among respondents that human capital development when supported by both the private and public sector jointly assist in bringing down youth unemployment in Kenya as indicated by a mean of 4.43 and a standard deviation of 0.73. The results also showed that human capital employment that is aligned to the employers' needs will be instrumental in reducing youth unemployment in Kenya as shown by the mean 4.33 and standard deviation of 0.80.

#### 4.4.6 Reduced Youth unemployment

The study sought to determine the effect of select policy interventions on youth unemployment in Kenya. The respondents were asked to indicate their levels of agreement to six (6) statements that were considered as policy interventions on youth unemployment. The responses were contained in a 5-point Likert scale with 1 representing strongly disagree and 5 representing strongly agree. The results are presented in table 4.10 below.

**Table 4.10: Descriptive Results for Youth Unemployment**

<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
Low youth literacy levels among the youth significantly affects youth unemployment in Kenya	3.27	1.28
Lack of access to education and training among the youth significantly affects youth unemployment in Kenya	3.50	1.25
Missing skills in the job market effects on youth unemployment in Kenya	3.80	1.00
Poor collaboration between industry and education providers significantly affects youth unemployment levels in Kenya	4.47	0.68
Lack of access to credit and other financial services among the youth significantly affects youth unemployment in Kenya	4.03	0.93
Lack of access to affordable technology among the youth significantly affects youth unemployment in Kenya	3.80	0.96
	<b>3.81</b>	<b>1.02</b>

Source: Author Computation (2021)

From the analysis the average mean response to youth unemployment is 3.81 which means that respondents are in agreement to the youth unemployment in Kenya.

Standard Deviation of 1.02 is an indication of a consensus among the respondents on youth unemployment in Kenya.

The results indicate agreement among respondents that poor collaboration between industry and education providers is responsible for the high youth unemployment levels in Kenya as indicated by a mean of 4.47 and a standard deviation of 0.68. The results also showed that lack of access to credit and other financial services is a major cause of youth unemployment in Kenya as shown by the mean 4.03 and standard deviation of 0.93.

#### **4.5 Correlation Analysis**

##### **Spearman's Rank Correlation**

Spearman's rank correlation was used to measure the extent of correlation among the study variables. Spearman's rank correlation is a non-parametric statistical measure used when data holds true to two core assumptions. First, that it is monotonical in nature meaning that an upward rise happens on one variable as the other variables rises; second that the variables are measured at an ordinal level (Likert scale) or are scales (ages, ratios). The data in this study held true to both assumptions hence this non-parametric measure can be applied. The details can be observed in table 4.11 below.

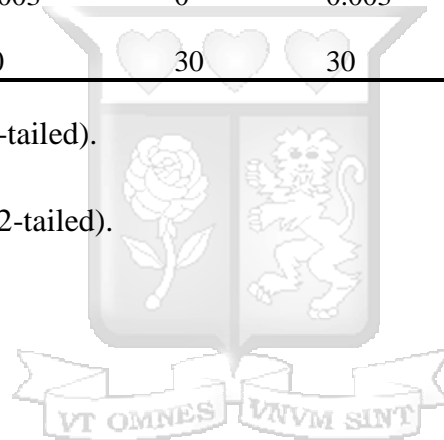
**Table 4.11: Spearman's Rank Correlation**

		<b>EduTrain</b>	<b>IndSkills</b>	<b>AccessFin</b>	<b>AccessTech</b>	<b>HumCap</b>	<b>YouthUnemp</b>
<b>EduTrain</b>	Correlation Coefficient	1	0.263	.421*	0.346	-0.036	.520**
	Sig. (2-tailed)	.	0.16	0.021	0.061	0.852	0.003
	N	30	30	30	30	30	30
<b>IndSkills</b>	Correlation Coefficient	0.263	1	0.205	.432*	0.18	.623**
	Sig. (2-tailed)	0.16	.	0.278	0.017	0.341	0
	N	30	30	30	30	30	30
<b>AccessFin</b>	Correlation Coefficient	.421*	0.205	1	.667**	0.07	.517**
	Sig. (2-tailed)	0.021	0.278	.	0	0.715	0.003
	N	30	30	30	30	30	30
<b>AccessTech</b>	Correlation Coefficient	0.346	.432*	.667**	1	-0.025	.673**
	Sig. (2-tailed)	0.061	0.017	0	.	0.894	0
	N	30	30	30	30	30	30
<b>HumCap</b>	Correlation Coefficient	-0.036	0.18	0.07	-0.025	1	0.248

	Sig. (2-tailed)	0.852	0.341	0.715	0.894	.	0.186
	N	30	30	30	30	30	30
<b>YouthUnemp</b>	Correlation Coefficient	.520**	.623**	.517**	.673**	0.248	1
	Sig. (2-tailed)	0.003	0	0.003	0	0.186	.
	N	30	30	30	30	30	30

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

\*\* Correlation is significant at the 0.01 level (2-tailed).



Education and Training can be assumed to be statistically significant to youth unemployment, given that the correlation coefficient value of 0.520 can be interpreted as strong and a p value of 0.003 is acceptable. It therefore translates to an indication that policy interventions through education and training serve towards addressing youth unemployment in Kenya.

Industry skills can be assumed to be statistically significant to youth unemployment, given that the correlation coefficient value of 0.623 can be interpreted as strong and a p value of 0.00 is acceptable. The study draws the conclusion that policy interventions through industry skills matching have a positive impact on youth unemployment in Kenya.

Access to finance can be assumed to be statistically significant to youth unemployment, given that the correlation coefficient value of 0.517 can be interpreted as strong and a p value of 0.003 is acceptable. It is observed that this relationship is indicative that access to finance is one of the policy interventions when applied in addressing youth unemployment results in positive outcomes.

Access to technology can be assumed to be statistically significant to youth unemployment, given that the correlation coefficient value of 0.673 can be interpreted as strong and a p value of 0.00 is acceptable. The study observes that access to technology ranks the highest in having a positive relationship with youth unemployment in Kenya. It therefore can be assumed that as a policy intervention it is key in addressing youth unemployment in Kenya.

Human capital development can be assumed that it is not statistically significant to youth unemployment, given that the correlation coefficient value of 0.248 is interpreted as weak and a p value of 0.186 is unacceptable. It therefore is observed that human capital development currently does not have an effect on youth unemployment in Kenya.

## CHAPTER FIVE

### DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents summary of findings, discussions, conclusion, and recommendations on the effect of select policy interventions on youth unemployment in Kenya. This chapter discusses the findings presented in the previous chapter in accordance with the research objectives. It highlights from the analysis of the data collected, the following discussions, conclusion and recommendations made.

#### 5.2 Summary of the study

The purpose of the study was to investigate the effects of select policy interventions on youth unemployment in Kenya. The findings and results detail the effects of education and training programme on youth unemployment; the effect of industry skills matching on youth unemployment in Kenya; the influence of access to finance on youth unemployment in Kenya; the effect of access to affordable technology on youth unemployment in Kenya; the effect of human capital development on youth unemployment in Kenya.

The study was guided by the Classical Theory of Unemployment as expounded by Rodriguez (2015), Keynes (1936) Keynesian Theory of Unemployment and Becker (1962); Rosen (1976) Human Capital Theory and Systems Theory as expounded by Easton (1965). The focus of the study was youth engagement stakeholders in the public and private sector in Kenya running youth engagement programmes towards enacting policy interventions youth unemployment in Kenya, the key informant targeted were the directors of the organisations.

A cross-sectional descriptive survey research design was used for the study. The relationship between the variables was examined using a descriptive correlation design. The total population of respondents captured 30 youth engagement stakeholders. The response rate for the questionnaires was 100.00%, where 30 fully filled questionnaires were returned. The youth engagement stakeholders were purposively selected to form the population established. The analyses were

descriptive statistics on the sample. The quantitative technique applied for data analysis was including Spearman's rank correlation.

### **5.2.1 Effect of education and training programmes on youth unemployment in Kenya**

The study sought to establish the effect of education and training programmes on youth unemployment in Kenya. Results showed that policy interventions focused on education and training programmes could be applied in addressing youth unemployment in Kenya.. Similar research observations were made by Refigeri & Aleandri (2012) who indicated that youth unemployment can only be reduced by introduction of educational policy. Evidence presented in the correlation analysis showed a positive connection between education and training programmes and the select policy interventions on youth unemployment. These findings were in support of the research findings by Pusteria (2017) who showed that unemployment rate was positively affected by formal education and training rate indicators. Descriptive results showed that the youth engagement stakeholders recognized the need for increased engagement in policy interventions to addressing youth unemployment in Kenya through education and training programmes. These findings supported the research deductions by Ali & Jabeen (2016) who indicated that the main factors determining youth unemployment in the formal sector were lack of required qualification and training and Nason (2019) who found that most of the youths lack entrepreneurship because they only had academic diplomas unlike those who had additional skills through TVET, inadequacy in skills becomes a big barrier in assessing job opportunities thus leading to unemployment.

### **5.2.2 Effect of industry skills matching on youth employment in Kenya.**

The study sought to establish the effect of industry and skills matching on youth unemployment in Kenya. Results showed that policy interventions focused on industry skills matching are strongly applicable in addressing youth unemployment in Kenya. Similar research observations were made by Mbithi & Khainga (2018) who indicated that it was important to have the requisite and relevant skills, education level, nature of employment and the duration of the search as determinants for youth graduates' employment. Evidence presented in the correlation analysis

showed a positive connection between industry skills matching and the policy interventions on youth unemployment. These findings were in support of the research findings by Muuo (2014) who concluded that the problem of skills mismatch investigated amongst urban youth needed to be addressed through tackling lack of education and training skills for the workforce. Descriptive results showed that the youth engagement stakeholders recognized the need for increased engagement in policy interventions to addressing youth unemployment in Kenya through industry skills matching, additionally it was a forefront approach being deemed as working on its own. These findings supported the research deductions by Van rens (2017) who indicated that it is additionally important to take the approach where firms for example adjusting wages could be a key determinant to the match in skills.

### **5.2.3 Influence of access to finance on youth unemployment in Kenya.**

The study sought to establish the effect of access to finance on youth unemployment in Kenya. Results showed that policy interventions focused on access to finance are strongly applicable in addressing youth unemployment in Kenya. The research observations made by Babu (2017) were similar and indicated that high interest rates influence access to finance, in addition financial institutions use collateral as security before issuing finance, depicting that access to finance had more factors to be addressed when being viewed to affect the policy interventions on youth unemployment in Kenya. Evidence presented in the correlation analysis showed a positive connection between access to finance and the policy interventions on youth unemployment. Descriptive results showed that the youth engagement stakeholders did focus on access to finance in select policy interventions to addressing youth unemployment in Kenya it seems to be addressed alongside other interventions. These findings supported the research deductions by Rogito et al (2020) who attested to the key role access to finance plays in addressing youth unemployment.

### **5.2.4 Effect of access to affordable technology on youth unemployment in Kenya**

The study sought to establish the effect of access to affordable technology on youth unemployment in Kenya. Results showed that select policy interventions focused on

access to affordable technology are applicable in addressing youth unemployment in Kenya. Similar research observations were made by Shank & Cotten (2014) who indicated that technology use influences each domain of efficacy in specific ways indicating the importance of considering multiple domains in self-efficacy. Evidence presented in the correlation analysis showed a negative connection between access to affordable technology and the policy interventions on youth unemployment. These findings were contrary of the research findings by Angioha et al (2019) who concluded that internet development will enhance vocational opportunities to the youths if the application of internet is encouraged among the youth. Descriptive results showed that the youth engagement stakeholders recognized the need for increased engagement in policy interventions to addressing youth unemployment in Kenya through access to affordable technology, yet this cannot be engaged alone and has to be hinged on other measures. These findings supported the research deductions by Picatoste (2018) who indicated that ICTs trainings favours employment and training in computer management.

#### **5.2.5 Effect of human capital development on youth unemployment in Kenya**

The study sought to establish the effect of human capital development on youth unemployment in Kenya. Results showed that policy interventions focused on human capital development are currently not applicable in addressing youth unemployment in Kenya. Research observations made by Hakooma & Seshamani (2017) indicated that an improvement in human capital in the form of skilled and healthy workers improved productivity for workers hence an area to be further developed as a policy intervention although not currently a strong measure in use. Evidence presented in the correlation analysis showed a weak connection between human capital development and the policy interventions on youth unemployment. The findings by Olawumi (2019) showed that there are more fundamental questions confronting human capital development in many developing countries. Descriptive results showed that the youth engagement stakeholders recognized the need for increased engagement in policy interventions to addressing youth unemployment in Kenya through human capital development. These findings supported the research deductions by Anosike (2019) who indicated that human capital development could be further encouraged entrepreneurship education.

### **5.3 Conclusion**

The study sought to assess the effect of select policy interventions on youth unemployment in Kenya. The research concludes that education and training programmes, industry skills matching, access to finance and access to affordable technology and human capital development have a fully independent positive and significant effect on youth unemployment. The research further concludes that industry skills matching, access to finance, affordable technology and human capital development can be further explored for policy interventions to youth unemployment but will need to be hinged on other policy measures. The research further advances those collaborative efforts between the public and private sector will be a key success factor for the policy interventions on youth unemployment in Kenya.

### **5.4 Contribution of the Study**

The study adds to the existing body of knowledge by providing further insights on the effect of select policy interventions on youth unemployment in Kenya by enhancing that the efforts put in towards education and training programmes is working towards youth unemployment. Furthermore, it enhances human capital development as an emerging solution that can be pursued further. In addition, it has shown that industry skills matching, access to finance and access to affordable technology are important but not distinct areas for policy interventions as their application is strongly hinged on other interventions.

### **5.5 Policy Recommendations**

The findings of the study have shown that education and training programmes and human capital development as policy interventions to youth unemployment are being actively engaged to address youth unemployment in Kenya and can be further leveraged. The study recommends that further policy creation and implementation around industry skills matching, access to finance and access to affordable technology should be detailed on other measures that enhance these interventions. Further, policy needs to move from being measured for reach but also for impact and in so doing better reporting on how many youths are actually being moved from unemployment courtesy of the policy interventions being employed. In addition, a

policy on human capital development needs to be woven into the fabric of policies around addressing youth unemployment in Kenya.

The youth engagement stakeholders are on the right track, but they can put into practice better collaborative measures to reduce the duplication of programmes. This will serve to increase accessibility to the youth being targeted as there will be more resources to go around with greater diversity that is based on the actual needs of the youth facing unemployment in Kenya. The study recommends that a national database should be created to adequately capture which youth are engaged by which intervention approach and in so doing policy can be further detailed to the areas having greater impact and further expanded to those that have not been fully explored. The study recommends increased accessibility by the youth to the youth engagement stakeholders by ensuring the information on the available information flows across the different youth engagement stakeholders so that they can hinge off each other for wider reach and positive outcomes.

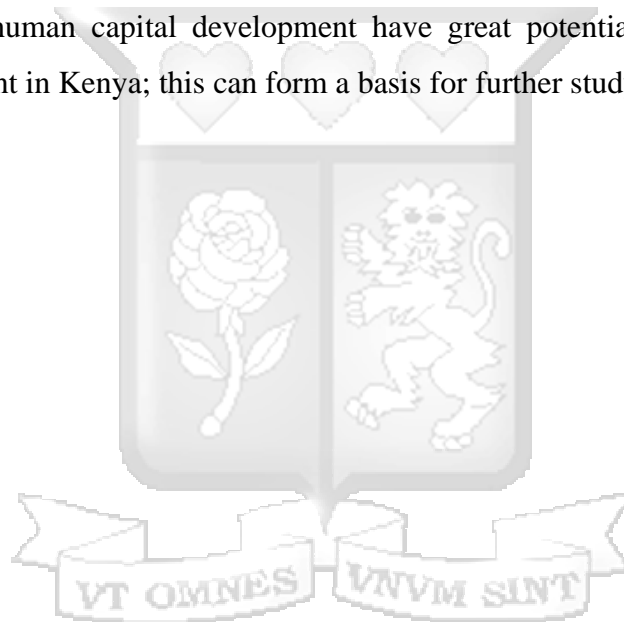
#### **5.6 Limitations of the Study**

There are several limitations in this study as detailed below. First, the study experienced limitations in addressing all possible policy interventions on youth unemployment in Kenya. This is because the list is truly inexhaustible and interventions continue to evolve. The public sector is currently the most active stakeholder in youth engagement towards addressing unemployment, a limiting factor to this is being able to access the key information creates a challenge to getting timely and fully detailed responses. The study is limited by the fact that research in this area continues to be undertaken each day and the evolving nature of information available means one can easily be obsolete if the study is done for too long. The study is limited in that the research interest scales across different facets of a country's economy and constantly needs all stakeholder engagement which is not that easy to accomplish in one instance. The study focused on collecting primary data through use of questionnaires. Surveys in particular have limitations such as increased susceptibility to response sets, greater potential for misunderstanding questions, and the inability to follow-up on respondent answers (Allen et.al., 2008). With this in mind, future research may benefit from more varied means of data collection. The study was also

limited to only five variables; education and training, industry skills matching, access to finance, access to technology, human capital development and did not involve other conversations on youth unemployment outside the study. The study also only focused on youth engagement stakeholders headquartered in Nairobi only due to resources and time constraints.

### **5.7 Suggestions for further research**

The focus of this study was an investigation of the effects of select policy interventions on youth unemployment in Kenya. Therefore, the study recommends further research on multi-stakeholder engagement towards addressing youth unemployment in Kenya. Furthermore, the study noted the policy intervention in the area of human capital development have great potential in addressing youth unemployment in Kenya; this can form a basis for further study.



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## APPENDICES

### Appendix I: Strathmore University Ethical Review Letter



29<sup>th</sup> September 2021

Ms Gwambo, Patricia,  
patricia.gwambo@strathmore.edu

Dear Ms Gwambo,

**RE: Policy Solutions to Youth Unemployment in Kenya**

This is to inform you that SU-IERC has reviewed and **approved** your above **SU- master's** research proposal. Your application reference number is **SU-IERC1088/21**. The approval period is **29<sup>th</sup> September 2021 to 28<sup>th</sup> September 2022**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and also obtain other clearances needed.

Yours sincerely,

for: Prof Fred Were,  
Chairperson; SU-IERC



Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000  
Email admissions@strathmore.edu www.strathmore.edu

## Appendix II: Strathmore University Introduction Letter

Ole Sangale Rd, Madaraka Estate,  
P.O. Box 59857 00200, Nairobi, Kenya.  
Cell: +254 703 414/6/7, Twitter: @SBSKenya  
Email: [info@sbs.ac.ke](mailto:info@sbs.ac.ke) or visit [www.sbs.strathmore.edu](http://www.sbs.strathmore.edu)



Tuesday, 29 June 2021

To whom it may concern,

### **RE: FACILITATION OF RESEARCH - GWAMBO PATRICIA AHAWO**

This is to introduce **Gwambo Patricia Ahawo**, admission number **MDF/114235/2018** who is an MSc. in Development Finance (MDF) student at Strathmore University Business School (SBS). As part of our SBS MDF Master's Program, Patricia is expected to do applied research and to undertake a project. This is in partial fulfilment of the requirements of the Master of Development Finance. She would like to request for appropriate data from your organization to help her finalize her research.

Patricia is undertaking a research project on "**Policy Solutions for Youth Unemployment in Kenya**." The information obtained from your organization shall be treated confidentially and shall be used for academic purposes only.

The MDF programme seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

Any assistance you can provide to her will be greatly appreciated and we shall be willing to provide any further information required.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Njoki Kiagiri".

**Njoki Kiagiri,  
Associate Manager-Graduate Programmes,  
Strathmore University Business School**



Ole Sangale Road, Madaraka Estate  
PO Box 59857 00200 Nairobi, Kenya  
Cell: +254 703 414/6/7  
Email: [info@sbs.ac.ke](mailto:info@sbs.ac.ke) or Visit [www.sbs.strathmore.edu](http://www.sbs.strathmore.edu)  
Twitter: @SBSKenya

Strathmore Business School is a proud member of:



**AACSB**

EFMD

### Appendix III: NACOSTI Research Permit

  
**NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION**

Date of Issue: 22/June/2021

**RESEARCH LICENSE**



**This is to Certify that Miss. Patricia Elizabeth Ahawo Gwamb of Strathmore University, has been licensed to conduct research in Nairobi on the topic: Policy Solutions to Youth Unemployment in Kenya for the period ending : 22/June/2022.**

License No: NACOSTI/P/21/11854

136237  
**Applicant Identification Number**

  
**Director General**  
**NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION**

**Verification QR Code**



**NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.**

**Appendix IV: Sample Additional Introduction Letter to the Respective Institutional Directors**

(Date)

Patricia E.A. Gwambo  
P.O Box 19772-00202  
Nairobi, Kenya.

The Chief Executive Officer  
Information Communication and Technology Authority  
Teleposta Towers 12<sup>th</sup> Floor  
Nairobi, Kenya.

Dear Sir/Madam,

**RE: REQUEST FOR FEEDBACK ON QUESTIONNAIRE FOR RESEARCH ON YOUTH UNEMPLOYMENT**

I am Patricia Gwambo, a Master of Science Development Finance student at Strathmore University, Nairobi, Kenya. I am undertaking a study on 'Policy Interventions on Youth Unemployment in Kenya. The questionnaire is for the purpose of collection information for this study; all respondent information will be handled in confidence and will not be used for any other purpose than the study's outcomes review and recommendations presentation.

This questionnaire comes attached with an introduction letter from Strathmore University. I also have the authorisation to undertake this research from NACOSTI (research licensing body in Kenya) and the permit no. is NACOSTI/P/21/11354.

The 3 areas of interest for this research study under the ICT Authority are:

1. Ajira Digital
2. Presidential Digital Talent Programme
3. Studio Mashinani

Thank you for taking the time to be part of this study and I appreciate your responses to the shared questionnaire, a response from one representative of the 3 programmes will be highly appreciated.

Respectfully,

*Abawolisse*

Patricia E. A. Gwambo

## **Appendix V: Research Tool: Stakeholders Questionnaire: For a Research on Policy Interventions on Youth unemployment in Kenya**

Dear Respondent,

I am Patricia Gwambo, a Master of Science Development Finance student at Strathmore University, Nairobi, Kenya. I am undertaking a study on 'Policy Interventions on Youth Unemployment in Kenya. The questionnaire is for the purpose of collection information for this study; all respondent information will be handled in confidence and will not be used for any other purpose than the study's outcomes review and recommendations presentation.

Thank you for taking time to be part of this study and I appreciate your responses to the shared questionnaire.

Patricia E. A. Gwambo

### **Section 1: Demographic Information**

1. Name of the Institution/Company/Government Ministry/Department /Office:  
.....
2. Main Sector of engagement (select one)
  - a) Public
  - b) Private
  - c) International Non- Governmental Organisations
  - d) Regional Non- Governmental Organisations
  - e) National Non- Governmental Organisations
  - f) Other .....
3. Indicate your area of focus in terms of creating/seeking employment opportunities for the youth
  - a) Self- employment
  - b) Job vacancies
  - c) Both
4. Your organization has been in operation in Kenya for how long?
  - a) Less than 5 years
  - b) 5 - 10 years
  - c) 11 - 20 years
  - d) More than 20 years
5. Do you collaborate with education providers in your work?
  - a) Yes
  - b) No
6. What age group within the Kenyan context of youth do you engage with?  
(Please select all that apply)

- a) 15 – 19 years
- b) 20 – 24 years
- c) 25 – 29 years
- d) 30 – 35 years

**Section 2: Education and Training – Effect of education and training on youth unemployment in Kenya**

7. Please indicate the extent to which you agree with education and training as a factor that affects youth unemployment in Kenya.

Use the scale where 5= strongly agree, 4=Agree, 3= Moderate, 2=Disagree, 1= Strongly Disagree

<b>Education and training</b>	1	2	3	4	5
Youth literacy rates has an influence on youth unemployment levels in Kenya					
Slow adaptation of curricula to the current needs has led to increased youth unemployment levels in Kenya					
Poor structures of education systems has led to increased youth unemployment levels in Kenya					
Lack of access to education has increased the youth unemployment levels in Kenya					

8. List 3 other factors that can be addressed to ensure education and training continue to assist to bring down youth unemployment in Kenya?

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**Section 3: Industry skills matching – Effect of industry skills matching on youth unemployment in Kenya**



<b>Access to finance</b>	1	2	3	4	5
Lack of access to loans credit services has increased youth unemployment in Kenya					
Lack of access to venture capital has hindered reduction of youth unemployment in Kenya					
Lack of adequate collateral has hindered youths from pursuing self-employment					
Lack of access to savings and investment services has increased levels of youth unemployment in Kenya					

12. In your experience details at least 3 ways policy could address access to finance for youth to ensure the reduction of youth unemployment in Kenya?

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**Section 5: Affordable technology – Effect of access to affordable technology on youth unemployment in Kenya.**

13. Please indicate the extent to which you agree with access to affordable technology as a factor that affects youth unemployment in Kenya.

Use the scale where 5= strongly agree, 4=Agree, 3= Moderate, 2=Disagree, 1= Strongly Disagree

<b>Access to affordable technology</b>	1	2	3	4	5
Lack of computers and internet services has led to increased youth unemployment in Kenya					

Poor IT connectivity (digital exclusion) has exacerbated youth unemployment in Kenya					
Cost of access to internet has led to increased youth unemployment in Kenya					
Lack of basic information technology application skills has led to increased youth unemployment in Kenya					

14. Kenya is one of the most technologically advanced country in Africa, from your experience how can this be further harnessed in policy changes so as to reduce youth unemployment in Kenya?

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**Section 6: Human Capital Development – Effect of human capital development on youth unemployment in Kenya.**

15. Please indicate the extent to which you agree with human capital development as a factor that affects youth unemployment in Kenya.

Use the scale where 5= strongly agree, 4=Agree, 3= Moderate, 2=Disagree, 1= Strongly Disagree

<b>Human capital development</b>	1	2	3	4	5
Increased human capital development can contribute to lowering youth unemployment in Kenya					
More policies that require human capital development in the workforce will ensure more youth have access to skills that will assist in getting them employed					

Human capital employment that is aligned to the employers' needs will be instrumental in reducing youth unemployment in Kenya					
Human capital development when supported by both the private and public sector jointly assist in bringing down youth unemployment in Kenya					

16. Human capital development is a new approach in making the labour force better in what other way can it be optimised to reduce youth unemployment in Kenya?

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**Section 7: Youth Unemployment in Kenya – Reduced youth unemployment in Kenya.**

17. Please indicate the extent to which you agree with the following responses.

Use the scale where 5= strongly agree, 4=Agree, 3= Moderate, 2=Disagree, 1= Strongly Disagree

<b>Youth Unemployment in Kenya</b>	1	2	3	4	5
Low youth literacy levels among the youth significantly affects youth unemployment in Kenya					
Lack of access to education and training among the youth significantly affects youth unemployment in Kenya					
Missing skills in the job market effect among the youth significantly affects youth unemployment in Kenya					
Poor collaboration between industry and education providers					

significantly affects youth unemployment levels in Kenya					
Lack of access to credit and other financial services among the youth significantly affects youth unemployment in Kenya					
Lack of access to affordable technology among the youth significantly affects youth unemployment in Kenya					

18. Kindly list what you regard as affecting youth unemployment in Kenya in addition to the factors captured in the above table?

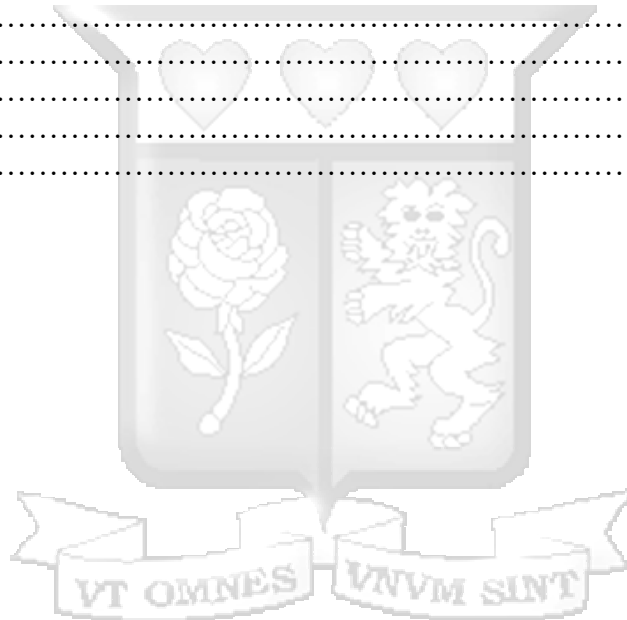
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**Appendix VI: Lists and Tables**

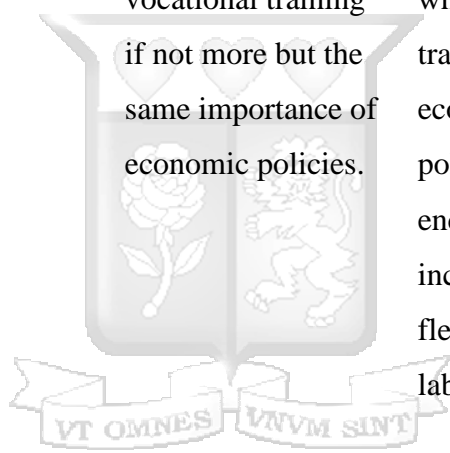
Table 2.1 Summary of Research Gaps

Author	Topic	Methodology	Major Findings	Major Contribution	Research gap	Filling the gap
Lerman (2013)	Are employability skills learned in US youth education and training?	Expository	Classroom based courses provide too little preparation in non-academic & occupational skills to become productive.	Cognitive skills are increasingly important in achieving high earnings.	There is a conceptual knowledge gap to determine evidence on impacts of skills improvement programs.	Establish proven approaches that ensure students young workers learn the requisite skills

Eichorst, Rodriguez-Planas, Schmidl & Zimmermann (2012)	Youth Unemployment and vocational training	Expository	Young people think 'a good job' is a job that initiates a long-term investment in and attachment to the labour market.	Job training with young workers and companies also needs to involve governments, social partners or other societal actors to be stable and effective.	A conceptual gap exists on the availability of better data and a suitable program design for evaluation.  A methodological knowledge gap exists on the generation of representative survey data.	Proper evaluation of policy initiatives.  Provide particular longitudinal data with a full set of individual characteristics.
Refigeri & Aleandri (2012)	Educational Policies and	Exploratory	Youth unemployment can	Most effective interventions to	There is a conceptual	Propose policies that incorporate



Youth Unemployment	only be reduced through introduction of educational policy, capable of vocational training	long term unemployment is the adoption of the strategy of policy mix whereby	knowledge gap in educational policies that must therefore integrate economic know how and pedagogy of labour.	economic aspects and identify the value of life long professional development for a young person to make informed decisions throughout their whole working lives.		
Pusteria (2017)	How active are youth? The interplay	Exploratory, Descriptive Survey	The analysis indicates an overall positive correlation	Career counselling and work placement	There is a conceptual gap in identifying other	Considering other indicators to describe youth



	between education, youth unemployment, and inactivity.	Design.	between the scores of the unemployment and the formal education training rate indicators.	schemes must become an integral part of school and university curricula and not merely an add on to the formal education.	factors influencing youth unemployment.	inactivity as well as education and labour market policies.
Nason (2019)	Youth Unemployment among Graduates of Tertiary Institutions in Kenya.	Descriptive survey design	Most of the Youths lack entrepreneurship because they only had academic diplomas unlike those who had TVET inadequacy of these skills	Vocational education successfully prepares youth to penetrate the job market in trade and enhancement of skills like crafts, artisan,	Conceptual gap in that all factors affecting the access of Youth to TVET need to be addressed in order to enhance more admissions in the relevant	Undertake research on more drivers or factors of youth unemployment.

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			<p>becomes a huge barrier to assessing job opportunities and thus leading to unemployment.</p> <p>technician or TVET professional vocations.</p>	
Ali & Jabeen (2016)	Determinants of Youth Unemployment – Supply side analysis.	Descriptive research design.	<p>The main factors determining youth unemployment in the formal sector were lack of required qualification and training.</p>	<p>In the informal sector 72.5% (three fourth) youth were willing to take-up self-employment but due to lack of access to capital they could not start any economic</p> <p>There is a Focus on Conceptual gap they on the focus on demand sided determinants.</p> <p>Work with a nationwide approach that enables a clearer sample.</p> <p>There is a methodological research gap due to the fact that is no sample in the rural areas even if</p>

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				activity.	it could be a small one.
Babu (2017)	Factors affecting access to formal finance by youth owned SMEs in Kenya: A case of Kiambu County	Descriptive research design	High interest rate influences access to finance, financial institutions use collateral as security before issuing finance to SME's.	Gender and networking influence access to finance and SME's are able to improve their performance. SME's need more training to access loan and lenders consider education level before offering funds.	There is a contextual gap in that the study could have been done beyond SME's, beyond Kiambu county.
Rogito,	Relationship	Descriptive	It was noted from	Youth as final	There is a Research

<p>Mkahanu, Mombinya &amp; Nyamota (2020)</p> <p>between access to financial services and youth involvement in agricultural value chains in Kakamega County, Kenya.</p>	<p>Survey Design</p>	<p>the research to consumers had a conceptual gap focusses on receive a bank loan high percentage with a focus only more variables. a title deed is a of 98.1 % and a on only youth involvement in agricultural value chains in Kakamega County, Kenya. requirement low standard agribusiness. indicating there is a deviation of 0.227, indicating that a majority of the youth are contextual gap with a focus only on Kakamega. confirmed by 214 agricultural products. Majority of youth farmers believed that loan repayments are high.</p>	<p>Research is nationwide and focusses on Kenya. There is a contextual gap with a focus only on Kakamega. There is a methodological gap as they could have done a longer time series. Research will be longitudinal.</p>
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Mehari & Belay (2017)	Challenges and prospects of entrepreneurship development and job creating for youth unemployed: evidence from Addis Ababa and Dire Dawa city administrations, Ethiopia.	Descriptive data analysis using frequency tables in depth.	Capital is the major factor which contributes adversely to youth in not to be involved in self-employment in the overall study area.	Financial constraints such as inadequate capital, insufficient loan and inefficient financial market are the major obstacles in doing business and most MSE's are highly risky ventures involving excessive administrative costs and lack of experience in dealing with	There is a contextual gap in the age studied being 15-24 years. In addition, why only study the youth. The conceptual gap is that it is only focussing on entrepreneurship.	Study includes Kenya's youth definition until 35 years. Study will research on youth engaging stakeholders. Focus is on more variables.
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				financial institutions.		
Shank & Cotten (2014)	Does technology empower urban youth? The relationship of technology use to self-efficacy.	Survey, descriptive analysis	Technology use influences each domain of efficacy in specific ways indicating the importance of considering multiple domains in self-efficacy.	Understanding the link between technology use and efficacy.	The contextual gap is that it covers a very young age gap.  The methodological gap is that it can be more time series oriented so the long-term effect can be identified.	A further study would do the same but looking at a wider and older age group too.  The study will be cross-sectional.
Owusu, Yaw ,	Mobile banking	Descriptive	Perceived ease of	Complexity has a	The conceptual	The research

Bekoe, Addo-Yobo & Otioku (2020).	adoption among the Ghanaian Youth.	analysis on constructs.	use, perceived usefulness, relative advantage and complexity are the key predictors of intentions to adopt mobile banking technology in Ghana.	positive influence on perceived ease of use while relative advantage was also found to impact positively on perceived usefulness.	gap is that the only variable observed is mobile banking.	will observe more variables. The research will be applied in Kenya.
Angioha & Ugal (2019)	Information and communication technology and youth employment in Calabar Municipality,	Descriptive survey design	Internet development will enhance vocational opportunities to the youths if the application of internet is	Internet café operator and youth employment has a statistical considerable relationship. It	There is a conceptual gap because the study focuses on variables around internet café and call centre	The research will observe more variables. The research will be done on a

	Cross River State, Nigeria.		encouraged among the youth.	implies that internet café creates employment opportunity for youth.	operator and a look at only one state in Nigeria.	nationwide scope in Kenya.
Picatoste, Perez-Ortiz & Miguel Ruesga-Benito (2018)	A new educational pattern in response to new technologies and sustainable development enlightening ICT skills for youth employability in the European	Descriptive Survey Design	ICTs favours employment and training in computer management.	Incorporating teaching of information and communications technology in universities within the curriculum as a cross-training topic is a difficult but necessary challenge for	Contextual gap, the focus is on the age group 16 – 24 years is limited.	The study will examine a wider age gap for better outcomes.

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Union.

preparing student  
for success in the  
labour market.

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Source: Author Compilation (2021)

**List of Youth Engagement Initiatives, Programmes and Organisations**

Table 3.2 Youth Engaging Institutions, Government Ministry, Company's

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**Youth Employment 2021**



Name	Mandate	Sector	Source	Website
1 Kenya Empowerment Project (KYEP)	Youth Project Overall Project Development Objective is to support Government of Kenya effort in improving youth employability through Capacity Building and Policy Development (Ministry) & Private Sector Training and Internship(KEPSA)	Public, Private	Kenya Private Sector Alliance	<a href="https://kepsa.or.ke/kyep/">https://kepsa.or.ke/kyep/</a>

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2	Youth Initiatives - Kenya	<p>YIKE was established to assist marginalized and disenfranchised youths to develop initiatives that can generate income to build sustainable socio-economic livelihoods. Over the years, YIKE's mandate has expanded to cover marginalized orphans and vulnerable children (OVCs), and women discrimination and disenfranchisement from policy, governance, leadership, and decision-making processes. YIKE has accomplished significant milestones over the last 14 years.</p>	NGO	<a href="http://yike.org/">http://yike.org/</a>
3	CAP youth empowerment Institute Kenya	<p>CAP-Youth Empowerment Institute Kenya (YEI) is a non-government organization started in 2011 committed, to train youth out of school in job entry level skills. This training is operationalized using the Basic Employability Skills Training (BEST) model</p>	NGO	<a href="https://capyei.org/">https://capyei.org/</a>

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4	Youth Enterprise Development Fund	The Youth Enterprise Development Fund is a state corporation under the Ministry of Public Service, Gender and Youth Affairs. It was gazetted on 8th December 2006 and then transformed into a State Corporation on 11th May 2007. The Fund is one of the flagship projects of Vision 2030, under the social pillar. Its strategic focus is on enterprise development as a key strategy that will increase economic opportunities for, and participation by Kenyan Youth in nation building. The Fund seeks to create employment opportunities for young people through entrepreneurship and encouraging them to be job creators and not job seekers. It does this by providing easy and affordable financial and business development support services to youth who are keen on starting or expanding businesses	Public, Private	<a href="http://www.youthfund.go.ke/">http://www.youthfund.go.ke/</a>
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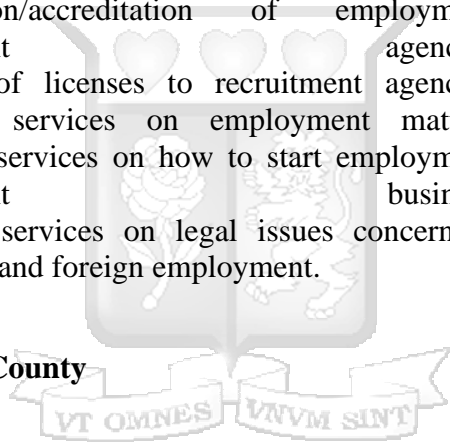
5	Kenya Youth Employment and Skills Program ( K-YES)	To provide disenfranchised Kenyan youth (ages 18-35) the skills, assets, and support they need to compete and succeed in the workplace. The approach is to foster partnerships between Kenyan youth, local industries, and government to enhance employment opportunities and overall youth workforce competitiveness through skills and vocational training for those who have not completed secondary education. The impact is that K-YES has connected more than 300,000 youth to finance services, relevant job and business skills and youth mentorship networks, and supported more than 50,000 youth to gain new or better employment.	Public	<a href="https://www.rti.org/impact/kenya-youth-employment-skills-program">https://www.rti.org/impact/kenya-youth-employment-skills-program</a>
6	Ajira Digital	This Is an initiative under the Ministry of ICT which is aimed at introducing young people in Kenya to online work and provide the tools, training and mentorship needed for young people to work and earn an income through online work	Public	Ministry of ICT, Innovation and Youth Affairs <a href="http://www.ict.go.ke">Youth Affairs – Ministry of Information, Communications and Technology (ict.go.ke)</a>
7	Kenya Youth Employment Opportunities Project (KYEOP)	If your highest level of education was high school, primary or have never been to school and are jobless or working in a vulnerable job, this project is for you. KYEOP aims at increasing	Public	Ministry of Public Service, Youth and <a href="#">KYEOP – Kenya Youth Employment Opportunities</a>

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		employment and earning opportunities for youth aged between 18-29 years through various skills training and entrepreneurship support		Gender	<a href="#">Project</a>
8	Youth Empowerment Centers (YECs)		Public	Ministry of Public Service, Youth and Gender	
9	Presidential Digital Talent Programme	To deliver a combination of structured training, coaching and mentoring. To develop a pipeline of future talent for government with a passion for ethical and accountable public service delivery. To train at least 100 interns over a revolving 12-month period. To promote innovation in local ICT product offerings	Public, Private	Ministry of ICT, Innovation and Youth Affairs	<a href="#">Youth Affairs – Ministry of Information, Communications and Technology (ict.go.ke)</a>
10	Studio Mashinani	This is a new project which is at procurement level. The project aims at enhancing availability of accessible recording studios and enhancement of self-employment opportunities for artists in the robust creative music industry.	Public	Ministry of ICT, Innovation and Youth Affairs	<a href="#">Studio Mashinani – Ministry of Information, Communications and Technology</a>

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|--|--|--|--|
| 11 The Kenya Labour Market Information System (KLMIS)            | It responds to the problem of obtaining timely information about labor demand and supply as well as career prospects in Kenya. The Ministry of Labour and Social Protection has formulated a report on Informal Sector Skills and occupation Survey (ISSOS) to provide comprehensive data on skills profiles and occupations in the informal sector market. All youth can access the labor market services on their website.   | Ministry of Labour and Social Protection | of <a href="http://kyeop.go.ke/improving-labour-market-information/">http://kyeop.go.ke/improving-labour-market-information/</a>                         |
| 12 Micro and Small Enterprises Authority (undertaking the KYEOP) | The mandate to formulate and Coordinate policies that will facilitate the integration and harmonization of various public and private sector initiatives, for the promotion, development and regulation of the Micro and Small Enterprises to become key Industries of Tomorrow.<br>Kenya Youth Employment and Opportunities Project (KYEOP) is a transformational project that aims to empower and uplift the well being of the youth in Kenya by equipping them with essential training, internship and business grant opportunities. The development objective of KYEOP is to increase employment and earning opportunities among targeted young people | Public                                   | Micro and Small Enterprises Authority <a href="http://msea.go.ke">Micro and Small Enterprises Authority (MSEA) – Entrepreneurship Transforming Kenya</a> |
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across Kenya. The project aims to reach over 280,000 youth during the project period.

13	National Employment Bureaus & County Employment Bureaus	Regulation of recruitment agencies Receiving and processing applications for registration of employment agencies Registration/accreditation of employment recruitment agencies Issuance of licenses to recruitment agencies Advisory services on employment matters Advisory services on how to start employment recruitment business Advisory services on legal issues concerning both local and foreign employment.	Ministry of Labour & Social Protection	<a href="https://www.labourmarket.go.ke/labour/employment_services/">https://www.labourmarket.go.ke/labour/employment_services/</a>
#	<b>Name of County</b>		<b>Public Employment Service Office</b>	<b>Location of Office</b>
1	Nairobi		National Employment Bureau Offices Ministry Headquarters Nairobi	NEA OFFICE KASARANI

2	Nairobi	Industrial Area Employment Office	Safety House Commercial Street 2nd floor
3	Nairobi	Embakasi Employment Office	Employment Office Block Next to Deputy County Commissioner's Offices
4	Nairobi	Kasarani Employment Office	Employment Office Block Kasarani-Mwiki Road Near Deputy County Commissioner's Offices
5	Mombasa	Mombasa Employment Office	NSSF Building, 2nd floor Nkurumah Road
6	Taita Taveta	Voi Employment	Old Police Line Next to Public



		Office	Health and Education Offices
7	Kilifi	Malindi Employment Office	Alnoor Plaza, 3rd floor Next to Total Service Station
8	Machakos	Machakos Employment Office	County Commissioner's Compound Machakos Town
9	Kisumu	County Commissioner's Compound Machakos Town	Labour Office Block Opposite Central Police Station
10	Nakuru	Nakuru Employment Office	Labour Office Block, Moi Road, Near to former Provincial Commissioner's




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			offices
11	Uasin Gishu	Eldoret Employment Office	County Commissioner's Offices, 1st floor Eldoret Town.
12	Baringo	Kabarnet Employment Office	Labour Office Block, Next to County Commissioner's Offices Governor's Road
13	Kitale	Kitale Employment Office	Labour Office Building Kitale- Cherengani Road Next to St. Antony Boys High School.
14	Kericho	Kericho Employment	County Commissioner's Compound,

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			Office	Kericho-Nakuru Road
15	Nandi		Kapsabet Employment Office	County Commissioner's Building' Kapsabet-Kakamega Road
16	Isiolo		Isiolo Employment Office	Gender and Social Development Offices, Next to Green Point
17	Embu		Embu Employment Office	Labour Office Building Next to Telkom House Embu Town
18	Meru		Meru Employment Office	KNUT House, 3rd floor, Opposite Barclays Bank Kirukuri Road

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				Meru Town
19	Laikipia		Nanyuki Employment Office	Labour Office Block Near Governor's Offices
20	Nyeri		Nyeri Employment Office	County Commissioner's Building, Block 'B', Ground foor
21	Murang'a		Muranga Employment Office	Governor's Compound Muranga Town
22	Kirinyaga		Kirinyaga Employment Office	County Commissioner's Compound Old Building
23	Kiambu		Thika Employment Office	Employment Office Building Near Deputy


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			County Commissioner's Offices Thika Town
24	Garissa	Garissa Employment Offic	County Commissioner's Complex, Next to Children's Offices
25	Kisii	Kisii Employment Office	Labour Office Block County Commissioner's Compound
26	Migori	Migori Employment Office	Labour Office Block, Next to County Commissioner's Offices Ombo Street
27	Homa Bay	Homa Bay Employment	Labour Office Block Near County

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			Office	Commissioner's Offices
28	Siaya		Siaya Employment Office	Employment Office Block' County Commissioner's Compound
29	Kakamega		Kakamega Employment Office	Labour Office Block Next to County Planning Offices Hospital Road
30	Bungoma		Bungoma Employment Office	Labour Office Block Next to County Planning Offices Hospital Road
31	Busia		Busia Employment Office	Busia Employment Office Adult Education Block, County

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				Commissioner's Compound, Busia-Kisumu Road
14	Global Network	Apprentership	The Federation of Kenya Employers in partnership with the Global Apprenticeship Network (GAN), a business-driven alliance advocating for apprenticeship and work-readiness programs, based in Geneva, have begun meetings and initiatives on Global Apprenticeship with the aim to encourage and link in-country initiatives on skills and employment opportunities for youth and vulnerable groups.	Public  Federation of Kenya Employers  of <a href="http://www.fke-kenya.org/site/index.php/services/projects/global-apprenticeship-network-gnn-kenya-chapter">http://www.fke-kenya.org/site/index.php/services/projects/global-apprenticeship-network-gnn-kenya-chapter</a>

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15 The Better Utilization of Skills for Youth through Quality Apprenticeship (BUSY project)	The Better Utilization of Skills for Youth through Quality Apprenticeship (BUSY project) is a four year initiative being financed by the U.S. Department of Labor (USDOL), and implemented by International Labour Organization (ILO) in partnership with the Ministry of Labour, the Federation of Kenya Employers (FKE) including COTU-K and Ministry of Labour.	Public	Federation of Kenya Employers	of <a href="http://www.fke-kenya.org/site/index.php/services/projects/better-utilization-of-skills-for-youth-through-quality-apprenticeship-busy-project">http://www.fke-kenya.org/site/index.php/services/projects/better-utilization-of-skills-for-youth-through-quality-apprenticeship-busy-project</a>
	The overall project goal is to increase decent job opportunities and employability of young people, thereby addressing unemployment, vulnerability and poverty in urban and rural settings.			
	The project's objective is to improve the capacity of Kenyan government, Employers' to establish and expand workplace-based training programs with a focus on vulnerable and marginalized youth, in particular adolescents at or above the legal working age who are engaged in or at risk of engaging in child labor.			

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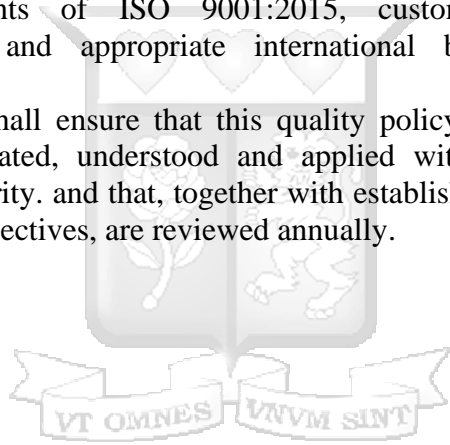
16	Digital Literacy Program	<p>The Government of Kenya through the Ministry of Education in 2013 started the Digital Literacy Program meant to integrate technology in teaching and learning in basic education system. The programme had five projects components each requiring agency mandated with the project component to be involved for successful implementation. The programme failed to take off largely due to its design and leadership approach which did not facilitate extensive consultation and involvement of agencies mandated with key project components. The government on noticing the challenge ,in 2015, a new approach was adopted where each agency mandated with a project component was allocated the project with a policy guide to facilitate implementation. The government, through a cabinet memo, restructured the programme as follows; Ministry of Education to provide policy guidelines for the project, KICD to develop content, TSC to train teachers , Kenya Power and REA to electrify schools , Ministry of industrialization to ensure set up local assembly plants and ICTA to provide learning devices to schools and coordinate implementation. This new approach enable the programme to be implemented with minimum challenges.</p>	Public	ICT Authority	<a href="https://digischool.go.ke/">https://digischool.go.ke/</a>
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17	The Technical and Vocational Education and Training Authority (TVETA)	<p>The Technical and Vocational Education and Training Authority (TVETA) is committed to efficient and effective delivery on its mandate of regulating and coordinating TVET training to assure its quality and relevance. TVETA shall comply with the TVET Act 2013 and all other applicable statutory provisions and continually improve its QMS based on the requirements of ISO 9001:2015, customer feedback and appropriate international best practices.</p> <p>TVETA shall ensure that this quality policy is communicated, understood and applied within the Authority. and that, together with established quality objectives, are reviewed annually.</p>	Public	The Technical and Vocational Education and Training Authority (TVETA)	<a href="https://www.tveta.go.ke/">https://www.tveta.go.ke/</a>
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18 KIPPRA

The overall goal and mandate of KIPPRA is to improve public policy making for realization of national development goals, through economic forecasting, policy analysis and research, and formulation of medium and long-term strategic perspectives for economic and social development. Under the KIPPRA Act, the Institute is mandated to carry out the following functions:

Public

KIPPRA

<https://kippra.or.ke/>

Develop capacities in public policy research and analysis and assist the Government in the process of policy formulation and implementation;

Identify and undertake independent and objective programs of research and analysis, including macroeconomic, inter-disciplinary and sectoral studies on topics affecting public policy in areas such as human resource development, social welfare, environment and natural resources, agriculture and rural development, trade and industry, public finance, money and finance, macroeconomic and microeconomic modeling;

Provide advisory and technical services on public policy issues to the Government and other agencies of the Government;

Communicate the findings and recommendations

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of the Institute's research programs to the agencies of the Government concerned with the implementation of public policy; Serve as a point of communication and encourage the exchange of views between the Government, the private sector and other bodies or agencies of the Government on matters relating to public policy research and analysis; Collect and analyze relevant data on public policy issues and disseminate the Institute's research findings to persons it deems appropriate to publish such research findings; Develop and maintain a reservoir of research resources on public policy and related issues and make these available to the Government, the private sector and learning institutions in Kenya; Organize symposia, conferences, workshops and other meetings to promote the exchange of views on issues relating to public policy research and analysis; and Undertake public policy research relevant to governance and its implications to development.

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## **List of Legal Frameworks on Youth Issues by Year Intervention began, status and achievements, Kenya Youth Development Policy 2019**

### **National Framework**

1964 National Youth Service Act Train young citizens to serve by integrating them in nation building

2006 Youth Enterprise and Development Fund Order,

2007 It created the enabling framework for increasing youth employment opportunities through entrepreneurship development in the informal sector in the country.

2007 National Youth Policy, Sessional no. 2 of 2007 It was the first policy on youth development in Kenya which provided the information on youth development programs and intervention in the country. It has been implemented over the years and currently being reviewed.

2007 Women Enterprise Development Fund, 2007 The initiative targets all women, youth and adults.

2009 National Youth Council Act, 2009 This was established as a legal instrument to actualize youth voice nationally and advocate, lobby for the youth and to facilitate the representation of youth and to promote the implementation of coordination of youth servicing was also mandated to provide research advisory services on youth organization nationally. Currently to be amended in line with the Constitution of Kenya, 2010. 17 Year Intervention Status and achievements

2010 Constitution of Kenya (2010) Promulgated in 2010 and gives a platform for the implementation of the national agenda including youth matters

2012 Medium and Small Enterprise Act, 2012 Established to formulate and coordinate policies and harmonize public and private sector initiatives for the promotion of micro and small enterprises. Its implementation currently on-going.

2013 Technical and Vocational Education and Training Act, of 2013 To provide for the establishment of a technical and vocational and training system. This currently under implementation with an aim of expanding the youth skills capacity for selfemployment and employable skills.

2014 Uwezo Fund (Public Finance Management Act, 2014) It was established as an affirmative intervention to provide technical and financial support to Youth, Women and Persons with Disabilities in Enterprise development

2015 Public Procurement and Asset Disposal Act, of 2015 Access to Government Procurement Opportunities (AGPO) is currently under implementation to ensure that the youth, women and marginalized groups get the 30 per cent procurement opportunities.

2015 Employment Policy and Strategy for Kenya Sessional Paper No. 4 of 2013 It has been implemented and reviewed 2016 National Government Affirmative Action Fund (Public Finance Management Act, 2012) It was created to address the plight of vulnerable groups and it's meant to provide access to financial facilities to women youth and persons with disabilities.

2016 National Employment Authority Act, 2016 This established the National Employment Authority which provides a comprehensive institutional framework for employment management, increasing employment by the youth, minorities and marginalized groups.

2018 National Youth Service Act, 2018 The Act established NYS as a State Corporation. 18 Year Intervention Status and achievements

### **International Framework**

1995 World Program of Action for youth to the year 2000 and beyond Consistent with the Millennium Development Goals, the Program identified interventions for youth development and empowerment.

1998 Lisbon Declaration, 2007 Ensuring that Kenya Youth Development Policy (2019) formulation, implementation and follow-up processes are, at appropriate level. Developing national youth policies and operational programmes, at appropriate levels, to implement the World Programme of Action for Youth to the Year 2000 and Beyond, taking into account the national priorities, realities and limitations arising from different socio-economic and cultural development contexts; Establishing the necessary policies and programmes by the year 2000 to improve living standards for young women and young men and to permit the effective implementation of national youth policies, of an inter-sectoral nature, foreseen, among others, in the Programme of Action.

2001 Dakar Declaration on Youth Empowerment, 2000 The Dakar World Youth Forum as “a splendid example of young people coming together to work out their own agenda, without waiting for governments to tell them what to do.” The Forum adopted the Dakar Youth Empowerment Strategy, this include concrete recommendations, strategies and tools to empower young people to participate in decision-making and in evaluation of policies and programmes on key youth issues, in order to ensure action at the local, national, regional and international levels.

2006 African Youth Charter, 2006 Was established to ensure the constructive involvement of Youth in the development agenda of Africa and their effective participation in the debates and decisionmaking processes in the development of the continent. The Charter sets a framework to enable policy makers to mainstream Youth 19 Year Intervention Status and achievements issues in all development policies and programmes. It thus provides a legal basis for ensuring Youth presence and participation in government structures and forums at national, regional and continental levels.

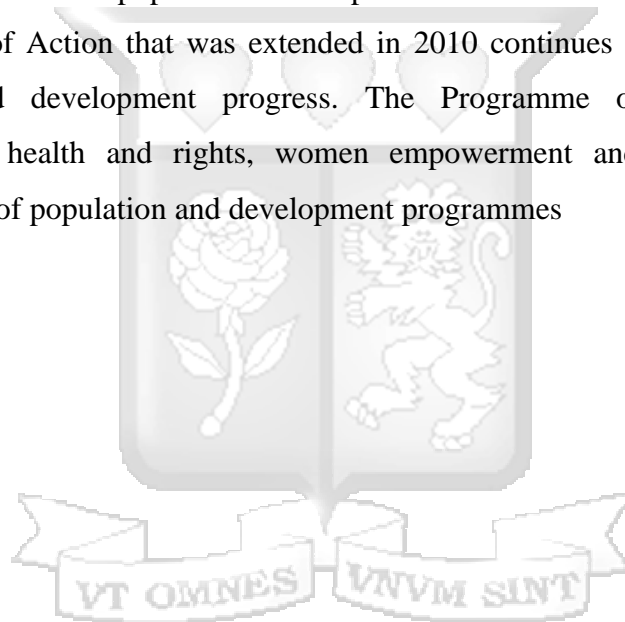
2013 East African Youth Policy Focuses on youth development and empowerment within the East African Countries

2015- 2017 Commonwealth Plan of Action for youth empowerment, 2006 The plan contains strategies and tools to empower young people to effectively participate in

social, economic, political and cultural spheres of life both in their countries and internationally.

2018 United Nations Youth Strategy, 2030 The Strategy aims to enhance impact and expand action to address the needs, build the agency and advance the rights of young people globally. The Strategy aims to ensure youth are engaged and participate in the implementation, review and follow up of the global agendas and frameworks including the 2030 agenda for Sustainable Development.

1994 International Conference on Population and Development (ICPD) Programme of Action (1994-2014) and ICPD Beyond 2014 The conference articulates the relationships between population development and individual wellbeing. A 20-year Programme of Action that was extended in 2010 continues to serve as a guide to peoplecentred development progress. The Programme of Action recognises reproductive health and rights, women empowerment and gender equality as cornerstones of population and development programmes



## Appendix VII: Figures & Tables

Figure 5. Share of informal employment in total employment, including and excluding agriculture (percentages, 2016)

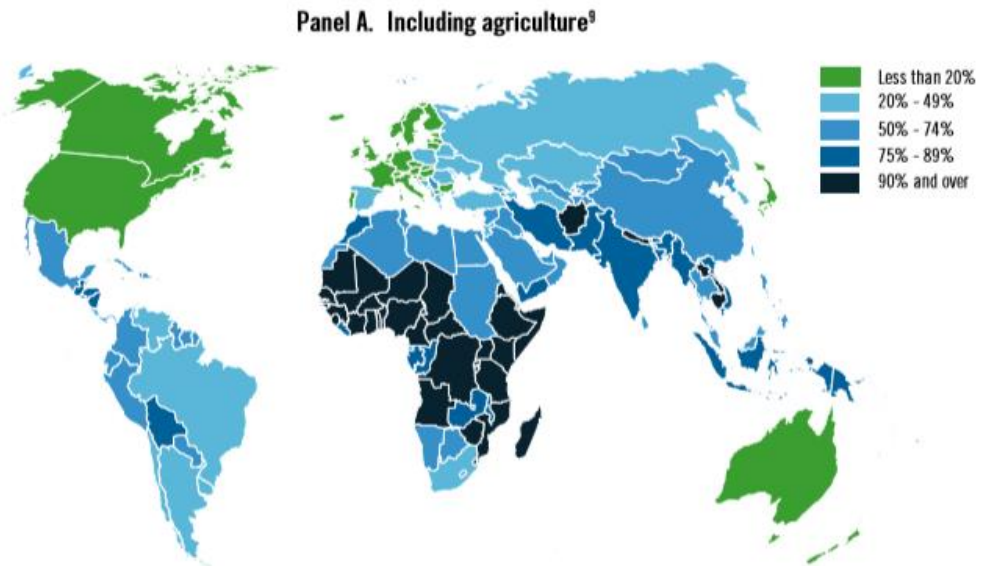


Figure 4.

Panel A (ILO, 2017)



Panel B. Excluding agriculture

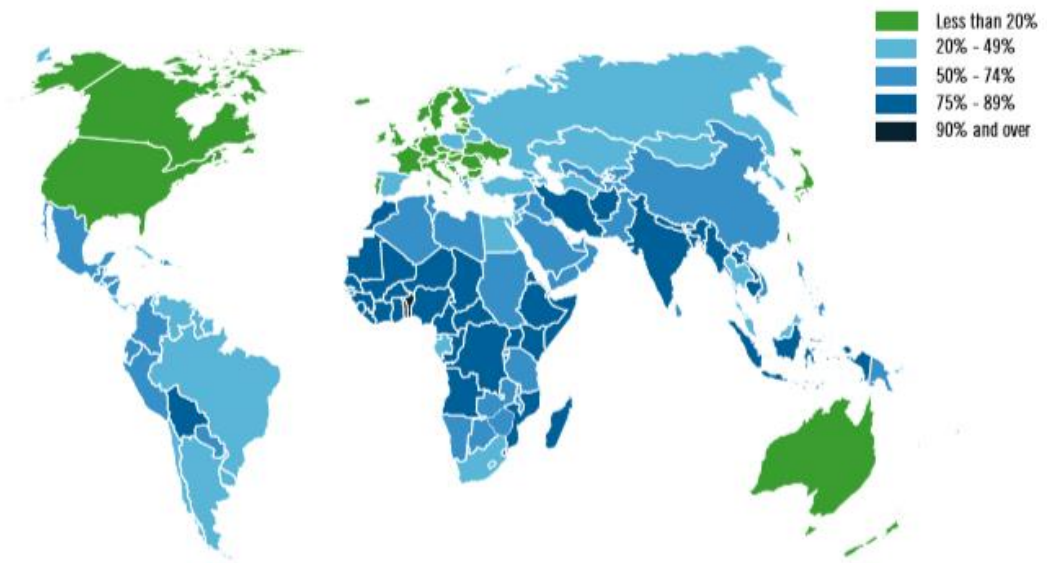


Figure 5.

Panel B (ILO, 2017)



**Panel C. Components of informal employment as a percentage of total employment: the informal sector, formal sector and household sector (percentages, 2016)**

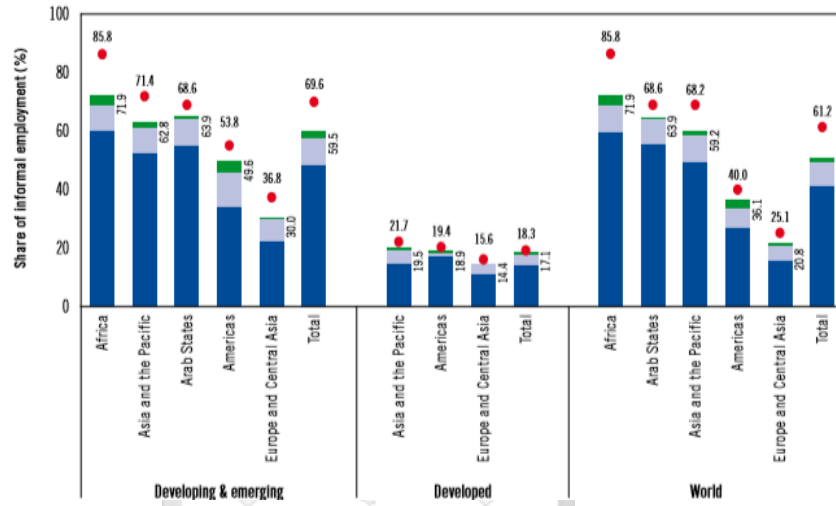


Figure 6.

Panel C (ILO, 2017)

