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# Effect of government initiatives on youth entrepreneurship performance in Nairobi County.

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**EFFECT OF GOVERNMENT INITIATIVES ON YOUTH ENTREPRENEURSHIP  
PERFORMANCE IN NAIROBI COUNTY**

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REG NO MCOM 124526**

**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS OF  
COMMERCE AT STRATHMORE BUSINESS SCHOOL, STRATHMORE  
UNIVERSITY NAIROBI, KENYA**

**2024**

**DECLARATION**

I declare that this is my original work and has not been submitted anywhere previously for the award of any degree at any University. This thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

**IDA CHEPKEMBOI TOROITICH**

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Signature.....

**Approvals**

This thesis has been submitted for examination with my approval as the University Supervisor.

Name ...Dr. Mumbi Maria Wachira.....

Strathmore University Business School



Signature ... ..

## DEDICATION

I want to dedicate this work to all scholars who will find it helpful in their academia world. Special dedication to my family, colleagues and friends for offering a reliable support system that brought me to the completion of writing my master's thesis.



## ACKNOWLEDGEMENT

To begin with, I would want to express my gratitude to our Heavenly Father for providing me with life and health so that I could finish my thesis. I would especially like to express my gratitude to my thesis advisor, Dr. Wachira Mumbi, for her expert advice and encouragement. Warm regards to everyone who came to the Gikomba market to participate in this study. We would especially want to thank all of the SBS school coordinators and the workers at the SU library for their help during this journey. Finally, I would like to express my gratitude and particular appreciation to my family, which consists of my husband and children, for their love, support and encouragement during the writing of my thesis. God bless you.



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## **ABBREVIATIONS AND ACRONYMS**

<b>AGPO</b>	Access to Government Procurement Opportunities
<b>AU</b>	African Union
<b>BDSPs</b>	Business Development Service Providers
<b>GoK</b>	Government of Kenya
<b>KKV</b>	Kazi Kwa Vijana
<b>KNYP</b>	Kenya National Youth Policy
<b>MFI</b> s	Micro Finance Institutions
<b>MSE</b> s	Micro and Small Enterprises
<b>PSDS</b>	Private Sector Development Strategy
<b>R&amp;D</b>	Research and Development
<b>SME</b> s	Small & Micro Enterprises
<b>TTI</b> s	Technical Training Institutes
<b>WHO</b>	World Health Organization
<b>YEDF</b>	Youth Entrepreneurship Development Fund

## ABSTRACT

The main objective of the research was to determine the effect of government initiatives on youth entrepreneurship in Nairobi County, Kenya. The specific objectives were; to establish the effect of entrepreneurship education programs on youth entrepreneurship performance, analyze the effect of government policies on youth entrepreneurship performance establish the effect of access to finance on youth entrepreneurship performance and evaluate how market opportunities moderate the relationship between venture products, product development, and youth entrepreneurship performance in Nairobi County. To expound on the literature, resource-based firm theory and opportunity-based entrepreneurship theory were adopted and the research was pivoted on a positivist research philosophy. The researcher used a descriptive research design and stratified random sampling to select a sample of 305 respondents who took part in the study out of a total population of 1,251 traders as indicated by the city hall licensing office. Primary data and data collection were conducted through self-administered questionnaires. A pilot test was done to check for data validity and reliability and finally, the data collected was analyzed and presented in the form of means and standard deviations using tables. This entailed distributing 15 questionnaires randomly to the Kamukunji market different from Gikomba. Study findings indicate that there is a positive and significant relationship between government initiatives which include entrepreneurship education programs, government policies and access to finance and youth entrepreneurship performance. The study concludes that with improvements in finance, skills, and regulations, Kenya's youth entrepreneurship initiatives can drive economic growth. The study thus recommends that tertiary education should not just be about skills but rather, value-added skills through blended entrepreneurship knowledge to promote self-employment among youths. Second, the issue of policies should not be a blanket for all entrepreneurship. Exemption and grace periods should be adopted for new youth-owned businesses to favour their growth. Lastly, even though the government has elaborate funding for the youth, the bureaucracies and legal requirements, its inaccessibility and lack of awareness should be reviewed to promote loan uptake. This study has addressed the issue of the effect of government initiatives on youth entrepreneurship performance and suggests a study on measures of the sustainability of these youth-owned businesses to ensure that they dependably contribute to national economic GDP and at the same time create additional employment.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background to the Study**

Youth unemployment is a global challenge, with over 90 million unemployed youth worldwide (World Bank, 2019). The definition of youth varies depending on the context, with the United Nations, World Health Organization and African Union providing different age ranges, cultural norms, social perceptions and specific policy frameworks within different contexts. According to Kenya's Kenya National Youth Policy (KNYP), youth are those who are between the ages of 15 and 30 (KNYP, 2019). Unemployment rates are high among youth and also women in Africa (Ayele & Oosterom, 2018). Lack of technical skills and formal training opportunities contribute to the high unemployment rates among youth, especially those with only primary and/or secondary education (World Bank, 2019). Poverty exacerbates the problem by limiting job opportunities and access to skill development (World Bank, 2019).

In response to youth unemployment, African governments, including Kenya, have implemented entrepreneurial skills development programs to promote economic growth (Sikenyi, 2017). In Kenya, the government has established initiatives such as the Youth Enterprise Development Fund, Women Enterprise Development Fund and Uwezo Fund to support young entrepreneurs and address unemployment (Rori & Bunei, 2016). These funds provide loans, business development services and marketing support to youth and women, aiming to create employment opportunities and stimulate business start-ups (Rori & Bunei, 2016). The Women Enterprise Development Fund specifically targets women, addressing the lack of access to credit and offering affordable loans for business expansion (Sikenyi, 2017). These government initiatives aim to assist Kenyan entrepreneurs in job creation and promote economic empowerment.

To combat youth unemployment, the Kenyan government has implemented direct job creation interventions, such as the Kazi Kwa Vijana and Kenya Youth Empowerment Program, which employ young individuals in labour-intensive public works (Khalif, 2016). However, despite government financing and efforts, these programs have not fully achieved their objectives, possibly due to mismanagement or implementation issues (Khalif, 2016). Consequently, The impact of initiatives like the Youth Enterprise Development Fund (YEDF) on the performance of young entrepreneurs has to be further studied. Additionally,

the government has addressed unemployment through education policies, such as the introduction of the Competency-Based Curriculum (CBC) to replace the outdated education curriculum, Free Primary Education (FPE) and Subsidised Secondary Education, Policies for Universities and Vocational Training Institutions (KIPPRA, 2016).

In the era of globalization, the integration of technology in various professional fields has highlighted the importance of various competencies possessed by the youth such as including digital literacy, collaboration, problem-solving, creativity innovation and critical thinking (Olokundun & Taiye, 2018). With trade liberalization and increasing global competition, vocational training has become crucial to develop higher skills that are necessary for enhanced productivity and job opportunities. However, there has been a noticeable discrepancy in many nations between the skills that the national education system offers and the needs of the labour market, suggesting problems with the calibre and applicability of vocational training (Olokundun & Taiye, 2018). This mismatch between schooling and the job market is thought to be a significant cause of youth unemployment.

The active participation of Kenya's youth in the nation's economic growth is crucial to the country's goal of becoming middle-income and industrialised by 2030 (Rori & Bunei, 2016). But traditionally, youth in Kenya have played a marginalised role, which has resulted in problems like drug misuse, unemployment and crime as well as little involvement in efforts to strengthen the country (Sikenyi, 2017). Self-employment and entrepreneurship can increase economic dynamism, create new jobs and improve the independence and standard of living for young people in Kenya (Rompho, 2018). In the informal economy, micro-entrepreneurship provides creative routes for sustainable livelihoods, self-reliance and a bottom-up approach to revenue generation (Sikenyi, 2017). The purpose of the study is to evaluate how well government programs support young people's entrepreneurial endeavours to combat youth unemployment in Kenya.

### **1.1.1 Effectiveness of Governmental Entrepreneurship Programs**

Governmental entrepreneurship programs are designed to empower young entrepreneurs by addressing the multifaceted challenges they face. These programs, which include entrepreneurship education, financial access, and regulatory reforms, have shown effectiveness in fostering youth entrepreneurship. Entrepreneurship education programs equip aspiring entrepreneurs with critical knowledge and skills, enabling them to navigate challenges in operations, marketing, and sales (Ampadu-Ameyaw et al., 2020). Such training

enhances their entrepreneurial mindset, improving their chances of launching and sustaining successful businesses. Additionally, access to finance, a cornerstone of these programs, empowers entrepreneurs to invest in essential resources such as technology, marketing, and human capital. This financial support ensures the scalability and sustainability of entrepreneurial ventures, significantly contributing to economic growth and reducing youth unemployment (Yami et al., 2019). Furthermore, regulatory reforms under these initiatives simplify bureaucratic processes, create a business-friendly environment, and provide incentives that promote entrepreneurship among young people (Valiente et al., 2020).

The effectiveness of these programs is evident in their role in promoting skill development and reducing unemployment. Skill development programs have a significant impact when they align training with labor market demands. For instance, Technical Training Institutes (TTIs) have been tasked with equipping youth with relevant, market-driven skills (Robb, Valerio & Barton, 2014). By focusing on in-demand skills, these institutions help address the mismatch between labor market needs and the competencies of graduates. Such alignment not only enhances employability but also empowers young people to create self-employment opportunities, alleviating unemployment. Despite these efforts, challenges remain in ensuring that vocational and entrepreneurship education meets the evolving demands of the labor market. This suggests that while skill development initiatives have shown some success, their overall effectiveness depends on continuous alignment with labor market information and sustained support for technical training (Sikenyi, 2017; Otuki, 2014).

Government policies supporting entrepreneurship have also proven effective in reducing barriers and enabling youth to thrive in their ventures. These policies promote favorable business regulations, reduce bureaucratic hurdles, and provide tax incentives or grants for young entrepreneurs. Such interventions create an enabling environment that fosters innovation and business growth (Valiente et al., 2020). However, effectiveness depends on the proper implementation and monitoring of these policies. For example, initiatives targeting youth entrepreneurship must ensure equity in resource distribution and address systemic inefficiencies. While these policies have helped enhance youth participation in entrepreneurial activities, gaps remain in their reach and accessibility, particularly for marginalized groups. As a result, ongoing evaluations of these policies are crucial to ensure their effectiveness in empowering all young entrepreneurs to achieve long-term success (Olokundun & Taiye, 2018).

Despite their potential, the overall effectiveness of these programs is hindered by systemic challenges. A significant number of graduates still lack the technical and employability skills required by industries, rendering them unprepared for the workforce (Robb, Valerio & Barton, 2014). The gap between education and industry demands continues to limit the programs' impact on reducing unemployment. Education reforms are essential to address this gap, ensuring that curricula focus on both technical and entrepreneurial skills (Sikenyi, 2017). Establishing a skills inventory linked to labor market trends would enable educational institutions to produce graduates equipped for current job market demands (Otuki, 2014). Further, investment in high-quality basic education and research on effective education reforms are critical to strengthening the overall impact of governmental entrepreneurship programs. These efforts would significantly enhance their effectiveness in addressing youth unemployment and fostering sustainable entrepreneurship (Ellen & Jill, 2017).

### **1.1.2 Youth Entrepreneurship Performance**

Youth entrepreneurship performance in Kenya can be assessed through measurable indicators such as business sustainability, market competitiveness, and profitability. According to the *Ease of Doing Business in Kenya* report, the ease of registering a business significantly affects the number of entrepreneurs entering the informal sector (World Bank, 2019). While the government has streamlined registration processes, youth entrepreneurs still face hurdles such as high costs, lengthy procedures, and complex regulatory requirements. These barriers hinder many young people from formalizing their businesses, limiting access to essential resources such as credit and procurement opportunities. Additionally, stringent government regulations, although aimed at regulating industries and promoting economic growth, often challenge the growth of small and medium enterprises (SMEs), particularly those run by young entrepreneurs. These regulations require compliance with standards that many youth-led businesses find difficult to meet, ultimately impacting their sustainability and growth.

Despite the challenges, youth entrepreneurship contributes significantly to Kenya's economy. Small businesses are a major source of employment and account for a notable share of the country's GDP, as highlighted in the *Economic Survey of 2019* (Republic of Kenya, 2019). The government has recognized the transformative potential of small businesses and has implemented supportive initiatives such as the Public Procurement and Asset Disposal Act and the Access to Government Procurement Opportunities (AGPO) framework. These programs are designed to promote the inclusion of youth, women, and marginalized groups in

public procurement processes. While these efforts have opened opportunities for youth entrepreneurs, their effectiveness depends on the ability of youth-led businesses to meet procurement requirements and deliver quality goods and services. This creates a critical need for capacity-building programs to enhance the competitiveness and efficiency of youth-led enterprises in these processes.

One of the critical measures of youth entrepreneurship performance is business sustainability within the first three years. Research indicates a high failure rate for youth-led businesses during this period due to challenges such as limited access to financing, inadequate resources, and insufficient managerial skills (Sharu & Guyo, 2015). Successful youth entrepreneurship requires offering unique goods and services to stand out from competitors, maintaining a self-sustaining financial position, and adhering to government policies. Additional factors include generating sufficient cash flow, employing skilled personnel, and ensuring proper stock levels for business continuity. The ability to secure financing and maintain profitability are also key indicators of performance. To address the high failure rate, there is a need for targeted interventions, such as mentorship programs, financial literacy training, and access to affordable credit facilities. By addressing these gaps, youth entrepreneurs can improve their performance and contribute more effectively to economic development.

### **1.1.3 Government Initiatives and Youth Entrepreneurship Performance**

Due to the risk associated with being new and the absence of essential success criteria like resources, legitimacy and financial capital, new businesses in emerging markets confront fierce competition and uncertainty in the context of globalisation and dynamic marketplaces (Turkina, 2018). Because it affects technology decisions, market performance and access to essential resources, finance availability is a critical factor in determining an organization's ability to succeed (Kersten & Liket, 2017). One major barrier to the development and expansion of businesses, especially in the SME sector, is the inability to obtain credit (Kersten & Liket, 2017). Insufficient operating funds are a major cause of closure for microenterprises in Kenya (Chen, Chang, & Bruton, 2017). Small-scale businesses require startup capital in order to prosper, compete, provide jobs and help reduce poverty (Chen, Chang, & Bruton, 2017). However, small-scale businesses face risks due to a lack of securities and incomplete data on repayment capacity (Omondi & Jagongo, 2018). Because they offer start-up funding and credit for stock expansion, microfinance institutions (MFIs) are essential to the financial development of SMEs (Bashir & Ondigo, 2018).

The government of Kenya established the Youth Entrepreneurship Development Fund (YEDF) and the Uwezo Fund to address the issue of young entrepreneurs' lack of access to finance. These funds provide grants and company financing at low interest rates with the goal of reducing youth unemployment and creating new jobs (GoK, 2010). Studies have indicated that financial resources are essential for business expansion (Fowowe, 2017). These resources are impacted by various aspects, including the size of the business, ownership, legal rights, credit history, export focus and managerial background (Quartey & Iddrisu, 2017). When analysing the relationship between access to financing and business performance, it is crucial to take into account factors other than supply-side obstacles, such as entrepreneurial cognition, motivation, firm life-cycle stage and ownership type (Fraser & Wright, 2017). However, challenges exist within the YEDF framework. The initial loan ceiling of Ksh.50,000/- is considered insufficient for serious youth start-ups and the requirement for a business to be registered and operational for six months before loan application poses a challenge (YEDF, 2016). Even with the government's efforts to support and encourage youth entrepreneurship, further research is necessary to determine how the government can foster an environment that makes it easier for young people to obtain financing, which is essential for the achievement of younger entrepreneurs (UNOWA, 2010). Understanding the influence of access to finance on youth entrepreneurship performance towards self-employment is crucial in addressing these considerations.

Many governmental and business sector organisations have their headquarters in Nairobi, the capital city of Kenya. Nairobi is the most populated county in Kenya, with a population of over 4 million, but having the third-smallest landmass (Karoki et al., 2018). There are many of chances in Nairobi County to support the growth of young enterprises and evaluate their effectiveness. Numerous domestic and global funding sources, including government programs and the United Nations Enterprise Program and the World Bank, provide adaptable financing plans designed especially for business growth and innovation (International Finance Corporation, 2013).

Three years of research, from 2007 to 2010, on micro- and small-scale businesses (SMEs) and micro-entrepreneurs in developing nations including Nairobi County showed that government measures had a major effect on improving the performance of young people in entrepreneurship. These initiatives encompassed entrepreneurship education programs, government policies and access to finance. Such measures proved crucial in supporting

sustainable business practices, particularly among less knowledgeable youth entrepreneurs (Anonymous, 2010). Given Nairobi County's high concentration of young companies, it is especially critical to address these problems and establish supportive environments for their expansion and success. It is possible to enhance the effectiveness and sustainability of young entrepreneurship in the county by acknowledging the importance of entrepreneurship education, accommodating laws and easily available funding sources.

## **1.2 Statement of the Problem**

Unemployment among Kenyan youth remains a significant issue despite various governmental interventions designed to promote youth entrepreneurship. According to the *Kenya Economic Survey Report (2019)*, youth unemployment stood at 39%, with a large proportion of the youth unable to access stable employment opportunities. Despite initiatives such as entrepreneurship education, financial support, and youth-focused programs, the gap between policy implementation and effective outcomes persists. Studies suggest that these interventions often lack coherence and alignment with the real-world challenges faced by youth entrepreneurs, exacerbated by conflicting priorities within the government (World Bank, 2019). As a result, many young entrepreneurs struggle to sustain their businesses due to insufficient support, unclear regulations, and inadequate funding opportunities. This underscores the need for a thorough reassessment of the policies and strategies guiding youth entrepreneurship in Kenya, focusing on fostering a comprehensive and sustainable growth environment for youth-led businesses.

Furthermore, while entrepreneurship education programs have been widely implemented, their impact on the performance of young entrepreneurs is not well-documented. Research indicates that these programs, though essential in equipping aspiring entrepreneurs with fundamental knowledge and skills, may not fully address the specific needs of the rapidly evolving business environment in Kenya. Sikenyi (2017) argues that many youth entrepreneurs still lack the practical skills necessary to run successful businesses. Moreover, there is limited research on how government policies and education initiatives are aligned with the current requirements of the youth entrepreneurship sector. For instance, while access to financing is considered a critical enabler of entrepreneurship (Yami et al., 2019), the actual mechanisms for accessing finance, including the bureaucratic processes and stringent collateral requirements, remain barriers. These gaps point to the need for further research into

how policy frameworks, educational structures, and financial access contribute to the overall performance of youth entrepreneurship.

The empirical gap in the existing literature is also evident in the lack of studies that comprehensively explore how government policies, entrepreneurship education, and access to finance interact to influence youth entrepreneurship outcomes in Kenya. While studies such as those by Ampadu-Ameyaw et al. (2020) and Valiente et al. (2020) have examined the role of these factors, their impact on youth entrepreneurship performance has not been fully explored in the Kenyan context. Research conducted outside Kenya, such as that by Kluge et al. (2019), highlights the importance of program design and delivery in fostering effective entrepreneurship outcomes. Similarly, Davis and Heller (2020) demonstrate that understanding diverse impacts of youth programs can provide valuable insights into improving policy effectiveness. This study aims to fill the gaps in the literature by examining the direct effects of entrepreneurship education, government regulations, and financial access on the performance and sustainability of youth-led businesses in Kenya. The research objectives are analyzed in the proceeding section.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The broad objective of this study was to determine the effect of government initiatives on youth entrepreneurship in Nairobi County, Kenya.

#### **1.3.2 Specific Objectives**

1. To establish the effect of entrepreneurship education programs on youth entrepreneurship performance in Nairobi County.
2. To analyze the effect of government policies on youth entrepreneurship performance in Nairobi County.
3. To establish the effect of access to finance on youth entrepreneurship performance in Nairobi County.
4. To evaluate how market opportunities moderate the relationship between venture products, product development, and youth entrepreneurship performance.

#### **1.3.3 Research Questions**

1. What is the effect of entrepreneurship education programs on youth entrepreneurship performance in Nairobi County?

2. What is the effect of government policies on youth entrepreneurship performance in Nairobi County?
3. How does access to finance affect youth entrepreneurship performance in Nairobi County?
4. How do market opportunities moderate the relationship between venture products, product development, and youth entrepreneurship performance?

#### **1.4 Scope of the Study**

The scope of the study is youth entrepreneurship within Nairobi County. The population under study consisted of all youth entrepreneurship operating within the Gikomba market in Nairobi County. According to Nairobi City Council records for 2017, there are 1,251 registered youth entrepreneurship traders at the Gikomba market in Nairobi County mainly handling used clothing (Mitumba), furniture, hardware, fruits, drinks, grains, veggies and poultry. The study used a stratified method to draw a sample size of 305 respondents who took part in the study as discussed and demonstrated in chapter 3.

#### **1.5 Justification of the Study**

##### **1.5.1 Policymakers and Regulators**

Firstly, this study is significant to county governments and not only to Nairobi County as it helps counties to prioritize their economic development agendas/models that are designed to spur up job creation and curb the issue of unemployment in counties. Successful business youth entrepreneurships contribute to counties in several ways such as spurring innovation and growth, creating jobs locally and ensuring shared community identity.

##### **1.5.2 Academic Scholars**

The study's conclusions will be important to academic researchers and broaden our body of knowledge on how to deal with youth entrepreneurship performance in the counties. Many kinds of research have looked at the effects of youth entrepreneurship in solving unemployment and others on challenges facing youth unemployment but none has looked at why there still exists challenges of unemployment despite all the initiatives and funding the government has invested in youth entrepreneurship activities. Thus, the research looks at the effectiveness of the programs that have been adopted in promoting youth entrepreneurship performance to unravel why the said programs are not working thus informing the right decisions and projections to be taken if the true outcome of promoting youth entrepreneurship performance is to be achieved. In so doing the research adds knowledge to

the pool of literature that other researchers can build on to break even in other fields that face the same myriad of challenges despite many interventions taken to solve them.

### **1.5.3 Professional Practitioners**

Furthermore, the study is significant to practitioners i.e., owners/managers of youth entrepreneurship as it helps them prioritize their business growth models that are designed to spur up job creation and improve their financial performance. This will enable them to absorb more youths from the market as they maximize their profits from their ventures.

### **1.6 Chapter Summary**

The essential groundwork for the research has been established in this chapter, which includes the study's background, problem description, objectives, significance of the survey and fundamental rationale. The chapter provides a thorough rundown of the methodology used in the study. Additionally, it defined the survey's scope, making it easier for the reader to comprehend the study's constraints and capabilities. This is because the study depends on the researcher's ability to present the topic by depicting the selected variables and respondents.



## **CHAPTER TWO:**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Chapter two presents a review of different literature to get a synopsis of the literature gap the study is attempting to fill. Section 2.2 presents a theoretical review highlighting the theories used in the study while section 2.3 provides an empirical review of past studies. Section 2.4 looks at the study gap while section 2.5 gives a conceptual framework for research variables. Section 2.6 gives a tabular view of the operationalization of variables and finally section 2.7 winds up the chapter with a chapter summary.

#### **2.2 Theoretical Review**

The section reviews various theories that relate to government initiatives and youth entrepreneurship performance. Selected theories help provide deeper insights into the relationships between the variables under study. The theories selected to support the study include human capital theory, institutional theory, access to finance theory, resource-based firm theory and opportunity-based entrepreneur theory.

##### **2.2.1 Human Capital Theory**

Human Capital Theory, proposed by Gary Becker in 1964, suggests that investments in education and training enhance the skills and capabilities of individuals, leading to greater productivity and improved economic outcomes. In the context of entrepreneurship, the theory posits that entrepreneurship education equips individuals with the knowledge and skills necessary to identify opportunities, manage risks, and operate successful businesses. Youth can enhance their entrepreneurial capabilities, which ultimately leads to improved performance in their entrepreneurial ventures by investing in human capital.

This theory is directly related to the first objective of the research, which aims to establish the effect of entrepreneurship education programs on youth entrepreneurship performance in Nairobi County. Human Capital Theory highlights that entrepreneurship education, by improving the skills and knowledge of young entrepreneurs, increases their potential for success in the competitive business environment. As such, this theory supports the notion that the more equipped youth entrepreneurs are with the right educational tools, the better their performance will be. Entrepreneurship education provides the necessary foundation for youth

to develop their business ideas, understand the market, and manage their finances, thereby directly contributing to improved performance.

In relation to the second and third objectives of the research, Human Capital Theory can also inform the understanding of how government policies and access to finance influence youth entrepreneurship performance. Government policies can foster an environment conducive to business growth, where youth entrepreneurs are empowered to take full advantage of the opportunities available to them by equipping youth with the necessary skills through education. Furthermore, a skilled workforce increases the potential for youth to access and utilize financial resources more effectively, thus facilitating business growth. Therefore, entrepreneurship education aligns with government policies and financial access to improve youth entrepreneurship performance.

Despite emphasizing the value of education in entrepreneurship, human capital theory frequently ignores outside variables that could also have a big impact on young people's performance in entrepreneurship, such as market conditions, government regulations, and financial availability. In Kenya, for instance, access to finance remains a critical barrier to youth entrepreneurship (Quartey & Iddrisu, 2017), and the application of this theory does not fully account for the challenges posed by high interest rates, collateral requirements, and bureaucratic red tape. Additionally, entrepreneurship education alone does not guarantee business success if the environment does not provide sufficient resources, regulatory support, and financial infrastructure. As such, the theory's narrow focus on education may not fully address the multifaceted challenges faced by youth entrepreneurs in Nairobi County, making it necessary to consider other factors that influence entrepreneurship performance.

### **2.2.2 Institutional Theory**

Institutional Theory, developed by Douglass North in 1990, argues that institutions, such as rules, regulations, and norms, shape the behavior of individuals and organizations within a society. In the context of entrepreneurship, this theory emphasizes the role of formal and informal institutions in shaping the entrepreneurial environment. Government policies, legal frameworks, and institutional support systems influence how entrepreneurs operate and grow their businesses. Institutional Theory suggests that a favorable institutional environment can reduce transaction costs, improve access to resources, and create a stable foundation for entrepreneurship to thrive.

Institutional Theory is directly linked to the second objective of the research, which is to analyze the effect of government policies on youth entrepreneurship performance in Nairobi County. Government policies, such as the Youth Enterprise Development Fund (Otuki, 2014), are critical components of the institutional framework that influence youth entrepreneurship in Kenya. These policies can create opportunities for youth by providing financial support, tax incentives, and other resources necessary for starting and growing businesses. Institutional Theory suggests that the success or failure of such initiatives depends on the strength and clarity of the regulatory environment, as well as how effectively policies are implemented and enforced. The theory highlights the importance of an enabling institutional environment in facilitating entrepreneurial performance, which is crucial to the objectives of the research.

Additionally, Institutional Theory connects to the first and third objectives regarding entrepreneurship education and access to finance. A robust institutional framework for education ensures that youth receive the skills and knowledge necessary to engage in entrepreneurial activities. Likewise, policies that provide easier access to finance and reduce the barriers to entry for young entrepreneurs are vital to improving their performance. The interplay between institutional factors such as education programs, government regulations, and financial access directly influences youth entrepreneurship performance. Thus, an integrated approach to these aspects is necessary for sustainable youth entrepreneurship development.

Institutional theory may overlook the individual-level factors that influence entrepreneurship performance, such as the entrepreneurial mindset, personal motivation, and risk tolerance of youth entrepreneurs. While institutions and policies play a crucial role in shaping the entrepreneurial environment, they do not account for the heterogeneity among young entrepreneurs. In Nairobi County, for instance, the impact of government policies may vary based on the sector, the entrepreneur's level of education, and their access to informal networks. Moreover, Institutional Theory places significant emphasis on formal institutions but may not adequately address the influence of informal institutions such as family, community, and social networks, which also play a key role in shaping youth entrepreneurship outcomes. As such, while institutional factors are crucial, a more comprehensive approach that also considers individual and social factors is necessary to fully understand youth entrepreneurship performance.

### **2.2.3 Access to Finance Theory**

Access to Finance Theory, as articulated by Quartey and Iddrisu (2017), emphasizes that access to capital is one of the primary drivers of entrepreneurial success. Entrepreneurs, particularly those in the small and medium-sized enterprise (SME) sector, require financing to cover initial startup costs, expand operations, and sustain growth. However, the theory argues that access to finance is constrained by several factors, including high interest rates, lack of collateral, and insufficient financial products tailored to the needs of small businesses. The theory asserts that improving access to finance for youth entrepreneurs through government intervention, microfinance, and innovative financial products can significantly enhance their business performance.

This theory directly aligns with the third objective of the research, which is to establish the effect of access to finance on youth entrepreneurship performance in Nairobi County. Access to finance is a critical challenge for youth entrepreneurs, particularly in Kenya, where the financial landscape is often characterized by stringent requirements that make it difficult for young entrepreneurs to secure loans. According to Quartey and Iddrisu (2017), understanding the barriers to finance, such as high-interest rates and collateral requirements, is essential for developing policies that can improve youth entrepreneurship performance. By improving access to finance, government policies can enable youth entrepreneurs to invest in their businesses, increase production capacity, and ultimately improve performance. This theory highlights the importance of creating financial ecosystems that are inclusive and supportive of youth-led businesses, which is a central focus of the research.

Moreover, this theory complements the first two objectives related to entrepreneurship education and government policies. Entrepreneurship education can enhance the financial literacy of youth, enabling them to better manage and leverage financial resources. Similarly, government policies aimed at improving access to finance, such as the Youth Enterprise Development Fund, directly impact the ability of youth entrepreneurs to secure the capital needed to succeed. By analyzing these factors in tandem, the research can assess how access to finance, alongside education and policy support, influences youth entrepreneurship performance in Nairobi County.

Access to finance theory underscores the importance of financial resources in entrepreneurship whereby it also tends to focus primarily on external financial constraints and may overlook other critical barriers that youth entrepreneurs face. In Nairobi County, for

example, the informal nature of many youth-led businesses can make it difficult for them to qualify for formal financial services. Moreover, the theory does not fully account for the role of non-financial factors, such as mentorship, market access, and training, which can also significantly impact youth entrepreneurship performance. Additionally, while government interventions can enhance access to finance, the theory may not fully consider the effectiveness of such programs in a context where bureaucratic inefficiencies and corruption hinder the proper distribution of resources. Therefore, while access to finance is undeniably important, a broader perspective that includes both financial and non-financial support mechanisms is essential to fully understand the complexities of youth entrepreneurship in Nairobi County.

#### **2.2.4 Resource-Based Firm Theory**

Given its practical applicability to modern management practices, Wernerfelt's (1984) resource-based theory is considered one of the most often cited theories of strategic management. Heterogeneous resources that is, uncommon, unique and non-substitutable resources controlled by some firms are the basic mechanism through which resource-based theory generates profits. These resources enable the firms to uniquely anticipate value-creating opportunities through gaining access to additional resources (Barney, 2018). Under the resource-based entrepreneurial ideas, there are three groups of paradigms: monetary, social and human capital.

The facts and knowledge about the significance and contributions of entrepreneurial strategy, network connections and human and financial resources in the development and success of new enterprises are restricted to existing ideas about entrepreneurial orientation. However, it is asserted that the success of new endeavours depends on the combination of these three factors: financial capital, social capital and human capital (Mallon et al., 2015). Venture performance is heavily influenced by a number of aspects in its early stages; in particular, financial and human capitals are believed to be important (Ahlstrom & Silvio, 2018).

According to this idea, in order to foster growth, a new business needs sufficient funding and assistance. An enterprise with sufficient human capital, network connections, strategies and financial capital outperforms businesses without them, according to Anwar and Zulfikar (2018). Given that it is regarded as a vital component of newly established enterprises, human capital plays a significant role in the growth and development of recently launched initiatives (Capelleras & Martin, 2018). The knowledge acquired through education and

experience constitutes a resource that is heterogeneously distributed across individuals and is, therefore, essential to comprehending variations in opportunity identification and exploitation. These two factors make up the human capital entrepreneurship paradigm. Concerning education, skill and opportunity identification, is thus a call to study how effective entrepreneurship education is, in imparting the relevant skills and creativity in sustaining youth-owned businesses which form the basis for the research.

This theory specifically provides a theoretical foundation for understanding how entrepreneurship education programs impact youth entrepreneurship performance. This theory emphasizes the role of education and knowledge as valuable resources within the human capital paradigm. Therefore, it aligns with the first objective of the study. The theory suggests that these programs enhance the knowledge and skills of young entrepreneurs, contributing to their human capital. As a result, this improved human capital can positively impact the performance of youth-owned businesses by equipping them with the necessary tools to navigate the challenges of business operations, marketing and sales activities.

Within the theory, government policies can be viewed as valuable resources that influence the business environment for youth entrepreneurs. This theory highlights the importance of resources for business success and in the context of the study, it underpins the second objective. When government policies are aligned with creating a supportive and favourable business environment, they can be considered as resources that young entrepreneurs can leverage to enhance their youth entrepreneurship performance. The theory helps frame this objective by suggesting that government policies, when well-designed and implemented, can be valuable assets that contribute to the growth and sustainability of youth-owned businesses. The Resource-Based Firm Theory, particularly within the context of access to finance, emphasizes the critical role of financial capital as a resource. Within this framework, access to finance is seen as a valuable resource that, when available, enables young entrepreneurs to invest in their ventures. It allows them to acquire necessary assets, invest in technology, marketing and human capital and expand their business operations.

The Resource-Based Firm Theory primarily emphasizes the significance of resources, both tangible and intangible, in firm performance, yet it falls short of addressing the dynamic and proactive entrepreneurial aspects related to recognizing and creating opportunities. In contrast, the Opportunity-Based Entrepreneurship Theory explicitly focuses on the entrepreneurial process of identifying and exploiting opportunities driven by external factors.

This complementary perspective enables the study to gain a more comprehensive understanding of how both resources and entrepreneurial actions contribute to youth entrepreneurship performance, bridging the gap in the Resource-Based Firm Theory regarding opportunity identification and exploitation, thereby justifying the decision to support the theory with the Opportunity-Based Entrepreneurship Theory.

### **2.2.5 Opportunity-Based Entrepreneurship Theory**

The theory of Opportunity Based Entrepreneurship, introduced by Drucker in 2014, posits that an entrepreneur can attain success by capitalising on opportunities presented by technological, social and cultural transformations that are driven by human need. Although they don't bring about change, entrepreneurs will only take advantage of the openings that arise from shifting customer tastes, laws, infrastructure and technology. Ex-post profits (or losses) are the sole standards applied to determine purportedly pre-existing opportunities (or non-opportunities), according to Alvarez (2020), citing research titled "Has the concept of opportunities been fruitful in the field of entrepreneurship?" However, if gains are observed and one assumes that their existence precedes the occurrence of objective opportunities, then profit-causing priors must exist.

This simply establishes that, by tautological assumption, opportunities must exist if you suppose that only pre-existing objective opportunities lead to profits and profits are found. It does not prove that opportunities are always objective. Entrepreneurs must therefore have identified and taken advantage of an existing opportunity in order to produce financial gain. Why? Because pre-existing opportunities were pre-existing because they produced profit, which is to say that pre-existing opportunities are the only things that lead to profit. According to Granieri and Schimmenti (2017), when students are continuously pushed to increase their level of topic knowledge, they become more driven to develop their cognitive capacities and build a defensive system to counteract the negative effects of pressure.

Consequently, in underpinning the study variable of youth entrepreneurship performance, youth entrepreneurs can easily exploit opportunities once they perceive that they have more knowledge of their customer demand, they have developed the necessary technologies and managerial capabilities and they have enough stakeholder support. The actual process of opportunity recognition is an interaction between individuals and their environments. Komarkova and Collado (2015), argue that skills and opportunities can be used to examine entrepreneurial innovation capabilities. Individuals can transcend immediate

circumstances, through self-guidance and shape the present toward the realization of outcomes and goals (Bandura, 2018).

This theory suggests that youth entrepreneurs can enhance their performance by developing a deep understanding of their target customers' needs and preferences. It underscores the importance of technological proficiency and managerial capabilities in adapting to changing market dynamics and seizing emerging opportunities. Furthermore, the theory implies that youth entrepreneurs who receive support from various stakeholders, including mentors, industry experts and investors, are better equipped to navigate the evolving business landscape and capitalize on emerging trends. This theoretical perspective aligns with the study's focus on understanding how youth entrepreneurship performance can be influenced by knowledge, technological competence and stakeholder support.

In the context of government policies, the Opportunity-Based Entrepreneurship Theory underscores the need for policymakers to stay attuned to shifting societal and technological trends. This theory suggests that government initiatives aimed at fostering youth entrepreneurship should be designed with flexibility in mind, allowing for adjustments to address evolving demands. It emphasizes the importance of continuous evaluation and adaptation of policies to ensure they remain effective in providing support and creating an enabling environment for youth entrepreneurs. Therefore, this theory provides a valuable framework for investigating how government policies can impact youth entrepreneurship performance by responding to changing social, technological and human demands.

The Opportunity-Based Entrepreneurship Theory highlights the importance of recognizing and exploiting opportunities generated by external factors, such as changes in technology, consumer preferences, regulations and infrastructure. However, this theory may not fully address the role of internal resources and capabilities in youth entrepreneurship performance. It focuses on entrepreneurial actions in response to opportunities but may not explicitly cover the aspect of how different types of resources, such as financial, social and human capital, contribute to the success of youth-owned businesses. To address this gap and provide a more comprehensive understanding of youth entrepreneurship performance, the study complements the Opportunity-Based Entrepreneurship Theory with the Resource-Based Firm Theory.

## **2.3 Empirical Review**

The literature on how government programs affect young people's entrepreneurship is included in this section. It especially looks at how government regulations, financial availability and entrepreneurship education programs affect young people's ability to launch and grow their businesses. The evaluation of the papers was followed by the provision of a summary and research gaps.

### **2.3.1 Entrepreneurship Education Programs and Youth Entrepreneurship Performance**

Nafukho and Muyia (2010) reviewed existing documents and literature and postulated that in mid-1985, the Government of Kenya vocalized the national education curriculum 8-4-4 system that led to the establishment of youth polytechnics and technical training institutions that would offer entrepreneurship education to youths in addition to technical skills. The learning model of entrepreneurship to be included in the curriculum was adopted from Ashmore, whose model is predicated on the idea that attitudes and abilities required for the development of successful entrepreneurship are not acquired at a single point in time, entrepreneurship should be introduced to young people early in life in order for them to acquire those abilities as they mature and learn, producing successful entrepreneurs.

The suggested model comprised five stages: the first was to be taught at an early age, starting in primary school and continuing through higher education; the second stage was intended to provide a knowledge of management skills in secondary school topics like accounting, business education and commerce. Vocational and technical training institutes in Kenya offered stage three, which required students to prepare a business plan in order to graduate and provide a deeper grasp of the abilities required to become successful entrepreneurs. The development of entrepreneurial ventures and long-term expansion were the focus of stages four and five in order to meet the ongoing need to assist entrepreneurs in starting and maintaining profitable businesses (Nafukho & Muyia, 2010).

Ebrahimi (2015) argued that even though the curriculum has been in place for more than 30 years, the expected outcome has little to show since a majority of the institutions offering entrepreneurship education are public institutions that receive public funding to run and therefore lack innovativeness as there is no need to react to competition. This may be the reason why these attempts have not yielded much fruit. One tactic the government might employ to increase capacity and develop human resources to support socioeconomic

development is entrepreneurial education and training. Building African youths' self-esteem and confidence should be the goal of a well-designed entrepreneurship education and training program. This aids in the development of entrepreneurial qualities and abilities, which in turn support the growth of business and entrepreneurship.

According to Barney (2018), strategic management researchers seek to understand “why firms perform differently.” They support this claim using theoretical review analysis. Previous research has shown that making creative and efficient use of resources can provide businesses with a competitive edge and improve their performance (Anwar & Zulfiqar, 2018). When seeking to develop new products, enter a new market, or pursue venture items, they require a distinct strategic stance. Innovative skills are fostered by entrepreneurship education and are a key factor in propelling future growth. Currently, there are increased expectations for entrepreneurship education due to innovation-driven development initiatives. The majority of current research and discussion in this field, however, centres on developing curricula (Falack, 2016), building teaching staff within the entrepreneurial education ecosystem (Pihkala, 2015) and determining whether or not entrepreneurship education can affect an individual's intention to pursue entrepreneurship (Cope, 2016). According to the social cognitive theory, learner characteristics and surroundings have a significant impact on how well entrepreneurship education is implemented. As a result, companies—especially startups—should not only concentrate on responding to market shifts and consumer needs but also on enhancing their internal resources, such as their entrepreneurial spirit and intellectual capital, which have a big impact on their performance and competitive advantage (Kantur, 2016).

Using primary data collected through closed-ended questionnaires, Mandengenda (2017) found that entrepreneurship skills training plays a preparatory role in the creation and growth of new ventures because it improves the entrepreneurs' capacity to adjust to the changing business environment, boosts productivity and employee count, increases the net worth of the company, increases profitability and expedites the completion of market-related transactions. Additionally, it opens up new opportunities and possibilities and spurs the owners' desire to carry out entrepreneurial tasks in a different way. So, the focus of instruction should be on creating a workable business plan, which should be backed by customised support like funding, networking, or counselling (Fowowe, 2017).

The government of Kenya's entrepreneurship curriculum was rich in context, however, research by Murithi (2013), found that the delivery strategies used did not improve the graduates' preparedness for entrepreneurship. Mitchell (2016), discovered in their research on entrepreneurship in South Africa that traditional classroom methods, such as lectures, are the main focus of entrepreneurship education. Entrepreneurship, small business management, new venture development, small business financing, franchising, innovation and technology, growth management, creativity management, family business and venture capital were the most popular courses, according to the survey.

Learning must be grounded in actual workplace scenarios for entrepreneurial development programs to be successful in helping managers put what they've learnt into practice (Henry, 2015). According to Zulfiqar (2017), young business owners ought to receive training to improve their bookkeeping, financial statement production, budgeting, credit control and tax computation abilities. Rapidly developing nations, according to Chepngetich (2016), view human resource development (HRD) as advancing considerably and are utilising HR more in the form of developing capacity and gaining modern skills. Enhancing human training could help SMEs maintain their competitiveness. The more important abilities, like responsibility, patience, judgement and people management, however, can only be learnt rather than explicitly taught. The examined literature makes it clear that SMEs can increase their revenue with suitable financial training programs and MFIs ought to set up systems for gauging the effect of such programs on youth-owned SMEs.

The existing literature has indicated that despite the long-standing existence of entrepreneurship education programs, their effectiveness in fostering entrepreneurship readiness and performance among youth remains questionable. For instance, the curriculum's delivery methods have been criticized for not adequately preparing graduates for entrepreneurial endeavours (Murithi, 2013). Traditional classroom lectures have been the primary mode of delivery, which may not effectively equip aspiring entrepreneurs with the practical skills and experiences required for real-world business challenges (Mitchell, 2016). This indicates a potential gap in how entrepreneurship education is being delivered, possibly failing to align with the dynamic and practical needs of budding entrepreneurs.

Some studies emphasize the importance of not only theoretical knowledge but also practical, real-work situations and experience in entrepreneurship training (Henry, 2015). Entrepreneurial development programs must provide opportunities for individuals to apply

their learning in authentic business contexts to enhance their readiness for entrepreneurial ventures. However, the review suggests that this aspect might be overlooked or underemphasized in the existing education system. There is also a need for financial management skills. While some studies recommend training in areas like financial management, bookkeeping, budgeting and tax calculation (Zulfiqar, 2017), it is essential to ensure that these programs address the unique financial challenges that youth-owned SMEs face. Effective financial training for youth entrepreneurs should consider their specific needs and circumstances. To further enhance the effectiveness of entrepreneurship education programs, there's a call to integrate practical, judgment-based skills such as handling people, patience and responsibility (Chepngetich, 2016). These skills are challenging to teach directly but can significantly impact a young entrepreneur's ability to navigate the complexities of business.

The existing studies on entrepreneurship education programs highlight several strengths and weaknesses regarding their impact on youth entrepreneurship performance. On the positive side, many studies, such as those by Nafukho and Muyia (2010), recognize the importance of integrating entrepreneurship education into Kenya's national curriculum. Their proposed staged model provides a structured approach, starting with early exposure and progressing to advanced skills like business plan development. Similarly, Mandengenda (2017) emphasizes the preparatory role of entrepreneurship skills in fostering adaptability, productivity, and new opportunities for youth entrepreneurs. This focus aligns with global trends that view entrepreneurship education as vital for economic empowerment and innovation.

However, the studies also reveal significant limitations. The delivery methods in Kenya, as noted by Murithi (2013), heavily rely on traditional lecture-based approaches that fail to prepare graduates for practical business challenges. Furthermore, Mitchell (2016) highlights the absence of hands-on experiences, which are critical for bridging the gap between theoretical knowledge and entrepreneurial application. Additionally, while programs often emphasize financial management, Zulfiqar (2017) argues that the training provided may not sufficiently address the unique challenges faced by youth-owned SMEs. Lastly, despite the emphasis on technical skills, studies such as Chepngetich (2016) suggest that critical soft skills like judgment and people management, which are essential for entrepreneurial success, are underexplored.

### **2.3.2 Government Policies and Youth Entrepreneurship Performance**

According to the Supply Chain Analysis (2015), a lot of company laws and regulations, such as taxation, are complicated and require a lot of administrative work for new companies, which hinders rather than advances the industry. Strict and onerous laws that hinder the survival, growth and success of new entrepreneurship have an impact on businesses across a variety of industries (British Chambers of Commerce, 2002). The results of a Development Bank study on youth entrepreneurship showed that new businesses would perform worse if county laws and regulations were not harmonised and standardised because of onerous administrative requirements, taxes and regulations. This also applies to venture products, market potential and product development as well as entering a new market (Development Bank, 2019).

Compared to large organisations, small businesses are more impacted by regulations because they are less equipped to handle complicated rules and the associated high costs of compliance. For generating wealth and jobs, and reducing poverty to promote the growth of MSEs, season paper no. 2 of 2005 was developed to implement measures related to business regulation, policies and taxation. The Kenyan government created the Private Sector Development Strategy (PSDS) 2006-2010, outlining the guidelines to be followed in order to improve MSE performance, development and competitiveness. According to the policy, MSEs are the main industry that supports the nation's expansion and development. Later, the Ministry of Labour and MSE stakeholders developed the legislative Act 2012 to address the issues affecting the industry and determine ways to enhance laws and regulations while also promoting the industry's growth.

Barney (2018) pointed out that while the government has worked to encourage youth entrepreneurship, how well they are supported and whether or not the laws and regulations are too difficult for MSEs to follow are the key factors. For example, regulations pertaining to new entrepreneurship, particularly youth entrepreneurship, ought to create an atmosphere that is supportive of improving their performance. To support MSEs, the MSEs Act 2012 ought to be put into effect, taking into account administrative modifications in the devolved governance. Regulations that offer direction are necessary for a nation to have equitable resource distribution and allocation, prevent unfair competition and steer clear of unfavourable markets. The goal of the study was to identify factors influencing the performance of small and micro enterprises in Kenya. Through obtaining and determining an

approach to address the influence of business regulations and MSEs performance in a broader aspect, the study aimed to improve on the various studies done and more so a close study by Hoque (2016).

A study conducted in 2016 by Sitharam and Hoque on the factors influencing MSE performance concluded that some MSEs do not follow the rules and regulations because they are too expensive or take too long to register. They added that some business owners find it challenging to ensure compliance with rules and regulations, which makes it harder for their companies to operate legally. The body of research indicates that public policy plays a crucial role in influencing the expansion of new companies (Asmara, 2017). Public policy research, according to Fazlagic and Skikiewicz (2019), focuses on how the government can foster an environment that is conducive to the growth of new youth entrepreneurship.

Numerous research studies have provided thorough reports on the impact of local public policy on the growth of SMEs. According to Hidayat (2017), the growth of SMEs was dictated by local government initiatives. While earlier research has brought attention to the legislative obstacles that SMEs must overcome, it has only pinpointed broad issues with their growth. Government policies are believed to be one of the main obstacles to SMEs' ability to innovate, as noted by Pachouri (2016). SMEs believe that government regulations and public policy will hinder their efforts to become more competitive. Govori (2013) identified several external problems, including funding, administrative expenses, corruption, expensive security requirements, bank reluctance to lend to SMEs and government laws, that could impede the growth of SMEs. Still, the general SME settings have been the focus of these investigations.

Research on administrative capacity's significance in achieving policy goals and policy impediments in the local context of youth entrepreneurship has received less attention (Fahmi et al., 2017). Due to their limited ability to create policies that support young entrepreneurship, local governments' policy interventions don't address the demands of SME players. According to Asaadi (2018), young people often avoid getting the necessary paperwork and documentation needed to conduct business, which could put them in a situation where they have to play cat and mouse with law enforcement. This is ascribed to the expensive, time-consuming and complex legal procedures involved in obtaining licenses, as well as the bureaucratic red tape. Therefore, the degree to which local governments facilitate SMEs' access to simple procedures, low costs and licenses can determine whether or not local government policies help or hinder the growth of SMEs.

Hoque (2016) summarizes the discussion on the effectiveness of policy among youth-owned businesses by observing that the law does not differentiate SMEs and well-established businesses thus making the cost of registering and running SME enterprises high. The authors thus recommended equity in rules and regulations regarding business registrations and taxation among SMEs and well-established big business entities.

In the empirical review, a comparative analysis of the studies mentioned reveals crucial insights and gaps within the existing body of knowledge regarding government policies and youth entrepreneurship performance. Sitharam and Hoque (2016), emphasize the challenges entrepreneurs face in complying with complex regulations, particularly their high cost and the time-consuming registration processes. This research primarily addresses the general context of SMEs. However, there is a scarcity of research specifically focusing on youth entrepreneurship within the local context. Furthermore, Govori (2013), highlights the role of government policies as a barrier to innovation performance in SMEs, yet it remains a general observation without a specific focus on youth entrepreneurship. An absence of research examining the role of governments in understanding the unique needs of youth-owned businesses and creating policies that facilitate their growth leaves a notable gap in the current knowledge base. Therefore, this study aims to address these gaps by exploring the influence of government policies on youth entrepreneurship performance in the specific context of Nairobi County.

These studies present both strengths and weaknesses. A notable strength is their comprehensive exploration of regulatory impacts on SMEs, with works such as Sitharam and Hoque (2016) and Govori (2013) highlighting the burdensome nature of complex regulations and their implications for SME innovation and growth. These studies effectively underscore the challenges entrepreneurs face, such as high compliance costs, time-consuming processes, and the absence of tailored support for SMEs. Furthermore, Barney (2018) and Asmara (2017) contribute valuable insights into the broader policy landscape and its potential to create a supportive environment for entrepreneurship. However, the major weakness lies in their generalization of findings to SMEs as a whole, without delving into the unique challenges faced by youth-owned enterprises. This gap is significant, as youth entrepreneurs often encounter distinct barriers, including limited resources and experience, which are not adequately addressed. Additionally, most studies fail to assess localized contexts, such as Nairobi County, limiting their applicability to specific regions.

### **2.3.3 Access to Finance and Youth Entrepreneurship Performance**

According to Bullough (2012), access to finance refers to the avenues and systems that young people can use to obtain capital funding for their business endeavours. These channels and mechanisms include donor grants, government grants, youth enterprise funds, low-interest bank loans and private-sector grants. Over the previous ten years, financial inclusion in Kenya is thought to have increased significantly (Ngugi, 2013). Access to formal financial services, such as opening a bank account and getting credit facilities, is one aspect of this increase. A greater degree of financial inclusion in the nation is therefore attributed, in conjunction with the ICT revolution, to two factors: first, an increase in the number of accessible financial service providers, such as commercial banks, credit cooperatives and microfinance institutions; and second, giving financial inclusion top priority by incorporating it into the National Vision 2030.

Since the year 2007, the banking industry has undergone a considerable transformation, according to Esser (2019). This is because of the innovative mobile phone payment systems, such as MPesa, Airtel Money and Yu-cash, among many others. It is agreed that the revolution has altered Kenya's financial environment, providing not just accessibility but also an economical and effective money transfer mechanism as well as a disbursing model for payments. FinTechs, or technological innovation through digitalisation, have had a huge and positive impact on the financial industry. They have changed and created new products, processes and business models, as well as better and innovative financial services for customers. Thus far, technological advancements have impacted every facet of banking and financial intermediation, ranging from credit and payments and are primarily responsible for product development, market entry, opportunity and venture products.

From the perspective of supply, Esser (2019) contends that the financial sector has seen an increase in the number of new entrants due to the tech companies' ability to stay agile, outgrow incumbents, customise their offers to meet customer needs and innovate continuously by using and learning from customer data. This is because these companies do not have the legacy of well-established banking systems or subsidiary networks that the incumbent banking institutions do, which allows them to keep costs down. As the digitally literate and aware cohorts enter the financial markets and become more involved in the labour and investment markets, there will likely be greater demand for simple, appealing, low-cost and easy-to-access financial services. These kinds of developments have enormous

advantages for customers: Responsible digital finance increases access to financial services, may help underprivileged and excluded people become more financially included, offers consumers a greater selection of financial products and services at reduced prices, increased speed, convenience and security and can ultimately boost the efficiency of financial services providers' operations by fostering competition. Young people could be one of the main groups to gain from the digitalisation of financial services.

Due to the high default rate, Kenya's financial institutions are still hesitant to lend to young people, despite the model's laudatory apparent successes. Kung'u (2015) asserts that in order to strengthen the methodologies used in loan guarantee schemes, the government and the private sector should engage in a hybrid paradigm that promotes enterprise incubation, skill development and entrepreneurship. Financial institutions and Fintech businesses may be encouraged and reassured to serve the young if clear guidelines are provided regarding the norms and regulations that relate to youth accounts or youth financial services.

One of the main issues impeding MSEs' growth and success has been recognised as their lack of funding. According to Songling et al. (2018), having enough financial resources makes it easy for businesses to grow and expand in emerging countries like Pakistan. Their research aligns with that of Ahlstrom & Silvio (2018), who discovered that financial capital plays a crucial role, especially for nascent enterprises as it facilitates opportunity identification and high performance in dynamic marketplaces.

For young individuals who are starting or have already started their businesses, having access to credit is very vital (Sykes, 2016). This study shows that teenagers who work for themselves and are self-employed in developing nations cite financial resource access as the biggest obstacle to expanding their businesses. As a result, a Banco de Portugal (2018) study found that young individuals who wish to begin their income-generating activities face a major obstacle in the form of credit limits. Furthermore, the research findings indicated a correlation between credit constraints and youth's lack of formal MFI borrowing experience, the size of loans, the short grace periods, high interest rates, the absence of technical support, the high fees associated with late loan payments and the slow loan distribution process.

The finance plan and the funding options available to each new business are influenced by numerous factors. UNCTAD states that formal financial institutions are reluctant to lend to young people who are starting their businesses because they believe the risks are higher,

because they lack social capital and experience starting their own business, or because they lack a negative credit history, assets to use as collateral, or evidence of consistent income (UNCTAD, 2015). Concerns have been raised in Hong Kong SAR, China, regarding the possibility that small and medium-sized businesses, as well as young entrepreneurs themselves, may find it difficult to obtain the right financial services due to a lack of proper financial documentation or evidence of consistent revenue (Kwame, 2019).

Fintechs, or financial technology, have the potential to replace traditional credit scoring methods that mostly depend on collateral assets as a need for lending. Fintechs can be used to provide and analyse data on young people's usage of social media and mobile devices, as well as to score credit using methods other than the traditional system of collateral requirements. The finest new goods would be ones that rate youth based on their education and talent rather than their wealth and financial past. In Kenya, borrowers are currently using their mobile phones to obtain small sums of loans. The mobile platforms assign the credit amounts assigned to the borrower based on transaction history. Although this approach is ground-breaking for financial inclusion, it makes minimal credit available, which makes repayment more difficult. Therefore, bank credit via a mobile platform might not always solve young people's lack of access to funding for business (Barnard, 2020).

Researchers have also concentrated on MSEs' access to financing. Berger and Udell (2012) created a model that examined MSEs' credit availability exclusively and the framework concluded that fintech—a type of technology—is the most effective means of implementing financial structural changes and governmental policies that guarantee credit availability and access. The study concludes that technologies are most suited to reduce the complexity of obtaining financing and the degrees of interaction between financial institutions and MSEs. Nonetheless, it can be said that the Berger and Udell (2012) framework is oversimplified and ignores a number of crucial components of the MSEs' financial access chain, which will eventually lead to false conclusions that big financial institutions are unable to provide financing to MSEs because of their establishment type.

Kung'u (2015), who observes that many MSEs encounter difficulties in obtaining financing for their enterprises, supports these claims. According to his research, MSEs' ability to obtain financing is primarily influenced by three factors: their entrepreneurial, financial and MSE qualities. It should be highlighted that although the data focuses on primary sources, banking institutions' access to financing was given more weight.

Analyzing the existing literature on access to finance and its impact on youth entrepreneurship performance reveals a significant body of knowledge, but also some gaps. Studies like Ngugi (2013), note that the financial landscape in Kenya has evolved considerably in recent years, primarily due to the growth of formal financial services, digital innovations like mobile payment systems and the rise of financial technology (FinTech) companies. These innovations have the potential to significantly benefit youth entrepreneurs by providing greater access to financial services, lowering costs and increasing convenience (Esser, 2019). Nevertheless, despite these advancements, financial institutions in Kenya remain cautious about lending to youth entrepreneurs due to high default rates, highlighting the need for a hybrid approach and clear guidance for youth accounts.

Furthermore, studies by Songling et al. (2018), Ahlstrom and Silvio (2018) and Banco de Portugal (2018) emphasize the crucial role of financial capital in the growth and performance of new ventures. Young entrepreneurs frequently identify access to financial resources as their top barrier to business growth (Sykes, 2016). Additionally, formal financial institutions hesitate to lend to youth entrepreneurs, often perceiving them as high-risk clients, which is linked to their lack of experience and credit history, as well as limited collateral or proof of regular income (UNCTAD, 2015). The study by Kung'u (2015) underscores that many MSEs, including youth entrepreneurs, still face challenges in accessing finance due to various entrepreneurial, financial and MSE characteristics. Moreover, while Berger and Udell (2012) propose that technology (FinTech) is a way to enhance credit availability, their model appears oversimplified and fails to consider the broader context of access to finance by MSEs, potentially leading to misleading conclusions. Therefore, a comprehensive analysis is needed to understand the unique challenges faced by youth entrepreneurs in accessing finance in youth entrepreneurship programs.

These studies provide valuable perceptions but also exhibit certain weaknesses. A strength lies in the recognition of the role of digital innovations and FinTech in enhancing financial inclusion for youth entrepreneurs (Esser, 2019; Ngugi, 2013). These studies highlight how mobile payment systems and FinTech platforms have expanded financial access, offering a convenient and cost-effective means of obtaining capital. However, a key weakness is the overemphasis on technological solutions without fully addressing the systemic barriers that persist in accessing finance, such as high default rates and the lack of financial literacy among youth (Kung'u, 2015). Additionally, while studies like those by Ahlstrom & Silvio

(2018) and Sykes (2016) underline the importance of financial capital, they often overlook the broader socio-economic factors affecting access to finance, such as regulatory frameworks and market volatility. This leads to an incomplete understanding of the challenges youth entrepreneurs face in securing funding for their ventures.

#### **2.3.4 Moderating Role of Market Opportunities on the Relationship Between Venture Products, Product Development, and Youth Entrepreneurship Performance**

Market opportunities provide the platform for entrepreneurs to identify and exploit unmet customer needs, significantly influencing youth entrepreneurship performance in Kenya. Nafukho and Muyia (2010) emphasized that access to opportunities plays a crucial role in advancing socioeconomic development by empowering youth to convert innovative ideas into viable products and services. Similarly, Robb et al., (2014) highlighted that entrepreneurship education programs in Kenya often focus on equipping youth with the skills to identify market gaps, thus enhancing their ability to leverage opportunities for growth. However, a lack of strategic market insights often limits youth entrepreneurs from effectively connecting their products to emerging trends. For instance, the Republic of Kenya (2019) reported that while government initiatives such as the Youth Enterprise Development Fund aim to create opportunities, their effectiveness is hampered by limited market linkages. Hence, fostering market awareness can significantly moderate the relationship between venture products and entrepreneurial performance.

The success of venture products in Kenya heavily depends on the alignment with available market opportunities. Ngugi (2013) noted that many small and medium family enterprises in Kenya fail to sustain their operations due to limited market knowledge and inability to innovate. Similarly, Otuki (2014) observed that while the Youth Enterprise Fund supports product creation, inadequate access to market information diminishes its impact. Youth entrepreneurs who align their products with customer preferences can improve their market positioning and business outcomes. According to Rompho (2018), innovative operational strategies are crucial for startups to penetrate competitive markets. In Kenya, such alignment is often constrained by infrastructural challenges and a lack of access to real-time market data. Thus, equipping youth entrepreneurs with tools to identify and exploit market trends can strengthen the connection between their venture products and overall performance.

Product development plays a pivotal role in shaping youth entrepreneurship, particularly when moderated by market opportunities. According to Olokundun and Taiye (2018),

nontraditional teaching methods in entrepreneurship education, such as experiential learning, enable youth to design products tailored to specific market demands. This approach is crucial in Kenya, where product innovation can differentiate small enterprises from established competitors. However, Pachouri (2016) identified barriers such as resource constraints and insufficient technical support, which limit innovation among small businesses in developing contexts like Kenya. The Republic of Kenya (2019) echoed these sentiments, indicating that youth-led businesses often struggle to adapt their products to evolving market needs. Bridging this gap requires fostering partnerships that provide youth entrepreneurs with access to market intelligence and technological tools, thereby improving their product development strategies and enhancing performance.

Market opportunities serve as critical moderators in the relationship between product development and entrepreneurship performance. Quartey and Iddrisu (2017) noted that access to financing and market linkages determines the extent to which entrepreneurs in Africa can innovate. In Kenya, Otuki (2014) found that young entrepreneurs with access to dynamic market environments demonstrated higher adaptability in product innovation, which directly influenced their performance. Nonetheless, Naidu and Chand (2017) observed that financial limitations and market unpredictability often hinder small enterprises from capitalizing on emerging opportunities. Programs such as the Youth Enterprise Fund should integrate mentorship and networking initiatives to enable young entrepreneurs to identify and seize market gaps. Enhanced access to markets would enable youth to refine their product offerings, thereby improving sustainability and competitiveness.

Despite the potential benefits, leveraging market opportunities remains a challenge for youth entrepreneurs in Kenya. Ngugi (2013) highlighted that structural barrier such as poor infrastructure, limited access to technology, and fragmented markets restrict entrepreneurs from exploiting opportunities effectively. Additionally, Robb, Valerio, and Barton (2014) pointed out that gaps in entrepreneurship education often leave youth underprepared to navigate complex market environments. Similarly, Quartey and Iddrisu (2017) emphasized that financial constraints further limit the ability of young entrepreneurs to scale their ventures. Addressing these challenges requires a multifaceted approach that integrates policy interventions, capacity building, and technological support to enhance youth access to and utilization of market opportunities in Kenya.

Prior studies exploring the moderating role of market opportunities in entrepreneurship have revealed both strengths and weaknesses. On the positive side, works like Nafukho and Muyia (2010) and Robb et al., (2014) have provided valuable insights into the socioeconomic contributions of entrepreneurship, particularly in African contexts, by highlighting the importance of education and market linkages. Additionally, Ngugi (2013) and Otuki (2014) have effectively localized the discussion, focusing on Kenya's unique entrepreneurial challenges, such as market fragmentation and limited access to resources. However, these studies also exhibit notable weaknesses. Many lack robust empirical evidence or longitudinal data to capture the dynamic nature of market opportunities over time. Moreover, studies like those by Pachouri (2016) and Quartey and Iddrisu (2017) often generalize findings from other regions to Africa, potentially overlooking context-specific variables.

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

Youth entrepreneurship has attracted a lot of concern. Regarding this, the government over time has initiated different programs to help boost the sector. But despite all these efforts, youth entrepreneurship ventures have not been fully exploited and even those that are in existence have failed to meet their maximum potential. Previous studies like that of Barney (2018), aimed majorly at examining the challenges facing the youth and some recommendations made. Despite all the studies, youth entrepreneurship rates have remained low as highlighted in the literature. This, therefore, means previous studies failed to look at the effectiveness and changing job market needs of the youth. This is the main reason that has necessitated the research to look at the problem from a different perspective. This leads this research to fill the gap by looking at the effect of the education being offered, the relevance and effectiveness of the policies formulated and how access to funds affects the performance of youth entrepreneurship. The summary of research gaps is shown in detail in Table 2.1.

**Table 2.1 Summary of Research Gaps**

Author	Country/		Methodology	Findings	Gap
	Region	Source			
Nafukho and Muya (2010)	Africa	Journal	Secondary data	<p>The foundation of the entrepreneurship learning model is the idea that early exposure to entrepreneurship is beneficial since the abilities and mindset required for successful entrepreneurship development are not acquired at one specific moment in time.</p> <p>It has been discovered that training in entrepreneurship skills plays a significant role in the establishment and expansion of new ventures</p>	<p>The study did not analyze the overall effectiveness of youth entrepreneurship education programs, policies and access to funds in youth entrepreneurship programs</p> <p>Limited the research focus on a single aspect (skills training) without considering the broader context of education, policies and funding for youth entrepreneurship.</p>
Mandengenda (2017)	Zimbabwe	Doctoral dissertation	Empirical research	<p>The graduates' level of entrepreneurial preparedness was not enhanced by the entrepreneurship curriculum's delivery</p>	<p>Limited focus on the effectiveness of youth entrepreneurship education and its impact on addressing the</p>

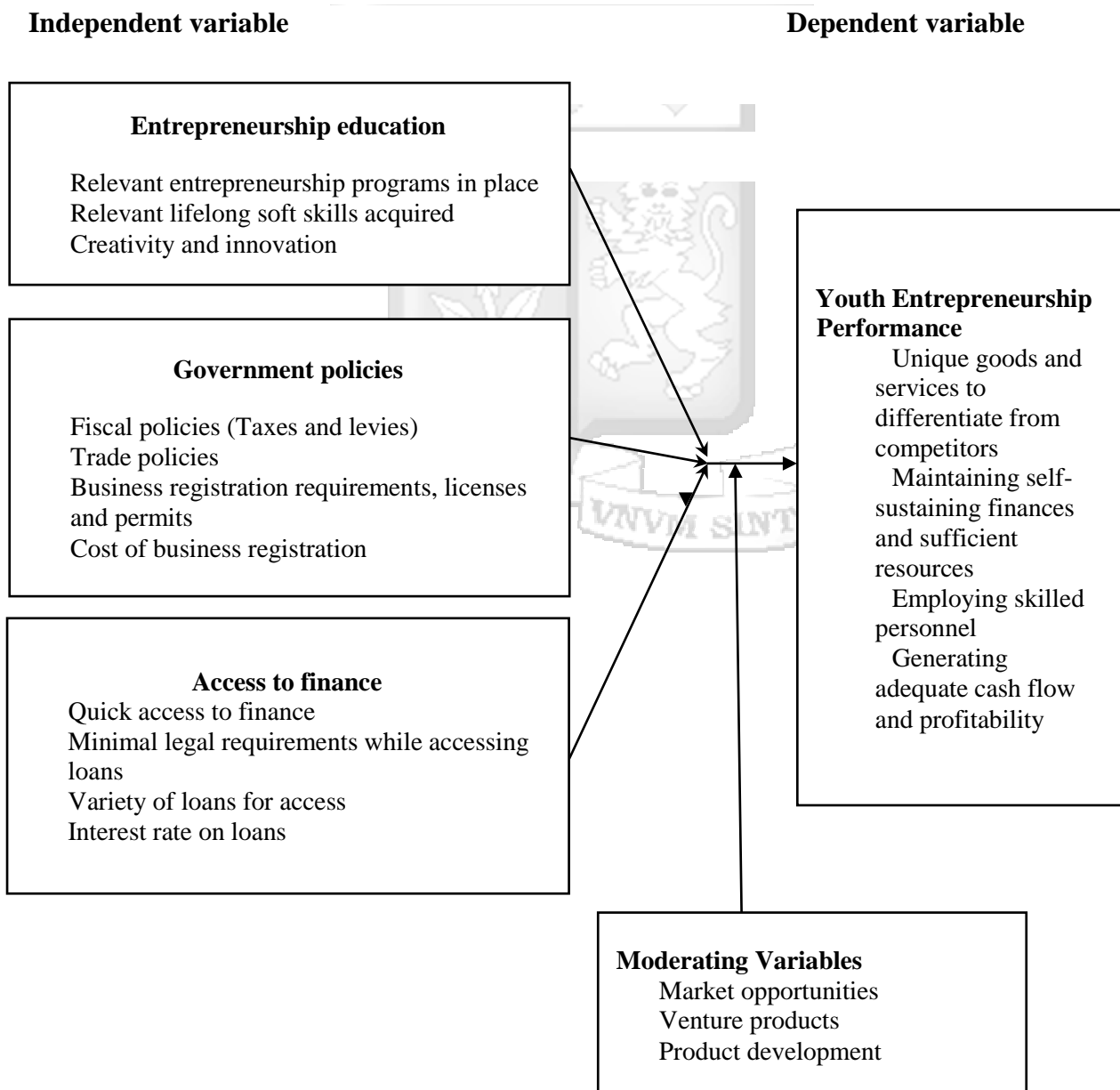
				modalities	broader issue of youth entrepreneurship
Barney (2018)	Global	Journal	Theoretical analysis	Regulations that offer direction are necessary for a nation to have equitable resource distribution and allocation, prevent unfair competition and steer clear of unfavourable markets.	The study did not consider the interplay between entrepreneurship education, government policies and funding in supporting youth entrepreneurship.
Fazlagic and Skikiewicz (2019)	Global	Journal	Literature review	Government assistance in creating a favourable environment for the emergence of new youth entrepreneurship is the main goal of public policy.	Inadequate exploration of how government policies interact with education and funding in facilitating youth entrepreneurship
Pachouri (2016)	India	Working Paper Series	Literature review	One of the main obstacles to SMEs' ability to innovate is determined by government policies.	Limited examination of the impact of government policies in the context of youth entrepreneurship
Govori (2013)	Kosovo	Journal	Quantitative	Highlighted problems with funding, expenses for administration, corruption,	Insufficient focus on the interrelation of these issues with

			approaches	strict security standards, banks' reluctance to lend to SMEs and government regulations	youth entrepreneurship
Ngugi (2013)	Kenya	Dissertation	Regression analysis	Over the previous ten years, financial inclusion in Kenya is thought to have increased significantly.	The study did not evaluate the impact of financial inclusion, policies and education on youth entrepreneurship
Esser (2019)	Global	Working Paper	Empirical review	Thus far, technological advancements have impacted every facet of banking and financial intermediation, ranging from credit and payments	The study did not integrate the role of technological innovations with education and policies in youth entrepreneurship.
Kung'u (2015)	Kenya	Dissertation	Regression analysis	The three primary determinants of MSEs' ability to obtain financing are their entrepreneurial, financial and MSE qualities	Need for a broader study encompassing youth entrepreneurship, education, policies and access to finance.

## 2.5 Conceptual Framework

According to Kombo (2006), a conceptual framework is a summary of concepts and ideas drawn from related fields. A diagrammatic presentation is used to show how dependent and independent variables are related (Mugenda & Mugenda, 2003). The research problem is explained by employing interrelated notions. In this framework, the researcher seeks to outlay the specific objectives of how entrepreneurship education programs affect the performance of youth-owned businesses, what effect the youth entrepreneurship policies have on the performance of youth-owned businesses and lastly how access to finance influences the performance of these youth-owned businesses.

**Figure 2.1 Conceptual Framework**



The conceptual framework is directly linked to the study’s focus on how various independent variables entrepreneurship education programs, government policies, and access to finance affect youth entrepreneurship performance. Each independent variable is represented by specific indicators, such as the availability of relevant entrepreneurship programs, fiscal and trade policies, and loan accessibility, all of which contribute to understanding the performance of youth entrepreneurs. These indicators are aligned with measurable outcomes that define youth entrepreneurship performance, including financial sustainability, profitability and market differentiation. The moderating variable connects the independent variables to the dependent variable, accounting for external factors such as entrepreneurial mindset, social support or market conditions. These factors either strengthen or weaken the relationship between the independent and dependent variables.

## 2.6 Operationalization of Variables

**Table 2.2 Operationalization of variables**

Variable	Indicators	Measurement	Author
Entrepreneurship education programs	<ul style="list-style-type: none"> <li>● Relevant entrepreneurship programs in place</li> <li>● Relevant lifelong soft skills acquired</li> <li>● Creativity and innovation</li> </ul>	Likert scale (1-5)	Anwar et al. (2018)
Government policies	<ul style="list-style-type: none"> <li>● Fiscal policies (Taxes and levies)</li> <li>● Trade policies</li> <li>● Business registration requirements, licenses and permits</li> <li>● Cost of business registration</li> </ul>	Likert scale (1-5)	Sun et al. (2016)
Access to finance	<ul style="list-style-type: none"> <li>● Quick access to finance</li> <li>● Minimal legal requirements while accessing loans</li> <li>● Variety of loans for access</li> <li>● The interest rate on loans</li> </ul>	Likert scale (1-5)	Ahlstrom et al. (2018).

<p>Youth entrepreneurship Performance</p>	<ul style="list-style-type: none"> <li>● Unique goods and services to differentiate from competitors</li> <li>● Maintaining self-sustaining finances and sufficient resources</li> <li>● Employing skilled personnel</li> <li>● Generating adequate cash flow and profitability</li> </ul>	<p>Likert scale (1-5) Charo (2016)</p>
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## 2.7 Chapter Summary

The study's second chapter reviewed the theoretical and empirical literature that was pertinent to the research constructs. The Resource-Based Firm Theory and Opportunity-Based Entrepreneurship Theory have been used to theoretically link the study variables. The two theories and the empirical literature review thus inform how the effect of entrepreneurship education, access to finance and lastly government policies impact the performance of youth entrepreneurship.



## **CHAPTER THREE:**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

In this chapter, section 3.2 brings into light the research philosophy adopted by the research. Section 3.3 describes the research design adopted by the study while sections 3.4 and 3.5 give an overview of the target population and sample procedures used to arrive at the sample size of the study respectively. Section 3.6 highlights the instruments used to collect the data while section 3.7 gives an overview of how data was analyzed and presented. To conclude the chapter, section 3.8 highlights the ethical issues considered while conducting the research.

#### **3.2 Research Philosophy**

This study was anchored on the positivist research philosophy. In this paradigm, the research assumes that only factual data is collected and not impressions of the situation under study (Bajpai, 2011). Contrary to social constructionism approaches that are subjective, positivism only allows the researcher to collect factual data and interpret it. Positivism approaches emphasize the inter-relationship of constructs. In this study, the researcher sought to establish the link between the effectiveness of government initiatives in supporting youth entrepreneurship i.e., youth education, access to funds and government policies and youth entrepreneurship performance. The adoption of positivist philosophy is further amplified by the research design (quantitative) data collection (questionnaire) and analysis tools (SPSS) which are scientific; and appropriate for positivist research philosophy.

#### **3.3 Research Design**

Research design, according to Saunders (2007), is the overall strategy for addressing the research questions. The study employed a descriptive research design, which explains the link between all independent and dependent variables using statistical or quantifiable data. Furthermore, when a researcher wants to determine the direction and degree of correlations between or among variables, the descriptive correlational design is useful. Because the study's goal was to describe the associations between dependent and independent variables, as indicated in the conceptual framework Figure 2.1, the descriptive correlational design was selected. A descriptive correlational research design was particularly useful for this study on youth entrepreneurship in Nairobi County because it enabled the exploration and

quantification of relationships between various factors affecting youth entrepreneurial performance, offering insights into how these variables interrelate within the local context.

### **3.4 Target Population**

A population, according to Creswell & Creswell (2017), is a collection of people who share a particular attribute. The study's population comprised all Micro, Small and Medium-Sized Businesses that were active in Nairobi County's Gikomba market. The Gikomba market in Nairobi County is home to 1,251 registered Micro, Small and Medium Enterprises traders, who primarily deal in second-hand clothing (Mitumba), hardware, furniture, fruits, beverages, cereals, vegetables and poultry, according to 2022 Nairobi City Council licensing department records. Gikomba Market was a strategic choice for the study population owing to its status as a bustling economic hub within Nairobi County. Renowned for its dense concentration of MSMEs, this market represented a diverse spectrum of business activities, ranging from second-hand clothing to hardware, furniture and food items. This diversity encapsulated various sectors within the MSME category, providing an ideal setting to comprehensively explore the nuances and challenges prevalent among different types of small businesses. Moreover, this market's significance extended beyond its commercial activities; it served as a focal point for urban entrepreneurship, reflecting the pulse of Nairobi's economic dynamism.

The rationale behind focusing on the Gikomba Market extended to the accessibility and availability of data. Records from the Nairobi City Council, particularly from the licensing department, offered a wealth of information about the registered enterprises within the market. Using this data not only established a strong basis for the research but also offered a deeper understanding into the market's business landscape. Additionally, the manageable size of Gikomba Market made it a feasible and practical choice for conducting the study (Murithi, 2013). Its size allowed for closer interaction with business owners, facilitating a more intimate comprehension of their challenges, successes and strategies. Therefore, selecting Gikomba Market as the study's population, the research aimed to uncover nuanced insights into the specific dynamics and intricacies of MSMEs operating within this vibrant urban setting, offering transferable knowledge to similar markets and small businesses across Nairobi and beyond.

**Table 3.1 Target Population**

<b>Cadre</b>	<b>Total Population</b>
Second-hand clothes (Mitumba)	227
Hardware and Furniture	203
Grocery vendors	188
Restaurants	82
Textiles	161
Cereals	167
Poultry	98
Fruits	125
<b>Total</b>	<b>1,251</b>

**Source: Nairobi City Council Licensing Department 2022**

### **3.5 Sampling and Sample Size**

The study employed a combination of stratified and purposeful sampling to select respondents, ensuring a thorough representation of youth entrepreneurs in Gikomba Market. Stratified sampling was first used to determine the required number of respondents from different business categories such as second-hand clothes (Mitumba), hardware, furniture, groceries, eateries, textiles, cereals, poultry, and fruits. This method was essential for capturing the diversity within the entrepreneurial landscape. By dividing the population into these distinct strata, stratified sampling facilitated a nuanced understanding of the specific challenges and opportunities faced by youth entrepreneurs across various sectors, ensuring each business category was proportionally represented in the sample.

Once the strata were defined and quotas established, purposeful sampling was employed to select youth participants from each group based on specific criteria. This phase focused on identifying individuals whose characteristics matched the entrepreneurial traits typical of youth in the market. The deliberate selection aimed to capture a representative sample that reflected the diverse entrepreneurial ventures within Gikomba. The study's purposeful approach provided an in-depth look at the unique challenges and experiences of youth entrepreneurs, offering valuable insights into the dynamics of youth-driven enterprises in the MSME sector.

To achieve this, the study adopted Nachmia's (2004) formula to obtain the sample size

$$n = \frac{N}{1 + N(e)^2}$$

Where n =sample size,

N=total population,

e =confidence level/marginal error  $\leq$  5% or 0.05

Where accuracy expressed as % of total population is given as =  $\{(n*100)\}/N$

**Table 3.2 Sample Size**

<b>Cadre</b>	<b>Total Population</b>	<b>Sample size</b>
Second-hand clothes (Mitumba)	227	60
Hardware and Furniture	203	49
Grocery vendors	188	45
Restaurants	82	19
Textiles	161	39
Cereals	167	40
Poultry	98	23
Fruits	125	30
<b>Total</b>	<b>1,251</b>	<b>305</b>

### 3.6 Data Collection

The study utilized a standardized questionnaire to collect primary data from respondents, ensuring direct access to their insights without the need for interpretation or middlemen (Baker & Ponton, 2013). This approach allowed respondents to freely express their thoughts, experiences, and opinions, unaltered by researcher bias. The questionnaire, structured with a Likert scale ranging from strongly disagree to strongly agree, included five sections. The first section collected demographic information, while the next three sections addressed the specific research objectives. The final section focused on the dependent variable of the study. The use of a structured questionnaire provided a reliable and efficient method for gathering data, allowing respondents to independently complete their responses with minimal interference from the researcher.

The data collection process took place within Gikomba Market, Nairobi County, where the researcher personally administered the questionnaires to the selected participants based on the

sampling strategy. The researcher provided a clear explanation of the study's purpose and the questionnaire's instructions to ensure that respondents understood the process. With the assistance of two trained research assistants, respondents were given the freedom to fill out the questionnaire at their convenience, allowing them to provide accurate and thoughtful responses. Although the researcher was present to clarify any questions, they refrained from influencing the responses, maintaining the integrity of the data collection process. Once completed, the respondents returned the questionnaires within a five-day period, ensuring sufficient time for reflection and accurate feedback, as suggested by Creswell and Clark (2017) and Cooper and Schindler (2018).

### **3.6.1 Instrument Validity**

Validity, according to Cooper and Schindler (2018), is the degree to which the tools used to gather data measure what they are supposed to measure. The particular goals and research questions of the study served as the foundation for the instrument's preparation and content. The supervisor, who is an authority in the field of study, was shown the instrument and the study made explicit use of face validity. The supervisor's input was incorporated into the questionnaire to make the necessary improvements.

### **3.6.2 Reliability of the instruments**

The validity and reliability of the instrument used to gather the data will determine how accurate the data is (Mugenda & Mugenda, 2003). Reliability analysis was performed using Cronbach Alpha as the measure to check for internal consistency. A test is deemed reliable when it is completed and yields a consistent result (Nachmias, 2004). According to Cooper and Schindler (2006), a range of 0.7 to 0.9 Cronbach's alpha coefficient is recommended for the reliability test, however, Asikhia (2009), suggests a reliability cut-off point of 0.6. These authors advocate various reliability cut-off points. This study used a cut-off Cronbach value of 0.7 and higher, which is regarded as a very reliable and consistent indicator of measurement as suggested by Gliem (2003). An overall reliability coefficient of 0.821 was recorded and considered sufficient as recommended in the literature by Cooper and Schindler (2006) and Creswell and Clark (2017).

### **3.6.3 Pilot Testing**

Before the main study, a survey known as "pilot testing" is carried out to evaluate the questionnaire's quality (Tandon, 2014). 10% of the sample was tested based on a

recommendation by Kothari (2017) who asserts that 5% to 10% of the sample is adequate for running a pilot test. Regarding this, the pilot test entailed distributing 15 questionnaires randomly to the Kamukunji market different from Gikomba to ensure the participants who take part in the study do not take part in the final study. Kamukunji market was a preferred choice as the researcher was privy to the market and its sellers. Results from the pilot study helped the researcher modify the research instrument by reducing the number of questions to enhance the clarity of the research objective.

### **3.7 Data Analysis**

The process of converting unprocessed data into a comprehensible summary in order to extract meaning is known as data analysis. Field data was gathered through the use of a questionnaire. The collected data was cleansed by removing questionnaire responses that were either inconsistent or incomplete. After that, SPSS was used to code and analyse the remaining questionnaires. There were two levels of data analysis: inferential statistics and descriptive statistics. The goal of the descriptive analysis was to characterise a set of data on study components and summarise distributions. A respondent profile was created using this analysis. The process produced mean scores and standard deviations, after which the outcomes were shown in tables. In addition, factor analysis was employed to assess the dataset's appropriateness and distil the items into a small number of comprehensible ones.

The study performed a number of tests prior to inferential data analysis, including the tests of normality, multicollinearity, homoscedasticity, linearity, independence and correlation coefficient matrix test. After that, inferential analysis was carried out to evaluate the proposed associations and determine the type and strength of the relationships between the variables. Correlation analysis tests, such as Pearson's Correlation and Coefficient of determination ( $R^2$ ), which indicates the amount of variation in the dependent variable explained by the independent variable, were used to ascertain the association between the variables because the researcher aimed to establish relationships between the study variables. Multiple linear regression was utilised to assess the study hypotheses.

Further, multiple linear regression analysis was carried out (as shown in Chapter 4) to predict the dependent variable given the independent variables. The general regression model is expressed as follows:

Without Moderating Variable:  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$

With Moderating Variable:  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + M + \varepsilon$

Where;

$Y$  = Dependent variable (Youth entrepreneurship performance)

$X_1 \dots X_3$  = Independent variables (Entrepreneurship education programs, Government policies, Youth access to finance)

$M$  = Moderating Variables

$\beta_0$  = Coefficient of the model

$\beta_1 \dots \beta_3$  = Slope of the coefficient which shows the change in the dependent variable per unit change in the independent variable

$\varepsilon$  = error term

The P-value was used to check for the significance of individual variables in the regression equations, whereby a relationship was considered to be statistically significant if the p-value is  $\leq 0.05$ .



**Table 3.3 Summary of the Regression Model**

<b>Objective</b>	<b>Research question</b>	<b>Interpretation</b>
To establish the effect of entrepreneurship education programs on youth entrepreneurship performance in Nairobi County.	What is the effect of entrepreneurship education programs on youth entrepreneurship performance in Nairobi County?	Positive coefficient $B_1$ indicates the entrepreneurship education program's effect on youth entrepreneurship performance
To analyze the effect of government policies on youth entrepreneurship performance in Nairobi County.	What is the effect of government policies on youth entrepreneurship performance in Nairobi County?	A positive co-efficient $B_2$ indicates government policies likely to influence youth entrepreneurship performance
To establish the effect of access to finance on youth entrepreneurship performance in Nairobi County.	How does access to finance affect youth entrepreneurship performance in Nairobi County?	A positive coefficient $B_3$ indicates access to finance has a direct impact on youth entrepreneurship performance

### 3.8 Ethical Considerations

The following ethical concerns served as guidance for the investigation. Prior to conducting the research, the study requested ethical clearance from Strathmore Business School. Prior to gathering data, the study was granted a research permit by NACOSTI, or the National Commission for Science, Technology and Innovation. The researcher also sent a letter of introduction explaining the goal of the study and assuring participants that it was solely meant for academic purposes and that they were free to participate or not.

## CHAPTER FOUR:

### DATA ANALYSIS AND PRESENTATION

#### 4.1 Introduction

This section presents the study data analysis and presentation of data. This chapter highlights the response rate of the study and gives a summary of demographic data on the gender of the respondents, age, level of education and the number of years in business. The chapter also gives a presentation of factor analysis and diagnostic tests performed; highlights descriptive data analysis and gives an inferential analysis of the data. Finally, the chapter gives a summary of the chapter.

##### 4.1.1 Response Rate

The study response rate was captured in Table 4.1.

**Table 4.1 Response rate**

Response	Frequency	Percentage
Responded	275	90.16%
Not responded	30	9.84%
<b>Total</b>	<b>305</b>	<b>100%</b>

Source: Primary data (2022)

The study found that 90.16% (n = 275) of the respondents participated. In research methodology, a response rate of more than 60% is generally considered adequate, 70% is good and >80% is excellent. This high response rate indicates a strong level of engagement and cooperation from the sampled population, enhancing the reliability and validity of the study results. It suggests a significant interest in the research topic among participants and ensures a robust level of representativeness within the obtained data. Consequently, the findings drawn from this study can be considered reliable and credible, contributing to the overall quality of the research outcomes.

#### 4.2 Demographic Data

The demographic data of this study included the gender of the respondents, age, level of education and the number of years in business. All these were well formulated to ensure the

research addresses the main aspects of the study on government initiatives and youth entrepreneurship performance.

**Table 4.2 Demographic Data Response**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>		
Male	170	62%
Female	105	38%
<b>Total</b>	<b>275</b>	<b>100%</b>
<b>Age Bracket</b>		
18-21	59	21%
22-25	84	31%
26-30	132	48%
<b>Total</b>	<b>275</b>	<b>100%</b>
<b>Level of education</b>		
Secondary	30	11%
College	114	41%
University	131	48%
<b>Total</b>	<b>275</b>	<b>100</b>
<b>Number of Years in Business</b>		
1-3	123	45%
4-6	81	30%
7-10	45	16%
Above 10 years	26	9%
<b>Total</b>	<b>275</b>	<b>100</b>

Source: Primary data (2022)

Findings, as indicated in table 4.2, indicate that the majority of youth in business at Gikomba market who participated in the study are male at 62% while females accounted for only 38% indicating the critical role that is played by males as breadwinners of their families. The results of the respondents' age bracket indicate that the majority of study respondents were in the age bracket of (26-30) at 48%, followed by the age bracket (22-25) at 31% and lastly (18-21) at 21%. On the level of education, study findings indicate that the majority of the

respondents had attained an undergraduate certificate (university degree) 48%. This can be connected to the age bracket (26-30) of the majority of the respondents. Consequently, the results also indicated a good number had attained college diploma level at 41% while those with secondary certificates were 11%. The high concentration of respondents at the degree and diploma levels indicates the high number of unemployed educated youths who have ventured into business as a form of employment.

When respondents were asked to indicate their years in business, a majority indicated that they have been in business between (1-3 years) at 45%. This can be attributed to the high number of new entrants in the field who want to try their luck. This is followed by respondents who indicated that they have been in business for the last (4-6 years) at 30%. This decline in the number of youth in business can partly be assumed to be either because of an unfavourable environment or the failure of those businesses after years of trial. Lastly, a small number of respondents indicated that they have been in business for the last (7-10 years) 16%. This shrink in the number of years in business is a clear indication that very few businesses live to expand and sustain themselves over the years thus a good indicator for the research to analyze the effectiveness of government initiatives on youth entrepreneurship performance. Those above 10 years of operation were found to be 9% of the businesses.

### **4.3 Descriptive Results**

This section entails the descriptive results of variables in the study. Tabulation was conducted and presentation was done in the form of means and standard deviations.

#### **4.3.1 Entrepreneurship Education Programs and Youth Entrepreneurship Performance**

The first objective of the study was to establish the effect of entrepreneurship education programs on youth entrepreneurship performance in Nairobi County. The descriptive findings on entrepreneurship education programs are shown in Table 4.3.

**Table 4.3 Responses on Entrepreneurship Education Programs**

	N	Mean	Std. Deviation
The presence of relevant entrepreneurship programs significantly impacts how youth entrepreneurs manage their business resources.	275	4.14	.874
Entrepreneurship education is instrumental in equipping young entrepreneurs with lifelong soft skills and market insights, enhancing their competitiveness and ability to differentiate their products effectively.	275	4.44	.566
Entrepreneurship education catalyzes nurturing creativity and fostering innovation among young entrepreneurs, enabling them to develop unique solutions and offerings.	275	3.74	1.131
Entrepreneurship education plays a pivotal role in improving the cash management skills of youth entrepreneurs, ensuring effective financial management within their ventures.	275	4.33	.772
Entrepreneurship education encompasses the acquisition of relevant lifelong soft skills, which are indispensable for success in entrepreneurship and beyond.	275	4.45	.656
Entrepreneurship education empowers young entrepreneurs to make informed decisions	275	4.23	.888
Effective entrepreneurship education goes beyond theoretical knowledge, ensuring that youth gain practical social experience	275	4.33	.772
Composite Mean and Standard Deviation	275	4.24	.354

Source (Author, 2022).

The findings from Table 4.3 indicate that the presence of relevant entrepreneurship programs significantly impacted how youth entrepreneurs managed their business resources (Mean = 4.14, Standard Deviation = 0.874). This indicates a strong influence of entrepreneurship programs on resource management, suggesting positive implications for enhancing business efficiency and effectiveness. It was found that entrepreneurship education was instrumental in equipping young entrepreneurs with lifelong soft skills and market insights, enhancing their competitiveness and ability to differentiate their products effectively (Mean = 4.44,

Standard Deviation = 0.566). This mean score indicates a strong agreement with the statement and highlights the importance of entrepreneurship education in fostering essential skills and market awareness among youth entrepreneurs.

The results show that entrepreneurship education catalyzed nurturing creativity and fostering innovation among young entrepreneurs, enabling them to develop unique solutions and offerings (Mean = 3.74, Standard Deviation = 1.131). It was also found that entrepreneurship education played a pivotal role in improving the cash management skills of youth entrepreneurs, ensuring effective financial management within their ventures (Mean = 4.33, Standard Deviation = 0.772). This strong mean score suggests a consensus among participants regarding the positive impact of entrepreneurship education on cash management skills, crucial for financial sustainability and success.

The findings indicate that entrepreneurship education encompassed the acquisition of relevant lifelong soft skills, which were indispensable for success in entrepreneurship and beyond (Mean = 4.45, Standard Deviation = 0.656). This mean score suggests widespread acknowledgement of the importance of soft skills acquired through entrepreneurship education, implying positive implications for overall entrepreneurial competence and adaptability. The study also found that entrepreneurship education empowered young entrepreneurs to make informed decisions (Mean = 4.23, Standard Deviation = 0.888). This strong mean score indicates that entrepreneurship education effectively enhanced decision-making capabilities among youth entrepreneurs, leading to more informed and strategic choices.

It was observed that effective entrepreneurship education went beyond theoretical knowledge, ensuring that youth gained practical social experience (Mean = 4.33, Standard Deviation = 0.772). This mean score reflects the recognition of the importance of practical social experience in entrepreneurship education, underscoring its value in preparing youth for real-world business environments. On average, the composite mean score of 4.24 with a standard deviation of 0.354 indicates a generally positive perception of entrepreneurship education programs among respondents. These findings imply that such programs played a crucial role in equipping youth with essential skills, fostering innovation and enhancing overall entrepreneurial competence.

### 4.3.2 Government Policies and Youth Entrepreneurship Performance

The study sought to analyze the effect of government policies on youth entrepreneurship performance in Nairobi County. The descriptive findings on government policies are shown in Table 4.4.

**Table 4.4 Responses on Government Policies**

	N	Mean	Std. Deviation
The cost of registering a business in Kenya has an impact on youth entrepreneurship	275	4.41	.716
Licenses and compliance requirements by regulatory bodies impact youth entrepreneurship performance	275	4.25	.650
AGPO (Access to Government Procurement Opportunities) in which youths are assured of 40% of government tenders influences youth entrepreneurship performance	275	4.10	.774
Youth Enterprise Development Fund policies such as “Uwezo fund” loan access requirements influence youth entrepreneurship performance	275	4.24	.651
National Youth Policy 2007, Session no. 2 of 2007 - information on youth development programs such as “Ajira” programs impact youth entrepreneurship performance	275	4.48	.732
Medium and Small Enterprise Act 2012 - fair competition between established businesses and youth entrepreneurship impacts youth entrepreneurship performance	275	4.48	.575
National Government Affirmative Action Fund (Public Finance Management Act 2012) on youth access to subsidies for their businesses influences youth entrepreneurship performance	275	4.51	.612
Composite Mean and Standard Deviation	275	4.35	.371

Source (Author, 2022)

The findings from Table 4.4 indicate that the cost of registering a business in Kenya has a

significant impact on youth entrepreneurship, with a mean score of 4.41 and a standard deviation of 0.716. This suggests that the cost of business registration plays a crucial role in shaping the entrepreneurial landscape for youth in Kenya. It was found that licenses and compliance requirements imposed by regulatory bodies also have an impact on youth entrepreneurship performance, as indicated by a mean score of 4.25 and a standard deviation of 0.650. This highlights the importance of regulatory policies in influencing the ease of doing business for young entrepreneurs.

Access to Government Procurement Opportunities, where youths are assured of 40% of government tenders, was found to influence youth entrepreneurship performance, with a mean score of 4.10 and a standard deviation of 0.774. This underscores the significance of government procurement policies in creating opportunities for youth entrepreneurs. Similarly, policies such as the Youth Enterprise Development Fund, including programs like the “Uwezo fund,” were found to influence youth entrepreneurship performance, with a mean score of 4.24 and a standard deviation of 0.651. This suggests that access to financial support through government initiatives can significantly impact youth entrepreneurship.

The study also revealed that information on youth development programs, such as the “Ajira” programs under the National Youth Policy 2007, influences youth entrepreneurship performance, with a mean score of 4.48 and a standard deviation of 0.732. This highlights the importance of disseminating information about supportive programs to enhance youth entrepreneurship. Furthermore, the Medium and Small Enterprise Act 2012, which promotes fair competition between established businesses and youth entrepreneurship, was found to impact youth entrepreneurship performance, with a mean score of 4.48 and a standard deviation of 0.575. This suggests that regulatory frameworks can play a crucial role in levelling the playing field for young entrepreneurs.

The National Government Affirmative Action Fund, as per the Public Finance Management Act 2012, providing subsidies for youth businesses, was found to influence youth entrepreneurship performance, with a mean score of 4.51 and a standard deviation of 0.612. This underscores the importance of government support mechanisms in fostering youth entrepreneurship. The composite mean score of 4.35 with a standard deviation of 0.371 indicates a generally positive perception of government policies among respondents. These findings imply that supportive government policies can significantly impact the

entrepreneurship landscape for youth in Kenya, creating opportunities and fostering growth and development.

### 4.3.3 Access to Finance and Youth Entrepreneurship Performance

The study sought to establish the effect of access to finance on youth entrepreneurship performance in Nairobi County. The descriptive statistics for access to finance are shown in Table 4.5.

**Table 4.5 Access to Finance**

	N	Mean	Std. Deviation
The high interest rate on loans scares away youth from accessing finance for their businesses	275	4.13	.935
The availability of youth funds geared towards youth enterprises impacts the performance of youth entrepreneurship	275	4.21	.935
Technology increases convenience as one can access loans from the comfort of their premises without visiting banks	275	4.45	.656
Collateral/security on loans as required by banks and government lending institutions hinder youth from accessing credit facilities	275	3.75	1.126
Requirements for clearance certificates from CRB by financial institutions dictate youth access to finance	275	4.33	.942
Permits and business registration requirements by financial providers determine youth uptake of financial services	275	4.17	.961
The long processing and wait time of government credit facilities and loans informs youth uptake of government loans which impacts youth entrepreneurship performance	275	4.35	.815
Composite Mean and Standard Deviation	275	4.20	.448

Source (Author, 2022)

From the responses, the study found that the high interest rate on loans tends to scare away youth from accessing finance for their businesses, as evidenced by a mean score of 4.13 and a

standard deviation of 0.935. This suggests that interest rates play a significant role in shaping the accessibility of finance for young entrepreneurs. Similarly, the availability of youth funds geared towards youth enterprises was found to impact the performance of youth entrepreneurship, with a mean score of 4.21 and a standard deviation of 0.935. This indicates the importance of dedicated financial support mechanisms tailored to the needs of youth entrepreneurs.

The study also revealed that technology increases convenience, allowing individuals to access loans from the comfort of their premises without visiting banks. This garnered a mean score of 4.45 and a standard deviation of 0.656, emphasizing the role of technological advancements in enhancing access to finance for youth entrepreneurs. However, factors such as collateral/security on loans, as required by banks and government lending institutions, were found to hinder youth from accessing credit facilities, with a mean score of 3.75 and a standard deviation of 1.126. This suggests that stringent collateral requirements present barriers to financial inclusion for young entrepreneurs.

Requirements for clearance certificates from Credit Reference Bureaus (CRB) by financial institutions were found to dictate youth access to finance, with a mean score of 4.33 and a standard deviation of 0.942. This highlights the importance of credit history in determining access to financial services for youth entrepreneurs. Moreover, permits and business registration requirements by financial providers were found to influence youth uptake of financial services, with a mean score of 4.17 and a standard deviation of 0.961. This underscores the significance of regulatory requirements in shaping access to finance for young entrepreneurs.

The study also identified the long processing and wait time of government credit facilities and loans as factors informing youth uptake of government loans, which in turn impacts youth entrepreneurship performance. This garnered a mean score of 4.35 and a standard deviation of 0.815, indicating the importance of streamlining bureaucratic processes to improve access to government financing for youth entrepreneurs. On average, the composite mean score of 4.20 with a standard deviation of 0.448 suggests a generally positive perception of factors influencing access to finance among respondents. These findings imply that addressing barriers such as high interest rates, collateral requirements and bureaucratic processes can enhance financial inclusion and support the growth of youth entrepreneurship.

#### 4.4.4 Youth Entrepreneurship Performance

The dependent variable of the study was Youth Entrepreneurship Performance. The descriptive statistics on the variable are shown in Table 4.6.

**Table 4.6 Responses on Youth Entrepreneurship Performance**

	N	Mean	Std. Deviation
The capacity of youth-led businesses to offer unique goods and services is crucial for differentiation from competitors and positively impacts overall youth entrepreneurship performance.	275	4.33	.772
Maintaining self-sustaining finances and ensuring access to sufficient resources are essential factors contributing to the performance and longevity of youth-led businesses.	275	4.19	.971
Effective employment of skilled personnel significantly enhances operational efficiency and contributes to the overall performance of youth-led businesses.	275	4.30	.832
Generating adequate cash flow and profitability is fundamental for sustaining and expanding youth-led businesses	275	4.52	.612
Youth-led businesses that successfully leverage market trends and consumer behaviour tend to experience increased sales and profitability	275	4.30	.888
Building strong networks and relationships enables youth-led businesses to access skilled personnel and resources	275	4.26	.910
The business has enough stock for business continuity	275	4.44	.566
Composite Mean and Standard Deviation	275	4.33	.336

Source (Author, 2022)

The study found that the capacity of youth-led businesses to offer unique goods and services is crucial for differentiation from competitors and positively impacts overall youth entrepreneurship performance, with a mean score of 4.33 and a standard deviation of 0.772. This highlights the importance of innovation and differentiation in enhancing the competitiveness and success of youth-led businesses. Moreover, maintaining self-sustaining

finances and ensuring access to sufficient resources were identified as essential factors contributing to the performance and longevity of youth-led businesses, with a mean score of 4.19 and a standard deviation of 0.971. This underscores the significance of financial stability and resource management for the sustainability and growth of youth-led ventures.

Effective employment of skilled personnel was found to significantly enhance operational efficiency and contribute to the overall performance of youth-led businesses, as indicated by a mean score of 4.30 and a standard deviation of 0.832. This emphasizes the importance of human capital in driving business success and productivity. Generating adequate cash flow and profitability was highlighted as fundamental for sustaining and expanding youth-led businesses, with a mean score of 4.52 and a standard deviation of 0.612. This underscores the crucial role of financial viability in ensuring the growth and continuity of youth-led ventures.

Youth-led businesses that successfully leverage market trends and consumer behaviour tend to experience increased sales and profitability, with a mean score of 4.30 and a standard deviation of 0.888. This highlights the importance of market intelligence and adaptability in driving business growth and profitability. Building strong networks and relationships was also identified as a critical factor enabling youth-led businesses to access skilled personnel and resources, with a mean score of 4.26 and a standard deviation of 0.910. This emphasizes the significance of networking and collaboration in facilitating business success and growth.

Ensuring that the business has enough stock for business continuity was found to be important, with a mean score of 4.44 and a standard deviation of 0.566. This highlights the importance of inventory management in maintaining operational continuity and meeting customer demand. The composite mean score of 4.33 with a standard deviation of 0.336 suggests a generally positive perception of factors influencing youth entrepreneurship performance among respondents. These findings underscore the multifaceted nature of youth entrepreneurship success, encompassing aspects such as innovation, financial management, human capital, market intelligence, networking and operational efficiency.

#### **4.4 Factor Analysis Findings**

In this study, factor analysis was used to evaluate the suitability of the dataset. Factor analysis was employed in this study to assess the underlying structure of the data and reduce a large number of variables into a smaller set of interpretable factors. This technique helps identify patterns and relationships between variables, ensuring that the items measuring similar

constructs are grouped together. It also aids in determining whether the data is suitable for further analysis by evaluating the adequacy of the sampling and identifying any potential issues with multicollinearity. The results of the factor analysis provided a clearer understanding of the variables' relationships, ensuring more reliable and valid conclusions from the data. The data collection instrument (questionnaire) had a five-point Likert scale ranging from 'strongly disagree' (rating 1) to strongly agree (rating 5). To start with, factor analysis was conducted to reduce the items into a few interpretable ones. In this regard, the study sought to determine if sampling was adequate for all the variables of the study. A total of 7 questions were presented to the participants to answer every variable, making the total number of questions twenty-eight (28). The study found a Kaiser-Meyer-Olkin (KMO) value of 0.829 and Bartlett's test,  $\chi^2 = 1456.296$ ,  $p = .000$ . This shows that sampling was adequate for the variables. The results are presented in Table 4.7.

**Table 4.7 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.829
	Approx. Chi-Square	1456.296
Bartlett's Test of Sphericity	df	171
	Sig.	.000

Source (Author, 2022)

The next stage was to determine the factor loadings for each item because the results of the KMO and Bartlett's Tests were satisfactory. Using SPSS version 27, factor analysis was performed based on varimax rotation and eigenvalues larger than 1. The participants were given a total of 28 questions. The distribution of variation among the 28 likely factors is shown by the results. Eight components have an Eigenvalue larger than one, according to the data. This indicates that the first eight factors account for 73.322% of the variation. The first component, for example, explains approximately 31.856% of the variance, the second component, approximately 10.299% of the variance, the third component, approximately 8.529% of the variance and so on. The findings are shown in Table 4.8.

**Table 4.8 Total Variance Explained for the Variables**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.557	31.856	31.856	9.557	31.856	31.856

2	3.090	10.299	42.155	3.090	10.299	42.155
3	2.559	8.529	50.684	2.559	8.529	50.684
4	1.625	5.417	56.101	1.625	5.417	56.101
5	1.596	5.321	61.422	1.596	5.321	61.422
6	1.301	4.337	65.759	1.301	4.337	65.759
7	1.244	4.146	69.905	1.244	4.146	69.905
8	1.025	3.417	73.322	1.025	3.417	73.322
9	.943	3.143	76.464			
10	.871	2.904	79.368			
11	.853	2.843	82.212			
12	.649	2.163	84.374			
13	.607	2.024	86.399			
14	.452	1.505	87.904			
15	.427	1.423	89.327			
16	.411	1.369	90.695			
17	.341	1.136	91.832			
18	.327	1.091	92.923			
19	.274	.912	93.835			
20	.260	.865	94.700			
21	.244	.814	95.514			
22	.222	.803	96.253			
23	.208	.739	96.947			
24	.191	.694	97.583			
25	.168	.636	98.143			
26	.158	.560	98.669			
27	.128	.526	99.097			
28	.073	.428	100.00			
			0			

Extraction Method: Principal Component Analysis.

Source (Author, 2022)

Table 4.9 presents the findings of factor analysis-based validity testing for each of the study's items based on the loadings of the pattern matrices. In accordance with prior published research by academics, all factor loadings of less than 0.6 were generally eliminated while those of greater than 0.6 were kept. Twenty-seven (27) items were kept and one (1) item was discarded based on the threshold. The dropped item was "Effective entrepreneurship curriculum ensures youth gain the relevant social aspects of business which have an impact on youth entrepreneurship performances" while others were retained.

**Table 4.9 Component Loadings for the Factors**

Component Loading	
The presence of relevant entrepreneurship programs significantly impacts how youth entrepreneurs manage their business resources.	.893

Entrepreneurship education is instrumental in equipping young entrepreneurs with lifelong soft skills and market insights, enhancing their competitiveness and ability to differentiate their products effectively.	.826
Entrepreneurship education catalyzes nurturing creativity and fostering innovation among young entrepreneurs, enabling them to develop unique solutions and offerings.	.667
Entrepreneurship education plays a pivotal role in improving the cash management skills of youth entrepreneurs, ensuring effective financial management within their ventures.	.908
Entrepreneurship education encompasses the acquisition of relevant lifelong soft skills, which are indispensable for success in entrepreneurship and beyond.	.638
Entrepreneurship education empowers young entrepreneurs to make informed decisions	.813
Effective entrepreneurship education goes beyond theoretical knowledge, ensuring that youth gain practical social experience	.563
The cost of registering a business in Kenya has an impact on youth entrepreneurship	.863
Licenses and compliance requirements by regulatory bodies impact youth entrepreneurship performance	.867
AGPO (Access to Government Procurement Opportunities) in which youths are assured of 40% of government tenders influences youth entrepreneurship performance	.947
Youth Enterprise Development Fund policies such as “Uwezo fund” loan access requirements influence youth entrepreneurship performance	.930
National Youth Policy 2007, Session no. 2 of 2007 - information on youth development programs such as “Ajira” programs impact youth entrepreneurship performance	.887
Medium and Small Enterprise Act 2012 - fair competition between established businesses and youth entrepreneurship impacts youth entrepreneurship performance	.873
National Government Affirmative Action Fund (Public Finance Management Act 2012) on youth access to subsidies for their businesses influences youth entrepreneurship performance	.878
The high interest rate on loans scares away youth from accessing finance for their businesses	.847

The availability of youth funds geared towards youth enterprises impacts the performance of youth entrepreneurship	.814
Technology increases convenience as one can access loans from the comfort of their premises without visiting banks	.909
Collateral/security on loans as required by banks and government lending institutions hinder youth from accessing credit facilities	.834
Requirements for clearance certificates from CRB by financial institutions dictate youth access to finance	.869
Permits and business registration requirements by financial providers determine youth uptake of financial services	.904
The long processing and wait time of government credit facilities and loans informs youth uptake of government loans which impacts youth entrepreneurship performance	.860
The capacity of youth-led businesses to offer unique goods and services is crucial for differentiation from competitors and positively impacts overall youth entrepreneurship performance.	.901
Maintaining self-sustaining finances and ensuring access to sufficient resources are essential factors contributing to the performance and longevity of youth-led businesses.	.950
Effective employment of skilled personnel significantly enhances operational efficiency and contributes to the overall performance of youth-led businesses.	.829
Generating adequate cash flow and profitability is fundamental for sustaining and expanding youth-led businesses	.907
Youth-led businesses that successfully leverage market trends and consumer behaviour tend to experience increased sales and profitability	.931
Building strong networks and relationships enables youth-led businesses to access skilled personnel and resources	.881
The business has enough stock for business continuity	.931

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Source (Author, 2022)

#### 4.5 Diagnostic Tests

The section contains prior tests that were conducted for data regression. The study performed several diagnostic tests before embarking on regression analysis as discussed below.

#### 4.5.1 Test for Normality

Normality was tested using the Shapiro-Wilk test using the SPSS. Shapiro-Wilk test suggests that for normal distribution to be uniform, then  $p$  should be greater than 0.05 ( $p > 0.05$ ). From the analysis, all study variables conformed to this requirement  $p > 0.05$  as shown in table 4.10 below. By identifying the presence of skewness, kurtosis, or both, this test determines the degree of normalcy of the data. When test findings are statistically insignificant (i.e., the significance value should be more than 0.05), the data is deemed to be regularly distributed. Figures greater than 0.05 in the Shapiro-Wilk statistic, which goes from zero to one, indicate that the data is normal (Razali & Wah, 2011).



**Table 4.10 Shapiro-Wilk Normality Test**

	Kolmogorov-Smirnov(a)			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Entrepreneurship education programs	.134	275	.000	.969	275	.000
Government policies	.127	275	.000	.943	275	.000
Youth access to finance	.103	275	.000	.960	275	.000
Youth entrepreneurship performance	.111	275	.000	.967	275	.000

a Lilliefors Significance Correction

Source (Author, 2022)

#### 4.5.2 Test of Multicollinearity

To determine whether there was a strong association between one or more study variables and one or more of the other independent variables, a multicollinearity test was performed. It's a circumstance when some independent variables have a strong correlation with one another, which impacts each predictor variable's capacity for prediction (Mugenda & Mugenda, 2003). The Variance Inflation Factors (VIF) and its counterpart, the tolerance, were utilised in the computation of the test to determine whether there was a strong linear correlation between any two predictors. Variance inflation factors (VIFs) of 10 or greater are generally considered to be indicative of severe or serious multi-collinearity that has an impact on the study (O'Brien, 2007). Table 4.11 presents the results of tests for multicollinearity.

**Table 4.11 Test of Multicollinearity**

Model		Collinearity Statistics	
		Tolerance	VIF
1	Entrepreneurship education programs	.759	1.317
	Government policies	.477	2.098
	Youth access to finance	.477	2.097

a Dependent Variable: Youth entrepreneurship performance

Source (Author, 2022)

The study's findings indicate that tolerance is reciprocal, ranging from 0.477 to 0.759. The VIF, on the other hand, was between 1.317 to 2.097, below the maximum threshold value. This suggested that there was no multicollinearity in the data set.

#### 4.5.3 Test of Homoscedasticity

To determine whether the variance of errors between the independent and dependent variables is the same at all levels of the independent variable, homoscedasticity was examined. The absence of homoscedasticity seriously weakens the study and distorts the results (Osborne & Waters, 2002). Therefore, homoscedasticity (the same variance of errors) is assumed in regression analysis; nevertheless, this assumption needs to be tested. Thus, Levene's test of homogeneity of variances was employed in the current investigation. As per Gastwirth, Gel and Miao (2009), the Levene statistic is significant at  $\alpha= 0.05$ , indicating that homoscedasticity exists at a p-value larger than 0.05, allowing for the application of regression analysis. All of the p values in Table 4.12's results were more than 0.05, suggesting homoscedasticity and the requirement for regression analysis.

**Table 4.12 Test of Homogeneity of Variances**

Variables	Levene			
	Statistic	df1	df2	Sig.
Entrepreneurship education programs	1.032	11	262	.418
Government policies	1.049	10	264	.403
Youth access to finance	1.640	12	260	.081

Source (Author, 2022)

#### 4.5.4 Test of Linearity

Only linear relationships allow for the accurate assessment of the link between the independent and dependent variables using multiple regression (Osborne & Waters, 2002). According to Zhang, Cheng and Liu (2011), regression analysis assumes that data values for the dependent variable lie along a straight line for each increment in the independent variable. Therefore, the ANOVA test, which calculates both the linear and nonlinear components of a pair of variables, was used to test for linearity. Zhang et al. (2011) state

that linearity is significant if the linear component's significance value is more than 0.05, indicating that there are linear relationships (constant slopes) between the predictor and dependent variables. For regression analysis to be performed, this relationship needs to be reasonably linear. Study findings met the above threshold whereby all significance values were between 0.68 and 0.536 thus confirming linearity and appropriateness for regression analysis

**Table 4.13 ANOVA Test of Linearity**

			df	Mean Square	F	Sig.
Youth entrepreneurship performance * Entrepreneurship education programs	Between Groups	(Combined)	12	.418	4.293	.000
		Linearity	1	4.047	41.552	.000
		Deviation from Linearity	11	.088	.905	.536
	Within Groups		262	.097		
	Total		274			
Youth entrepreneurship performance * Government policies	Between Groups	(Combined)	10	1.114	15.154	.000
		Linearity	1	10.044	136.677	.000
		Deviation from Linearity	9	.121	1.651	.101
	Within Groups		264	.073		
	Total		274			
Youth entrepreneurship performance * Youth access to finance	Between Groups	(Combined)	14	.932	13.848	.000
		Linearity	1	11.438	170.003	.000
		Deviation from Linearity	13	.124	1.836	.068
	Within Groups		260	.067		
	Total		274			

Source (Author, 2022)

#### 4.5.5 Test of Independence

To test for the independence of error terms, the Durbin-Watson coefficient test was used; if the statistic falls between 1.5 and 2.5, it suggests that the observations are independent (Garson, 2012). From the study analysis, the Durbin-Watson test statistics ranged from

(1.716 – 1.969) falling between the accepted range of (1.5-2.5) hence supporting the independence of observation.

**Table 4.14 Durbin-Watson Test of Independence**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
Entrepreneurship education programs	.370(a)	.137	.134	.31075	1.716
Government policies	.574(a)	.329	.326	.27399	1.898
Youth access to finance	.612(a)	.375	.372	.26450	1.969

- a. Predictors: (Constant), Entrepreneurship education programs, Government policies, Youth access to finance
- b. Dependent Variable: Youth entrepreneurship performance

Source: Primary data (2022)

## 4.6 Inferential Statistics

To determine the kind and strength of the correlations between the variables, inferential analysis was done. Pearson’s Product Moment Correlation (PPMC) and the Coefficient of Determination (R<sup>2</sup>), which indicates the percentage of variation in the dependent variable that the independent variable explains, were employed to ascertain the relationship between the variables.

### 4.6.1 Correlation Coefficients Matrix test

The first step in determining whether there were significant relationships between the research variables was to do the correlation coefficients matrix test. The direction and intensity of the link were evaluated using Pearson’s correlation to determine the degree of association. In particular, Pearson coefficient < 0.4 suggests a weak correlation, while >0.4<0.5 implies moderate association, according to Saunders, Lewis and Thornhill (2016). Pearson coefficient >0.5 shows a strong correlation, while Pearson coefficient =0 indicates that there is no relationship.

**Table 4.15 Correlation Coefficients Matrix**

		Entrepreneurship education programs	Government policies	Youth access to finance	Youth entrepreneurship performance
Entrepreneurship education programs	Pearson Correlation	1	.460(**)	.490(**)	.370(**)
	Sig. (2- tailed)		.000	.000	.000
Government policies	Pearson Correlation	.460(**)	1	.708(**)	.574(**)
	Sig. (2- tailed)	.000		.000	.000
Youth access to finance	Pearson Correlation	.490(**)	.708(**)	1	.612(**)
	Sig. (2- tailed)	.000	.000		.000
Youth entrepreneurship performance	Pearson Correlation	.370(**)	.574(**)	.612(**)	1
	Sig. (2- tailed)	.000	.000	.000	
	N	275	275	275	275

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

Source: Primary data (2022)

The results in Table 4.15 show that the impact of youth access to finance has the strongest positive influence on youth entrepreneurship performance ( $r = .612$  and  $P < 0.05$ ) and the relationship is statistically significant. Consequently, the effects of government policies on youth entrepreneurship performance have a strong and statistically significant relationship ( $r = .574$ ,  $p < 0.05$ ). However, the effect of youth entrepreneurship education on youth entrepreneurship performance has a weak relationship but is statistically significant ( $r = .370$ ,  $p < 0.05$ ).

The results in the correlation matrix imply that the effect of youth access to finance ( $r = .612$ ) is a very crucial determinant of the performance of the youth-owned business, followed by the effect of government policies ( $r = .574$ ) and lastly effect of education ( $r = .370$ ).

#### 4.6.2 Multiple Linear Regression Analysis

The regression analysis results that address the research questions of the study are presented in this part. The F-test was used to determine the relationship between the dependent and independent variables and assess the significance level of the overall model, while the coefficient of determination (R-square) was utilised to quantify the change in the dependent variable explained by the change in the independent variable or variables.

#### 4.6.3 Goodness of Fit

How well the model describes fluctuations in the dependent variable is referred to as its goodness of fit (Gujarati, 2012). It assesses the model's suitability, validity and reliability for use in making predictions. In this study, the goodness, reliability and validity of the various models were assessed using the R squared, standard error of estimate (S.E. ) and F-test statistic, in that order. In this study, the model's validity was further assessed using the F-test and the model's goodness of fit was gauged using R<sup>2</sup>. After that, the nature of the link between the dependent and independent variables was explained using the summary of the regression coefficient. The percentage of variation in the dependent variable that can be accounted for by all of the independent variables is known as the coefficient of determination and it indicates how much of a change in the independent variables may account for a change in the dependent variable. The coefficient typically ranges from 0 to 1, where 0 denotes a total lack of fit and 1 denotes a perfect fit. Consequently, the better the match, the closer it is to 1.

**Table 4.16 Model Summary**

Model	R	R <sup>2</sup>	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1	.648(a)	.421	.414	.25553	.421	1.861

Source (Research data, 2022)

From Table 4.16, the coefficient of determination (R<sup>2</sup>) of .421 shows that 42.1% variation in youth entrepreneurship performance can be explained by the effect of entrepreneurship education on youth entrepreneurship performance, the effects of government policies and the effect of youth access to finance on youth entrepreneurship performance. The adjusted R of .414 indicates that the independent variables explained the variation in youth

entrepreneurship performance by 41.4 %, while the remaining variation can be explained by other factors not included in the model.  $R=.648$  shows that there is a positive and strong correlation between the dependent (youth entrepreneurship performance) and independent variables (Effect of entrepreneurship education on youth entrepreneurship performance, Effects of government policies on youth entrepreneurship performance and Effect of youth access to finance on youth entrepreneurship performance)

**Table 4.17 ANOVA**

Mode		Sum of		Mean		
1		Squares	df	Square	F	Sig.
1	Regression	12.843	3	4.281	65.56 1	.000(a)
	Residual	17.695	271	.065		
	Total	30.538	274			

a. Predictors: (Constant), Entrepreneurship education programs, Government policies, Youth access to finance

b. Dependent Variable: Youth entrepreneurship performance

Source: Source (Research data, 2022)

To evaluate the regression model's overall significance, an ANOVA analysis of variance was employed. For this test, the null hypothesis is that the predictor variables ( $\beta_1=\beta_2 = \beta_3=0$ ) have no explanatory power. Good youth entrepreneurship performance can be considerably explained by predictor variables, as indicated by the  $p-.000$ , which indicates that the  $R^2$  is significantly greater than zero. The predictors have explanatory power, as shown by the significant  $p$ -value, which leads us to reject the null hypothesis and accept the alternative ( $HA_1 \neq HA_2 \neq HA_3 \neq 0$ ). As a result, the regression model ( $F(3, 271) = 65.561, p = .000, R^2 = .421$ ) is significant.

**Table 4.18 Multiple Regression Coefficients**

Model	Unstandardized		Standardized	t	Sig
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	1.745	.215		8.122	.000
Entrepreneurship education programs	.087	.050	.092	1.750	.081
Government policies	.225	.061	.250	3.682	.000
Youth access to finance	.296	.049	.397	6.016	.000

c. Predictors: (Constant), Entrepreneurship education programs, Government policies, Youth access to finance

d. Dependent Variable: Youth entrepreneurship performance

Source: Source (Research data, 2022)

From the results, the following multiple linear regression model was fitted,

$$Y = 1.745 + .087X_1 + .225X_2 + .296X_3$$

Where;

Y –Youth entrepreneurship performance

X<sub>1</sub> –Entrepreneurship education programs

X<sub>2</sub> –Government policies

X<sub>3</sub> –youth access to finance

Multiple regression analysis was used to determine whether independent variables, the effect of entrepreneurship education on youth entrepreneurship performance, the effects of government policies on youth entrepreneurship performance and the effect of youth access to finance on youth entrepreneurship performance simultaneously influence the dependent variable (Y) which is youth entrepreneurship performance. From the regression results in Table 4.18, the beta coefficients X<sub>1</sub> ( $\beta = .087$ , p value.081), X<sub>2</sub> ( $\beta = .225$ , p-value .000) and X<sub>3</sub> ( $\beta=0.296$ , p-value .000) imply a significant relationship between, the effect of entrepreneurship education on youth entrepreneurship performance, effects of government policies on youth entrepreneurship performance and effect of youth access to finance on youth entrepreneurship performance) and youth entrepreneurship performance. In this regard,

a 100% increase in the effect of entrepreneurship education would increase youth entrepreneurship performance by 8.7% all other factors held constant.

Similarly, holding other factors constant (effects of government policies and effect of youth access to finance) a 100% improvement in government policies would lead to a 22.5% increase in youth entrepreneurship performance as the beta stands as (.225) whereas when youth access to finance is improved by 100%, they would increase youth entrepreneurship performance by 29.6%. From the above multiple linear regression model, holding (effect of entrepreneurship education on youth entrepreneurship performance, effects of government policies on youth entrepreneurship performance and effect of youth access to finance on youth entrepreneurship performance) constant, youth entrepreneurship performance will be at .745 (74.5%) It can be seen that all the independent variables have a positive influence on the dependent variable, but youth access to finance and government policies have a larger effect youth entrepreneurship performance as compared to the effect of youth entrepreneurship education.

#### **4.7 Chapter Summary**

An overview of the topics discussed in chapter four is given in this section. The study includes the capacity to provide the study's response rate as well as a summary of demographic information about the respondent's age, gender, degree of education and years of business experience. Additionally, the chapter presented the results of the diagnostic tests that were conducted and factor analysis, emphasising both inferential and descriptive data analysis. In the demographic section, the research found that the majority of the respondents were male. Additionally, the majority of the respondents were between the ages of 27-30 years with a majority having attained a tertiary level of education. Results also indicate that the majority of the respondents had been in business for a period between 1-3 years.

On the other hand, descriptive statistics indicate that the average impact of youth access to finance greatly influences youth entrepreneurship performance. This is followed by the effect of government policies which impacts youth entrepreneurship performance. Finally, the effect of youth entrepreneurship education has been found to influence youth entrepreneurship performance, though it comes last on the chain of the effectiveness of government initiatives in youth entrepreneurship performance.

For inferential statistics, all the independent variables were statistically significant as findings indicate that while looking at the effect of government initiatives on youth entrepreneurship performance, the effect of youth access to finance stands out, followed by the effect of government policies and then lastly, the effect of entrepreneurship education. This, therefore, informs where the government needs to put its priority while addressing youth entrepreneurship performance.



## **CHAPTER FIVE:**

### **DISCUSSIONS, CONCLUSIONS and RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter outlines discussions, conclusions and recommendations from the study to answer the study research topic on the effectiveness of government initiatives on youth entrepreneurship performance: a case study of Gikomba Market. In this chapter, section 5.1 introduces the chapter; section 5.2 gives a summary discussion of the study results while section 5.3 gives conclusions deduced from the study based on findings and section 5.4 wraps up the research by proposing recommendations in the same field with 5.5 suggesting areas for future studies

#### **5.2 Discussions**

This section highlights discussions of study findings as captured in chapter four in relation to the effectiveness of government initiatives on youth entrepreneurship performance. Findings revealed that among the three initiatives under study, the effect of youth access to finance had the greatest impact on youth entrepreneurship performance, followed by the effect of government policies and lastly effect of entrepreneurship education.

##### **5.2.1 Effect of entrepreneurship education programs on youth entrepreneurship performance**

The findings suggest that the presence of relevant entrepreneurship programs significantly impacted how youth entrepreneurs managed their business resources. This aligns with existing literature that emphasizes the importance of entrepreneurship education in enhancing resource management skills among young entrepreneurs (Nafukho & Muyia, 2010). Both the findings and literature underscore the positive implications of such programs for improving business efficiency and effectiveness. The study also found that entrepreneurship education was instrumental in equipping young entrepreneurs with lifelong soft skills and market insights. This finding resonates with existing literature, which highlights the role of entrepreneurship education in enhancing competitiveness and product differentiation (Barney, 2018). Both the findings and literature emphasize the importance of such education in fostering essential skills and market awareness among youth entrepreneurs.

Contrary to the findings, existing literature suggests a stronger positive impact of entrepreneurship education on nurturing creativity and fostering innovation among young entrepreneurs (Barney, 2018). While the study indicates a positive influence, the large standard deviation may suggest that there is room for improvement in how entrepreneurship education fosters creativity and innovation among youth entrepreneurs. Practically, addressing the potential gap in entrepreneurship education's effectiveness in fostering creativity and innovation among youth entrepreneurs could involve incorporating more hands-on, experiential learning opportunities, encouraging cross-disciplinary collaboration and providing mentorship from industry experts. Additionally, integrating design thinking and problem-solving methodologies into the curriculum could further stimulate innovative thinking and idea generation among young entrepreneurs. The findings indicate a significant positive impact of entrepreneurship education on improving the cash management skills of youth entrepreneurs. This aligns with existing literature emphasizing the role of such education in financial management within ventures (Mandengenda, 2017). Both the findings and literature underscore the crucial role of entrepreneurship education in ensuring effective financial management and sustainability.

The study found that entrepreneurship education encompassed the acquisition of relevant lifelong soft skills, such as communication, leadership, critical thinking, creativity, problem-solving, emotional intelligence, time management and resilience. These skills are essential for success in entrepreneurship and are transferable to various personal and professional contexts throughout one's life. This finding aligns with existing literature emphasizing the importance of soft skills acquired through entrepreneurship education for success in entrepreneurship and beyond (Chepngetich, 2016). Both the findings and literature highlight the significance of such skills in enhancing overall entrepreneurial competence and adaptability. The findings suggest that entrepreneurship education effectively empowers young entrepreneurs to make informed decisions. This aligns with existing literature emphasizing the role of such education in enhancing decision-making capabilities among youth entrepreneurs (Zulfiqar, 2017). Both the findings and literature underscore the importance of entrepreneurship education in enabling youth to make strategic and informed choices.

The study observed that effective entrepreneurship education went beyond theoretical knowledge, ensuring that youth gained practical social experience. This finding is in line with

existing literature emphasizing the importance of practical experience in entrepreneurship training (Henry, 2015). Both the findings and literature highlight the value of practical social experience in preparing youth for real-world business environments. The composite mean score suggests a generally positive perception of entrepreneurship education programs among respondents. This aligns with existing literature that recognizes the importance of such programs in equipping youth with essential skills and fostering innovation (Fowowe, 2017). Both the findings and literature emphasize the crucial role of entrepreneurship education in preparing youth for entrepreneurial endeavours.

### **5.2.2 Effect of government policies on youth entrepreneurship performance**

The findings suggest that the cost of registering a business in Kenya significantly impacts youth entrepreneurship, shaping the entrepreneurial landscape. This aligns with existing literature emphasizing the influence of business registration costs on entrepreneurial activities, particularly for young entrepreneurs (Barney, 2018). Both the findings and literature underscore the crucial role of registration costs in determining the ease of starting and operating businesses for youth in Kenya. The study also found that licenses and compliance requirements imposed by regulatory bodies impact youth entrepreneurship performance. This finding resonates with existing literature highlighting the importance of regulatory policies in influencing the ease of doing business for young entrepreneurs (British Chambers of Commerce, 2002). Both the findings and literature emphasize the role of regulatory frameworks in shaping the business environment for youth entrepreneurs.

Access to Government Procurement Opportunities, where youths are assured of a percentage of government tenders, was found to influence youth entrepreneurship performance. This aligns with existing literature emphasizing the significance of government procurement policies in creating opportunities for youth entrepreneurs (Development Bank, 2019). Both the findings and literature underscore the importance of government initiatives in providing avenues for youth participation in economic activities. Policies such as the Youth Enterprise Development Fund and programs like the “Uwezo Fund” were found to influence youth entrepreneurship performance. This finding is consistent with existing literature emphasizing the significant impact of access to financial support through government initiatives on youth entrepreneurship (Bullough, 2012). Both the findings and literature highlight the crucial role of government financial support mechanisms in fostering youth entrepreneurship.

The study revealed that information on youth development programs influences youth entrepreneurship performance. This finding aligns with existing literature emphasizing the importance of disseminating information about supportive programs to enhance youth entrepreneurship (Hoque, 2016). To ensure that young people are aware of youth development programs, information dissemination should utilize diverse channels tailored to their preferences and accessibility. This could include social media campaigns, community outreach events, workshops in educational institutions, partnerships with youth-focused organizations and dedicated online platforms providing comprehensive information and resources. Additionally, leveraging influencers or mentors within youth communities can enhance program visibility and credibility, fostering greater engagement and participation among young entrepreneurs. Both the findings and literature underscore the significance of awareness and access to supportive programs in fostering youth entrepreneurship. The Medium and Small Enterprise Act 2012, which promotes fair competition between established businesses and youth entrepreneurship, was found to impact youth entrepreneurship performance. This aligns with existing literature emphasizing the role of regulatory frameworks in levelling the playing field for young entrepreneurs (Sitharam & Hoque, 2016). Both the findings and literature highlight the importance of creating a conducive regulatory environment for youth entrepreneurship.

The National Government Affirmative Action Fund, providing subsidies for youth businesses, was found to influence youth entrepreneurship performance. This finding underscores the importance of government support mechanisms in fostering youth entrepreneurship, consistent with existing literature (Kung'u, 2015). Both the findings and literature emphasize the crucial role of government interventions in supporting and promoting youth entrepreneurship. The composite mean score indicates a generally positive perception of government policies among respondents, suggesting that supportive government policies can significantly impact the entrepreneurship landscape for youth in Kenya. This aligns with existing literature emphasizing the positive influence of supportive government policies on youth entrepreneurship (Fahmi et al., 2017). Both the findings and literature underscore the importance of government initiatives in creating opportunities and fostering growth and development for youth entrepreneurs.

### **5.2.3 Effect of youth access to finance on youth entrepreneurship**

Among the three variables under this study, findings indicate that the impact of youth access to finance has the most significant impact on youth entrepreneurship performance. Tengeh (2012) observes that money is crucial in starting any business as financial resources are the way to the acquisition of all other resources. The findings indicate that various government policies, such as the cost of business registration, regulatory compliance requirements, access to government procurement opportunities and dedicated financial support mechanisms, significantly influence youth entrepreneurship performance. This aligns with existing literature emphasizing the role of government initiatives in shaping the entrepreneurial landscape for young entrepreneurs (British Chambers of Commerce, 2002). Both the findings and literature underscore the importance of supportive government policies in fostering opportunities and growth for youth entrepreneurs.

The study found that high interest rates on loans tend to deter youth from accessing finance for their businesses, highlighting the significant role of interest rates in shaping the accessibility of finance for young entrepreneurs. Similarly, the availability of youth funds and dedicated financial support mechanisms were found to impact youth entrepreneurship performance positively. This aligns with existing literature emphasizing the importance of affordable financing options tailored to the needs of youth entrepreneurs (Bullough, 2012). Both the findings and literature underscore the significance of addressing financial barriers to support the growth of youth entrepreneurship. The study highlights the role of technological advancements in enhancing access to finance for youth entrepreneurs, emphasizing the convenience of accessing loans remotely. This finding resonates with existing literature that recognizes the transformative impact of technology on financial inclusion (Esser, 2019). Both the findings and literature underscore the importance of leveraging technology to overcome traditional barriers to financial access for young entrepreneurs.

Factors such as stringent collateral requirements and long processing times for government credit facilities were found to hinder youth access to finance, suggesting significant barriers to financial inclusion for young entrepreneurs. This aligns with existing literature that identifies bureaucratic processes and collateral requirements as challenges for youth accessing finance (Kung'u, 2015). Both the findings and literature highlight the need to streamline processes and relax collateral requirements to improve financial access for youth entrepreneurs. The study emphasizes the influence of regulatory requirements, such as

clearance certificates from CRB and business registration requirements, on youth uptake of financial services. This finding aligns with existing literature that recognizes the importance of regulatory frameworks in shaping access to finance for young entrepreneurs (Hoque, 2016). Both the findings and literature underscore the significance of addressing regulatory barriers to enhance financial inclusion for youth entrepreneurs.

#### **5.2.4 Youth Entrepreneurship Performance**

The findings emphasize that the capacity of youth-led businesses to offer unique goods and services positively impacts youth entrepreneurship performance. This aligns with existing literature highlighting the importance of innovation and differentiation in enhancing competitiveness and success (Roper & Turner, 2014). Both the findings and literature underscore the significance of innovation as a key driver of youth entrepreneurship success, enabling ventures to stand out in crowded markets and attract customers. Maintaining self-sustaining finances and ensuring access to sufficient resources were identified as essential factors contributing to the performance and longevity of youth-led businesses. This finding resonates with existing literature emphasizing the importance of financial stability and effective resource management for business sustainability (Brush et al., 2019). Both the findings and literature underscore the critical role of sound financial management in ensuring the growth and continuity of youth-led ventures.

Effective employment of skilled personnel significantly enhances operational efficiency and contributes to the overall performance of youth-led businesses. This finding aligns with existing literature highlighting the importance of human capital in driving business success and productivity (Colombo et al., 2016). Both the findings and literature underscore the significance of investing in talent and expertise to drive business growth and competitiveness. Generating adequate cash flow and profitability was identified as fundamental for sustaining and expanding youth-led businesses. Similarly, leveraging market trends and consumer behaviour contributes to increased sales and profitability. These findings are consistent with existing literature emphasizing the crucial role of financial viability and market intelligence in driving business growth and profitability (Barney & Clark, 2007). Both the findings and literature underscore the importance of understanding market dynamics and maintaining healthy financial performance for business success.

Building strong networks and relationships was identified as a critical factor enabling youth-led businesses to access skilled personnel and resources. This emphasizes the significance of

networking and collaboration in facilitating business success and growth, aligning with existing literature on the importance of social capital in entrepreneurship (Coleman, 1988). Both the findings and literature underscore the value of building and leveraging networks to access opportunities and resources critical for business development.

### **5.3 Conclusions**

In conclusion, the study observed that the effect of entrepreneurship education, the effect of government policies and the effect of youth access to finance significantly explained youth entrepreneurship performance in Kenya. From the findings, the study concludes that of the three government initiatives, the effect of youth access to finance has the greatest effect on youth entrepreneurship performance. This was followed by the effect of government policies and lastly effect of entrepreneurship education which also had a high impact but not as much as that of youth access to finance.

This revelation thus indicates that youth access to funds is the backbone of the success of youth entrepreneurship. In addition, the effect of government policies on the effect of youth entrepreneurship further strengthens their chances of success. Having identified the impact of youth access to finance as the main predictor of youth entrepreneurship performance, the study observes the following in the effort of government initiatives aimed at addressing the issue of funds to youth in a bid to boost youth entrepreneurship performance.

Specifically, while looking at the effect of youth access to finance on youth entrepreneurship performance, the study concludes that the role of technology plays a vital role in youth uptake of government funds. The use of technology to avail funds to youth increases youth uptake of the loans thus unlocking low uptake of loans by youth despite their existence. Additionally, abolishment of legal requirements on loans such as collateral would increase youth uptake of loans that have been shunned for many years despite the government investing in youth funds.

### **5.4 Recommendations**

There was a need to review the effectiveness of government initiatives through youth entrepreneurship performance. The study was crucial in enhancing the debate as well as providing empirical evidence that can be used for managerial and policy implications. Based on the study findings, the following recommendations are advocated for both policy and practical implications.

On the first objective, the effect of entrepreneurship education on youth entrepreneurship performance, the study recommends the following. First, the government needs to review its existing tertiary education programs i.e., TVET programs and University degree programs. On TVET programs, the government should not only focus on a skill-based curriculum as this might flood the market with job seekers. Instead, on TVET programs the government should focus on skill-based value addition by blending skills with entrepreneurship education. From study findings, help ensure youth can manage their businesses, be able to be creative and innovative according to market demands and finally be able to identify markets for their products thus sustaining their businesses.

On the second objective, the effect of government policies on youth entrepreneurship performance, the study recommends the following. First, the study identified the issue of trade policies as the main influencer of youth entrepreneurship performance. By this, the government should review its trade policies on youth-owned businesses. The study recommends the exemption of trade policies and tax holidays on youth entrepreneurship ventures for a while to ensure the youth can raise enough capital to manage their businesses. On fiscal policies, the study recommends complete enforcement of the Medium and Small Enterprise Act 2012 policy and the Africa continental free trade area in opening up opportunities for young people and ensuring fair competition between established businesses and youth entrepreneurship. This ensures a distinction in the line of businesses between established and youth entrepreneurship.

Finally, while looking at the issue of the impact of access to finance on youth entrepreneurship performance, the study recommends the following. To begin with, legal requirements on youth access to finance need to be reviewed or removed. The issue of collateral on loans tends to scare away many youths thus a barrier to accessing the already existing loans that the government has set aside for youths. In this regard, IFC realized that financial institutions required additional intellectual and financial capital to be able to support the developing economies of African nations, where they have assisted in identifying, advising and finance models of financial institutions that could facilitate access to finance by the unbanked SMEs (IFC, 2022).

Further, the government needs to appreciate the role of technology in accessing loans. Fintech companies such as Mshwari, KCB loan, Branch and Tala among others have proved to help a large population access loans easily. Per a KPMG research from 2017, fintech refers

to businesses that make the most of technology to disrupt the financial services sector. These businesses have a track record of lending, a dedication to quality and an exceptional client experience. Up to now, fintech has advanced the use of digital technology in payment systems, insurance, lending and financial advice. Thus, by expanding financial inclusion, fintech companies have been able to reduce intermediation costs and boost financial access. Vives (2017) states that the primary reason for this efficiency is Fintech's contribution to the resolution of information asymmetries, which remains a significant obstacle in the banking industry. These results indicate that technology in finance ensures easy and convenient accessibility to loans as the main benefit. By looking at this, the government needs to ensure that while addressing the issue of funds, youth can easily access loans. This can be done by availing the youth loans through mobile platforms. Lastly still on this, the government should also step up campaign awareness on the existence of youth loans. This helps ensure increased uptake of the loan facilities as literature has shown that despite the existence of the loans, very few people go for them and this might be attributed to a lack of knowledge about their existence.

### **5.5 Areas for further studies**

The study has effectively looked at the effectiveness of government initiatives on youth entrepreneurship performance. The study identified areas that need to be reviewed or enhanced to make sure youth entrepreneurship can perform and encourage many youths to venture into businesses. While this study seems to have addressed the issue of the effectiveness of government initiatives, the study recommends some areas that can be studied to ensure youth entrepreneurship are attractive venture in the long term.

The study, therefore, suggests a study on the economic/financial sustainability of the youth-owned business. This study will help to review the sustainability of youth entrepreneurship to ensure that the businesses are viable and profitable to the youth. In so doing, the study will ensure that youth entrepreneurship can contribute to the national economy and the growth of the GDP.

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## APPENDICES

### Appendix I: Introduction Letter

Date.....

P.O Box.....

Nairobi

Dear Sir/Madam

#### **RE: REQUEST TO COLLECT DATA FOR ACADEMIC RESEARCH PROJECT**

My name is **Ida Chepkemboi Toroitich**. I am a Master's student at Strathmore University, Nairobi Kenya doing research titled “ **EFFECT OF GOVERNMENT INITIATIVES ON YOUTH ENTREPRENEURSHIP PERFORMANCE IN NAIROBI COUNTY**. I have designed a questionnaire to collect data from Gikomba Market, Nairobi jurisdiction solely for academic purposes. The purpose of writing to you is to request your permission to collect data on this subject from your selected market.

Kindly note that data is collected and treated with utmost confidence and strict adherence to your County by-laws. Study results will not include references to any individual.

Your acceptance will be highly appreciated.

Yours sincerely

**Ida Chepkemboi Toroitich**

## Appendix II. Introduction Letter from School

Old Strathmore Rd, Meru on Embaka,  
P.O. Box 39887, 00200, Nairobi, Kenya.  
Cell: +254 703 41 1000, Twitter: @Strathmore  
Email: info@strathmore.ac.ke, www.strathmore.edu



18<sup>th</sup> August 2021

To whom it may concern,

Dear Sir/ Madam

**RE: FACILITATION OF RESEARCH – IDA CHEPKEMBOI**

This is to introduce Ida Chepkemboi who is a Master of Commerce (MCOM) Student at Strathmore University Business School, admission number MCOM/124526. As part of our MCOM Program, Ida is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MCOM course. To this effect, Ida would like to request for appropriate data from your organization.

Ida is undertaking a research paper on “Effectiveness of Government Programs in Addressing Youth Unemployment Through Business Startups: Case Study of Nairobi County” The information obtained shall be treated confidentially and shall be used for academic purposes only.

Our MCOM 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.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

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

Njoki Kiagiri  
Associate Manager – Graduate Programs.  
Strathmore University Business School.

Association of African  
Business Schools



Strathmore Business School is an Accredited Member of



**AACSB**

## Appendix III. Ethical Review Clearance



11<sup>th</sup> April 2022

Mrs Toroitich, Ida  
ida.chepkemboi@strathmore.edu

Dear Mrs Toroitich,

**RE: Effectiveness Of Government Initiatives In Addressing Youth  
Unemployment Through Business Start-Ups: A Case Study Of Nairobi County**

This is to inform you that SU-IERC has reviewed and **approved** your above **SU Masters'** research proposal. Your application reference number is **SU-IERC1192/21**. The approval period is **11<sup>th</sup> April 2022 to 10<sup>th</sup> April 2023**.

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 obtain other clearances needed.

Yours sincerely,

for: Dr Ben Ngoye,  
Secretary; SU-IERC

**Cc: Prof Fred Were,  
Chairperson; SU-IERC**





## **Appendix V. Participant’s Information and Consent Form**

### **Analyzing the effectiveness of government initiatives on youth entrepreneurship performance: a case study of Nairobi County**

#### **SECTION 1: INFORMATION SHEET**

**Investigator:** IDA CHEPKEMBOI TOROITICH

**Affiliated Institution:** Strathmore University (SBS)

##### **1.0 Disclosure of information:**

You are not obligated to provide your identity or any personal information where you are not comfortable. However, you may answer the questions as diligently and accurately as required and then sign off at the end of the questionnaire.

#### **SECTION 2: INFORMATION SHEET– THE STUDY**

##### **2.1: Reason for carrying out the study?**

The study seeks to analyze the effectiveness of government initiatives on youth entrepreneurship performance: a case study of Nairobi County. The study aims to establish the effect of entrepreneurship education on youth entrepreneurship performance, to analyze the effect of government policies on youth entrepreneurship performance and lastly to establish the effect of access to finance on youth entrepreneurship performance. All this is geared towards addressing “where and what” the government is not doing right towards the perennial issue of youth entrepreneurship performance despite the laid down government efforts in addressing problems associated with the youth.

##### **2.2: Is it compulsory to take part?**

No, taking part in the study is completely voluntary and each person makes their own decision. Should you want to take part, you will be asked to complete a survey in order to gather information. If an individual is unable to adequately answer every question on their first try, they can be asked to come back and try again. The participant is free to withdraw from this study at any time without having to give any explanation.

### **2.3: Who is suitable to participate in this study?**

- Any person(trader) within the age bracket of (15-30) as adopted by the study

### **2.4: Who is not eligible to take part in this study?**

- Any other person not within the age bracket of (15-30) as adopted by the study

### **2.5: What is my involvement in participating in this study?**

You will be contacted by the researcher to enquire about taking part in the study. Once you are satisfied and understand the purpose of the study, the researcher will ask you to sign an informed consent form and you will then be given instructions on how to complete the questionnaire.

### **2.6: What probable dangers and risks will be encountered in participating in this study?**

None. There isn't a risk that we could foresee associated with taking part in the trial. The information you provide will be used exclusively for this research and treated with the highest confidentiality. Where necessary, in case of additional usage of this data, you will be notified with a request for your consent.

### **2.7: How beneficial is it to take part in this study?**

Data provided will be used to advance the understanding of youth entrepreneurship performance and by looking at what is or was not done correctly in previous government initiatives. This will be effected by ensuring that there is proper alignment and effect of the initiatives to promote youth entrepreneurship performance.

### **2.8: What happens if I decline to participate in this study?**

Being a voluntary participant in this study means that you won't suffer consequences for choosing not to participate. You must disavow your decision without providing any explanation if you choose to opt out after the first attempt. Although it would be quite noble for the participant to respectfully express his wish to deliver the relevant information, the researcher will be extremely humbled and appreciative of the feedback obtained. A participant should not feel scared for not participating in the study.

### **2.9: Who will have access to my data for the period of this study?**

The entire collection of study data must be kept in securely locked cabinets. Enough coding and password security will be applied to every data stored in the database. Information pertaining to the study will only be accessible to authorised persons. Lastly, your supplied data and information will be treated with the highest confidentiality.

**2.10: Who should be contacted in case of additional questions?**

Kindly contact me, Ida Chepkemboi at SBS, or by e-mail at [ida.chepkemboi@strathmore.edu](mailto:ida.chepkemboi@strathmore.edu) or by phone (0721621256). You can also contact my supervisor, Dr Mumbi Maria at the Strathmore Business School, Nairobi, by e-mail ([mwachira@strathmore.edu](mailto:mwachira@strathmore.edu)) or by phone (0792149980).

**In case of intend to ask any autonomous person questions regarding this study, Kindly contact:**

The Secretary–Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200, Nairobi, email [ethicsreview@strathmore.edu](mailto:ethicsreview@strathmore.edu) Tel number: +254 703 034 375

I, \_\_\_\_\_, certify that I now understand the study. Everything I’ve read has been fully understood and the questions I asked have received sufficient responses. I am aware that I can change my mind at any time.

**Kindly tick the boxes as appropriate;**

**Participation in the research study**

I ADMIT to participating in this study

I DON’T ADMIT participating in this study

**Participant’s Signature:** .....

**Date**     /     /

**Participant Name**

**Time HR.....MN.....**

I, **IDA CHEPKEMBOI TOROITICH** attest that I have followed the research's standard operating procedures (SOP) and that I have given the participants above clear information about the study, allowing them to understand its nature and purpose before agreeing to participate. She/he has been given the opportunity to follow up on questions that they believe have been sufficiently addressed.

**Investigator's Signature:** -----

**Date:**   2   /  05  / 2022

**Investigator's Name:** **IDA CHEPKEMBOI TOROITICH**



## Appendix VI. Research Questionnaire

My name is **IDA CHEPKEMBOI TOROITICH**. I am a Master's student at Strathmore University, Nairobi Kenya doing research titled "Analyzing the Effectiveness of Government Initiatives on Youth Entrepreneurship Performance: A Case Study of Nairobi County." This questionnaire has been designed to facilitate data collection. Kindly note that the data collected will be treated with utmost confidentiality and privacy and only used for purposes intended.

Please fill out the following survey, being sure to follow the directions for each set of questions. Please check the corresponding box ( ). The questionnaire is divided into two sections: Section I contains the demographic data of the respondents and Section II contains the actual research questions. The study's data collection will only be utilised for academic research and any information provided will be kept private. Please do not sign your name on this survey. Mark the relevant answers you have and provide any details if needed.

### SECTION A: DEMOGRAPHIC INFORMATION

#### 1. Gender

What is your Gender? (Tick the appropriate one)

Female  Male

#### 2. Age Bracket (Kindly indicate your age)

(18-21)  (22-25)  (26-30)

#### 3. What is your highest level of education? (Tick the appropriate one)

a) Secondary

b) College

c) University

#### 4. How long have you been in business?

1-3 years

4-6 years

7-10 years

Above 10 years

**SECTION B.**

**6. ENTREPRENEURSHIP EDUCATION PROGRAMS AND YOUTH ENTREPRENEURSHIP PERFORMANCE**

The following are statements that relate to the effect of entrepreneurship education programs on youth entrepreneurship performance in Nairobi County. Kindly indicate to which extent you agree or disagree with each statement.

<b>Entrepreneurship education programs</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
The presence of relevant entrepreneurship programs significantly impacts how youth entrepreneurs manage their business resources.					
Entrepreneurship education is instrumental in equipping young entrepreneurs with lifelong soft skills and market insights, enhancing their competitiveness and ability to differentiate their products effectively.					
Entrepreneurship education catalyzes nurturing creativity and fostering innovation among young entrepreneurs, enabling them to develop unique solutions and offerings.					
Entrepreneurship education plays a pivotal role in improving the cash management skills of youth entrepreneurs, ensuring effective financial management within their ventures.					

Entrepreneurship education encompasses the acquisition of relevant lifelong soft skills, which are indispensable for success in entrepreneurship and beyond.					
Entrepreneurship education empowers young entrepreneurs to make informed decisions					
Effective entrepreneurship education goes beyond theoretical knowledge, ensuring that youth gain practical social experience					

### SECTION C:

#### 7. EFFECT OF GOVERNMENT POLICIES ON AND YOUTH ENTREPRENEURSHIP PERFORMANCE

Kindly indicate the extent to which you agree to the following statements about the effect of government policies on youth entrepreneurship performance

<b>Government policies</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
The cost of registering a business in Kenya has an impact on youth entrepreneurship					
Licenses and compliance requirements by regulatory bodies impact youth entrepreneurship performance					
AGPO (Access to Government Procurement Opportunities) in which youths are assured of 40% of government tenders influences youth					

entrepreneurship performance					
Youth Enterprise Development Fund policies such as “Uwezo fund” loan access requirements influence youth entrepreneurship performance					
National Youth Policy 2007, Session no. 2 of 2007 - information on youth development programs such as “Ajira” programs impact youth entrepreneurship performance					
Medium and Small Enterprise Act 2012 - fair competition between established businesses and youth entrepreneurship impacts youth entrepreneurship performance					
National Government Affirmative Action Fund (Public Finance Management Act 2012) on youth access to subsidies for their businesses influences youth entrepreneurship performance					

**SECTION D:**

**8. EFFECT OF YOUTH ACCESS TO FINANCE ON THE PERFORMANCE OF YOUTH ENTREPRENEURSHIP**

Please rate the extent to which you agree to each of the following statements on the

<b>Access to finance</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
The high interest rate on loans scares away youth from accessing					

finance for their businesses					
The availability of youth funds geared towards youth enterprises impacts the performance of youth entrepreneurship					
Technology increases convenience as one can access loans from the comfort of their premises without visiting banks					
Collateral/security on loans as required by banks and government lending institutions hinder youth from accessing credit facilities					
Requirements for clearance certificates from CRB by financial institutions dictate youth access to finance					
Permits and business registration requirements by financial providers determine youth uptake of financial services					
The long processing and wait time of government credit facilities and loans informs youth uptake of government loans which impacts youth entrepreneurship performance					

**SECTION E.**

**9. YOUTH ENTREPRENEURSHIP PERFORMANCE**

The following statements relate to the characteristics of a performing youth-owned business start-up. Kindly indicate to which extent you agree or disagree with each statement

<b>Youth entrepreneurship performance</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
The capacity of youth-led businesses to offer unique goods and services is crucial for differentiation from competitors and positively impacts overall youth entrepreneurship performance.					
Maintaining self-sustaining finances and ensuring access to sufficient resources are essential factors contributing to the performance and longevity of youth-led businesses.					
Effective employment of skilled personnel significantly enhances operational efficiency and contributes to the overall performance of youth-led businesses.					
Generating adequate cash flow and profitability is fundamental for sustaining and expanding youth-led businesses					

<p>Youth-led businesses that successfully leverage market trends and consumer behaviour tend to experience increased sales and profitability</p>					
<p>Building strong networks and relationships enables youth-led businesses to access skilled personnel and resources</p>					
<p>The business has enough stock for business continuity</p>					

*Thank you for your feedback*



## Appendix VII: Research Calendar

Activity/Month	TIMETABLE											
	2022							2023				
	Jan	Feb	Mar	Apr	May	Jun	Jul	Oct	Mar	May	Jun	
Topic selection and approval	■											
Draft proposal with literature map		■	■									
Proposal writing incorporating supervisor comments			■	■	■	■						
Proposal Presentation							■					
Post defence corrections							■	■				
Pilot testing								■	■			
Data collection										■		



### Appendix VIII: Research Budget

Particular	Cost
Research Assistance labour (2)	K.sh 80,000.00
Stationaries and Printing	K.sh 13,000.00
Travels	K.sh 6,000.00
Permit	K.sh 1,000.00
Miscellaneous expenses	K.sh 3,000.00
Total	K.sh 103,000.00



## Appendix IX. Similarity Index

### Effect of Government Initiatives on Youth Entrepreneurship Performance in Nairobi County.docx

#### ORIGINALITY REPORT

<b>24%</b>	<b>23%</b>	<b>10%</b>	<b>3%</b>
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

#### PRIMARY SOURCES

<b>1</b>	<b>su-plus.strathmore.edu</b> Internet Source	<b>6%</b>
<b>2</b>	<b>erepository.uonbi.ac.ke</b> Internet Source	<b>1%</b>

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