

**STRATEGIC ENTREPRENEURIAL FINANCING *FOR GROWTH OF YOUTH  
ENTREPRENEURIAL ENTERPRISES IN KENYA***

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**Abstract**

This study examined factors that affect savings innovations for growth of Youth Entrepreneurial Enterprises in Kenya. Savings innovations are an apparent phenomenon in this study because a Savings mobilization is a proven alternative to small scale business growth financing. Many Youth Entrepreneurial enterprises in Kenya receive financial support for start-up, but have not cultivated own growth pattern due to unexplained reasons. The study was based on the assumption that savings innovations for growth of Youth entrepreneurial enterprises in Kenya are affected by internal and external factors, the appropriation of derived profits, and the demography of the youth entrepreneurs. The target population consisted of (2030) youth entrepreneurs in Homabay and Migori Counties in Kenya who had received business loan from the Government Youth Enterprise Fund. Through a multistage sampling process 300 small scale youth enterprises were predetermined. Interviews and on-site observations were used to collect primary data. Pearson coefficient of correlation, chi-square tests of independence and analysis of variance were used to analyze the data. Education level, professional background; age and marital status; number of dependants, location of the business (urban/rural), nature of the business; endowed management skills; preoccupation of close associates; business mindset were found to have statistical significant relationship with the savings mindset amongst the youth. Environmental factors including market competition; quality of employees, conditions of supplies; accessibility to business information; physical infrastructures bore significant weight on the Young business people's ability to save for the growth of their enterprises. The county government regulatory framework also significantly impeded savings ability for growth of those ventures. This study portends that business development services should be enhanced among young people in Kenya to inculcate the culture of innovation and self reliance through enterprise development.

**Keywords:** Entrepreneurship Financing, Savings Mobilization, Youth Entrepreneurial Ventures.

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

Young people have been initiating and starting their own businesses in unprecedented numbers in recent years. Some of them are turn down or hope-out- of large corporations to “go it alone”, for a number of career reasons: frustration at hitting the “glass ceiling”, dissatisfaction with slow career advancements and unmet career expectations; corporate downsizing or to fulfill personal dreams of entrepreneurship of being autonomous and achieving success in business (Buttner and Holly 1998). Youth entrepreneurs have been identified as a significant and growing part of Kenyan business community (Dondo, 1998). The report shows that youth dominate the Kenyan population working on their own or family business holdings, where they form about 58% (GOK, 1989 & GOK, 1999). The trend show that youth entrepreneurship have grown substantially, however this growth is not engineered by mobilized savings, but rather from credit financing (Dondo, 1998).

Youth-run enterprises would tend to create fewer jobs and experience higher failure rate or retardation than the mature age-ones due to management constraints. However, youth owned enterprises should be aimed to employ more youths, a trend positive to the Kenya’s demographic statistics that places the youth at higher comparative numbers at present. This implies that youth-owned enterprises posit greater opportunity to salvage the unemployment situation in Kenya towards poverty reduction, especially because youth numbers and preoccupations are currently major subjects for attention if faster economic development is to be realized. The support of the Government of Kenya for this sector is evident in development plans and sessional papers, particularly Sessional Paper No. 1 (GoK 1986), Sessional paper No. 2 (GoK 1992), Sessional paper no. 2 (GoK 1996a) and Sessional paper no. 2 (GoK 2005).

These documents acknowledge the increasing importance of the informal sector in economic development with respect to employment creation, particularly in the face of economic crisis and structural adjustment policies. They also show the government support to providing enabling policy environment by redressing licensing, tax, security of works and other regulatory restrictions on informal sector activities; stressed the role of private sector enterprises and initiatives, with the government playing mainly a facilitative role. The government also outlined the need for adequate access to credit, provision of management and technical training and other non-financial support programmes in business counseling, consulting, marketing and extension services. The cumulative effects of these strategies are to create an entrepreneurial culture in Kenya. Comparing small scale business sector in

Kenya with those in other African countries, it was established that Kenya has more signs of dynamism and maturity than in most other African countries (GEMINI 1993). Youth Enterprise Fund is one of the various government sponsored programs in Kenya intended to support small business start-up / growth, in an attempt to alleviate poverty in the country (GOK 2013).

## **1.2 Statement of the Problem.**

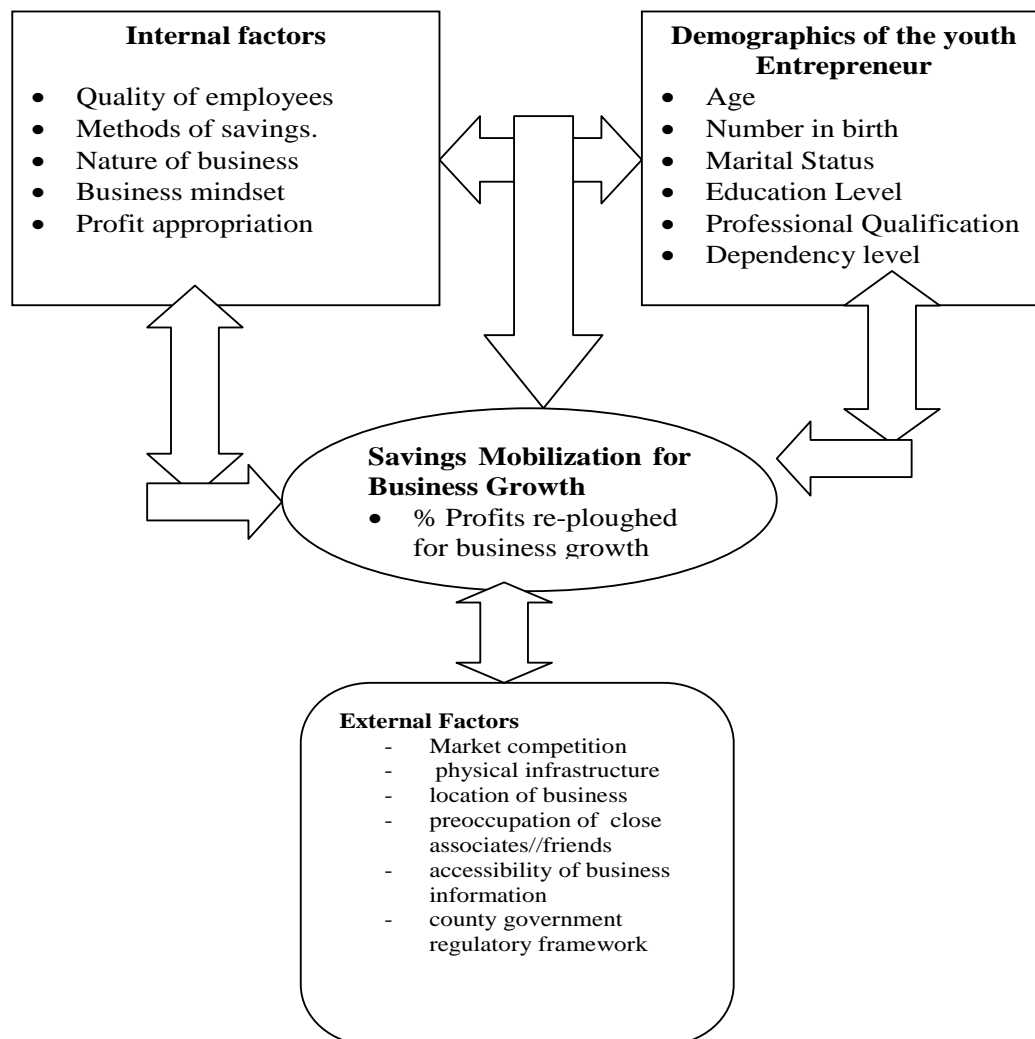
Sessional Paper No. 1 of 2005, on the Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction (GoK 2005), states that lack of access to credit is still a major constraint inhibiting the growth of small business sector. The issues and problems limiting the acquisition of financial services for this sector relate to lack of tangible security and limited access to formal finance. The structured mechanisms that facilitate the flow of financial resources from the formal financial sector through the Micro Finance Institutions (MFIs) increases the cost of credit both to the entrepreneur and the financial institution. Mead (1989) argues that, savings mobilization is the second best alternative to credit financing because it is from savings that most investments in entrepreneurial ventures spring up. This indicates that prudent savings mobilization would offer long-term benefits to the entrepreneur and enhance enterprise development, yet savings mobilization does not thrive optimally in substance for entrepreneurship development.

Michael Klain, 2007, portends that equity finance is more ideal for young, high growth and potentially high risk enterprises, typical of those owned by youth entrepreneurs. The gouging enquiry is therefore “what constraints the youth entrepreneurs from mobilizing savings to grow their venture?” Despite its importance, saving trends in Kenya have not been steady for the last three decades. Gross domestic savings (GDS) as a percentage of Gross Domestic Product (GDP) range between 3.6% and 24.9% with Growth Domestic Investment (GDI) being between 7.7% and 25.0%. in the last three decades, GDS has been below GDI. This suggests in part that resources accumulated locally are inadequate for the country’s investment needs. The external debt crisis of the 1990s coupled with the already widely acknowledged limitations of external donor financing (for example, tying of aids in various forms) emphasizes the need to increase domestic savings. Mayaka (2006) argues that the youth would make good entrepreneurs if they were keen to plough back profits to boost their business, but most of them do not reach their business potential for a variety of reasons. Many youth entrepreneurs, either individually or formed into business youth groups receive

financial and other assistance from various donors either as grants or loans to start or grow their enterprises, however, it has been observed that they continue to demand more assistance instead of mobilizing and re-investing the savings for their business growth and development ( McCormic & Pedersen, 2001). It was against this background that this study sought to investigate the factors hindering savings mobilization for growth of youth owned small scale ventures which had received assistance for start – up.

The specific objectives were: to establish the relationship between internal factors<sup>1</sup>, youth entrepreneur’s characteristics<sup>2</sup> and external factors<sup>3</sup>, and saving mobilization for growth of their enterprises.

**Figure 1: Conceptual Framework**



**1.4 Research Design and Methodology**

Descriptive analysis of correlation design was employed in this study. The descriptive design was found to be suitable because it seeks to produce accurate profile of personal factors, events and situations, which were outlined in the conceptual framework of the study. The phenomenon is applicable to constraints to savings mobilization because the factors describe the youth entrepreneurs’ competencies and their business profiles. Kilemi and Wamahiu (1995) postulate that descriptive survey produces data that is holistic, contextual, and rich in detail. However, in recognition of the fact that no single design exists in isolation, Saunders *et al.* (2003) postulate that combining different designs in one study enables triangulation and increases validity of the findings; for this reason, elements of exploratory design were applied. Correlational design was used to establish causal relationship associations among the study variables.

**1.5 Target Population and sampling**

The study population comprised 2,030 youth enterprises in Homabay and Migori Counties in Kenya who had obtained subsidized loans through the Youth Enterprise fund for start-up or growth of their business ideas; operating either commercial/trading business, service oriented business, light manufacturing or a combination of those categories.

**Table 1** Target population / sampling frame

Sampling Frames	Target Population	Total Sample size	Sample Size	
			Homabay	Migori
Commercial youth MSEs	990	117	74	43
Service MSEs	910	125	53	72
Light manufacturing MSEs	90	41	24	17
Combined commercial/ service	40	17	9	8
<b>Total</b>	<b>2,030</b>	<b>300</b>	<b>160</b>	<b>140</b>

**Source: Homabay and Migori County Government records (2015)**

Through multi-stage sampling, a sample of 300. The sample size determination was based on the formula in Saunders *et al.*, (2003), with 95 % of certainty level. Interviews using questionnaires for the youth entrepreneurs at their business premises, youth enterprise fund managers and the youth group leaders were done to collect the primary data. On-site observations, (a non-participant observations technique) involving systematic identification, watching and recording of the behavior and work habits of the youth entrepreneurs at their business premises; stock management, assets management, employee management and the

general establishment of the businesses. Some of the observed aspects of entrepreneurship included; time management, resource allocations, workers supervision, storage, business set up, facilities and displays, record keeping, treatment of customers, stock level management, and visits by county government agents.

### **Data Analysis:**

The coded data was subjected to descriptive statistical analysis, thus frequency distributions, measures of central tendency, test for normality; and Chi-square test ( $\chi^2$ ) of independence was utilized to check variable associations on categorical data. Inferential statistical analysis, using the ANOVA and Pearson coefficient of correlation analysis were performed to examine the relationships among the study variables.

### **Findings and Discussion**

The study yielded a response rate of 86.8%. This high response rate was attributed to the excellent introduction done by Youth Enterprise fund managers, the training and good service rendered by the research assistants and the use of structured questionnaire. It also reflected the high expectations, which the respondents harbored, that their challenges and problems could be solved through such entrepreneurship research.

#### **2.2 Profile of Youth Entrepreneurs**

Internal factors were hypothesized as among the factors that affect savings amongst youth owned or managed businesses. To analyze the internal factors, a profile of the youth who participated in the study was generated. Information about their social-demographic variables of age, ethnicity, religion, birth order, marital status, level of education, commitment to ethnic cultures, household membership dependency level, headship of the household, number of children and dependants in school and colleges, parents' business background, husband's business background (for those who were married), commitment of husbands and parents to religion and to ethnic cultures, and professional qualifications were produced.

*Table 1: Distribution of respondents based on bio-demographic Characteristics*

<b>Variable</b>	<b>Category</b>	<b>Frequency N=230</b>	<b>Valid Percent</b>
Age of respondent	Below 18 yrs	2	.9
	18 -28yrs	78	33.9
	<b>29 - 35yrs</b>	150	<b>65.2</b>
Number in birth	<b>1st born</b>	<b>94</b>	<b>41.2</b>
	2nd born	52	22.8
	3rd born	32	14.0
	Last born	34	14.9
	Others	16	7.0
Marital status	Single	56	24.3
	<b>Married</b>	<b>162</b>	<b>70.4</b>
	Divorced	8	3.5
	Widow	4	1.7

The results in table 1 are consistent with the findings of Hirsrich *et. al.*, (2002), which showed that enterprise career progression, ranges in ages 22 and 45 years, and that 30 years was the prime age to initiate enterprise start-up. The Pearson correlation coefficient between age and performance variables, had significant positive relationship, profit first quarter ( $r=0.016$ ,  $p<0.05$ ) profit second quarter ( $r=0.003$ ,  $p<0.05$ ), profit third quarter ( $r=0.038$ ,  $p<0.05$ ). This implies that as the age of the youth entrepreneur advanced, a resultant positive change in the performance and growth variables occurred. This could mean that with the advancement in age of entrepreneur, the capacity to improve the business performance increased.

**Number in Birth and Marital status**

As shown in Table 1, many of the respondents were either first born or second born. First born comprised 41% (n=94), second born 22% (n=52), third born 14% (n=32) last born 14.9% (n=34) and where number of births were more than four comprised 7% (n=16). With regard to marital status, Table 1 shows that the majority of the youth studied were married (n=162, 70.4%) followed by singles 24.3% (n=56).

**Level of Education and Professional Qualification**

The results indicated that majority of the respondents had attained secondary levels ( 55.4%), With regard to professional skills, 76.5% possessed no professional qualification. For

the youth entrepreneurs in the sample, who were married, the majority of their husbands had secondary level of education 63.1% and no higher professional skills 40.4%. This study compared very well with the national baseline survey (1999) which noted that participants in the formal sector with primary level of education were 54%, while those with secondary level were 33%. These results of this study however show that the youth entrepreneurs' without any formal education had reduced while those with secondary level had increased as compared with the national baseline survey (1999). The relationship between the youth entrepreneurs' education level and the strategic resource mobilization was analyzed by Pearson's correlation coefficient. The results show that there was no statistical significant relationship ( $p > 0.05$ ). This implies that education level may not have much impact on strategic resource mobilization for business growth.

#### **Household Size and Level of Dependants**

The respondents were asked to state the total number of their household members. Of the total respondents, 53% ( $n=116$ ) indicated 2-6 members, 28.4% ( $n=62$ ) indicated 7-10 members, 7.3% ( $n=12$ ) said their households comprised themselves and their husbands; another 5.2% ( $n=12$ ) provided that their household members were well above 10. The respondents were also requested to state the number of dependants they take care of and the results were: 56 % take care of 1-5 dependants, 20.0% take care of 6-10 dependants, 19.2 % take care of no dependant at all while 5.5 % had more than 10 dependants. A cross tabulation of highest level of education and number of own children revealed that all (100%) of respondents with no formal education had 6-10 children, 66.7% of those with primary level had 1-5, 87.7% of those with secondary had 1-5 while 60% of those with higher than secondary had 1-5 children. The relationship between the level of education and the number of own children was such that those with no formal education had significantly high number of children, ( $\chi^2 = 27.817$ ,  $df = 6$ ,  $p < 0.5$ ).

#### **Household Membership and Level of Dependency**

The results indicate that 53.2 % ( $n=116$ ) had between 3 and 6 members in their households, 28.4% ( $n=62$ ) had between 7-10 members, 12.8% ( $n=28$ ) comprised households with the youth only or the youth and a wife or a parent (2 persons family).

#### **Number of Dependants other than Own Children**

56.6% of the respondents indicated that they had between 1 and 5 dependants, 20.2% had 6-10 dependants, and 23.2% had no dependants to take care of.



**Table 3: Correlation between profits and future business plans**

Profits from business independent variable)	Future business plans (Dependent variable) <i>n</i> = 280								
	Seek more credit for expansion	Use savings for expansion	Add more employees	Split current business to other locations	Close the business	Get into partnership	Expand the market	Increase savings	
1 <sup>st</sup> quarter	<i>r.</i>	.011	-.011	.226(**)	.139	-.043	-.011	-.018	-.008
	<i>p</i>	.639	.667	.003	.105	.437	.596	.508	.340
2 <sup>nd</sup> quarter	<i>r.</i>	.127	-.015	.008(*)	.055	-.039	-.015	-.004	-.160
	<i>p</i>	.178	.548	.008	.056	.558	.759	.663	.345
3 <sup>rd</sup> quarter	<i>r.</i>	.133	-.024	.217(**)	.116	-.027	-.137	-.019	-.013
	<i>p</i>	.106	.463	.008	.241	.879	.034	.708	.578
4 <sup>th</sup> quarter	<i>r.</i>	.004	-.063	.233(**)	.016	-.106	-.086	-.106	-.010
	<i>p</i>	.868	.192	.004	.639	.103	.179	.059	.410

(\*) Significant at 0.05level

(\*\*) Significant at 0.01 level

**Correlation between Profit and Major Items of Expenditure**

Correlation analyses between profits from the business and major items of expenditure show both positive and negative associations. Very high significant positive correlation at 0.01levels was found between distribution of disposable income on school fees and profits for all the quarters of the year. Significant positive association at 0.05 level was revealed between expenditures on rent, salaries and wages and the whole year’s profits. There was insignificant relationship between loan repayments and the year’s profits. However interestingly, there was a significant negative correlation at 0.05 level between savings and the quarters’ profits, while only a negative picture of association was revealed between expenditure on personal effects and the profits.

**Table 4: Correlation between profits from the business and major items of expenditure**

Profits from business independent variable)		Distribution of disposable income on major items of expenditure (Dependent variable) <i>n</i> = 280				
		Rent, salaries and wages	Personal effects	School fees	Loan repayment	Savings
First quarter	<i>r.</i>	.126(*)	-.120	.200(**)	.042	-.146(*)
	<i>p</i>	.006	.486	.019	.306	.006
Second quarter	<i>r.</i>	.157(*)	-.036	.034(**)	.110	-.018(*)
	<i>p</i>	.007	.562	.015	.136	.005
Third quarter	<i>r.</i>	.153(*)	-.019	.015(**)	.119	-.010(*)
	<i>p</i>	.020	.416	.009	.101	.005
Fourth quarter	<i>r.</i>	.063(*)	-.049	.175(**)	.165	-.042(*)
	<i>p</i>	.005	.499	.014	.013	.011

(\*) Significant at 0.05 level

(\*\*) Significant at 0.01 level

### Chi-square Tests and Correlations between External Factors and Savings

Several external factors were tested against the savings, to determine interdependence and effect for growth prospects. The findings revealed as follows:

#### Accessibility to Credit and Savings Mobilization

To establish the relationship between savings mobilization and external factors, chi square tests and correlation analysis were conducted. The results revealed that 8.5 % of those who did not access credit easily saved nothing; 46.2% of this category saved between up to 25% of their income while 54.8% saved between 26 to 50%. Accessibility to credit has direct and proportionate negative impact on savings mobilization. There is a very significant association with a negative relationship between accessibility to credit and savings mobilization, with those who accessed credit easily saving less ( $\chi^2 = 2755$  and  $r = -0.248$ ). This implies that as accessibility to credit increased, the propensity to saving reduced, among youth entrepreneurs. Those who were able to access more credit easily saved very little.

#### Competition and Savings Mobilization

Findings indicated that 35.1% of those who experienced stiff competition saved nothing, 28.8% of this category saved between 1 to 25%, 16.1% saved between 26 to 50%, 15% saved between 51 to 75% while 5% saved between 75%. There is a significant negative relationship between market competition and savings mobilization, with those who

experienced less completion saving more ( $\chi^2 = 34.081$  and  $r = -0.142$ ), This implies that businesses that experienced more advanced completion for their products saved less.

**Inflation Rate and Savings Mobilization**

The findings revealed that 86.65% of the respondents, who indicated that they were affected by economic inflation rate, saved nothing from their income. Another 33.35% of this category saved between 1 to 25%, 23.35% saved between 26 to 50% while only 3.8% saved over 50%. There is a significant negative association between economic inflation rate and savings mobilization, with those who indicated they are affected more, saving less ( $\chi^2 = 26.68$  and  $r = -0.191$ ).

**Prevailing Political Situation and Savings Mobilization**

There was very high significant relationship between changes on prevailing political situations and savings mobilization at ( $\chi^2 = 16.454$  and  $r = 0.232$ ). This implies that changes in political situations affected the savings behaviour of the youth entrepreneurs.

**Table 5: Correlation analysis between external factors and savings mobilization.**

External factors		
Independent variables	Distribution of income to saving (Dependent variable)	
	$N = 280$	
Accessibility to credit	<b>r</b>	-.148(**)
	<b>P</b>	.001
Completion	<b>r</b>	-.123
	<b>P</b>	.041
Economic inflation rate	<b>r</b>	-.161(*)
	<b>P</b>	.021
Access to market for produce	<b>r</b>	.025
	<b>P</b>	.634
Political situation	<b>r</b>	.211(**)
	<b>P</b>	.003
Government / L.A agents	<b>r</b>	.163(*)
	<b>P</b>	.018

(\*) Significant at 0.05level

(\*\*) Significant at 0.001 level

The correlation analyses between external factors and savings mobilization are largely negative as presented in Table 5. Accessibility to credit though negatively related to savings is found to be very significant. Economic inflation rate and effect of government agents are also negatively related to savings but are significant while nature of completion is negatively related to savings and moderately significant. There is a very high correlation between the prevailing political situation and savings. There is however no significant relationship between access to market for produce and savings. This shows that the external factors largely portrayed negative implications to the progression of entrepreneurial activities in general and to savings for growth among youth entrepreneurs in particular.

#### **Books of Accounts and Profit Determination**

Of all those who responded, only 8.3% indicated that they always kept proper books of accounts, 20% said they apply this skill sometimes, 10.2% said they hardly kept books of accounts while 61.1% indicated they that they never kept proper records of accounts. Similarly, 76% of the respondents said that they did not calculate profits properly; 8.6% said that they sometimes derived their profits accurately while only 1.9% indicated that they used proper methods always.

#### **Interest Rates on Savings**

To determine the effect of interest rates on savings among youth entrepreneurs, the respondents were required to indicate the interest rate in their savings facilities and to state whether the rate affected their decisions on savings. The results provided that there was no significant relationship between interest rates and the decision to save ( $\chi^2 = 60.533$ ,  $df=22$   $P= 00$ ). The relationship between savings to earn interest and the profits for all four quarters of the year was found to be insignificant. (First quarter:  $\chi^2 = 29.592$ ,  $df=9$   $P= 001$ , second quarter:  $\chi^2 = 16.827$ ,  $df=9$   $P= 001$ , third quarter:  $\chi^2 = 32.406$ ,  $df=12$   $P= 001$  fourth quarter:  $\chi^2 = 28.197$ ,  $df =12$   $P= 005$ ).

**Table 6: Correlation analysis between external factors and savings mobilization.**

External factors		Distribution of income to saving (Dependent variable)	
Independent variables		<i>N</i> = 280	
Market competition	<b>r</b>	- .248(**)	
	<b>P</b>	.001	
Physical infrastructure	<b>r</b>	-.142	
	<b>P</b>	.055	
Location of business	<b>r</b>	-.191(*)	
	<b>P</b>	.011	
Occupation of friends	<b>r</b>	.035	
	<b>P</b>	.645	
Accessibility of bus info	<b>r</b>	.232(**)	
	<b>P</b>	.002	
County govt regulatory f/w	<b>r</b>	- .167(*)	
	<b>P</b>	.023	

(\*) Significant at 0.05level

(\*\*) Significant at 0.001 level

The correlation analyses between external factors and savings mobilization are largely negative as presented in Table 6. Market competition though negatively related to savings is found to be very significant at ( $r = -0.248$ ,  $p = 0.001$ ). Location of business and effect of County government regulatory frame work are also negatively related to savings but are significant at ( $r = -0.191$ ,  $p = 0.011$  and  $-0.167$ ,  $p = 0.023$  respectively.) while Physical infrastructure is negatively related to savings and moderately significant at ( $r = -0.142$ ,  $p = 0.055$ ). There is a very high correlation between the prevailing Accessibility of business information and savings ( $r = 0.232$ ,  $p = 0.002$ ). There is however no significant relationship between occupation of friends and strategic business savings for entrepreneurial finance. This shows that the external factors largely portrayed negative implications to the progression of entrepreneurial activities in general and to savings for growth among youth entrepreneurs in particular.

### 3.0 Conclusions

This study dealt with socio-demographic factors, economic, household and personal characteristics, and the relationship between these internal factors with the savings mobilization among the youth entrepreneurs. The study showed varied findings, on the variable relationships. Ethnicity, level of education and professional qualifications (by self or husband); marital status, age and birth order were consistent with the existing literature. However, commitments to religion and to culture (by self or husband or parents), level of dependants, childhood orientation and family business background had been scantily covered in the literature hence this study provided exploratory findings.

Youth entrepreneurs were found to suffer three most common but irresistible situations:

- they take care of large/ extended household/ dependants
- they are affected by age related factors
- they face external factors that hinder implementation innovations

In addition, those young ladies who were married have to submit to their husbands command in cultural and religious beliefs. Further, the findings of this study show that a number of social-cultural factors influence youth entrepreneurship as a whole and business dynamics resulting in their growth or decline thus the birth, expansion, contraction, and death of the business are grossly affected by internal factors of firm revolving around the youth entrepreneurs competencies. The main factors that contributed to the youth - owned enterprises start-up were found to be; first lack of employment, lack of capital and lack of support and information. Other motivating factors for youth owned enterprises start-up, *revealed during focus group discussions and interview*, were: trying out a skill first, the best alternative to earning a living, need to control own life and personal fulfillment in that order. Most of the youth respondents were self motivated at start-up stages of their enterprise but were overwhelmed to grow or graduate their businesses owing to the large domestic chores and responsibilities arising from both economical and socio-cultural burdens and challenges. Most of the youth entrepreneurs never received any training, relied on their savings for additional sources of capital, and experienced low levels of satisfaction. Frustration and need to control own life was also indicated as reasons for mobilizing savings. The study recommends for:

- (i) Strategies to enhance savings mobilization be put in place and county government must recognize the uniqueness of the youth competencies so as to offer relevant encouragement and support.

- (ii) Micro financing arrangements in the informal credit market such as Cooperative Societies, the Rotating Savings and Credit Associations (ROSCAS) be encouraged for the youth entrepreneurs. These would continue to serve as a vehicle for pooling small savings.
- (iii) To address the dependency levels among the youth entrepreneurs, County government in particular should move in with goodwill to assist in this issue.
- (iv) awareness programmes be enhanced to expose the youth entrepreneurs to conducive financial environment that engenders greater competition so as facilitate innovative savings products uptake among the youth for business development
- (v) Voluntary savings, involuntary savings and policy induced savings should be encouraged to generate increased output to deal with the situation of less than full employment which currently exists among youth entrepreneurs. With the same breath, the importance of savings in Kenya as a developing economy should be addressed through attempts to bridging the resource gap to enhance savings culture amongst the youth entrepreneurs.
- (vi) Savings can be harnessed from the youth through innovative products that meet their needs. At the same time, there should be extensive network of bank branches in the country, without a biased concentration in the urban centers, since proximity to banking facility was raised as an important factor for saving. This can be achieved through enhanced financial intermediation.

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