

Patterns Of Utilization Of Uwezo Fund In Rongo Sub-County, Migori County, Kenya

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Abstract: Uwezo Fund has been provided to youths in Kenya to enhance self-employment among them. However, utilization of such fund remains a challenge. This study sought to assess the patterns of utilization of Uwezo Fund among youths in Rongo Sub-County, Migori County, Kenya. Specific objective of the study was to establish socio-demographic factors that influence the usage of the fund. The study adopted a cross-sectional descriptive survey design. It targeted youths who were recipients of Uwezo Fund in Rongo Sub-County. The target population was 1,296 youths from 108 youth groups and two government officials who were charged with a duty of implementing the fund. Cluster, Proportionate and Simple random sampling were adopted in which 125 youths were select for the study. Questionnaires, key informant interview and focus group discussion were used to collect data. The data was subjected to descriptive statistical analysis where frequency distribution and percentages were used to summarize data. Inferential statistics was used with Chi-square and Cramer's V Test employed to calculate and test association between study variables. Results were presented in tables, bar charts and pie charts. The study found that socio-demographic factors like age and marital status influence planned use of the fund. The study found no significant association between use of Uwezo Fund and gender and religion. The study recommends that Ministry of Public Service, Youth and Gender Affairs to consider socio-demographic factors of youths in distributing the fund.

Keywords: Patterns, Utilization, Uwezo Fund and Youth

I. INTRODUCTION

Youth funds have been initiated by most governments in the world as a way of creating self-employment to the youths. ILO (2012) defined national youth funds as financial resources contributed by governments through annual budgets and Non-Governmental Organizations (NGOs) for supporting growth of Micro, Small and Medium Enterprises (MSMEs). They are normally in form of loans or grants depending on the objectives for which they were set up in different countries. Some of these funds include: Malaysian Young Entrepreneur Fund, Kurera Ukondla Youth Fund in Zimbabwe, Youth Development Fund in Zambia, Tunisian Youth Fund, Namibia Youth Credit Scheme and Umsobomvu Youth Fund in South Africa just to mention a few. Studies have confirmed that availing affordable funds to the poor youths can help them move out of poverty (Ashraf *et al.*, 2010; Brune *et al.*, 2013;

Ellis *et al.*, 2010; UNDP, 2013; Cull *et al.*, 2014; Maigua and Mouni, 2016; Park and Mercado, 2015; World Bank, 2014).

Kenya has also come up with strategies to support youth development. According to Omolo (2011), Kenya has consistently come up with interventions to ensure productive and sustainable engagement of the youth. Some of these interventions include: Youth Enterprise Development Fund (YEDF) which was initiated in the year 2006; Kazi Kwa Vijana (KKV) program that was initiated in 2011 by the then office of prime minister. KKV was meant to employ between 200,000 and 300,000 youths in Kenya both in rural and urban areas through different projects by different ministries and Uwezo Fund which was initiated in the year 2013.

Despite the introduction of the youth funds by many countries all over the world, proper utilization is a major challenge. World Bank (2014) reported that utilization of youth funds by the youths all over the world is influenced by

demographic characteristics like age, gender, marital status and place of residence. Similarly, studies have found that usage of financial services for economic benefits differed across different demographics (Paaskesen and Angelow, 2015 & Zakaria and Sabri, 2013). In East Africa, youth fund utilization is in small scale (Rajendar, 2012). They engage in the funds just as a stop gap measure as they wait for formal employment. This adversely influence the way these funds are used. Study by Fatoki and Garwe (2010) in South Africa revealed that patterns of utilization of fund by youths is influenced by problem of access and availability of finances to youths. Zim Trade (2011) in his study in Zimbabwe noted lack of collateral, skills and difficulties in business registration as outstanding factors of youth fund utilization among the youths.

A study done by Wanjohi (2011) revealed that utilization of youth funds by the youths is influenced by lack of transparency. He further noted that management of youth funds lack appropriate policies, legal regulation and legal supervisory framework and this has led to rampant misuse of funds by youths and fund managers. Furthermore, Pandya (2012) observed that youths involve in informal small businesses and unplanned activities that heavily rely on the intuition and energy of owner/ manager to make things happen. This pose a challenge to the youth funds as such unplanned activities cannot be accounted for in the long run. Another challenge facing utilization of youth funds is lack of necessary knowledge and skills of managing such funds by the youths (Mugira, 2012). This has equally contributed greatly to fund wastages. He also considered group characteristics as a factors influencing performance of youth funds.

This study therefore sought to assess the patterns of utilization of Uwezo in Rongo sub-county. The specific objective of the study was to establish the socio-demographic factors that influence the usage of Uwezo Fund in the study area.

II. METHODOLOGY

The study adopted a cross-sectional descriptive survey research design. The study was conducted in Rongo Sub-County which is one of the 8 sub-counties in Migori County, Kenya. Rongo Sub-County covers an area of 208.40 Sq Km and has an estimated population of 100,547 people. The target population of the study comprised of 1,296 youths who were recipients of Uwezo Fund. The study included youths who were in youth groups and had stayed in such groups for at least 6 months. This was based on the assumption that youths who have been in groups for at least 6 months have experience on how to apply for youth funds.

A sample of 125 youths was arrived at by the use of Krejcie and Morgan (1970) formula. Two Rongo sub-county youth officers were also included in the study. Sampling process involved clustering of the study area into four wards in Rongo sub-county. Proportionate sampling was then employed to select 32 youth groups and to distribute the sample of 125 youths in the groups. Lastly, simple random sampling was employed to select youths from the youth groups.

Questionnaires were used to collect information from the 125 youths who were the main respondents. Key informant interviews were used to collect data from the two key respondents. In addition to the two data collection methods, four focus group discussions were administered to the main respondents, one focus group discussion in each sub-county ward.

Descriptive statistics such as frequencies and percentages were used to analyze quantitative data. Qualitative data from KII and FGD were analyzed by the use of thematic analysis.

III. RESULTS AND DISCUSSIONS

A. PLANNED UTILIZATION OF UWEZO FUND

The study sought to find out whether the youths use the fund on planned activities. Results from the respondents are shown in figure 4.1.

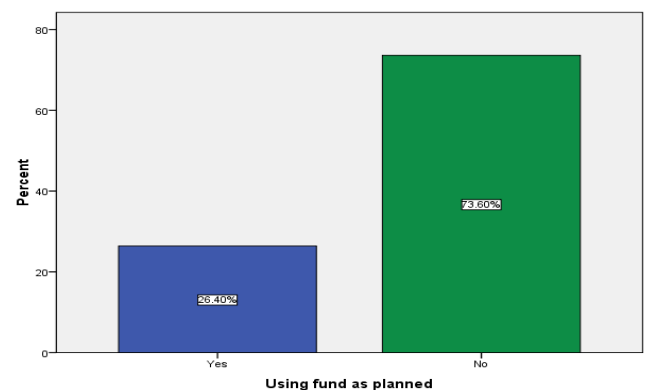


Figure 4.1: Using Uwezo fund on planned activities

The study revealed that majority of the respondents, 73.60% use the fund on unplanned activities. Only 26.40% of the respondents used the fund on planned activities. The high number of the youth who use money on unplanned activities may be attributed to the escalating high cost of living in Kenya. It may also reveal lack of proper planning for funds meant for youth development.

The findings are confirmed by KII where key informants outlined that most youth distribute Uwezo Fund among themselves and use them contrary to the plan. They then disappear which makes it hard to reclaim back the Fund. This result is consistent with the findings of Gachuru, & Mwirigi, (2014) which noted that most of the youth going for the youth fund loans are going for it not because they are ready and interested in starting a business but because it is available. Most of such youth end up misusing the loan and spending the rest of their time hiding from youth fund officers to escape repayment.

SOCIO-DEMOGRAPHIC CHARACTERISTICS OF THE YOUTHS

Number of respondents N=125			
		Freque ncies	Percenta ge
Gender	Male	77	61.60
			Cumula tive
			61.60

of the respondents	Female	48	38.40	100.00
	Total	125	100.00	
Age of the respondents	18-23	14	11.20	11.20
	24-29	79	63.20	74.40
	30-35	32	25.60	100.00
	Total	125	100.00	
Marital status	Single	29	23.20	23.20
	Married	92	73.60	96.80
	Widow	4	3.20	100.00
	Total	125	100.00	
Religious affiliations of respondents	Christian catholic	57	45.60	45.60
	Christian protestants	66	52.80	98.40
	Others	2	1.60	100.00
	Total	125	100.00	

Table 4.1: Distribution of Socio-demographic characteristics of respondents

A. GENDER OF THE RESPONDENTS

Results in table 4.1 shows that slightly less than two thirds (61.60%) of the respondents were males. On the other hand, slightly more than a third (38.40%) of the respondents were females. This clearly shows that more males than females prefer to join youth groups in the study area. This may be attributed to the fact that most groups are formed for economic reasons and African society which is patriarchal and male dominated prescribes that men are supposed to be economically independent. Consequently, in African societies, men are the owners of assets hence have an upper hand in acquisition of such funds. This also reveals that men are more informed about youth funds than their female counterparts. They interact more often and share such information.

KIIs reveals that more male youth than their female counterparts apply for Uwezo Fund. One of the key informants mentioned that men are more informed about this fund than women. Men have a strong group network which are informed about such funds. Women equally have other sources of funds like Kenya Women Fund Trust and marry-go-rounds which provide them with alternative sources of funds.

This finding is in line with the findings of Ahaibwe and Kasirye (2015) who noted that more males than females have information on how to access the youth fund. They also noted that women are normally excluded from the credit market as male owned enterprises are more likely to access the fund. The study equally concurred with Chigunta (2002) findings which stated that the level of youth entrepreneurship and self-employment tends to significantly vary according to the gender of youths with more young men likely to be self-employed than young women. The study also supported by the findings of Ellis *et al.*, (2010) which revealed that women are excluded from financial services than men. The study is also similar to that of World Bank (2014) which noted that women lag behind men on the rate of borrowing from formal institution.

B. AGE OF THE RESPONDENTS

On the age of the respondents, Table 4.1 indicates that slightly less than two thirds (63.20%) of the respondents were between the ages of 24-29 years. 25.60% were between the ages of 30-35 years while only 11.50% fall between the ages of 21-25 years. This clearly reveals that most of the youths who apply for the Uwezo Fund fall between the ages of 24-29 years.

The finding may be attributed to the fact that at age 24-29 most youths have finished or opted out of school and are busy looking for economic stability. Others have also married at this point and have added responsibilities to take care of their families. The same sentiments were shared by KIIs and FGDs where it was revealed that at the age of 24 years and above, youth have either opted out of their father's house or married and have the responsibility to take care of themselves and their families hence need for the funds.

This finding was in line with Sivi-Njonjo (2010) contention that Kenya's youths under category of 26-30 years are unemployed and are busy looking for ways of putting food on the table. The findings equally concurred with Ahaibwe and Kasirye (2015) that there is a positive and significant relationship between youth fund participation and age cohort of the youth entrepreneur. They found that the older youth aged 27- 35 years are more likely to participate in the youth fund. The findings are also similar to that of Gulru (2010) who posited that youths at the ages of between 25 to 34 years are more likely to start their businesses.

This study also agreed with Chigunta (2002) categorization of youth as emergent entrepreneurs who are aged between 26 and above and have a higher level of maturity and a drive to run successful enterprises with high chances of seeking more funds for business expansion. The study equally revealed that youth who were in the age range of 18-20 years were not involved in the study. This suggests that this category is either in school or at comfort of their parents. This agrees with Chigunta (2002) contention that youth in this age have a very low level of desire to participate in the small enterprise sector because they are in transition of the home or education to the workplace. This is equally supported that the findings of Kaane (2014) who noted that, majority of youths below 25 years are still in school and depend on their parents.

C. MARITAL STATUS OF RESPONDENTS

On the marital status of the respondents, table 4.9 shows that slightly less than a three quarters of the respondents (73.60%) were married. On the other hand, slightly less than a quarter (23.20%) were single while only 3.20% were widowed. This result clearly shows that most of the respondents in the study area were married.

The high number of married youth applying for Uwezo fund maybe as a result of the responsibilities that comes with having a family coupled with lack of white collar jobs which push these youths to look for alternative sources of income. Uwezo Fund is one of such sources. The study revealed that only 3.20% of the youth are widowed. This may suggest that death rate at youth hood is low and that most youth marry their counterparts. Those who were unmarried were equally a

few (23.20%). This may be attributed to fewer responsibilities of such category.

KIIs reveal the same where one of the key informant noted that most of the youth who apply for the fund are married and claims that they have come for such funds because of the added responsibility of taking care of their families.

The findings of the study agreed with those of Mwangi & Sichei (2011) and Mwangi & Kihui (2012) that married persons have higher chances of being included in financial utilization as they are considered responsible compared to single persons. This finding is also in line with NISR *et al.*, (2012) which denoted that the median age at first marriage is 21.4 for women and 24.9 for men.

D. RELIGION OF THE RESPONDENTS

Table 4.1 also shows that the study area is predominantly Christian (98.40%). Slightly more than half (52.80%) were Christian Protestants. On the other hand, slightly less than half (45.60%) were Christian Catholics. Respondents who were in other categories constituted 1.60%. From the findings, it can be deduced that Christian youths are attracted to the government funds than other religion. They also don't mind acquiring loans for businesses. This study therefore agreed with the findings of Khanifar *et al.* (2010) that religion is one of the cultural aspects that sediments individual's beliefs for enterprise. They further noted that religion has a way of shaping values and beliefs of individuals in a manner that influences entrepreneurial behaviors. However, the finding is contrary to that of Henry, (2010) and Carswell & Rolland (2014) which portend that religious values do not have influence on entrepreneurial endeavors.

SOCIO-DEMOGRAPHIC FACTORS AND PLANNED UTILIZATION OF UWEZO FUND

Utilization of Uwezo Fund				
		According to plan	Not according to plan	Total
Gender	Male	17	59	76
	Female	16	33	49
	Total	33	92	125(100.0%)
$\chi^2=1.622df=1$ P=0.05 Not Significant				
Age	18-23	3	10	13
	24-29	15	65	80
	30-35	15	17	32
	Total	33	92	125
$\chi^2= 9.388df=2$ P=0.05 Significant Cramer's V Test=0.274				
Marital status	Single	4	25	29
	Married	26	66	92
	Widow	3	1	4
	Total	33	92	125
$\chi^2= 7.398df=2$ P=0.05 Significant Cramer's V Test=0.243				
Religion	Christian catholic	15	42	57
	Christian	17	49	66

protestants	1	1	2
Others			
Total	33	92	125
$\chi^2= 0.588$ Df=2 P=0.05 Not Significant			

Table 4.2: Association between socio-demographic factors and Uwezo Fund Utilization

Table 4.2 shows an association between socio-demographic factors and utilization of Uwezo Fund. Chi-square test was used to determine the influence of demographic factors on utilization of Uwezo Fund. On gender, a chi square value of 1.622 was obtained at a one degree of freedom with a P value>0.05. This indicate that there is no significance association between gender and utilization of Uwezo Fund. Chi-square test equally revealed that there is no significant relationship between religion and Uwezo Fund Utilization with chi square value of 0.588 at two degrees of freedom with a P value>0.05.

On the other hand, table 4.2 indicates that there is significant relationship between age and utilization of Uwezo Fund with a chi-square value of 9.388 at three degrees of freedom with a P value<0.05. When the result was subjected to Cramer's V Test, a value of 0.274 was obtained indicating a weak association.

Regarding marital status, a chi-square value of 7.398 at two degree of freedom with a P value<0.05 was yielded revealing a significant association between marital status and Uwezo Fund utilization. However, Cramer's V of 0.243 suggests that though there exist a significant relationship, the association is very weak.

Findings in table 4.2 reveals that older youths, 24 years and above use the Fund as planned more than the younger ones. An explanation for this may be that older youths have more experience on the utilization of the funds than the younger ones. Another possible explanation may be that the older youths have lost hope in getting other forms of employment hence prudent use of the fund the only option they have at their disposal. This finding is in line with Chigunta (2002) and Kaane (2014) observations that youths above 26 years have accumulated vital experience for entrepreneurship. It is equally supported by Ahaibwe, G and Kasirye, I. (2015) findings that youths above 27 years are more mature and likely to run more viable business compared to their younger counterparts.

Result in table 4.2 reveals that more married and widowed youths use Uwezo Fund as planned than their single counterparts. Married youths using fund as planned may be attributed to the fact that, such youths have families to take care of hence they need contact source of income. They engage in sustainable projects that will be able to provide for their families. Likewise, female youths who are widowed equally need constant income to cater for their children. They therefore use the funds prudently.

On the other hand, unmarried youths have no much responsibility. They live on hand and mouth. They only have themselves to feed and sometimes they depend on their parents for basic needs. This finding agrees with Mwangi and Sichei (2011) findings that married persons are considered more responsible compared to single persons. It is equally in agreement with Mwangi and Kihui (2012) contention that

financial providers believe that married persons have higher level of responsibility and are therefore more trusted.

IV. CONCLUSION AND RECOMMENDATION

The study concludes that concludes that socio-demographic factors like age and gender influence planned utilization of Uwezo fund. Significant association was found between age and marital status, and planned utilization of Uwezo Fund. However, there was no significant association between gender and religion and planned utilization of Uwezo Fund. The study recommends that Ministry of Public Service, Youth and Gender affairs should intensify the vetting process of the youth groups by considering socio-demographic factors of the youths in distribution of youth funds.

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