

**AN ASSESSMENT OF THE ENTREPRENEURSHIP
POLICY FOUNDATIONS OF THE YOUTH, WOMEN, AND
UWEZO FUNDS IN KENYA**

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**An Assessment of the Entrepreneurship Policy Foundations of the
Youth, Women, and Uwezo Funds in Kenya**

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

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This thesis has been submitted for the examination with our approval as the University Supervisors.

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DEDICATION

This work is dedicated to the love of my life, my husband Dickson and my lovely daughters Shekinah and Emunah. Your love and encouragement has inspired me. I value you very much.

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ACRONYMS/ABBREVIATIONS

APEC	Asia-Pacific Economic Cooperation
ASK	Agricultural Society of Kenya
BPCs	Business Plan Competitions
CDF	Constituency Development Fund
CEO	Chief Executive Officer
DANIDA	Denmark's Development Corporation
DFI	Development Finance Institutions
EDS	Entrepreneurship Development Systems
EE	Entrepreneurship Education
EET	Entrepreneurship Education and Training
EPC	Export Promotion Council
EPZ	Export Processing Zones
ERS	Economic Recovery Strategy
EU	European Union
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GEP	Global Entrepreneurship Program
GES	Global Entrepreneurship Summit

GOK	Government of Kenya
ICBE	Investment Climate and Business Environment
IDRC	International Development Research Centre
ILO	International Labour Organization
JA	Junior Achievement
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KEBS	Kenya Bureau of Standards
KIBT	Kenya Institute of Business Training
KICD	Kenya Institute of Curriculum Development
KIE	Kenya Industrial Estates
KIM	Kenya Institute of Management
KIRDI	Kenya Industrial Research and Development Institute
KRA	Kenya Revenue Authority
MFIs	Micro Finance Institutions
MSEA	Micro and Small Enterprise Authority
MSME	Micro and Small and Medium Enterprises
‘MOS’	Motivation, Opportunity and Skills
NACOSTI	National Council of Science Technology and Innovation
NUTEK	Swedish Development Agency

OECD	Organization for Economic Co-operation and Development
PAs	Public Authorities
R&D	Research and Development
SACCOs	Savings and Credit Cooperative Organization
SME	Small and Micro Enterprises
TIVET	Technical Industrial Vocational and Entrepreneurship Training
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WEF	Women Enterprise Fund
YAGPO	Youth Access to Government Procurement Opportunities
YEDF	Youth Enterprise Development Fund

DEFINITION OF TERMS

Assessment: The act of judging or deciding the amount, value, quality, or importance of something (Cambridge Advanced Learner's Dictionary, 2016)

Entrepreneurs: An individual who seeks to transform or revolutionize the pattern of production by exploiting an invention or' more generally, an untried technological possibility for producing an old one in a new way, by opening up a new source of supply materials or a new outlet for products (Bwisa, 2011).

Entrepreneurship: "The capacity and willingness to undertake conception, organization, and management of a productive venture with all attendant risks, while seeking profit as a reward (Bwisa, 2011).

Entrepreneurship Policy: Policy measures taken to stimulate entrepreneurship, which are aimed at the pre-start, the start-up and post-start-up phases of the entrepreneurial process, and are designed and delivered to address the areas of motivation, opportunity and skills with the primary objective of encouraging more people to start their own businesses (Storey, 2008)

Entrepreneurship policy foundations: These are conditions necessary for entrepreneurship to flourish that is the opportunity and support to pursue a business idea (opportunity), a propensity to enterprise (motivation), and the ability to enterprise (skills) (Lundstrom & Stevenson, 2005)

Entrepreneurship policy typology: A system of classification for policies in entrepreneurship (Storey 2008)

- Motivation:** A propensity to enterprise, involving such characteristics as an urge for excellence, a willingness to bear risk, and a desire to be independent (GEP, 2011)
- Opportunity:** This is access to the startup supports needed, such as information and ideas, counselling and advisory services, business contacts, capital and encouragement, in an enabling regulatory and policy environment (GEP, 2011)
- Skills:** The ability to enterprise which includes the technical and business capabilities required to start and manage a business must exist (GEP, 2011)

ABSTRACT

Entrepreneurship has been recognized as a prime catalyst for job creation, and there is evidence of a strong upward trend line between entrepreneurship and employment growth. In Kenya, this led to the establishment of funds aimed at financing small enterprises with a major aim of creating employment. Among these funds are YEDF, WEF, and Uwezo Fund. However research shows that these funds have not lived to fulfill the purpose for which they were created as the unemployment rates still remain high especially among the youth. The question that begs for an answer is whether these funds are founded on an entrepreneurship policy. The major objective of this study was to assess the entrepreneurial foundations of the Youth Enterprise Development Fund, Women Enterprise Fund, and Uwezo fund. The specific objectives were to assess whether the process of formulation of the funds was entrepreneurial; to assess the motivation component of entrepreneurship policy in the funds; to assess the opportunity component of entrepreneurship policy in the funds; to assess the skills component of entrepreneurship policy in the funds and; to verify the entrepreneurial policy typology that guided the establishment of the funds. The research took a qualitative approach and adopted an exploratory multiple case studies research design. The target population for this study included the chief executives and senior managers in YEDF, WEF, and Uwezo Fund (24 in total). The researcher also visited the Ministry of Industry, Trade and Cooperatives, the Micro and Small Enterprises Authority, as well as the Kenya Institute of Curriculum Development. Primary data was collected using personal interview. Data were also collected through content-analysis which consisted of analyzing the contents of documentary materials such as Sessional Papers, publications from the government, websites, books, magazines and newspapers. Data analysis involved the researcher developing eight items for each of the entrepreneurship policy foundations where scores were awarded to each fund to identify the comprehensiveness of entrepreneurship policy in the funds. Frequency counts, mean scores, and percentages for each fund were obtained on these items and this formed the basis for drawing conclusions. The findings revealed that the recommended process of formulation of entrepreneurship policies was not followed. On the motivation component, the average score was 1.334 points out of eight which translates to 16.675%. On the opportunity component, the average score for the three funds was 4.67 points out of eight which translates to 58.375%. On the skills component, the average score for the three funds was 1.167 which translates to 14.59% on the skills component. The overall average scores for the three funds 7.171 points out of 24 on the entrepreneurship policy foundations. This translates to 29.88% which is below average. By taking a critical look at policy objectives, policy areas, and policy measures, this study concluded that the dominant policy typology that guided the establishment of the funds is the E-extension policy. The study concluded that the three funds are not founded on an entrepreneurship policy and this explains why various studies have concluded that the funds have not had effect on the enterprises and consequently the unemployment rates. The study recommended that there is need to go back to the drawing board in as far as policies to spur entrepreneurship are concerned as there must be a mechanism in place that leads to a high rate of inflow of new entrepreneurs who in turn create new enterprises.

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter has seven sections. These are: background of the study, problem statement, research objectives, research questions, justification of the study, the scope of the study, and limitations of the study. These are discussed in the following sections.

1.1 Background of the Study

The background of this study has three sections and these are: exploring entrepreneurship policy frameworks; the resurgence of entrepreneurship policies in Kenya; and a background on the target population that is the YEDF, WEF and Uwezo Fund.

1.1.1 Exploring Entrepreneurship Policy Frameworks

Entrepreneurs shape economic destiny of nations by creating wealth and employment, offering products and services, and generating taxes for governments. That is why entrepreneurship has closely been linked to economic growth in the literature on the subject. Van and Versloot (2007) based on a literature review of 57 studies on the relationship between small enterprises and economic growth, concluded that entrepreneurs play a very important role in the economy. According to the authors, these smaller enterprises generate employment opportunities, economic growth and produce commercial innovations of high quality. Interest in entrepreneurship policy has been escalating over the last two decades. One of the compelling driving forces behind this interest is the growing body of research on the relationship between entrepreneurship and economic growth, the essential contribution of new firms to employment growth and economic renewal and influences on the differing rates of business ownership and entrepreneurial activity across nations (Bwisa, 2011; Lundstrom & Stevenson, 2005).

These bodies of work point to, and reinforce, the critical contribution of new firms to job creation, innovation, productivity and economic growth in an economy.

This revelation on the role entrepreneurship plays in economic development has become the major reason why governments intervene through policy formulation in the area of entrepreneurship. This is so despite the strong arguments against government intervention by the economists who submit that intervention is only necessary when the market forces have failed. In fact, Storey (2008) writing on entrepreneurship and SME policy argues that the identification of a market failure is a necessary but not a sufficient condition for government intervention. Intervention is justified only when the effect of that intervention leads to a net welfare improvement. In simple terms government intervention is more likely to be justifiable when it is cost effectively delivered. Further, Irwin (2010) observes an important lesson for policy makers from the economists. The lesson is that government is not to interfere in the market or to prop up failing companies, or to attempt to pick winners, but rather to remove the burdens and barriers which prevent entrepreneurs from starting businesses and turning small companies into large ones.

Although Irwin (2010) submitted this lesson, it is obvious that he is not in agreement with it. He observes that people who have spotted an opportunity and who have the determination and the ability can start businesses which will be successful. As such, governments may not be able to help with opportunities or determination but they can help to create a supportive environment and they can also help people to develop the competence. That perhaps begs the questions of what they need to do to create the environment and to develop entrepreneurs. Irwin goes further to suggest that governments can make a difference at three levels. The first level applies to all their policy making. The second level recognizes that governments create the environment in which businesses work, either tacitly or explicitly; governments which are concerned about strengthening their small business sector will take care not to do things that inadvertently make life more difficult for businesses. The third level requires proactivity specifically to encourage and support new and growing businesses.

More scholars have come in the support for government intervention in as far as entrepreneurship is concerned. Obaji and Olugu (2014) submit that in the case of government support policies, it is assumed that since government is in the lead for entrepreneurial development, it should provide the much needed resources within its capability. Such resources include provision of environment conducive to business that will highly promote entrepreneurship. Government policy in this context is any course of action which aims at regulating and improving the conditions of SMEs in terms of supportive, implementation and funding policies by the government. Based on this definition, government policy as it relates to entrepreneurial practice is targeted at encouraging entrepreneurship by making a favorable environment for the entrepreneurs. This, it does through enactment of guidelines that will regulate entrepreneurial activity generally for the reason that entrepreneurship is the bedrock of a nation's path to industrialization. Minniti (2008) observe that when it comes to entrepreneurship policy, one size does not fit all, and that, in the long run, governments can only provide an underlying environment conducive to the emergence of productive rather than unproductive entrepreneurship. Thus, government should endeavor to create enabling environments conducive to the division of labor, the commercialization of invention, and exchange, as too much public involvement, without co-interest from the private sector, can hinder rather than help entrepreneurs by creating possible market distortions.

Government of most countries especially developing countries have in the past invested so much efforts and resources in establishing policies intended to uplift entrepreneurship. Cases in point are in China, Brazil, Saudi Arabia, Malaysia and Nigeria (Oni & Daniya, 2012).The Chinese government has made concerted efforts through policies and resources on the development of high technology businesses (Obaji & Olugu, 2014). The Brazilian entrepreneurship movement has established very fast as a result of government policies geared towards developing the low-tech businesses as well as high technological oriented firms (Etzkowitz, 2009). In a study by Salem (2014) reported that the Kingdom of Saudi Arabia in 2010 established a ten year entrepreneurship efforts and innovation. The intention was a strategy to put the Kingdom at equal pedestal with high economic competitive nations globally.

In the context of Malaysia, in its bid to develop Malaysia through the growth of technology entrepreneurship, the government has guided in setting up of various technology funding organizations with the aim of giving full support to technology businesspersons. This include the establishment of venture capital firms by the government with the intent of encouraging investments in high growth firms for the reason that they find it difficult to raise adequate financing at the early stage growth (Ajagbe & Ismail, 2014). In Nigeria, different administrations at various times have geared their efforts towards developing its entrepreneurship. Several developmental and financial assistance instruments were employed (Obaji & Olugu, 2014). However, such government ingenuities were terribly unsuccessful as a result of overbearing bureaucratic procedures, corruption, insufficient and ineffectual infrastructural amenities as observed by Ihugba, Odii, and Njoku (2014). They mentioned inconsistent government policies as one of the challenges faced by entrepreneurs in Nigeria. Their argument is based on the fact that before entrepreneurs succeed in Nigeria, they must have political clout as well as massive resources to be able to influence government laws. Thus as start-up entrepreneurs, those two (political clout and huge financial resources) are lacking.

In Kenya, not so many scholars have been courageous enough to venture into the area of entrepreneurship policy. One courageous scholar is Bwisa (2011), who pose the question of whether Kenya has had any deliberate entrepreneurship development policy. Bwisa's scrutiny shows that the trace of a deliberate entrepreneurship policy can be filtered in the period immediately after independence under the Africanization (Kenyanization) policy regime. Then there was a dormant period until the 1990's when a number of policy documents and particularly session papers that support entrepreneurship emerged. Bwisa further identified two main policy paths to entrepreneurship development. The first path is expanding the entrepreneurship potential which is inclusive of acquisition of relevant vocational, technical, and business skills and strategies designed to remove the limitations faced by MSEs entrepreneurs. The second path was harnessing the entrepreneurial potential which is inclusive of accessibility to credit, infrastructural intervention, technological intervention, and a few others.

The other question that demands an answer is how policy framework for entrepreneurship development should look like. Among the first scholars to contribute to this debate was Verheul et al. (2001). They outline five types of policy interventions that could have an impact on entrepreneurial activity levels. Type 1 interventions impact on the demand side of entrepreneurship (affecting the type, number and accessibility of entrepreneurial opportunities); Type 2 interventions impact on the supply of potential entrepreneurs (immigration policy, regional development policy); Type 3 interventions affect the availability of resources and knowledge for potential entrepreneurs (advice and counseling, direct financial support, venture capital and entrepreneurship education); Type 4 interventions shape entrepreneurial values in society (through the education system and the media); and Type 5 interventions alter the risk-reward profile of entrepreneurship by directing interventions at the decision making process of individuals and their occupational choices (for example, taxation, social security arrangements, labour market legislation, bankruptcy policy).

Although their study dates back to 2001, Lundstrom and Stevenson made a tremendous contribution in to how an entrepreneurship policy should look like. They carried out a study to identify the dimensions of entrepreneurship policy by examining the practices of a set of central governments in ten case economies. In addition to developing a definition of entrepreneurship policy, the research explored the evolution of each national government's policy orientation from a SME-policy focus to an entrepreneurship policy focus, including policy-making processes and structures, specific policies and programs. From their study, Lundstrom and Stevenson (2001) proposed that entrepreneurship policy is defined as policy measures taken to stimulate entrepreneurship, that are aimed at the pre-start, start-up and post-start-up phases of the entrepreneurial process, and designed and delivered to address the areas of motivation, opportunity and skills, with the primary objective of encouraging more people in the population to consider entrepreneurship as an option, to move into the nascent stage of taking steps to get started and to proceed into the infancy and early stages of a business. They also proposed a collective framework of entrepreneurship policy measures, derived from an analysis of the activities of the ten case governments, consists of six major categories: 1) the regulatory environment for start-ups, 2) promotion of

entrepreneurship, 3) entrepreneurship education, 4) business start-up support measures, 5) access to financing and seed capital, and 6) target group strategies. They conclude that while none of these themes is really new to anyone who has been working in the SME policy area, what is new is their application to the specific policy objective of increasing the supply of new entrepreneurs and new businesses.

Leitão and Baptista, (2009) observe that in 2003, the European Commission (EC) initiated the public debate around the need to strengthen entrepreneurship in the European Union, through publication of the “Green Paper on Entrepreneurship” in Europe which raised two fundamental questions for reflection by policymakers, entrepreneurs, and individuals: (a) why do so few Europeans set up their own business? and (b) why are so few European businesses growing? They further observe that later, in the context of the 2004 Spring European Council, the European Commission launched the “Entrepreneurship Action Plan” which aimed fundamentally to: (1) change the way society views entrepreneurs, (2) create conditions to encourage more individuals to become entrepreneurs, (3) allow SMEs and entrepreneurs to be more competitive and assume a more important role in determining growth, (4) improve conditions for access to finance by SMEs and entrepreneurs, and (5) create an administrative and regulatory framework for SMEs.

Questions have been asked regarding what makes some countries or regions more enterprising than others. Bwisa (2011) gives an answer which is built on the work of as the Global Entrepreneurship Monitor (GEM), a research initiative by Babson College (USA) and London Business School in studying the complex relationship between entrepreneurship and economic growth. They identified six factors that are crucial in making a country entrepreneurial. These are Entrepreneurial Opportunity and Entrepreneurial Capacity which are considered as major factors. These two major factors are significantly affected by four other factors. These are Infrastructure, Demography, Education, and Culture. Bwisa (2011) defined an entrepreneurial opportunity as a market opportunity; a begging demand waiting to be fulfilled, while entrepreneurial capacity is defined as the motivation and skill to take advantage of opportunity and start a business. He argues that entrepreneurship occurs at the intersection of an individual’s perception

of an opportunity and the motivation and skill to pursue that opportunity. Bwisa observes further that it is possible for a region to be rich in perceived opportunity but impoverished in terms of actual entrepreneurship activity because few people are motivated and trained to take advantage of the opportunities. He concludes that entrepreneurship generally involves the entrepreneur's unique awareness of opportunities, the ability to acquire the resources needed, and the organizational ability to recombine homogeneous inputs into heterogeneous outputs.

Another major contributor to this debate is UNCTAD (2012), who developed a framework which supports policymakers in developing countries in designing initiatives, measures and institutions to promote entrepreneurship. The framework recognizes that in designing entrepreneurship policy "one size does not fit all". It highlights the key policy areas to take into account and suggests policy objectives and options in the form of recommended actions in each area. Although the national economic and social context and the specific development challenges faced by a country will largely determine the overall approach to entrepreneurship development, UNCTAD has identified six priority areas for policy focus that have a direct impact on entrepreneurial activity. These are: (1) formulating national entrepreneurship strategy; (2) optimizing the regulatory environment; (3) enhancing entrepreneurship education and skills; (4) facilitating technology exchange and innovation; (5) improving access to finance; and (6) promoting awareness and networking

Further, Lee, Peng and Song (2013) submit that policies that show the entrepreneurial endeavor in a country, can be divided in two policy areas. One of the areas comprise of those that maximize gains which include policies that motivate people for entrepreneurship and help business establishment; policies that remove the barriers that are in the beginning of entrepreneurship process; government policies toward reducing industry entry barriers; strong enforcement of antitrust regulations; and government deregulation policies. The other policy area focus on minimizing losses. These policies help the bankrupt entrepreneurs for minimizing losses; improving bankruptcy regulations for entrepreneurs; and encourage entrepreneurship development by risk reduction associated with failing firms and industries.

A final submission on this debate is that of Davari and Farokhmanesh (2017). They assert that entrepreneurship development in a society guided by governmental or public policies leads to entrepreneurship results or direct results such as job creation, poverty reduction and opportunity to startup. In their opinion, entrepreneurship policies include three dimensions including: regulation, education, culture and Support that influence opportunities windows to startup. On the area of regulation, the policies include: general laws that have indirect effect on entrepreneurship include tax, competition, bankruptcy laws and so on; and entrepreneurship laws that have direct impact on entrepreneurship development comprise facilitating entry and exit of businesses. On the area of education and cultural capacity building, they submit that the policies try to motivate people and improve their skills and attitudes and they include: entrepreneurship education such as entrepreneurial training in society; and entrepreneurship promotion like giving information and introducing role models to the society. On the area of support, they argue that when somebody establishes a business, he/she needs support to prevent bankruptcy. These supports are financial supports like credit and loan and non-financial supports like technical and managerial consultancy.

1.1.2 The Resurgence of Entrepreneurship Policies in Kenya

Unemployment, particularly among the youth, is a critical problem in developing countries. In fact, as at 2010, the population in Kenya was estimated to be 39 million, young people aged 15-35 years number 16 million representing 41 per cent of the population. Adding to these statistics, 76 per cent was unemployed, notwithstanding the unemployed women and persons with disability (GoK, 2011). Self-employment in small enterprises has been identified as a partial solution to unemployment (GoK, 1992). In 1993 the small enterprise sector in Kenya increased by 20% compared to only a 2.3% growth in the large-enterprise sector in the same year. Onyango and Tomecko (1995) argued that these growth rates indicated that in the foreseeable future, small enterprises will employ three out of every four people looking for jobs in the nonagricultural sector of the economy. This is a primary reason why the Government of Kenya should take an active interest in the continued growth and expansion of the small business sector.

The resurgence of entrepreneurship policies in Kenya dates back to 1972, following the recognition of the informal sector as a key sector of the economy. According to Bwisa (2011), efforts on entrepreneurship development in Kenya took two policy paths. The first one is increasing the number of entrepreneurs in the economy, through the inculcation of entrepreneurial skills as part of education and training. The other sought to harness entrepreneurial potential existent in the economy through various incentives, and creating a conducive environment for its growth. At this point it could be argued that these policies were meant to address attitude barriers, entry barriers and growth barriers. In other words, they were aimed at addressing, the pre-start, start-up, and post-start stages of the entrepreneurial process. However, according to Bowen (2009) SMEs in Kenya are faced with the threat of failure with past statistics indicating that three out five fail within the first few months. Another study by Sagwe, Gicharu, and Mahea (2011) revealed that in Kenya 1 in every 3 new businesses fails within the first 6 months. The question then is what became of these two policy paths?

The first policy path led to the introduction of entrepreneurship education at various government tertiary training institutions aimed at inculcating entrepreneurial attitude, culture and skills into the populace. However, according to Bwisa (2004), there has generally been lack of entrepreneurship culture among the youth in Kenya. A study on the beneficiaries of YEDF and WEF revealed a lack of an entrepreneurial spirit and skills among the beneficiaries of the funds (Sagwe et al., 2011). This can only imply that the Kenyan youths and women have not accessed entrepreneurial training, or there are weaknesses in the policy on entrepreneurial training as Bwisa (2011) points out. Such weaknesses include: limited relevant staff, teaching methodology which is more theoretical than practical and inadequate physical facilities which limits vestibule teaching that is teaching in a model room or a business incubator. Otuya, Kibas, and Otuya (2013) argue that while the goal of entrepreneurship education is to inculcate entrepreneurial attitude and culture, it is common knowledge that attitudes and behavior patterns are formed at formative stages of life that begin at preschool level yet the young youth at preschool, primary, and secondary school levels have been left out as far as entrepreneurship education is concerned.

The second policy path aimed at harnessing entrepreneurial potential with a major focus on accessibility to credit, infrastructural intervention, technology intervention and a few others. These policies were meant to address entry and growth barriers. On access to credit, the government in the early 1980 directed Development Finance institutions (DFI) to finance small scale investments. This had its share of challenges and therefore the government has continuously tried to ensure that access to credit for SMEs is guaranteed. This has led to establishment of various institutions mandated to provide interest free loans and grants to SMEs especially those owned by youth and women. Some of these institutions include the three that will be a major focus for this study that is Youth Enterprise Development Fund (YEDF) established in 2006, Women Enterprise Fund (WEF) established in 2007, and the Uwezo Fund established in 2013.

However, a study by Oduol et al (2013) that concluded that the YEDF has not had a significant effect on youth enterprises. Another study by the Kenya Institute of Management (KIM) to investigate the preparedness of the youth and women for the said funds revealed that 61.3% of the women beneficiaries and 48% of the youth beneficiaries surveyed had less than 50% likelihood of business success. Further, in his article in the Star newspaper on 20th March 2014, Bwisa identifies some of the challenges facing the YEDF and WEF, which the Uwezo Fund should be careful about. These are the group approach to funding where he argues that forced marriages are bound to break up sooner or later and that entrepreneurship flourishes more on individual than collective basis. He also argues that the interest free loans concept creates a “public goods” syndrome which negatively affects the sustainability of projects in the programme. The funds require that the applicants develop a business plan, based on a unique business idea which has made groups hire consultants to write business plans for them. He argues that the process of writing an own business plan helps the writer think through the business idea and increases the chances of success.

On access to technology, various institutions were established such as Kenya Industrial Research and Development Institute (KIRDI), a national research institute established in 1979 under the Ministry of Trade and Industry and mandated to undertake multidisciplinary research and development in industrial and allied technologies. Some

of the services offered include Business Incubation in various fields as well as support of growth of SMEs through creation of companies based on KIRDI's technologies. However, a study conducted by Ong'olo and Odhiambo (2013) in Kiambu, Kwale and Homabay counties revealed that most SMEs players do not have the relevant skills to facilitate value addition activities, thus promoting exploitation by middlemen. It was also established that the Kenya Industrial Research and Development Institute (KIRDI) impacts on value addition are yet to be realized in most of the counties in Kenya as farmers still market unprocessed produce at relatively low prices.

The infrastructural intervention led to the first Jua Kali shed which was established at Kamukunji in 1989 followed by the famous Nyayo sheds in 52 sites in 36 districts. The government, in conjunction with the Federal Republic of Germany constructed 333 completely serviced and secure work places for Jua Kalis artisans at seven sites in five towns, namely: Nakuru, Voi, Karatina, Meru and Kisii. This was followed by various collaborations of the Kenyan government and donor agencies to up more jua kali sheds in various towns. Apart from the sheds, the government has made efforts to ensure better roads, access to electricity especially through the rural electrification program, as well as access to water and telecommunication services. However, a study by the UN-Habitat (2006) identified that in Nairobi, lack of access to workspace is complicated by land allocation and tenure issues, and further made worse by the stringent building standards and regulations controlling provision of utility services such as electricity, roads and water. Absence of legal titles entails lack of access to credit, harassment by local authorities, and disincentives for the development of, and capital expenditure on, the worksite, which in turn discourage improvements in technology and productivity. This is reflected on the nature of the work spaces where the informal sector operates.

1.1.3 Background of the Target Population

The target population for this study include the YEDEF, WEF, and Uwezo Fund. The Youth Enterprise Development Fund was conceived in June 2006 by the Kenyan government as a strategic move towards arresting unemployment which is virtually a youth problem since sixty one percent (5.6 million) of those unemployed are the youth.

The government set aside one billion Kenya shillings in the 2006/2007 budget to fast-track this initiative. The fund was gazetted on 8th December 2006 to provide the necessary legal framework to govern its use and operations. The fund's mandates as stipulated in the Legal Notice No. 167 include to: Provide loans to youth owned enterprises; Provide market support to youth enterprises; Facilitate youth enterprises to develop linkages with large enterprises; Provide trading premises and worksites; Provide business development services to youth owned enterprises; and Facilitate youth to obtain jobs abroad. Fund has expanded through leverage agreements between the Ministry of Youth and Sports and financial institutions. The fund is reported to have increased its capititation from Ksh 2.2 billion in 2009 to Ksh 6.5 billion in 2012 and facilitated employment of 8000 youth abroad through the Youth Employment Scheme Abroad (YESA) (GOK, 2013).

Women Enterprise Fund (WEF) was conceived by the Government of Kenya in 2006 and officially launched in 2007. Women Enterprise Fund is a Semi-Autonomous Government Agency in the Ministry of Social Services and Gender, established to provide accessible and affordable credit to support women start and/or expand business for wealth and employment creation. Women Enterprise Fund was officially established through the promulgation of Legal Notice no. 147 dated 3rd August 2007. The principal objective of the fund is economic empowerment of women. The Fund was established to provide alternative financial services to women who are excluded from the formal and informal financial sectors. The Fund provides accessible & affordable credit to support women start and/or expand business for wealth and employment creation. In addition to the Fund being a flagship project in the Vision 2030. Women Enterprise Fund loans reach the target beneficiaries through partner financial intermediaries and directly through Constituency Women Enterprise Scheme (C-WES) (GOK, 2007).

The Uwezo Fund stems from the pledge by H.E the President that Kshs. 6 billion for the election run-off will be used to set up a Youth and Women Fund. The fund was launched by H.E the President of the Republic of Kenya on 8/9/2013. The Framework, the Legal Notice No. 21: The Public Finance Management (Uwezo Fund) Act of 2013 clearly stipulates the objects and purpose for which the Fund is established. These are: To

expand access to finances in promotion of youth and women businesses and enterprises at the constituency level for economic growth towards the realization of the goals of Vision 2030; to generate gainful self-employment for the youth and women; and to model an alternative framework in funding community driven development (GOK, 2013).

1.1.4: Summary of the Background of the Study

From the exploration of entrepreneurship policy frameworks, it is clear that Lundstrom and Stevenson (2005) are the ones who provide a definition for entrepreneurship policy and classify the policy measures into three major areas that is motivation, opportunity and skills; which they refer to as the entrepreneurship policy foundations. The resurgence of entrepreneurship policy in Kenya as provided by Bwisa (2011) observe two policy paths. The first path seem to have aimed at addressing the area of motivation and skill while the second path was aimed addressing the area of opportunity. This in an indication that as a nation we started well in the journey to an entrepreneurship policy. However, it is rather obvious that we must have missed some steps as the reports have indicated on each policy path.

At the moment, the three funds that is YEDF, WEF and Uwezo Fund seem to be like the only vehicles the government is using to spur entrepreneurship in the country and no wonder they formed a good target for this study. However, a keen look at the mandates of each fund reveals that they could be addressing just a part of the entrepreneurship policy measures. Could this be the reason why Oduol et al. (2013) concluded that the YEDF had not had a significant effect on youth enterprises, while Sagwe et al. (2011) concluded that beneficiaries had less than 50% likelihood of business success? Could this also be the reason why unemployment rates especially among the youths still remain high? The researcher sought not to answer these questions based on speculation and therefore took an exploratory research journey to establish whether the three funds are anchored on an entrepreneurship policy.

1.2 Statement of the Problem

The discovery self-employment in small enterprises as a partial solution to unemployment led to the establishment of YEDF, WEF, and Uwezo Funds. However, as statistics have shown, these institutions have had very little or no effect on the unemployment situation in Kenya. Despite the funds attracting a lot of scholarly attention (leading to their classification as an over researched area), no attention has been drawn to the policies that established these funds. This is despite the fact that studies (Lundstrom & Stevenson, 2005; Storey, 2008; Bwisa, 2011) have shown that only an entrepreneurship policy should be expected to result in a significant effect in employment creation. The scholars (for example: Oduol et al., 2013; Sagwe et al., 2011; Langat et al., 2012; Kanyari & Namusonge, 2013; Kimando, Njogu, & Kihoro, 2012) seem to be measuring the performance of the funds without first establishing whether they had the potential and capacity to perform as expected. This study therefore investigates the policy that created the youth, women, and Uwezo funds with a major aim of establishing whether they are anchored on entrepreneurship policy foundations.

1.3 Objectives of the Study

This study is guided by the following objectives:

1.3.1 General Objective

The major objective of this study is to assess the entrepreneurship policy foundations of the Youth Enterprise Development Fund, Women Enterprise Fund, and Uwezo fund.

1.3.2 Specific Objectives

- a) To assess whether the process of formulation of the funds was entrepreneurial
- b) To assess the motivation component of entrepreneurship policies in the funds
- c) To assess the opportunity component of entrepreneurship policies in the funds
- d) To assess the skills component of entrepreneurship policies in the funds
- e) To verify the entrepreneurial policy typology that guided the establishment of the funds

1.4 Research Questions

- a) Was the process of formulation of the funds entrepreneurial?
- b) What is the motivation component of entrepreneurship policies in the funds?
- c) What is the opportunity component of entrepreneurship policies in the funds?
- d) What is the skills component of entrepreneurship policies in the funds?
- e) Which entrepreneurial policy typology guided the establishment of the funds?

1.5 Justification of the Study

This study was aimed at assessing the entrepreneurship policy foundations for the Youth, Women and Uwezo funds in order to establish whether they are anchored on an entrepreneurship policy. The findings of this study will therefore go a long way in getting the government back to the drawing board and understanding that just setting aside a given sum of money for SMEs is not enough to generate the level of employment they envisioned. Kenya needs opportunity-driven competent entrepreneurs, who set up sustainable enterprises, create employment, and generate wealth, whereas most entrepreneurs in developing countries are ‘necessity driven’ ‘forced entrepreneurs’. Entrepreneurship performance is correlated with framework conditions for entrepreneurship, and those countries that support entrepreneurship framework conditions also tend to have better entrepreneurship performance. The correct policies therefore must be in place and there must be an entrepreneurship policy - addresses the area of motivation, opportunity and skills. The result of such a policy would be an increase in the supply of opportunity driven entrepreneurs, who are the key drivers in employment and economic growth.

The findings will also be of great importance to the beneficiaries of the three funds as they are directly affected by the policies that guide the operations of the funds. They will therefore benefit from a holistic approach to supporting the micro and small enterprises. The holistic approach involves an inclusion of policy measures to address, not just the opportunity component of entrepreneurship policy which is partly addressed by access to finance, but also the motivation and skills components. As a result, they are likely to have a greater likelihood of success in business which has previously been a nightmare

as observed by Bowen (2009) that three out five businesses fail within the first few months.

The study is also of a great relevance to scholars in entrepreneurship as it provides them with an understanding of the difference between SME policy and entrepreneurship policy as many perceive them to mean one and the same thing. Given that scholars are instrumental in the development of policies, such a misconception will adversely affect the economy in its entirety. In addition, given that the study has adopted a qualitative approach to research which is a break away from the tradition, many scholars will now consider approaching research differently. This is so because there seems to be an obsession among many scholars in establishing relationships and testing hypothesis. Whereas there is nothing wrong with it, there is need for more of theory building research works as much as there are theory testing research works. The grounded theory approach therefore ensures the creation of new knowledge and offers a platform for future research.

1.6 Scope of the Study

The aim of this study was to assess the entrepreneurial policy foundations of the various funds established to help generate employment in Kenya. The study was conducted at the head offices for YEDF, WEF and Uwezo Fund located in Nairobi County. To inform the study further, more information was sought from the Ministry of Industry, Trade, and Cooperatives which is concerned with enterprise development; Kenya Institute of Curriculum Development (KICD) in order to understand the state of entrepreneurship education; and the Micro and Small Enterprise Authority (MSEA) offices all located in Nairobi County. The study was conducted between February and June 2016 and involved a budget of about KSh.600,000.

1.7 Limitations of the Study

The researcher experienced a number of challenges during the carrying out of the study. One of the challenges was the fact that it is only Stevenson and Lundstrom (2001, 2002, and 2005) who appear to have carried out an extensive study on entrepreneurship policy

foundations. The researcher therefore ended up over-quoting these references as comparisons were made on the findings. Another challenge was the fact that the target population for this study was the top management of these organizations including the CEOs who were quite busy and unavailable for interviews. As a result, the study period was an extended one as on many occasions the researcher did not find the officer to be interviewed. However, at the end of the period, the researcher was able to interview approximately eighty percent of the target group. Also, at the time of the research, YEDF did not have a substantive CEO, and so the researcher just interviewed the general manager who was the acting CEO. The WEF took about four months to respond to the request to collect data from the organization. At some point, the request was reported to have gone missing and researcher had to submit another request. However data was finally collected from the organization as the researcher kept making follow-ups.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This study examines the entrepreneurship policy foundations of the various funds aimed at encouraging entrepreneurship development in Kenya. In this section, the study explores the foundations of entrepreneurship policy as articulated by various scholars and the research gaps they identified. The study focuses on both theoretical and past studies on the topic.

2.2 Theoretical Review

This section provides a theoretical understanding of entrepreneurship policy, the difference between entrepreneurship policy and SME policy as well as the theories that informed the study. These are the MOS model, Schumpeter's theory of Entrepreneurship, the High Need Achievement Theory and Directional Factors Theory of Entrepreneurship.

2.2.1 Entrepreneurship Policy vs. SME Policy

Although several different concepts and definitions of entrepreneurship exist, one commonly used definition is "the capacity and willingness to undertake conception, organization, and management of a productive venture with all attendant risks, while seeking profit as a reward (Minniti & Moren, 2010). Shane and Venkataraman (2000) define entrepreneurship as: The ability to amass the necessary resources to capitalize on new business opportunities. The term is frequently used to refer to the rapid growth of new and innovative businesses and is associated with individuals who create or seize business opportunities and pursue them without regard for resources under their control. They build something from practically nothing and usually reinvest earnings to expand their enterprise or to create new enterprises. Other words that characterize

entrepreneurship include innovative, creative, dynamic, risk, flexible and growth oriented.

On the other hand, Schumpeter defined an entrepreneur as an individual who seeks to transform or revolutionize the pattern of production by exploiting an invention or' more generally, an untried technological possibility for producing an old one in a new way, by opening up a new source of supply materials or a new outlet for products. Entrepreneurship, as defined essentially consists in doing things that are not generally done in the ordinary course of business routine.

Entrepreneurship policy is an emerging area of economic policy development that is currently not well developed. Many countries are seeking to increase their entrepreneurial vitality in recognition of growing evidence that a high level of entrepreneurial activity, measured in terms of high business start-up and exit rates, contributes to economic growth and development. A considerable amount of research has been done to locate the importance of entrepreneurship in economic development and growth (Audretsch & Thurik, 2001, Reynolds et al., 2000; Wennekers & Thurik, 1999) and to prescribe what needs to be done to increase the level of entrepreneurial activity in a country (OECD, 1995; European Commission, 1998; Verheul et al., 2001). These works present all the compelling economic and social arguments why governments should be emphasizing business start-up rates and ease of firm entry and exit, and highlight the policy areas that need to be addressed. However, reviews and examinations of countries' activities often lumped-up SME-oriented and specific entrepreneurship-oriented policies and measures together. This theoretical review provides a definition for entrepreneurship policy as well as a distinction between SME and entrepreneurship policy as evidenced in the reviewed literature.

According to Bwisa (2011), an entrepreneurship policy consists of measures to stimulate entrepreneurial behavior in a region or a country; measures intended to directly influence the level of entrepreneurial vitality in a country or a region. Bwisa argues that this behavior could be measured in a number of ways, counting the number of nascent entrepreneurs, the number of start-ups, or the number of young and growing companies.

Lundström and Stevenson (2001) define entrepreneurship policy as policy measures taken to stimulate entrepreneurship, which are aimed at the pre-start, the start-up and post-start-up phases of the entrepreneurial process, and are designed and delivered to address the areas of motivation, opportunity and skills with the primary objective of encouraging more people to start their own businesses.

According to Lundström and Stevenson (2001), the prevailing features of an entrepreneurship policy are: focus on individuals rather than on firms; target people interested in starting a business (that is, offer support before the business has started) objective is to encourage more people to start their own businesses, to provide opportunities and support for people to learn about the entrepreneurial process and develop the skills necessary to start and run successful enterprises of their own; approach is to target the general population and particular segments within it, e.g., women, youth (generally no sector targeting); generally do not make extensive use of direct financial levers (except for micro-loans), making greater use of non-financial support levers; focus on creating an 'entrepreneurial culture' or increasing the 'entrepreneurial vitality' of the population.

In many economies, entrepreneurship policies have been considered the same as SME policies. However, Lundström and Stevenson (2001) identified three major areas of difference; these are the focus on individuals versus firms, the focus on pre-start-up versus post start-up support (entrepreneurship development versus business development), and a broad versus narrow definition of which institutional structures make up the 'support environment'. This is in agreement with Storey (2008) who argues that whereas SME policies are directed to existing businesses or enterprises, and seek to provide advice and information to help with problems that are firm related (for example compliance with regulations, reporting requirements), entrepreneurship policies are directed towards individuals. These are individuals who are either considering, are about to, may wish to consider, or have recently started a new business.

Entrepreneurship Development Institute of India (2012) agrees with the forgoing authors and argues that while MSME policy focuses on existing enterprises or a group of

enterprises (clusters), entrepreneurship policy focuses on individuals with an expectation that they would move towards entrepreneurship. The client in the case of an MSME Policy is a firm, a physical entity, unlike the entrepreneurship policy where it is difficult to pin point the 'target' precisely. The Entrepreneurship Policy encompasses multiple stages in the emergence of an enterprise from pre-start to stabilization and growth. It usually focuses on motivation, opportunity and skills with the primary objective of encouraging people to venture out. The general goal of SME policy is to strengthen the existing base of small enterprises by ensuring they can compete in the marketplace and that they are not prejudiced because of their small size, relative to large firms. Most SME policy measures are taken from the neo-classical point of view, that is, to reduce imperfections or external effects in the marketplace (Boter, Hjalmarsson & Lundström, 1999). Measures or actions taken to achieve this include reduction of labour costs, the simplification of administrative procedures, strengthening of financial markets, a re-evaluation of the tax system and improved access to business information and business support (such as counseling and advisory services). A cursory review of the SME policy frameworks in the EU, OECD, and APEC regimes reveals that the common priority themes are improving access to financing, information, markets (export opportunities), a skilled labour force and management development, encouraging R&D and technological development, and reducing the obstacles of regulatory, legislative and administrative burdens.

On the other hand, Lundstrom and Stevenson (2005) argues that while discussion on entrepreneurship policy is much more recent and the articulation of its policy objectives still evolving, they tend to encompass: creating more awareness of entrepreneurship as an attractive employment option (profiling successful entrepreneur role-models, changing attitudes among the general population); increasing opportunities for people to learn the process of becoming an entrepreneur and starting a business (entrepreneurship orientation, education); providing access to entrepreneurship training and small business counseling opportunities at the local, community level and enhancing the quality of small business support services; facilitating the development of network activities and exchanges to promote dialogue, learning, and partnering (conferences, associations, seminars, policy forums); reducing administrative and regulatory barriers to business

entry; facilitating access to micro-loans, seed capital and other start-up financing; and increasing the base of knowledge about how entrepreneurship and small business emerges within an economy and the role it plays in job and wealth creation (research and dissemination of the information).

The distinction is shown in Table 2.1 which takes examples or elements of both.

Table 2.1: Features of SME versus Entrepreneurship Policy

Feature	SME Policy	Entrepreneurship Policy
Objective	Firm growth, productivity	Motivate new entrepreneurs
Target	Existing business entities	Nascent entrepreneurs/ new business starters as individuals/ general population/subsets (that is women, youth)
Target identification	Easy to identify because they are existing	Difficult to identify because they are nascent
Key levers	Direct financial incentives (tax-credits, loans, guarantees)	Non-financial support (networks, education, counseling)
Key focus for implementation	Legal-regulatory business environment (for example tax regime, reduce red tape)	Social cultural business environment (for example, entrepreneurial culture among the populace)
Results orientation	More immediate (for example, results expected in less than 4 years or within break-even point period)	More long term (for example, results expected after a school system cycle).

Source: Bwisa (2011)

2.3.2 The ‘MOS’ (Motivation, Opportunity and Skills) Model

The Lundström’s and Stevenson’s “MOS model” (2005) is most suitable for this study since it is primarily concerned with entrepreneurial policy and how entrepreneurship can be promoted through different policy measures. Lundström and Stevenson argue that the main objective of entrepreneurship policy is to stimulate higher levels of entrepreneurial activity by influencing a greater supply of new entrepreneurs. Entrepreneurship policy differs from more general business policy in that it focuses on individuals who are not yet in business, but are potential future entrepreneurs. Business policy focuses on already established firms. Obviously the determinants of entrepreneurship are interesting to those involved in entrepreneurship policy, and the authors propose that the level of entrepreneurship in a society can be explained by different aggregated levels of “Motivation, Opportunity and Skills”.

The MOS model by Lundström’s and Stevenson’s (2005) views entrepreneurship as a “system” that includes entrepreneurs, potential entrepreneurs, institutions and government actions, and the desired policy outcome is an increased level of entrepreneurial activity. The role of institutions and governments is to foster environments that will produce a continuous supply of new entrepreneurs as well as the conditions that will enable them to be successful in their efforts to start and grow enterprises. In order to do this, the system of entrepreneurship must logically focus on all parts of the individual entrepreneurial process from awareness of the entrepreneurship option to early stage survival and growth of an emerging firm.

Existing knowledge about what is critical in influencing the entrepreneurial actions of individuals suggests that there will be higher levels of entrepreneurial activity in economies where people are aware of entrepreneurship as a feasible and viable option and willing to explore it (Motivation); have access to opportunities to gain the knowledge, skills and ability to be able to pursue it (Skills); and can gain ready access to the startup supports they need, such as information and ideas, counselling and advisory services, business contacts, capital and encouragement, in an enabling regulatory and policy environment (Opportunity).

This is in agreement with a framework suggested by Global Entrepreneurship Program (2011) which argues that entrepreneurship will develop if three key conditions are present. First, there must be opportunity for new enterprises to exist and for entrepreneurs to succeed through their own efforts (opportunity). Second, there must be a propensity to enterprise, involving such characteristics as an urge for excellence, a willingness to bear risk, and a desire to be independent (motivation). Third, the ability to enterprise must be present; meaning the technical and business capabilities required to start and manage a business must exist (skills). These, the foundations of entrepreneurship policy, are modeled in Figure 2.1.

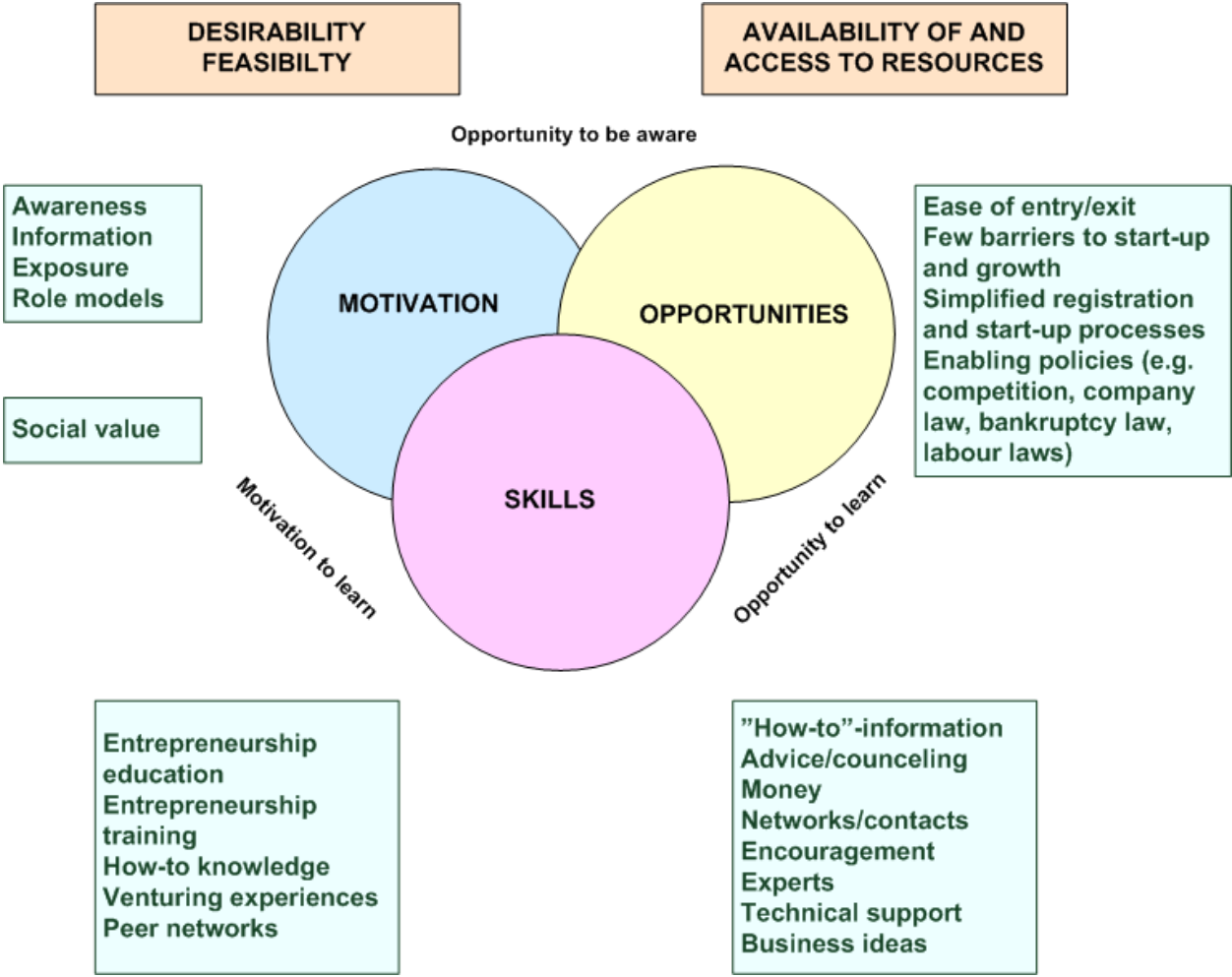


Figure 2.1: Entrepreneurship policy foundations

Source: Stevenson and Lundstrom (2002)

The key questions are how to work on an individual level to motivate people to start and grow their own businesses (for example, develop more favorable attitudes towards entrepreneurship as a career option, foster entrepreneurial orientations in society), how to impart the knowledge and skills people need to be effective as entrepreneurs (for example, entrepreneurship education in the schools, start-up training, mentoring, and networking initiatives), and how to create national regional and local supportive and opportunistic environments to enable potential entrepreneurs to access the resources they need to get started (for example, financing, advice and counseling, reduced barriers to entry). Some of the required actions or incentives are long-term oriented because they suggest cultural changes (for example, exposing elementary students to entrepreneurship concepts and behaviors), some require the cooperation of many government departments and agencies (for example, changes to the tax and regulatory system, integrated business support services) and others suggest partnerships between the public and private sector (for example, access to start-up financing, mentoring programs).

To operationalize "Motivation" Lundström and Stevenson include the social value placed on entrepreneurship and its desirability and feasibility as a career and employment option. The level of these elements could be heightened through awareness, information, exposure, role models and actions to increase social legitimacy. "Skills" is operationalized in terms of technical, business and entrepreneurial skills and know-how. The acquisition of entrepreneurial skills and know-how could come through the education system, training programmes, experience working in a small business, hands-on experience in starting and running an enterprise or through peer and professional networks. Most entrepreneurs learn to do what they do through trial and error so there is considerable scope to create formal learning opportunities that will better enable future entrepreneurs. "Opportunity" is operationalized by Lundström's and Stevenson's in terms of the support environment for entrepreneurship - the availability of information, advice, capital, contacts, technical support and business ideas, as well as the ease of access to these resources. It also encompasses the regulatory environment and processes of government administration. In order to create more Opportunity conditions, governments can reduce or eliminate obstacles in the regulatory, administrative, legislative and fiscal systems that may act as inhibitors to business entry. They can also

reduce the penalties associated with bankruptcy, and the resulting "stigma of failure". In addition, labour market and social security policies and systems may impose hidden barriers or "quiet disincentives" to the self-employment versus paid employment decision; these must also be examined.

According to Lundström's and Stevenson's view, governments must address each of these areas of Motivation, Opportunity and Skills using an integrated entrepreneurship policy approach. Such an approach as certain focuses on entrepreneurship policy as that which is: An aim at the pre-start, the start-up and early post-start-up phases of the entrepreneurial process, A design and foci to deliver to address the areas of Motivation, Opportunity and Skills, An aim with the primary objective of encouraging more people in the population to consider entrepreneurship as an option, move into the nascent stage of taking actions to start a business and proceed into the entry and early stages of the business. They further argue that if members of the general population are not motivated to explore entrepreneurship, they will be unlikely to pursue it even in the face of an opportunistic environment. If there is a high level of motivation to start businesses, but the opportunity environment is weak, then it will be hard for people to acquire the resources they need and to overcome other start-up obstacles. This may lead to giving up on or abandoning their ideas. Or it may lead to a high level of marginal "necessity entrepreneurship," such as is the prevalent form in many developing countries (Reynolds et al., 2004). If people are highly motivated to start businesses, but have limited capability (a lack of entrepreneurial skills), then even if they have technical skills, the business is unlikely to grow beyond the fledgling stage, unless the environment is very supportive and nurturing. Of course, the optimal situation for a society would be to have high Motivation, high Opportunity and high Skills. One of the key challenges faced by governments is determining what policy levers will influence this combination.

2.3.3 Schumpeter's Theory of Entrepreneurship

Joseph Alois Schumpeter is regarded as one of the greatest economists of the first half of the twentieth century. The scholarly work is evident in the 1911, 1934, and 1942 publications as observed by Swedberg (2007). Schumpeter defines an entrepreneur as

someone who establishes a new business to produce a new product or to make an old product in a new way. The concepts of innovation and entrepreneurship are probably Schumpeter's most distinctive contributions to economics. One of the most common themes in Schumpeter's writings was the role of innovation ("new combinations") and entrepreneurship in economic growth. In his work, the entrepreneur takes the center stage of socioeconomic development. He takes the role of socioeconomic leader since he has the ability to decide, to direct, to push matters through. The Schumpeterian entrepreneur differs from imitators in applying new methods of production on the market, in opening up new markets (Karol, 2013).

Schumpeter starts his analysis of development process with the concept of circular flow. It implies a condition where economic activity produces itself continuously at constant rate through time. Thus, it means a continuous activity and no destruction. It is the characteristic of an economy in stationary state. The circular flow is similar to circulation in blood in an animal organism. Circular flow is based upon a state of perfect competitive equilibrium in which costs are equal to receipts and prices to average costs (Clemence, 2009). To make it dynamic and consistent with development, changes must take place in flow system. These changes can be brought through innovations. Innovation may be defined as a change in existing production system to be introduced by the entrepreneur with a view to make profits and reduce costs. The innovation is closely linked with Schumpeterian concept of development. He defined development as a "Spontaneous and discontinuous change in the channels of flow, disturbance of equilibrium which forever alters and displaces the equilibrium state previously existing". When changes take place in the economy, circular flow is disturbed and the development process starts. He assumed that change is the basic element of dynamic process, and those changes come in the form of innovations (Grebel, 2007).

Any innovation may consist of: (a) The introduction of a new product; (b) The introduction of a new method of production; (c) The opening up of a new market; (d) The conquest of a new source of supply of raw materials or semi manufactured goods; and (e) The carrying out of the new organization of any industry like the creation of a monopoly. The new combinations of these factors are essential for the development

process to start. It is to be energized by the development agents and such agents are innovators or entrepreneurs. The entrepreneur is considered as the hero in the Schumpeterian development (Karol, 2013).

The second feature is the role of the Entrepreneur: Entrepreneur or innovator is the key figure in Schumpeter analysis of the process of development. He occupies the central place in the development process because he initiates development in a society and carries it forward. Entrepreneurship is different from managerial activity. A manager simply directs production under existing techniques but entrepreneurship, requires the introduction of something new. An entrepreneur is also different from a capitalist. The capitalist simply furnishes the funds while the entrepreneur directs the use of these funds. As in economic system, there is high degree of risk, thus entrepreneur is motivated: (a) The desire to find a private commercial kingdom. (b) The will to conquer and prove his superiority. (c) The joy of creating, getting things done or simply of exercising one's energy and ingenuity (Clemence, 2009). Additionally, Swedberg (2007) argues that an entrepreneur innovates to earn profits. Profits are conceived "as a surplus over costs: a difference between the total receipts and outlay, as a function of innovation". Profits arise due to dynamic changes resulting from an innovation. They continue to exist till the innovation becomes general. Once the innovations becomes successful and profitable, other entrepreneurs follow it in, leading to the reduction of super normal profits which pushes entrepreneurs to further innovations.

The next component of development according to Schumpeter is the business cycle. Schumpeter's approach to business cycle or crisis is historical, statistical and analytical. He believes that business cycle or crisis is not merely the result of economic factors but also of non-economic factors. Schumpeter concludes that crisis is the "process by which economic life adapts itself to the new economic conditions". Schumpeter believes in the existence of the long wave of upswings (or boom) and downswings (or depression). Once the upswing ends, the long wave of downswing begins and the painful process of readjustment to the "point of previous neighbourhood of equilibrium" starts. The economic forces of recovery come into operation and ultimately bring about a revival. Once again the economy comes across the equilibrium, and the new boom period starts

with a new set of innovations. This process of capitalist development may be regarded as “creative destruction” wherein the old economic structures of society after destruction are ultimately replaced by the new economic structures (Ebner, 2006).

The fourth feature is the decay of capitalism: Schumpeter observes that the continuous technical progress results in an unbounded increase in total and per capita output. As long as technological progress takes place, the rate of profit is positive. Hence, there can be no drying up of sources of investible funds nor any vanishing of investment opportunities. Capitalism can maintain itself only so long as entrepreneurs behave like knights and pioneers. Schumpeter holds a very pessimistic view about the survival of capitalism. He advocated capitalist system of production yet he was not unaware of the weakness of this system (Grebel, 2007). In conclusion, Schumpeter sees the entrepreneur is an innovator, one who carries out new combinations, introduces new products and production functions, opens new markets, conquers new sources of material etc. thus anybody engaged in routine type of activities is no entrepreneur. Schumpeter sees the driving force of an entrepreneur as motivation to achieve. On the market situation, Schumpeter sees the entrepreneur as a person who disrupts the equilibrium state imagined by the classical economists. With his innovations, the entrepreneur can influence the market forces and cause disequilibrium.

The Schumpeter’s theory is relevant to this study in that it brings out a clear cut difference between entrepreneurs and business people. The business people are the focus of SME policy while entrepreneurship policy focuses on the entrepreneurs both current and potential. It therefore sheds light into the fact that policy makers must understand the difference between entrepreneurs and business people if economic growth is to be achieved through the creation of employment in the MSEs sector.

2.3.4: The theory of Need Achievement (The n-Ach Theory)

This theory was put forward in the early 1960s by David McClelland and is regarded as one of the most important psychological theories of entrepreneurship. According to this theory, need for achievement (n-Ach), a social motive to excel plays a great role in the supply of entrepreneurs. Need for achievement is influenced by cultural factors. The

theory postulates that some societies tend to produce a higher percentage of people with high n-Ach than others. The high n-Ach individuals are likely to start and grow businesses to take advantage of unique market opportunities or pursue business opportunities for personal interests at the same time as they are working on a regular job. The theory argues that individuals who are high in n-Ach are more likely than those who are low in n-Ach to engage in activities or tasks that have a high degree of individual responsibility for outcomes, require individual skill and effort, have a moderate degree of risk, and include clear feedback on performance. Further, McClelland argued that entrepreneurial roles are characterized as having a greater degree of these tasks attributes than other careers; thus, it is likely that people high in n-Ach will be more likely to pursue entrepreneurial jobs than other types of roles.

Johnson (1990) conducted a traditional review of 23 studies, which varied regarding samples, measurement of n-Ach, and definitions of entrepreneurship. Based on this group of studies, Johnson concluded that there is a relationship between n-Ach and entrepreneurial activity—in this case, n-Ach distinguished firm founders from other members of society. In a similar review of 19 studies, Fineman (1977) concluded that both projective and questionnaire measures of n-Ach significantly predict firm founding.

According to Bwisa (2011), for countries designing entrepreneurship development policies, the n-Ach theory has some key implications. The first implication is that economic policies of improving incentives and opportunities will yield results only if the target population has a structure of response appropriate to the perception, evaluation and action on these incentives. Therefore, before designing any policy the level of achievement motivation in the population must be assessed and adequately understood. The second implication is that the policy makers need to identify the segment of the population that is high in n-Ach. The theory distinguishes between motivation and action. The desire to achieve in people is not inferred by considering their actual achievements but rather the general concern for achievement. The theory suggests that it is possible to find some latent achievement potentials in the population and get these people mobilized in entrepreneurial tasks to which they are supposedly predisposed. In other words blanket national policies may not spur entrepreneurship. The third

implication is that it is possible to directly increase the n-Ach level of the identified population segment through direct educational techniques. The theory therefore strongly subscribes to Achievement Motivation Training.

According to this theory, policies designed should strive to inculcate among the populace a culture of seeking opportunities for Excellency's sake rather than for rewards of money, prestige, or personal influence. In other words, entrepreneurs have n-Ach no n-Pow (need for power). Need for power describes the desire to control, influence or have an impact on others. Individuals with n-Pow generally seek positions of leadership. They have been found to be good managers, executives or supervisors but not business founders. The populace also need to develop a culture of concern for achieving success rather than avoiding failure; selection of those alternatives which are calculate as having highest expected value for success; and choice of situations where there is personal control over the outcomes. In other words, entrepreneurs take carefully calculated or moderate risks. The populace needs to be concerned with medium- to long-term future; willingness to postpone immediate rewards in favor of large future rewards. In other words, entrepreneurs persist in the face of difficulties or obstacles (Shane, Locke, & Collins, 2003)

This theory is relevant to this study as it postulates the existence of entrepreneurial motivation which is the major drive for entrepreneurs. As such, policies that are aimed at spurring entrepreneurship in any country must address the area of entrepreneurship motivation. It also confirms that the conclusion by Lundstrom and Stevenson that the three conditions (Motivation, Opportunity, and Skill) necessary for entrepreneurship development have a backing in theory.

2.3 Conceptual Framework

A conceptual framework has been defined as a tentative theory of the phenomena that is being investigated. The function of this theory is to inform the rest of the design; to help assess and refine goals, develop realistic and relevant research questions, select appropriate methods, and identify potential validity threats to the conclusions. It is the system of concepts, assumptions, expectations, beliefs, and theories that supports and

informs the research—is a key part of the design (Shields & Rangarjan, 2013). They defined a conceptual framework as a visual or written product, one that “explains, either graphically or in narrative form, the main things to be studied—the key factors, concepts, or variables—and the presumed relationships among them”

Several types of conceptual frameworks have been identified and line up with a research purpose in the following ways: Working hypothesis -- exploration or exploratory research; Descriptive categories -- description or descriptive research; practical ideal type – gauging; Models of operations research -- decision making; Formal hypothesis -- explanation and prediction (Ravitch & Riggan, 2012) According to Maxwell (2009), a working hypothesis is a hypothesis that is provisionally accepted as a basis for further research in the hope that a tenable theory will be produced, even if the hypothesis ultimately fails. Like all hypotheses, Maxwell (2009) argues that a working hypothesis is constructed as a statement of expectations, which can be linked to the exploratory research purpose in empirical investigation and is often used as a conceptual framework in qualitative research.

Research projects that use working hypotheses use a deductive reasoning or logic of inquiry. In other words, the problem and preliminary theory are developed ahead of time and tested using evidence. Working hypotheses (statements of expectation) are flexible and incorporate relational or non-relational statements (Thornton & Wayne, 2000). They are often used as ways to investigate a problem in a particular city or public agency. These projects are a type of case study and use multiple methods of evidence collection. The working hypotheses are used as a device to direct evidence collection. As a result working hypotheses are generally organized using sub-hypotheses, which specify in more detail the kinds of data or evidence needed to support the hypothesis (Yin & Robert, 2007).

It could then be argued that a working hypothesis is the most appropriate framework to conceptualize this study. The following working hypotheses make up the conceptual framework for this study:

Research question 1: Was the process of formulation of the funds entrepreneurial?

H1: The process of formulation of the funds does not fit the proposed five steps of formulating a national entrepreneurship strategy

Research question 2: What is the motivation component of entrepreneurship policies in the funds?

H2: There are no policy measures within the funds that address the motivation component of entrepreneurship policies

Research question 3: What is the opportunity component of entrepreneurship policies in the funds?

H3: There are no policy measures within the funds that address the opportunity component of entrepreneurship policies

Research question 4: What is the skills component of entrepreneurship policies in the funds?

H4: There are no policy measures within the funds that address the skills component of entrepreneurship policies

Research question 5: Which entrepreneurial policy typology guided the establishment of the funds?

H5: there is no specific entrepreneurship policy typology guided the establishment of the funds

2.4 Empirical Review

The following section looks at a review of literature concerning the specific objectives. This includes: the process of formulation of entrepreneurship policies, the motivation components of entrepreneurship policies, the opportunity components of

entrepreneurship policies, the skills components of entrepreneurship policies and, entrepreneurship policy typologies.

2.4.1 The Process of Formulation of Entrepreneurship Policies

Governments around the world have created enterprise policies because of the belief that entrepreneurship creates employment, stimulates innovation, drives economic growth and thereby strengthens international competitiveness. However, the process of formulation of the policies is seldom investigated by researchers. It seems like the famous cliché “the end justifies the means” is put into consideration in this matter. This is not withstanding that Arshed, Carter, and Mason (2014) observed that such policies have been demonstrably ineffective, both at regional and national levels reason being poor policy formulation. The case is worse in the African setting where some of these establishments are based on political pronouncements. The delivery on the campaign promise becomes more critical than the means to the delivery. This is the reason why establishing whether the process of formulation of the funds was entrepreneurial is critical in concluding whether they are anchored on an entrepreneurship policy or not.

Literature provides diverse prescriptions on how public policies are formulated. Some generalize public policies while others are specific about entrepreneurship policies. For instance, Arshed, Carter, and Mason (2014) conducted a research in a government department in the UK responsible for enterprise policy. The research revealed the existence of two perceptions within the department of how enterprise policy was formulated. The first was the idealist view of the process of formulating enterprise policy. The second was the realist view of how enterprise policy was formulated in practice. The idealistic view of policy formulation saw it as being aligned with the ROAMEF Cycle - Rationale, Objectives, Appraisal, Monitoring, Evaluation and Feedback. This describes how policy should be formulated, identifying the stages that the process should pass through. However, the policy-makers acknowledged that this model was not always followed in practice for reasons beyond their control, such as ministerial interests, senior policy-makers’ ideas, and the importance of making announcements. Hence in reality policy-makers sought to legitimize the way in which

policy was formulated whilst at the same time acknowledging that their daily workings of formulating enterprise policy often deviated considerably from the prescribed model and lacked transparency and procedure. The actual process of enterprise policy formulation involved six phases: the identification of an area of policy interest; briefing; collecting evidence; clearing; announcing; and implementing.

In addition, Lundstrom and Stevenson (2005) constructed an integrated and systematic approach (nine-step process) that can be followed by other governments seeking to implement entrepreneurship policy. This was based on ten economies under their study in 2001, where they concluded that Netherlands, Finland and the United Kingdom provide the best-case examples of holistic entrepreneurship policy. Government policy efforts in these three countries thus present an outline of the entrepreneurship policy making process: it is reported that they started with the development of a White Paper in which they summarized the findings of existing and commissioned research studies on the factors giving rise to an 'entrepreneurial economy', the role of an 'entrepreneurial economy' in future competitiveness and economic prosperity and the state of entrepreneurship in their respective countries. These economies are reported to have had the benefit of documents produced by public policy research institutes or universities calling for a more entrepreneurial society and were influenced by the compelling economic arguments that a high level of turbulence (business entry and exit dynamics) drives innovation and economic growth. They sought a response to their White Papers by conducting a series of consultations to identify relevant policy areas and then to build their entrepreneurship policy agendas and work plans. They have as stated objectives to enhance the entrepreneurial culture and increase the business entry rate. They all placed the integration of entrepreneurship in the education system as one of their priorities and engaged in a process of collaborating with their ministries of education to make this a reality. They have developed a series of performance indicators to track the development of entrepreneurship trends, climate and culture.

Further UNCTAD (2012) recognized entrepreneurship as a vital component of economic growth and development. As a result, they developed UNCTAD's Entrepreneurship Policy Framework which aims to support developing-country policymakers and those

from economies in transition in the design of initiatives, measures and institutions to promote entrepreneurship. It sets out a structured framework of relevant policy areas, embedded in an overall entrepreneurship strategy that helps guide policymakers through the process of creating an environment that facilitates the emergence of entrepreneurs and start-ups, as well as the growth and expansion of new enterprises. They outlined five steps approach to formulating a national entrepreneurship strategy. Based on the Lundstrom's and Stevenson's nine-step process, and the UNCTAD five steps approach, the researcher identified five steps that were common in both and covered all the critical areas. These five steps are presented in the following paragraphs.

The first step is examining the country's context which involves taking stock of aspects of the Outcomes, Structure and SME/Entrepreneurial Vitality dimensions of the economy that have the potential to impact on higher or lower levels of entrepreneurial activity. It also involves mapping the current status of entrepreneurship in the country and identifying country-specific entrepreneurship opportunities and challenges; Assessing the state of affairs with respect to the foundations of entrepreneurship policy, that is, level of Motivation, Opportunity and Skills relative to entrepreneurial activity; Reviewing possible options for entrepreneurship policy measures from areas of the collective framework; and Configuring the policy measures into a comprehensive policy orientation using the typology framework as a guide. This is drawn from the first step and the third step as described by Lundstrom and Stevenson (2005) and UNCTAD (2012) where it comes in as the first step.

The second step is stating the priority problems and issues resulting from the context analysis and setting overall policy objectives. This involves defining strategies to achieve specific goals and reach specific target groups as well as developing and prioritizing actions. According to Lundstrom and Stevenson (2005), governments will have identified any number of economic, structural or social problems that need to be solved and the degree to which developing entrepreneurship is a contributing solution. Audretsch, Grilo and Thurik (2007) submit that if a connection can be made between start-up rates and the government's desired projections for employment increases or between startup rates and economic growth projections, then this could form the basis

for an overall entrepreneurship policy objective. In addition, UNCTAD (2012) postulate that based on the analysis of structural characteristics and binding constraints, it is important to specify the goals of a national entrepreneurship strategy. As a result, entrepreneurship policies may pursue a variety of objectives and therefore set priorities differently. They may, for example, put emphasis on modernizing agricultural societies; leapfrogging into next generation technologies; increasing and diversifying exports; creating new economic opportunities for women; boosting youth employment; and overcoming ethnical divides.

The third step is aligning policy development, implementation and delivery structures to achieve objectives set by the policy formulation. According to UNCTAD (2012), this involves aligning entrepreneurship strategies with overall development strategy and other private sector development strategies as well as managing interaction and creating policy synergies. It also involves designating a lead institution for policy implementation, setting up an effective inter-agency coordination mechanism and clarifying mandates, engaging with the private sector and other stakeholders and ensuring business-like service delivery. Further Lundstrom and Stevenson (2005) insinuate that in the formulation and implementation of entrepreneurship policy, government structure matters. Government SME/entrepreneurship policy structures can be categorized as "umbrella", "silo" (vertical) or horizontal (Stevenson and Lundstrom, 2002). Structure follows strategy and a realignment of structure with the entrepreneurship policy focus may be necessary. The move to entrepreneurship policy may also mean streamlining and adjusting existing delivery structures.

The fourth step is identifying performance indicators and evaluation measures to track and monitor short-term and long-term impacts. It involves defining clear performance indicators and monitor impact, setting up independent monitoring and evaluation routines and incorporating feedback from lessons learnt. According to Lundstrom and Stevenson (2005), the move to any new policy area demands new thinking about how progress will be measured. The policy makers need to answer questions such as: How will progress be measured? What performance indicators are needed? What types of evaluation should be undertaken? What are the appropriate benchmarks against which to

monitor developments over time, or in relationship to other regions or nations? In addition UNCTAD (2012) assert that monitoring and evaluation (M&E) of entrepreneurship programmes is important to ensure that policies remain relevant and that they serve the needs of entrepreneurs at different stages of development. Policymakers are held accountable for the effectiveness of policies, including entrepreneurship programmes, thus they must be able to show to what extent objectives are met.

The fifth step is developing the action plan and identifying resource requirements and partners. This includes development of the action plan, allocating budget and implementing the action plan. Whereas UNCTAD (2012) end their process at identifying performance indicators and conducting M&E, Lundstrom and Stevenson (2005) go a notch higher by arguing that implementation of the policy requires a budget allocation and a work plan. Some governments assign each relevant ministry with the requirement to open a budget envelope while others allocate the budget envelope to the ministry with responsibility for implementing the overall policy.

2.4.2 The Motivation Component of Entrepreneurship Policies

Entrepreneurial action is most often intentional. Entrepreneurs intend to pursue certain opportunities, enter new markets, and offer new products- and this is rarely the process of unintentional behavior. Intention capture the motivational factors that influence a behavior; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert in order to perform the behavior. Bwisa (2013) submitted that as a general rule, the stronger the intention to engage in behavior, the more likely the performance. In other words, the stronger the entrepreneurial motivation, the greater the likelihood of success. As such, individuals have stronger entrepreneurial intentions to act when taking action is perceived to be feasible and desirable.

The perception of feasibility has much to do with an entrepreneur's conviction that one can successfully execute the behavior required. This is described by Hisrich, Peters, and Shepherd (2009) as self-efficacy. Hisrich *et. al.* further submits that people with high self-efficacy believe they have the capacity to perform and they tend to perform. High

self-efficacy leads to increased initiative and persistence and thus improved performance; low self-efficacy reduces effort and thus performance. Indeed people with high self-efficacy think differently and behave differently than people with low self-efficacy. It appears that self-efficacy affects a person's choice of action and amount of effort exerted. Entrepreneurship scholars have found self-efficacy is positively associated with the creation of new independent organizations.

Not only must an individual perceive entrepreneurial action as feasible for entrepreneurial action to be high, the individual must also perceive the course of action to be desirable. According to Krishna (2013), perceived desirability refers to the individuals' attitude towards entrepreneurial action- the degree to which he or she has a favorable or unfavorable evaluation of potential entrepreneurial outcomes. Therefore, the higher the perceived desirability and feasibility, the stronger the intention to act entrepreneurially. According to Lundstrom and Stevenson (2005), the motivation component of the entrepreneurship policy foundations include the promotion of entrepreneurship. They further define entrepreneurship promotion as an activity which creates widespread awareness of the role of small business and entrepreneurship in the economy and which seeks to enhance the desirability and feasibility of entrepreneurship as an employment and career choice.

Vesalainen and Pihkala (1999) indicate that the first stage of the individual entrepreneurial process begins with awareness that the option exists. This is followed by the formation of attitudes and beliefs, personal identification with the "entrepreneurial role", formation of the intent to start a business, the search for an idea, the business planning and preparation phases and, finally, the start-up. These researchers determined that a person's motivation to explore entrepreneurship is initially heavily influenced by external factors, like entrepreneurship culture or the existence of entrepreneurial "heroes", which bear an influence on each person's occupational entrepreneurial identity. The importance of role models in influencing higher entrepreneurial activity levels is consistently reinforced in GEM country reports. Both the level of respect for those who start a business and the prevalence of stories in the media about successful entrepreneurs are suggested by GEM researchers as indicators of an entrepreneurial culture.

In order to increase the supply of new entrepreneurs, efforts are both required to enhance the social value of entrepreneurship and to create awareness of it as an option through information, exposure and role-models. According to Ma and Tan (2005), this implies a number of target audiences for promotion activity – society in general (to improve social acceptance of entrepreneurship in the culture), the general population from which future entrepreneurs will emerge and the group of existing entrepreneurs whose activity can be reinforced as valuable in society and also serve to motivate others (the role-modelling effect).

At the moment, this is an underdeveloped area of entrepreneurship policy. For example, one can observe that entrepreneurship promotion is not articulated as an area of policy focus in most reports produced by the OECD, APEC or the European Commission. This begs the question of why not. There could be several reasons according to Lundström and Stevenson (2001). Firstly, they argue that there could be some question about the specific role of government in promoting entrepreneurship among the general population. It is argued that if government sees its role as one of addressing market failures and views entrepreneurship as an individual choice people make, ‘promotion’ may be viewed as too interventionist. Secondly, they observe that the governments may not feel comfortable actively encouraging people to become entrepreneurs given the perceived low survival rates of new firms. Thirdly, Lundström and Stevenson (2001) observe that there may be some confusion regarding the somewhat subtle difference between fostering an entrepreneurial ‘climate’ and fostering an entrepreneurship ‘culture’. It might be useful to conceptualize this subtle difference. According to Riverin (2008), when talking about ‘promoting entrepreneurship’, officials most often refer to initiatives to eliminate barriers to entry, to improve the regulatory and tax environment or to improve the visibility and accessibility of business support services, start-up information and the supply of capital (that is, ‘climate’ enhancing initiatives focused on improving the Opportunity environment). This seems to be how they define it. They rarely referred to specific initiatives to promote the ‘culture’ (that is, to influence Motivation factors), initiatives which would include increasing social legitimacy, building ‘social capital’ and promoting entrepreneurship as an attractive career.

Common objectives of promotion activity as presented by Lundström and Stevenson (2001) are: To create a more entrepreneurial or enterprising culture; and to profile successful entrepreneurs as role-models for society. They observe that five major types of promotion activities are evident: Sponsorship of television programmes and advertising campaigns; Entrepreneurship awards programmes; Promotion of entrepreneur role models through print publications; Sponsorship of national entrepreneurship-related conferences and regional events; and Use of radio, print media and webcasting to profile entrepreneurship issues. Stevenson and Lundstrom further argue that these activities will enhance the attainment of the following objectives: Raise the profile of entrepreneurship; Increase awareness of entrepreneurship; Present credible role-models; Stimulate favorable attitudes towards entrepreneurship and its role in society; Generate interest in exploring entrepreneurship as an option and; Increase societal support for entrepreneurs.

Lundström and Stevenson (2005) came up with an entrepreneurship promotion policy scale. Some of the indications include: The national government having a stated objective to create more awareness of entrepreneurship or to promote a culture of entrepreneurship; The government sponsoring events that profile entrepreneurship and provide start-up information; The government alone, or in partnership with private sector organizations, recognizing entrepreneurs through national, high profile award programmes that recognize diversity in entrepreneurship (for example, women, ethnic minorities, youth) and success at different stages of business development, including start-ups, young and growing firms; The government engage with the mass media in the promotion of entrepreneurship; The government engage in activities to nurture the media to be more involved in covering the entrepreneurship story (for example, seminars with reporters, frequent press releases and press conferences, story-feeds, etc.); A portion of the central government's budget allocated for entrepreneurship promotion activities; and Efforts in place to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business

2.4.3: The Opportunity Component of Entrepreneurship Policies

It has been observed earlier that one of the key conditions for entrepreneurship to develop is that there must be opportunity for new enterprises to exist and for entrepreneurs to succeed through their own efforts. An entrepreneurial opportunity may be defined as a market opportunity; a begging demand waiting to be fulfilled. Entrepreneurship springs from either a real opportunity or an entrepreneur's perception that there is an opportunity worth exploiting. A country that creates a stable economic climate coupled with minimal income inequality is likely to generate more entrepreneurial opportunities than that one with only a small percentage of the population controlling the entire economy (Bwisa, 2011).

Stevenson and Lundstrom (2002) observed that in order to address the opportunity component, the focus of entrepreneurship policy must be in three major areas. These are: reduction of the administrative burden, access to business support services, and access to finance. Bwisa (2011) reveals that in order to address the area of opportunities, SME policy has more traditionally focused on certain measures such as: reduction of administrative burden, access to business support (including networking) and access to capital. Specific attention however, must be paid to the extent to which access in these opportunities areas is targeted to meet the needs of nascent entrepreneurs (pre-start-up), start-up entrepreneurs and entrepreneurs in the early stages of business survival and development (post-start period up to 42 months), that is, reducing start-up barriers, increasing start-up support services and improving access to start-up loans and seed capital. This will bring out a clear cut difference between an SME and Entrepreneurship policy.

A report by Revenue Research Unit (2008) defines administrative burden as costs incurred by businesses and citizens during the process of complying with diverse set of instruments by which governments set requirements on businesses and citizens. The diverse instruments touch on such areas as such as taxation, environmental protection, health and safety and employment rights. Ntaliani, Costopoulou, and Sideridis (2012) observe that these costs are connected with actions such as finding which regulations are

needed for compliance, understanding regulation and finding ways to comply with it, and complying with regulation. Bwisa (2011) notes that in addition to these direct costs of administrative regulations, it is also recognized that administrative regulations can impede innovation and create unnecessary barriers to trade and investment, as well as economic efficiency, if they become excessive in number and complexity.

It is widely recognized that the administrative burden can have a disproportionate effect on micro and small enterprises (MSEs) compared to large enterprises. In general, MSEs have less capacity to handle all the regulations compared to larger companies and the situation could be even more difficult for micro companies. A 2001 OECD study, which examined the costs of administrative compliance in almost 8,000 SMEs in 11 countries, found that administrative compliance costs per employee were over five times as high for the smallest MSEs than for the largest enterprise. This explains why policy measures to address reduction of administrative burden must be targeted to meet the needs of nascent entrepreneurs (pre-start-up), start-up entrepreneurs and entrepreneurs in the early stages of business survival and development (post-start period up to 42 months).

To ensure reduction of administrative burden Lundström and Stevenson (2001) argues that the policy framework should seek to reduce barriers to business entry caused by bureaucratic lengthy and costly procedures and social security systems and labour market policies which trap people in their paid employment. In other words, Baum, Locke, and Smith (2001) clarify that they should attempt to reduce or eliminate the 'quiet disincentives' which subtly discourage potential entrepreneurs from taking the first step into business. Thus, there should be provisions within the policy framework to reduce red-tape/paper burden, reduce compliance costs, and ensure that there are one-stop shops to provide regulatory information.

The OECD and the European Union have been advocating in favour of actions to reduce or modify regulations that directly or indirectly discourage the creation and expansion of smaller enterprises or that create obstacles to the formation of new and innovative enterprises (OECD, 1998, 1999; European Commission, 1998, 2002) The European Union continues to call for the adoption of proactive initiatives to facilitate the creation

of new enterprises (that is, single locations for registration purposes, single registration documents, single business identification numbers, and sharing of data between public authorities involved in business registration). The European Commission (2002) further observes that there are a number of possible areas where a national/central government can make adjustments in its administrative, regulatory and legislative systems to facilitate entrepreneurial activity. Certain actions can be taken to reduce the time and cost of registering businesses, while others will improve the opportunities entrepreneurs have to start and grow businesses (for example, more open competition policies, tax breaks). Lundstrom and Stevenson (2005) conclude that policy options in these areas could influence people's motivation to start a business as well as create better opportunity conditions.

According to Birch et al (2009), entrepreneurship activity levels are highest in regions that provide lots of support for new and growth-oriented entrepreneurs. Business support has been described as services (usually provided by governments due to market failures (EU, 2002), which signpost nascent and practicing entrepreneurs to other business support organizations and offer them initial information and guidance to promote efficiency, facilitate compliance with the law and encourage growth (Bwisa, 2011). This is in agreement with Reynolds et al. (2000), who argue that governments should provide business support programs and services oriented to new entrepreneurs; incubators, web portals, advisory services, one-stop shops, mentoring, networking, etc; identify and encourage regional growth companies. According to the European Commission, business support services aim to assist enterprises or entrepreneurs to successfully develop their business activity and to respond effectively to the challenges of their business, social and physical environment (European Commission, 2001). The Commission further explains that these services would typically be available to any actual or potential entrepreneur that wanted to make use of them and would involve the provision of information, advice or forms of training that stop short of formal programmes, as well as facilitate financing. In addition, Lundström and Stevenson (2001) observe that in order to address the area of access to business support, the policy framework should aim at: improving range of information and advisory services,

improving quality of service, meeting needs of people at different stages of development, meeting needs of target groups and tailoring intervention approaches.

Lundstrom and Stevenson (2005) submit that the provision of quality business support to entrepreneurs in nascent and start-up phases is becoming a very important policy issue as governments seek ways to create more dynamic start-up markets. It constitutes part of the entrepreneur's "opportunity structure" in the framework of entrepreneurship policy measures. They observe that the overall rationale for paying attention to this is that individuals who, alone or in teams, are trying to start a business often lack know-how regarding the steps to take. They will often seek advice from people in their personal networks who may or may not be better informed than they are. Although it appears that the majority of new starters do not avail themselves of government assistance, Lundstrom and Stevenson (2005) observe that some governments are keen to increase the take-up rate of advisory services because of the impact professional advice can have on both start-up and survival rates. According to a UK study, about 50 percent of start-up entrepreneurs seek professional external advice, but the ones who do build sales faster and are 20 percent more likely to survive than those who do not (Barclays, 2002).

Improving access to professional advisory services can potentially increase the entry rate of nascent entrepreneurs and lead to higher quality start-ups with greater chances of survivability, growth and job creation. According to Lundström and Stevenson (2005), business support measures for start-up and growth firms include One-stop shops; points of entry; start-up portals; online counseling; business and enterprise centers for advice, counseling, technical assistance & consultancy; Entrepreneurship training programmes for starters and growth firms; mentoring initiatives; National incubator strategy; incubator funds; Support for entrepreneurial networks and associations.

Access to financing continues to be one of the most significant challenges for the creation, survival and growth of SMEs, especially innovative ones (OECD, 2009). This is in agreement with Bwisa (2011) who observe that lack of access to financing is viewed as one of the most significant barriers to the start-up and growth of small businesses. Dennis (2005) observes that because of the lack of access to financing,

entrepreneurs are impeded in their efforts to start, expand, modernize and grow their businesses. This stunted growth prevents small firms from increasing employment and productivity and diminishes their capacity to contribute fully to overall economic growth in the economy.

Various reasons why governments focus on the SME financing issue have been cited. Lundström and Stevenson (2001) identified five major reasons for making interventions in the SME financing arena, all based on "market failure" arguments. These are: Loans to small firms pose higher transaction costs for traditional lenders and thus reduce the competitive ability of new and small firms to secure debt financing; Small firms pose a higher lending risk because of perceived higher failure rates; New and young firms are less likely to meet the collateral security requirements of traditional lenders and less able to demonstrate through a proven track record that their businesses will generate sufficient profits to repay the loan and service the debt; New technology-oriented and early-stage firms pose a high risk because of the uncertainty of their commercial viability, making it difficult for them to attract financing; Entrepreneurs are subject to information asymmetries and thus disadvantaged in terms of access to information about sources of financing and financing options compared to large firms. Storey (2008) is also in agreement with these observations as he cites 'market failure' as the major reason justifying government interventions.

Lundström and Stevenson (2005), argue that government intervention seeks to address these failures by introducing measures to: (1) reduce the transaction costs of lending to small businesses (simplifying loan approval processes, using online loan applications); (2) reduce the risk banks take in lending to small businesses (guarantees, loan loss reserves); (3) improve access to financing in cases where innovative entrepreneurs are unable to attract traditional financing (risk-sharing measures); (4) increase the flow of equity capital (incentives for informal investors and venture capitalists); and (5) reduce the asymmetry of information for SMEs (initiatives to bridge the communication gap between financiers and entrepreneurs and to improve the flow of information about financing options/sources).

While a large amount of government resources is being allocated to address SME financing gaps, Lundstrom and Stevenson (2005) observe that not much is often known about the actual impact of these efforts or the extent to which it is solving the problem. Neither is it clear how much the problem is one of lack of availability versus lack of access; in other words, financing may be available, but small firm owners may lack the know-how and ability to secure it. The focus of entrepreneurship policies should be on measures to stimulate an increase in business start-up and early-stage growth activity. Thus, particular attention must be paid to start-up and seed financing. When governments shift their focus to entrepreneurship policy, in fact, one of the first questions they have to ask is: how much of the available SME financing is finding its way into start-up firms? Not very much data exists about this.

Lundström and Stevenson (2005) identified specific measures that should be in place if any government is focusing on entrepreneurship policy. These are: Efforts to redirect more of the available supply of capital to new firms; Funding of special seed programmes to support the start-up and early stage development of innovative, technostarts; Government-backed credit guarantee scheme to reduce the lending risk of new, small, and early-stage enterprises; Development of databases on the types and sources of available venture funding to better inform new entrepreneurs and; Pre-commercialization funds made available to promising new technology firms (for prototype development, etc.)

2.4.4 The Skills Component of Entrepreneurship Policies

The education level of the entrepreneur has received significant research attention. Although some may feel that entrepreneurs are less educated than the general population, research findings indicate that this is clearly not the case (Hmieleski, Keith, & Corbett, 2009). Education is important in the up-bringing of the entrepreneur. Its importance is reflected not only in the level of education obtained but also in the fact that it continues to play a major role in helping entrepreneurs cope with the problem they confront. Although a formal education is not necessary for starting a new business, it does provide a good background, particularly when it is related to the field of the

venture. Further, Henry et al, (2003), recognized that education and training opportunities play a key role in cultivating future entrepreneurs and in developing the abilities of existing entrepreneurs to grow their business to greater levels of success. However, whereas it has been found that education has a positive influence on the chance that a person will discover new opportunities, it does not necessarily determine whether he will create a new business to exploit the discovered opportunity.

The importance of skills development for entrepreneurs cannot be overemphasized. In fact, Hisrich et al., (2009) assert that both male and female entrepreneurs have cited an educational need in the areas of finance, strategic planning, marketing and management. The ability to communicate clearly with both the written and spoken word is important in any entrepreneurial activity. The general human capital of an entrepreneur can provide knowledge, skills, and problem-solving abilities that are transferable across different situations. This is supported by a study conducted by Maria and Maria (2014) whose aim was to identify skills for developing a culture of entrepreneurship. The study observed that the knowledge of the entrepreneur is based on the cognitive skills, social and relational skills, technical skills and management skills. In addition, the entrepreneur must acquire skills with regard to business development, which includes the strategy that the company will adopt, products and/or services, the corporate image management systems (human resources management, financial management, marketing, etc.) and the formal and informal structure of the company. This mixture is crucial to creating and running a business.

The study by Maria and Maria (2014) further identified actors that have the responsibility to create an entrepreneurial culture and develop entrepreneurial skills. One of the actors is the government which is responsible for creating policies (economic, financial, educational, social, etc.) that promote entrepreneurship. The other actor is schools and universities which have the responsibility to produced programs and the implementation of learning methodologies to develop entrepreneurial skills. Valerio, Parton, and Robb (2014) add to this debate by acknowledging that a number of international, regional, national, and local actors are taking part in the global experiment of entrepreneurship education (EE) and entrepreneurship education and training (EET).

Further, Valerio, Parton, and Robb (2014) observe that EET is recognized as an established field of study, growing in parallel with the interest of policymakers and students. They further submit that taken as a whole, EET represents both academic education and formal training interventions that share the broad objective of providing individuals with the entrepreneurial mindsets and skills to support participation and performance in a range of entrepreneurial activities. As such, EET encompasses a heterogeneous array of interventions, including formal academic education programs as well as stand-alone training programs. Both of these may aim to stimulate entrepreneurship as well as support individuals and enterprises already engaged in entrepreneurial activities. The researchers further identify the EET beneficiaries as including both potential and practicing entrepreneurs who are traditional students enrolled in degree programs, early school leavers, adult learners, individuals with doctoral degrees, minority groups, women, and rural as well as urban populations.

Entrepreneurship education is a major component of the skills element of the entrepreneurship policy model. According to the European Commission (2008), the aim of entrepreneurship education and training should be to ‘develop entrepreneurial capacities and mindsets’ that benefit economies by fostering creativity, innovation and self-employment. Further, Lundström and Stevenson (2001), recognize that much more needs to be done in the early years to inculcate entrepreneurial values and enterprising thinking in young people and that it needs to start in schools. This will meet at least two needs (Bwisa, 2013) – to strengthen the entrepreneurial culture and to prepare young people for a changing labour market which will inevitably include some aspect of entrepreneurship in their career biographies. This might be as an employee in a small independent business, as an entrepreneur, or as a professional in the support environment for entrepreneurship (for example, small business adviser, entrepreneurship teacher, director of the entrepreneurship unit in a government department, account manager for small business clients in a bank, a major accounting firm, or major corporation).

Emergent thinking is that entrepreneurship should be introduced across all vocational/technical college programs and all university faculties/disciplines (Otuya *et*

al. 2013) Business schools are no longer seen as the domain of entrepreneurship education; students in engineering, fine arts, science, law and medicine and other disciplines must also be given the opportunity to combine entrepreneurship with their areas of study. Also, given the fact that the majority of entrepreneurs do not have post-secondary educations and that of the ones who do, most do not have Business Administration degrees, there is a logical argument by Bwisa (2013) for moving entrepreneurship education into other levels of the education system and into other areas of learning.

According to Lundström and Stevenson (2005), when attempting to integrate entrepreneurship in the education system, the types of questions that have to be resolved are similar across countries. How is entrepreneurship education defined? What does entrepreneurship education entail? What should be taught at what level? How should it be taught? Who should teach it and what preparation do they need? What materials and resources need to be developed? How can these be shared? What extracurricular activities should be included? What partnerships are needed with the business community? How will outcomes be measured? How much will it all cost? What is the role of a government's ministry of economic affairs or industry versus the role of its education ministry?

Lessons learned from the studies conducted by Lundström and Stevenson (2001) reveal a relatively consistent and shared view that entrepreneurship education includes both elements of enterprising behaviours and entrepreneurship skills, is appropriate for all grade levels, should employ a cross-disciplinary approach and be taught through many subject areas. Furthermore, the successful implementation of a comprehensive entrepreneurship education programme requires: Inclusion of enterprise/entrepreneurship as a component in National Curriculum Guidelines; Development of curriculum, teaching resources, and teaching methods that emphasize student-centered learning and "hands-on" project oriented activities; Professional development of teachers; Building of resource centers and networks for the exchange of best practice; Support of school administrators and education officials; Business-education partnerships and community support; Opportunities for students to experiment

with venture projects and activities, including student venture programmes; Significant budget allocations; and Commitment from both the ministries of industry or economic affairs and education.

2.4.5 Entrepreneurial Policy Typologies

Governments have a range of policies to enable Small and Medium-sized Enterprises (SMEs) to come into existence and to grow. Different authors have classified these policies into different typologies. For instance Dennis (2005) identified three major policy options for governments. According to Dennis, the first is to focus attention upon lowering the entry “barriers” to new firm formation. Examples of such “barriers” include the length of time taken to start a business, the number and cost of any permits or licenses required, or the minimum capital requirements of a new firm. A second policy option is to reduce the “burdens” on those individuals already operating SMEs. Such “burdens” might include the difficulties over the hiring and firing of labour, obtaining access to credit, the severity of the tax regime or the difficulties of closing a business. A third policy option is to use public funds to provide finance directly and indirectly, or to provide information, training and advice -soft support- to both individuals considering starting a firm and to existing established SMEs. He concluded by referring to policy option one and two as reducing impediments and policy option three as providing assistance. This was summarized as shown on table 2.2

Table 1.2: A Typology of Public Policy toward Small Business

	High impediments	Low impediments
Low direct assistance	LIMITING (Developing countries)	COMPETING (US)
High direct assistance	COMPENSATING (EU)	NURTURING (US minority)

Source: Dennis (2005)

According to Dennis (2005), most EU countries have, by OECD standards, comparatively high what Dennis calls impediments to starting a business, as illustrated by the World Bank 2006 survey. On the other hand EU countries also commit considerable sums of public money to assisting SMEs, which Dennis regards as seeking to compensate for the impediments. For this reason, this box is labeled “compensating”. In the USA, direct assistance is argued to be low but so are the barriers to starting and operating a business. As such, competition enhancement is seen as the focus of US small business policy and so this box is labeled “competing”. The US however, does have some exceptions to this according to Dennis (2005), - its programmes to promote the interests of technology-based firms, and in the promotion of minorities. Here Dennis observes that the barriers are low but there is a high level of direct assistance provided. This is shown in the box labeled “nurturing”. Storey (2008) observes that OECD countries which could also be viewed as reflecting this policy choice could include Canada and perhaps New Zealand. Finally, Dennis observes that there are many countries where the barriers to starting a business are high by international standards, but where public assistance is low. This is referred to as “Limiting” by Dennis and is very characteristic of less developed countries.

OECD (2013) adds on to the debate on policy choices among countries and regions. According to them, there are three key policy choices available for governments in as far as entrepreneurship is concerned. The first choice is over the role of entrepreneurship policy as opposed to SME policy. OECD (2013) seems to be in agreement with Lundstrom and Stevenson (2001) in their explanation of the distinction between SME and entrepreneurship policy. According to them, SME policy provides support for existing SMEs that, by definition, are already established. This support is designed to make the SMEs more competitive and so increase their likelihood of survival and growth. This support could be “hard” financial assistance in form of grants, loans, or tax reliefs or “soft” support in form of information, training, and advice. In contrast, they explain that entrepreneurship policy seeks to raise creation rate of new enterprises. This explanation is in agreement with Lundstrom and Stevenson (2001) although it leaves out important aspects such as the policy should address the areas of motivation, opportunity and skills. OECD (2013) point out at enterprise education to raise awareness amongst

young people of the option of creating a business as an example of entrepreneurship policy since it seeks to raise the creation rate of new firms at some point in future. OECD further present the measures of success of such policies to include: the extent to which there is increase in the number of new firms attributable to the policy measures entrepreneurship policy impact; and the extent to which growth of existing firms is enhanced, leading to an improved performance of the overall economy in terms of job creation, unemployment reduction, productivity and wealth creation measures that SME policy impact.

The second key policy choice presented by OECD (2013) is that of micro and macro approaches to the promotion and support of new and small enterprises. Micro approaches as said to be those that focus explicitly on enterprises or individuals. A good example in this case would be an existing or potential business owner having difficulty in accessing finance because of lack of collateral. A micro policy in this case would be the presence of a loan guarantee programme. On the other hand, a macro policy would aim at to reduce information imperfections in the market for finance and by ensuring that this market place was fully competitive. This might include policies to encourage the entry of new banks, the elimination of low risk but high return options for financial institutions. In essence, macro policy does not address the problem but rather its overall context. The third key policy choice is the extent to which the government emphasize policies that focus upon providing direct assistance compared to those that focus upon seeking to lower “burdens” or “impediments” to business creation or small firm expansion. They adopted the Dennis (2005) 2x2 matrix to explain the distinction between the policy choices.

Another major contributor to this debate is Lundström and Stevenson (2001). They concluded that individual governments display considerable diversity in how, and to what extent, entrepreneurship policy elements are being applied and implemented. From their study of ten economies they concluded that governments have one of four basic orientations to entrepreneurship policy. The most traditional way of entering the field is to 'add-on' measures to the existing SME policy, particularly in the area of business support for new starters, however, some governments have embarked on a full transition

from a SME policy to an entrepreneurship policy approach. These were organized into a set of Entrepreneurship Policy Typologies. These are: SME policy extension, Niche entrepreneurship policy, New firm creation entrepreneurship policy and Holistic entrepreneurship policy.

SME Policy 'Extension' – According to Lundstrom and Stevenson (2001), these are policies to improve access to start-up support services and financing. They argue that a government with an E-extension approach is one that does not have a specified entrepreneurship policy. Some accommodation is made to respond to local or regional demand for indigenous start-up activity by extending services already provided through existing national SME programmes and services - that is, by "adding-on" entrepreneurship-oriented "bits" in more of a piece-meal fashion. Such entrepreneurship-oriented measures might include the provision of start-up information, business planning assistance, or self-employment training initiatives. However, Bwisa (2011) argues that the primary policy focus of these governments is geared towards addressing market failures and "leveling the playing field" for existing SMEs. Entrepreneurship-oriented measures tend to be a marginalized priority and weakly resourced compared to SME policy measures.

Lundstrom and Stevenson (2001) concluded that this was most likely to be the dominant approach in countries where the government has long-standing SME policies and well-established SME support networks in place (for example, Australia, Canada, Sweden, Taiwan and the US). These are countries that had few regulatory or administrative barriers to the business start-up process and where it was not generally difficult, time consuming, or costly to start a business. They also tended to be countries with a well-developed culture of entrepreneurship, which is certainly the case in Canada, Taiwan and the US.

To a great extent, Storey (2008) submits that the E-extension approach can be described as a reactive response to growing demand from nascent and new entrepreneurs for startup information, advice, and financing or as a strategy for generating employment, especially in high unemployment regions. Lundstrom and Stevenson (2005) argues that

the policy measures in this typology are likely to focus on improving "access" to resources - elements of the "Opportunity" circle of the Entrepreneurship Policy Foundations framework. For example, services offered through existing SME support delivery networks might be extended by offering start-up seminars. The government may make use of its existing SME website to provide tailored information for business starters, thus making it easier for people to access information on starting a business. The network of local government SME offices may work at the community level to promote entrepreneurship as a job creation strategy.

According to Lundström and Stevenson (2001), the secondary policy approach in these countries is largely aimed at addressing the specific start-up needs of groups of the population under-represented in business ownership, that is, the adoption of "niche" policies. These policy measures might include the provision of special micro-loan or counseling programmes to specific target groups, such as women or youth, or the setting up of local enterprise centers and mentoring initiatives. However, they argue that there are few national policy directives to foster an entrepreneurial culture, examine specific barriers to entry or integrate entrepreneurship in the education system. The prevailing focus is on existing SMEs, addressing market failures and 'leveling the playing field'; entrepreneurship measures tend to be a marginalized priority and often weakly resourced.

'Niche' Entrepreneurship Policy – According to Stevenson and Lundström (2001) these are policies tailored to increasing entrepreneurial activity amongst specific groups of the population. 'Niche' entrepreneurship policies focus on stimulating the start-up rates among particular segments of the population. They argue that the overall target of this approach is either to improve the business ownership levels of under-represented groups, for example, women, young people, ethnic minorities, and the unemployed (Type 1), or to accelerate the take-up of high-tech, innovative entrepreneurship from amongst post-secondary graduates and scientifically, technologically-oriented researchers and experts (Type 2). In either case, governments justify their interventions on the basis of social, systemic or market failures. Under-represented groups may face social or economic barriers to the entrepreneurial process and techno-starters may face market failures due

to the uncertainty and high risk associated with high-technology businesses. "Niche" policy is likely to include Motivation and Skills oriented measures as well as Opportunity measures. Bwisa (2011) submits that the rationale for target group policies has to do with job creation, social inclusion, labor market integration, or wealth creation and in either case, government intervention is justified on the basis of social or market failures.

According to Stevenson and Lundström (2002) underrepresented groups may face social or economic barriers to the entrepreneurial process and the efforts of techno-starters may be subject to market failures due to the uncertainty and high risk associated with high-technology businesses. From their research targeting ten economies, they concluded that the 'niche' target group policy approach is the dominant one of the Irish government whose focus is on techno-starters. A comprehensive package of incentives and assistance is aimed at producing more entrepreneurs and spin-off firms from university and technology institute environments. These include funding for campus incubators, pre-seed funding for commercially promising R&D, campus venture capital, enterprise learning platforms and business plan competitions. 'Niche' policies are generally complementary to the dominant E-policy approach. If the overall culture of entrepreneurship is weak, if there are barriers to business entry, or if opportunities to gain entrepreneurial knowledge and skills are deficient, target groups could still face difficulties in their entrepreneurial endeavours. Thus a 'niche' policy approach makes more sense in the context of a broader set of policies.

New Firm Creation Policy – according to Lundström and Stevenson (2001) these are policies in favour of reduced barriers to entry and exit. New Firm Creation policy (sometimes referred to as Business Start-up policy) is concerned with simplifying the start-up process and eliminating government-induced administrative and regulatory barriers to business entry and exit. Again, emphasis is on aspects within the "Opportunity" circle, except in this case more so on the regulatory and administrative aspects (that is, adjusting for government failure). Bwisa (2011) argues that one of the big administrative/regulatory issues affecting entrepreneurial activity levels has to do with the time and cost of starting a business - the number of days it takes to obtain

approvals, the number of required procedures, the number of regulations that have to be satisfied, and the cost of business registration and regulatory compliance. The objective of New Firm Creation policy is to reduce this time and cost to a minimum so more people will be able to start and formalize their businesses.

However, according to Stevenson and Lundstrom (2001), a number of other government policies and structures also tend to be reviewed, including regulations and policies related to competition, social security, employment, taxation, bankruptcy and insolvency, and company law. They further argue that this is a huge job because a vast number of government ministries and departments are implicated, and several ministries, departments and regulatory agencies have to be engaged in the review process. The OECD and the EU have been the driving forces for much of the progress in this area. The OECD (1999) insisted that *'regulations which directly or indirectly discourage the creation and expansion of smaller enterprises and innovative start-ups that are important for growth and employment need to be modified and reformed'* (p.5), indicating that competition policy frameworks, regulated markets, government regulation and complicated tax systems present obstacles both to nascent entrepreneurs and new, young, and small firms. Flexible labour markets, streamlined administrative requirements, simplified tax policies, and reformed bankruptcy laws were among the factors enumerated by the OECD (1998) as those conducive to increased levels of entrepreneurship in a country. The EU also sees undue burden as a serious obstacle to the entry of new businesses and to the growth and competitiveness of existing SMEs and has called for the adoption of initiatives to facilitate the creation of new enterprises, that is, single locations for registration purposes, single registration documents, single identification numbers, sharing of data between public authorities involved in registration (European Commission, 1998, 2002).

Holistic Entrepreneurship Policy –according to Stevenson and Lundström (2001) these are policies to strengthen entrepreneurial culture and capacity. "Holistic" entrepreneurship policy is argued to be the most comprehensive type. It incorporates the policy measures of the other three types - reducing barriers to business entry; ensuring the small business support system is able to respond to the needs of nascent and new

entrepreneurs (from all walks of life); and making financing available for start-up businesses - but, in addition, focuses on integrating entrepreneurship within the education system, promoting an entrepreneurial culture and creating a positive climate for entrepreneurship. It responds to all three of the Entrepreneurship Policy Foundations through a combination of Motivation, Opportunity and Skills oriented measures.

From their research focusing on ten economies, Stevenson and Lundström (2001) found out that governments in the Netherlands, Finland and the UK best illustrated this as their dominant policy approach because of their bold statements of entrepreneurship policy. Their policy objectives include promoting an entrepreneurship culture, reducing barriers to entry and exit, imbedding entrepreneurship education in schools, improving access to start-up financing and business information and assistance, addressing the start-up needs of target groups, and increasing the overall business start-up rate in the country.

In conclusion, Lundström and Stevenson (2001) argue that the approaches taken by individual governments do not fall neatly within one of these categories. However, they tend to exhibit a dominant approach which may be complemented by a secondary approach. For example, governments that ‘add-on’ an entrepreneurship focus to their existing SME support structure will often offer special programmes and services to identified target groups, that is, a ‘niche’ entrepreneurship policy element.

2.5 Research Gaps

Research on the government funds aimed at improving accessibility of financial resources by the youth and women in Kenya has attracted a lot of scholarly attention. For instance, Kimando, Njogu, and Kihoro (2012) carried out a study on factors affecting the success of youth enterprises funded by the YEDF; Langat et al (2012) researched on the Youth Enterprise Development Fund (YEDF) and growth of enterprise at constituency level in Kenya; Kanyari and Namusonge (2013) researched on the factors that influence Kenyan youth entrepreneurs towards the YEDF; and Sangwe et al (2011) carried out a study to investigate the preparedness of the youth and women for the Youth Enterprise Development Fund and Women Enterprise Fund among others. However, one common thing in these studies is the fact that they focused on the

beneficiaries of the funds. The policy framework that established these government funds has seldom attracted any scholarly attention in Kenya. This is despite Audretsch and Thurik (2001) explaining the rise in entrepreneurship policy formulation as a necessary response to fundamental industrial and economic restructuring - a shift from the "managed economy" to the "entrepreneurial economy".

The wealth and poverty of developing countries has been linked in modern times to the entrepreneurial nature of their economies. Where it has existed in plenty, entrepreneurship has played an important role in economic growth, innovation, and competitiveness and it may also play a role over time in poverty alleviation (Landes, 1998). However, much of the entrepreneurship research in developing countries focuses more on the demand side which represents the opportunities for entrepreneurship and seldom on the supply side which represents the demographic composition of the population, the capabilities of individuals and their attitudes towards entrepreneurship (preferences). In fact, the proposed policy reform agenda has not focused on implementing the integrated entrepreneurship policy approach. These are measures described by Stevenson and Lundstrom (2005) as aimed at influencing all the three elements of entrepreneurship policy foundations that is motivation, opportunity and skills. For instance, a study carried out by Lingelbach, Vina, and Asel (2012) on the distinctiveness of entrepreneurship in developing countries focused on opportunity, financial resources, and apprenticeship and human resources. Another study by Acs and Virgill (2009) on entrepreneurship in developing countries focused on demonstration externalities, knowledge and information externalities, and network externalities. Still another study by Osunde (2014) on entrepreneurs and entrepreneurs in developing countries, the Nigerian experience concluded that government policies have shifted to addressing problems of infrastructure decay and finance.

Minniti (2008) argues that when it comes to entrepreneurship policy, one size does not fit all, and that, in the long run, governments can only provide an underlying environment conducive to the emergence of productive rather than unproductive

entrepreneurship. The degree of development is also important, and the relationship between policy and entrepreneurial activity varies across countries. In fact, Stevenson and Lundstrom (2005) argue that creation of an entrepreneurship policy should take into consideration the specific conditions of a country or region. These conditions will vary from one country or region to another. However, the reviewed literature appears to have focused more on the European Union members and the Asia Pacific Economic Cooperation members. It was also evident that the area of entrepreneurship policy has seldom attracted attention from scholars in the developing economies and in particular, Africa. It is therefore not clear whether their findings would be generalized and be applicable to the developing countries. This study aims to investigate the theories and findings reviewed from a developing economy perspective.

2.6 Summary of the Reviewed Literature

The review of literature includes the theoretical review which provides a definition of entrepreneurship policy, its features as well as a distinction between SME and Entrepreneurship policy. The theoretical framework is founded on the fact that entrepreneurship will develop if three key conditions are present. First, there must be opportunity for new enterprises to exist and for entrepreneurs to succeed through their own efforts (opportunity). Second, there must be a propensity to enterprise, involving such characteristics as an urge for excellence, a willingness to bear risk, and a desire to be independent (motivation). Third, the ability to enterprise must be present; meaning the technical and business capabilities required to start and manage a business must exist (skills). These are the foundations of entrepreneurship policy and summarized in The 'MOS' (Motivation, Opportunity and Skills) Model. The framework also includes: Schumpeter's theory of Entrepreneurship; and the theory of Need Achievement (The n-Ach Theory).

The review of variables includes a review of the items that make up the specific objectives that is the process of formulation of entrepreneurship policies, motivation component of entrepreneurship policies, opportunity component of entrepreneurship policies, skills component of entrepreneurship policies and entrepreneurship policy

typologies. The process for formulation of entrepreneurship policy must always start with identifying the country's specific needs or challenges; this is then followed by outlining the specific objectives of the policy. These objectives must be in agreement with the national policy framework in order to ensure coherence in policy delivery and they must be converted into measurable targets. The results of such policies must then be compared with the objectives in order to assess deviations from the targets and ensure corrective actions are taken.

Motivation component of the entrepreneurship policy foundations include the promotion of entrepreneurship. This is very much on the supply side of entrepreneurship and has the most to do with 'culture building'. Entrepreneurship Promotion is defined as activity which creates widespread awareness of the role of small business and entrepreneurship in the economy and which seeks to enhance the desirability and feasibility of entrepreneurship as an employment and career choice. The opportunity component include: reduction of administrative burden, access to business support (including networking) and access to capital. Specific attention however, must be paid to the extent to which access in these opportunities areas is targeted to meet the needs of nascent entrepreneurs (pre-start-up), start-up entrepreneurs and entrepreneurs in the early stages of business survival and development (post-start period up to 42 months), that is, reducing start-up barriers, increasing start-up support services and improving access to start-up loans and seed capital.

Entrepreneurship education is a major component of the skills element of the Entrepreneurship Policy model. It is now well-recognized that education and training opportunities play a key role in cultivating future entrepreneurs and in developing the abilities of existing entrepreneurs to grow their business to greater levels of success. The aim of entrepreneurship education and training should be to 'develop entrepreneurial capacities and mindsets' that benefit economies by fostering creativity, innovation and self-employment. The entrepreneurship policy typologies reviewed in the literature include: SME policy 'extension', 'Niche' entrepreneurship policy, New firm creation policies and Holistic entrepreneurship policy.

The conceptual framework is made up of working hypotheses which are constructed as statements of expectations, which can be linked to the exploratory research purpose in empirical investigation and is often used as a conceptual framework in qualitative research. The working hypotheses are used as a device to direct evidence collection. As a result working hypotheses are generally organized using sub-hypotheses, which specify in more detail the kinds of data or evidence needed to support the hypothesis.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The major aim of this study was to assess the entrepreneurship policy foundations of the Youth, Women and Uwezo Funds in Kenya. This chapter outlines the design and methodology that were used in the study. It describes the scope of the study, target population, and the sampling procedures that were used. It also describes how the data were collected and how it was analyzed.

3.2 Research design

This study took a qualitative approach where qualitative research has been defined as an inquiry approach in which the inquirer: explores a central phenomenon (one key concept), asks participants broad, general questions, collects detailed views of participants in the form of words or images, analyzes and codes the data for description and themes, interprets the meaning of the information drawing on personal reflections and past research, and writes the final report that includes personal biases and a flexible structure (Creswell, 2002).

According to Creswell (2007), qualitative research begins with assumptions, a worldview, the possible use of a theoretical lens, and the study of research problems inquiring into the meaning individuals or groups ascribe to a social or human problem. To study this problem, qualitative researchers use an emerging qualitative approach to inquiry, the collection of data in a natural setting sensitive to the people and places under study, and data analysis that is inductive and establishes patterns or themes. The final written report or presentation includes the voices of participants, the reflexivity of the researcher, and a 'complex description and interpretation of the problem, and it extends the literature or signals a call for action. Further, Creswell (2007) argues that one of the reasons qualitative research is conducted is because a problem or issue needs to be explored.

Reflecting on qualitative research, Cheek (2008) describes research design as the way in which a research idea is transformed into a research project or plan that can then be carried out in practice by a research or research team. There are several different research approaches, or research designs, that qualitative researchers use. Creswell (2007) enlists five approaches. These are: narrative research, phenomenology, grounded theory, ethnography and case study. According to Creswell (2007), case study research involves the study of an issue explored through one or more cases within a bounded system (that is, a setting, a context). Although Stake (2005) states that case study research is not a methodology but a choice of what is to be studied (that is, a case within a bounded system), others present it as a strategy of inquiry, a methodology, or a comprehensive research strategy (Denzin & Lincoln, 2005; Merriam, 1998; Yin, 2003). This study adopts the Creswell (2007) view of a case study as a type of design in qualitative research.

Many social scientists believe that case studies are only appropriate for the exploratory phase of an investigation. However, there may be exploratory case studies, descriptive case studies, and/or explanatory case studies (Yin, 2003). The type of case study used by a researcher is dependent on among other things, the type of research questions asked. If the research questions focus mainly on “what” questions, this becomes a justifiable rationale for conducting an exploratory study. The goal of such a study would be to develop pertinent hypotheses and propositions for further inquiry. Further, an exploratory study has been described as the most useful (and appropriate) for those projects that are addressing a subject about which there are high levels of uncertainty and ignorance about the subject, and when there is very little existing research on the subject matter (Neergard & Parm, 2007). They further submit that it answers the question: “What is the case?”

In his definition of a case study, Creswell (2007) describes it as an approach in which the investigator explores a bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information (for example, observations, interviews, audiovisual material, and documents and reports), and reports a case description and case-based themes. For example, several

programs (a multi-site study) or a single program (a within-site study) may be selected for study. There appears to be a consensus by Yin (2003), Creswell (2007), and Neergard and Parm (2007) concerning when a research study could be described as an exploratory case study. Qualitative case studies have also been distinguished by the size of the bounded case, such as whether the case involves one individual, several individuals, a group, an entire program, or an activity. This study adopted a collective case study (or multiple case study) in which the one issue or concern is again selected, but the inquirer selects multiple case studies to illustrate the issue. Often the inquirer purposefully selects multiple cases to show different perspectives on the issue. Yin (2003) suggests that the multiple case study design uses the logic of replication, in which the inquirer replicates the procedures for each case.

In conclusion, this study adopted an exploratory collective case study research design in order to attain the goal of the study. This study's focus was to assess the entrepreneurial policy foundations of the youth, women and Uwezo funds. The findings of this study answers the question, "what is the case?" as well as develop pertinent hypotheses and propositions for further inquiry.

3.3 Target population

The focus for this study was to assess the entrepreneurship policy foundations of the Youth, Women and Uwezo Funds. This study adopted the assumption that the entrepreneurship policy foundations should be part and parcel of the strategic focus of these institutions. Thus, the target population for this research included the top management of these organizations since they are the ones involved in making the strategic decisions for the organizations. This included the chief executives officers and the senior managers of each of these organizations. To inform the study further, opinions were sought from the ministry of industry, trade, and cooperatives, specifically the directorate of enterprise development; Micro and Small Enterprise Authority (MSEA); and the ministry of education, specifically the Kenya Institute of Curriculum Development (KICD)

3.4 Sampling Frame

Sampling frame or "sample frame" has been defined as the actual set of units from which a sample has been drawn. For this study, the sample was drawn from the organization structures of the YEDF, WEF, and Uwezo Fund. The major focus for this study was the top level managers. From the YEDF organization structure at the time the research was conducted, there was a CEO and eight top level managers under her. For WEF, there was a CEO and six top level managers under him. For Uwezo Fund, there was a CEO and seven top level managers under him. However, this sampling frame applies only for the first group of the target population.

3.5 Sampling Techniques and Sample Size

Sampling, as it relates to research, refers to the selection of individuals, units, and/or settings to be studied. In qualitative studies, the actual sampling and recruitment may take place in the field, as potential respondents fulfill the sample criteria and the overall sampling strategy. Another feature of qualitative sampling is this fact that the number of cases sampled is often small. This is because a phenomenon only need appear once to be of value. There is no need for scale as there is no need for estimates of statistical significance. Furthermore, because qualitative investigation aims for depth as well as breadth, the analysis of large numbers of in-depth interviews would simply be unmanageable because of a researcher's ability to effectively analyze large quantities of qualitative data (Ritchie & Lewis, 2003).

The study used both census inquiry and purposive sampling techniques. A census is a complete enumeration of all items in the target population (Kothari, 2004). This was the case for YEDF, WEF, and Uwezo funds as Patton (2001), recommends that sample size when one is carrying out in depth interviews is 20-30 participants. The sample for this study was thus made up of the 24 top level managers from YEDF, WEF, and Uwezo Fund; the chief executive officers included.

Purposive sampling on the other hand was applied for the Directorate of enterprise development in the Ministry of Industry, Trade, and Cooperatives, MSEA, and KICD.

This was so because the researcher only needed an insight into what he organizations were doing that would inform the study further. As earlier pointed out, in qualitative research, a phenomenon only need to appear once to be of value. As a result, the researcher interviewed one respondent in each of the three organizations that is MITC, MSEA, and KICD.

3.6 Pilot Testing

Another important element to the interview preparation is the implementation of a pilot test. According to Kvale (2006), a pilot test assists the research in determining if there are flaws, limitations, or other weaknesses within the interview design and allows her to make necessary revisions prior to the implementation of the study. Kvale observes that a pilot test is conducted with participants that have similar interests as those that will participate in the implemented study. In addition, the pilot test also assists the researchers with the refinement of research questions. Sampson (2004) recommends the use of a pilot test to refine and develop research instruments, assess the degrees of observer bias, frame questions, collect background information, and adapt research procedures. In case study research, Yin (2003) also recommends a pilot test to refine data collection plans and develop relevant lines of questions.

The pilot testing in this case study involved preliminary visits to YEDF, WEF, and Uwezo funds as well as the Ministry of Industry, Trade, and Cooperatives. From the visits, it was clear that the researcher needed a different interview guide for the ministry officials and another one for the KICD. The interview guides were thus developed for use during data collection. The visits also helped refine the research instruments in order to develop relevant lines of questions. The researcher also consulted with the authority in order to refine the data collection plans.

3.7 Data Collection Methods

Data were collected from two main sources. There were primary and secondary sources. Primary data were collected using personal interview method which requires a person known as the interviewer asking questions generally in a face-to-face contact to the other

person or persons. The interviews took the direct personal investigation approach where the interviewer has to collect the information personally from the sources concerned. The researcher had to be on the spot and meet people from whom data had to be collected. The interviews also took a structured approach. This involved the use of a set of predetermined questions and of highly standardized techniques of recording. Thus, the interviewer followed a rigid procedure laid down, asking questions in a form and order prescribed in the interview guide. The recording of the responses was done with the help of a research assistant.

Data were also collected through content-analysis which consists of analyzing the contents of documentary materials such as books, magazines, and newspapers. According to Kothari (2004), content-analysis prior to 1940's was mostly quantitative analysis of documentary materials concerning certain characteristics that can be identified and counted, but since 1950's content-analysis is mostly qualitative analysis concerning the general import or message of the existing documents. The researcher therefore carried out content analysis of the existing documents that define the mandates of the YEDF, WEF, and Uwezo Fund. This included the Acts of Parliament that established them, progress reports, Sessional papers, strategic plans, websites, and any other relevant materials.

3.8 Data Analysis and Presentation

The process of data analysis involves making sense out of text and image data. It involves preparing the data for analysis, conducting different analyses, moving deeper and deeper into understanding the data, representing the data, and making an interpretation of the larger meaning of the data. For this study, the data analysis took the following steps:

Step 1: Organizing and preparing the data for analysis. This involved transcribing interviews, typing up field notes, sorting and arranging the data into different types depending on the sources of information.

Step 2: Reading through all the data. This was aimed at obtaining a general sense of the information and to reflect on its overall meaning. What general ideas are participants saying? What is the tone of the ideas? What is the impression of the overall depth, credibility, and use of the information? The researchers wrote notes in margins and started recording general thoughts about the data at this stage.

Step 3: Coding the data. This implies organizing the material into chunks or segments of text before bringing meaning to information (Rossman & Rallis, 1998). It involved taking text data gathered during data collection, segmenting sentences (or paragraphs) or images into categories, and labeling those categories with a term, often a term based in the actual language of the participant. The organization also involved making preliminary counts of data codes and determining how frequently codes appear in the database (Miles & Huberman, 1994). This provided an indicator of frequency of occurrence something typically associated with systematic approaches to qualitative research.

Step 4: Using the coding process to generate a description of the setting or people as well as categories or themes for analysis. Description involved a detailed rendering of information about the programs under study. Then the coding was used to generate a small number of themes or categories, perhaps two to three categories for each of the questions on the interview guide. These themes are the ones that appear as major findings in the study and were used to create headings in the findings sections of study. Beyond identifying the themes during the coding process, they were analyzed for each individual case and across the different cases.

Step 5: Description and representation of themes in the qualitative narrative. The most popular approach is to use a narrative passage to convey the findings of the analysis. This involved a discussion that mentions a chronology of events, the detailed discussion of several themes (complete with subthemes, specific illustrations, multiple perspectives from individuals, and quotations) or a discussion with interconnecting themes. The researcher also used visuals, figures, and tables as adjuncts to the discussions.

Step 6: The final step in data analysis involved making an interpretation or meaning of the data. Asking, "What were the lessons learned?" captures the essence of this idea (Lincoln & Guba, 1985). These lessons included but not limited to the researcher's personal interpretation, couched in the understanding that the inquirer brings to the study from her or his own culture, history, and experiences. It also included meaning derived from a comparison of the findings with information gleaned from the literature or theories.

Yin (2003) advances the cross-case synthesis as an analytic technique when the researcher studies two or more cases. He suggests that a word table can be created to display the data from individual cases according to some uniform framework. The implication of this is that the researcher can then look for similarities and differences among the cases. Finally, the researcher develops naturalistic generalizations from analyzing the data, generalizations that people can learn from the case either for themselves or to apply to a population of cases.

Unquestionably, according to Creswell (2007), some case studies generate theory, some are simply descriptions of cases, and others are more analytical in nature and display cross-case comparisons. This study aimed at providing a description of the entrepreneurship policy foundations of the youth, women, and Uwezo funds individually as well as a comparison across the funds to show the similarities and differences between the funds. The study also had in mind to propose research hypotheses that could be tested later through further research, but this was dependent on the findings.

In order to draw conclusions regarding the status of the funds in as far as the entrepreneurship policy foundations are concerned, the researcher borrowed from Lundstrom and Stevenson (2005) approach to their research in 13 countries. The researcher developed eight items for each of the entrepreneurship policy foundations as shown on table 3.1 and these were the questions on the interview guide.

Table 2.1: Entrepreneurship Policy Foundations Comprehensiveness Scale

Policy areas	Number of items
Motivation (Promotion of entrepreneurship)	8 items
Opportunity (Reduction of administrative burden, access to business support, access to finance)	8 items
Skills (Entrepreneurship Education and Training)	8 items

The study used quantitative (frequency counts) and qualitative (document analysis) techniques to develop and score entrepreneurship policy foundations comprehensiveness in the funds. In some cases, a fund was taking some actions in a framework area; in others, evidence indicated that they were planning to launch initiatives, but had not yet started implementation; and in others, the researcher found a lack of evidence that anything was being done. If there was evidence that the fund was implementing a policy measure/ action, the researcher gave them a score of 1 on that item. If there was no evidence of any action on the item, the score was 0. In cases where the fund had made a review of a policy issue and was underway with concrete plans to launch an initiative, announce a programme or complete a restructuring, the researcher allotted half a point (0.5). If a fund was implementing actions related to each item in the three areas, their total score would be 24.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The major aim of this study was to assess the entrepreneurship policy foundations for YEDF, WEF, and Uwezo Funds in Kenya. This chapter discusses the results and analysis of the research work. The findings are presented on the basis of the five specific objectives of the study. The first specific objective sought to assess whether the process of formulation of the funds was entrepreneurial. This was followed by the second, third and fourth objectives which addressed the entrepreneurship policy foundations that is motivation, opportunity and skills. Finally, for the fifth objective, the researcher used the data collected on the measures of entrepreneurship policy foundations to verify the entrepreneurship policy typology that guided the establishment of the funds. In the study, the researcher conducted interviews with different government officials in order to generate the data presented in this chapter.

4.2 Response rate

The researcher's target was to conduct in depth personal interviews with the 24 top level managers of YEDF, WEF, and Uwezo funds. 20 of these managers were available for the interviews giving a response rate of 83.33%. Some of the reasons why the four were not available were such as being leave or out of the country within the time frame of the research.

4.2.1 Response rate as per each fund

Table 3.1: Response Rate

Organization	Top level Managers	Managers interviewed	Percentage
Youth Fund	9	8	88.87
Women Fund	7	5	71.43
Uwezo Fund	8	7	87.5
Total	24	20	83.33

According to table 4.1, Youth fund reported the highest response rate of 88.87%, followed by Uwezo fund at 87.5%, while Women fund reported a response rate of 71.43%. According to Mugenda and Mugenda, 2003, the response rate can be rated as very good as response rates of 60% is good, 50% is adequate for reporting and analysis, and 70% and over is very good.

4.3 Personal Information

This subsection presents the data on personal information of the respondents. That is information relating to sex, post-secondary school education and their work experiences.

4.3.1 Gender of the Respondents

Figure 4.1 shows the gender of the respondents.

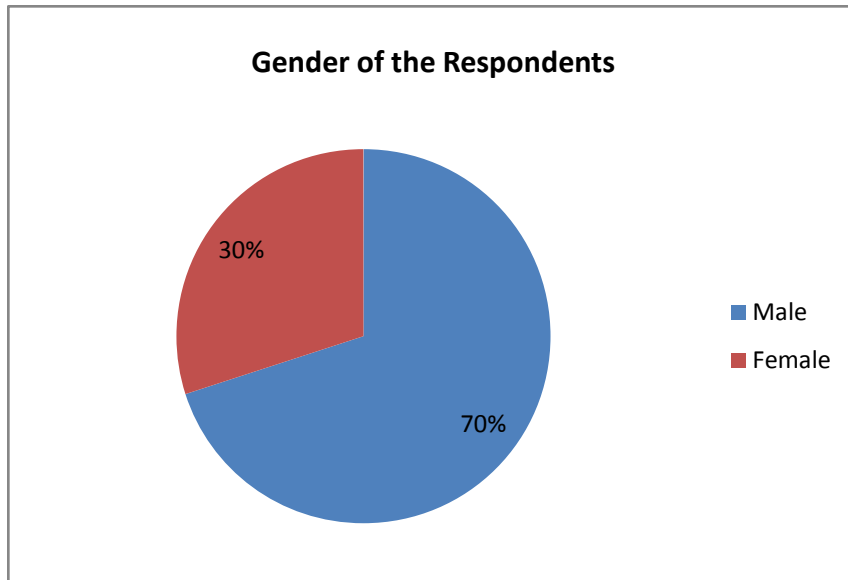


Figure 4.1: Gender of the Respondents

According to figure two, 70% of the respondents were male while only 30% were female. Information about sex of the respondents is important because equality and non-discrimination is the core of the rights-based approach to employment. It is also a key consideration in ‘Niche’ entrepreneurship policies, which in a majority of cases aim at target groups which are underrepresented in business ownership structure. Stevenson and Lundstrom (2005) identified the female gender as one of the underrepresented segment of the population in a majority of the economies they studied. However, whereas these statistics meet the one third gender rule, they leave a lot to be desired given that Women fund has an emphasis on women. In addition, Uwezo fund targets youth, women and persons with disability. In fact, the major aim of women fund is “empowering women entrepreneurs for social economic development.” This study argues that if indeed women are to be empowered, they should be allowed to take up leadership positions too. As such, a commensurate representation is expected in the top management of these organizations.

4.3.2 Age of the respondents

The researcher also sought to understand the age of the respondents. The results are presented in table 4.2.

Table 4.2: Age of the Respondents

Age group	Frequency	Percentage
Below 35 years	6	30
35-50 years	13	65
Above 50	1	5

Age is a key demographic determinant since it provides a lot of information about peoples' life experiences and work values and norms. The findings show that a majority of the respondents (65%) were aged between 35-50 years of age, 30% were aged below 35 years, while only 5% were aged above 50 years. Stevenson and Lundstrom (2005) brought in an aspect of entrepreneurship policies whose focus is to stimulate the start-up rates among particular segments of the population. The impetus may be to improve the business ownership levels within under-represented groups, such as women, young people or ethnic minorities. In Kenya, the youth has been classified among the underrepresented segment of the population, where the youth are defined as persons between the ages of 18 and 34 years. In fact, the YEDF major focus is the youths, and they also make up part of the target population for Uwezo fund. However, this underrepresentation seems to persist even in the top management of these organizations where the youth just consisted 30% of the respondents.

4.3.3 Post-Secondary School Education

The respondents' highest level of education was sought through an explanation of their post-secondary education journey. The major aim in this case was to establish whether the respondents had had any kind of formal training on entrepreneurship given that the major aim of the funds is to spur entrepreneurship among the target groups. In fact, one of the objectives of Uwezo fund is to generate gainful self-employment for the youth and women, while the mission statement for the YEDF is to increase economic opportunities for, and participation by Kenyan youth, through enterprise development and strategic partnerships. In addition, the mission statement for WEF is to empower women entrepreneurs for socio-economic development. Given that the top management in every organization guide the strategic decision making process in order to achieve the

mission, the training of such a team should be an area of concern. The theme that emerged in this case was the presence and absence of formal training in entrepreneurship. The findings are presented on table 4.3:

Table 4.3: Post-secondary education

Post-secondary education	Frequency	Percentage
Formal training in entrepreneurship	2	10
No formal training in entrepreneurship	18	90

Table 4.3 shows that only 10% of all the respondents had any formal training in entrepreneurship and it emerged that they got it at master’s level. On the other hand, 90% of the respondents did not have any formal training in entrepreneurship. It also worth noting that the findings revealed that all the respondents had attained at least a bachelor’s degree; but in diverse fields. However, one of the greatest concern for this study is that fact that only two out of the twenty respondents interviewed had training in entrepreneurship. This translates to 10% of the respondents. In other words, 90% of the respondents are not familiar with their field of operation, and one would only be left to wonder, “What are the chances of success?” Only time can tell. This is perturbing given that Barro (2006) observes that education is a conscious effort, meant to promote certain approved ideas and values for the community. It is about acquiring and developing desired knowledge, skills, and work attitude.

4.3.4 Work Experience

Policymakers around the world increasingly seek to foster entrepreneurship in order to increase economic growth and job creation. Work experience is any experience that a person gains while working in a specific field or occupation. According to Graner (2015), leading employers value work experience among graduates more than the grades or the university they have been to. He observes further that 58 per cent of employers rated work experience as the most popular qualification among those presented. The study sought to establish the respondents’ work experience and the themes that emerged

in this case was the fund being the first job, public service, and private sector. The results are presented on table 4.4.

Table 4.4: Work experience

Work experience	Frequency	Percentage
The fund is my first job	7	35
Public service	12	60
Private sector	1	5

Table 4.4 shows that 60% of the respondents only had experience working with the public service, 35% of the respondents reported that the specific fund was their first job, while only 5% of the respondents had experience working in the private sector. The researcher went further to ask whether the respondents had had any experience in running a small enterprise. The study revealed that none of the respondents had ever had any experience in running a small enterprise. During the interviews, it was evident that part of the work that the respondents engage in at the organizational level is to offer advice to their clients. These clients include people who are planning to, or are running enterprises already. The question that comes to a researcher’s mind is “What kind of advice do they give?” Jonas and Diamanto (2012) finds that breadth in functional work experience seems to favor the generation of new business ideas while deep industry work experience is negatively related to new business idea generation. Whereas one may argue that the respondents run autonomous departments which may have nothing to do with enterprise development, the truth of the matter is, the same people take part in strategic decision making involving charting the organization’s way forward as well as budgetary allocations for various activities of the funds. In addition, the public service in Kenya has been marred with high levels of inefficiency and bureaucracy, and this is the sector where majority of the respondents have experience in. Added to the results presented earlier on post-secondary education journey, one can only ask, what kind of input comes forward? The answer lies in the outcome of the funds in as far as achieving their mission is concerned. It is also worth noting that Nystrom (2011) observed that policymakers have similar experiences and ambitions to the rest of the population when

it comes to entrepreneurial activities. Policymakers have a high potential for becoming entrepreneurs in the future, but seem to be less optimistic about how entrepreneurs are perceived in the cultural context. No wonder, the question of their training and work experience is a valid one!

4.4 Process of Formulation of the Funds

The respondents' understanding of how the funds came into being was sought. This was aimed at answering the first research question: "Was the process of formulation of the funds entrepreneurial?" UNCTAD (2012) recognizes that many countries may not have a dedicated 'national entrepreneurship strategy'. According to UNCTAD, the promotion and facilitation of new enterprise is often, implicitly or explicitly, part of an overall private sector or enterprise development strategy that encompasses broader objectives related to the creation of productive capacity, including regulatory reform, infrastructure development, human resource and skills development, or small and medium size enterprises (SME) policies. The following sections present findings on whether the process of formulation of entrepreneurship policies adopted in this study was followed in the establishment of the funds.

4.4.1 Taking stock of where they are in terms of being an "entrepreneurial economy"

The first step in the formulation of an entrepreneurship policy is taking stock of where they are in terms of being an "entrepreneurial economy". This is inclusive of understanding where the country is even in terms of motivation, opportunity and skills. This was expected to involve taking stock of the industrial structures, the current economic/industrial policies, and the current role of new and small businesses in the economy, the state of the business support infrastructure, and the cultural and social values. However, all the respondents reported that the only aspect that might have been taken into consideration was the high unemployment rates among the youths. This is also confirmed by the Kenya National Youth Policy Sessional Paper No.3 of July 2007 which recommended the establishment of the YEDF. The policy states that the youth form 60% of the total labour force but majority are unemployed due to the country's

high unemployment level. The policy further states that only about 25% of youth are absorbed into employment, leaving 75% to bear the burden of unemployment. Another factor that was reported to have been taken into consideration was extreme poverty. In fact, Uwezo Fund was linked the MDG 1 on reduction of extreme poverty. In other words, the aspects of a country's 'context' prescribed by Lundstrom and Stevenson (2005) were not taken into consideration.

4.4.2 Stating the priority problems and setting overall policy objectives

The second step in formulating an entrepreneurship policy is stating the priority problems and setting overall policy objectives. Lundstrom and Stevenson (2005) observe that the end goal of entrepreneurship policy is an increase in the level of entrepreneurial activity, defined in terms of higher start-up rates, more new businesses and more new entrepreneurs. On this, the researcher was referred to the laid down objectives of the funds. However, the three common objectives of the funds had to do with financing, marketing and capacity building (training) for small enterprises. Audretsch, Grilo and Thurik (2007) submit that a connection need to be made between start-up rates and the government's desired projections for employment increases or between startup rates and economic growth projections. They further observe that this then could form the basis for an overall entrepreneurship policy objective. The fact that increasing the start-up rates and new entrepreneurs is not one of the objectives of the funds is a clear indication that this step was not followed.

4.4.3 Aligning policy development, implementation and delivery structures to achieve objectives set by the policy formulation

The third step is aligning policy development, implementation and delivery structures to achieve objectives set by the policy formulation. This involves aligning entrepreneurship strategies with overall development strategy and other private sector development strategies as well as managing interaction and creating policy synergies. It also involves designating a lead institution for policy implementation, setting up an effective inter-agency coordination mechanism and clarifying mandates, engaging with the private sector and other stakeholders and ensuring business-like service delivery. However, the

researcher observed a lack coherence of the funds with the overall development strategy. This was evidenced by lack of mention of the funds in the Sessional Paper No. 2 of 2005 on development of micro and small enterprise for wealth and employment creation for poverty reduction. Despite the publication of this paper in 2005 just before the inception of the YEDF in 2006 and WEF in 2007, there is no mention of these funds in the sessional paper. Further, after the expiry of ERS (Economic Recovery Strategy) in December 2007, Kenya embarked on Vision 2030, a long-term development blueprint for the country. It is worth noting that these funds are not made mention of in this document. The funds are not also made mention of in the first medium term plan (2008-2012) of the vision 2030. They appear in the second medium term plan (2013-2017) of the vision 2030 and are highlighted under the Social Pillar on Gender, Youth and Vulnerable Groups. WEF and Uwezo are highlighted under the flagship project of women empowerment while YEDF and Uwezo again are mentioned under the flagship project of youth empowerment.

There was also a display of lack of coordination between the funds and other government agencies. For instance, when the researcher was soliciting responses on the opportunity component, the respondents indicated that matters to do with licenses and tax exemptions were out of their scope as they fell under the ministry of finance. In addition, apart from women fund which appeared to have some links with Kenya Bureau of Standards (KEBs), YEDF and Uwezo did not have a working relationship with the organization. There also lacked evidence of any links between the funds and the ministry of education yet entrepreneurship education is significant component of entrepreneurship policies. In addition, the funds are under the Ministry of Public Service – Youth and Gender, and not the Ministry of Industry, Trade and Cooperatives.

From the forgoing submissions, it is clear that there is lack of effective inter-agency coordination among the funds as well as coherence of the funds with the overall development strategy. This is evidence enough that this step was not followed during the formulation of the funds.

4.4.4 Identifying performance indicators and evaluation measures

The fourth step is identifying performance indicators and evaluation measures to track and monitor short-term and long-term impacts. Some of the indicators presented by Lundstrom and Stevenson (2005) include: increases in the entrepreneurial potential of the population; improvements in social attitudes towards entrepreneurship; increases in the social value attached to entrepreneurship; increases in the preconditions for becoming an entrepreneur; and decreases in start-up obstacles. The respondents indicated that the performance indicators in the funds include: the number and amount of loans disbursed, number of youth groups trained, loan repayment and so on as far as each of their mandates are concerned. The researcher enquired on how they are able to tell that the enterprises are doing better by accessing the finances and it was reported that once a loan is repaid, they assume that the businesses are doing well. As such, repayment levels are key performance indicators among the funds.

Given that the funds aim at creating employment opportunities through entrepreneurship, one of the performance indicators would be expected to include the growth of the enterprises in terms of sales volume and the number of employees, the number of start-ups, and the contribution of these changes to the national employment statistics as well as economic growth. However, the case is not like so among the three funds and so they could not tell whether the unemployment levels have changed since their inception.

4.4.5 Developing the action plan and identifying resource requirements and partners

The fifth and the last step is developing the action plan and identifying resource requirements and partners. These will include development of the action plan, lining up budget allocations with entrepreneurship policy priorities, and organizing for the implementation phase. The respondents indicated that there were budgetary allocations for each of the mandates of the funds. However, resource constraints were reported in various areas such as: the personnel at the constituency level where YEDF has only one officer per constituency, WEF works with volunteers in some of the constituencies while

UWEZO just has a secretariat in Nairobi and rides on the YEDF and CDF infrastructure to reach the grassroots; YEDF discontinued business plan competitions due to resource constraints; monitoring and evaluation department was reported to be constrained financially. In addition, given that the mandates of the funds do not agree with those of an entrepreneurship policy, it implies that the action plan and budgetary allocations cannot reap the benefits of an entrepreneurship policy.

Further, the researcher sought to establish the general feeling of the respondents regarding the origin of the funds. From the findings, three major themes emerged where some of the respondents reported that the funds were born out of recommendations of previous researches, others reported that the funds were political in origin, while others reported that they were affirmative funds. The findings are presented on table 4.5.

Table 4.5: Origin of the funds

Origin of the funds	Frequency	Percentage
Recommendations from previous researches	2	10
Political origin	14	70
Affirmative funds	4	20

The findings revealed that only two out of the twenty respondents (10%) opined that the funds were founded following recommendations of other previous researches. One of the funds identified in this case was the YEDF. The respondent pointed out that the National Youth Policy proposed the establishment of a Youth Enterprise Development Fund to address the issue of employment creation. The researcher confirmed this by scrutinizing the National Youth Policy document. The other case pointed out was that of Uwezo Fund, where one of the respondents argued that the Fund was founded on the Millennium Development Goals (MDGs). The respondent linked Uwezo fund with the MDG 1 on reduction of extreme poverty.

On the other hand, 14 out of the twenty (70%) respondents were of the opinion that the funds were more of political goods being offered to the people and were not based on any previous policy documents that had proposed the establishment of the funds. The

respondents reported that the funds were established to win political goodwill. For instance, the YEDF was established in the year 2006, and a short while after, WEF was established in 2007 which was an electioneering year. On the other hand, some of the respondents reported that Uwezo fund was founded on the Jubilee coalition manifesto where the coalition pledged that if the country does not go to a re-run for the presidential election, the funds that had been set aside for the same would be made into a fund that targets youths, women and persons with disability. To a majority of the respondents, this was the genesis of the Uwezo Fund. In addition, the respondents opined that the appointments of members of the boards, chief executives, and members of the constituency committees, was political and not based on merit.

It is also worth noting that 20% of the respondents opined that these funds were more of affirmative funds created to address the issue of youth unemployment as well as the inability of youth and women to access finance from the financial institutions due to lack of collateral. In other words, the issue of entrepreneurship is secondary to the funds and their success is measured by the number of loans disbursed and not the number of successful enterprises being ran by their clients. This could be explained further by the fact that these funds are under the Ministry of Public Service – Youth and Gender, and not the Ministry of Industrialization and Enterprise Development. In addition, the funds are highlighted in the second medium term plan (2013-2017) of the vision 2030 under the Social Pillar on Gender, Youth and Vulnerable Groups. WEF and Uwezo are highlighted under the flagship project of women empowerment while YEDF and Uwezo again are mentioned under the flagship project of youth empowerment. This confirms the findings where the respondents opined that these funds were more of affirmative funds created to address the issue of youth unemployment as well as the inability of youth and women to access finance from the financial institutions due to lack of collateral.

The finding on the process of formulation of the funds is in agreement with that of Arshed, Carter, and Mason (2014) who observed several areas emphasizing how the ineffectiveness of enterprise policy arose within the formulation of the policy itself. Firstly, the minister was the key individual who dominated which policy interest and

idea was given priority. Secondly, the inclusion of stakeholder (for example, government-funded agencies, local enterprise agencies, task forces etc.) involvement was only to legitimize the idea and process rather than for their contributions. Thirdly, data was collected to ‘fit’ the story and, if appropriate, support the ministerial interest. Lastly, because formal procedures in the policy formulation process (the ROAMEF cycle) had not been followed, there was seldom any evidence to indicate whether effective implementation was likely to be affordable. Therefore, more often than not, the outcome was the publication of a strategy statement rather than the delivery of new enterprise policy initiatives.

4.5 Motivation Component of Entrepreneurship Policies in the Funds

This section presents the findings on the second research question: “What is the motivational component of entrepreneurship policies in the funds?” The results are presented in the following sections.

4.5.1 A Stated Objective to Promote a Culture of Entrepreneurship

The respondents’ knowledge of whether the organizations have a stated objective to promote a culture of entrepreneurship was sought. The theme that emerged was that there was a stated objective to promote a culture of entrepreneurship. The results are shown on table 4.6.

Table 4.6: A Stated Objective to Promote a Culture of Entrepreneurship

A stated objective to promote entrepreneurship culture	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

All the respondents (100%) from each funds reported that their organization had a stated objective to promote entrepreneurship culture. However, a closer look at the written

down objectives of each of the funds gives a different picture. For instance, according to the Legal Notice No. 167, the YEDF has six mandates which include: entrepreneurship loans; market support and linkages; entrepreneurship training, coaching and mentorship; commercial infrastructure; and facilitation to obtain jobs abroad. From the enlisted mandates, it is clear that promotion of a culture of entrepreneurship is not among the stated objectives of YEDF.

In addition, the mandate of the WEF as stipulated in the Legal Notice No. 147 include: providing loans to MFIs, NGOs, and SACCOs for lending to women owned enterprises; capacity building of women entrepreneurs and their organizations; facilitating linkages with large enterprises; investment in MSMEs oriented infrastructure; and marketing of products and services in domestic and international markets. From the highlighted objectives of WEF, it is clear that promotion of a culture of entrepreneurship is not included. Further, the Legal Notice No. 21: The Public Finance Management (Uwezo Fund) clearly stipulates the objects and purpose for which the Fund is established. These are: To expand access to finances in promotion of youth and women businesses and enterprises at the constituency level for economic growth towards the realization of the goals of Vision 2030; to generate gainful self-employment for the youth and women; and to model an alternative framework in funding community driven development. Just like YEDF and WEF, Uwezo Fund does not have a stated objective to promote a culture of entrepreneurship.

It is clear that there is a contradiction between what was reported by the respondents and what is stipulated by the different Legal Notices. This contradiction could be explained by Lundstrom and Stevenson (2005) who observed that in government policy statements, references to entrepreneurship promotion seem to be a generic caption for "any and all" activities geared to stimulate entrepreneurial activity, including education in the schools, eliminating barriers to new business entry, and increasing the visibility of government programmes and services in support of start-ups. However, the fact that the respondents lacked any form of formal training in entrepreneurship cannot also be ignored. In their study of ten countries, Lundstrom and Stevenson (2005) reported that this objective (promotion of a culture of entrepreneurship) is articulated in terms of

promoting more favourable attitudes towards entrepreneurship (for example, Sweden, the UK); promoting entrepreneurship as a career alternative (for example, Australia, Finland); promoting positive attitudes towards enterprise in the schools (for example, Ireland and the UK); and promoting a stronger entrepreneurship culture (for example, Denmark, the Netherlands, the UK). As presented earlier, none of the funds objectives took this form. In the light of Lundstrom and Stevenson (2006) definition of entrepreneurship promotion, it is clear that the funds do not have a stated objective to promote a culture of entrepreneurship. The researcher therefore concludes that there is no stated objective to promote a culture of entrepreneurship in all the funds.

4.5.2 Events that Profile Entrepreneurship and Provide Start-up Information

The study sought to find out whether the funds organized events that profile entrepreneurship and provide start-up information. The theme that emerged was that the funds were organizing events that profile entrepreneurship and provide start-up information. The results are presented on table 4.7.

Table 4.7: Events that profile entrepreneurship and provide start-up information

Events that profile entrepreneurship and provide start-up information	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

Table 4.7 shows that all the respondents reported that the funds organize events that profile entrepreneurship and provide start-up information. For instance, YEDF was reported to be taking part in trade fairs and exhibitions. They also take part in the ASK (Agriculture Society of Kenya) shows where they have stands across the counties. However, the people who take part in the exhibitions and trade fairs are the successful groups who are given an opportunity to showcase their products under the banner of YEDF. The fund also takes the opportunity to popularize its loan products and invite

more youths to apply for the same. YEDF was also reported to have organized business plan competitions about five years ago.

On the other hand, Uwezo fund reported that just like YEDF, they take part in exhibitions and trade fairs where successful groups exhibit their products. They also organize road shows and talk shows with institutions to increase its visibility. In addition, Uwezo fund was reported to be taking part in university career days to sensitize the youths about the fund and motivate them to enter into business. Further, the fund reportedly does organize sensitization campaign come cheque issuance ceremonies to sensitize people about the fund as well as entrepreneurship. Some of beneficiaries of the fund running successful enterprises were also given an opportunity to showcase their products at the Global Entrepreneurship Summit (GES) (2015).

Just like YEDF and Uwezo fund, the Women Enterprise Fund was reported to be taking part in trade fairs and exhibitions where successful women groups showcase their products. There is usually an information desk in these fairs where people can get to learn more about the fund. Such fairs include the ASK shows which takes place annually across the counties, as well as the many fairs that take place within Nairobi. The fund also reportedly sponsors some of their successful beneficiaries to showcase their products in fairs outside the country.

From the forgoing submissions, it is clear that the funds are making efforts in organizing events that profile entrepreneurship and provide start-up information. However, it is also clear that the main agenda of these events is to create awareness and popularize the funds. The findings are in agreement with Stevenson and Lundstrom (2002) who observed that practically every minister of industry or the economy talks about the importance of promoting an entrepreneurial culture, but concrete action to do so is actually quite limited. It is also worth noting that the respondents seem to take popularizing the funds and the products to be the same as profiling entrepreneurship. This confirms the findings on the respondents understanding of SME and entrepreneurship development where they were clueless on the meaning of either.

There is therefore need for more as Lundstrom and Stevenson (2005) observe that a person's motivation to explore entrepreneurship is initially heavily influenced by external factors, like entrepreneurship culture or the existence of entrepreneurial "heroes", which bear an influence on each person's occupational entrepreneurial identity. The economies studied by Lundstrom and Stevenson (2005) sponsor national events and activities to profile entrepreneurship. For example, the Canadian, US, and Australian governments are reported to have been hosting an annual Small Business Week for several years; the Swedish government reportedly sponsors an annual Entrepreneurship Week in partnership with NUTEK and the Swedish Foundation for Small Business Research; and the Danish government has implemented a series of "road shows" in schools to raise awareness of entrepreneurship among senior secondary students. There is therefore need to see efforts being directed to this direction.

4.5.3 Recognition of Entrepreneurs through National High Profile Awards

The recognition of entrepreneurs through national high profile awards was also a concern for this study. The respondents were therefore presented with a question that required them to indicate whether the funds, alone or in partnership with private sector organizations recognize entrepreneurs through national, high profile award programmes. The findings are shown on table 4.8.

Table 4.8: Recognition of Entrepreneurs through National High Profile Awards

Recognition of Entrepreneurs through National High Profile Awards	Yes	%	No	%
Youth Enterprise Development Fund	-	-	8	100
Women Enterprise Fund	-	-	5	100
Uwezo Fund	-	-	7	100

The study revealed that none of the funds alone or in partnership with private sector organizations recognize entrepreneurs through national, high profile award programs. Whereas there was some form of recognition in some of the funds, the same could not amount to national high profile awards as described by Lundstrom and Stevenson

(2005). For example, the YEDF reported that the only time they had national level recognition of entrepreneurs was during the business plan competitions, where the winner got national recognition and received an award. However, the business plan competitions have not taken place at least for the last five years as earlier reported due to budgetary constraints. This implies that this cannot be taken to be such a forum in this context, as majority of the times, it is the would-be entrepreneurs who take part in the business plan competitions and not the existing entrepreneurs. The other form of recognition that exists in YEDF was the selection of the best performing groups to show case their products during major trade fairs in and out of the country. This aspect too does not meet the threshold of national high profile awards. Further, the criterion for selection of best performing groups is loan repayment and not entrepreneurial exploits.

On the other hand, the WEF too did not have a forum for recognition of entrepreneurs that met the standard described by Lundstrom and Stevenson (2005). For instance, the form of recognition that existed was for the best performing groups in terms of loan repayment where they would be given an opportunity to showcase their products during trade fairs. Other forms of recognition included gifts in the form of branded t-shirts, lessos and caps. Whereas the respondents cited budgetary constraints, it is worth noting that such program did not exist even in their long term plans as evidenced by the WEF 2013/2014-2017/2018 strategic plan.

Likewise, the Uwezo Fund too did not have a forum for recognizing entrepreneurs through national, high profile award programs. However, unlike YEDF and WEF, Uwezo fund reportedly has it in mind to recognize entrepreneurs through national, high profile awards. The respondents indicated that there is a proposed presidential award to different categories of entrepreneurs. The fact that this award programme has not yet commenced could be due to the fact that Uwezo fund is only about three years old as it was launched on 8th sept 2013. However, whether or not the proposed award programme will be implemented is only a question of time. In addition, just like the other funds, Uwezo recognizes its successful groups by giving them an opportunity to showcase their products in various trade fairs, including the famous GES 2015.

Lundstrom and Stevenson (2005) observed that the importance of role models in influencing higher entrepreneurial activity levels is consistently reinforced in GEM country reports. The level of respect for those who start a business is suggested by GEM researchers as one of the indicators of an entrepreneurial culture. In their study of 13 countries, they found out that over three quarters of the governments support national level entrepreneurship awards programmes. Examples are the President's Small Business Person of the Year Awards (the US), the Queen's Awards for Enterprise (the UK), the Golden Key Awards (Finland), the National Enterprise Awards (Ireland), and the Danish Entrepreneur Award. These examples confirm that showing casing products in trade fairs and receiving T-shirts and lessos are far too low and therefore cannot qualify to be called 'national high profile awards.'

4.5.4: Recognition of diversity in entrepreneurship by the awards

The study sought to establish whether the awards recognize diversity in entrepreneurship (for example, women, ethnic minorities, and youth); and success at different stages of business development, including start-ups, young and growing firms. However, the findings on section 4.6.3 confirm the fact that the funds do not a national, high profile award programme. In addition, the target group for the YEDF is the youth while that of WEF is women, and therefore an award programme may not reflect any form of diversity in these two funds. However, Uwezo targets youth, women and persons with disability and therefore an award programme would be expected to reflect this diversity. In fact, it was reported that the proposed presidential award for the Uwezo fund will take into consideration the diversity in their clientele.

On the other hand, whereas Bwisa (2011) defines an entrepreneurship policy as one aimed at the pre-start, the start-up and early post-start-up phases of the entrepreneurial process, these funds fail to take into consideration the different phases of the entrepreneurial process. Although they may argue that their major business is funding, they fail to fund individual start-ups meaning that they don't recognize diversity in this sense. For instance, WEF and Uwezo do not fund individuals at all, while YEDF funds

individuals who are past the start-up phase of the entrepreneurial process. No wonder, there are no awards that recognize the different stages of business development.

This finding is in agreement with Lundstrom and Stevenson (2005) who observed that the awards in many countries were not as pervasive. However, in some of the countries, these awards programmes recognised certain types of entrepreneurs (for example, Canadian Woman Entrepreneur of the Year) or businesses at different stages of development (for example, Australia's Micro-Business Award; Student Enterprise Award in Ireland; Taiwan's Rising Star Award; Spain's Young Entrepreneur Award).

4.5.5 Engagement of Mass Media in Promotion of Entrepreneurship

GEP (2011) observed that both the level of respect for those who start a business and the prevalence of stories in the media about successful entrepreneurs are indicators of an entrepreneurial culture. The role of the media in entrepreneurship promotion therefore cannot be overemphasized. The study sought to establish whether the funds engage the mass media in the promotion of entrepreneurship and the findings are presented on table 4.9.

Table 4.9: Engagement of Mass Media in Promotion of Entrepreneurship

Engagement of Mass Media in Promotion of Entrepreneurship	Yes	%	No	%
Youth Enterprise Development Fund	7	87.5	1	12.5
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

The findings show that 87.5% of the respondents in the YEDF indicated that the funds were engaging the media in the promotion of entrepreneurship. The only dissenting response from YEDF reported that there is no mass media communication from the fund since this is left to the ministry in charge of enterprise development as YEDF is more of an affirmative fund focussing only on the youth. However, the other respondents in the YEDF indicated that the fund uses social media and mainstream media to inform the

public what the fund is doing. They also run adverts on the mass media to advertise upcoming events by the fund such as cheque issuance and road shows. It was also reported that the fund includes success stories on their website.

In the WEF, 100% of the respondents reported that the fund was engaging with the mass media in promotion of entrepreneurship. It was reported that the fund was working hand in hand with media (print, social and mass media) to popularize the activities of the funds. There also those who reported that, “The fund uses social media, television, and radio to promote entrepreneurship and sensitize the women about entrepreneurship.” However, this may not be the case as section 4.5.1 revealed that promotion of entrepreneurship was not among the objectives of the fund.

100% of the respondents from Uwezo Fund reported that fund was engaging the mass media in promotion of entrepreneurship. However, in their explanations, the respondents from Uwezo fund were clear on the fact that the fund only engages the media to popularize itself as well advertise the up-coming events. For instance one of the respondents reported that “The fund engages with the media including the vernacular stations to reach the grassroots with the news about the fund.” Another one reported that “The fund engages the media frequently on sensitization programs to publicize the fund only.” It was also reported that the fund also put its current undertakings on the website.

It is important to understand that publicizing the funds does not amount to promotion of entrepreneurship. In fact, Lundstrom and Stevenson (2005) makes this clear by defining entrepreneurship promotion as activity which creates widespread awareness of the role of small business and entrepreneurship in the economy and which seeks to enhance the desirability and feasibility of entrepreneurship as an employment and career choice. This is emphasized by Wennekers and Thurik (2001) who observe that in order to increase the supply of new entrepreneurs, efforts are both required to enhance the social value of entrepreneurship and to create awareness of it as an option through information, exposure and role-models. This implies a number of target audiences for promotion activity – society in general (to improve social acceptance of entrepreneurship in the culture), the general population from which future entrepreneurs will emerge and the

group of existing entrepreneurs whose activity can be reinforced as valuable in society and also serve to motivate others (the role-modelling effect). From these submissions, it is clear that the engagement the funds have with the media cannot amount to entrepreneurship promotion.

4.5.6 Engagement in Activities to Nurture the Media to be more involved in covering the Entrepreneurship Story

The study sought to establish whether the funds engage in activities to nurture the media to be more involved in covering the entrepreneurship story (for example, seminars with reporters, frequent press releases and press conferences, story-feeds, etc.). The findings are shown on table 4.10.

Table 4.10: Engagement in Activities to Nurture the Media

Engagement in Activities to Nurture the Media	Yes	%	No	%
Youth Enterprise Development Fund	-	-	8	100
Women Enterprise Fund	-	-	5	100
Uwezo Fund	-	-	7	100

Table 4.10 shows that all the respondents indicated that their respective funds did not engage in activities to nurture the media to be more involved in covering the entrepreneurship story. This confirms the findings on section 4.5.5 where majority of the respondents indicated that the funds were engaging the media in promotion of entrepreneurship but a critical look revealed otherwise. This finding is in agreement with that of Lundstrom and Stevenson (2005) where they revealed that just over half of the governments under study appear to use the mass media to promote entrepreneurship, specifically television and radio, but only 38 percent take steps to nurture the media by providing entrepreneurship-related features and success story profiles.

In the US, Lundstrom and Stevenson found evidence of lots of nationally-driven efforts to promote entrepreneurship - celebratory events, awards programmes, regional seminars

and conferences, and sponsorship of radio and television programmes - which are often carried out in partnerships with the private sector. In addition, the US Small Business Administration Office of Advocacy, for one, routinely sends profiles of award winners to the media, as well as statistical information on the small business sector. The GEM (2011) reported that in the US there are numerous entrepreneurship magazines, television programs, newspaper supplements and features, and high profile and well publicized entrepreneurial events that take the entrepreneurship message into millions of households on a weekly basis. The media coverage of entrepreneurship in the US, which is without doubt the best practice economy in this regard, of which the YEDF, WEF, and Uwezo funds can imitate.

4.5.7 Budgetary Allocations for Entrepreneurship Promotion Activities

Stevenson and Lundstrom (2002) observe that a strategy for the promotion of entrepreneurship should be driven by a specific policy objective and be supported by its own funding for multifaceted programs and initiatives. The study sought to establish whether there is a portion of the funds’ budget allocated for entrepreneurship promotion activities. The findings are presented on table 4.11.

Table 4.11: Budgetary Allocations for Entrepreneurship Promotion Activities

Budgetary	Allocations	for	Yes	%	No	%
Entrepreneurship Promotion Activities						
Youth Enterprise Development Fund			8	100	-	-
Women Enterprise Fund			5	100	-	-
Uwezo Fund			7	100	-	-

Table 4.11 shows that all the respondents indicated that there is a portion of the funds’ budget allocated for entrepreneurship promotion activities. However, it is important to bear in mind that the respondents have proven in the previous sections that entrepreneurship promotion is often a misconceived idea. For instance, in the YEDF, some of the responses indicated that there is budgetary allocation for all the mandates, entrepreneurship promotion included. However, section 4.5.1 proved that

entrepreneurship promotion is not included in the mandates of this fund. Another respondent indicated “There is a budget for public relations.” Based on the definition adopted in this study for entrepreneurship promotion, it cannot be understood to mean public relations. In addition a keen look at National Youth Empowerment Strategic Plan 2016-2021 (GoK, 2015) reveals that entrepreneurship promotion is not one of the eight key focus areas. This implies that a budgetary allocation for promotion of entrepreneurship is highly unlikely as it is not included in the long term plan.

The WEF on the other hand indicated that there was a budgetary allocation for all their ‘entrepreneurship promotion’ activities. However, the previous sections have proven that their so called ‘entrepreneurship promotion’ activities do not qualify to be referred to as so. In addition, close scrutiny of the WEF 2013-2017 draft strategic plan reveals that there is no budgetary allocation for entrepreneurship promotion. The budgetary allocation was guided by the mandates of the fund and section 4.5.1 revealed that entrepreneurship promotion is not among the mandates of the fund.

The respondents from the Uwezo fund indicated, “There is a budget for trade fairs and media engagement.” However, this study has established that the intent of the trade fairs and media engagement is to popularize the fund and this cannot be equated to promotion of entrepreneurship. Section 4.5.1 also established that entrepreneurship promotion is not among the objectives of Uwezo fund. A budgetary allocation in this line is therefore unexpected.

This finding is supported by Lundstrom and Stevenson (2005) in their study to establish the prevalence of entrepreneurship promotion policy measures in 13 countries. The study revealed that only 38% of the countries had a portion of the central government's budget allocated for entrepreneurship promotion activities. This confirms that entrepreneurship promotion as an entrepreneurship development theme is in need of definition and clearer articulation of its elements.

4.5.8 Efforts to Track Attitudes of the Population towards Entrepreneurship

A country's attitudes toward entrepreneurship affect the propensity of individuals to become entrepreneurs, their ability to rebound from business setbacks and the support that entrepreneurs receive (for example, from family and relatives) when setting up a new enterprise. Although the effects of these attitudes are difficult to measure, positive attitudes toward entrepreneurship are found to correlate with high levels of entrepreneurship. The study sought to establish whether there are efforts in place to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business. The findings are presented on table 4.12.

Table 4.12: Efforts to Track Attitudes of the Population towards Entrepreneurship

Efforts to Track Attitudes of the Population towards Entrepreneurship	Yes	%	No	%
Youth Enterprise Development Fund	3	37.5	5	62.5
Women Enterprise Fund	2	40	3	60
Uwezo Fund	4	57.14	3	42.86

Table 4.12 shows that 37.5% of the respondents in the YEDF reported that there are efforts to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business. On the other hand, 62.5% of the respondents reported that there were no such efforts in the fund. Those who argued that there were such efforts explained that the fund has a research and monitoring unit that get feedback and gauge the perception of people towards the fund and entrepreneurship. They also do follow-up studies with the funded youths. Those who reported that there were no such efforts explained that their monitoring and evaluation department focuses on disbursement and repayment of loans and not attitudes towards entrepreneurship. The latter is confirmed by YEDF status reports which only give a report on the fund's performance with regard to its mandates and entrepreneurship promotion is not one of them. In fact, one of the respondents reported, "Once a loan is paid, the fund does not follow up due to limited resources." The respondent further indicated that YEDF only

has one officer per constituency to manage more than 300 groups. As such, they argued that it would not be possible to do anything more than tracking the repayment levels.

On the other hand, 40% of the respondents in the WEF reported that there are efforts to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business. Further, 60% of the respondents reported that there were no such efforts in the fund. In this case there are those respondents who reported that the fund is doing monitoring and evaluation from which they assess attitudes and repayment levels for the funded groups. However, a majority of the respondents opined that the monitoring and evaluation has everything to do with the repayment levels and nothing to do with attitudes towards entrepreneurship.

For the Uwezo fund, 57.14% of the respondents reported that there are efforts to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business; while 42.86% in Uwezo fund reported that there are no such efforts. Some of the respondents reported that the fund does monitoring and evaluation to track the reception of the fund. To such, this exercise was synonymous to checking out on the awareness levels and levels of intent to start a business. On the other hand, there are those respondents who reported that there was no research done to survey entrepreneurial motivation.

From the forgoing submissions, it is clear that the concept of entrepreneurship promotion is far from being understood among the three funds. This is evidenced by the many respondents who assumed that monitoring and evaluation on the repayment rates from the beneficiaries was synonymous to tracking attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business. However, these findings are in agreement with Lundstrom and Stevenson (2005) who observed that only 38% of the 13 countries under study made efforts to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business.

In the quoted study, the UK government demonstrated the strongest example of efforts to track and measure changing attitudes of the population towards entrepreneurship. In a

regular Household Survey of Entrepreneurship, the UK Small Business Service (SBS) monitors progress towards the Government's Public Service Agreement target of "increasing the number of people considering going into business" (Small Business Service, 2004). The Survey measures peoples' attitudes, key influences and levels of enterprise activity; the main motivations and barriers to starting a business; and variations both between regions and demographic groups. It further provides evidence to support the development of the Small Business Services' core strategies of: (i) building an enterprise culture; (ii) encouraging a dynamic start-up market; and (iii) encouraging more enterprise within disadvantaged communities and underrepresented groups.

4.6 Opportunity Component of Entrepreneurship Policies

The opportunity component of entrepreneurship policies comprises of three major areas according to Stevenson and Lundstrom (2002). These are reducing the administrative burden, increasing the level of support for nascent, new and early stage entrepreneurs, and enhancing access to finance for new and early stage entrepreneurs. This section therefore presents the findings on the second research question: "What is the opportunity component of entrepreneurship policies in the funds?" The results are presented in the following sections.

4.6.1 A Stated Policy Objective to Address the Opportunity Structure

Bwisa (2011) observes that people must be motivated to explore entrepreneurship as an option, be able to acquire the knowledge, skills and ability to be able to pursue it, and be surrounded by the appropriate opportunity structure to be successful in their attempts to start and grow businesses. The study sought to establish whether the funds had a stated objective to address the opportunity structure (reduction of administrative burden, business support, and Start-up financing). The findings are presented on table 4.13.

Table 4.13: A stated objective to address the opportunity structure

A stated objective to address the opportunity structure	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

Table 4.13 shows that 100% the respondents reported that YEDF had stated objectives to address the opportunity structure (reduction of administrative burden, business support, and Start-up financing). This finding is confirmed by the mandates of the fund as stipulated in Legal Notice No. 167. The mandates of the fund include: Providing loans to existing micro-finance institutions (MFIs), registered nongovernmental organizations (NGOs) involved in micro financing, and savings and credit co-operative organizations (SACCOs) for on-lending to youth enterprises; Attracting and facilitating investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; Supporting youth oriented micro, small and medium enterprises to develop linkages with large enterprises and facilitating marketing of products and services of youth enterprises both in the domestic and the international markets; Entrepreneurship training, coaching and mentorship; Facilitating employment of youth in the international labour market. However, it is worth noting that their mandates do not include reduction of the administrative burden.

The study also revealed that 100% of the respondents in the WEF reported that the fund had stated objectives to address the opportunity structure (reduction of administrative burden, business support, and Start-up financing). This finding is confirmed by objectives of the fund as stipulated in the Legal Notice No. 147. The objectives of the fund include: providing loans to MFIs, NGOs, and SACCOs for lending to women owned enterprises; capacity building of women entrepreneurs and their organizations; facilitating linkages with large enterprises; investment in MSMEs oriented infrastructure; and marketing

of products and services in domestic and international markets. Just like the YEDF, it is clear that an objective addressing reduction of administrative barrier is conspicuously missing among the fund's objectives.

In addition, the study revealed that 100% of the respondents in the Uwezo fund reported that the fund had stated objectives to address the opportunity structure (reduction of administrative burden, business support, and Start-up financing). This finding is confirmed by objectives and purpose for which the fund was created as stipulated in the Legal Notice No. 21: The Public Finance Management (Uwezo Fund). The objectives of the fund are: To expand access to finances in promotion of youth and women businesses and enterprises at the constituency level for economic growth towards the realization of the goals of Vision 2030; to generate gainful self-employment for the youth and women; and to model an alternative framework in funding community driven development. It is also worth noting that an objective on reduction of the administrative burden and access to business support is missing among the Uwezo fund objectives.

Although it is clear from the findings that the funds has some of the objectives addressing the opportunity structure, the study is yet to ascertain the level of comprehensiveness of these objectives and how far they go in addressing the opportunity structure. Audretsch and Thurik (2007) observe that focus has to be placed not only on the economic opportunity factors, such as access to money and information on government programs, but on social opportunity factors, such as cultural support for entrepreneurs and opportunities to gain knowledge and skills. Further, Lundstrom and Stevenson (2005) presented possible interaction effects of high and low levels of Motivation, Opportunity and Skills. They observed that in a scenario where the motivation and skills are high but the opportunity level is low, people are likely to start businesses but without access to a supportive environment will start on a small scale with their own resources and know-how; more likely to stay small. There could also be barriers to entry. Critical success factor will be the level of an entrepreneur's determination and capability.

4.6.2 Initiative to Reduce/relax Administrative Burden for Newly-started Firms

Regulation encumbers citizens and businesses with costs that are connected with the following actions: finding which regulations are needed for compliance, understanding regulation and finding ways to comply with it, and complying with regulation (Lau, 2007). Administrative burdens are costs incurred by businesses for collecting information for their action or production so as to meet legal obligations. The study sought to establish there were any initiatives by the funds to reduce/relax the administrative burden for newly-started firms. The findings are presented on table 4.14.

Table 4.14: Initiative to Reduce or relax Administrative Burden for New Firms

Initiative to Reduce or relax Administrative Burden for New Firms	Yes	%	No	%
Youth Enterprise Development Fund	2	25	6	75
Women Enterprise Fund	3	60	2	40
Uwezo Fund	-	-	7	100

Table 4.14 shows that 25% of the respondents in YEDF reported that there were initiatives to reduce or relax the administrative burden for newly-started enterprises. Such efforts were reported to include a negotiation between the fund and county governments in counties where the fund has built stalls or working space. It was reported that the occupants of the YEDF spaces have certain fees waived as well as the requirement for a fire certificate for enterprises that deal with cooked food. In addition, the fund had started an initiative with KEBs (Kenya Bureau of Standards), seeking to have KEBs bring down the application fee for the beneficiaries of the fund. Partnerships are also being sought with the chamber of commerce as well as the EPC (Export Promotion Council) with regard to the marketing of the beneficiaries' products. The rest of the respondents were not aware of such initiatives. On the other hand 75% of the respondents reported that there were no initiatives to reduce or relax the administrative burden for newly-started firms. Some of these respondents argued that YEDF was not connected to the policy formulation regarding administrative issues of starting a business. However, it was reported that during trainings, the fund sensitizes the youths

regarding all the licensing requirements and certificates needed for start-ups as well as where to obtain them and encourage them to apply.

In the WEF, 60% of the respondents reported that there were initiatives to reduce or relax the administrative burden for newly-started enterprises. A case in example was an initiative by the fund where they were offering training in areas like yoghurt making among others in partnership with other organizations such as Jomo Kenyatta University of Agriculture and Technology (JKUAT), KEBs, EPC, ILO, and Hand in Hand East Africa. It was reported that those who go through the training are assisted all the way to putting the product to the market with any required fees being taken care of by the financing obtained from the fund. They assist such beneficiaries through the business registration process as well as getting the KEBs certification. On the other hand, 40% of the respondents in WEF reported that there were no initiatives to reduce or relax the administrative burden for newly-started enterprises. Such argued that all SMEs should follow all the legal and regulatory requirements especially regarding tax burdens and quality standards. In their opinion, this was a way of maintaining fair competition.

In the Uwezo Fund, 100% of the respondents reported that there were no initiatives to reduce or relax the administrative burden for newly-started enterprises. It was reported that what the fund does is just to link the beneficiaries to institutions like KEBs and guide them on what is required to get the KEBs certification. In other words, the fund is promoting partnerships with regulatory bodies such as KEBs and KRA but has not agreed on any exemptions. It was also reported that they encourage the beneficiaries with the fact that business registration is decentralized to the counties and process is quickly handled in the 'Huduma Centres' which are spread all over the country. They also sensitize the beneficiaries on e-licensing as well as the i-tax programmes.

These findings are a clear reflection of the fact that the funds lacked an objective addressing the reduction of administrative burden aspect of the opportunity structure. However, Ntaliani, Costopoulou, and Sideridis (2012) observe that SMEs' administrative burdens are closely related with their efforts to find information on particular public services. A great part of this information regards the informational

phase, namely things that an SME should know before executing a particular public service. For instance, the informational phase concerns the SME's eligibility to perform a service; the Public Authorities (PAs) that are responsible for it; and what kind of documents the SME should adduce so as to apply for it. The process of searching for and retrieving this knowledge, either performed by the SME or by an expert (for example, accountant, lawyer) on the SME's behalf, costs in terms of time and money. It is however clear from the findings that the funds are playing a major role is disseminating this information.

Audretsch and Thurik (2010) highlighted various projects and initiatives from various countries, aimed at measuring and reducing administrative burdens. Such examples include: the "Measurement Project" in the UK for measuring the administrative burdens of businesses in complying with tax regulation; the "Bureaucracy Reduction and Better Regulation" program in Germany for reducing the administrative burdens of SMEs by 25% by the end of 2011. In addition, Ennis (2008) observe that there is a need to support women and youth in bureaucratic aspects of starting a business. This would include ensuring that their business is registered on time; this is so especially for innovators of opportunity who have to contend with a lot of paper work and if they cannot go this route, end up making their business informal and thereby making it hard to secure credit among other related support.

4.6.3 'First' or 'One Stop Shops' or Web Portals in Place to Provide New Entrepreneurs with Business Start-up Information, Assistance and Advice

The provision of quality business support to entrepreneurs in nascent and start-up phases is becoming a very important policy issue as governments seek ways to create more dynamic start-up markets. It constitutes part of the entrepreneur's "opportunity structure" in the framework of entrepreneurship policy measures. The study sought to establish the efforts by the funds to put in place 'first' or 'one stop shops' or web portals to provide new entrepreneurs with business start-up information, assistance and advice. The findings are presented on table 4.15.

Table 4.15: First’ or ‘One Stop Shops’ or Web Portals to Provide Business Start-up Information, Assistance and Advice

First’ or ‘One Stop Shops’ or Web Portals to Provide Business Start-up Information, Assistance and Advice	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

Table 4.15 shows that 100% of the respondents in YEDF reported that there were efforts by the fund to put in place ‘first’ or ‘one stop shops’ or web portals to provide new entrepreneurs with business start-up information, assistance and advice. This was supported with the fact that their offices are open to all members of the public and they can freely walk in and get information on the start-up process as well as any assistance or advice required. They argued that YEDF has offices in every constituency and there are youth development officers who are mandated with providing information. It was also reported that such information is available on their web-site.

In the WEF, 100% of the respondents reported that the fund had put in place ‘first’ or ‘one stop shops’ or web portals to provide new entrepreneurs with business start-up information, assistance and advice. According to the respondents, this was evidenced by the fact that they have regional offices (Coast, Rift Valley, North Eastern, Western, Eastern, Nyanza, and Central regions) where anyone seeking information can easily access. It was also reported that their services are also available at ‘Huduma Centres’ which are spread all over the country. In addition, the fund interacts with entrepreneurs online through their website and social media.

In the Uwezo Fund, 100% of the respondents reported that the fund had put in place ‘first’ or ‘one stop shops’ or web portals to provide new entrepreneurs with business start-up information, assistance and advice. The respondents argued that their website is interactive and people are allowed to post enquiries and receive responses come advice, including start-up information. Although the fund does not have regional offices, it was

reported that the fund rides on CDF and YEDF infrastructure on the grassroots. As such, the youth development officers disseminate information about the Uwezo fund.

It is clear from the findings that the respondents believed that the funds were making efforts in ensuring business start-up information; assistance and advice were available to new entrepreneurs. However, a closer scrutiny of their websites revealed that much of the information available has everything to do with the funds, their products, and eligibility criteria. This does not translate to business start-up information, assistance and advice. In addition, the researcher sought to understand the capability of the officers on the ground by seeking to understand their qualification. It was revealed that the qualification is just a diploma in any field. Although it was argued that these officers are taken through in-house training, it is worth noting that a majority lack experience in running a small enterprise and therefore their ability to offer guidance to new entrepreneurs is questionable.

Lundstrom and Stevenson (2005) in the 13 case countries revealed that all of the governments have start-up information on their websites. In addition, almost all operate a "one-stop shop" to provide start-up information and referral services, support a network of enterprises centres mandated to assist new entrepreneurs (as well as existing small firms), and provide some level of support for the start-up of R&D-based spin-offs. This revelation poses a challenge to the funds to go beyond popularizing the funds and assist new entrepreneurs with start-up information as well as assistance and advice.

4.6.4 Facilitation of Mentor Programs for new entrepreneurs and growth firms

Okwany (2010) observed that many countries in the developed world had launched formal mentoring programs which match experienced entrepreneurs and business leaders with novice entrepreneurs. The objectives of mentor programs are to help entrepreneurs develop their management skills and to achieve firm growth and to improve the viability and growth of small firms. This study sought to establish whether the funds were facilitating mentorship programmes for new entrepreneurs and growth firms. The results are presented on table 4.16.

Table 4.16: Facilitation of Mentor Programs for new entrepreneurs and growth firms

Facilitation of Mentor Programs for new entrepreneurs and growth firms	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

Table 4.16 shows that 100% of the respondents in the YEDF reported that the fund was facilitating mentor programs for new entrepreneurs and growth firms although they were keen to observe that the programs are still in the formative stages. Some of the respondents reported that there was a program which encouraged the youths running successful enterprises to spare 10 minutes to speak to other youths especially those in the nascent and start-up stages. Some of the respondents observed that mentor programs are not yet fully operational but they were aware of a program with Amiran for the beneficiaries of Agri-vijana loan product from the fund. It was reported that Amiran sells greenhouses to these youths and guides them through the whole production process. It was however not clear whether the program was initiated by the fund or by Amiran.

In the WEF, 100% of the respondents reported that the fund had initiated mentor programs for new entrepreneurs and growth firms. According to the respondents, the fund was encouraging members to form business clubs so as to have a forum for exchanging and sharing ideas. One of the notable programs reported by the respondents was the ILO-WEF mentorship program offered to women who had gone through a training program by ILO named ‘*Get a head*’. The five month program was being implemented by ILO-WED in Kisii, Kakamega, Kitui and Embu counties in partnership with WEF and KIE. In this program, the mentors were expected to devote four hours for group mentoring per month and five hours for individual mentoring per month.

On the other hand, 100% of the respondents in the Uwezo Fund reported that there were mentor programs for new entrepreneurs and growth firms. The respondents observed that mentorship programs were going on in some constituencies being led by selected

trainers. Clarification was sought regarding why trainers were conducting the mentor program and it was revealed that mentorship was part of the job for those contracted to offer training before and after financing. The trainers were required to visit funded groups to see how they were doing and correct them if need be. However, some of the respondents pointed out that it was hard to establish whether this was really happening. Peer mentoring was also encouraged where successful groups mentor up-coming groups.

This finding is in agreement with Lundstrom and Stevenson (2005) in their study on prevalence of start-up business support measures in 13 countries. The study revealed that 77% of the governments facilitate the development of mentor programmes for new entrepreneurs and growth firms. This is supported by Ennis (2008) who argued that to enhance market linkages, mentorship programmes for the youth and women are an important step in ensuring the success of their entrepreneurial activities. For examples, through mentorship, youth can be connected to successful business community; successful youth can be connected to the new youth in cooperatives and innovators of opportunity linked with those of necessity.

However, Okwany (2010) argues that more information is needed on how to define, implement, and measure a mentorship program so positive role models can help youth better understand business and financial responsibilities learn business and financial skills, and gain greater self-confidence for taking on more responsibilities. Finding the way to support this holistic approach in a cost effective manner, alone or via partnerships, will improve young people's use of financial products and services, and also the impact these products and services can have.

4.6.5 Partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes

Chigunta (2002) argue that apart from access to finance, entrepreneurs need to know how to develop a business plan, business management, stress management, financial management (budgeting), time management, improving sales, managing and reducing costs, debt recovery techniques, stock control techniques, marketing and recruitment. It is the opinion of this study that this can be achieved partly through training on the

enlisted issues. The study therefore sought to establish whether the funds were in partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes. The findings are shown on table 4.17.

Table 4.17: Partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes

Partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

Table 4.17 shows that 100% of the respondents in the YEDF reported that the fund was in partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes to its beneficiaries. According to the respondents, training on basic book keeping, business management and group dynamics was mandatory for all groups before and after funding. This is mostly done by the youth development officers who are usually in every constituency. The question is however on the effectiveness of the training program given that there is only one officer per constituency serving an average of 200 groups. It was however reported that the fund does collaborate with UNDP as well as KIE (Kenya Industrial Estate) to deliver entrepreneurship training programmes to its beneficiaries. The training program by the fund was reported to cover the following areas of business management: how to avoid business failures; business plan preparation; keeping business records; employees management; quality management & improvement of business products/services; working capital management (cash , stock & credit); competitive costing of products and services; attracting and retaining customers; taxation issues in business; youth loans and products; business registration; need for ICT adoption in business and; effects of HIV/AIDS in business.

In the WEF, 100% of the respondents reported that the fund was carrying out trainings on entrepreneurship among its members in partnership with private sector organizations

and NGOs. According to the respondents, groups must be trained on business management skills as a prerequisite for the loan application. The training was reported to be conducted by WEF officers who include assistant credit managers based in eight operational regions within the former provincial headquarters and 290 volunteers in all constituencies based at the county headquarters. The fund was reported to also be in partnership with other organizations such as Jomo Kenyatta University of Agriculture and Technology, ILO (International Labour Organization and Hand in Hand East Africa in the delivery entrepreneurship training programmes to its beneficiaries. An example cited in this case is the '*Get a head*' training program delivered by ILO to WEF beneficiaries. The program is reported to have been conducted in the Nyanza, Western and Eastern regions and was aimed at equipping women entrepreneurs with necessary knowledge and skills to enable them run successful enterprises and create jobs.

In addition, 100% of the respondents in the Uwezo Fund reported that the fund was in partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes to its beneficiaries. According to the respondents, the mother ministry (Ministry of Public Service) used to hire consultants to train the beneficiaries, however at the moment; training was being conducted by constituency level committees. The ability of these constituency level committees to deliver entrepreneurship training is however a subject for research. The fund was reported to have a training curriculum and members are awarded certificates once they have gone through. The training was reported to cover areas such as: general information about Uwezo fund; providing BDS and mentoring to persons with disability, women, youth and groups; table banking concept and; promoting access to public procurement opportunities in a devolved. It was reported that everyone is invited to the training, not just the groups under Uwezo fund. In addition, the respondents observed that youth development officers from the YEDF were conducting training on a day to day basis.

Lundstrom and Stevenson (2005) in their study on prevalence of start-up business support measures in 13 countries revealed that 77% of the governments partner with private sector organisations and NGOs to delivery entrepreneurship training programmes. In addition, the same percentage does make subsidies available to support

the training of new entrepreneurs. Their finding is therefore in agreement with the finding in this study.

However, as earlier pointed out, the effectiveness of the training programs by the funds is a question of future research. In fact, Stevenson and Lundstrom (2002) observed that the quality of business support services is a growing area of policy attention. With an increasing role for business advisers and counsellors, many of whom are employed by government or quasi-government organizations, and the increasing demand for more individualized solutions to entrepreneurs' needs, the requirement for quality service has come to the fore. The UK was observed to be the most advanced in addressing this issue.

Through the UK Department of Trade and Industry service standards have been adopted for business advisers which all officers working in government supported centres must meet. Advisers can take professional training at the National Vocational Qualifications (NVQ) level and the Institute of Business Advisers accredits advisers who meet all professional criteria. The objectives of these programs are to improve the quality of service and provide more standardised and knowledgeable services to SMEs (UK); to strengthen the competencies of people who do small business counselling to provide better quality and more consistent service to clients, especially pre-starters and early stage micro-enterprises.

4.6.6: Partnership with Other Organizations in Business Incubation

Business incubators provide a complete set of services and a suitable environment to support entrepreneurial skills and to help entrepreneurs in developing their ideas, skills, and knowledge. The incubators provide entrepreneurs with a place where they can obtain operational services at a low cost to reduce start-up and growth costs as well as reduce the risk of failures. This study sought to establish whether the funds were in partnership with any other organizations in business incubation. The findings are shown on table 4.18.

Table 4.18: Partnership with Other Organizations in Business Incubation

Partnership with Other Organizations in Business Incubation	Yes	%	No	%
Youth Enterprise Development Fund	2	25	6	75
Women Enterprise Fund	5	100	-	-
Uwezo Fund	-	-	7	100

Table 4.18 shows that 25% of the respondents in the YEDF reported that the fund was in partnership with other organizations in business incubation, while 75% reported that there were no such partnerships. Those in favour of the proposition reported that they were aware of the fact that the fund was partnering with the Kenyatta University incubation centre as well as KIRDI (Kenya Industrial Research Development Institute). They were however not privy to the details of these partnerships. On the other hand, a majority of the respondents reported that they were not aware of any partnerships the fund had with other organizations in business incubation.

In the WEF, 100% of the respondents reported that the fund was partnering with other organizations in business incubation. A case in example was a partnership with Jomo Kenyatta University of Agriculture and Technology for capacity building in business incubation. The partnership tenure is reported to be of five years starting February 2016. According to the respondents, the partnership entails taking the beneficiaries through training in various areas such as yoghurt making, baking, mushroom farming, tissue culture banana farming among others. The beneficiaries are then assisted all the way through the process of registering a business, getting the various certifications such as KEBs, and putting the products into the market. The fund is reported to finance the beneficiaries throughout this process.

On the other hand, 100% of the respondents in the Uwezo fund reported that the fund did not have any partnerships with other organizations in business incubation. According to the respondents, this could be due to the fact that Uwezo was the newest kid in the block and one of its major areas of emphasis was YAGPO (Youth Access to Government Procurement Opportunities).

Lundstrom and Stevenson (2005) reported that it was increasingly common for governments to fund business incubator programmes, business/technology innovation service centres, science parks, and university technology transfer offices to help new technology-based start-ups gain access to high-quality expert advice, know-how and financing. In fact, in their study on prevalence of start-up business support measures in 13 countries revealed that 77% of the governments had a national incubator strategy with government funding to subsidise the initial funding of incubators in key regions. They further observed that the major stated objectives for small business incubator strategies are to: reduce small business failure rates, create new jobs, enhance small business and promote entrepreneurship; to nurture entrepreneurs out of enterprises or individuals and speed up industrial upgrade; to diversify the economy, create jobs and build wealth.

In addition, Dahleez (2009) observe that the platform of entrepreneurship and incubation is the most important policy for governments in order to assist SMEs in technology innovation, entrepreneurial information diffusion, and operation fund access. The platform can be constructed by three elements: incubation services, entrepreneurial knowledge and financing support. Business incubation is a dynamic process of business enterprise development for the purpose of nurturing young firms, new products, and technologies. Business Incubators help SMEs access resources of innovation and entrepreneurs, and enhance their abilities in R&D and starting up new business, in order to facilitate more competitive SMEs and promote economic development. Therefore, innovation and entrepreneurship are two core functions of incubators and play pivotal roles in SMEs' value creation.

4.6.7 Efforts to redirect more of the available supply of capital to individual entrepreneurs and new firms

Lack of access to financing is viewed as one of the most significant barriers to the start-up and growth of small businesses. Because of the lack of access to financing, entrepreneurs are impeded in their efforts to start, expand, modernise and grow their businesses. This stunted growth prevents small firms from increasing employment and

productivity and diminishes their capacity to contribute fully to overall economic growth in the economy. The study sought to establish whether the funds were making efforts to redirect more of the available supply of capital to individual entrepreneurs and new firms. Two themes emerged in this case which are supply of capital to new firms and supply of capital to individual entrepreneurs. The results are presented on table 4.19 and table 4.20.

Table 4.19: Efforts to redirect supply of capital to new firms

Efforts to redirect supply of capital to new firms	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

Table 4.20: Efforts to redirect supply of capital to individual entrepreneurs

Efforts to redirect supply of capital to individual entrepreneurs	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	-	-	5	100
Uwezo Fund	-	-	7	100

Table 4.19 and 4.20 shows that 100% of the respondents in the YEDF reported that fund was making efforts to redirect more of the available supply of capital both to individual entrepreneurs and new firms. They reported that funds were available to individuals within youth groups as well those not in any groups. However, a close scrutiny of the loan products revealed that the loan amount available for individuals within youth groups was between Ksh.25,000 (approx. 250 USD) – Ksh.100,000 (approx. 1000 USD) at no interest. Whereas this is good effort, the amount may be too low to run a growth oriented enterprise and may only attract necessity driven entrepreneurs. For individuals

without groups, the fund offers a loan of between Ksh.100,000 (1000 USD) and Ksh. 2million (20,000 USD) at 8% interest per annum. Although the interest rate is very friendly compared to the market rates, this loan is only available to running business which must provide financial statements to prove it and not to start-ups.

Although 100% of the respondents from the WEF reported that the fund was making efforts to redirect more of the available supply of capital both to new firms, 100% again reported that the fund was not directing the available funds to individuals as table 24 and 25 shows. In fact it is well documented even on their brochures that WEF does not fund individuals directly. Any member interested must be in a group of at least 10 women, and they must be registered with the department of social services. It was also reported that upon an application, a group can only receive Ksh. 100,000 (1000 USD) in the first cycle, which must be fully paid back before getting to the next cycle. It is until the fourth and final cycle that the group can receive a maximum of Ksh.500,000 (5000 USD). It is important to note that these amounts are distributed among at least 10 women, in other words, only 10% of these amounts trickles down to individual enterprises. Just like this study pointed out on the YEDF, looking at these amounts the beneficiaries must be running micro enterprises and are most like necessity driven entrepreneurs.

Just like WEF, 100% of the respondents in the Uwezo fund reported that the fund was making efforts to redirect more of the available supply of capital new firms. However, it was clarified that though Uwezo is committed to funding new firms, it does not fund individuals directly as table --- shows. Individuals must have been members of a group that has been in existence for six months and operates a table banking structure or any other group fund structure where members make monthly contributions according to the groups' internal guidelines (evidence of monthly contributions are a requirement). Eligible qualifying amounts for a group are a minimum of fifty thousand (Ksh.50,000 or 500 USD) and a maximum of five hundred thousand (Ksh.500,000 or 5,000 USD) at any one time. It was also reported that the loans are interest free and all groups are allowed a six months grace period before commencement of repayment of the loan but all loans are payable within two years from the expiry of the grace period.

Although the loan conditions seem very attractive, this study opines that the group approach to funding may discourage opportunity driven entrepreneurs whom Bwisa (2011) argues that are able to create more jobs, need less training, and repay credit faster. On the other hand, they are likely to attract necessity driven entrepreneurs whom Bwisa (2011) argues that although they help address issues of class stratification and social and economic inequity in society through employment creation for the marginalized, they require a lot of training is required and also there are fears that it might not address long term economic issues.

Bwisa (2011) argues that measures implemented to address access to finance for start-ups have two primary aims: (1) to fill the start-up financing gap for people who do not meet the "track record" and collateral security criterion of traditional financiers; and (2) to fill the seed capital and mezzanine financing gap for technology-oriented and high growth potential firms. However, this study opines that although the funds have met the first objective, the amounts are again too small and may only groom entrepreneurs of necessity as observed earlier by Bwisa (2011). This finding is in agreement with those of Lundstrom and Stevenson (2005) which revealed that the Finnish government determined that financing is not a problem for existing SMEs but that gaps exist for new start-ups and growth firms that do not have a history of accounts and established market positions. As a result of these findings the Finnish Industrial Investment Fund has refocused its investment activities on special funds for seed and start-up businesses. In addition, studies in Sweden conclude there is a lack of capital for certain phases of business development and that new starters experience more problems attracting capital because they do not have a track record and are difficult to assess (Ministry of Industry, Employment and Communications, 2003).

4.6.8: Funding for special seed programmes to support the start-up and early stage development of innovative techno-starts as well as pre-commercialization of promising technology

As earlier observed in this study, one of the primary aims for measures implemented to address access to finance for start-ups is to fill the seed capital and mezzanine financing gap for technology-oriented and high growth potential firms. This study sought to establish whether the funds were funding special seed programmes to support the start-up and early stage development of innovative techno-starts as well as pre-commercialization of promising technology. The results are shown on table 4.21.

Table 4.21: Funding for special seed programmes and pre-commercialization of promising technology

Funding for special seed programmes ad pre-commercialization of promising technology	Yes	%	No	%
Youth Enterprise Development Fund	-	-	8	100
Women Enterprise Fund	-	-	5	100
Uwezo Fund	-	-	7	100

Table 4.21 shows that 100% of the respondents in YEDF reported that the organization was not funding special seed programmes to support the start-up and early stage development of innovative techno-starts as well as pre-commercialization of promising technology. The respondents reported that funding special seed programmes as well as pre-commercialization for promising technology was not within the mandate of the fund. Some of them argued that other institutions such as KIRDI, KIE and NACOSTE are better placed to fund special seed programmes to support the start-up and early stage development of innovative techno-starts and pre-commercialization of promising technology as this was within their mandate.

In addition 100% of the respondents in WEF reported that the organization was not funding special seed programmes to support the start-up and early stage development of

innovative techno-starts and pre-commercialization of promising technology. Just like YEDF, the respondents reported that this was beyond the mandate of the fund. The researcher was reminded that the fund is a flagship project under the social pillar of Kenya Vision 2030 and also champions the realization of the 1st and 3rd millennium development goals on poverty reduction and gender equality & women empowerment. As such, going to the extent of innovative techno-starts may be asking for too much.

Further, 100% of the respondents in Uwezo Fund reported that the organization was not funding special seed programmes to support the start-up and early stage development of innovative techno-starts and pre-commercialization of promising technology. just like YEDF, and WEF, the respondents explained that the Uwezo Fund is a flagship programme for vision 2030 aimed at enabling women, youth and persons with disability access finances to promote businesses and enterprises at the constituency level, thereby enhancing economic growth towards the realization of the same and the Millennium Development Goals No.1 (eradicate extreme poverty and hunger) and 3 (promote gender equality and empower women). Although the fund is said to be is an avenue for incubating enterprises, catalyzing innovation, promoting industry, creating employment, and growing the economy, the respondents reported that this was more theoretical than practical at the moment. However, they were hopeful that the fund would be able to fund special seed programmes to support the start-up and early stage development of innovative techno-starts and pre-commercialization of promising technology.

This finding however contradicts that of Lundstrom and Stevenson (2005) in their study on the prevalence of start-up and seed financing measures in 13 countries. The study revealed that 100% of the governments had established special seed programmes for the funding of new innovative technology firms. In addition, 92% of the governments had pre-commercialisation funds made available to promising new technology firms (for prototype development, etc.). In addition, a study of the financing gaps in Taiwan concluded that more funds needed to be directed to start-ups, especially in technology areas (CHIER, 2002).

4.7 Skills Component of Entrepreneurship Policies in the Fund

Successfully raising entrepreneurial activity depends on a complex set of mutually interacting framework conditions, attitudes and skills. The Small Business Service (2004) observes that a government's vision is of a nation in which all sections of society are better equipped to respond positively to change and new opportunities, to create and implement new ideas and ways of working, and make reasonable assessments of risk and rewards and act upon them. The spread of these skills will enable all to manage a flexible career, and help create a business environment supportive of becoming involved in enterprise. Lundstrom and Stevenson (2005) assert that there will be higher levels of entrepreneurial activity in economies where people are aware of entrepreneurship as a feasible and viable option and willing to explore it (Motivation); have access to opportunities to gain the knowledge, skills and ability to be able to pursue it (Skills); and can gain ready access to the start-up supports they need, such as information and ideas, counseling and advisory services, business contacts, capital and encouragement, in an enabling regulatory and policy environment (Opportunity). These are the entrepreneurship policy foundations and this section presents the findings on the fourth research question: "What is the skill component of entrepreneurship policy in the funds?"

4.7.1 Entrepreneurship skills audit for the beneficiaries

An entrepreneurship skills audit is a means of assessing the skills needed for a particular business enterprise and evaluating whether the concerned person has these skills. It involves asking questions such as: What business venture would you like to undertake? Do you have the necessary skills? What sort of qualities do you feel you need to be an entrepreneur? This study sought to establish whether the funds carry out a skills audit for the beneficiaries before funding their business enterprises. The results are presented on table 4.22.

Table 4.22: Entrepreneurship skills audit for the beneficiaries

Entrepreneurship skills audit for the beneficiaries	Yes	%	No	%
Youth Enterprise Development Fund	5	62.5	3	37.5
Women Enterprise Fund	4	80	1	20
Uwezo Fund	2	28.57	5	71.43

Table 4.22 shows that 62.5% of the respondents in YEDF reported that the fund was carrying out an entrepreneurship skills audit of the beneficiaries before funding. They explained this was achieved through the application form although very general where the beneficiaries would fill details concerning their highest academic levels. This would later be verified through site visits by the youth officers on the ground. On the other hand, 37.5% of the respondents reported that the fund was not carrying out any entrepreneurship skills audit of the beneficiaries before funding. As such, some of them explained that all the beneficiaries are treated as though they are all at the same level in terms of skills while others just indicated that they were not aware of such a thing going on in the organization. Although the YEDF Enterprise Development Programs Guide outlines some of the essential business skills such as business planning, implementing business activities, leading, controlling, staffing, information gathering, decision making, problem solving, business financing, public and customer relations skills, ability to take risks, and time management; there is no indication within the operational framework of the fund that beneficiaries are audited alongside this line. In fact the eligibility criterion for funding appears to just being a youth (18-34 years old) and a member of a registered youth group. Whether or not the beneficiary possesses the skill to manage an enterprise does not appear to be a concern for the fund, as training comes in after a group has been enumerated for funding.

In the WEF, 80% of the respondents indicated that the fund does a skills audit of the beneficiaries before funding. Reference was made to their guidelines on eligibility for funding which include that groups must be trained on business management skills by the WEF officers as a prerequisite for the loan application. In addition, it was reported that

separation of groups depending on the level of education/skills of trainees is done such that graduates are not trained together with the unschooled. On the other hand, 20% of the respondents reported that they were not aware on any skills audit by the fund on the beneficiaries. These respondents argued that the said training was general in that all the applicants go through the same training regardless of their skills.

In the Uwezo fund 28.57% of the respondents reported that the fund was carrying out entrepreneurship skills audit of the beneficiaries before funding. These respondents indicated that there is a training needs assessment that is done prior to the training for those who have qualified to be given funds at the constituency level. Reference was made their training manual indicates that training is a pre-requisite to applying for the Fund and it focuses on four key areas namely: general information on Uwezo Fund; business development services and mentoring; table banking concept; and Access to Government Procurement Opportunities (AGPO) for youth, women and persons with disability. Although training is a prerequisite for funding, there is no clear indication that it is tailor made to address the skills needs of individual entrepreneurs. On the other hand, 71.43% of the respondents were of a contrary opinion. They reported that skills assessment is not done because the fund is an affirmative fund. They further argued that the fund just needs the motivation of the youth, women and persons with disabilities to apply for the same.

Smith, Schallenkamp, and Eichholz (2007) submit that assessment of these various skill sets in the individual entrepreneur appears to offer a promising arena for future research. In addition, it may represent an opportunity for skill development training by educators and service providers for the ultimate benefit of the practitioner and the economy in general.

4.7.2: Training programmes to bridge the skills gap

Enterprise development has been said to involve measures to encourage individuals to become an entrepreneur and to equip them with the necessary skills to make their businesses successful, including reforms in training and education systems, cultural changes and measures to remove obstacles to business start-ups (EU, 1998). Lichtenstein

and Lyons (2001) developed a system for managing regional enterprise development and a method of developing entrepreneurs called the Entrepreneurial Development System (EDS). This system is built on three major premises: 1) ultimate success in entrepreneurship requires the mastery of a set of skills; 2) these skills can be developed, and 3) entrepreneurs do not all come to entrepreneurship at the same skill level (Lyons, 2003). This study sought to establish whether there are training programs aimed at bridging the skills gap being delivered regionally to the current and potential beneficiaries to ensure they are in a position to run successful enterprises. The major theme which emerged from the funds was that there are training programs in all the funds as presented on table 4.23.

Table 4.23: Training programmes present

Training programmes present	Yes	%	No	%
Youth Enterprise Development Fund	8	100	-	-
Women Enterprise Fund	5	100	-	-
Uwezo Fund	7	100	-	-

Further two sub-themes emerged under this theme. There are those respondents who reported that the training programs are just general for all the beneficiaries while there are those who indicated that the training programs are tailor made to suit the skills needs of individual beneficiaries. The results for each fund are presented in the following tables.

Table 4.24 shows the sub-theme that emerged in the YEDF.

Table 4.24: Training programmes in the YEDF

Training programmes in the YEDF	Frequency	%
Training programs are general	8	100

Table 4.24 shows that all the respondents (100%) in the YEDF reported that the training programs are very general and is the same for all beneficiaries regardless of the skills

they possess. The training was reported to include just basic financial management despite YEDF Enterprise Development Programs Guide outlining the following areas of business management: how to avoid business failures; business plan preparation; keeping business records; employees management; quality management & improvement of business products/services; working capital management (cash , stock & credit); competitive costing of products and services; attracting and retaining customers; taxation issues in business; youth loans and products; business registration; need for ICT adoption in business and; effects of HIV/AIDS in business.

In the WEF, the two sub-themes emerged as shown on table 4.25

Table 4.25: Training programmes in the WEF

Training programmes in the WEF	Frequency	%
Training programs are general	4	80
Training programs are tailor made	1	20

Table 4.25 shows that 80% of the respondents in the WEF reported that the training programs in the fund are general. It was reported that the curriculum is the same for all despite their different levels even in the entrepreneurial process: (i) awareness; (ii) pre-start-up (nascent); (iii) start-up; (iv) early post-start-up; or (v) maintenance and expansion. On the other hand, 20% of the respondents reported that the training programs in WEF were tailor made to fit the needs of different entrepreneurs. It was reported that separation of groups depending on the level of education/skills of trainees is done such that graduates are not trained together with the unschooled.

In the Uwezo Fund, two sub-themes emerged as shown on table 4.26

Table 4.26: Training programmes in the Uwezo Fund

Training programmes in the Uwezo Fund	Frequency	%
Training programs are general	6	85.71
Training programs are tailor made	1	14.29

Table 4.26 shows that 85.71% of the respondents in Uwezo fund reported that the training programs in the fund were general and is not based on a skills inventory as one did not exist. This is so as indicated by the finding in section 4.8.1 which revealed that the fund did not carry out a skills audit of the beneficiaries before funding. On the other hand, 14.29% of the respondents reported that the training programs were tailor made in order to reach audiences at different levels. It was reported that the training is undertaken even in local languages for those who do not understand English or Kiswahili.

These findings are a clear indication that one of the premises of Lichtenstein and Lyons (2001) on entrepreneurship development system has not been taken into consideration. This is the fact that entrepreneurs do not all come to entrepreneurship at the same skill level, a fact that has been ignored by the three funds who are just offering general training for all the beneficiaries. In addition, Lichtenstein and Lyons (2001) observe that ultimate success in entrepreneurship requires the mastery of a set of skills. The question that lingers is whether the training delivered by the funds results into a mastery of a set of skills! Smith, Schallenkamp, and Eichholz (2007) submit that generic entrepreneurial training programs are unlikely to meet all the needs of entrepreneurs at the various stages of their development. This is an on-going process that should be based on periodic assessment of individual skills coupled with training for those individuals based on the specific skills needs identified.

4.7.3: A national study (stock taking) on the entrepreneurial abilities of the target clients

The recognition that entrepreneurship and entrepreneurs are important drivers of economic growth, employment, innovation and productivity has been long understood by analysts and economic theoreticians. However, the pursuit and development of policies, namely the factors that affect and benefits of, entrepreneurship, are still hampered by the limited, albeit growing, empirical information relating to these factors and benefits. This study sought to establish whether there are national studies or stock taking on the entrepreneurship abilities of the target clients. The major theme that emerged was either the presence or absence of such studies among the funds as shown on table 4.27.

Table 4.27: A national study on the entrepreneurial abilities

A national study on the entrepreneurial abilities	Yes	%	No	%
Youth Enterprise Development Fund	-	-	8	100
Women Enterprise Fund	-	-	5	100
Uwezo Fund	2	28.57	5	71.43

Table 4.27 shows that 100% of the respondents in the YEDF reported that there was no national study or stock taking on the entrepreneurial abilities of the target clients. However, the researcher followed up on this question by asking, “So there are no studies at all on the entrepreneurship abilities of the youths in Kenya?” the respondents were quick to point out that studies did exist but not originated by the fund. At this point, two sub-themes emerged as studies by scholars and studies by other organizations.

Table 4.28 shows the finding from the YEDF.

Table 4.28: Studies on the entrepreneurial abilities among YEDF beneficiaries

Studies on the entrepreneurial abilities among YEDF beneficiaries	Yes	%	No	%
Studies by scholars	8	100	-	-
Studies by other organizations	8	100	-	-

Table 4.28 shows that the two sub-themes emerged from the study. These are existence of studies on the entrepreneurship abilities among YEDF beneficiaries by scholars and other organizations. All the respondents reported that there were many PhD and masters students from different universities who had conducted studies on the same topic. However, reference to any specific study was not made as the respondents indicated that all the students who study the fund are required to give a copy of their report to the organization. Further, the respondents reported that the fund is seldom able to look into those reports. In addition all the respondents reported that there were studies by other organizations such as UNDP and KIM (Kenya Institute of Management). Although the

respondents could not cite specific researches, the researcher came across a study by KIM on youth and women entrepreneurs' preparedness in Kenya. This was a case study of the Youth Enterprise Development Fund and Women Enterprise Fund beneficiaries using the TRISTART business evaluation tool.

In the WEF, the two sub-themes appeared as shown on table 4.29

Table 4.29: Studies on the entrepreneurial abilities among WEF beneficiaries

Studies on the entrepreneurial abilities among WEF beneficiaries	Yes	%	No	%
Studies by scholars	5	100	-	-
Studies by other organizations	5	100	-	-

According to table 4.29, 100% of the respondents reported that there were studies carried out by scholars from the universities on the entrepreneurial abilities of WEF beneficiaries. This was reported to include PhD and masters students from various universities. This was especially so because the Millennium Development Goal Number 3 was to promote gender equality and empower women. As such, the fund attracted a lot of scholarly attention. However, just like the YEDF, in WEF it was reported that although the scholars submit a copy of their reports, there organization was yet to benefit from such reports. In addition, 100% of the respondents reported that there were studies carried out by other organizations such as ILO, KIM, and Investment Climate and Business Environment (ICBE) Research Fund, a collaborative initiative of Trust Africa and IDRC among others. However, apart from KIM that focused on the preparedness of the beneficiaries in terms of skills, the researcher did not come across any other study that focused on the same.

In the Uwezo Fund, the two sub-themes too appeared as shown on table 4.30

Table 4.30: Studies on the entrepreneurial abilities among Uwezo Fund beneficiaries

Studies on the entrepreneurial abilities among Uwezo Fund beneficiaries	Yes	%	No	%
Studies by scholars	7	100	-	-
Studies by other organizations	7	100	-	-

Table 4.30 shows that 100% of the respondents in the Uwezo fund reported that there were studies carried out by scholars from different universities. However they were quick to point out that due to the age of the organization, the studies were few and were not impact assessment kind of studies. In fact, although it is a requirement for students who study the fund to submit a copy of their reports to their reports to the Fund, the respondents were not aware of any studies on entrepreneurial abilities of the beneficiaries. Further, 100% of the respondents reported that there were studies by other organizations such as ILO and World Bank but the content of the reports appeared to be an unfamiliar subject to the respondents. As such, whether or not the studies looked into the entrepreneurial abilities of the beneficiaries, the respondents were not aware.

There is surprisingly little systematic and rigorous research on the propensity of university students to become entrepreneurs following graduation. A notable exception is Finnie et al. (2002) who conducted a longitudinal study of the entry of Canadian university graduates into self employment. They found that five years after graduation self-employment rates were 9.9 percent to 11.1 percent for male graduates (depending on the programme of study and degree level) and 5.3 percent to 6.7 percent for female graduates. The self-employment status was generally associated with enhanced labour market outcomes and greater worker satisfaction than paid employment. The incidence of self-employment among Canadian university graduates has been rising since 1995. There is also relatively little research on the actual impact of university-based entrepreneurship education (Gillen et al., 1996). What limited research does exist suggests that the propensity to be self-employed is positively correlated with the number

of entrepreneurship/ small business courses a student takes and that the greater the number of courses taken the greater the likelihood of self-employment.

4.7.4 Study results used to lobby government to ensure inclusion of entrepreneurship education in the national curriculum

Education policy can play a role in changing young people’s mindsets and skills by making them more aware and prepared for an entrepreneurial career. Audretsch, Grilo and Thurik (2007) assert that given the alleged externalities associated with education, this in an area where public intervention can be defended as welfare enhancing. They further argue that entrepreneurial values and attitudes can be shaped by introducing entrepreneurial elements in the education system. This study therefore sought to establish whether the results from different studies were being used to lobby the government to ensure inclusion of entrepreneurship education in the national curriculum. The major theme that emerged was that the study results were not being used to lobby the government to ensure inclusion of entrepreneurship education in the national curriculum as shown on table 4.31

Table 4.31: Study results used to lobby the government on inclusion of entrepreneurship in the national curriculum

Study results used to lobby the government on inclusion of entrepreneurship in the national curriculum	Yes	%	No	%
Youth Enterprise Development Fund	-	-	8	100
Women Enterprise Fund	-	-	5	100
Uwezo Fund	-	-	7	100

Table 4.31 shows that 100% of the respondents in the YEDF reported that the fund was not using study results to lobby the government to ensure inclusion of entrepreneurship education in the national curriculum. The respondents reported that the organization had not been called upon to participate in any forum that is related to the national

curriculum. This could be explained by the finding in Section 4.7.3 revealed that the existing studies were not originated by the fund, and that the fund was seldom able to look into the reports submitted to them by scholars and other organizations. This therefore explains the finding that the study results were not being used to lobby the government to ensure inclusion of entrepreneurship education in the national curriculum.

In the WEF, 100% of the respondents reported that the study results were not being used to lobby the government to ensure inclusion of entrepreneurship education in the national curriculum. The respondents argued that there is an institution that is charged with matters of curriculum development and this is KICD (Kenya Institute of Curriculum Development). The respondents reported that the fund had not been called upon to give an opinion on matters curriculum. However, it is worth noting that section 4.7.3 revealed that WEF did not initiate the studies and majority of the times they were not able to look at study reports. They therefore lacked ground for lobbying.

In the Uwezo Fund, 100% of the respondents reported that the study results were not being used to lobby the government to ensure inclusion of entrepreneurship education in the national curriculum. Despite their acknowledgement that entrepreneurship skills could be natured through the education system, the respondents argued that matters of curriculum development are not within their mandate. The researcher was reminded that the fund was aligned to the Millennium Development Goals No.1 (eradicate extreme poverty and hunger) and No.3 (promote gender equality and empower women). Reference was also made to the fact that the fund is a flagship project of the vision 2030 under that social pillar on gender, youth and vulnerable groups and therefore education and training was a different aspect all together.

Entrepreneurship Education and training represents academic education or formal training interventions that share the broad objective of providing individuals with the entrepreneurial mind sets and skills to support participation and performance in a range of entrepreneurial activities. Lundstrom and Stevenson (2005) in their study on the prevalence of actions to integrate entrepreneurship education in the system in 13 countries revealed that only 46% of the countries had entrepreneurship included as an element/outcome in National Education Curriculum Guidelines. This is a clear

indication that despite that acknowledgement of the role of entrepreneurship education in providing individuals with the entrepreneurial mind sets and skills to support participation and performance in a range of entrepreneurial activities, it was yet to be embraced in many economies. Thurik (2015) reports that the European Parliament adopted the Culture & Education Committee report 'Promoting youth entrepreneurship through education and training' calling for education systems to include aspects of entrepreneurship in the curricula at all levels and inviting the European Commission to support and coordinate this process. Thurik reports that the EU acknowledged that there was no better place than school to learn and acquire the necessary skills and knowledge. The European Parliament is said to have called for the inclusion of entrepreneurship skills in the school curriculum. This is definitely a learning point in the Kenyan scenario.

4.7.5: Sponsorship of students' business plan competitions

Increasing entrepreneurship has become an objective for many governments, local authorities, business associations and universities. One of the strategies adopted in many western countries, including Portugal, has been the creation of idea or project or idea competitions. Entrepreneurs write business plans much like a rite of passage or a symbolic act to gain legitimacy, and often purely as a necessary chore toward attracting external capital (Leffel and Hallum 2008). Business plan writing has become a staple of university-based entrepreneurship training, and the most common elements in entrepreneurship courses are venture plan writing, case studies, readings, and lectures by guest speakers and faculty (Gartner and Vesper 1994). In addition, the funds use business plan from the groups to determine which group to fund. This study therefore sought to establish whether the funds were sponsoring business plan competitions. The major theme that emerged was the presence or absence of business plan competition as shown on table 4.32.

Table 4.32: Sponsorship of students' business plan competitions

Sponsorship of students' business plan competitions	Yes	%	No	%
Youth Enterprise Development Fund	7	87.5	1	12.5
Women Enterprise Fund	-	-	5	100
Uwezo Fund	-	-	7	100

Table 4.32 shows that 87.5% of the respondents in the YEDF reported that the fund was sponsoring students' business plan competitions in partnership with other organizations such as KIM, and World Bank. However, some were quick to point out that the last business plan competition had taken place in 2010 and that the fund had not been able to sponsor other competitions due to inadequate resources. On the other hand, 12.5% of the respondents reported that the fund was not sponsoring students' business plan competitions. This could be explained by the fact that the fund had not sponsored any business plan competition since the respondents joined the organization.

On the other hand, 100% of the respondents in the WEF reported that the fund was not sponsoring any students' business plan competitions. They explained that this was not within the mandate of the fund and the researcher was reminded that the objectives of the fund include: providing loans to MFIs, NGOs, and SACCOs for lending to women owned enterprises; capacity building of women entrepreneurs and their organizations; facilitating linkages with large enterprises; investment in MSMEs oriented infrastructure; and marketing of products and services in domestic and international markets. The researcher sought to understand whether or not business planning was not part and parcel of capacity building and an explanation was given that the fund does train the beneficiaries on how to write a business plan but did not sponsor business plan competitions.

In the Uwezo Fund, 100% of the respondents reported that the fund was not sponsoring students' business plan competitions. This was the case despite the use of a group's business plan do determine whether to fund them or not. The respondents reported that their training included a unit on how to write a business plan but did not sponsor

business plan competitions. Although the fund is said to be is an avenue for incubating enterprises, catalyzing innovation, promoting industry, creating employment, and growing the economy, the question that arises is on how they were intending to achieve this.

Lundstrom and Stevenson (2005) observed that Governments in Sweden and Finland provide sponsorship support for Venture Cup, a national annual business plan in which thousands of university students participate. The Dutch Ministry of Economic Affairs funds a New Venture Business Plan competition that is open to all post-secondary students and Enterprise Ireland sponsors a similar competition for the best business plans developed by university and college students. As part of the Australian government's 2001 Innovation Strategy, Backing Australia's Ability, a budget allocation was made for a Business Plan Competition Support Programme to help tertiary educational institutions implement student business plan competitions. This was intended to raise the profile of entrepreneurship and facilitate the establishment of new start-ups. The value that university and community sponsors place on business plan competitions is evidenced by their growth in the twenty-first century. There were an estimated 40 to 50 BPCs held in the United States in the year 2000. According to data published by The Enterprize Institute, yearly introductions of new BPCs began to increase at an average growth rate of 22 percent from 2004 to 2009 (Ross & Byrd 2011). From the forgoing submissions, it is clear that business plan competitions are still a powerful force in driving entrepreneurial activity, particularly for students and first-time entrepreneurs. There is no doubt that the Kenyan funds have a leaf to borrow from the highlighted case studies.

4.7.6 Creating awareness of entrepreneurship as a career option to students

Lundstrom and Stevenson (2005) defined an entrepreneurship policy as that which is aimed at the pre-start, the start-up and early post-start-up phases of the entrepreneurial process; designed and delivered to address the areas of Motivation, Opportunity and Skills; with the primary objective of encouraging more people in the population to consider entrepreneurship as a career option, move into the nascent stage of taking

actions to start a business and proceed into the entry and early stages of the business. This study sought to establish whether the funds were making efforts in creating awareness of entrepreneurship as a career option to students. The theme that emerged was the presence or absence of such efforts as evidenced on table 4.33.

Table 4.33: Creating awareness of entrepreneurship as a career option to students

Creating awareness of entrepreneurship as a career option to students	Yes	%	No	%
Youth Enterprise Development Fund	4	50	4	50
Women Enterprise Fund	3	60	2	40
Uwezo Fund	6	85.71	1	14.29

Table 4.33 shows that 50% of the respondents in YEDF reported that the fund was making efforts in creating awareness of entrepreneurship as a career option to students. According to the respondents, this involved visiting primary and secondary schools as well as universities and colleges and talking to them about self-employment. However, the fund was reported to take advantage of such times to popularize its products among potential beneficiaries. on the other hand, 50% of the respondents were not aware of such efforts. According to this category, campaigns were going on even in learning institutions to just popularize the fund. In other words, talking about the fund cannot be synonymous to talking about entrepreneurship. It is also worth recalling that the same respondents demonstrated a lack of understanding of what entrepreneurship is.

On the other hand, 60% of the respondents in the WEF reported that the fund was involved in creation of awareness of entrepreneurship as a career option among students. These respondents reported that the fund was having linkages with universities such as JKUAT and were taking part in their career days to talk about entrepreneurship. On the other hand, 40% of the respondents reported that they were not aware of such efforts. According to this category, the linkage between JKUAT and the fund was geared towards incubation and not promotion of entrepreneurship as a career option.

In the Uwezo Fund, 85.71% of the respondents reported that the fund was making efforts in creating awareness of entrepreneurship as career option among students. It was reported that the fund was conducting one-off trainings in the universities such as Kenyatta University. However, much of the talk was about the fund and its products and encouraging the students to consider starting a business and they would fund it as long as they were in groups of at least ten people. On the other hand, 14.29% of the respondents reported that the fund was not making efforts in creating awareness of entrepreneurship as a career option among students. According to this category of respondents, much of the outreaches by the fund were aimed at popularizing the fund.

The OECD (2013) observes that although entrepreneurship is something that should be attractive to many students both as a topic for a course at university as well as a career choice, in practice it is not. OECD recommends that students should be made aware of “entrepreneurship” and only when they are aware of it and its implications so that a deliberate choice to pursue it can be made. Since most universities around the world offer entrepreneurship education and courses on a voluntary basis (entrepreneurship as elective courses), the creation of awareness is important. After awareness is created, students can make informed choices about their participation in (elective) courses on entrepreneurship and other activities to make up their minds about the role of entrepreneurship in the rest of their professional lives. OECD further submits that all activities should be aimed at making entrepreneurship attractive for students, either as something they find important for their lives and careers, or as a topic they want to know more about before they (can) decide whether or not it “fits” them.

In addition, Vesalainen and Pihkala (1999) indicate that the first stage of the individual entrepreneurial process begins with awareness that the option exists. This is followed by the formation of attitudes and beliefs, personal identification with the "entrepreneurial role", formation of the intent to start a business, the search for an idea, the business planning and preparation phases and, finally, the start-up. These researchers determined that a person's motivation to explore entrepreneurship is initially heavily influenced by external factors, like entrepreneurship culture or the existence of entrepreneurial "heroes", which bear an influence on each person's occupational entrepreneurial identity.

As such, the importance of creating awareness of entrepreneurship as a viable career option among students cannot be overemphasized. Any organization therefore claiming to be promoting entrepreneurship must ensure that creation of awareness of entrepreneurship as a viable career option among the students.

4.7.7 Support for extra-curricular entrepreneurial student activities

The importance of extracurricular activities has become an emergent theme within theorizing on how entrepreneurs learn. It suggests that the domain of entrepreneurship represents a special and unique context in which to study management learning (Cope, 2003). Entrepreneurial extracurricular activities can be seen as: informal education, non-accredited students activities like: games, competitions, clubs and societies, summer schools, exchanges, mentoring, job shadowing, internships, workshops, simulation case studies in enterprise education, speeches by entrepreneurs and role models, networking events and so on. This study sought to establish whether the funds support extra-curricular entrepreneurial student activities. The theme that emerged in this case was the absence of support for extra-curricular entrepreneurial students' activities as shown on table 4.34.

Table 4.34: Support for extra-curricular entrepreneurial student activities

Support for extra-curricular entrepreneurial student activities	Yes	%	No	%
Youth Enterprise Development Fund	-	-	8	100
Women Enterprise Fund	-	-	5	100
Uwezo Fund	-	-	7	100

Table 4.34 shows that 100% of the respondents in the YEDF reported that the fund was not supporting any extra-curricular entrepreneurial student activities. Although some of the respondents were aware of the existence of such programs as Junior Achievement and SIFE (Students In Free Enterprise), they reported that the fund was not involved in supporting any such kind of activities. Budgetary constraints were cited as one of the

reasons why the fund was not involved in supporting extra-curricular entrepreneurial student activities.

In the WEF, 100% of the respondents reported that the fund was not involved in supporting extra-curricular entrepreneurial student activities. Just like in YEDF, the respondents cited budgetary constraint as one of the reasons why the fund was not involved in supporting extra-curricular entrepreneurial activities among the students. They submitted that funds are only available to take care of the mandates of the fund and in their opinion, supporting extra-curricular activities was in a way beyond their mandate. The fact that their major focus is on women was also reported to affect the breadth of their outreach.

In the Uwezo Fund, 100% of the respondents reported that the fund was not supporting extra-curricular entrepreneurial student activities. Just like the other funds, the respondents reported that budgetary allocation was an issue since every constituency has a kitty allocated to it and cannot be diverted to other constituencies. In addition, if such support was to be extended, it would have to be in all the constituencies, yet they are constrained in terms of human resources. The researcher was reminded that Uwezo fund rides on the infrastructure of YEDF and CDF in the constituencies and so the implementation of such a program would not be a walk in the park. In addition, the respondents reported that the fund is more focused on the mandates of the fund and supporting extra-curricular entrepreneurial student activities was not one of them.

These findings however contradict that of Lundstrom and Stevenson (2005) in their study on the prevalence of actions to integrate entrepreneurship education in the system in 13 countries. The study revealed that in 100% of the countries there was public funding support for extra-curricular entrepreneurial activities (for example, JA, Young Enterprise) to support student venturing. In addition, Fayolle et al., (2006) reports that the promotion of extracurricular activities has become increasingly important to the universities as they respond to criticism about the lack of relevancy in the classroom. Further empirical research shows that the entrepreneurship education programs and positive role models and entrepreneurs are strong incentives for students to choose an

entrepreneurial career path. There is therefore a need to understand how entrepreneurs learn from experiences, through the identification of entrepreneurial learning activities.

Many programs discover the need for “accelerated” offerings to recruit and encourage students who have entrepreneurial aspirations and/or well-developed plans. If the extracurricular activities are very well integrated into the educational process, those can provide intensive practical experience for students, and can make the connection between their theoretical notions and real-world experiences. This study argues that if indeed the funds are aimed at promoting entrepreneurship, supporting extra-curricular entrepreneurial students activities cannot be said to be outside their mandate. Such a finding therefore resonates on the major research question of this study: “Are these funds founded on an entrepreneurship policy?”

4.7.8 Budgetary allocations for development and implementation of entrepreneurship education and training programmes

Entrepreneurship education and training represents both academic education and formal training interventions that share the broad objective of providing individuals with the entrepreneurial mind sets and skills to support participation and performance in a range of entrepreneurial activities. Entrepreneurship education and training encompasses a heterogeneous array of interventions, including formal academic education programs as well as stand-alone training programs. Both of these may aim to stimulate entrepreneurship as well as support individuals and enterprises already engaged in entrepreneurial activities. Entrepreneurship education and training beneficiaries include both potential and practicing entrepreneurs who are traditional students enrolled in degree programs, early school leavers, adult learners, individuals with doctoral degrees, minority groups, women, and rural as well as urban populations. The study sought to establish whether there were budgetary allocations for development and implementation of entrepreneurship education and training programmes within the funds. The theme that emerged in this case was the absence of budgetary allocations for development and implementation of entrepreneurship education and the existence of budgetary allocations

for development and implementation of training programmes within the funds. The results are presented in the following sections.

Table 4.35 shows the finding from the YEDF.

Table 4.35: Budgetary allocations for EET in YEDF

Budgetary allocations for development and implementation of:	Yes	%	No	%
Training programmes	8	100	-	-
Entrepreneurship education	-	-	8	100

Table 4.35 shows that 100% of the respondents reported that there was a budgetary allocation for development and implementation of training programmes in the YEDF. The respondents indicated that training is under the enterprise development mandate and there is budgetary allocation for every mandate in the fund. As such, there is always a provision within the fund for the development and implementation of training programmes. On the other hand, 100% of the respondents reported that there was no budgetary allocation for development and implementation of entrepreneurship education programmes. The respondents reported that entrepreneurship education was not within their mandate and therefore it was impossible to have a budgetary allocation for the same.

Table 4.36 shows the finding from the Women Enterprise Fund.

Table 4.36: Budgetary allocations for EET in WEF

Budgetary allocations for development and implementation of:	Yes	%	No	%
Training programmes	5	100	-	-
Entrepreneurship education	-	-	5	100

According to table 4.36, 100% of the respondents from WEF reported that there were budgetary allocations for the development and implementation of training programmes

by the fund. According to the respondents, one of the objectives of the fund is capacity building which entails offering continuous training to new and existing women groups on business management skills. They indicated that funds are always set apart for this exercise. On the other hand, 100% of the respondents reported that there were no budgetary allocations for the development and implementation of entrepreneurship education within the fund. Just like YEDF, the respondents indicated that the fund was not involved at all in matters entrepreneurship education as this is handled by a different ministry.

Table 4.37 shows the finding from the Uwezo Fund.

Table 4.37: Budgetary allocations of EET in Uwezo Fund

Budgetary allocations for development and implementation of:	Yes	%	No	%
Training programmes	7	100	-	-
Entrepreneurship education	-	-	7	100

Table 4.37 depicts that 100% of the respondents from Uwezo Fund reported that there was budgetary allocation for the development and implementation of training programmes within the fund. The respondents indicated that there is budget for training and previously private contractors had been hired by the fund to implement the training programmes. On the other hand, just like YEDF and WEF, the respondents reported that the fund was not involved in the development and implementation of entrepreneurship education and so there is no way money would be set aside for such programmes. The researcher was reminded that there is Kenya Institute of Curriculum Development which should be mandated with the development and implementation of entrepreneurship education programmes within the country.

These findings are in agreement with those of Lundstrom and Stevenson (2005) in their study on the prevalence of actions to develop and implement training and entrepreneurship education programmes in 13 countries. The study revealed that only 54% of the countries had a national budget allocation for development and

implementation of training and entrepreneurship/enterprise education initiatives and programmes.

Valerio, Parton, and Robb (2014) observe that governments can be uniquely situated to support EET. For example, at a strategic level, governments can serve as champions for EET through the establishment of national plans and agendas (Peña, Transue, & Riggieri 2010). Governments can set policy frameworks that shape the context of EET delivery within education systems and institutions (Pittaway & Cope 2007). Governments can directly fund EET interventions (Martin, McNally, & Kay 2013), develop EET curricula, and train instructors to implement curricula in education systems (Nelson & Johnson 1997; Farstad 2002). However, Cho and Honorati (2013) demonstrate that involving the private sector in the delivery of EET is more closely linked to better effects on the participants. This would suggest that governments' role should also include public-private partnerships to provide EET more effectively. Additionally, governments can support the monitoring and evaluation of programs, collaboration, and integration among EET service providers, and they can serve as a convener for sharing good practices across programs (Volkman, 2009).

4.8 Entrepreneurship Policy Foundations Comprehensiveness Scores

This section is aimed at allowing the researcher draw conclusions on the comprehensiveness of the entrepreneurship policy foundations in the funds. This was done by comparing the responses against the existing documents as well as the explanation given by the respondents. This was necessitated by the fact that the respondents would report that a given practice was existing in the funds but a closer scrutiny of the existing documents would prove otherwise.

The study therefore used quantitative (frequency counts) and qualitative (document analysis) techniques to develop and score entrepreneurship policy foundations comprehensiveness in the funds. In some cases, a fund was taking some actions in a framework area; in others, evidence indicated that they were planning to launch initiatives, but had not yet started implementation; and in others, the researcher found a lack of evidence that anything was being done. If there was evidence that the fund was

implementing a policy measure/ action, the researcher gave them a score of 1 on that item. If there was no evidence of any action on the item, the score was 0. In cases where the fund had made a review of a policy issue and was underway with concrete plans to launch an initiative, announce a programme or complete a restructuring, the researcher allotted half a point (0.5). These are discussed in the next sections:

4.8.1: Motivation Component of Entrepreneurship Policies in the Funds

Under the motivation component, the researcher enlisted eight items which guided the interviews under this subject. Their comprehensiveness scores in the funds are as follows:

4.8.1.1: A stated objective to create more awareness of entrepreneurship or to promote a culture of entrepreneurship

100% of the respondents reported that all the three funds had a stated objective to create awareness of entrepreneurship or to promote a culture of entrepreneurship. However, the researcher's close scrutiny of the mandates and the stated objectives of the funds, promotion of a culture of entrepreneurship was not one of them. Therefore, this study concludes that the funds do not have a stated objective to promote a culture of entrepreneurship and consequently awards all the funds a '0' score on this item.

4.8.1.2: Sponsorship events that profile entrepreneurship and provide start-up information

100% of the respondents reported that the funds were sponsoring events that profile entrepreneurship such as trade fairs, exhibitions and the ASK shows. However, the researcher observed that the main agenda of these events is to create awareness and popularize the funds. Nevertheless, all the funds are awarded a score of '1' on this item since something is happening anyway.

4.8.1.3: Recognition of entrepreneurs through national, high profile award programmes

100% of the respondents reported that the funds were not recognizing entrepreneurs through national, high profile awards at the moment. However, Uwezo fund has it in its guidelines that there is supposed to be a 'presidential award' and this was also confirmed by the respondents from Uwezo fund. Therefore, the researcher awards a score of '0' to YEDF and WEF, and a score of '0.5' to Uwezo fund on this item.

4.8.1.4: Awards recognizing diversity in entrepreneurship and success at different stages of business development

The fact that the previous section revealed that there was no recognition of entrepreneurs through national, high profile awards among the funds is a clear indication that recognition of diversity in entrepreneurship and different stages of business development is out of question. However, Uwezo fund was reported to have it in mind to take of this item in future. This was agreeable to since its target clients are youth, women and persons with disability which is a clear reflection of diversity in entrepreneurship. Therefore, the researcher awarded a score of '0' to YEDF and WEF, and a score of '0.5' to Uwezo fund.

4.8.1.5: Engaging with the mass media in the promotion of entrepreneurship

The respondents from all the funds reported that they were engaging the mass media in promotion of entrepreneurship. However, the researcher observed that the so called promotion of entrepreneurship was actually publicizing the funds. Since publicizing of the funds cannot bear the same results as promotion of entrepreneurship, the researcher awards a score of '0' on this item for all the funds.

4.8.1.6: Engaging in activities to nurture the media to be more involved in covering the entrepreneurship story

100% of the respondents in all the three funds reported that the funds were not engaging in activities to nurture the media to be more involved in covering the entrepreneurship

story (for example, seminars with reporters, frequent press releases and press conferences, story-feeds, etc.). Therefore, the researcher awards a '0' score on this item for all the funds.

4.8.1.7: A portion of the funds budget allocated for entrepreneurship promotion activities

100% of the respondents reported that the funds had a portion their budgets allocated to entrepreneurship promotion activities. The explanation being that there is a budgetary allocation for all the mandates of the funds. However, this study has proven that entrepreneurship promotion is not among the mandates or objectives of the funds. Therefore, a score of '0' is awarded to all the funds on this item.

4.8.1.8: Efforts in place to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business

Surprisingly under this item, there were dissenting voices in all the funds where some reported that there were efforts while others reported that there were no efforts to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business. The researcher concludes that if indeed there were efforts, all the respondents would have reading from the same page as these are senior managers in the organizations. Therefore, the researcher awards a score of '0' on this item to all the funds.

4.8.2: Opportunity component of Entrepreneurship policies in the fund

Under the opportunity component, the researcher enlisted eight items which guided the interviews under this subject. These are as follows:

4.8.2.1: A stated policy objective to address the opportunity structure

The researcher was checking out on any stated policy objective addressing the opportunity structure, which comprised of reduction of administrative burden, access to business support, and access to finance. 100% of the respondents reported that there

were stated policy objective to address the opportunity structure and this was confirmed by the laid down mandates and objectives of the funds. The researcher therefore awarded a score of '1' to all the three funds.

4.8.2.2: Initiative by the fund to reduce/relax administrative burden for newly-started enterprises

The study established that there were initiatives in YEDF and WEF to reduce/relax the administrative burden for newly-started firms. This was in assisting in getting KEBs certifications as well as negotiations with county governments for exemptions in certain licensing fees. However, the fact that some of the respondents in these organizations were not aware of such efforts is disturbing. The research therefore awards a score of '1' to YEDF and WEF, while Uwezo is awarded '0' as all the respondents reported that there were such initiatives.

4.8.2.3: "First" or "one stop shops" or web portals in place to provide new entrepreneurs with business start-up information, assistance and advice

100% of the respondents reported that there were "first" or "one stop shops" or web portals in place to provide new entrepreneurs with business start-up information, assistance and advice. However, the researcher was not convinced that the so called web portals and one stop shops were really providing new entrepreneurs with business start-up information, assistance and advice. A score of '0.5' is therefore awarded to all the three funds.

4.8.2.4: Facilitation of the development of mentorship programmes for new entrepreneurs and growth firms

100% of the respondents reported that the funds were facilitating the development of mentorship programmes for new entrepreneurs and growth firms. However, only the mentorship programme reported in WEF was convincing to the researcher. As such, a score of '1' is awarded to WEF and '0.5' to YEDF and Uwezo fund.

4.8.2.5: Partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes

100% of the respondents reported that the funds alone and in partnership with private sector organizations and NGOs were delivering entrepreneurship training programmes to the beneficiaries. This was confirmed since all the beneficiaries must go through training before receiving any funds. Therefore, a score of '1' is awarded to all the three funds

4.8.2.6: Partnership with other organizations in business incubation

100% of the respondents from WEF reported that the fund was in partnership with other organizations in business incubation. This was confirmed by the fact that there was an ongoing partnership with JKUAT on business incubation with the fund. A score of '1' is therefore awarded to WEF on this item while Uwezo fund is awarded '0' as there were no partnerships on business incubation. The respondent from YEDF seemed not to be reading on the same page in as far as this item was concerned. Given that these are senior managers, it is the researcher's opinion that either the partnership was there before and is no longer in place or it has never existed. As such, a score of '0' is awarded to YEDF on this item.

4.8.2.7: Efforts to redirect more of the available supply of capital to individual entrepreneurs and new firms

Although 100% of the respondents reported that there were efforts in all the funds to direct supply of capital to new firms, individual entrepreneurs seemed unwelcomed into the funds. For WEF and Uwezo it was crystal clear that the funds are not available to individuals who are not in groups. Despite YEDF welcoming individual entrepreneurs, there is again the requirement that the business must not be a start-up. Therefore, the researcher awards a score of '0.5' to all the funds as it is clear that they are yet to embrace individuals who are not in groups.

4.8.2.8: Funding special seed programmes and pre-commercialization of promising new technology firms

100% of the respondents reported that the three organizations were not funding special seed programmes and pre-commercialization of promising technology firms. The researcher therefore awards a score of '0' to all the three funds.

4.8.3: Skills component of entrepreneurship Policies in the fund

Under the skills component, the researcher enlisted eight items which guided the interviews under this subject. Their comprehensiveness scores in the funds are as follows:

4.8.3.1: Entrepreneurship skills audit for the beneficiaries before disbursing the loans (the skills are expected to include: creativity, risk-taking, leadership, communication and human relations)

Some of the respondents in all the three funds reported that the funds were carrying out an entrepreneurship skills audit for the beneficiaries before funding while others reported there was no such exercise. It is the researchers opinion that if such an exercise was taking place, it would be known by everyone and therefore a conclusion is reached that the funds were not carrying out entrepreneurship skills audit on the beneficiaries. A score of '0' is therefore awarded to the all the three funds on this item.

4.8.3.2: Training programmes aimed at bridging the gap being delivered regionally to the current and potential beneficiaries to ensure that they are in a position to run successful enterprises

100% of the respondents reported that there were training programmes being delivered by the funds aimed at bridging the skills gap. However, the study established that the training programs were general and not tailor made to meet individual entrepreneurs' needs. As such, the researcher awards a score of '0.5' to all the three funds on this item.

4.8.3.3: A national study (stock-taking) on the entrepreneurship abilities of the target clients of the fund

The study established that there was no national study or stock taking on the entrepreneurship abilities of the target clients of the fund sponsored by the funds. Studies had been undertaken by scholars and other organizations but not on behalf of the funds. Therefore the researcher awards a score of '0' to all the three funds on this item.

4.8.3.4: The results of such studies used to lobby the government to ensure inclusion of entrepreneurship education in the curriculum

The fact that there no studies sponsored by the funds is a clear indication that there is no way such results would be used to lobby the government to ensure inclusion of entrepreneurship education in the curriculum. The researcher therefore awards a score of '0' on this item to all the three funds.

4.8.3.5: Sponsorship of students' business plan competitions

The study established that at the moment, none of the funds were sponsoring students' business plan competitions. However there was evidence that YEDF did organize business plan competitions some years back. Therefore, the researcher awarded a '0.5' score to YEDF while WEF and Uwezo fund were awarded a '0' score on this item.

4.8.3.6: Efforts to create awareness of entrepreneurship as a career option among students

Although a majority of the respondents reported that there were efforts within the funds to create awareness of entrepreneurship as a career option among the students, the researcher holds a contrary opinion. This is due to the fact that there was no policy backing to this claim and in some funds it was reported that the CEO had gone to talk to students in some given schools. This appeared to be personal efforts and not a fulfillment of a policy directive. As such, the researcher awards a score of '0' to all the three funds on this item.

4.8.3.7: Support extra-curriculum entrepreneurial student activities

The study established that there was no evidence that the funds were supporting extra-curriculum entrepreneurial student activities. Therefore, a score of '0' is awarded to all the three funds on this item.

4.8.3.8: Budget allocation for development and implementation of entrepreneurship education and training initiatives and programmes

This study established that entrepreneurship education and training encompasses a heterogeneous array of interventions, including formal academic education programs as well as stand-alone training programs. As such, there is evidence that there are budgetary allocations for development and implementation of entrepreneurship training programmes. However, it is clear that there no such allocation for entrepreneurship education from the funds. Therefore, the researcher awards a score of '0.5' to all the three funds on this item.

Table 4.38 summarizes the entrepreneurship policy foundations comprehensive scores.

Table 4.38: Entrepreneurship Policy Foundations Comprehensiveness Scores

Motivation component	YEDF	WEF	Uwezo	Mean
A stated objective to promote entrepreneurship culture	0	0	0	0
Sponsorship of events to profile entrepreneurship	1	1	1	1
Sponsorship of national, high profile award programmes	0	0	0.5	0.167
Awards recognize diversity in entrepreneurship and success at different stages	0	0	0.5	0.167
Engaging with the mass media in the promotion of entrepreneurship	0	0	0	0
Activities to nurture the media to be more involved in covering the entrepreneurship story	0	0	0	0

Budget allocation for entrepreneurship promotion activities	0	0	0	0
Efforts in place to track attitudes of the population towards entrepreneurship	0	0	0	0
Total	1	1	2	1.334

Opportunity Component	YEDF	WEF	Uwezo	Mean
Stated policy objective to address the opportunity structure	1	1	1	1
Initiative by the fund to reduce/relax administrative burden for newly-started enterprises	1	1	0	0.67
"one stop shops" or web portals to provide new entrepreneurs with business start-up information, assistance and advice	0.5	0.5	0.5	0.5
Facilitation the development of mentor programmes for new entrepreneurs and growth firms	0.5	1	0.5	0.67
Partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes	1	1	1	1
Partnership with other organizations in business incubation	0	1	0	0.33
Efforts to redirect more of the available supply of capital to individual entrepreneurs and new firms	0.5	0.5	0.5	0.5
Funding of special seed programmes and pre-commercialization of promising new technology firms	0	0	0	0
Total	4.5	6	3.5	4.67

Skills Component	YEDF	WEF	Uwezo	Mean
Entrepreneurship skills audit for the beneficiaries	0	0	0	0

before disbursing the loans				
Training programmes aimed at bridging the gap	0.5	0.5	0.5	0.5
A national study (stock-taking) on the entrepreneurship abilities of the target clients	0	0	0	0
Study results to lobby the government to ensure inclusion of entrepreneurship education in the curriculum	0	0	0	0
Sponsorship of students' business plan competitions	0.5	0	0	0.167
Efforts to create awareness of entrepreneurship as a career option among students	0	0	0	0
Support of extra-curriculum entrepreneurial student activities	0	0	0	0
Budget allocation for development and implementation of entrepreneurship education and training initiatives and programmes	0.5	0.5	0.5	0.5
Total	1.5	1	1	1.167

Table 4.39 depicts the overall and mean scores for each policy foundation in each of the funds.

Table 4.39: Overall Scores

Entrepreneurship foundations	policy	YEDF scores	WEF scores	Uwezo fund scores	Mean scores
Motivation		1	1	2	1.334
Opportunity		4.5	6	3.5	4.67
Skills		1.5	1	1	1.167
Total		7	8	6.5	7.171

Table 4.39 shows that YEDF scored 1 point on motivation component, 4.5 on the opportunity component, and 1.5 on the skills component. The overall score for YEDF is

7 points on the entrepreneurship policy foundations out of 24 points. This translates to 29.167% which is relatively low. On the other hand, WEF scored one point on the motivation component, 6 points on opportunity component, and 1 point on skills component. The overall score for WEF is 8 points out of 24 points on the entrepreneurship policy foundations. This translates to 33.33% which again is relatively low. Uwezo fund scored 2 points on motivation component, 3.5 points on the opportunity component, and 1 point on the skills component. The overall score for Uwezo Fund on the entrepreneurship policy foundations was 6.5 out of 24 points. This translates to 27.08% which is relatively low and also the lowest among the three funds.

The average score for all the three funds is 1.334 points on the motivation component, 4.67 points on opportunity component, and 1.167 points on skills. The overall score for the three funds 7.171 points on the entrepreneurship policy foundations. This translates to 29.88% which is below average. In other words, the three funds can only be ranked as scoring low on motivation, opportunity and skills. Lundstrom and Stevenson (2005) identified possible interaction effects of high and low levels of Motivation, Opportunity and Skills. In cases where all the three are low, they observed that few, likely marginal, businesses will be started; few opportunities exist to gain know-how; limited chances for success. They concluded that this is an indication of weak entrepreneurial culture and limited support for entrepreneurship. This confirms the findings of a study by the Kenya Institute of Management (KIM) to investigate the preparedness of the youth and women for the funds from YEDF and Uwezo revealed that 61.3% of the women beneficiaries and 48% of the youth beneficiaries surveyed had less than 50% likelihood of business success which. The researchers argued that this explains why it is said that in Kenya 1 in every 3 new businesses fails within the first 6 months. The study also revealed a lack of an entrepreneurial spirit and skills among the beneficiaries of the funds (Sagwe, J. et al., 2011).

4.9 Analysis of Data from Ministry of Industry, Trade, and Cooperatives

Included in the target population for this study were officials from the ministry of industry, trade and cooperatives. The researcher therefore conducted interviews with the

officer in charge of enterprise development in the ministry as well as another one from MSEA (Micro and Small Enterprise Authority) which is within the same ministry. This was aimed at breaking the ceiling of this study and gaining an insight into whether there were any policy measures being implemented by the national government which may not have been within the scope of the funds. The researcher therefore guided the interviewees into the three entrepreneurship policy foundations. The following sections therefore present the data on motivation, opportunity and skills components of entrepreneurship policy foundations from a national government perspective.

4.9.1: Policy Provisions within the Ministry to Address the Motivation Component of Entrepreneurship Policy Foundations

The respondents reported that motivation is still weak, although there are a few policy measures in place to address promotion of a culture of entrepreneurship. Such measures include trade fairs, where the ministry is able to secure space during various tradefairs which they offer to MSEs to showcase their products. Such fairs include the ASK shows as well as the Nguvu Kazi trade fair covering the East African Community. In fact, a report by the ministry as at 2012, revealed that 1,984 MSEs had been facilitated to participate in local trade fairs and 698 enterprises assisted to participate in regional exhibitions and fairs. MSEA reported that they usually have an information desk during the fairs where they talk to as many people who visit their desk on entrepreneurship. They also reported that the ministry does work with the media especially when undertaking launches of their various programs. However, the ministry was reported not to carry out any activities to nurture the media to be more involved in covering the entrepreneurship story. They also acknowledged the absence of entrepreneurship promotion measures in the Sessional No.2 of 2005 which created the MSEA. In addition, the ministry confirmed that there is no specific budgetary allocation for entrepreneurship promotion as a section; however, the ministry does fund the trade fairs under marketing of MSEs products as one of the functions of MSEA.

Section 4.8 revealed that the average score for all the three funds was 1.334 points on the motivation component out of 8 points which translates to 16.675%. These findings are

therefore in agreement with the findings from the funds and a clear indication of the fact that the state of the funds are a reflection of the national state of affairs as far as entrepreneurship promotion is concerned.

4.9.2: Policy Provisions within the Ministry to Address the Opportunity Component of Entrepreneurship Policy Foundations

The ministry reported that it was on course in the implementation of Sessional Paper No. 2 of 2005, of which the bulk of its provisions addressed the opportunity component of entrepreneurship policy foundations. It was reported that business registration was fully decentralized from Nairobi to the counties and that the single business permit was being implemented. It was also reported that there are also possibilities of e-registration of businesses. The ministry is also reported to have developed a framework for affordable premises/work sites which are administered by MSEA. This was confirmed by MSEA, where it was reported that once MSEs come together as an association (a registered group of not less than 35 micro enterprises from any of the four sectors ie service, trade, agri-business, and manufacturing), they stand a high chance of being allocated a work site. They however acknowledged that the administration of these worksites was poor and are few in number resulting in limited access by the MSEs. The ministry also reported that there are no exemptions as far as the legal and regulatory requirements are concerned especially regarding the tax burdens and quality standards. There also no VAT exemptions for start-ups except for those within the EPZ (Export Processing Zones) where some of the taxes are waived.

On access to business support, the ministry reported that there was marketing of MSE products both locally and regionally; technology transfer, knowledge sharing and networking among entrepreneurs had also been enhanced. It was also reported that MSEA, KIRDI and KIBT have business/entrepreneurship training programs. The respondents reported that business start-up process support used to be there earlier under the ministry of Trade but at the moment it was not very active. However, MSEA reported that they do offer guidance to those intending to start business on how to go about it. KIRDI is also reported to offering business incubation services. There is also a

programme named 'Fanikisha' undertaken by MSEA to get the best five innovators who will be given space in the counties for free to undertake their work.

On access to finance, the ministry reported that the MSE fund was yet to be set up. The aim of the fund according to the MSE Act of 2012 is to finance the promotion and development of SMEs; provide affordable and accessible credit to MSEs; finance research, development, innovation and transfer of technology. However, since the fund had not yet been set-up, MSEA reported that they only offer guidance to their clients on where go access finances for their businesses. The MSEA also works with existing MSEs and has little or nothing to do with would be entrepreneurs.

These findings are in agreement with those of section 4.8 on the opportunity component of the three funds. The average score for the three funds was 4.67 points on opportunity component out of 8 points which translates to 58.375%. In addition, the bulk of the Sessional Paper No.2 of 2005 addresses the opportunity component of entrepreneurship policy thus confirming the above average performance of the funds on the opportunity component.

4.9.3: Policy Provisions within the Ministry to Address the Skills Component of Entrepreneurship Policy Foundations

On the skills component, the study sought to establish what specific steps the ministry was taking in ensuring the inclusion of entrepreneurship education in the national curriculum. The ministry reported that there are some links between the ministry of industry, trade, and cooperatives and the ministry of education. They were reported to be liaising on ensuring inclusion in the new curriculum, an exit plan for students who do not make it to the universities or colleges. They also liaise on symposiums for innovations by students. There was no indication of any engagement in ensuring inclusion of entrepreneurship education in the national curriculum. Further, it was reported that the ministry of labour had done data collection for the National Manpower Survey to provide baseline information for manpower planning in 2011. It was reported that there was an inter-ministerial forum pushing for delivery of demand driven courses in the institutions of higher learning. However, there appeared to have been no proposal

to include entrepreneurship education in national curriculum. The ministry also reported that MSEA was conducting business plan competitions; however, MSEA confirmed that this was a program being run by DANIDA (Denmark's development cooperation) and MSEA role was to help them identify the participants.

These findings are in agreement with those of the three funds on the skills component of entrepreneurship policies. According to section 4.8, the average score for the three funds was 1.167 points on skills component out of eight points. This translates to 14.59% which is relatively low. This is however a contrast of the observations by Lundstrom and Stevenson (2005) in their study of 13 countries. They pointed out serious collaborations between the ministries of industries and ministries of education to ensure inclusion of entrepreneurship education in the national curriculums.

4.10 Analysis of Data from KICD (Kenya Institute of Curriculum Development)

In order to understand whether the country was making progress to ensure inclusion of entrepreneurship education in all levels of education, the researcher visited the KICD and interviewed the officer in charge of matters entrepreneurship education. The study established that at the tertiary level, entrepreneurship is taught as a unit in all courses; at the secondary level, it is just a topic in business studies; while there are no entrepreneurship studies at the primary level. It was also reported that the curriculum was under review to include financial literacy in order to cover a wider aspect and not just business start-up. This was reported to have been informed by a CBK (Central Bank of Kenya) study which recommended a mind shift with regard to financial management. The review is therefore aimed at improving savings and investments and KICD observed that this would offer the skills needed to run a business.

On whether there had been a study (stock-taking) of the extent to which entrepreneurship is included in education at the school level, it was reported that studies had been done by doctoral students from various universities but not by KICD. It was also reported that there was no steering group/committee on entrepreneurship education with representatives from ministries of industry and education and the private sector to oversee integration of entrepreneurship education in the schools. In addition, it was

reported there were no training programmes being delivered regionally to introduce educators to the strategies of teaching courses on entrepreneurship. KICD reported that for the teachers' training colleges, their curriculum was different and did not include entrepreneurship. On business plan competitions, KICD reported that this is an implementation function, and they are not involved in the implementation of the curriculum. Finally the researcher sought to establish whether there is a national budget allocation for development and implementation of entrepreneurship education initiatives. It was reported that there was no budget for entrepreneurship education in particular as this is just a part of curriculum development. Therefore, it is factored into the general budget for the institution.

These findings confirm the ones from the three funds as well as those from the ministry of industry, trade and cooperatives. It clear from the findings that entrepreneurship education has not yet been implemented in the education system and neither is it in the plans. A scholar in entrepreneurship cannot agree with the submission that financial literacy education can take the place of entrepreneurship education as it has been proposed in the curriculum review going on. The findings therefore contradict those of Lundstrom and Stevenson (2005) on Prevalence of actions to integrate entrepreneurship education in the system in 13 countries. The study revealed that 77% of the governments had a stated policy objective to integrate entrepreneurship into all levels of the education system.

4.11 Entrepreneurship Policy Typologies

This section presents the findings of the fifth research question: "Which entrepreneurial policy typology guided the establishment of the funds?" This is an expert's analysis by the researcher that is guided by the findings of the other four research questions.

Stevenson and Lundstrom (2002) identified four entrepreneurship policy typologies. These are E-extension policies, new firm creation policies, 'niche' target group policies, and holistic E-policies. These have been discussed in the literature review. Based on the description of the policy objectives, policy areas and policy measures by Stevenson and Lundstrom (2002), the researcher decided to award scores to the funds. A score of '1'

was awarded where the description provided by Stevenson and Lundstrom is in agreement with the observation by the researcher as far as the policy objectives, areas and measures of the funds are concerned. Where the two only agree in part, a score of ‘0.5’ was awarded, while where there was no agreement at all, a score of ‘0’ was awarded. Table 46 presents the results on the scores of each fund on each policy typology and specifically on the objectives, areas and measures.

Table 4.40: Entrepreneurship policy typology features

Entrepreneurship policy typology features	YEDF	WEF	Uwezo
E-Extension policies			
Objective is to improve access to start-up supports through existing SME support structures; better service to starters	1	1	1
Policy areas are business information; advisory, planning, and training services; regional and community economic development programmes	1	1	1
Policy measures are micro-loans; business advisory services; web portals; self-employment training programmes; local services	1	1	1
New Firm Creation Policies			
Policy objective is to reduce barriers to business entry and exit; simplify start-up procedures and requirements; increase the start-up rate	0	0	0
Policy areas are competition; bankruptcy; company law; business registration procedures; social security regulations; employment rules and taxation	0	0	0
Policy measures are flexible labour markets; open competition; less stringent bankruptcy laws; fewer business registration steps, lower cost, faster approvals; simplified incorporation processes; one-stop shops; reduced tax burden.	0	0	0
"Niche" Target Group Policies			

Objective is to increase the start-up rate among groups under-represented as business owners or potential starters of innovative firms	1	1	1
Policy areas are immigration policies; business support policies; financing; incubation; innovation policies; gender policies.	0.5	0.5	0.5
Policy measures are tailored supports for each identified target group – enterprise centers; promotion and awards programmes; start-up loan funds; web portals; networks and mentoring programmes; incubation units; role-models.	0.5	0.5	0.5
Holistic E-Policy			
Objective is to strengthen entrepreneurial culture, enhance entrepreneurship as a career option, and create dynamic start-up market/better growth conditions.	0	0	0
Policy areas include entrepreneurship awareness; entrepreneurship in national education curricula; start-up support, information, financing; infrastructure; regional policy.	0	0	0
Policy measures include promotion and awards programmes; role-models; entrepreneurship in the schools; one-stop shops; enterprise centres; incubators; mentoring and peer networking programmes; start-up advice and web portals; seed capital and micro-loans.	0	0	0

According to table 4.40 a score of ‘1’ was awarded to all the three funds on the E-extension policy objective, policy areas, and policy measures. This implies that the information gathered by the researcher on the three funds is in agreement with Stevenson and Lundstroms’ (2002) description of the objectives, areas and measures of an E-extension policy.

A score of '0' is awarded to the three funds on the new firm creation policy. This is due to the fact that there lacked any evidence from the findings that the situation in the funds were in agreement with the description of a new firm creation policy in terms of objectives, areas and measures.

On the 'niche' target group policies, a score of 1 was awarded to the three funds on the policy objective. This means that there was evidence from the fund that the policy objective was in agreement with the description provided by Stevenson and Lundstrom (2002). However, a score of '0.5' was awarded on the policy areas and policy measures. This is because there lacked evidence from the funds that there were focusing on some of the policy areas such as innovation policies and immigration policies as highlighted by Stevenson and Lundstrom. Some of the prescribed policy measures such as promotion and awards programmes, enterprise centers and role-models were missing from the funds. A score of '0.5' was therefore awarded to all the funds

On the holistic E-policy, a score of '0' was awarded to the three funds. This is because there was no evidence from the funds to confirm the prescribed policy objectives, areas and measures of a holistic E-policy as described by Stevenson and Lundstrom (2002).

These findings are in agreement with Lundstrom and Stevenson (2005) in their study of 13 countries where they observed that an individual government's approach did not fall exclusively within only one category of the typology. However, individual governments did tend towards one dominant approach that was often supplemented by a secondary approach. The dominant policy type in the US, Australia, Canada, Sweden and Taiwan was E-extension; in Spain, New Firm Creation policy; in Ireland, "Niche" entrepreneurship policy (with a focus on innovative entrepreneurs); and in Finland, the Netherlands and the UK, "Holistic" entrepreneurship policy. Regardless of their dominant approach, governments in each of the countries favoured "niche" policy as a secondary approach, except of course, in Ireland.

From the forgoing submissions, it is clear that the dominant policy typology that guided the establishment of the funds is the E-extension policy and the secondary approach is the 'niche' target group policies. This is true because Lundstrom and Stevenson (2005)

observed that a government with an E-extension approach is one that does not have a specified entrepreneurship policy. Some accommodation is made to respond to local or regional demand for indigenous start-up activity by extending services already provided through existing national SME programmes and services - that is, by "adding-on" entrepreneurship-oriented "bits" in more of a piece-meal fashion. Such entrepreneurship-oriented measures might include the provision of start-up information, business planning assistance, or self-employment training initiatives. However, the primary policy focus of these governments is geared towards addressing market failures and "levelling the playing field" for existing SMEs.

This is the scenario in as far as the establishment of the three funds is concerned. In section 4.8, the opportunity component scored the highest points (4.67 out of 8 points) in comparison to the motivation and skills. This implies that the motivation and skills components are still very weak in Kenya. This is also confirmed by the absence of any policy strategy to address the motivation component in the Sessional Paper No.2 of 2005 on Development of MSEs for wealth creation and poverty reduction. There is mention of business and entrepreneurship skills acquisition in this Sessional paper as well as policy actions which were to be implemented within a time frame of one year. However, the fact that a study by Sagwe et al. (2011) revealed a lack of an entrepreneurial spirit and skills among the beneficiaries of the youth and women funds is a clear indication that the target had not been achieved. It is also worth noting that the bulk of the Sessional paper addresses the opportunity component of entrepreneurship policy foundations. This further confirms the scores of the funds on each of the component where the opportunity component scored the highest.

Kenya's Vision 2030 outlines Training for Micro and Small Enterprises as one of the priorities under Human Resource Development. This is expected to be done through specialized training at different levels: community polytechnics, and the technical, industrial, vocational and entrepreneurship (TIVET) institutions. However, a keen look at the Vision 2030 reveals that under there is no mention of entrepreneurship education and instead, there is science, technology and innovation in the social pillar. A further scrutiny of the strategies for science, technology and innovation education confirms that this cannot be

equated to entrepreneurship education. In fact, the presentation of entrepreneurship in the Vision 2030 reveals that it is a misconceived concept by the government. This observation confirms that the country lacks a formal policy on entrepreneurship. As such, the submission that government with an E-extension approach is one that does not have a specified entrepreneurship policy by Lundstrom and Stevenson (2005) is confirmed. Further, the Vision 2030 seem to have focused more on the opportunity component, little on skills, and nothing on the motivation concept. A conclusion therefore that the E-Extension policy is the dominant policy typology cannot be further from the truth.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.0 Introduction

The major aim of this study was to assess the entrepreneurship policy foundations of the Youth, Women and Uwezo Funds in Kenya; enabling the researcher conclude on whether they are anchored on an entrepreneurship policy or not. This chapter provides a summary of the findings. It also presents conclusions from the provided summaries as well as recommendations in reference to the entrepreneurship policy foundations. The chapter also provides recommendations for future research.

5.1 Summary of the Research Findings

The summary has been organized in accordance with the objectives of this study namely the process of formulation of the funds, the motivation, opportunity, and skills components of entrepreneurship foundations in the funds, as well as the policy typology that guided the establishment of the funds. The summary as per each objective is presented in the following sections.

5.1.1 Summary of the Research Findings as per Objective One

Objective one of this study was to assess whether the process of formulation of the funds was entrepreneurial. The researcher sought to establish whether the funds followed the five steps model prescribed in this study. On taking stock of where they are in terms of being an "entrepreneurial economy", the study revealed that the only issues that might have been taken into consideration is high unemployment rates among the youths, poverty, and inability of youths and women to access credit due to lack of collateral. As such, there lack evidence of critical issues such as industrial structures, the current economic/industrial policies, and the current role of new and small businesses in the economy, the state of the business support infrastructure, and the cultural and social values to have been taken into consideration. The priority problems and overall policy

objectives for the funds were reported to include financing, marketing and capacity building for the enterprises. This does not agree with the submissions in literature, that the end goal of policy is defined in terms of higher start-up rates, more new businesses and more new entrepreneurs. There was also evidence of lack coherence of the funds with the overall national development strategy and lack of effective inter-agency coordination with other government agencies and the private sector. The study also revealed that one of the key performance indicator among the three funds is loan repayment levels in comparison to growth of the enterprises in terms of sales volume and the number of employees, the number of start-ups, and the contribution of these changes to the national employment statistics as well as economic growth as recommended in relevant literature. Budgetary constraints were also reported to hamper the effective execution of the mandates of the funds.

The respondents' opinion on the origins of the funds was sought where some of the respondents reported that the funds were born out of recommendations of previous researches, others reported that the funds were political in origin, while others reported that they were affirmative funds. In this case, the opinion that the fund had a political origin came first in terms of frequencies. This was followed by the opinion that the funds were born out of affirmative action to ensure representation of the youth, women and persons with disability, while the opinion that they were born from recommendations of previous studies came in last.

5.1.2 Summary of the Research Findings as per Objective Two

Objective two of this study was to assess the motivation component of entrepreneurship policy in the funds. Under this objective, the researcher had eight items that guided the interviews. The findings from the items are summarized as follows. The first item under this objective was a stated objective to promote a culture of entrepreneurship. All the respondents from the three funds reported that their organization had a stated objective to promote entrepreneurship culture. However, a closer look at the written down objectives of each of the funds revealed that none of the funds had a stated objective to promote entrepreneurship culture. The second item was events the profile

entrepreneurship by the funds where all the respondents reported that the funds organize events that profile entrepreneurship and provide start-up information. Such events were reported to include trade fairs and exhibitions.

Another item in this study was high profile award by the funds. The study revealed that none of the funds alone or in partnership with private sector organizations recognize entrepreneurs through national, high profile award programs. Whereas there was some form of recognition in some of the funds, the same could not amount to national high profile awards as described in relevant literature. However, the respondents from Uwezo fund indicated that there is a proposed presidential award to different categories of entrepreneurs. Given this finding the issue of whether the awards recognize diversity in entrepreneurship as well as different stages of business growth which was the fourth item, was out of question.

The fifth item was engagement with the media in promotion of entrepreneurship. A majority of the respondents also indicated that the funds were engaging the media in the promotion of entrepreneurship. However, much of the engagement has to do with popularizing the funds and advertising the up-coming events. The study sought to further establish whether the funds were engaging in activities to nurture the media to be more involved in covering the entrepreneurship story as the sixth item. On this, all the respondents indicated that their respective funds did not engage in activities to nurture the media to be more involved in covering the entrepreneurship story.

Budgetary allocation for entrepreneurship promotion activities by the funds was the seventh item. All the respondents indicated that there is a portion of the funds' budget allocated for entrepreneurship promotion activities. On this, they indicated that there were budgetary allocations for all the mandates of the funds. However, the study had already established that entrepreneurship promotion was not one of the mandates of the funds. Finally on this objective, the study sought to establish whether there were efforts to track the attitudes of the population towards entrepreneurship. This was variation in the findings of this item as some respondents reported that there were efforts while others reported that there were no such efforts. However, the study established that the

said efforts had a lot to do with monitoring and evaluation of the loan repayments by the funds.

5.1.3 Summary of the Research Findings as per Objective Three

The third objective of this study was to assess the opportunity component of entrepreneurship policy in the funds. The researcher had eight items that guided the study and they are summarized as follows: The first item was a stated objective to address the opportunity structure (reduction of administrative burden, business support, and Start-up financing). All the respondents in the three funds reported that there are stated objectives to address the opportunity structure. This was also confirmed from the written down mandates of each of the funds. The second item was initiatives to reduce/relax the administrative burden for newly started enterprises. The findings revealed that there were initiatives to reduce or relax the administrative burden for newly-started enterprises in YEDF and WEF, while there were none in Uwezo fund. Such initiatives included assistance in the business registration process, KEBs certification, exemptions from certain licensing fees as well as affordable worksites. The third item was access to start-up information, assistance and advice. All the respondents indicated that the funds had put in place 'first' or 'one stop shops' or web portals to provide new entrepreneurs with business start-up information, assistance and advice.

Another item under this objective was mentorship programs by the funds. On this, all the respondents reported that the fund were facilitating mentor programs for new entrepreneurs and growth firms although they were keen to observe that the programs are still in the formative stages. The fifth item had everything to do with training programmes by the funds. On this, all the respondents reported that the funds were in partnership with private sector organizations and NGOs to deliver entrepreneurship training programmes to its beneficiaries. Such organizations were reported to include: UNDP, KIE, ILO, JKUAT, and private organizations hired to offer the training programmes. Another item key in the study was business incubation by the funds where the study revealed that all the respondents in WEF, and some in YEDF reported that the funds were in partnership with other organizations in business incubation, while all the

respondents in Uwezo fund reported that there were no such partnerships. WEF was reported to be partnering with JKUAT while YEDF was partnering with Kenyatta University and Amiran.

Given that one of the primary aims of measures implemented to address access to finance for start-ups is to fill the start-up financing gap for people who do not meet the "track record" and collateral security criterion of traditional financiers, the study sought to establish how this matter was being addressed by the funds as the seventh item. All the three funds were reported to be making efforts to redirect more of the available supply of capital to new firms while only YEDF was supplying capital to individual entrepreneurs. However, for new firms, all the three funds require them to be groups of at least ten people, while the individual entrepreneurs are supposed to produce prove that they have been in a profitable operation. Another aim of measures implemented to address access to finance for start-ups to fill the seed capital and mezzanine financing gap for technology-oriented and high growth potential firms. As such, the eighth item was funding for special seed programmes and pre-commercialization of promising technology. The study established that none of the funds was funding special seed programmes to support the start-up and early stage development of innovative technostarts as well as pre-commercialization of promising technology.

5.1.4 Summary of the Research Findings as per Objective Four

The fourth objective of this study was to assess the skills component of entrepreneurship policy in the funds. Just like motivation and opportunity components, the researcher had eight items that guided the research on the skills component. These are summarized as follows: The first item was to establish whether the funds carry out an entrepreneurship skills audit for the beneficiaries. There was variation in the finding as a majority of the respondents in YEDF and WEF reported that the funds conducted a skills audit of the beneficiaries before disbursing funds. On the other hand a majority of the respondents in Uwezo funds reported that there was no such audit as all applicants as assumed to be at the same level. This item was followed by a need to establish whether there were training programmes aimed at bridging the skills gap. Whereas all the funds

were reported to have training programmes, a majority of the respondent reported that the training programs were general and did not take into consideration the skill the beneficiaries possessed. The third item was a national study (stock taking) on the entrepreneurial abilities of the target clients by the funds. The study revealed that there were no such studies by the funds. However, the respondents reported that there had been studies by scholars from various universities as well as other organizations. They however clarified that such studies did not originate from the funds.

Given the importance of entrepreneurship education as a skills component of entrepreneurship policy, the study sought to establish whether the study results were being used to lobby government to ensure inclusion of entrepreneurship education in the national curriculum. The study established that there were no such efforts from all the three funds. The fifth item was sponsorship of students' business plan competitions. YEDF is reported to have sponsored students' business plan competitions in partnership with other organizations such as KIM, and World Bank in 2010/2011. However, the program was discontinued due to scarcity of resources. On the other hand, WEF and Uwezo fund were reported not have any such activities.

Creating awareness of entrepreneurship as a career option to students was the sixth item on this objective. A majority of the respondents reported that the funds were making efforts in creating awareness of entrepreneurship as a career option to students. According to the respondents, this involved visiting primary and secondary schools as well as universities and colleges and talking to them about self employment. However, the researcher established that this could not be credited to the funds as it involved personal efforts by the chief executives. It also lacked policy backing in the written down mandates of the funds. Support for extra-curricular entrepreneurial students' activities was the seventh item. The study revealed that none of the funds was supporting extra-curricular entrepreneurial student activities. Finally the study sought to establish whether there was budgetary allocation for development and implementation of entrepreneurship education and training programmes. Whereas all the three funds had budgetary allocation for training programmes, none of them had allocations for entrepreneurship education programmes.

5.1.5 Summary of the Research Findings as per Objective Five

The fifth objective of this study was to verify the entrepreneurial policy typology that guided the establishment of the funds. The findings are based on an expert analysis by the researcher by awarding points to the fund with regard to the extent to which the policy objectives, areas and measures matched with the four policy typologies outlined in literature that guided the study. On the E- extension policy, the funds scored '1' on policy objective, policy areas, and policy measures. This implies that the information gathered by the researcher on the three funds is in agreement with literature that guided the study in terms of description of the objectives, areas and measures of an E-extension policy. A score of '0' is awarded to the three funds on the new firm creation policy. This is due to the fact that there lacked any evidence from the findings that the situation in the funds were in agreement with the description of a new firm creation policy in terms of objectives, areas and measures.

On the 'niche' target group policies, a score of 1 was awarded to the three funds on the policy objective. This means that there was evidence from the fund that the policy objective was in agreement with the description provided in the literature that guided the study. However, a score of '0.5' was awarded on the policy areas and policy measures. This is because there lacked evidence from the funds that there were focusing on some of the policy areas such as innovation policies and immigration policies as highlighted in the literature that guided the study. Some of the prescribed policy measures such as promotion and awards programmes, enterprise centers and role-models were missing from the funds. A score of '0.5' was therefore awarded to all the funds. On the holistic E-policy, a score of '0' was awarded to the three funds. This is because there was no evidence from the funds to confirm the prescribed policy objectives, areas and measures of a holistic E-policy as described in the literature that guided the study.

5.2 Conclusion

Existing knowledge about what is critical in influencing the entrepreneurial actions of individuals suggests that there will be higher levels of entrepreneurial activity in economies where people are aware of entrepreneurship as a feasible and viable option

and willing to explore it (Motivation); have access to opportunities to gain the knowledge, skills and ability to be able to pursue it (Skills); and can gain ready access to the startup supports they need, such as information and ideas, counselling and advisory services, business contacts, capital and encouragement, in an enabling regulatory and policy environment (Opportunity). From the findings, it is clear that the three entrepreneurship policy foundations do exist in the three funds but at relatively low. However, the funds scored the higher on the opportunity component in comparison to motivation and skills component. This is a clear indication that the policy objectives and measures are geared towards the opportunity component. However, all the three conditions must be met if high entrepreneurship levels are an expectation.

5.2.1 Conclusion as per Objective One

The process of formulation of any policy that is geared towards encouraging entrepreneurial endeavors among the populace is expected to take into consideration various entrepreneurial factors such as motivation, opportunity and skills. From the findings of this study, it is evident that the process of formulation of entrepreneurship policies prescribed in this study was not followed. The major aspect that stood out on the origin of the funds is that they are affirmative funds and were established to win political goodwill. Their process of formulation therefore lacks backing in entrepreneurship theory and practice. Therefore this study concludes that the process of formulation of the funds was not entrepreneurial.

5.2.2 Conclusion as per Objective Two

Motivation is an area of entrepreneurship policy worthy of further development because of the critical role it plays in fostering a culture supportive of entrepreneurship and changing "mind-sets". The score on the motivation component was very low and could only be described as below average. The study therefore concludes that the policy objectives and measures of the funds have not taken care of the motivation component of the entrepreneurship policy. As a result, they are highly unlikely to foster a culture of entrepreneurship in the country. This is also likely to give birth to entrepreneurs of necessity who get into self-employment as the last resort and once an opportunity shows

up in the formal employment, they abandon their businesses. The long term effect is that unemployment issues will remain unresolved as entrepreneurs of necessity do not grow their businesses to the levels of creating employment for others.

5.2.3 Conclusion as per Objective Three

One of the three key conditions for development of entrepreneurship is that there must be opportunity for new enterprises to exist and for entrepreneurs to succeed through their own efforts. In other words, they can gain ready access to the startup supports they need, such as information and ideas, counselling and advisory services, business contacts, capital and encouragement, in an enabling regulatory and policy environment. The score on the opportunity component was slightly above average and a clear indication that the funds are doing better on the opportunity component compared to the other components. In other words, this study concludes that the policy objectives and measures of the funds are geared towards addressing the opportunity component of entrepreneurship policy. However, as earlier observed, in such scenario, few businesses will be started because of lack of cultural support and know-how but there may be higher chances of survival with the right support.

5.2.4 Conclusion as per Objective Four

Another key condition for development of entrepreneurship identified in literature is that the ability to enterprise must be present; meaning the technical and business capabilities required to start and manage a business must exist. In other words, the people must have access to opportunities to gain the knowledge, skills and ability to be able to pursue it. The skills component scored the lowest among the three components and a clear indication that the policy objectives and measures of the funds have not taken into consideration the skills component. This was also confirmed by the absence of any plans to integrate entrepreneurship education in the national curriculum. The study therefore concludes that the skills component of entrepreneurship policy has not been addressed in the three funds. As a result, few businesses are likely to be started due to lack of knowhow but if they can access the right support, they are likely to stay in business as observed in the literature that guided the study.

5.2.5 Conclusion as per Objective Five

Individual governments place different weightings of emphasis on areas of the entrepreneurship policy framework and on specific measures within each of those areas. They also differ in the extent to which they have committed to entrepreneurship policy objectives at the national level. The policy objectives, areas, and measures were key to verifying the policy typology that guided the establishment of the funds. The researcher adopted the same approach as on the entrepreneurship policy foundations where points were awarded on the policy objectives, policy areas, and policy measures. By taking a critical look at these three aspects, this study concludes that the dominant policy typology that guided the establishment of the funds is the E-extension policy. This is characterized by "adding-on" entrepreneurship-oriented "bits" in more of a piece-meal fashion and is a reactive response to growing demand from nascent and new entrepreneurs for startup information, advice, and financing or as a strategy for generating employment, especially in high unemployment regions. The secondary approach is the 'niche' target group policies which focus on stimulating higher start-up rates among particular segments of the population. The target group policies are aimed at achieving such goals as job creation, social inclusion, and gender equity.

5.3 Recommendations of the Study

Entrepreneurship will develop if three key conditions are present. First, there must be opportunity for new enterprises to exist and for entrepreneurs to succeed through their own efforts (opportunity). Second, there must be a propensity to enterprise, involving such characteristics as an urge for excellence, a willingness to bear risk, and a desire to be independent (motivation). Third, the ability to enterprise must be present; meaning the technical and business capabilities required to start and manage a business must exist (skills). There is therefore a need to adopt an integrated approach that responds to all three of the entrepreneurship policy foundations through a combination of motivation, opportunity and skills oriented measures.

5.3.1 Recommendations for Objective One

In order for the funds to achieve the goal of creating employment through entrepreneurship, there is need to relook into the process of formulation of the funds. Previous studies by scholars and other institutions need to be taken into consideration as well as the current state of motivation, opportunity and skills among the populace. Clear goals that are in line with the definition of an entrepreneurship policy must be put down. There is also need to ensure coherence with the overall national development plan as well as inter-ministerial and inter-agencies approach to execution of goals and objectives. Performance indicators that are in line with the goals and objectives must be established as well as adequate budgetary allocation for the implementation of the strategies.

5.3.2 Recommendations for Objective Two

There is need to create widespread awareness of the role of entrepreneurship and small business in the economy, to increase the visibility and profile of entrepreneurship, to generate more favourable attitudes towards it in society, and to reward and recognize entrepreneurs as role models. As such, this study recommends sponsorship of television programmes and advertising campaigns; entrepreneurship high profile awards programmes; promotion of entrepreneur role models through print publications; sponsorship of national entrepreneurship-related conferences and regional events; and use of radio, print media and webcasting to profile entrepreneurship issues.

5.3.3 Recommendations for Objective Three

The opportunity structure has been observed to include measures to reduce/relax the administrative burden, ensure access to business support services as well as start-up finance. This study recommends that the funds should partner with other government ministries to offer concessional or favourable tax rates to newly-started firms (for example, VAT exemptions; income tax rebates; reduced corporate tax; and accelerated capital cost allowances). There is also need of focus on initiatives to reduce/relax administrative burden for newly-started enterprises (for example, exemptions from

certain licensing fees in the start-up phase). The study also recommends that the funds need to put more emphasis on the mentorship programs as well as partnerships with other organizations on business incubation. In addition, there is need to redirect more of the available supply of capital to new and individual firms as well as increasing the amount available for each firm. Pre-commercialization funds should be made available to promising new technology firms (for example, for prototype development).

5.3.4 Recommendations for Objective Four

Entrepreneurship education is a critical area of the skills component of entrepreneurship policies. As such, the funds need to partner with the ministries of education and industry to ensure inclusion of entrepreneurship education in national curriculum. The study also recommends that the funds should sponsor students' business plan competitions as well as other extra-curriculum entrepreneurial students' activities. The funds also need to take part in encouraging students to consider entrepreneurship as a viable career option.

5.3.5 Recommendations for Objective Five

There is need for the country to adopt the holistic entrepreneurship typology. This is expected to incorporate the policy measures of the other three types - reducing barriers to business entry; ensuring the small business support system is able to respond to the needs of nascent and new entrepreneurs (from all walks of life); and making financing available for start-up businesses - but, in addition, focuses on integrating entrepreneurship within the education system, promoting an entrepreneurial culture and creating a positive climate for entrepreneurship. It responds to all three of the entrepreneurship policy foundations through a combination of motivation, opportunity and skills oriented measures.

5.4 Recommendations for Future Research

The scope of this study was limited to YEDF, WEF and Uwezo Fund. However, entrepreneurship policy requires an inter-ministerial and multi-agencies approach. As such, this study recommends that future research should widen the scope to incorporate

all the other agencies that are concerned with entrepreneurship development. The target population for this study was the top level management of the youth, women and Uwezo funds who highlighted what the funds were doing. However, government reports may indicate that certain actions are being taken but what they say they are doing may not match their actions. There is therefore need to validate this information from the beneficiaries perspective. This study therefore recommends a study on the entrepreneurship policy foundations of the three funds from the beneficiaries' perspective.

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APPENDICES

Appendix I: Interview Guide for Senior Managers at YEDF, WEF, and Uwezo Funds

Section A: Personal Information

- a) Gender
Male [] Female []
- b) Age group
Below 35yrs [] 35-50yrs [] Above 50yrs []
- c) Kindly explain your journey in post secondary school education
- d) Kindly explain your work experience

Section B: Definitions

- a) What is your definition of a small business? A SME
- b) What is your definition of entrepreneurship or entrepreneur?
- c) Do you note a difference between SME development and entrepreneurship development?

Section C: Process of Formulation of the funds

Literature has outlined steps to formulating a national entrepreneurship strategy. However, it is not clear to many Kenyans how this fund came into existence. Kindly explain how this fund was established indicating whether the following five steps were followed.

- a) Examining the country's context which involves taking stock of aspects of the Outcomes, Structure and SME/Entrepreneurial Vitality

- b) Stating the priority problems and setting overall policy objectives
- c) Aligning policy development, implementation and delivery structures to achieve objectives set by the policy formulation
- d) Identifying performance indicators and evaluation measures
- e) Developing the action plan and identifying resource requirements and partners

Section D: Motivation component of entrepreneurship Policies in the fund

One of the major influencers of the motivation component of entrepreneurship policies is entrepreneurial promotion. The following questions are indications of entrepreneurship promotion policy measures:

- a) Does the fund have a stated objective to create more awareness of entrepreneurship or to promote a culture of entrepreneurship?
- b) Does the fund sponsor events that profile entrepreneurship and provide start-up information?
- c) Does the fund alone, or in partnership with private sector organizations, recognize entrepreneurs through national, high profile award programmes
- d) Do these awards recognize diversity in entrepreneurship (for example, women, ethnic minorities, youth) and success at different stages of business development, including start-ups, young and growing firms?
- e) Does the fund engage with the mass media in the promotion of entrepreneurship?
- f) Does the fund engage in activities to nurture the media to be more involved in covering the entrepreneurship story (for example, seminars with reporters, frequent press releases and press conferences, story-feeds, etc.);
- g) Is there a portion of the funds budget allocated for entrepreneurship promotion activities?
- h) Are there any efforts in place to track attitudes of the population towards entrepreneurship, awareness levels and levels of intent to start a business?

Section E: Opportunity component of Entrepreneurship policies in the fund

One of the ways to encourage people to venture into business is to reduce the administrative burden:

- a) Is there a stated policy objective to address the opportunity structure?
- b) Is there any initiative by the fund to reduce/relax administrative burden for newly-started enterprises?
- c) Are there "first" or "one stop shops" or web portals in place to provide new entrepreneurs with business start-up information, assistance and advice?
- d) Does the fund facilitate the development of mentor programmes for new entrepreneurs and growth firms?
- e) Does the fund partner with private sector organizations and NGOs to deliver entrepreneurship training programmes?
- f) Does the fund partner with other organizations in business incubation?
- g) Have efforts been made to redirect more of the available supply of capital to individual entrepreneurs and new firms?
- h) Do you fund special seed programmes and pre-commercialization of promising new technology firms?

Section F: Skills component of entrepreneurship Policies in the fund

It has been argued that entrepreneurship occurs at the intersection of an individual's perception of an opportunity and the motivation and skill to pursue that opportunity. However, many entrepreneurs do not have access to educational opportunities that allow them to gain the skills and knowledge they need to succeed in opening and operating a business. Having this in mind:

- a) Does the fund carry out an entrepreneurship skills audit for the beneficiaries before disbursing the loans? (the skills are expected to include: creativity, risk-taking, leadership, communication and human relations)
- b) Are training programmes aimed at bridging the gap being delivered regionally to the current and potential beneficiaries to ensure that they are in a position to run successful enterprises?
- c) Has there been a national study (stock-taking) on the entrepreneurship abilities of the target clients of the fund?
- d) Does the fund use the results of such studies to lobby the government to ensure inclusion of entrepreneurship education in the curriculum?
- e) Does the fund, alone or with partners from the private sector sponsor students' business plan competitions?
- f) Does the fund make efforts to create awareness of entrepreneurship as a career option among students?
- g) Does the fund support extra-curriculum entrepreneurial student activities?
- h) Is there a budget allocation for development and implementation of entrepreneurship education and training initiatives and programmes?

The end

Thank you

Appendix II: Interview Guide for Ministry of Industry, Trade, and Cooperatives Officials

1. What are the policy provisions within the ministry to address the motivation component of entrepreneurship policies?
 - Events to profile entrepreneurship
 - National awards programmes
 - Engaging the mass media
 - Budgetary allocations
2. What are the policy provisions within the ministry to address the opportunity component of entrepreneurship policies?
 - Reduction of the administrative burden
 - Access to business support
 - Access to finance
3. What are the policy provisions within the ministry to address the skills component of entrepreneurship policies?
 - Collaborations with the ministry of education to ensure inclusion of entrepreneurship education in the national curriculum
 - Stock-taking on the entrepreneurship abilities of the population
 - Sponsorship of students' business plan competitions

Appendix III: Interview Guide for Kenya Institute of Curriculum Development Officials

1. Is there a policy objective to integrate entrepreneurship into all levels of the education system?
2. Has there been a study (stock-taking) of the extent to which entrepreneurship is included in education at the school level?
3. Is there a Steering Group/Committee on Entrepreneurship and Education with representatives from the ministries of Industrialization and Education, and the private sector to oversee integration of entrepreneurship in the school?
4. Are training programmes being delivered regionally to introduce educators to the strategies of teaching courses/modules on entrepreneurship/enterprise?
5. Does the government, alone or with private sector partners sponsor national student business plan competitions?
6. Is there a national budget allocation for development and implementation of entrepreneurship/enterprise education initiatives and programmes?