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## An Assessment of the Motivation Component of Entrepreneurship Policy in the Youth, Women, and Uwezo Funds in Kenya

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### 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 Youth Enterprise Development Fund, Women Enterprise Fund, and Uwezo Fund. However research shows that these funds have not lived to fulfill the purpose for which they were created as the unemployment levels still remain high in Kenya. The question that begs for an answer is whether these funds are founded on an entrepreneurial policy. The objective of this study was to assess the motivation component of entrepreneurship policy foundations in the funds. The study adopted an exploratory case study research design. Out of the eight items on motivation component under consideration, the funds scored 16.675% which is below average. The study concluded that the policy objectives and measures of the funds have not taken into consideration the motivation component of the entrepreneurship policy foundations. As a result, they are highly unlikely to foster a culture of entrepreneurship in the country.

**Keywords:** Entrepreneurship, Policy, Foundations, Motivation, Funds

### Introduction

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 and 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. Minniti (2008) submits that government policy shapes the institutional environment in which entrepreneurial decisions are made. Thus, government policy is important for entrepreneurship.

However, not all government policies on entrepreneurship qualify to be referred to as entrepreneurship policies. From their study of 10 economies, Lundstrom & 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 referred to motivation, opportunity and skills as the entrepreneurship policy foundations which Global Entrepreneurship Program (GEP) (2011) referred to as the key conditions for development of entrepreneurship. As such, any policy geared towards entrepreneurship must have measures to address each of these components, motivation included.

Entrepreneurial motivation is present where people are aware of entrepreneurship as a feasible and viable option and willing to explore it (Bwisa, 2011). GEP (2011) refers to entrepreneurial motivation as the propensity to enterprise, involving such characteristics as an urge for excellence, a willingness to bear risk, and a desire to be independent. Bwisa further observes 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 to take advantage of the opportunities. Lundstrom and Stevenson (2005) operationalize motivation to include the social value placed on entrepreneurship and its desirability and feasibility as a career and employment option. They further submit that entrepreneurship promotion as a key ingredient to the motivation component. According to them, entrepreneurship promotion is activity intended 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 favorable attitudes towards it in society, and to reward and recognize entrepreneurs as role models.

Following the recognition of self-employment in small enterprises as a partial solution to unemployment in Kenya, number of government funds aimed at generating sustainable

employment creating growth firms (otherwise called gazelles in economic jargon) in Kenya have been established. They include Youth Enterprise Development Fund (YEDF), Women Enterprise Fund, and Uwezo Fund. However, as at 2011, unemployment rate in Kenya was at 40 percent, which is the highest since 1999 according to Kenya Bureau of Statistics with a majority of the unemployed being youth and women. This could be a clear indication that these institutions have had very little or no effect on the unemployment situation in Kenya. This is also supported by 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 which may explain why it is said that in Kenya 1 in every 3 new businesses fails within the first 6 months. The study revealed a lack of an entrepreneurial spirit and skills among the beneficiaries of the funds (Sagwe, et al., 2011). However, whereas institutions, and the policies that shape them, are crucial to entrepreneurial activity, researchers have seldom focused on the policy that created these funds. This study aimed at investigating the motivation component of entrepreneurship policy in the Youth, Women and Uwezo funds in Kenya.

### **Objective of the Study**

The objective of this study was to assess the motivation component of entrepreneurship policy in the YEDF, WEF, and Uwezo Fund in Kenya.

### **Review of Literature**

Entrepreneurial activity is vital as it provides the economy with increased levels of innovation in the market place, increased productivity, cost efficiency as well as job creation. The Government is a key catalyst to spur this entrepreneurial excellence. It is well recognized that small start-up firms tend to bring about pioneering ideas and that significant job opportunities come from young firms. Questions have also been asked on what makes some countries more entrepreneurial than others. Various researchers have attempted to answer this question.

Lundstrom and Stevenson (2001) concluded by that people would be more likely to become an entrepreneur if 1) they were aware of the option and perceived it as a societally desirable one, 2) they perceived they would have, or could gain, support to pursue a business idea, and 3) they had confidence in their own ability to do it. As such, 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.

This is in agreement with Bwisa (2011) who submitted that 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).

The Global Entrepreneurship Program (2011) agrees further by proposing a framework 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).

From the forgoing submissions, it is clear that entrepreneurship motivation is at the heart of entrepreneurship development. Krishna (2013) described entrepreneurial motivation as the drive of an entrepreneur to maintain an entrepreneurial spirit in all their actions. Krishna further argues that it is entrepreneurs who act as a "spark plug" to transform the economic scene and bring a new sense of dynamism into it. He observes that entrepreneurs like any other careerists are not born, they are made. Career making depends upon several factors. Otuya et al (2013) argue that in addition to the attitudes of the careerist himself, the attitudes of others i.e., his family members, friends, relatives and the government will have their impact on the making or unmaking of the career. Entrepreneurship is no exception. Entrepreneurs are not only a product of their ambitions, but also those of their family members, friends and the nation.

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 (Lundstrom and Stevenson, 2001).

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 (Lundstrom and Stevenson, 2005). 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 (i.e., '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' (i.e., 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 1) to create a more entrepreneurial or enterprising culture and 2) to profile successful entrepreneurs as role-models for society. They observe that five major types of promotion activities are evident: (1) sponsorship of television programmes and advertising campaigns; (2) entrepreneurship awards programmes; (3) promotion of entrepreneur role models through print publications; (4) sponsorship of national entrepreneurship-related conferences and regional events; and (5) 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 (e.g. 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 (e.g., 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

### Research Methodology

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. 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. This study adopted a purposive sampling technique approach where only those involved in the strategic decision making of organizations were selected. Primary data was 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. 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. The study used qualitative data analysis techniques and is presented in frequency tables.

### Results

This section presents the findings on the research question: "What is the motivational component of entrepreneurship policies in the funds?" The results which were guided by Lundstrom and Stevenson (2005) entrepreneurship promotion scale are presented in the following sections.

#### 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 1

Table 1

*A Stated Objective to Promote a Culture of Entrepreneurship*

<b>A stated objective to promote entrepreneurship culture</b>	<b>Yes</b>	<b>%</b>	<b>No</b>	<b>%</b>
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 (e.g., Sweden, the UK); promoting entrepreneurship as a career alternative (e.g., Australia, Finland); promoting positive attitudes towards enterprise in the schools (e.g., Ireland and the UK); and promoting a stronger entrepreneurship culture (e.g., Denmark, the Netherlands, the UK). As presented earlier, none of the funds objectives took this form.

In the light of Lundstrom and Stevenson (2005) 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.

### **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 2



Table 1

*Events that profile entrepreneurship and provide start-up information*

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

Table 2 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.

### **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 3

Table 2

#### *Recognition of Entrepreneurs through National High Profile Awards*

<b>Recognition of Entrepreneurs through National High Profile Awards</b>	<b>Yes</b>	<b>%</b>	<b>No</b>	<b>%</b>
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 8<sup>th</sup> 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 showcasing 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.'

### **Recognition of Diversity in Entrepreneurship by the Awards**

The study sought to establish whether the awards recognize diversity in entrepreneurship (e.g. 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 5.3 confirm the fact that the funds do not have 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

startups 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 (e.g., Canadian Woman Entrepreneur of the Year) or businesses at different stages of development (e.g., Australia's Micro-Business Award; Student Enterprise Award in Ireland; Taiwan's Rising Star Award; Spain's Young Entrepreneur Award).

### **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

Table 3

#### *Engagement of Mass Media in Promotion of Entrepreneurship*

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

The findings show that a majority (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 up-coming 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 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 Wenekers 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.

#### **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 (e.g., seminars with reporters, frequent press releases and press conferences, story-feeds, etc.). The findings are shown on table 5

Table 4

#### *Engagement in Activities to Nurture the Media*

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

Table 5 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 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.

### **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 6.

Table 5

#### *Budgetary Allocations for Entrepreneurship Promotion Activities*

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

Table 6 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 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 strategic plan budgetary allocation was guided by the mandates of the fund and section 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 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.

#### **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 (e.g. 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 7

Table 6

#### *Efforts to Track Attitudes of the Population towards Entrepreneurship*

<b>Efforts to Track Attitudes of the Population towards Entrepreneurship</b>	<b>Yes</b>	<b>%</b>	<b>No</b>	<b>%</b>
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 7 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. On the other hand, 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.

### **Conclusion**

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 researcher assessed the motivation component of the funds by looking at eight items adopted from (Lundstrom and Stevenson, 2005). YEDF scored one point; WEF scored one point; while Uwezo Fund scored 2 points out of eight points on the motivation component. On average, the funds scored 1.334 points out of eight which translates to 16.675%. This is very low as the score is way 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 Bwisa (2011) observed that entrepreneurs of necessity do not grow their businesses to the levels of creating employment for others.

### **Recommendation**

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.

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