SUNDAY INTERVIEW

Finance Minister Amos Kimunya has set aside Sh1 billion as the Youth Enterpreneurship Development Fund. The debate on how it will be disbursed has been raging, with sceptics warning that it might be just another political kitty. The Government has in turn said the disbursement will be done through Micro finance insti-

tutions. But a number of questions that have not been answered is: Who is a youth, how will he access the fund, from where and what are the structures of the fund's administration? MWANGI MUIRURI talked to MR WANJUMBI MWANGI, whose fund's proposal paper for the implementation of the youth fund has been largely adopted by the Government. Here are the excerpts of the interview.

UESTION: Briefly tell me about your-

A: I'm a consultant in enterprise development through appropriate human resource maxi-utilisation. I also deal in Micro Small and Medium Enterprises' capacity building services. The bottom line is that I offer consultancy on application of continually changing management concepts for sustainable business growth in Kenya, Comesa region, Africa and the global perspective, through Newtimes Business

You must have been paid handsomely by the government to write the proposal. To the contrary no. I'm a Kenyan who knows the major development handicap dogging our youth. The moment I heard that Kimunya's paragraph setting aside Sh1 billion for the youth and the rest of the Budget made immense sense to me even before listening to it. Here was the very first deliberate move to alleviate the obscene poverty dogging the youth. It is our collective shame that our sons and daughters, with all their immense enthusiasm, energies and drives, are graduating from higher education and the only available jobs for them are those to be found in idleness...they become survivors, gangsters, prostitutes, drug addicts....and we are all over ourselves complaining of high rates of crime, collapse of morals. I switched to patriotism and for free, I dedicated my resources and time to articulate on how best the youth can benefit from the Fund. It was free of charge, and I can always do it again and again. It's about

What is the gist of the Fund's implementation mode? It is going to be long, hard and tedious. There are no quick fix solutions. The mode has to be based on the global enterpreneurship development engine called Small and medium enterprises (SMEs). SMEs culture worked successfully in Eastern European countries after the collapse of Communism. South Africa has gone the same way and is doing fine. If this Sh1 billion is to be utilised well, then the country's youth have a golden opportunity to be gainfully occupied through enter-preneurship. This is whereby

the youth will form groups and

write business proposals for funding. The beauty of it is that, every youth will be a guarantor to the other in that group thus inducing security for the loan. It is like the

merry go rounds where. Is it "Get this money-Go and trade" policy for the youth who will be starters in enterpreneurship?

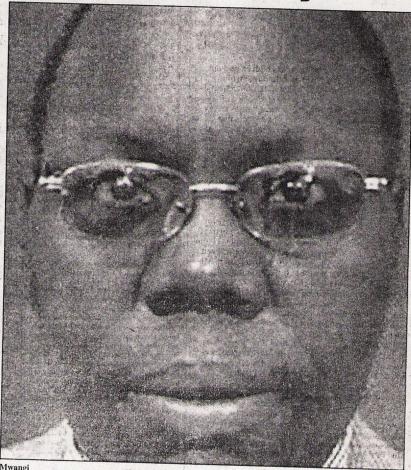
No. First, there will be structures to be put in place. The Fund will be administered by a national trustee board to be established by the Government. After all it is Government's project hinged on poverty eradication and creation of wealth. This board will disburse the funds through Micro finance institutions. These institutions will realise that they have been given an opportunity to venture into new business segment. And it will be profitable to them because they will be charging interest. It will therefore be mandatory that these banks put all their machinery on high alert to ensure the programme succeeds. And the Government as the overseer of the programme will not risk public ridicule and press

But about the nitty-gritty of implementation...we are talking of youth mobilisation to enterpreneurship?
The micro finance institutions

mandated to lend to the youth on behalf of the Government have business advisory desks to run the Fund. It is these banks to ensure that the money is not sunk into unviable projects. It will be similar to the National Bank's Government's car-loans scheme to civil servants. The banks will responsible for accessing and evaluating the viability of business proposals and offer sound alternatives based on sound research. It will also be mandatory that business development centres be established at least in all constituencies, where the youth will be formed into groups, groomed, taught how to write proposals. For it is mandatory that enterpreneurship culture be harnessed among the beneficiary groups. It might sound complex but remember you are dealing with three types of groups here. The Government, the Micro finance institutions and the youth. In such a scenario, they are bonded by one umbrical chord-desire for success.

But that does not mean there are major hurdles in this endeavour? Yes. Enterpreneurship is more than buying, selling and giving change. The dynamics of the field are that, 15 per cent of all small businesses established do not last beyond five years. Only 30 percent will go be-

Fund to em Jower youth, address unemployment



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Enterpreneurship is more than buying, selling and giving change. The dynamics of the field are that, A5 per cent of all small businesses established do not last beyond five years. Only 30 percent will go beyond three years.'

yond three years. This means that, if right management structures and competent strategies to herald the youth Entrepreneurship endeavour through the nitty-gritty of changing trends and emergencies that calls for change of strategy, then 70 per cent of the projects will not go beyond three years. The micro finance institutions will fail to recover the loans, they will be surcharged by the government and everybody will be a loser. What are the major issues that

need to be addressed first? Defining who is a youth in this context. My safe bet is all those who are unemployed. They are youthful

in income matters hence no need to go for the theoretical and academic definitions of below 35 years old. But please no retirees...those can access credit from other numerous avenues. There is need to establish

the trustee management board, business development centres, youth entrepreneurship loans' wing at the micro financial institutions and nationwide monitoring structures. It will also be vital to determine how the ministries of Agriculture, Cooperatives and Trade can be incorporated in the implementation to value add based on their critical roles in the economy. Then legal regimes will have to be put in place to govern interest rates to be charged on the loans, recovery of loans' extremes and the revolving (on-lending) modes of the fund for

the emerging cases. What is your general take on the

Every business enterprise is viable no matter how mundane it might initially look. How you strategise is the key issue. But on the other hand, entrepreneurship is a slow

process which demands among other factors calculated risk taking, patience and commit-ment by all parties concerned. For the Youth Entrepreneurship Development Fund to succeed, it requires all of our support-Government, Kenyans of the economic, social and political spheres- knowing too well alleviation of poverty at the grassroots translates to stable family units, society and national. An economically empowered youth is security for the economically empowered elderly tycoons. For the Kenya Institute of Education, the time is now to entrench enterpreneurship into the education system. White collar jobs' oriented system is as obsolete as it can be. Realities of the current times have borne testimony to

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