



Effects of Youth Development Fund in Business Performance among Beneficiaries in Ukerewe District

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ABSTRACT

Youth unemployment seen as a universal problem, it is much obvious and “a ticking time bomb” in the developing countries. And this is reason why this study carried out.

This study was designed to analyze the effects of Youth Development Fund (YDF) on business performance among Youth beneficiaries in Ukerewe District. The study used a cross section as research design with a sample of 230 youth beneficiaries. Both probability and non-probability techniques were employed to get sample of respondents and key informant respectively and Data were analyzed both descriptive and Logistic regression Model as inferential statistics with aid of STATA version 20 as statistical tool.

The results showed that access to funds from YDF helped most youths expand their businesses with the money they had received. It shows that at least every youth who access YDF fund had ability to own asset.

Conclusively, the employment created and income generated (through sales) from additional business performance started by youth in Ukerewe District with the support of divided funds among members from part of YDF has helped members meet their household needs. However, the government may make sure that heavy investment in human capital was needed to raise employability and future earnings among youths. This kind of investment will increase youth productivity, hence, improvement in economic activities

Keywords: Youth, Youth Development Fund,

Introduction and Background of the Study

1. Introduction

Youth unemployment remains a critical challenge across Africa, particularly in rural areas where limited access to financial resources and entrepreneurial skills hinder economic participation. In Tanzania, the government and various development partners have implemented initiatives such as the Youth Development Fund (YDF) to empower young entrepreneurs by providing financial support, training, and mentorship. The Ukerewe District, located in Lake Victoria, is one of the regions where this program has been introduced to stimulate business growth and reduce youth unemployment. However, despite the fund's existence, there is limited empirical evidence on its effectiveness in enhancing business performance among beneficiaries in Ukerewe.

Today, youth is one of the greatest assets that any national should have. Not only are they legitimately regarded as the future leaders, they also are potentially and actually the greatest investment for a country's development. Young women and men are, in particular, recognized as a vital resource whose future prospects are inextricably tied to that of their country (AfrinYPE, 2018). The population of youngest in the world, is over 60% of its people under the age of 25 (African Development Bank, 2022). Despite this demographic advantage, youth unemployment rates remain alarmingly high, averaging around 12% across the continent (ILO, 2023). Limited access to capital, inadequate skills training, and a lack of entrepreneurial opportunities are among the key barriers preventing young people from engaging in meaningful economic activities. In response, many African governments have introduced youth empowerment funds to stimulate entrepreneurship and self-employment.

Tanzania, like many other African nations, faces significant youth unemployment, with rural areas being disproportionately affected. The National Bureau of Statistics (2022) reported that youth unemployment in Tanzania stands at approximately 13.4%, with higher rates in regions like Ukerewe due to limited industrialization and economic opportunities. The Tanzanian government launched the Youth Development Fund (YDF) as part of broader efforts under the National Youth Development Policy (2007) to provide financial support, skills training, and business development services to young entrepreneurs.

Youth Development Fund was launched with the aim of providing youths with soft loans to boost entrepreneurship activities through their registered groups to the district community development officer being provided soft loans for economic empowerment and helping them to create self-employment and reduce youth unemployment (ibid).

YDF program is implemented under LGAs and coordinated by the Department of Community Development in all LGAs. The programme is in line with several policies and programmes including; the Ruling Party Election Manifesto of (2020), Youth Development Policy (2007), Community Development Policy (1996) and National Economic Empowerment Policy (2004). All this addresses poverty, hence, development of low-income earners who forms a big number of people in the country including youth.

However, the effectiveness of such funds in improving business performance has been mixed in different regions. Some studies (e.g., Mushi & Mzena, 2021) indicate that beneficiaries experience improved access to capital and business expansion, while others (e.g., Nyoni, 2022) highlight challenges such as insufficient funding amounts, delayed disbursements, and a lack of follow-up support. These inconsistencies suggest a need for localized studies to assess the fund's real impact on youth businesses

Ukerewe District, an island region in Lake Victoria, is predominantly rural with an economy reliant on fishing and subsistence farming. Limited infrastructure, financial services, and market access constrain business growth, making youth entrepreneurship particularly challenging. The introduction of the YDF in Ukerewe was expected to stimulate micro and small enterprises (MSEs), enhance income levels, and create employment.

Preliminary reports from local authorities suggest that some beneficiaries have successfully established businesses, while others struggle due to market limitations and managerial deficiencies. However, no comprehensive study has been conducted to measure the fund's direct impact on business performance indicators such as revenue growth, job creation, and business survival rates in Ukerewe. Understanding these dynamics is crucial for optimizing the YDF's implementation and ensuring its alignment with the needs of young entrepreneurs in rural settings.

While several studies have examined youth funds in urban areas like Dar es Salaam and Mwanza, rural districts such as Ukerewe remain under-researched. Given the unique socio-economic conditions of island communities, it is essential to evaluate how the YDF influences business performance in such contexts. This study fills that gap by providing empirical evidence on the fund's effectiveness, challenges faced by beneficiaries, and recommendations for policymakers.

The findings will be valuable for the Tanzanian government, development agencies, and financial institutions seeking to enhance youth entrepreneurship programs. Additionally, the study contributes to the broader discourse on youth economic empowerment in Africa by offering insights that may be applicable to similar rural economies across the continent.

This study seeks to examine the impact of the Youth Development Fund on business performance among young entrepreneurs in Ukerewe District. By analyzing key factors such as business growth, profitability, employment creation, and sustainability, the research aims to provide insights into the fund's effectiveness and identify potential areas for improvement. The findings will contribute to policy formulation, program refinement, and better youth empowerment strategies in Tanzania and other African countries facing similar challenges.

2. Background of the Study

2.1 Youth Unemployment and Economic Challenges in Africa

Africa has the youngest population in the world, with over 60% of its people under the age of 25 (African Development Bank, 2022). Despite this demographic advantage, youth unemployment rates remain alarmingly high, averaging around 12% across the continent (ILO, 2023). Limited access to capital, inadequate skills training, and a lack of entrepreneurial opportunities are among the key barriers preventing young people from engaging in meaningful economic activities. In response, many African governments have introduced youth empowerment funds to stimulate entrepreneurship and self-employment.

Tanzania, like many other African nations, faces significant youth unemployment, with rural areas being disproportionately affected. The National Bureau of Statistics (2022) reported that youth unemployment in Tanzania stands at approximately 13.4%, with higher rates in regions like Ukerewe due to limited industrialization and economic opportunities. The Tanzanian government launched the Youth Development Fund (YDF) as part of broader efforts under the National Youth Development Policy (2007) to provide financial support, skills training, and business development services to young entrepreneurs.

2.2 The Youth Development Fund (YDF) in Tanzania

The Youth Development Fund was established to address financial exclusion among young entrepreneurs by offering low-interest loans, grants, and business training. The program targets individuals aged 15 to 35, aiming to enhance their capacity to start and grow sustainable businesses. Since its inception, the YDF has supported thousands of youth-led enterprises across various sectors, including agriculture, trade, and small-scale manufacturing.

However, the effectiveness of such funds in improving business performance has been mixed in different regions. Some studies (e.g., Mushi & Mzena, 2021) indicate that beneficiaries experience improved access to capital and business expansion, while others (e.g., Nyoni, 2022) highlight challenges such

as insufficient funding amounts, delayed disbursements, and a lack of follow-up support. These inconsistencies suggest a need for localized studies to assess the fund's real impact on youth businesses.

2.3 Business Performance and Youth Entrepreneurship in Ukerewe District

Ukerewe District, an island region in Lake Victoria, is predominantly rural with an economy reliant on fishing and subsistence farming. Limited infrastructure, financial services, and market access constrain business growth, making youth entrepreneurship particularly challenging. The introduction of the YDF in Ukerewe was expected to stimulate micro and small enterprises (MSEs), enhance income levels, and create employment.

Preliminary reports from local authorities suggest that some beneficiaries have successfully established businesses, while others struggle due to market limitations and managerial deficiencies. However, no comprehensive study has been conducted to measure the fund's direct impact on business performance indicators such as revenue growth, job creation, and business survival rates in Ukerewe. Understanding these dynamics is crucial for optimizing the YDF's implementation and ensuring its alignment with the needs of young entrepreneurs in rural settings.

2.4 Research Gap and Justification

While several studies have examined youth funds in urban areas like Dar es Salaam and Mwanza, rural districts such as Ukerewe remain under-researched. Given the unique socio-economic conditions of island communities, it is essential to evaluate how the YDF influences business performance in such contexts. This study fills that gap by providing empirical evidence on the fund's effectiveness, challenges faced by beneficiaries, and recommendations for policymakers.

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3.0 Methodology

3.1 Data

The study used a cross-sectional design to achieve its objectives with both qualitative and quantitative approaches being applied. The main purpose of using this design was to help in describing what is prevalent with respect to the problem under the study.

3.2 Methods

Data analysis in this study was based on both descriptive and inferential statistics. Descriptive statistics was used to analyze qualitative data where frequencies and percentages were calculated. Also, the mean and standard deviation were used to analyze the number of successful loan applications and loan amounts. Furthermore, descriptive analysis was employed to analyze loan application procedure and paired sample T-test were used to measure the effect of YDF among beneficiaries.

4.0 Results and Discussion

4.1 Social demographic characteristics of youth Beneficiaries of YDF

Demographic Characteristics

The study involved 230 youth respondents from Ukerewe District. Table 1 The descriptions of the demographic characteristics of respondents are presented in sub-sections as shown below;

4.1.1 Sex of Respondents

The result shows majority of respondents participated in the study were males accounting to about 80.4% of the total respondents. The remaining 19.6% were females as displayed in Table 3. This implies that both genders were represented in the study and opinions articulated in these findings are gender sensitive and can be taken as representative of the views of both gender in regards to effects of YDF in promoting economic activities among beneficiaries in Ukerewe District.

Interview with Community Development Officer attested that, there are low percentage of female youth because most of them prefer to join women groups rather than youth groups. Women are mostly found in groups focusing on social development and informal financial institutions including Faith Based Organizations (FBOs), Local Development Associations, Self Help Group (SHG), Rotating Credit and Savings Associations (ROSCAs) and Village Community Bank (VICOBA), while men are mostly found in groups aiming at achieving economic needs.

4.1.2 Age of Respondents

It was revealed that, age category of youth respondents varying from 18 to 35 years old. Furthermore, the result in Table 3 shows majority of the respondents (53.5%) fall less than 18-23 years of the total responses followed by 24-29 years with 26.5%, while the rest (30-35 years) share 20%. The main reason of the higher number of the respondents being at that age is that most of the youth at that age found themselves struggling to find jobs or capital to start their businesses with major aim of generating income of meeting their basic needs, including food, shelter and clothes. As such, YDF is regarded as among of sources of fund for financing business expansion already started.

4.1.3 Marital Status

The findings show that majority of the respondents (63.9%) were married, 33.5% were single and the remaining respondents (2.6%) were divorced (Table. 3). The result shows that married youth are more likely to apply for YDF loan than unmarried and divorced youth.

4.1.4 Education Levels

The level of education of respondents was examined in order to analyze which level of youth education is likely of apply for the YDF loan. The study revealed that majority of respondents about 90.4% were primary education level, 5.2% have secondary education and the rest (3.1%) have college/university education as presented in Table 3. This implies that most of the respondents had below college/university education and have insufficient knowledge, capacity and skills to manage their economic activities engaged.

4.1.5 Family status

The interview with respondents showed that 87.0% of youth were raised by both parents while only 11.7% were raise by single parent (8.7% by mother, 3.0% by father) whereby only 1.3% of the respondents were raised by guardians. This implies that the majority of the YDF loan applicants were raised by both parents as table 3 shows.

Table 3 Characteristics of Respondents (n =230)

Responses	Frequency	Percent
SEX		
Male	185	80.4
Female	45	19.6
Total	230	100.0
AGE		
18-23 years	123	53.5
24-29 years	61	26.5
30-35 years	46	20.0
Total	230	100.0
EDUCATION LEVEL		
Primary Education	208	90.4
Secondary Education	12	5.2
Vocational Education	7	3.0
Higher Education	3	1.3
Total	230	100.0

MARITAL STATUS

Married	147	63.9
Single	77	33.5
Divorced	6	2.6
Total	230	100.0

RAISED BY

Both Parents	200	87.0
Mother	20	8.7
Father	7	3.0
Guardian	3	1.3
Total	230	100.0

4.2 Procedures and Conditions of Accessing Youth Development Fund**4.2.1 Procedures of Accessing YDF**

The researcher was interested to know the procedures and conditions needed for youth to access loan from YDF. The interview with Community Development officer said that, according to YDF regulation (2019) there are three steps of accessing the YDF loan as shown below.

4.2.1.1 Fund request

The application of the fund from YDF is done by addressing the application letter signed by the chairperson of the group to the DED. The application must be accompanied by the general meeting minutes showing the meeting agenda that discussed and approved the need of applying the fund for specific economic activity. However, the meeting minutes must show the amount agreed to be applied, the purpose of the loan and signed by all the group members as beneficiaries.

4.2.1.2 Request assessment

After the DED office receiving the application, he/she directs the request to the head of Community Development department, who assign the duty of assessing and processing the application to the designated YDF officer. The officer assess the application by looking to the legality of the group if registered or unregistered, if found unregistered the process ends there and thus the group is informed that their application cannot be processed unless the registration is done. If registered next step if followed.

If the application and its attachment is valid the Community development officer give them loan application form which filled by them and then being approved by WEO's and WDC for recommendations of how they know that group which activities are being dealing with for further stage, then physical visit is done, whereby the economic activity is visited and assessed and if found viable the report is written by recommending the group to be given fund. Also, if not viable then it is recommended to fill the gaps existing so that can get the fund. Normally the assessment criteria consider viability of the activity, whether it can generate fund to pay back the loan or not, and if real is owned by the group members.

4.2.1.3 Fund approval

The fund is approved by respective committee and thus signs the contract, which specifies the amount, name of the group, and payment period among others. Thereafter the bank cheque is written and given to the group to be deposited to the bank. The approval is accompanied with provision of entrepreneurship training to youth for easily fund repayment and management. Among others, the trainings provided include business management and record keeping. On record keeping it involves the issues related to types of information need to be recorded, when should be recorded, where should be recorded, and how records should be kept, and the uses of records taken.

4.2.2 Conditions of Accessing Youth Development Fund

Interview with Community Development Officer at Ukerewe district revealed that, according to YDF regulations (2019) for youths to access the fund from YDF they should meet the following conditions;

4.2.2.1. Registered youth group

An individual youth could not be able to access fund from YDF unless has joined in a group of 5-30 members and the group must have a certificate of registration from the district council. The registration of a youth group is important, as it helps to recognize the economic activity undertaken by a group and will help in opening a bank account and thus, a group can access funds from other financial institutions. Moreover, it was attested that youth group empowerment helps individual youths to share knowledge, skills and experience for the success of the group economic activities while individual empowerment will be realized when there will be an improvement of their lives (as individuals) due to accessed YDF. One of beneficiaries at Nansio ward said that;

“Providing loans in groups enhances participation by all group members and this played a huge role in achievement of individuals’ and group goals. Also, collective business engagement, marketing support and business linkages all contributed to the respondent saying they preferred engaging in groups rather than as individual”.hamisi mbwana 20/3/2021 at misheni mtaa in Nansio ward

4.2.2.2 ownership of economic activities

Another condition required to access the fund from YDF was the ownership of economic activities owned by the youth group. This condition is applied because the purpose of YDF loans provided to youth is for business expansion and not starting the new economic activity.

The study found all groups financed by YDF having economic activity operated by themselves and thus the loans provided intended for adding capital and as an attempt to financially empower the youth to become self-reliant

4.3 Effects of YDF on business performance among beneficiaries and non - beneficiaries

The effect of YDF on business was examined through different performance indicators by comparing sells, profit and number of employments created among beneficiaries and non-beneficiaries. The findings from all indicators are presented in the following sub-sections.

4.3.1 Amount of sales from business among beneficiaries and non-beneficiaries

The findings in Table 4 revealed that annual amount of sales from business among beneficiaries and non-beneficiaries was different. Whereby the majority of beneficiaries by 29.5% sells between 900,000-2,000,000 Tsh per year while the majority of non-beneficiaries by 26.9% sells between 300,000-600,000 Tsh. This implies that YDF had increased the amount of sells for beneficiaries. Furthermore YDF beneficiaries was reported more higher than sells for non-beneficiaries in which sells for beneficiaries indicated that (20.0%) of respondents sells between 2,000,000-5,000,000 Tsh, (18.2%) sells 600,000-900,000 Tsh and (11.3%) sells between 300,000-600,000 Tsh and corresponding 100,000-300,000 Tsh. Few by 9.5% and 2.6% sells between 5,00,000-9,000,000 Tsh and above 10,000,000.

Furthermore, the amount of sales from business for non-beneficiaries show that 26.2% of respondents sells between 100,000-300,000 Tsh, and (20.8%) sells amount of 900,000-2,000,000 Tsh while (15.6%) sells 600,000-900,000 Tsh and (3.4%) of respondents were sells between 2,000,000-5,000,000 Tsh, 1.9% sells 5,00,000-9,000,000 Tsh and (1%) were selling above 10,000,000 Tsh per year. The results implies that YDF beneficiaries reported to increase their sells amount that non-beneficiary, hence it proven that YDF has improved sells amount among beneficiaries, hence it is important factor to improve business activities to the youth groups for socio-economic development.

The findings were supported by one of the beneficiaries who explained that; *“I have been operating my business relying on my relatives contribution for more than five years now. Due to low income obtained. But now I can support myself. I live in a rented house and am able to pay rent at the end of each month from my shop business, annual sales level has raised since I joined YDF* (Mr. Kilimba Kericho 20/3/2021 at mission hamlet in Kagera Ward).

Table 1: Annual amount of sales from business among beneficiaries and non-beneficiaries(n=230)

Amount of sales	Frequency		Percentage	
	Beneficiary	Non-beneficiary	Beneficiary	Non-beneficiary
100,000-300,000 Tsh	13	34	11.3	29.5
300,000-600,000 Tsh	13	31	11.3	26.9
600,000-900,000	21	18	18.2	15.6
900,000-2,000,000	31	24	26.9	20.8
2,000,000-5,000,000	23	4	20.0	3.4
5,00,000-9,000,000	11	3	9.5	1.9
10,000,000+	3	1	2.6	1
Total	115	115	100	100

4.3.2 Amount of profit obtained from business owned by YDF beneficiaries and non-beneficiaries

The Findings in Table 5 indicate that the majority of beneficiaries were obtained profit between 900,000-2,000,000 Tsh (40.0%), while majority of non-beneficiaries by 32.1% obtained profit between 600,000-900,000 Tsh. This implies that the more profit was identified among beneficiaries and less profit was noted among non-beneficiaries, hence it can be argued that YDF has increased profit from business owned by beneficiaries compared to non-beneficiaries. Furthermore, the profit for beneficiaries revealed that (35.6%) of respondents obtain profit between 2,000,000-5,000,000 Tsh and (21.7%) received 5,00,000-9,000,000 Tsh while (9.5%) received a total of 600,000-900,000 Tsh as a profit.

Nevertheless, the findings among non- beneficiaries shows that the profit obtained were classified as follows, (29.7%) received between 900,000-2,000,000 Tsh as profit, while (10.4%) indicated that there were generating 100,000-300,000 Tsh and few by 9.5% were received 300,000-600,000 Tsh. Furthermore (6.9%) and (3.4%) were generating 5,00,000-9,000,000 Tsh and 2,000,000-5,000,000 Tsh corresponding. Generally, the data from two comparison groups indicated that beneficiaries under YDF reported to generate more profit that non-beneficiaries, hence the YDF had helped to increase profit among youth in the society.

Table 2: Annual Amount of profit obtained from business owned by YDF beneficiaries and non-beneficiaries(n=230)

Amount of sales	Frequency		Percentage	
	Beneficiaries	Non-beneficiaries	Beneficiaries	Non-beneficiaries
100,000-300,000 Tsh	0	12	00	10.4
300,000-600,000 Tsh	0	11	00	9.5
600,000-900,000 Tsh	11	37	9.5	32.1
900,000-2,000,000 Tsh	46	34	40.0	29.5
2,000,000-5,000,000 Tsh	41	4	35.6	3.4
5,00,000-9,000,000 Tsh	25	8	21.7	6.9
Above 10,000,000	1	0	1	00
Total	115	115	100	100

4.3.3 Average number of people employed from business owned by YDF beneficiaries and non-beneficiaries

The findings as presented in Table 6 presents that average number of employees, employed by YDF non-beneficiaries was significantly small than number of employees, employed by YDF beneficiaries ($t = 1.456 < 0.000$). While average number of employments created by non-beneficiaries was 112 employees while, the corresponding average number of people employed by YDF beneficiaries was 215 employees. This implies that average numbers of employees, employed from business owned by YDF beneficiaries is significantly higher than average number of employees employed by non-beneficiaries. Therefore, it can be concluded that average number of people employed by YDF beneficiaries had significantly higher than number of people employed by non-beneficiaries.

Table 3: Paired Samples T-Test Comparing Average number of people employed by YDF beneficiaries and non-beneficiaries(n=230)

Variable	N	Mean	SD
Number of employees, employed by YDF beneficiaries	115	215.02	3.002
Number of employees, employed by non- beneficiaries	115	112.00	.434

t- value = 1.456, Significance = 0.000

4.3.4 Number of business firms owned by YDF beneficiaries and non-beneficiaries

The findings revealed that there was a movement of youths from one to more business after receiving YDF. Access to funds from YDF also allowed youths to be able to expand their businesses. This was especially true for youths who had lacked sufficient income to expand their business and made it possible soon after getting funds from YDF. About 201 (87.4%) out of the 230 youths interviewed said they had been able to expand their businesses from owning one business to more than one after receiving funds from YDF, as shown in table 7. However, more businesses meant an increase in income generation.

Table 4: Number of business firms owned by YDF beneficiaries and non-beneficiaries(n=230)

Category	Non-beneficiaries		Beneficiaries	
	Frequency	Percentage	Frequency	Percentage
One	14	12.4	14	12.4
Two	32	27.8	94	81.8
Three	0	0.0	5	4.3
Four	0	0.0	2	1.3

4.3.5 Asset ownership

The findings in Table 8 indicate that assets ownership was different from YDF beneficiaries and non-beneficiaries, the results shown that majority of beneficiaries by 52.0% purchased Tv set which have been purchased from income generated from business supported by YDF, while (37.1%) owned house, (32.3%) sofa set and (31.0%) owned Land, (23.6%) table and chairs while (21.0%) owned Livestock and (3.9%) owned engine boat. Furthermore, the findings among non-beneficiaries the findings indicated that (29.5%) of non-beneficiaries owned land, (22.1%) owned Sofa set while (10.3%) owned livestock and (9.5%) engine boat and (6.9%) owned house, table and chairs. This implies that the beneficiaries were reported to have more assets than non-beneficiaries.

Table 5: Number of assets owned by YDF beneficiaries and non-beneficiaries(n=230)

Amount of sales	Frequency		Percentage	
	Beneficiaries	Non-beneficiaries	Beneficiaries	Non-beneficiaries
Engine boat	4	11	3.9	9.5
Sofa set	37	27	32.3	22.1
Land	36	34	31.0	29.5
Tv set	60	4	52.0	3.4
House	43	8	37.1	6.9
Livestock	24	10	21.0	10.3
Tabel and chairs	27	8	23.6	6.9

Furthermore; weights (effectively defined by factor scores) for each asset were computed separately for each asset and each youth using Principal Component Analysis (PCA). The factor scores were generated on the 8 asset items. Other assets were excluded from the list because they had minimal variation. The results are presented in Table 9.

Table 6: Factor Score (weights) of Selected Possessed Assets for only YDF beneficiaries n = (115)

Asset	Frequency	Percent	Weight of the asset of PCA
Engine boat	4	3.9	0.942
Sofa set	37	32.3	0.974
Land	36	31.0	0.983
Tv set	60	52.0	0.972
House	43	37.1	0.369
Livestock	24	21.0	0.983
Tabel and chairs	27	23.6	0.22

The analysis indicates that most youth access YDF at least owned a TV set, sofa set, House, land, livestock, tables, and chairs. Further analysis of factor scores reveals that table receives a very low weight (48.6) since almost all households have some. This means that having a table does not imply that you could use it as a collateral asset to obtain a loan since it was little to increase one's wealth index score compared to a respondent who does not have a table in the household. However, livestock (61.3), land (61.7) and sofer set (61.7) also weighted to obtain loan. In sharp contrast, having an engine boat (64.9) television (62.1) and was weighted more heavily to obtain loans.

To compare what youth access YDF has in the study area, the assets used to construct the wealth index were tabulated according to the quintile of the wealth distribution. The percentages of the respondent that had these assets by quintile are shown in Table 10.

Table 7: Percentage Distribution of Youth Possessing Each Selected Asset by Quintile of Wealth Index (n=230)

Asset	Quintile (percent)				
	No loan from YDF	MFI and	No loan from YDF	Loan from MFI	Loan from YDF
Sofa set	0		2.8	35.5	61.7
Table/hairs	16.2		24.0	11.2	48.6
House	6.5		22.9	19.4	51.2
Tv set	0.0		2.9	0.35	62.1
Livestock	0.0		3.5	35.2	61.3
Engine boat	0.0		3.0	32.1	64.9
Land	0.0		2.8	35.5	61.7

The analysis shows that most youth-owned livestock, television, land, house, sofa set, and engine boat are mostly owned by youth accessed loans in the study area. It is worth noting that the youth who had not access to loan in the study area was not found to own engine boat, land, house, or livestock. Surprisingly, whether the youth was found within the poorest or wealthiest quintiles, they had houses, and few had tables and chairs. Further analysis revealed that the availability of assets to youth's households influences production and marketing decisions to their business performance (Stroebe, 2004). That is, the youth who own assets are more likely to access loans or credits from a wide range of financial institutions than those who lack assets.

Access to funds from YDF helped most youths to expand their businesses with the money they had received. It shows that at least every youth who access the YDF fund can own assets. All respondents said that at least owned one asset, including land, engine boat, home utensils, livestock, sofa set and TV set which helps to increase the chances of getting loans from other Microfinance Institutions (MFI). The findings shows that those who accessed loan from YDF and other MFI fund at least owned some asset rather than who had not any loan. Therefore, more youths now had assets that can be used as collateral to access more money for their business expansion from other MFI.

The further analysis illustrates the position held by most respondents who said YDF had availed a platform for them to access resources from other financial institutions and, therefore, empower them. However, individual youth engagement in business performance gave them the ability to access more resources from other MFI, SACCOS, VICOBA, and private lenders were contributed by active group bank accounts with financial stability that enabled

them to borrow more loans. The group acted as lenders to its members, thus earning from the interest of the loan. Also, the consistencies of earnings from individual youths become an asset for money borrowing.

Conclusions

The study identified all employment opportunities created by youths as critical determinants of effective business performance with positive relationship and generating profit from business performance except for assets ownership, increased in capital, increased in income, and business expansion as they had a negative relationship with dependent variable effects of YDF on business performance. Conclusively, the employment created and income generated (through sales) from additional business performance started by youth in Ukerewe District with the support of divided funds among members from part of YDF has helped members meet their household needs.

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