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FACULTY OF ARTS AND SOCIAL SCIENCES DEPARTMENT OF SOCIAL SCIENCES AND DEVELOPMENT STUDIES

ENTREPRENEURIAL ENGAGEMENT AND YOUTH ECONOMIC EMPOWERMENT IN SELECTED INFORMAL SETTLEMENTS, NAIROBI CITY COUNTY, KENYA

TIMOTHY OSIRU OKATTA

REG NO: 1060322

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NAIROBI, KENYA

SEPTEMBER 2026

DECLARATION

DECLARATION

This research dissertation report is my original work. It has not been presented in any other University or institution of higher learning for any academic credit. All works sourced from other scholars and sources have been duly cited and acknowledged in this document.

Name: Timothy Osiru Okatta

Reg No: 1060322

Sign: _____ Date: 08/09/2026

RECOMMENDATION BY THE SUPERVISORS

This research dissertation report is submitted for examination with our approval as the duly appointed university supervisors.

1st Supervisor: Dr. Violet Simiyu

Sign: _____ Date: 14/9/2026

2nd Supervisor: Dr. James Sankale

Sign: _____ Date: 24:09:2026

ENDORSED BY

Head of Department, Social Sciences & Development Studies

This work was accomplished under the auspices of the department and has passed all the required stages with the approval of the Directorate of Research, Innovation and Graduate Training.

Name: Dr. Mary Mutisya

Signed ..... Stamp of the Office .....

THE CATHOLIC UNIVERSITY OF EASTERN AFRICA
HEAD OF DEPARTMENT
14 SEP 2026
P.O. Box 62157 - 00200, NAIROBI

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DEDICATION

I dedicate this work to my parents Jackton Okatta Osiru and Rhoda Atemo Okatta, family and the youth of Kenya who inspire me to serve with utmost commitment to achieve holistic development and transformation among the Kenyan youth.

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ABBREVIATIONS

AFIDEP - African Institute for Development Policy

AGPO- Access to Government Procurement Opportunities

ILO – International Labour Organization

JKIA – Jomo Kenyatta International Airport

KNBS – Kenya National Bureau of Statistics

MSMEs – Micro Small Medium Enterprises

NCC – Nairobi City County

NEET – Not in employment, education, or training

NGO – Non-Governmental Organization

NSIP- National Social Investment Program

NYOTA – National Youth Opportunities Towards Advancement

RBV- Resource-Based View

UK – United Kingdom

US - United States

YEA - Youth Employment Agency

YEDF- Youth Enterprise Development Fund

YESP - Youth Employment Support Project

ABSTRACT

Youth economic empowerment has gained global attention due to the persistent marginalization of young people, particularly in low- and middle-income countries. In Nairobi City County, youths in informal settlements face high unemployment, limited entrepreneurial opportunities, weak infrastructure, and exclusion from formal economic systems. Although entrepreneurship is promoted as a pathway to self-employment, access to critical enablers training, mentorship, supportive policies, and social networks remains constrained. This study targeted 10,000 youths aged 18–35 years and examined how entrepreneurial skills, government policies, mentorship, and social networks influence economic empowerment. Grounded in Human Capital Theory and Empowerment Theory, a cross-sectional convergent mixed-methods design was used, combining survey data from 339 youths with six key informant interviews across four settlements. Quantitative data were analyzed using regression models, while qualitative data were thematically analyzed. Findings indicate that entrepreneurial skills are the strongest predictor of economic empowerment ($B = 0.576$, $\beta = .471$, $p < .001$; $R^2 = .221$), remaining significant in multivariate analysis ($\beta = .293$, $p < .001$). However, skills acquisition is largely informal and experiential, producing a "skills paradox" in which high practical competence coexists with limited managerial and financial capacity to sustain enterprises. Qualitative findings attribute this gap to structural failures in the formal skills development ecosystem, including limited access to training and education disparities among youth. Mentorship also has a significant positive effect ($B = .293$, $\beta = .233$, $p < .001$), with mentored youth reporting higher empowerment ($M = 3.34$, $SD = 0.455$) than non-mentored peers ($M = 2.86$, $SD = 0.642$; $t = 7.963$, $p < .001$). However, low participation rates indicate a critical supply gap. Government policy support is statistically significant ($\beta = .149$, $p = .003$), but its effectiveness is undermined by implementation challenges such as bureaucratic barriers, corruption, and limited accessibility for marginalized youth. Social networks emerge as the second-strongest predictor of economic empowerment ($\beta = .209$, $p < .001$; $R^2 = .171$), with a strong positive correlation with entrepreneurial skills ($r = .501$). These networks primarily operate through informal peer-based mechanisms that provide information sharing, emotional support, and market linkages, but lack the institutional capacity needed for sustained economic advancement. The study concludes that youth economic empowerment is structurally constrained and requires integrated, system-level interventions that strengthen formal skills development, expand mentorship access, improve policy delivery mechanisms, and support the institutionalization of social networks for sustainable outcomes.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter introduces the study on entrepreneurial engagement and youth economic empowerment in selected informal settlements in Nairobi City County, Kenya. It establishes the context within which youth engage in entrepreneurship as a potential pathway to income generation, economic participation, self-reliance, and improved livelihoods, while recognising the socioeconomic and structural conditions that shape their opportunities and outcomes. The chapter provides a comprehensive foundation for the study by presenting the background to the research problem and demonstrating the rationale for examining how entrepreneurial engagement contributes to youth economic empowerment within informal settlement contexts. It further presents the statement of the problem, purpose of the study, objectives, research questions, justification, significance, scope and limitations, assumptions, theoretical and conceptual frameworks, and operational definitions of key terms. Collectively, these components establish the basis for examining the factors influencing entrepreneurial engagement and the extent to which such engagement translates into meaningful and sustainable economic empowerment among youth in selected informal settlements in Nairobi City County.

1.1 Background to the study

Youth economic empowerment has become a major global development concern because young people constitute a significant proportion of the population yet continue to experience unemployment, underemployment, and limited access to productive economic opportunities. In 2023, approximately 13% of the global youth labour force remained unemployed, while nearly one-fifth of young people were not in employment, education or training (ILO, 2024).

These challenges are evident in both developed and developing economies, demonstrating that youth economic exclusion extends beyond unemployment to include insecure employment, limited income, inadequate social protection and restricted opportunities for economic advancement (Bell & Blanchflower, 2023; Office for National Statistics, 2024; Zhou & Wang, 2023).

Youth entrepreneurship is increasingly being promoted as a pathway towards addressing these challenges through employment creation, income generation and increased economic participation (World Bank, 2023; Otieno, 2021; Trbic, 2022). However, it is important to mention that entrepreneurship alone does not guarantee economic empowerment. The capacity of young people to establish, manage and grow enterprises is influenced by several interconnected factors, particularly entrepreneurial skills, mentorship, supportive policies and social networks. Entrepreneurial skills equip young people with competencies in business planning, financial management, marketing, innovation and opportunity identification. Mentorship provides access to guidance, experience, information and practical support, while appropriate policies can facilitate access to finance, markets, training and regulatory support. Social networks, on the other hand, can connect young entrepreneurs to customers, suppliers, financiers, mentors and other business opportunities.

These factors are particularly important in Sub-Saharan Africa, where young people constitute more than 60% of the population while formal economies continue to generate insufficient employment opportunities (Adeodun, 2024; World Bank, 2023). Although countries such as Uganda, Zambia and Nigeria report high levels of youth entrepreneurship (GEM, 2015), much of this activity remains informal, small-scale and characterised by limited productivity and earnings (Chigunta, 2007). Limited access to finance, business development services, mentorship,

markets and formal business networks continues to constrain enterprise growth (Anyanwu, 2023; Bricknell & Kertay, 2024; Morris et al., 2020). This study therefore considers entrepreneurial skills, mentorship, policy support and social networks as important enabling conditions through which entrepreneurial participation may translate into meaningful economic empowerment.

In Kenya, the government has introduced initiatives such as the Youth Enterprise Development Fund, Ajira Digital Programme and Kenya Vision 2030 to promote youth employment and entrepreneurship. Nevertheless, youth unemployment and informal employment remain significant concerns, with approximately 89% of Kenyan youth engaged in the informal sector (The Star, 2024). Limited access to credit, inadequate awareness and stringent lending conditions have constrained young people's utilization of enterprise support programmes (Wanjala, 2015; Wanjohi, 2011). These challenges suggest that the availability of government programmes alone is insufficient. The effectiveness of youth entrepreneurship interventions is also depending on whether young people possess the skills required to operate enterprises, receive adequate mentorship, benefit from supportive policies and have social networks that connect them to relevant economic opportunities.

The situation is particularly significant among youth living in Nairobi's informal settlements, where socioeconomic disadvantage is intersecting with limited financial literacy, infrastructure, mobility and access to economic opportunities (Kimathi & Wamalwa, 2023). In such settings, social networks can provide important sources of business information, customers, suppliers and informal financial support, while mentorship can strengthen entrepreneurial knowledge and confidence. Similarly, effective policies can reduce institutional barriers and improve access to enterprise support. The researcher therefore views youth entrepreneurship

within informal settlements as an interaction between individual capabilities and the socioeconomic environment in which young people are operating.

Despite growing research on youth entrepreneurship and economic empowerment, an important gap remains. Much of the existing literature focuses on unemployment, government programmes and access to finance, while limited attention is being given to the combined influence of entrepreneurial skills, mentorship, policy and social networks on youth economic empowerment, particularly among marginalised youth in informal settlements. Existing studies also provide limited understanding of how these factors interact to determine whether entrepreneurial engagement produces sustainable economic outcomes.

The present study therefore examines youth entrepreneurship and economic empowerment among marginalised youth in Nairobi's informal settlements, with particular attention to entrepreneurial skills, mentorship, policy and social networks as key factors influencing entrepreneurial engagement and economic outcomes. The study conceptualizes economic empowerment beyond employment or income generation to include access to productive opportunities, sustainable livelihoods, financial capability, resource control and enhanced economic agency. By centering the experiences of marginalised youth, the study sought to establish how entrepreneurial skills, mentorship, policy and social networks are shaping the capacity of young people to translate entrepreneurship into meaningful and sustainable economic empowerment.

1.2 Statement of the Problem

Youth unemployment, poverty and economic exclusion remain major challenges in Kenya, particularly among young people living in informal settlements. Although entrepreneurship is promoted as a pathway to youth economic empowerment, persistent unemployment and economic

inactivity suggest that existing entrepreneurship interventions are not sufficiently translating into sustainable livelihoods. Approximately 17% of Kenyan youth aged 15–34 years are not in employment, education or training (NEET), while poverty continues to affect a substantial proportion of the population. At the enterprise level, evidence also indicates significant challenges in business survival and performance, raising an important question: what is not working in the pathway from youth entrepreneurship to sustainable economic empowerment? In Nairobi City County's informal settlements, young entrepreneurs operate within conditions characterised by limited resources, inadequate infrastructure, restricted market access, weak institutional support and poverty. While studies identify entrepreneurial skills, government policy, mentorship and social networks as important to entrepreneurship, limited evidence explains how these factors collectively influence youth economic empowerment within this specific context. The empirical gap is therefore the limited context-specific evidence on the combined contribution of the four factors. The methodological gap is the limited use of approaches that capture both measurable relationships and the contextual experiences of youth in informal settlements. The practical gap is the continued disconnect between entrepreneurship programmes and sustainable youth economic outcomes, despite investments in training and support. The theoretical gap is that Human Capital Theory explains the importance of skills but gives limited attention to how skills interact with policy, mentorship and social networks in resource-constrained environments.

The problem is particularly relevant to social work because youth unemployment is not only an economic issue but also a social problem associated with poverty, exclusion, limited opportunities and weak access to support systems. Social workers have a role in addressing both individual capabilities and structural barriers through empowerment, advocacy, social support, networking and policy engagement. Understanding how entrepreneurial skills, government policy,

entrepreneurial mentorship and social networks influence economic empowerment can therefore strengthen social work interventions targeting vulnerable youth.

Therefore, the study sought to examine the influence of entrepreneurial skills, government policy, entrepreneurial mentorship and social networks on economic empowerment among youth in the informal settlements of Nairobi City County, Kenya, generating evidence to strengthen socially responsive youth entrepreneurship interventions and policy.

1.3 Objectives of the Study

The main purpose of this study was to examine the influence of entrepreneurial engagement on youth economic empowerment in selected informal settlements of Nairobi City County, Kenya, while the specific objectives were;

1. To assess the influence of entrepreneurial skills on economic empowerment among youth in selected informal settlements of Nairobi City County, Kenya.
2. To examine the contribution of entrepreneurial mentorship to economic empowerment among youth in selected informal settlements of Nairobi City County, Kenya.
3. To analyze the effectiveness of government policy in promoting economic empowerment among youth in selected informal settlements of Nairobi City County, Kenya.
4. To evaluate the role of social networks in enhancing economic empowerment among youth in selected informal settlements of Nairobi City County, Kenya.

1.4 Research Questions

1. What is the impact of entrepreneurial skills on economic empowerment among youth in selected informal settlements of Nairobi City County, Kenya?
2. What effect does entrepreneurial mentorship have on the economic empowerment of youth in selected informal settlements of Nairobi City County, Kenya?
3. How does government policy shape economic empowerment among youth in selected informal settlements of Nairobi City County, Kenya?
4. In what ways do social networks contribute to the economic empowerment of youth in selected informal settlements of Nairobi City County, Kenya?

1.5 Justification of the Study

This research work is justified by both policy and academic reasons and it is relevant to the social work sphere. It tries to look at how the entrepreneurial engagement and the youth economic empowerment comes together in the informal settlements of the spaces of Nairobi City County that are mostly ridden by chronic poverty, joblessness and social marginalization. Considering some of the youth-targeted efforts employed by the Kenyan government, which include the Kenya Youth Development Policy (2019), the National Employment Authority Act (2016), the Youth Enterprise Development Fund (YEDF), the National Youth Opportunities Towards Advancement initiatives (NYOTA) and the Ajira Digital Program, youths in Informal Urban settlements continue to be some of the most economically deprived. A study by AFIDEP found that youth unemployment in Kenya is substantially higher than the national average about 17.7 % of young people are unemployed compared with a national unemployment rate of 7.4 % (Ouma, 2021).

Many of those employed are relegated to the informal “Jua Kali” sector a common pattern for urban youth where work is often insecure, low-paying, and unprotected. The structural inertia has not been properly dealt with in these programs which include poor access to capital, lack of training, mentorship system, and the inefficiency of institutions (Makanga, 2022).

Under an ideal situation where one could not be limited by these factors, the informal settlement youths would be flourishing in an environment that provided equal access to the resources of the entrepreneurship, training opportunities, and favorable policies (Dolon and Rajak, 2018). They would feel competent to be self-employed and create enterprise that will not only serve their own financial interest, but also the development of their community and reduction of poverty. This would form avenues of social ascent, innovation and inclusive economic development particularly in the underequipped urban contexts. The possibilities of young people in these colonies are limitless and with full explosion of youthful energy, the scope of social and economic reform is high-potential (Ahmed et. al, 2025). There is a huge gap between the policy design and actual life experience of the young people in the informal sector. Most of the current initiatives resemble formal business contexts and tend not to support the needs of people working in informal economies where precariousness, a lack of financial literacy, and systematic marginalization are prevalent (Izugbara et al., 2020). Academically, although the debate about youth entrepreneurship is growing, there is not much research in literature on the dynamics of entrepreneurship in the context of the urban informal settlements, more so framed within the youth-based and micro-level scope. The majority of theoretical perspectives like the Human Capital Theory have failed to explain sufficiently the institutional and social impediments, which youths in marginalized communities’ encounter.

This study sought to address these gaps as it has provided a realistic, empirical examination on the effects of the current policy towards youth entrepreneurship in informal settlements. It has equally examined the structural opportunities and obstacles to entrepreneurial activities amongst the marginalized youths, and in this case because of the broader perspective required, it has made use of the Empowerment Theory and the Human Capital Theory. Through combining these understandings, the research recommends educating the drafting of more accommodative, realistic, and circumstantial policy frameworks that resonate with the daily experiences of the young people living in informal urban environments (Zeadat and Haddad, 2024).

Importantly, this study also contributes meaningfully to the social work profession, which is deeply committed to promoting social justice, economic empowerment, and human dignity particularly among marginalized and vulnerable populations. Social workers are often at the forefront of community development, youth empowerment, and policy advocacy (Chang, 2022). This research provides critical knowledge on social work programming to improve youth opportunities, self-reliance, and dismantling systemic blocks to opportunity. The study highlights constraints from the structural environment to youth entrepreneurship and offers evidence that should strengthen social work in its mandate to bring inclusive development and sustainable social change about macro-and structural-condition issues that inhibit youth economic engagement. Thus, this research advances academic discourse and policy development. However, it also prepares social workers, policymakers, and community practitioners to design and implement more responsive and empowering programs for marginalized youth in urban informal settlements.

1.6 Significance of the Study

First, the study contributes to an understanding of how entrepreneurial engagement may constitute a viable pathway for marginalized youth within the informal settlements of Nairobi City County to derive themselves from the vicious cycle of poverty. By analyzing structural barriers that prevent youth from engaging fully in entrepreneurship, the research provides evidence-based insights that can steer the design of intervention approaches specifically catering to this target demographic. Confronting such obstacles would lead to the economic independence of these youth in addition to reducing youth unemployment and alleviating the socio-economic problems associated with it such as depression, crime, drug abuse, and unrest.

And secondly, it helps foster self-reliance, create innovation and resilience within the lives of marginalized youth. Entrepreneurship exposes youth to the opportunity of using their very own talents, skills, and innovations in creating self-sustaining livelihoods. This research identifies the gaps that exist in entrepreneurial engagement especially related to training, financing, social networks and mentorship so as to support targeted support systems that enable youth access the necessary resources and capabilities to thrive at business. This results to enhanced individual well-being and stronger local economies while enhancing inclusive economic development within informal settlements.

Thirdly, the outcome of this research represents the impact of youth entrepreneurship from the perspectives of vital stakeholders like legislation assemblers, community leaders, civil society organizations, and private sector actors. The argument for collaborative action involving multi-sectoral collaboration is furthered so that youth-led enterprises can enjoy enabling contexts. From

such platforms, most probably, youth entrepreneurship hubs, innovation centers, and business incubators would be created for continuous mentorship and exposure to networking opportunities and provision of funds for young, aspiring entrepreneurs operating in informal contexts.

Fourth, the study has provided a much wider contribution to social transformation by challenging and changing the general public's perception of the youth in informal settlements. Instead of being perceived as passive beneficiaries or victims of structural inequality, this youth is portrayed by research as active economic change agents driving change in their communities. Empowered with entrepreneurial skills and resources, they can transform from economic dependency to self-sufficiency reducing reliance on unsustainable livelihood strategies, social welfare, or humanitarian assistance.

It lays a basis to nurture entrepreneurship and economic empowerment for future academic research and policy levels. And it is through joining the existing body of knowledge that we set the way for further studies in the area of entrepreneurship cooperation, poverty alleviation, urban marginalization, and sustainable development. This enhances the understanding of contextual realities surrounding youth entrepreneurship in informal urban settings for researchers, practitioners, and development partners.

Very importantly, this study also concerns the profession of social work, devoted to social justice, human rights, and empowerment at the community level. Social workers serve a vital link in bringing disadvantaged groups out of their user-generated and self-imposed obstacles to optimally fulfilling their human potential. It informs practice in related areas of youth development, economic inclusion, and community-based interventions. Part of the work highlights structural and institutional impediments to youth entrepreneurship, informing social work

advocacy strategies, an approach to policy engagement, and program design. In doing so, it reiterates the need for asset-based, empowerment-focused models of practice that can view youth, not as problems that need fixing, but as potential agents of change within their communities.

In the end, the study aligns with and contributes to the realization of national development priorities, including Kenya's Vision 2030 and the Sustainable Development Goals (SDGs), with specific emphasis on Goal 1 (No Poverty) and Goal 8 (Decent Work and Economic Growth). The study findings create avenues for the enhancement of youth entrepreneurial participation as a contribution to an inclusive, fair, and resilient economy. It locates marginalized youth at the center of national development, thus participating in fostering sustainable development in informal settlements in Nairobi City County and beyond.

1.7 Scope and Delimitations of the Study

The study explored the influence of entrepreneurial engagement of young people in marginalised settings who live in selected informal settlements in Nairobi City County in Kenya on economic empowerment. The analysis focused on the constituency at the age between 18 and 35 years, which face critical socio-economic issues of high unemployment rates, restricted access to education, and failure to access capital. Since the need to ease youth unemployment through entrepreneurship has been well identified, this study highlights how the elements of entrepreneurial skills, government policy, social networks, and the offer of entrepreneurial mentorship to the youths can enhance their economic empowerment along the informal settlements studied.

The study was restricted to informal settlements located in Nairobi City County in terms of geographical scope since the latter houses a substantial percentage of urban poverty in Kenya. Such settlements as Kibera, Mathare, Mukuru, Kangemi among others which are characterized by poor infrastructure, as well as systematic socio-economic marginalization. The context enables an

environment in which entrepreneurship, with well-informed support, has the potential of providing viable avenues towards the empowerment of the youth. The study consequently evaluates the level to which the youth in these regions can access entrepreneurial opportunities in the areas and how the existing economic and policy variables support or hinder their involvement in entrepreneurship ventures.

The current study was based on four main dimensions including: 1) evaluation of entrepreneurial skills among the young people in the informal settlements of Nairobi City County by establishing the extent of entrepreneurial capabilities possessed by the youth; 2) examination of the effectiveness of government policies on youth economic empowerment in the selected informal settlement; 3) ascertaining whether youth entrepreneurs utilize their social networks in entrepreneurial ventures to achieve economic empowerment; and 4) determination of whether youths in the selected informal settlements in Nairobi City County are involving themselves in entrepreneurial mentorship in the pursuit of economic empowerment.

In examining Nairobi City County critically, this study undertook exploratory research into some of the informal settlements in the area as sites of entrepreneurial activities. Because the factors that affect socioeconomics in these environments are quite dissimilar, the research focused on areas that were purposely non-rural and formal cities. Furthermore, the analysis evaluated entrepreneurship as a possible means of economic emancipation while recognizing that there are other paths of economic empowerment, including wage jobs or skills training as a progression method, which are beyond the borders of the study. Such a delineation can even support the production of findings that will in effect be focused upon and yet policy-relevant, hence making a meaningful contribution to ongoing debates on youth economic empowerment based on the concept of entrepreneurship.

Methodologically, this study was confined to the informal settlements in Nairobi City County and the youthful population who served as the reference point. This narrow geographical focus allowed for deep analytical research into the peculiarities of socio-economic challenges and opportunities confronting the youths in marginalized metropolitan environments. The study revolved around entrepreneurship as the escape route from economic disempowerment, deliberately avoiding examination of interventions like formal employment or vocational training programmes. The years of study running from 2010 to 2024 are among the new policy issues and historical events. Policy and institutional structures that impact youth entrepreneurship are compared, but no comparison is made with either rural young people or other cities; such analytical limitation ensures specificity and action-edged exploration of informal settlements of Nairobi City County.

1.9 Conceptual framework

A conceptual framework expounds on the interrelationship that exists among the variables of a study through a graph (Swaen & George, 2024). In this research, the independent variable was entrepreneurial engagement with the major variables of the study being entrepreneurial skills, government policy, social network and entrepreneurial mentorship. The dependent variable is economic empowerment of youth in informal settlement. These relationships are laid out in the conceptual framework as shown below:

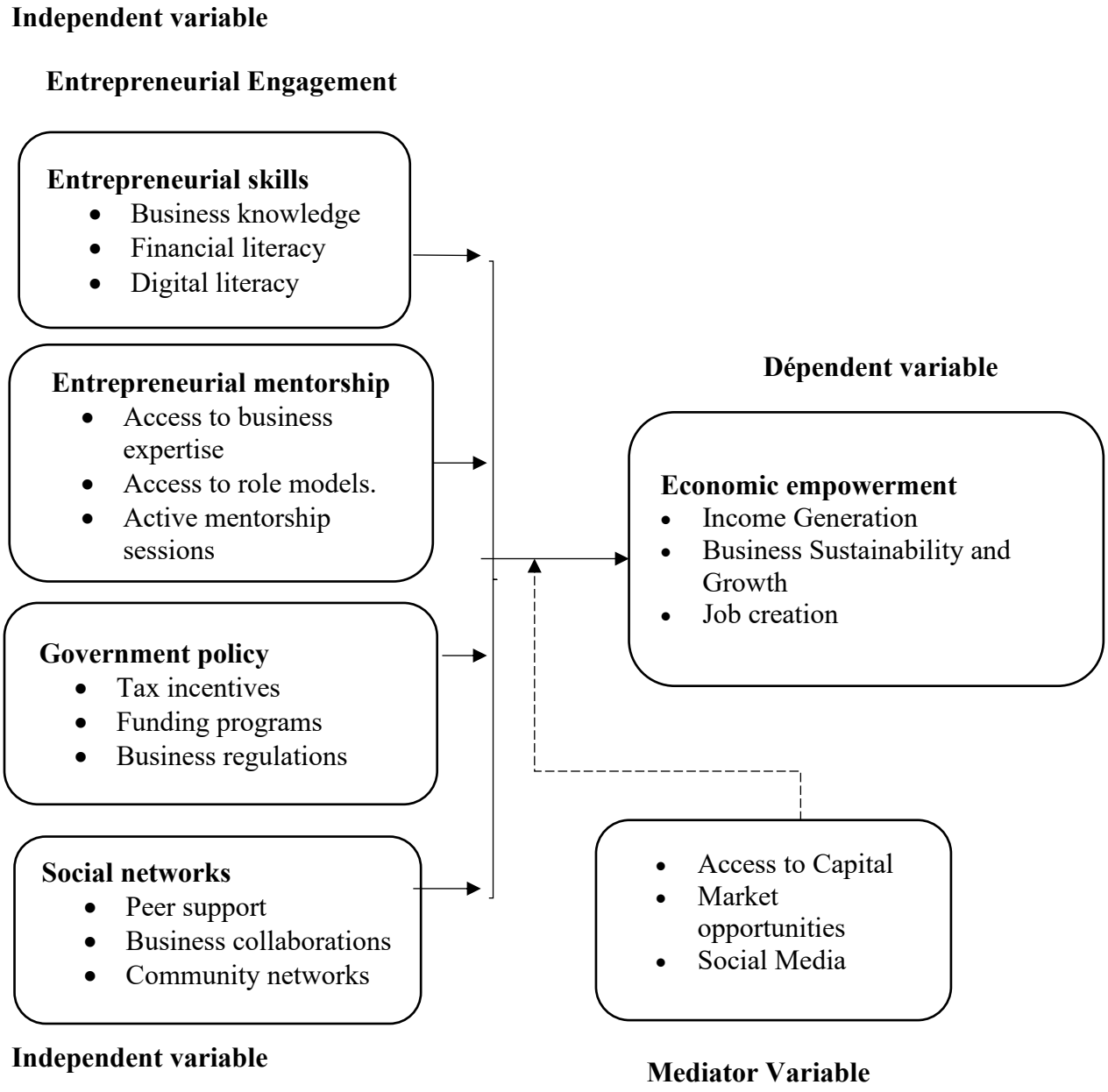


Figure 1.1 Conceptual Framework

Entrepreneurial engagement

In this study entrepreneurial engagement was the independent variable which was determined to gain insight on its effects on the economic empowerment of the youths who live in the informal settlement areas of the Nairobi City County. The construct refers to how the youths

are engaged in entrepreneurial activities that include running of small businesses, self-employment as well as involvement in informal enterprises (Khamis, 2021). Engagement varies between the side hustles and full-time endeavors and is mediated by availability of essential resources, training, capital and mentorship, and, personal motivation.

The study put forward the hypothesis that the greater the support to the youth in informal settlements, the increased engagement in entrepreneurship, the better the results yield, in terms of income, financial liberality, generation of jobs, and decreased dependence on precarious livelihoods. Underdeveloped economies have led to informal settlements whose residents lack well-paying formal employment opportunities; entrepreneurship thus becomes an essential survival coping mechanism in such settings (Chamboko, 2022). Measuring this variable, this study aimed to place emphasis on the importance of self-employment by contributing to the reduction of poverty and social mobility. Finally, the results are critical in guiding the policy making process, the development programmes, and the development of interventions that will enable the capacity building of the youth, development of resilience and community change through the efforts of the social work professionals.

Specific independent variables

Entrepreneurial skills - These are competencies that help youth discover business opportunities and manage their ventures systematically to make informed decisions on strategic levels. Skills are significant to empower a youth living in informal settlements face the odds of self-employment and obtain his or her chances to business success, thereby improving his or her economic situation afterward (Daniel & Almeida, 2020).

Government policy – These are supportive measures such as youth enterprise funds, tax incentives, and simplified business registration procedures, can foster an environment conducive to youth engagement in entrepreneurship (Lewis and Massey, 2018). Contrarily, restrictive policies or those poorly implemented may hinder businesses and impede entrepreneurial endeavors.

Social networks - These networks include peers, families, and community and business members who can provide informal assistance in terms of information exchange, market access, and financial backing (Andoh, 2024). Healthy social affiliations work as barriers to isolation and enhance the resilience of youth entrepreneurship hence achieving economic empowerment.

Entrepreneurial mentorship - Mentorship is the process in which guidance or help is given to the mentee by someone who is aged and experienced. Thus, mentoring will aid the youth in making informed choices, giving their self-confidence, in addition to helping them to avoid some of the most common pitfalls associated with entrepreneurship (Yani et. al, 2024). Thus, through mentorship, the youth are put in a much better position to sustain strength, and grow their businesses, which leads to more empowerment.

Dependent variable

Economic Empowerment

Economic empowerment is the outcome of the various types of entrepreneurial activities open to youth in Nairobi City County's informal settlements, hence the focus of this study as the dependent variable. Economic empowerment is where the youth can take charge of their well-being by increasing cash income and getting productive assets, decision-making powers, and enhanced access to economic opportunities for them (Ibrahim, et al. 2023). The power to transition from

economic vulnerability and dependence to self-reliance and financial independence. Characterized by poverty and unemployment and lack of access to any resources, for the youth in these informal settlements, economic empowerment is thus an important indicator of the improvement of their well-being, a well-being which is reflected in their ability to build sustainable incomes for themselves through engaging in business activities, saving, or improving their businesses in areas where they cover their own or their families' needs while also taking advantage of financial opportunities. The process of entrepreneurial engagement can be seen as one of the main mechanisms enabling this transition that offers new opportunities to finding a job, innovation, creating wealth (Mitra et. al, 2020). With entrepreneurship empowerment, the youths raise their livelihood standards, achieve improved services, and improved community development.

1.10 Operational definition of terms

Entrepreneurial Engagement - refers to the proactive involvement of the youth in fostering innovation, identifying new business opportunities, encouraging intrapreneurship (internal entrepreneurship), and building strategic partnerships with external entrepreneurs or startups.

Economic empowerment – it's the process of equipping the youth with the tools, skills, resources, and opportunities they need to improve their economic well-being, increase their income, and gain control over their financial futures.

Marginalized youth - these are young people who are excluded from full participation in social, economic, cultural, or political life due to factors such as poverty, ethnicity, gender, disability, location, or social stigma. In this study, these are the youth who live in informal settlements.

Informal settlements – refers to unplanned, densely populated areas where housing and infrastructure have been built without official approval or proper planning from the government.

Youth- a person who has attained the age of eighteen years but has not attained the age of thirty-five years

Entrepreneurial mentorship - refers to the guidance, support, and advice provided by an experienced entrepreneur or business expert (mentor) to a less experienced individual (mentee) who is in the process of starting or growing a business.

Social networks - In entrepreneurship, social networks refer to the web of relationships and connections that individuals (in this case, youth) use to access resources, information, support, and opportunities that can help them start, grow, and sustain a business.

Government policy - refers to a course of action or set of principles adopted and implemented by a government to guide decisions and achieve specific outcomes in regards to youth empowerment.

Youth development program- is a structured initiative or set of activities designed to support the holistic growth and empowerment of young people. It aims to help youth build skills, access opportunities, and develop the confidence and capabilities needed to thrive in personal, social, economic, and civic life

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature on youth civil and economic empowerment, focusing on informal settlements in Nairobi City County. It examines how entrepreneurial skills, government policy, social networks, and entrepreneurial mentorship shape the economic opportunities available to young people who face persistent unemployment, limited resources, and exclusion from the formal economy. Drawing from global, regional, and local studies, the chapter highlights what is already known while identifying research gaps that require further investigation. While broader studies provide an overall understanding of youth empowerment, settlement-specific research offers deeper insight into the unique conditions of areas such as Kibera, Mathare, Mukuru, and Kangemi. The review provides a contextual foundation for understanding the structural and relational factors influencing youth empowerment, critiques existing interventions, and emphasizes the need for targeted, evidence-based strategies to improve youth economic participation in informal settlements.

2.1 Theoretical Review

A theoretical framework outlines the key concepts in research and suggests the relationships between them while giving direction to the research (Vinz, 2023). This study adopted the Human Capital Theory and the empowerment theory

2.1.1 Human Capital Theory

Human Capital Theory, developed by economists Gary Becker and Theodore Schultz, posits that investments in education, training, skills development, and health enhance individuals'

productivity and economic value (Brown et al., 2020). The theory views human capabilities as a form of capital that generates returns through improved employment opportunities, higher earnings, and increased productivity (Paczos et al., 2023). The central assumption is that individuals who acquire relevant knowledge and skills are better positioned to participate effectively in economic activities and improve their socioeconomic outcomes.

In this study, Human Capital Theory explains the relationship between youth participation in entrepreneurial ventures (independent variable) and economic empowerment (dependent variable). The theory suggests that youth who possess higher levels of education, entrepreneurial skills, vocational training, business knowledge, and experience are more likely to establish and sustain successful enterprises, leading to increased income, financial independence, and improved livelihoods. Therefore, investments in human capital enhance the capacity of youth to engage in productive entrepreneurship and achieve economic empowerment.

A key strength of Human Capital Theory is that it provides a clear explanation of how education, training, and skill acquisition contribute to economic success. It also offers a practical framework for policymakers and development practitioners to design interventions aimed at enhancing youth employability and entrepreneurial capacity. Furthermore, the theory emphasizes the long-term benefits of investing in human development as a strategy for reducing poverty and unemployment. However, the theory has some limitations. It assumes that individuals can readily convert skills and knowledge into economic opportunities, yet structural barriers such as limited access to finance, inadequate markets, poor infrastructure, and unemployment may constrain the realization of these benefits. Additionally, the theory places considerable emphasis on individual capabilities while giving less attention to broader social, economic, and institutional factors that influence entrepreneurial success. Consequently, human capital alone may not guarantee economic

empowerment without supportive environmental conditions (Diraditsile, 2020). It further guides the selection and measurement of entrepreneurial skills, education, and training as key independent variables, while Empowerment Theory informs the inclusion of agency, participation, self-efficacy, and resource mobilization as mediating or explanatory constructs shaping entrepreneurial engagement and outcomes.

2.1.2 Empowerment theory

According to Paulo Freire, empowerment is based on what he refers to as conscientization-which is in other words the development of critical awareness so as to unveil the situation one finds oneself in under the regime of oppression (Freire, 1972). Youth carry the unequal burden of poverty and its associated disgraces in informal settlements; their existence is confined until they realize the possibility to take back the control. This study thus aimed at arguing out that the plight of marginalized youths can be turned around only when they realize that they have the power to engage in entrepreneurship projects that are being offered to them.

There are five underlying dimensions of empowerment that are essential to generating change among minorities. These five dimensions, namely, power and powerlessness; critical consciousness; self-efficacy; participation; use of strengths; agency; resource mobilization are inextricably linked: powerlessness defines consciousness, critical awareness breeds efficacy, self-efficacy stimulates action, participation legitimizes voice, strengths develop capacity and agency empowers autonomy to organize resources that need to effect change (Martinez et. al, 2017). The investigatory findings of the current work proved identification of these theoretical planes with the realities of life of the young marginalized people.

In summary Human Capital Theory and Empowerment Theory complement each other by jointly explaining both the capacity-building and agency dimensions of youth entrepreneurship:

while Human Capital Theory explains how education, skills, and training enhance youths' productive capabilities, Empowerment Theory explains how critical consciousness, self-efficacy, and agency enable youths to convert these capabilities into meaningful entrepreneurial action. Together, the theories provide a more comprehensive framework by linking individual competence development with structural and psychological empowerment processes necessary for sustainable economic participation among marginalized youth.

The dimensions of empowerment theory are shown below in figure 2.1

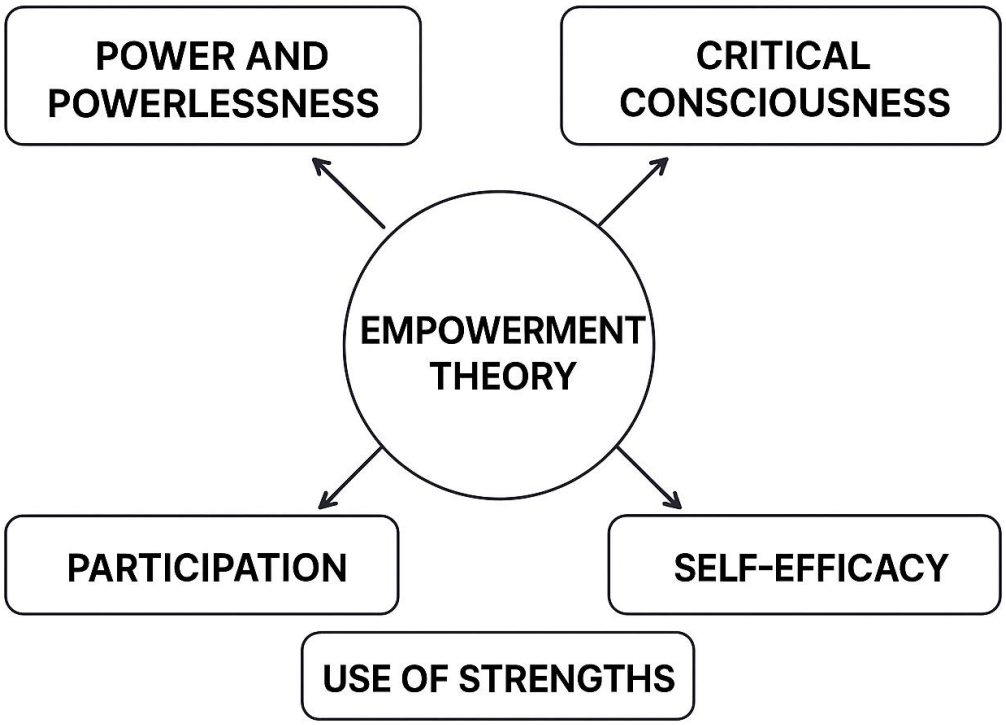


Figure 1.2 Dimensions of empowerment

Source: Researcher, 2026

2.2 Empirical Literature review

Economic empowerment of youth has assumed an importance focus in the literature of development and policy making agendas, particularly in the urbanizing contexts where there exist limited formal employment opportunities. Inside the informal settlements, where youth are often exposed to the increased socio-economic vulnerability, entrepreneurship is one of the viable ways to economic prosperity and sustainability. This empirical literature review consolidates the existing evidence base of antecedents/predictions of youth economic empowerment with a focus on four areas which includes: entrepreneurial abilities, state policy, social networks, and entrepreneurial mentorship. The review highlights the need to essentially focus on locally-based, context-specific research and intervention approaches by piecing together what is currently known and the big holes in knowledge still to be filled, in particular in the context of Nairobi City County in informal settlements.

2.3 Entrepreneurial Skills on Economic Empowerment of Youth in Informal Settlements

The overall systematic review comprises a global summation of entrepreneurship education outcomes. Evidence across multiple regions shows that well-structured entrepreneurial-training programs significantly increase business formation, innovation capacity, and income levels, thereby forming a comprehensive and holistic model that addresses personal, behavioral, and environmental dimensions of entrepreneurial development (Ludeke, 2020). Similar results have been reported in large-scale meta-analyses in Asia and Latin America, where structured entrepreneurial curricula increased entrepreneurial intentions by 25–40% and improved opportunity recognition among youth (Liang & Wang, 2022; Alvarez & Rivera, 2023). However,

most of this literature is disproportionately centered in the Global North and within formal higher education systems, limiting its relevance to urban informal economies in Sub-Saharan Africa. It also fails to consider socio-political histories, precarious livelihoods, and the informal institutional landscapes that shape youth entrepreneurship in slum settings (Robi, 2023). The present study therefore adapts these theoretical insights into a localized urban informal context, focusing on empowerment and competence frameworks that align with realities of youth living in Nairobi City County informal settlements.

In Africa, youth entrepreneurship activities are widespread but remain primarily concentrated in low-return, survivalist ventures with minimal scalability (Meller, 2021). This macro-level analysis identifies major systemic constraints including weak skills-training infrastructure, minimal business-support services, and policy gaps but treats African youth as a homogenous group, overlooking the unique socio-economic and spatial characteristics of informal settlements. Studies in South Africa and Nigeria similarly highlight that while youth possess high entrepreneurial interest, structural barriers such as crime, unstable markets, and lack of digital access limit skill uptake and performance (Nkosi & Pretorius, 2021; Adeoye, 2020). The current study addresses this limitation by assessing how four distinct categories of entrepreneurial skills like digital, financial, managerial, and soft skills differ in their ability to foster economic empowerment among youth specifically living in informal settlements in Nairobi City County.

The importance of entrepreneurial-skills training for improving youth microenterprise performance in Ghana was discussed by Boateng, Aboagye, and Boakye (2018). They found that financial literacy, marketing, and management skills significantly enhance business sustainability and income generation. Similar findings appear in Uganda, where entrepreneurial-skills programs increased profits of youth microenterprises by up to 18% (Nsereko & Kabunga, 2019). However,

the Ghanaian and Ugandan studies primarily involve rural or peri-urban youth whose environments are more structurally stable than the volatile and highly informal urban markets of Nairobi's informal settlements (Cimino et al., 2021). Such differences limit the portability of their recommendations. Nairobi's informal settlements present unique vulnerabilities including high population density, informal taxation, infrastructural deficits, and unstable social networks that require context-specific analysis. A complementary gap emerges in global longitudinal studies. For instance, Bachman et al. (2025) found that entrepreneurship education enhances self-efficacy, opportunity recognition, and problem-solving abilities among youth in Europe and North America. Asian studies show similar psychological transformation, with entrepreneurial training enhancing resilience and risk-tolerance among young entrepreneurs in India and the Philippines (Khatri, 2022; Dizon, 2023). While valuable, these studies draw from formal educational institutions and structured economies, overlooking non-institutionalized learning pathways prevalent in informal settlements such as informal apprenticeship, peer learning, and community-led initiatives (Essomba, 2022). The present research therefore incorporates these informal learning channels to assess how entrepreneurial skills are acquired outside formal schooling among youth in Nairobi's informal environments.

Local empirical evidence strengthens this contextual rationale. A study by Kamau and Waswa (2021) in Korogocho and Kibera demonstrated that digital marketing competence, bookkeeping skills, and inventory management abilities are strongly associated with higher savings and reinvestment among youth micro-entrepreneurs. While relevant, their cross-sectional design limits causal inference and does not account for variations across different settlement clusters. Additionally, contextual factors such as gender, norms, crime, technology access, and informal credit systems remain underexplored. The current study contributes by using a mixed-

method design across multiple settlements, allowing deeper understanding of heterogeneity in skills development and application.

Further evidence from Nairobi shows the unique role of informal mentorship in entrepreneurial development. Otieno and Onyango (2022) found that community-based mentorship, church networks, and informal apprenticeship in slums significantly build planning, adaptability, and confidence key components of youth economic empowerment. Comparable findings from Brazil's favelas and India's urban slums show that informal peer learning and local mentorship networks often outperform formal training in contexts of poverty and social exclusion (Ramos & Silva, 2020; Mehta, 2021). However, Otieno and Onyango focus mainly on psychosocial mentoring, without integrating digital, strategic, or operational skills or examining structural barriers such as limited capital, regulatory challenges, and policy gaps.

Global research consistently confirms that entrepreneurial skill development is essential for youth empowerment, as it shapes attitudes, fosters competencies, and improves economic outcomes (Jardim, 2021). However, global analyses tend to rely on formal settings and stable economic systems, reducing applicability in marginalized urban informal economies. African regional studies also remain insufficiently granular, lacking differentiated assessment of specific entrepreneurial-skill types and their contextual performance.

This study fills these gaps by offering a multi-settlement, mixed-method analysis of entrepreneurial skills in Nairobi City County's informal settlements. It integrates formal and informal learning pathways, incorporates mentorship as a core skill-building mechanism, and situates youth entrepreneurship within the broader socio-economic and institutional structures of informal urban environments. The findings inform policy and intervention designs that

acknowledge the adaptive strategies youth employ to acquire and apply entrepreneurial skills within the complex informal economy of Nairobi City County.

2.4 Government policy on economic empowerment among youth in informal settlements

There is an indication that the government policy plays a major role in the economic empowerment of young people in informal settlements. The current limiting views by scholars argue that it can encourage entrepreneurship using state-paid intervention, especially through tax breaks, providing starting capital and fully equipped skills training, as a way of reducing the impact of youth vulnerability. Though this cross-national survey conducted by Williams, Shahid, and Martinez (2020) provides educative macro-observations, it fails to account much about micro-level situation in developing countries and its results are thus mostly limited in the middle and high-income countries. This study thus takes the discussion to a more precise level by limiting it to analyzing the model of informal settlements within the Nairobi City County, and linking both analysis and empirical data collection to the exact models in which the state policy and informal settlements interact with the aspirations of Kenyan youth.

A review by Agyemang, Asongu, and Boateng (2022), on the youth employment policies in Sub-Saharan Africa reveals that the quality of institutions, and its governance system, plays a decisive role in the efficacy of any of the policies. In the study, a probable failure of policy coordination is considered to undermine policy goals and cause a prolonged undesirable result. However, the study fails to break down findings based on the contextual factors like the informal settlements, which renders its findings mainly continental. This gap is fulfilled by the current study as it specifically covers the presentation of the overall trends related to the overall policy patterns in the context of the informal setting in the Nairobi City County thus helping to provide nuanced

information regarding the validity and efficiency of the governmental initiatives (Agyemang et al., 2022).

In their study Wamalwa and Khainga, 2023 opined that the affirmative action schemes help the youth population with particular focus on the Youth Enterprise Development Fund. They found that these schemes increase access to capital; however, a lack in financial literacy, poor supervision and local involvement fail to ensure their long-term success. Notably, the authors deal with youth as a single category, hence blurring diversity among the youth. The study, in this respect disaggregated in its thinking and therefore focused on the life of young dwellers of the informal settlements of Nairobi City County, explaining the variable results of youth sub-groups.

The interconnection between youth economic empowerment and government policy has been an issue that scholars have devoted a significant attention to, as reflected by the empirical studies with a local contextual basis. Omollo and Wekesa (2021) shed light on the difference between the design and practice of the policy in the informal economy of Nairobi City County. In their study, they found that the two major challenges to the effectiveness of policies are a lack of consultation with the stakeholders and the ineffective allocation of resources. However, the study does not elaborate on the relationship between specific policy aspects and the perceptible outcomes as regards economic empowerment. This study, expanding on Omollo and Wekesa (2021) examines the policy aspects of accountability, transparency, inclusivity, and accessibility as well as their practical consequences on the empowerment of the youth in the informal settlements through a systematic evaluation.

A similar study by Mumo and Atieno (2020) looks at such initiatives as Uwezo Fund and Kenya Youth Employment Opportunities Project (KYEOP) in slums of Nairobi City County. They show that, in spite of their inclusive rhetoric, their success in the programs is limited by bad

implementation, political patronage and corruption. Their research however does not disaggregate the attributes of the policy which has the most impact on youth empowerment. This study therefore strives to address that gap by conducting a thematic investigation of policy frameworks and assessing their effects on measurable outcomes of empowerment such as the creation of income, start of entrepreneurship and development of skills among the youths living in the informal settlements within Nairobi City County.

The existing literature has been vocal in the claim that youth economic empowerment depends on a sound public policy; however, there is still a significant amount of research gaps when it comes to the economically vulnerable youth in the informal urban settlements. The experience of the youth is often homogenized and contextual limitations that are a hallmark of informal settings are downplayed in international and regional studies (Mumo and Atieno 2020). Even though local studies in Kenya cover the national level of study, they tend to overlook the realities of the youth in the informal settlements in Nairobi City County or to not question the implications of certain policy interventions. In the present study, the researcher aims to fill these gaps by examining, in a context-sensitive and micro-level approach, the role of government policy in empowering the youth economically in a number of informal settlements in the City of Nairobi County. The results provide empirically based evidence to improve policy design, policy implementation and policy evaluation systems by putting in the foreground the agency, experiences and interactions with policy that is uniquely expressed by this population.

2.5 Youth Enterprise Development Fund (YEDF) policy on economic empowerment among youth in selected informal settlements

The Youth Enterprise Development Fund (YEDF) policy in Kenya is one of the outstanding initiatives of the government aimed at promoting youth economic empowerment by providing entrepreneurship finance and support services. Researchers have insisted on the relevance of youth entrepreneurship funds as a way of countering unemployment and triggering economic growth. Agyemang, Asongu, and Boateng (2022) reviewed a wide range of youth employment programmes across sub-Saharan Africa and found that the effects on empowerment are most lasting when entrepreneurial programmes combine structured capacity-building interventions with access to finance. Their results supplement the existing studies by proving that without simultaneous development of skills, financial aid cannot be used as an adequate solution. This study aimed to explore this synergy in the informal settlements in the Nairobi City County. Despite these developments, most of the data that have been used in earlier studies are based on formal economic settings in middle-income countries with little consideration being given to informal urban settlements that are struggling with infrastructural shortages, social exclusion, and unstable markets. This study has filled this gap by discussing the informal settlements in Nairobi City County. Such a situation requires a customized perception of the role of YEDF that extends beyond the scope of money supply.

At the regional level, Wamalwa and Khainga (2023) took a critical look at the affirmative action programmes targeting the youth in Kenya, namely the Youth Enterprise Development Fund (YEDF) and found that structural challenges remain, namely bureaucratic inefficiencies, lack of transparency, and lack of sufficient business-training opportunities. Their study helps to answer this question because it shows how these weaknesses of the institutions weaken the capacity of the

program to promote economic empowerment of the youth in the informal settings. Moreover, their article reveals the necessity of the reforms that should focus on the transparency and capacity building in the sphere of policy implementation. However, the research is nationally or regionally oriented, hence it fails to consider intra-urban inequality within the informal settlements in the Nairobi City County. This current research fills this gap by focusing on the specific impacts of these systemic failures on marginalized youth in the informal settlements of Nairobi, with the experiences of localized youth at the center of the study and localized obstacles to policy implementation in the foreground.

The main goal of the YEDF was economic empowerment, but Kamau and Gathenya (2020) discovered that the performance of the YEDF was not so great. Their survey of the informal settlements of Nairobi City County found out that the fund was not widely known, there were cumbersome application processes, and lack of post-approval mentorship to be the primary bottlenecks. The results provide valuable micro-level indications that administrative and informational barriers limit young people in their abilities to enjoy the benefits of the YEDF to the fullest. Nevertheless, the cross-sectional nature of the design used by the authors does not allow them to answer the questions about the changes in the perception of the youth and access to the funds over time, as well as explore the moderating effect of the social capital in the process of negotiating the barriers. Consequently, the study thus takes care of this limitation through an appropriate mixed-method design that would be able to draw out any changes in youth interest in the YEDF and take a deeper outlook of how social networks promote or inhibit this youth access and use of the program (Kamau & Gathenya, 2020). The research cites by Mathew and Le Roux (2019), which is a comparative study, questioning the youth entrepreneurship development policies within South Africa. The said authors contend that such policies do not have appropriate

components for social inclusion or gender sensitivity and continue to perpetuate the inequalities in the outcomes of economic empowerment. In other words, their study indicates that there should be scrutiny into the question of inclusivity in Nairobi City County's Young Entrepreneurs Development Fund (YEDF), particularly its reach in informal settlements where high levels of social exclusion and gender inequality prevail. Yet, the results advanced by Mathew and Le Roux cannot be generalized to the Kenyan social and political context. This study fills this gap in the literature by locating the dimensions of social inclusion in informal settlements of Nairobi City County and evaluating the extent of how the implementation of YEDF is consistent with such imperatives (Mathew & Le Roux, 2019).

Adding to this, Mwirigi et al. (2021) present another angle to the discussion, presenting a social capital approach by demonstrating that community relationships and social connections have a significant impact on youth entrepreneurship in the informal settlements of the Nairobi City County, providing access to microfinance and mentorship. The significance of the nexus between the social systems and formal policy instruments such as YEDF is brought out in their publication. However, they do not interrogate the extent to which social capital considerations are explicitly incorporated in YEDF policy design and how it can be optimized in order to take advantage of such networks. This gap is addressed in the present research, which assesses the compatibility of YEDF with the local social capital processes and makes recommendations on the ways to improve the policy's effectiveness through community engagement (Mwirigi et al., 2021).

Following the discussion on the global scale, Quartey and Afful-Mensah (2017) evaluate the West African youth enterprise support programmes and conclude that despite the extension of the access to credit offered by youth funds, the lack of serious training in financial literacy and business management undermines the long-term sustainability. Their results point to the fact that

mere access to finance does not imply economic empowerment. However, the study focus is more on the peri-urban and rural, hence, having little to say about highly urbanized informal settlements. This study helps to fill that gap by changing the focus to the urban informal settlements in Nairobi City County wherein the urban poverty levels are high, the informal economy prevails, and social vulnerability is high, so the support modalities could be based on more than just the access to credit (Quartey & Afful-Mensah, 2017).

The same study by Abebe and Beshah (2020) in Ethiopia indicates that the youth funds by governments do not usually include effective monitoring and evaluation mechanisms that could monitor the economic effects and enable programmes to adjust. This failure serves as a hindrance to the proper comprehension of the impact of youth enterprise policy. The research therefore supports the importance of effective evaluation systems in order to improve policy. The effectiveness of such mechanisms is not clear in the YEDF policy in Kenya especially in the informal settlements. The study at hand assessed the usefulness of monitoring tools used by YEDF in the informal settlements of Nairobi City County and determine the connection to the long-term youth empowerment (Abebe & Beshah, 2020).

In another study, Njogu et al. (2019) studied the impacts of entrepreneurship policy on women youth entrepreneurs in informal settlements of the Nairobi City County and concluded that cultural norms, alongside the ineffective implementation of the policies, limit the economic empowerment of women entrepreneurs in the region despite the existence of funds like Youth Empowerment and Development Fund (YEDF). They highlighted the gendered nature of policy effects and pointed to socio-cultural barriers within informal settlements as being the main factor to this restriction. Notably, Njogu et. al, evaluated gender in isolation to a great extent disregarding co-occurring obstacles of age, educational achievements, and social capital. In the current study,

by utilizing an intersectional approach, the researchers were able to overcome this drawback by analyzing the impact of YEDF on various youth sub-groups in the informal settlements of Nairobi City County.

The literature is generally in favor of youth enterprise funds (YEDF is not an exception) as an instrument to empower the economy (Karengo, 2019). There is a common agreement globally that the right policy should integrate financial access with skills training and social inclusion but the empirical studies have focused on formal markets or rural contexts. Studies regionally report implementation difficulties and demand transparency and contextual adaptation, but they do not focus on the issue of informal urban settlements (Carrilho & Trindade, 2022). At the local level, the reports indicate that there are administrative, informational, and socio-cultural obstacles, which limit the effect of YEDF in informal settlements of Nairobi City County, and not many examine longitudinal or intersectional patterns. This research filled these gaps by offering a detailed, place-based evaluation of the impact of YEDF on youth economic empowerment in the informal settlements of Nairobi City County, with an integrated financial, social, administrative and gendered approach to the mixed-methods design.

2.6 Social networks and economic empowerment among youth in selected informal settlements

Recent literature indicates that social networks are a key to youth economic empowerment, especially in the unofficial urban environment where there is minimal institutional support or where institutions are spread out. Bonding and bridging social capital also enable young entrepreneurs in low-income urban communities to get the necessary information, funding, and mentorship they require to develop their businesses (Adom and Asare-Yeboa, 2020). By drawing attention to how informal networks often replace poor formal institutions, the authors contribute

to the field by showing that the approach is relevant to young people in the informal settlements of Nairobi City County. This framework provides a theoretical perspective whereby it is possible to explore how the youth in the informal settlements of Nairobi City County are able to utilize social capital in order to overcome economic obstacles. However, even though the Strength of Weak Ties theory developed by Granovetter, 2023 argues that, weak ties (relationships with casual acquaintances, distant colleagues) are more useful than strong ties (relationships with close friends, family) when it comes to spreading new information and creating opportunity, it mostly applies to formal labour markets and thus has little to say about informal urban economies characterized by volatility and social exclusion (Granovetter, 2023). This gap is filled in this study as the social network theory is placed in the context of complex realities of informal settlements Nairobi City County and the role of different kinds of ties (strong and weak) in determining economic empowerment of the marginalized youth (Granovetter, 2018).

At the global scale, Kebede (2020) hypothesizes that social capital, which can be understood as the resources integrated into the social network, has a significant positive impact on access to job and entrepreneurial opportunities, especially in the case of disadvantaged groups. His empirical studies support the fact that there was a strong positive relationship between network diversity and economic progress. This study is an extension of the study by Kebede since the author discusses social capital in informal settlements in the Nairobi City County, where network relationships are used to overcome the weakness of formal institutions (Kebede, 2020). Mairura and Mungai (2015) examine how at the regional level young people in informal settlements in Nairobi City County use social networks to access informal credit and business mentorship and show that trust and reciprocity within small close-knit community groups are the key to micro-enterprise success. Their study, however, does not provide evaluation of more extended socio-

economic impacts in terms of income increase or business sustainability. This study sought to explore the role of social networks in affecting other aspects of economic empowerment besides access to credit, such as skills acquisition, market information and economic shock resiliency. Besides, Owuor and Wanjiru (2019) consider how social networks of women contribute to the economic empowerment of women in Kibera, which is a large informal settlement in Nairobi City County. They conclude that group membership of women provides essential platforms of collective savings, knowledge sharing and psychosocial support, and hence enhances outcomes of entrepreneurship. Notably, they pay attention to gender relations in social networks. The focus on the groups of women in the previous literature limited the understanding of the overall impact of social networks on the youth, such as young men and associations of mixed gender. This study helped fill this gap by studying various social networks among different youth demographics, thus giving a more detailed picture of how social capital can help empower the economy (Owuor & Wanjiru, 2019).

By taking the study to East Africa, Wambugu and Mwangi (2018) in informal settlements of Nairobi and Mombasa indicate the applicability of social networks in addressing infrastructural and institutional problems that constrain youth entrepreneurship. They show that the network connection helps to access common resources like workspaces and market information. Their value is in the fact that they portray adaptive strategies that youth use with the help of social networks. Nonetheless, their study lacks the cross-sectional design which fails to reflect the changes in networks over time. This study resolved this weakness by taking a longitudinal study to determine how the social network structure changes and influences long-term economic empowerment (Wambugu & Mwangi, 2018). In theory, Bourdieu (1986) defines social capital as a kind of capital that people gain through social relations, and it is convertible to economic capital.

His theory helps in the examination of the converted social networks into economic opportunities. Although powerful, the framework proposed by Bourdieu has been criticized in the way it is difficult to apply in the most informal and precarious economic settings such as urban slums, where social capital can be limited by poverty and exclusion. This analysis is a continuation of the work of Bourdieu because it seeks to understand the mechanisms of social capital in such a constraint in the informal settlements of Nairobi City County and its actual meaning in empowering youths economically.

This research, and also those like Kwon et. al, (2021), shows that social networks embedded in localized communities provide critical support systems to vulnerable groups. His idea of focused networks refers to mobilization of neighborhood and family relationships that youth in informal settlements use to engage and support informal economic activities. Nonetheless, much of Kwon's focus concerned small-scale, close-knit societies and therefore he does not offer much information on extensiveness and heterogeneity of network patterns in a large informal settlement in cities. This research therefore overcame this limitation by observing these localized and extended network structures of the youth in the Nairobi City County, thus defining the intricate social fabric of informal settlements. From a bigger picture of Africa, Gichuki et al. (2017) show that the informal settlements in the Nairobi City County maintain youth networks that are crucial for access to informal employment and credit opportunities; however, their effectiveness was often hampered by ethnic and socio-economic divisions which dilute their effectiveness. Their empirical evidence thus supports the prominent intersections of ethnicity and social capital in the youth economic empowerment. Gichuki et al. (2017) tend to be rather descriptive and do not focus on strategies to be chased so as to remove the existing divisions. The present research study filled this gap based

on the possibility of inclusion of Youth Enterprise Development Fund (YEDF) and similar initiatives in developing inclusive network discourse to avoid fragmentation.

Note that this research, coupled with many others such as Kwon et. al, (2021), shows that social networks embedded in localized communities form important safety nets to the most disadvantaged groups. His concept of focused networks essentially describes the mobilization of neighborhood and family relationships that young people from informal settlements employ when getting involved in or supporting informal economic activities. Despite this, Feld's emphasis has mostly concerned small, tightly knit societies and thus says little about extensiveness and heterogeneity of network patterns in a very large informal settlement within cities. This research, therefore, overcame this limitation by observing the localized and extended network structures of the youth in the Nairobi City County, thus defining the intricate social fabric of informal settlements. From a larger picture of Africa, Gichuki et al. (2017) showed that informal settlements in Nairobi City County have youth networks that are crucial for informal employment and while their credibility and power are often diluted by ethnic and socio-economic divisions, they remain essential. Such empirical results support the prominent intersections of ethnicity and social capital in youth economic empowerment. However, Gichuki et al. (2017) are somewhat descriptive and do not emphasize strategies that should be pursued to eliminate the existing divisions. This research study, therefore, closed the gap based on the possibility of including Youth Enterprise Development Fund (YEDF) and other such interventions in developing inclusive networking discourse to avoid fragmentation.

Just keep in mind that different research practices, including Aubin, et al, (2025), indicate that social networks embedded in localized communities create essential safety nets for the most disadvantaged groups. His concept of focused networks essentially describes the mobilization of

neighborhood and family relationships that young people from informal settlements employ when getting involved in or supporting informal economic activities. Despite this, however, Aubin has been largely concerned with small tight-knit societies and so doesn't really say much about extensiveness and heterogeneity of network patterns in a really large informal settlement within cities.

This research, therefore, overcame this limitation by observing the localized and extended network structures of the youth in the Nairobi City County, thus defining the intricate social fabric of informal settlements. From a wider African perspective, Gichuki et al. (2017) demonstrate that informal settlements in the Nairobi City County create youth networks that are critical channels through which the young can access informal employment and credit facilities; however, their effectiveness is often detrimentalized by ethnic and socio-economic divisions which dilute their effectiveness. Empirical results thus uphold the prominent intersections of ethnicity and social capital in the youth economic empowerment. Gichuki et al. (2017) have been rather descriptive and do not emphasize strategies to be pursued to eradicate the existing divisions. This research study filled the gap since it observed the potential inclusion of the Youth Enterprise Development Fund (YEDF) and such interventions into inclusive network discourse to avoid fragmentation. The report titled Ministry of Youth Affairs (2019) goes hand in hand with the fact that social networks enhance accessibility for youth regarding economic opportunities in informal settlements while also ensuring policy integration of community-based approaches as part of the government youth empowerment program. In looking at the aspect that though the report acknowledges the importance of social networks, it fails to bring in any empirical proof on the actual impacts of social networks on economic outcomes. Such proof is provided by the current research, thus perfecting the future policy frameworks.

On reviewing relevant literature, the social networks become essential factors facilitating economic empowerment for the youth globally and regionally, where formal institutions are weak. The main theoretical paradigms postulated by Granovetter, Lin, and Bourdieu, 2019, provide analytical tools through which these dynamics can be examined, though they need to be contextualized in view of the peculiar realm of informal settlements in City of Nairobi County. In the vicinity of Nairobi and other locations in Africa, empirical studies have shown that these networks facilitate access to finance, mentorship, and market information; however, they are still challenged by constraints relating to fragmentation and gender inequalities. This study further aimed to address these gaps by offering a sophisticated, inter-sectional investigation into how various social networks impact economic empowerment of the youth in informal settlements within Nairobi City County, and in such a way contribute to the evidence-based knowledge on the topic of developing policy and practical intervention.

2.7 Entrepreneurial mentorship on economic empowerment among marginalized youth

Entrepreneurial mentorship has been identified as a major factor determining the economic empowerment of the youth especially the disadvantaged groups. A recent study by Abaho and Olokundun (2020) has shown that mentoring yields a significant improvement in entrepreneurial self-efficacy in young peoples, knowledge transfer, and improvement of business performance through provision of both strategic and psychosocial advice. The study contributes to the literature by highlighting the importance of mentoring to economic empowerment of young business owners in resource-constrained environment where they can operate in complex informal economies. This current study investigated the mentoring relationships and their effects on the economic well-being

of youth in the informal settlements of Nairobi City County as an extension of the aforementioned findings.

At the international level, the modern studies corroborate the claim that entrepreneurship mentorship schemes are vital for start-up success and sustainability of youth-led enterprises in developing economies (Bonareri, 2024). Such programs work to improve economic activity and reduce unemployment among the young and thus improve business survival and the entrepreneurial ecosystem itself (Abaho and Turyakira, 2021). Still, the existing literature is rather skewed towards formal urban economies and organized mentorship arrangements, leaving a knowledge gap about the informal settlements with high levels of socio-economic preposterousness. This research therefore filled this gap by studying the role of informal or grassroots mentorship in the economic upliftment of youths from Nairobi City County's informal settlements providing local knowledge on how mentorship can be effectively undertaken in a low-resource set-up.

In a study by Wendo, Amoth and Bosire (2025) which investigated the connection between mentorship and youth entrepreneurial performance in Kenya confirms that mentorship significantly increases entrepreneurial abilities, market access, and income earning. The results contribute to modern studies because they offer context-specific, empirically based evidence of the positive effect of mentorship on the economically empowered youth. Despite that contribution, the study is still quite generalized; it provides limited disaggregation by gender, age, or socio-economic background and it does not pay attention to the lived experiences of young people living in informal urban settlements. In this study, a disaggregated treatment was hence used wherein demographic heterogeneity was considered, but the focus was on the youth in the informal

settlements of Nairobi City County where special socio-economic obstacles tend to buffer the effectiveness of the entrepreneurial assistance interventions.

In the informal settlements of Nairobi City County, Muriithi (2020) evaluates the role of mentorship programmes associated with microfinance initiatives in developing an entrepreneurial capacity in terms of improved business planning and financial management. His work also points out the very important role of combining mentorship and financial support as a way towards economic empowerment. Nevertheless, the work of Muriithi is limited to the financial literacy and does not dwell upon such benefits as psychological empowerment or development of social capital. The present research expands on such findings by studying a wider range of outcomes of mentorship, such as psychosocial support and network development among marginalized youth (Muriithi, 2020).

The most recent research, conducted by Kamau and Muturi (2021) aimed at examining the issue of mentoring between female and male entrepreneurs in Kisumu, Kenya, makes a significant contribution to the literature on entrepreneurial mentoring, providing another regional understanding of the informal sector of the economy. The work places emphasis on the importance of gender-responsive mentorship programs by showing that the support greatly enhances the resilience, confidence, and business sustainability of female entrepreneurs. However, its gender-specific focus is so limited that it skews the overall meaning of mentoring to young people, such as young men and other gender nonconforming individuals. The study increases the range of investigation and allows a more thorough assessment of the role of mentoring in supporting economic empowerment in various gender identities by recruiting a heterogeneous group of the youth in the informal settlements of Nairobi City County.

The analytic tools used in the current research are strongly correlated with the Social Cognitive Theory of Bandura (1977), which argues that mentoring increases self-efficacy and expectations of outcomes as the key elements that are instrumental in entrepreneurial success. This framework has been relevant in many fields, although it has been rare to apply it in situations of structural informality and marginalization where ingrained obstacles can even limit perceived value of mentoring (Rance, 2024). The current research builds on the work of Bandura by placing mentoring on the background of the complex socio-economic environment of the informal settlements of Nairobi City County, and the degree to which self-efficacy promoted by mentors can be translated into economic empowerment that can be measured.

The current studies emphasize the necessity to contextually differentiate the successful entrepreneurial mentorship that must pay attention to special needs and constraints of mentees. As Nguyen and Pham (2021) show, culturally-relevant mentorship practices are the most effective way to boost the results of entrepreneurship by matching the support with the local social norms and economic conditions. Although this has been acknowledged, the feasibility of such context-sensitive mentorship has not been applied in practice in informal urban contexts in the developing world. This study filled that gap by assessing the mentorship in the Nairobi City County informal settlements with the aim of finding out the culturally and contextually appropriate mentorship models that maximize economic empowerment of the marginalized youth. Mentorship is also recognized in the national policy of Youth Enterprise Development Fund (YEDF) in Kenya (2019) as one of the pillars of the policy, which is meant to empower youth by enabling them to develop their skills and support their businesses. Despite the policy framework laying stress on the mentorship, there is not much empirical evidence of the same on implementation and impact especially in the context of informal settlements. This research has given empirical evidence on

the impacts of YEDF-linked mentorship programs on economic empowerment of marginalized youth in Nairobi thus helping in the refinement and implementation approach to policies. The literature reviewed reveals that entrepreneurial mentorship is a critical factor in youth economic empowerment globally and regionally. Foundational theories and empirical studies illustrate the multifaceted benefits of mentorship, including skill development, psychosocial support, and increased business sustainability (Yani, 2024). However, significant gaps remain regarding mentorship's role within informal settlements, gender inclusivity, and culturally sensitive mentorship models. This study addressed these gaps by focusing specifically on marginalized youth in Nairobi City County's informal settlements, employing a comprehensive framework that captures the diverse dimensions of mentorship's influence on economic empowerment.

2.8 Chapter summary

The extensive literature review across global, regional, and local contexts underscores the multifaceted nature of youth economic empowerment in informal settlements, shaped by entrepreneurial skills, government policies, social networks, and entrepreneurial mentorship. Empirical and theoretical works affirm that entrepreneurial skills significantly enhance economic agency by equipping youth with critical competencies, yet existing studies often overemphasize formal education and rural contexts, leaving a notable gap regarding informal urban economies (Kouam, 2024). This study addressed this shortfall by focusing on skill acquisition within Nairobi City County's informal settlements, where informal learning and entrepreneurial agility are prevalent. The specific research gaps and how the study sought to fill the gaps are summarized in the table below;

Table 2.1: Research gaps and how the study addresses them

Thematic Area	Existing Knowledge	Identified Research Gaps	How This Study Addressed the Gap
Entrepreneurial Skills	Entrepreneurial skills enhance youth economic agency (Kouam, 2024).	Overemphasis on formal education and rural contexts; limited focus on informal urban economies.	Focused on informal learning and entrepreneurial agility in Nairobi City County's informal settlements.
Government Policy (YEDF)	YEDF is a key policy initiative supporting youth entrepreneurship (Ntaganda & Kwena, 2024).	Limited empirical evaluation of YEDF's impact on marginalized youth in informal settlements.	Empirically evaluated YEDF's effectiveness within Nairobi City County's informal settlements.
Social Networks	Social networks aid in resource access, information flow, and opportunity creation (Odesanmi, 2024).	Literature lacks attention to complex social network structures, especially weak/bridging ties in urban settings.	Investigated specific configurations and impacts of social networks in informal settlements.
Entrepreneurial Mentorship	Globally acknowledged as enhancing skills, confidence, and support.	Underexplored in informal urban contexts; lack of focus on inclusive, gender-sensitive, and culturally relevant models.	Explored mentorship dynamics with attention to inclusivity and cultural relevance in Nairobi City County's informal settlements.
Theoretical & Empirical Scope	Literature affirms a multifaceted empowerment process involving individual and systemic factors (Mangqalaza, 2020).	Scarcity of localized, intersectional, and empirical research on youth in informal urban economies.	Offered context-specific, intersectional analysis of youth economic empowerment in Nairobi City County's informal settlements.

Source (Researcher, 2026)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter highlights the research philosophy, research strategy, research design, the research site, the target population, sampling procedure, sampling method, sampling technique, sample size estimation, research instruments, validity, reliability and objectivity, data collection methods, data collection procedures, data processing and analysis, data presentation and reporting, and ethical considerations.

3.1 Research strategy

This study applied a survey study strategy to explore youth entrepreneurship participation and economic empowerment among youth in the selected informal settlements of Nairobi City County, Kenya. This research applied survey methods as it utilized a standard technique with a fairly large and representative set of respondents to allow for the examination of patterns, perceptions, and relationships among primary variables such as entrepreneurial skills, government policy that influences the entrepreneurship of the youth, and the use of social networks and entrepreneurial mentorship. It considers the compound condition of youth under informal settlements settings regarding which a survey method would provide a scientific approach to measure the extent of their experiences. Factors that lead to entrepreneurial endeavors were also considered. Furthermore, it allowed predictable extrapolation of this data to the youth population in similar conditions generically, providing evidence that were useful in policy, program design, and targeted interventions for economic empowerment.

3.2 Research Design

This study employed a convergent concurrent mixed methods design to examine entrepreneurial engagement and youth empowerment in selected informal settlements of Nairobi City County. In this design, both qualitative and quantitative data was collected simultaneously at a single point in time, allowing for a comprehensive exploration of youth experiences while also generating measurable evidence on the factors influencing entrepreneurial participation. Qualitative data was gathered through in-depth interviews with key informants working with young people to capture their lived experiences, perceptions, and the challenges they faced in empowering the youth to engage in entrepreneurship. At the same time, quantitative data was collected using structured surveys administered to a larger youth sample to assess levels, patterns, and predictors of entrepreneurial engagement and economic empowerment. As Creswell and Plano Clark (2018) noted that convergent concurrent design is particularly effective when a researcher seeks to compare, validate, and integrate qualitative and quantitative findings at a single point in time to produce a more complete understanding of a complex phenomenon making it well suited for investigating the multifaceted realities of youth livelihoods in informal settlements.

3.3 Research Philosophy

This study followed a pragmatic research approach, which highlighted the importance of using various methods to truly understand and tackle real-world issues. Pragmatism fitted perfectly with the study's aim of exploring youth entrepreneurship and economic empowerment in the informal settlements of Nairobi City County. It allowed for a blend of both qualitative and quantitative techniques, capturing the intricate and multi-faceted nature of youth livelihoods. When it comes to youth involvement in entrepreneurship, it's influenced not just by tangible factors like access to

capital, skills, and markets, but also by the surrounding context like social networks, personal experiences, how opportunities are perceived, and mentorship. That's why the pragmatic approach was so fitting; it focused on practical solutions, appreciated both objective and subjective viewpoints, and ensured that the research findings were useful for shaping policies and practices aimed at tackling youth unemployment and poverty in informal settlements.

The framework for this study drew from two main theories: Human Capital Theory and Empowerment Theory. Becker (1993) conceptualizes human capital as investment in knowledge, skills, and competencies that enhance an individual's productivity and economic value. Empowerment Theory, on the other hand, emphasizes enabling individuals and groups to gain control over their lives, resources, and decision-making processes (Joseph, 2020). By collecting both forms of data concurrently, the design allowed the study to explore how elements such as education, training, and skills development (human capital) interact with agency, self-efficacy, and opportunities (empowerment) to influence entrepreneurial outcomes among youth. Integrating the two datasets enabled the comparison of qualitative insights with quantitative trends, ensuring that the findings are both contextually grounded and empirically robust. Through this approach, the cross sectional convergent concurrent design strengthened the ability of the study to generate actionable, evidence-based recommendations that informed targeted policies and interventions aimed at improving youth economic empowerment in informal settlements (Creswell & Creswell, 2018).

3.4 Study location

The study was conducted in informal settlements located within Nairobi City County, the capital and most populous city in Kenya. Nairobi City County is an indelible political, economic, and technological hub both for the country and the wider East African region (Republic of Kenya,

2023). Its population as of 2023 is around 5.8 million and is projected to come close to 7 million by 2030 (KNBS, 2025). The city is mostly youthful in its demographics since more than 60% of its residents are under the age of 35 years: a pattern shaped most probably through rural-urban migration, natural growth, and refugee inflows (UN-Habitat, 2022).

Hence, Nairobi, with its very advanced infrastructural infrastructure-from highways to commuter rail and above all reinforced by its strong digital economy that has led to it being nicknamed "Silicon Savannah" (World Bank, 2021) has deep inequalities in access to services. For instance, piped water coverage stands at about 60%, and electricity, while widely available at the county level, is invisible in its unreliability in informal settlements (WASREB, 2023).

Almost sixty percent of Nairobi's population lives in slums, which only occupy about six percent of land area (UN-Habitat, 2022). These settlements, Kibera, Mathare, Mukuru, and Kangemi face overcrowding, limited sanitation, insecurity, and chronic poverty. Many youths in these areas rely heavily on informal and low-income activities to make ends meet (Amnesty International, 2021; ILO, 2021). Nairobi takes national economic activity as it houses NSE, the Central Bank, and various multinational firms (NSE, 2023). This notwithstanding, youth unemployment and underemployment remain a common challenge. These scenarios mark Nairobi's informal settlements as an appropriate context for the study of youth entrepreneurship and economic empowerment. A sizeable youth population combined with the lack of available formal employment opportunities and structural barriers-inadequate services and policy gaps-has pushed many young people into entrepreneurship. Continuous upgrading initiatives such as the Mukuru Special Planning Area and the Kibera Slum Upgrading Programme also provide opportunities to assess how training, mentorship, and improved services influence youth livelihoods (World Bank, 2022; Government of Kenya, 2023). Generally, the socio-economic realities of these settlements

present an appropriate context on how entrepreneurial engagement leads to economic empowerment of marginalized urban youth.

3.5 Target population

The target population for this study comprised of youth residing in selected informal settlements within Nairobi City County, specifically Kibera, Mukuru, Mathare, and Kangemi informal settlements. This demographic is particularly significant due to its heightened vulnerability to economic exclusion, unemployment, and limited access to entrepreneurship opportunities (Izugbara et al., 2020). Such informal settlements are characterized by a general lack of infrastructure, high poverty levels, and systemic hindrances that deprive youths from engaging in sustaining economic activity (Makanga, 2022). Thus, this study focused on this population to assess the factors that influenced their entrepreneurial engagement and explore mechanisms for enhancing their economic participation.

This choice of target population aligned with the Human Capital Theory by Gary Becker (1964), where success in developing an individual's economic self-reliance requires education and skills training with the capability to build a future for youth who do not have access to these very critical resources (Becker, 1993). Resource-Based View (RBV) theory by Barney (1991), equally supports this focus because it draws attention to the importance of resource availability both tangible and intangible in shaping entrepreneurial success while Empowerment Theory appreciates the need for conscientization of the youth so that they seize the entrepreneurial opportunities within their reach.

This study has generated insights that have contributed to policies and interventions addressing youth unemployment and economic marginalization as it targets marginalized youth within informal settlements. The findings inform stakeholders, including policymakers, development

agencies, and educational institutions, on strategies to enhance entrepreneurial opportunities and bridge existing socio-economic gaps.

3.6 Study population

The study population comprised all youth aged 18-35 years residing in the four selected informal settlements of Nairobi City County: Kibera, Mukuru, Mathare and Kangemi (total target population N = 10,000). This accessible population formed the sampling frame for the study. A stratified random sampling approach was used, with four age strata (18–21, 22–25, 26–29, 30–35) allocated proportionately to ensure the sample reflects the age distribution of the study population.

3.6.1 Inclusion Criteria

Participants eligible for this study were youth aged 18 to 35 years, residing in selected informal settlements within Nairobi City County, and were currently engaged in or had prior experience with entrepreneurship. Only those who were able to give informed consent, and have lived in the informal settlement for at least 6 months were eligible to participate.

3.6.2 Exclusion Criteria

Individuals were excluded from participating in this study if they were outside the age range of 18 to 35 years or if they did not reside in the selected informal settlements within Nairobi City County. The study excluded individuals who have no current or previous experience in entrepreneurial activities, as their input would not align with the study's objectives. Any person who was unwilling or unable to provide informed consent, including those with cognitive or communication limitations that hinder voluntary participation, were not included. In addition, youth who have lived in the informal settlement for less than six months were not enlisted on the study, since they were presumed to lack adequate exposure to the local socio-economic and

entrepreneurial environment. Temporary visitors, transient residents, and non-resident workers were also excluded.

3.7 Sampling methods and techniques

This study aimed to blend both probability and non-probability sampling methods to explore entrepreneurial engagement and youth economic empowerment in selected informal settlements within Nairobi City County, Kenya. Non-probability sampling was used, particularly purposive sampling, to pinpoint and connect with participants who have valuable insights like representatives from community-based youth development organizations. These individuals shared their rich experiences, challenges, and opportunities that shaped the entrepreneurial landscape. By focusing on those with relevant knowledge, the researcher ensured that the true essence of the phenomenon under study was captured while probability sampling was utilized, specifically simple random sampling to select four informal settlements and stratified random sampling, to select respondents from the broader youth population across the four (4) sampled informal settlements. This approach helped in generalizing study findings with statistical confidence while making sure we represent different genders, ages, and educational backgrounds.

Using both methods was essential because the study sought to tackle a complex issue that requires to capture not just the depth of individual experiences but also the wider patterns among youth. Non-probability sampling helped identify key themes and contextual realities that align with empowerment theory and human capital theory, while probability sampling rigorously tested and validated these themes across a larger, more representative youth population. This combination boosted the credibility, relevance, and applicability of study findings, ultimately informing policies and interventions aimed at enhancing youth entrepreneurship and economic empowerment in informal settlements.

3.8 Sample size estimation

The Yamane's 1967 formula was used to calculate the sample size. The Yamane formula was ideal to determine the sample size since the study site has a large but known population. Nairobi City County has an estimated population of 6.1 million people of which 60% are below the age of 35 years (World Population review, 2026).

$$n = \frac{N}{1+N(e)2N}$$

Where:

- **n** = required sample size
- **N** = total population size
- **e** = level of precision (sampling error), commonly 0.05 (5%)

Example

Suppose your study population is 10,000 youth and you want a 5% margin of error:

n=1+10,000(0.05)210,000 n=2610,000=384

Therefore:

Sample size ≈ 384 respondents.

3.9 Sampling procedure

Purposive sampling was used to sample four (4) sub counties in Nairobi City County to represent six Boroughs of Nairobi City County. These Sub Counties and respective Boroughs are Mathare

to represent Central Borough, Westlands to represent Western Borough, Kibera to represent Southern Borough and Embakasi Central to represent the Eastern Borough. Thereafter simple random was utilized to select four informal settlements from each of the selected sub counties.

Stratified random sampling was employed in this study to ensure a representative selection of youth from Nairobi City County's informal settlements. Sampling refers to the process of selecting a subset of individuals from a larger population to participate in a study, to make inferences about the entire population (Creswell & Creswell, 2018). This sampling technique involved dividing the target population into distinct strata based on specific characteristics, in this case, age before selecting participants proportionally from each stratum. The study effectively captured variations in entrepreneurial engagement by this configuration and find a clear understanding of behavior besides the analysis of challenges and opportunities among age groups in the 18-to-35-year bracket. Younger individuals like those aged 18 to 21 years and who were likely to begin the switch from secondary school to undergraduate studies or vice versa have less experience with entrepreneurship and therefore relied heavily on training and guidance. The category for the age group 22-25 years might have already been engaged in business or employment, allowing the opportunity and challenge of running different ventures. Those belonging to the age bracket of 26-29 years were presumed to have accumulated entrepreneurial experience, risk-taking, or even seeking social security. Generally, age group 30-35 comprises fairly mature entrepreneurs who diversified, expanded, or struggled continuously with long-term business growth.

By this stratification, the research took into consideration the heterogeneous entrepreneurial experience and issues that are common across all ages in the youth bracket, entirely symbolic and realistic of real experiences. A sample of approximately 384 respondents was then taken proportionately from these strata employing simple random sampling procedures. This is the

optimum sample size derived from Yamane's (1967) formula for determining the optimum sample in very large but definite populations so that the results could be reasonably considered adequate for statistical reliability and generalizability. Thus, findings based on stratified random sampling are always more accurate and credible since it removes a lot of bias in sampling and ensures youth representation from all relevant age strata. Corresponding to the Human Capital Theory (Becker, 1993), which posits that variations in involvement in entrepreneurship may be interpreted as a result of different levels of knowledge, education, and proficiency acquired over time, Empowerment Theory (Freire, 1970) emphasizes awareness and agency towards economic participation.

The strata of the youth were as follows;

Stratum **1:** 18–21 years

Stratum **2:** 22–25 years

Stratum **3:** 26–29 years

Stratum **4:** 30–35 years

The researcher then distributed the youths within these age groups:

Table 3.1 Sample size distribution

Stratum (Age Group)	Population Proportion (%)	Target Population (N = 10,000)	Proportionate Sample (n = 384)
18–21 years	22.2%	2,220	85
22–25 years	22.2%	2,220	85
26–29 years	22.2%	2,220	85
30–35 years	33.3%	3,330	128
Total	**100%**	**10,000**	**384**

Source: (Researcher, 2026)

The study also selected two key informants purposely from each of the four selected informal settlements. The key informants were the credit officers of NGOs aiding youth entrepreneurship programs in the selected informal settlements and youth development officers serving in the respective Subcounty office in Nairobi City County. The table below shows the proportional distribution of the respondents.

Table 3.1 Sample frame

STRATUM	MATHARE	KANGEMI	MUKURU	KIBERA	TOTAL
Stratum 1 (18–21 years)	22	21	21	21	85
Stratum 2 (22–25 years)	21	22	21	21	85
Stratum 3 (26–29 years)	21	21	22	21	85
Stratum 4 (30–35 years)	32	32	32	33	129
TOTAL	**96**	**96**	**96**	**96**	**384**

Source: Researcher, (2026)

3.10 Sampling frame

The sampling frame for this study consisted of comprehensive lists of youth aged 18–35 residing in the four selected informal settlements of Kibera, Mukuru, Mathare, and Kangemi. These lists were compiled using multiple credible sources, including local administrative records, community registers, youth group databases, and household listings, to ensure broad and accurate coverage of the eligible population. Once the sampling frame was established, stratification was carried out based on the four predetermined age categories: 18–21, 22–25, 26–29, and 30–35 years. This

stratification ensured that each age group within the youth population was fairly represented in the study, reflecting their actual proportions in the target population.

Following stratification, a proportionate allocation approach was applied, whereby each stratum received a share of the sample that corresponds to its percentage of the total target population. This step ensured that the final sample mirrors the demographic structure of the 10,000 youth in the study area. After allocating sample sizes to each age stratum, respondents were selected using simple random sampling or systematic random sampling. These procedures were applied within each stratum to achieve unbiased representative.

To account for non-response, attrition, or ineligibility during fieldwork, the study prepared a small oversample or reserve list of potential participants. This involved oversampling each stratum by 5 - 10% or preparing alternate respondents who can be approached if originally selected individuals decline or cannot be reached. This strategy safeguarded the study from falling below the required sample size of 384 and helped maintain the validity and reliability of the findings.

3.11 Research instruments

This study used a mixed methodology of interview schedules, and structured researcher-administered questionnaires as the major research tools. It aimed to delve into the engagement of the youth and their economic empowerment with entrepreneurship in selected informal settlements of Nairobi City County, Kenya. Interview schedules allowed for more in-depth discussion with key informants such as Youth Development officers from Sub County Office and Community Based NGOs and credit officers in NGOs. These perspectives elucidated how policies of government inform their effects on entrepreneurship and empowerment among youth in these informal settlements.

In addition, the structured researcher-administered questionnaires were administered to the larger representative sample of youth to solicit quantitative data on the four key variables: entrepreneurial skills, government policy, social networks, and entrepreneurial mentorship. Besides open-ended questions were complemented by closed-ended questions with a Likert scale that would facilitate measuring and analyzing patterns, relationships, and the level of entrepreneurial engagement and empowerment among the youth. These various instruments, integrated into this study gathered both the depth and the breadth of the phenomenon at hand. Thus, interviews provided rich contextual and experiential detail, while structured questionnaires yielded data for statistical generalization, all of which could paint a bright picture of how entrepreneurial skills, supportive policies, social networks, and entrepreneurial mentorship, work in turn to influence the empowerment beneficiaries, the youth in informal settlements, are likely to be.

3.11.1 Validity of research instruments

Validity was improved by employing different rigorous strategies in this study. Content validity was ensured by constructing the interview schedules, and structured questionnaires directly from the study's objectives and key study variables; entrepreneurial skills, government policy, social networks, and entrepreneurial mentorship. To make sure they are on the right track, draft instruments were reviewed by experts in the field, including supervisors and practitioners in youth development, to confirm that the items effectively captured the concepts the study was exploring.

Items were tested for construct validity against these theoretical lenses to which the study was anchored and that informed the research instruments, namely Human Capital Theory and Empowerment Theory. With this, the questions not only have a sound theoretical basis but also measure the constructs in terms of skills acquisition, empowerment processes, and the impact of policy on youth entrepreneurship.

Face validity was enhanced by field testing the instruments with youths from informal settlements similar to the study area. Feedback from this group on the clarity, wording, and relevance of the questions was to help ruminate the instruments and clear up ambiguities that could lead to misunderstandings.

Criterion validity was improved with respect to the structured questionnaires through cross-checking certain responses against observable indicators such as nature of business activity, access to mentorship, and participation in youth empowerment schemes. Self-reported indicators could thus link to actual outcomes. Finally methodological triangulation thus included data collection in interviews, and questionnaires enhanced overall validation. Ultimately, the conclusions drawn were supported by evidence from multiple sources and perspectives. Such strategies amalgamated increased the precision, reliability, and credibility of study instruments hence rendering them very effective.

3.11.2 Reliability of research instruments

The reliability of the data collection instruments was ensured by conducting a standardization process of collecting data. This involved developing clear and consistent questions that aligned with the study variables entrepreneurial mentorship, government policy, social networks, and entrepreneurial skills and training research assistants on how to conduct interviews and lead discussions in a consistent manner. Using the same guidelines to different key informants ensured consistency to the data collected.

Validity for the pre-typed researcher-administered questionnaires was established through pilot testing it on informal settlements youths such as the research site. The pilot helped identify ambiguous or confusing items and ensured that the respondents view things in a similar way. Pilot

feedback was used to adjust and fine-tune the questionnaire with a view to internal consistency improvement. Other statistical procedures like Cronbach's alpha were also used in an effort to test the internal reliability of those scales measuring key constructs like entrepreneurial ability, mentorship, and empowerment. Such items that lower reliability were adjusted or removed.

In order to provide maximum reliability for all the instruments, clear instructions were provided to the respondents and questions remained short, concise, and culturally relevant. Closed-ended questions and Likert-scale items were used in the questionnaire wherever applicable, so that the variation in interpretation is minimal. Finally, triangulation between questionnaires and interviews were additional test for reliability. Wherever consistent trends between instruments and sampling procedures were found, confidence in the findings' consistency were increased.

3.11.3 Pilot testing of the research instruments

A pilot study was conducted with a sample of 30 youth who met the inclusion criteria and were residing in Kawangware slums in Nairobi City County. Kawangware was selected due to its similarity to the other informal settlements targeted in the main study, particularly in terms of socioeconomic conditions and entrepreneurial activities. The respondents were selected through stratified random sampling to ensure representation across relevant subgroups. The pilot study was used as a preliminary trial of the data collection instruments to assess their validity, clarity, and reliability in capturing information on entrepreneurial skills, government policy, social networks, and entrepreneurial mentorship. During the pilot, several questions were identified as problematic, including items that were ambiguous, repetitive, and those that mixed multiple ideas within a single question, which caused confusion among respondents and led to inconsistent responses. Based on these findings, the research instrument was revised by removing ambiguous questions, separating double-barreled items, and rephrasing unclear statements to improve respondent

comprehension. Additionally, the questionnaire was summarized and streamlined by reducing redundancy and restructuring sections, which significantly improved its clarity and reduced the time required for administration by research assistants.

The pilot also enabled the researcher to test the feasibility of the overall research procedures, including sampling procedures, data collection logistics, and fieldwork coordination. The feedback obtained was used to refine and improve the research instruments and field protocols before the main study, thereby enhancing the efficiency, reliability, and overall quality of the data collection process.

3.12 Data Collection Methods

The study employed a survey method to collect quantitative data and an interview to gather qualitative insights, ensuring a comprehensive understanding of entrepreneurial engagement among youth in selected Nairobi City County's informal settlements. The survey method involved the systematic collection of numerical data through researcher-administered, structured questionnaires, allowing for statistical analysis and generalization of findings across the target population (Creswell & Creswell, 2018). This methodology was particularly relevant for assessing trends, patterns, and relationships surrounding variables pertaining to entrepreneurial skills, government policy, social networks, and government policy interventions. In addition to the surveys, qualitative data were collected through interviews providing deeper meanings of the lived experiences, views, and challenges encountered by marginalized youth in entrepreneurship. Half-structured interviews were carried out with selected participants, in order to allow interviewers to have enough flexibility to probe on specific themes while providing a basic level of consistency across respondents (Saunders et al., 2019). This qualitative approach was congruent with the Empowerment Theory (Freire, 1970) as it provided a venue for participants to articulate their

struggles, hopes, and agency in navigating entrepreneurial barriers. Moreover, qualitative interviews offered a more nuanced perspective for contextualizing the quantitative findings thereby providing holistic analyses of the factors affecting the engagement of entrepreneurs (Becker, 1993).

Incorporating surveys and interviews signifies a mixed-methods approach to the study, thereby safeguarding the dependability and credibility of the study by merging numerical trends with richly textured narratives. This methodological triangulation will further strengthen the research by deeply analyzing the what and why of entrepreneurial engagement among marginalized youth, thus paving the way toward deriving recommendations actionable for policy and practice (Etikan & Bala, 2017).

3.13 Data collection procedure

The research involved a systematic and ethically guided data collection legitimizing the reliability and validity of research while complying with ethics. The process was followed in various stages using quantitative and qualitative methods to enable a full understanding of youth entrepreneurial engagement in Nairobi City County's informal settlements. In the initial stage, preliminary engagement with the community leaders, youth groups, and other concerned stakeholders were conducted to sensitize the community to the study's goals and significance. It enabled the researcher to get permission to conduct the study in the community. This phase mostly links to Freire's Empowerment Theory according to which community participation and awareness is viewed as the basis for transformative engagement (Freire, 1970).

Stakeholder engagement also facilitated access to respondents and trust generation increasing response rates into the data collection process (Creswell & Creswell, 2018). Then, upon

completion of building rapport, structured researcher-administered questionnaires were disseminated among the 384 sampled marginalized youth stratified by age group (i.e., between 18 and 35 years). It collected quantitative data about these individuals' awareness entrepreneurial skills, government policy frameworks, social networks and entrepreneurial mentorship. The researcher administration, given the literacy disparities in informal settlements, ensured clarification of questions and completeness of responses minimizing non-response errors (Kumar, 2019).

Simultaneously, semi-structured interviews were held with key informants from the Ministry of youth affairs specifically officers from the state department of youth affairs and creative economy and non-governmental organizations dealing with youth development. These interviews were expected to provide a qualitative view of policy interventions in place, institutional limitations, and program effectiveness. The inherent flexibility of semi-structured interviews ensured that respondents can elaborate on their experiences thus guaranteeing adequate contextual understanding (Saunders et al, 2019). All respondents, including the youth and the key informants gave informed consent to participate in the study as demanded by ethical research guidelines (Etikan & Bala, 2017) including their voices being recorded on a voice recorder. The researcher assured respondents of confidentiality and anonymity and emphasized that data collected served academic purposes only and will be safely stored. It also kept time so that data collection remains time-bound but effective in executing high-quality data. The use of quantitative surveys and qualitative interviews was the best according to cross sectional convergent concurrent design, thus permitting exploration of factors affecting youth engagement in entrepreneurship holistically. This further sought to ensure the validity, credibility, and generalizability of the study within the context of Nairobi City County informal settlements.

3.14 Data Analysis Techniques

It was the utmost concern of this study to ensure that data collection, analysis, and interpretation produced accurate, reliable, and meaningful findings. The study adopted a mixed-methods approach, integrating quantitative and qualitative data analysis techniques to provide both statistical evidence and contextual explanations of the phenomenon under investigation (Creswell & Creswell, 2018). The quantitative and qualitative strands were analysed separately and subsequently integrated during interpretation through joint displays and triangulation. This integration enabled the researcher to compare, connect, and interpret statistical findings alongside participants' experiences and perspectives, thereby providing a more comprehensive understanding of youth economic empowerment.

Quantitative data obtained through structured questionnaires were subjected to data cleaning to assess completeness, consistency, and accuracy before statistical analysis. This process minimised errors during computation and enhanced the integrity and validity of the dataset (Pallant, 2020). Both descriptive and inferential statistics were employed. Descriptive statistics included measures of central tendency, such as the mean, median, and mode; measures of dispersion, including standard deviation and variance; and frequency distributions. These techniques provided a clear summary of the characteristics and distribution of the data (Etemadi & Khashei, 2021).

Inferential statistics were selected in line with the study objectives. An independent-samples t-test was used to compare mean economic empowerment outcomes between two groups, such as mentored and non-mentored youth entrepreneurs and male and female participants. A one-way ANOVA was used to compare economic empowerment outcomes across more than two groups,

for example, different levels of government policy support classified as low, medium, and high. Finally, multiple linear regression analysis was employed to examine the predictive relationship between entrepreneurial skills, government policy interventions, social networks, entrepreneurial mentorship, and youth economic empowerment in informal settlements of Nairobi City County. The regression analysis enabled the researcher to determine the relative contribution of the predictor variables to economic empowerment while controlling for the effects of the other variables.

Qualitative data generated through interviews were transcribed verbatim and analysed thematically following Braun and Clarke's (2006) six-phase framework. The initial codes were generated inductively from the data, allowing patterns, meanings, and issues to emerge from participants' accounts rather than imposing predetermined categories. However, the coding and subsequent development of themes were guided by the research questions and study objectives, which provided an analytical boundary and ensured that the interpretation remained focused on the phenomena under investigation. This approach enabled the researcher to remain responsive to participants' experiences while maintaining alignment with the purpose of the study. NVivo software was used to facilitate systematic coding, organisation, categorisation, retrieval, and development of themes and sub-themes.

To further manage potential researcher bias and subjectivity, the researcher maintained reflexivity throughout the qualitative analysis process by critically examining personal assumptions, interpretations, and potential influences on the coding and development of themes. The use of the research questions and objectives as an analytical guide helped to maintain consistency and prevent

the analysis from being unduly influenced by the researcher's expectations. The researcher also remained attentive to evidence that contradicted emerging interpretations rather than selectively focusing on findings that supported preconceived expectations. Following the separate analysis of the two datasets, the quantitative and qualitative findings were integrated through joint displays and triangulation. Joint displays were used to present quantitative results alongside corresponding qualitative themes, enabling the researcher to identify areas of convergence, complementarity, and divergence between the two strands of evidence. For example, statistically significant relationships identified between entrepreneurial mentorship and economic empowerment were examined alongside participants' narratives describing how mentorship enhanced business knowledge, confidence, access to opportunities, and decision-making. Similarly, where quantitative and qualitative findings differed, the divergence was examined critically to identify possible contextual explanations rather than treating the findings as contradictory. Triangulation across methods and data sources strengthened the credibility and trustworthiness of the findings by allowing evidence from one method to corroborate, explain, or qualify evidence generated through another. The integration of the two strands therefore went beyond presenting separate quantitative and qualitative findings. It enabled the researcher to develop a more comprehensive and contextually grounded interpretation of the factors influencing youth economic empowerment in informal settlements of Nairobi City County. In this way, the mixed-methods design provided both the breadth of quantitative evidence and the depth of qualitative explanation, while the use of inductive coding, research-question alignment, reflexivity, joint displays, and triangulation strengthened the overall rigour of the analysis.

3.15 Ethical Considerations

This study adhered strictly to established ethical principles to protect the rights, welfare, dignity, privacy, and autonomy of all research participants. The study was guided by the core principles of respect for persons, beneficence, non-maleficence, and justice, as emphasised in the Belmont Report, as well as internationally accepted standards for ethical research (Resnik, 2020). Particular attention was given to the vulnerability and socio-economic circumstances of youth entrepreneurs living and operating businesses in informal settlements in Nairobi City County.

Participation in the study was entirely voluntary. Before data collection, participants were provided with clear and adequate information about the purpose of the study, research procedures, expected duration, potential benefits and risks, their rights as participants, and how the information they provided would be used. Informed consent was obtained from participants before their involvement, and participants were informed that they had the right to decline participation or withdraw from the study at any stage without penalty, loss of benefits, or any negative consequences. The principle of disclosure was observed by ensuring that participants received sufficient and truthful information about the study to enable them to make an informed decision about participation.

The study upheld the principles of anonymity and confidentiality. Participants were not required to provide personally identifying information unless necessary for the administration of the research. Unique codes were used instead of participants' names during data processing and analysis. Research records were securely stored and access was restricted to authorised members of the research team. In reporting the findings, no information that could reasonably identify individual participants or link particular responses to specific individuals was disclosed. Interview quotations were presented using pseudonyms or participant codes where necessary. These

measures were particularly important given the potential sensitivity of information relating to participants' businesses, income, access to support, and socio-economic circumstances.

The principle of do no harm (non-maleficence) was observed throughout the research process. The researcher took reasonable measures to minimise potential physical, psychological, social, economic, and reputational risks to participants. Questions were framed and administered respectfully, and participants were not compelled to respond to any question that made them uncomfortable. Data collection procedures were also designed to avoid exposing participants or their businesses to unnecessary risks, particularly in contexts where safety and socio-economic vulnerability were concerns.

The principle of beneficence was also considered by ensuring that the study was designed to generate useful knowledge on factors influencing youth economic empowerment and entrepreneurship. Although participants were not promised direct financial or material benefits, the study sought to contribute evidence that could inform policies, programmes, social work interventions, and other initiatives aimed at strengthening youth entrepreneurship and economic empowerment.

The principle of justice and fair subject selection guided the identification and recruitment of participants. Participants were selected according to clearly defined inclusion and exclusion criteria relevant to the study objectives rather than convenience, personal relationships, social status, gender, economic position, or other unrelated characteristics. No group was deliberately overburdened with participation, while potentially relevant participants were not unfairly excluded from the study. The researcher was particularly careful to ensure that young people from

disadvantaged informal settlements were not exploited because of their socio-economic circumstances.

The study also maintained academic integrity and transparency throughout the research process. Sources were appropriately acknowledged and plagiarism checks were undertaken to ensure originality and proper attribution of scholarly work. Research procedures, methodological decisions, limitations, and findings were reported honestly without fabrication, falsification, or deliberate misrepresentation. The researcher-maintained transparency about the purpose and scope of the research and did not conceal information that could reasonably influence participants' decision to participate.

Ethical approval and regulatory clearance were obtained from the relevant Institutional Review Board (IRB) and the National Commission for Science, Technology and Innovation (NACOSTI) in accordance with applicable Kenyan research regulations (NACOSTI, 2021). These approvals provided an additional layer of oversight regarding participant protection and ethical conduct.

Overall, the study sought to ensure that respect for persons, informed consent, disclosure, anonymity, confidentiality, non-maleficence, beneficence, justice, and fair participant selection were embedded throughout the research process from recruitment and data collection to analysis, storage, reporting, and dissemination. Adherence to these principles strengthened the ethical integrity, credibility, and trustworthiness of the study while ensuring that the rights and welfare of youth entrepreneurs in Nairobi City's informal settlements remained central to the research process.

3.16 Operationalization of variables

The major concepts in this study are entrepreneurial skills, government policy, social networks, entrepreneurial mentorship and economic empowerment. Each of the concepts is defined as follows;

Table 3.3: Operationalization of variables

Variable Type	Variable	Indicators	Measurement Scale	Data Collection Method	Data Analysis Method
Independent Variable	Entrepreneurial Skills	- Ability to draft a business plan- Confidence in managing finances- Knowledge of market research- Frequency of generating business ideas	Ordinal (Likert scale 1–5)	Questionnaire; KII	Quantitative: Descriptive statistics (mean, SD), Correlation, Regression Qualitative: Thematic analysis
Independent Variable	Government Policy	- Access to Youth Enterprise Development Fund (YEDF)- Ease of business registration- Awareness of government training programs- Bureaucratic barriers	Ordinal (Likert), Nominal (Yes/No)	Questionnaire; KII	Quantitative: Frequencies, Percentages, Chi-square, Regression Qualitative: Thematic analysis, Content analysis
Independent Variable	Social Networks	- Participation in youth groups-	Ordinal (Likert), Ratio	Questionnaire; KII	Quantitative: Descriptive statistics,

		Peer/family support- Number of contacts- Use of social media for business			Correlation, Regression Qualitative: Thematic analysis
Independent Variable	Entrepreneurial Mentorship	- Availability of mentor- Frequency of sessions- Satisfaction with mentorship- Influence on performance	Ordinal (Likert), Nominal (Yes/No)	Questionnaire; KII	Quantitative: Descriptive statistics, Correlation, Regression Qualitative: Thematic analysis
Dependent Variable	Economic Empowerment	- Monthly income- Number of employees- Ownership of assets- Financial independence	Ratio; Ordinal (Likert)	Questionnaire; KII	Quantitative: Descriptive statistics, Regression, ANOVA Qualitative: Thematic analysis, Narrative analysis

Source: Researcher (2026)

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

This chapter presents data and interpretation; it is organized to address each of the four research objectives. It begins with the response rate and demographic characteristics of respondents, followed by reliability analysis of the research instrument, descriptive statistics for each study variable, inferential statistical analyses including independent samples t-tests, correlation analysis, multiple regression analysis, and qualitative findings drawn from 6 Key Informant Interviews (KIIs).

4.1 Response Rate

Table 4.1 Response rate

Category / Data Source	Target Sample Size	Actual Responses / Completed	Response Rate (%)	Status / Recommendation Met
Questionnaires (Survey)	384	339	88.3%	Excellent 70% threshold per Mugenda & Mugenda, 2003)
Key Informant Interviews (KIIs)	6	6	100%	Successfully conducted
Overall Quantitative Metric	384	339	88.3%	Sufficient for statistical analysis

Source: Research data, (2026)

A total of 339 questionnaires were successfully completed and returned out of a target sample of 384 respondents, representing a response rate of 88.3 percent. This response rate is

considered excellent and sufficient for statistical analysis, as it exceeds the commonly accepted threshold of 70 percent recommended for survey-based studies (Mugenda & Mugenda, 2003). The high response rate is attributable to the researcher-administered approach adopted during data collection, which enabled the researcher to clarify questionnaire items and encourage participation. Six Key Informant Interviews (KIIs) were also successfully conducted with program officers from government agencies, NGOs, and community-based organizations operating in the selected informal settlements.

4.2 Reliability Analysis of the Research Instrument

Before proceeding with the main data analysis, the reliability of the research instrument was assessed using Cronbach's Alpha coefficient. Reliability refers to the consistency and stability of a measurement instrument in measuring a particular construction. A Cronbach's Alpha value of 0.7 and above is considered good, while values between 0.6 and 0.7 are considered acceptable, particularly in exploratory studies (Peterson, 1994). The results of the reliability analysis are presented in Table 4.1 below.

Table 4.2: Cronbach's Alpha Reliability Coefficients for Study Variables

Variable	Cronbach's Alpha	Number of Items
Economic Empowerment	0.749	9
Entrepreneurial Skills and Engagement	0.668	10
Government Policy and Support	0.643	7
Social Networks and Engagement	0.763	8
Entrepreneurial Mentorship	0.753	6

Source: Research data, (2026)

Cronbach's Alpha values for all study variables ranged between 0.643 and 0.763, all of which are above the acceptable threshold of 0.6. Specifically, Economic Empowerment (α = 0.749), Social Networks and Engagement (α = 0.763), and Entrepreneurial Mentorship (α = 0.753)

showed good reliability. Entrepreneurial Skills and Engagement (α = 0.668) and Government Policy and Support (α = 0.643) recorded acceptable reliability levels. These results confirm that the questionnaire items used in the study were reliable and suitable for further statistical analysis.

4.3 Demographic Characteristics of Respondents

The demographic characteristics of respondents were examined to provide contextual background for interpreting the study findings. The analysis covered gender, age, level of education, marital status, and the specific informal settlement in which respondents resided.

4.3.1 Gender of Respondents

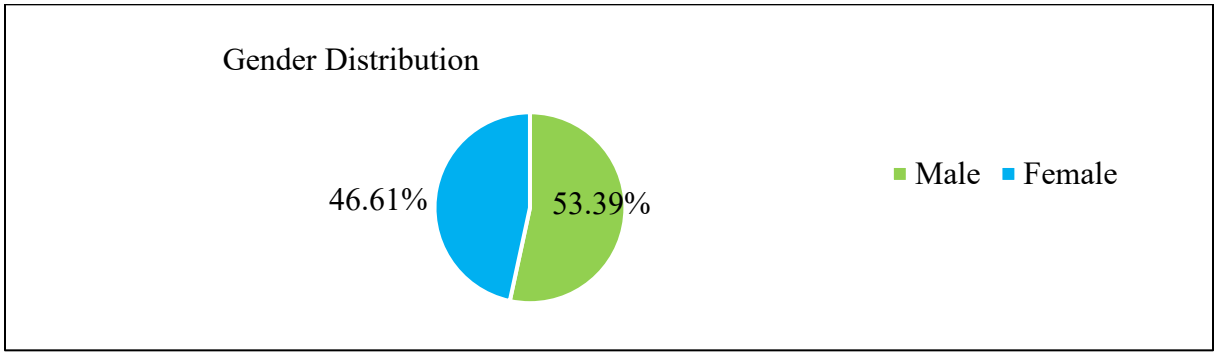


Figure 4.1: Gender of Respondents

Source: Research data, (2026)

Figure 4.2 represents the gender distribution of the respondents. The findings show that out of the 339 respondents, 181 (53.4%) were male and 158 (46.6%) were female. The near-equal gender distribution reflects the stratified sampling approach employed in this study and provides a basis for gender-based comparisons. The slight male majority is consistent with observations from similar studies conducted in urban informal settlements in Kenya (Kimathi & Wamalwa, 2023), where male youth tend to be more visible as entrepreneurs in market-based settings.

4.3.2 Age

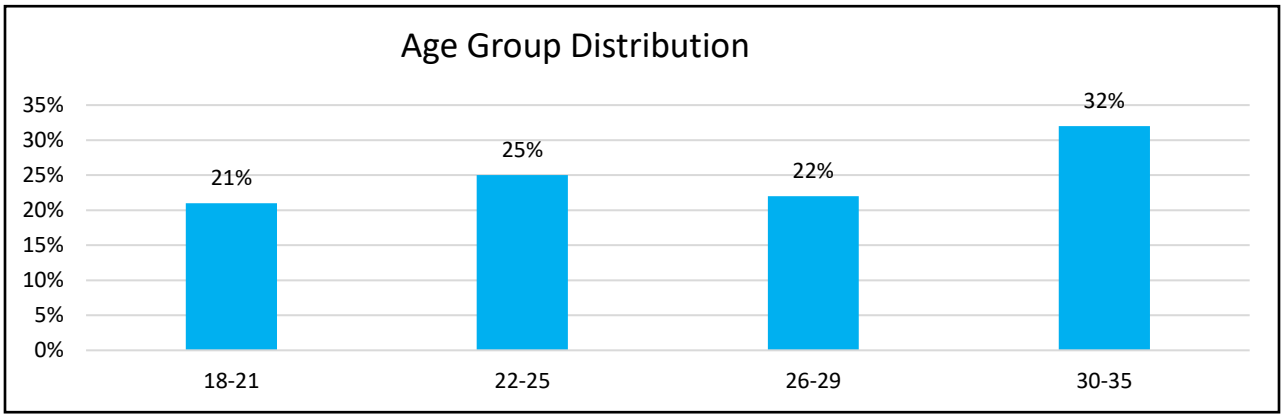


Figure 4.2: Age Distribution of the Respondents

Source: Research data, (2026)

The majority of respondents fell within the 30–35 age bracket (32%), reflecting the youth-heavy demographic profile of informal settlements in Nairobi City County. Youth aged 22–25 constituted the second largest group (25%), followed by those aged 26–29 years (22%) and 18-21 year constituted (21%). This distribution is consistent with the African Union's definition of youth (15–35 years) and aligns with the study's focus on economically active youth who are either engaged in or aspiring toward entrepreneurial ventures in informal urban settings. It also confirms the proportional ratios that were used to come up with the stratas.

4.3.3 Level of Education

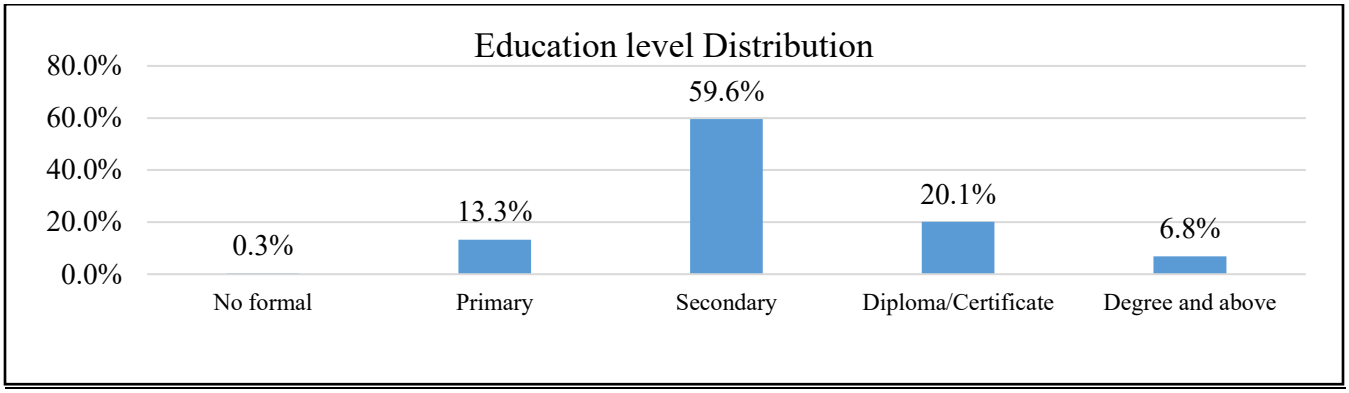


Figure 4.3: Level of Education

Source: Research data, (2026)

Figure 4.4 shows respondents' education level. The results indicate that the majority of respondents 59.6 % had attained secondary level education, followed by those with Diploma/Certificate 20.1%, Primary 13.3%, those with Degree and above were 6.8% and negligible proportion had no formal education 0.3%. The educational distribution underscores the limited access to higher education among youth in informal settlements, which is a critical structural barrier to entrepreneurship and economic empowerment. This finding aligns with the Human Capital Theory, which posits that education is a key determinant of economic productivity and self-employment capacity (Becker, 1964).

4.3.4 Employment status Distribution

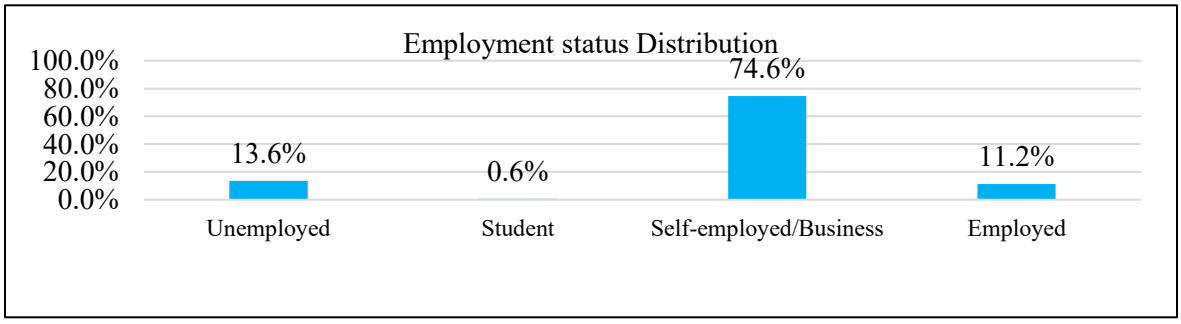


Figure 4.4: Employment status Distribution

Source: Research data, (2026)

Figure 4.3.4 shows the employment status of 339 youth in Nairobi's informal settlements. The evidence indicates that Self-employment/Business is the dominant economic driver, accounting for 74.6% (253) of respondents. This indicates a high level of entrepreneurial engagement, likely necessitated by the scarcity of formal opportunities, as only 11.2% (38) are employed. While 13.6% (46) remain Unemployed, the marginal 0.6% (2) identified as Students suggests a heavy prioritization of immediate income generation over formal education. Consequently, these findings highlight that youth livelihoods are fundamentally rooted in independent ventures. Economic empowerment strategies should therefore focus on strengthening existing micro-enterprises through better access to credit and business training to maximize the impact of this existing entrepreneurial energy.

4.3.5 Informal Settlement of Residence

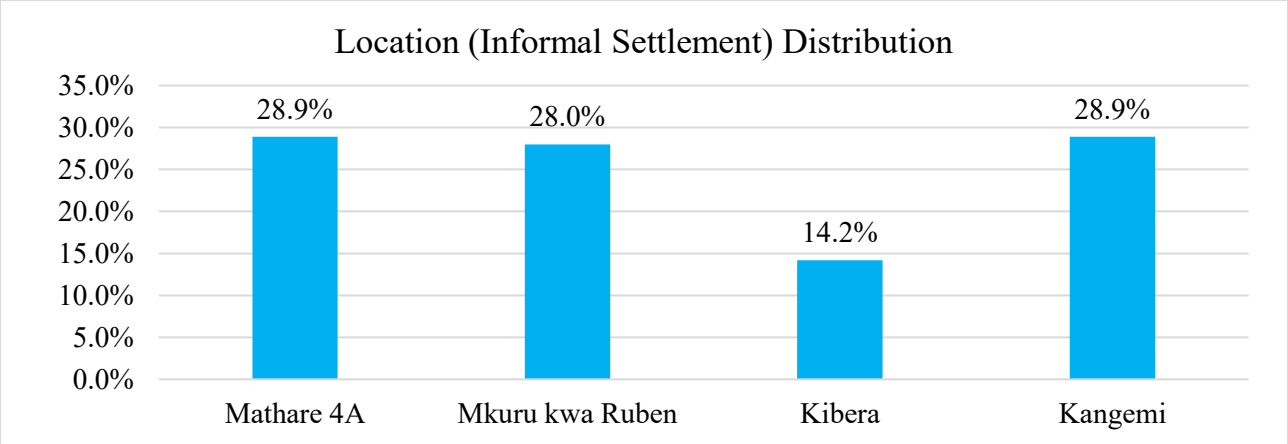


Figure 4.5: Location (Informal Settlement) Distribution

Source: Research data (2026)

The distribution of the 339 respondents across Nairobi's informal settlements shows a nearly equal representation from three major areas, with Mathare 4A and Kangemi each

contributing 28.9% (98) of the total participants. Mukuru kwa Ruben follows closely with 28.0% (95), indicating a balanced reach across these three primary locations. In contrast, Kibera had the lowest representation, accounting for only 14.2% (48) of the youth surveyed. This spatial distribution suggests that the study's insights are largely driven by the entrepreneurial experiences in Mathare, Kangemi, and Mukuru, ensuring that the findings reflect a diverse cross-section of Nairobi City County informal economic landscape.

4.3.6 Profile of Key Informant Interview Participants

Table 4.2: Profile of Key Informant Interview Participants

Code	Location	Organization	Role	Experience
KII-1	Kangemi	Ubuntu CBO	Secretary	4 years
KII-2	Kangemi/Nairobi	Shangilia Youth to Youth Network	Secretary General	13 years
KII-3	Kibra	Kibra Soweto Young Achievers	Secretary	5 years
KII-4	Mathare	Big Brothers CBO	Chairman	15 years
KII-5	Mathare	State Dept. for Youth Affairs	Youth Affairs Officer	15 years
KII-6	Mukuru	Mukuru for Change	Resilient Advocate	10 years

Source: Research data (2026)

As shown in Table 4.2, participants collectively represent over 62 years of combined institutional experience working with youth in informal settlements. Their profiles span community-based organizations (CBOs), civil society networks, and a government department, ensuring that the findings reflect both grassroots realities and institutional perspectives. The inclusion of the only government representative (KII-5) was particularly significant in triangulating community accounts of policy implementation with the official institutional narrative. This multi-stakeholder composition strengthens the credibility and transferability of the qualitative findings (Lincoln & Guba, 1985).

4.4 Descriptive and Inferential Statistical Analysis of findings

Descriptive statistics were computed to summarise the central tendencies and variability of the key study variables. A five-point Likert scale was used, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Mean scores above 3.5 were interpreted as indicating agreement with the measured construct, while scores below 2.5 indicated disagreement.

4.4.1 Economic Empowerment

Table 3.4: Descriptive Statistics on Economic Empowerment

	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
B1. I have sufficient income to meet my basic household needs	2.24	1.020	.803	.132	.011	.264
B4. I feel financially secure to handle unexpected expenses.	2.47	1.069	.351	.132	-.815	.264
B7. Compared to 2 years ago, my income/business has improved.	2.81	.990	.086	.132	-.724	.264
B3. I have stable access to resources needed for my business or livelihood.	2.84	1.083	-.009	.132	-1.041	.264
B9. My business has grown in terms of customers, sales, or employees.	2.87	1.021	.078	.132	-.796	.264
B5. My current business or work gives me opportunities to save and invest.	3.40	1.135	-.583	.132	-.683	.264
B8. My business activities have increased my contribution to household income.	3.40	1.111	-.439	.132	-.869	.264
B6. I am confident in my ability to sustain or grow my livelihood/business.	3.86	.802	-1.160	.132	1.874	.264
B2. I am able to make independent decisions on how to use my income.	4.51	.767	-2.115	.132	5.610	.264
Overall	3.16	.581				

Source: Research data, (2026)

The results Table 4.4 indicate that economic empowerment is uneven and skewed toward non-material aspects. Low means for income sufficiency (M = 2.24, SD = 1.020, skew = .803, kurt = .011) and financial security (M = 2.47, SD = 1.069, skew = .351, kurt = −.815) indicate widespread deprivation with moderate variability and clustering toward lower responses, while modest improvement in income (M = 2.81, SD = .990, skew = .086, kurt = −.724), access to resources (M = 2.84, SD = 1.083, skew = −.009, kurt = −1.041), and business growth (M = 2.87, SD = 1.021, skew = .078, kurt = −.796) suggests limited but slightly balanced progress. Higher means for saving/investment and household contribution (both M = 3.40, SD ≈ 1.12, skew = −.583/−.439, kurt < 0) reflect moderate empowerment with responses leaning toward agreement. Strong confidence (M = 3.86, SD = .802, skew = −1.160, kurt = 1.874) and very high financial autonomy (M = 4.51, SD = .767, skew = −2.115, kurt = 5.610) show concentrated agreement at the upper end. The overall mean (M = 3.16, SD = .581) indicates moderate empowerment with low dispersion. The general findings indicate that youth economic empowerment in informal settlement is largely psychological but materially shallow. In addition, the findings revealed that there is high agency, but basic security remains low and unequal. This suggests that youth economic empowerment interventions should shift from mindset training to structural support such as providing capital and stability to convert existing entrepreneurial confidence into tangible economic outcomes.

4.4.2 Entrepreneurial Skills and Engagement

Table 4.4: Descriptive statistics on Entrepreneurial Skills and Engagement

Items	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
C9. I participate in business-related training, programs, or workshops.	2.64	1.262	.141	.132	-1.401	.264
C10. I seek advice from mentors or peers to improve my business.	3.32	1.312	-.724	.132	-.844	.264
C7. I regularly adapt my business based on market feedback.	3.86	.988	-1.262	.132	1.408	.264
C8. I actively spend time on entrepreneurial activities each week	3.89	.850	-.959	.132	.594	.264
C6. I can use digital tools (mobile money, social media) for business.	4.06	.957	-1.142	.132	.773	.264
C4. I can market my products/services effectively.	4.10	.724	-1.239	.132	2.823	.264
C3. I understand how to price products/services competitively.	4.18	.679	-1.036	.132	2.385	.264
C5. I can manage cash flow for my business.	4.22	.635	-.780	.132	1.921	.264
C1. I can prepare a simple business plan.	4.26	1.005	-1.507	.132	1.519	.264
C2. I know how to keep records of sales and expenses.	4.39	.808	-1.608	.132	2.511	.264
Overall	3.89	.475				

Source: Research data, (2026)

The Table 4.5 results show that entrepreneurial skills are generally high (Overall M = 3.89, SD = .475), indicating consistency across respondents, but the low mean for training participation (M = 2.64, SD = 1.262, skew = .141, kurt = −1.401) suggests skills are not formally acquired and are widely dispersed. Moderate advice-seeking (M = 3.32, SD = 1.312, skew = −.724, kurt = −.844) indicates informal learning exists but varies greatly among youth. Higher means for adaptation (M = 3.86, SD = .988, skew = −1.262, kurt = 1.408) and time investment (M = 3.89, SD = .850, skew = −.959, kurt = .594) show active engagement, with responses concentrated toward agreement.

Very high means in digital use, marketing, pricing, cash flow, planning, and record keeping (M = 4.06–4.39, SD = .635–1.005) with strong negative skewness (−.780 to −1.608) indicate most respondents possess strong practical business skills, while positive kurtosis values (up to 2.823) show responses are tightly clustered at high levels. The findings underscore that youth possess strong entrepreneurial skills built through experience rather than formal education. This self-directed, informal development proves functional competence but reveals a lack of institutional support. Consequently, future initiatives should formalize these existing skills and bridge gaps in structured training.

These quantitative patterns are directly illuminated by the qualitative evidence gathered through Key Informant Interviews, which reveal the mechanisms behind both the high self-reported practical skills and the persistent training deficit. Three interconnected themes emerged from the data. Rather than presenting a simple deficit narrative, the analysis reveals a more analytically complex and policy-significant finding: a paradox between demonstrable potential and structural incapacitation, rooted in the collapse of the very ecosystem that was meant to convert raw talent into market-ready competency.

The Skills Paradox: Where Ideas Exist, Execution Fails

The most consistently articulated finding across all six interviews is what may be analytically designated a skills paradox: youth in all four settlements demonstrate visible raw potential and technological aptitude, communication ability, and vocational proficiency in sectors such as motorbike transport, *jua kali* craft, and shoe retail. However, these ideas systematically fail to sustain businesses beyond their initial phase. The explanatory gap lies not in motivation or intent but in the managerial and applied competencies that determine business survival: financial

management, record keeping, marketing intelligence, and digital literacy. This distinction carries significant theoretical and programmatic weight. A pure Human Capital Theory (Becker, 1964) reading would predict a linear relationship between knowledge investment and economic output; the data complicates this by revealing that informal settlement youth possess forms of human capital social skill, technical skill, technological comfort that remain economically inert because they are not complemented by the financial and managerial competencies that determine whether a business survives its first financial cycle.

Financial management emerges as the most critical and persistently cited deficiency across all six interviews. Multiple informants describe an identical cycle for example, a youth acquires startup capital from casual labour, a family member, or a small grant; invests it without a business plan; fails to differentiate between business revenue and personal income; and loses the entire capital within weeks. This is not, as KII-5 (personal communication, January 2026) acknowledged, a motivational failure but a knowledge failure: "*There is a gap in financial management emanating from lack of knowledge in record keeping. Marketing skills have gaps because they don't have enough network. However, the youths are very innovative*." The concession that youth are innovative while being financially illiterate is analytically important: it exposes the inadequacy of deficit-only frameworks and suggests that programme designs premised on motivational change rather than applied skills development will systematically miss their target.

The interviews identify a structural stratification within the skills deficit that extends the analysis. A participant explained that "In financial management, only a few, especially those who completed secondary school, have it. Most youths who work become broke just a few days after pay" (KII-4, personal communication, January 2026). This testimony reveals an education-differentiated skills landscape in which formal schooling, where attained, provides a rudimentary managerial

advantage, while school dropouts who are disproportionately represented in informal settlements operate with virtually no financial management foundation. This finding implicates the formal education system in the entrepreneurship failure of informal settlement youth and points toward a more structurally embedded policy failure than existing programme responses have acknowledged.

A further dimension of the skills paradox that has been undertheorized in the existing literature is the digital literacy gap. Virtually every youth in the studied settlements possesses a smartphone; however, as informants across all four sites consistently report, these devices are not being used for business advantage: not for digital marketing, not for online fund applications, and not for market intelligence. KII-2 (personal communication, January 2026) captures the contradiction succinctly: "*The youth are so keen on technology. They have high communication skills. Also, networking. [But] sustenance is a problem*." The existence of hardware without the accompanying knowledge infrastructure to exploit it productively represents a missed economic opportunity of considerable scale and constitutes what this study identifies as a second-order digital divide: one characterised not by device access but by the absence of applied digital skills and trusted platforms. This finding advances the existing digital divide literature, which has tended to focus primarily on hardware access as the primary barrier (Chisika & Yeom, 2024).

The critical point that emerges when the Skills Paradox is read analytically rather than descriptively is this: the problem is not that youth in informal settlements lack entrepreneurial ambition. The problem is that their ambition is operating in a competency vacuum, one that generic motivational interventions cannot fill and that only applied, contextually grounded, and sequenced skills training can address. The failure of existing programmes to distinguish between motivation

deficits and competency deficits has produced programmes that are structurally misaligned with the actual barriers youth face.

The Collapsed Support Ecosystem: From Programmes to Vacuum

The Skills Paradox does not exist in isolation; it is structurally produced by what the data reveals as the near-total collapse of the formal skills development ecosystem across all four studied settlements. This finding is supported by five of the six interviews and corroborated from multiple institutional vantage points and reframes the skills deficit as a systemic rather than individual failure, thereby demanding a structural rather than behavioural policy response. Informants describe a recent past in which NGO-led training programmes, mentorship initiatives, and community incubation centres populated the entrepreneurial support landscape. That landscape has been hollowed out by three intersecting and mutually reinforcing shocks: the COVID-19 pandemic's disruption of on-the-ground programming; the withdrawal of US foreign aid (referenced directly and independently in three interviews as "Trump's policies"); and government institutional disengagement from youth affairs at the grassroots level. The convergence of these forces has produced not a gradual reduction but an abrupt discontinuity a system that was functioning imperfectly but meaningfully has, in the space of a few years, ceased to function at all. KII-2 (personal communication, January 2026) articulates this collapse with precision and urgency:

> *Previously, there were organizations that were working with the youth, but after corona, they reduced drastically. Policies too, like Trump's. Initially there were fundings used to educate people. They had good programs. Nowadays, no one talks to the youths. (KII-2, personal communication, January 2026).*

In addition, the interview revealed that youth economic empowerment programs rely on foreign aid and donor funding. A participant explained that "*the mentorship programs that used to exist were finished by Trump. There were mentorships on mental health, for young mothers and youth champions. For now, there is none because we relied on the West, who ended the funding*" (KII-6, personal communication, January 2026). The analytical significance of this testimony extends beyond their description of programme loss. They expose what this study terms an aid dependency paradox at the heart of Kenya's youth economic empowerment architecture: a policy system that formally claims ownership of youth development but has, in practice, outsourced its delivery to Western donors whose continued engagement is contingent on geopolitical calculations entirely beyond the control of Kenyan communities or policymakers. The withdrawal of US aid is therefore not merely an external shock to be absorbed but a diagnostic revelation of a structural dependency that must be disaggregated from any honest account of the skills development crisis.

Furthermore, the interview confirms the resulting vacuum with equal clarity. A participant explained that "*Some trainings by World Vision but none for the government. There are no incubators nor are there apprenticeships*" (KII-2, personal communication, January 2026). The absence of any government-delivered skills development provision in a context where state youth offices have been physically locked for four to five years constitutes an abdication of institutional responsibility that formal policy architecture does not acknowledge. From the perspective of Empowerment Theory (Rappaport, 1987), empowerment requires not only individual capacity but enabling structures the resources, institutions, and platforms through which individuals can actualize their potential. The dismantling of these structures does not merely reduce programme output; it dismantles the very conditions under which empowerment is possible. This is a

theoretically significant distinction that challenges programme designers to treat ecosystem reconstruction not individual skill delivery but also as the primary unit of intervention.

Skills as the Hinge of Livelihood: The Empowerment Spiral

The findings reveal a policy-critical dimension regarding the nexus between entrepreneurial competencies and economic stability. A central theme emerging from the data is a direct, causal, and recursive relationship between refined skills and livelihood outcomes. Regardless of institutional positioning, respondents consistently articulated a "skills-to-livelihood" pathway, which this study operationalizes as a bidirectional developmental spiral. In the virtuous trajectory, the acquisition of financial literacy and record-keeping skills facilitates progression toward systematic savings, business expansion, income stability, and eventual creditworthiness. Conversely, the absence of this foundational knowledge triggers a "vicious trajectory" characterized by speculative investment, financial loss, and systemic frustration. This bifurcation was concisely articulated during the key informant interviews: "*If you have those skills, you will manage your entrepreneurship well. With the skills, you will have the mindset of saving and expanding it. (Without them) when you get money, you will go and become spendthrift*." (KII-1, personal communication, January 15, 2026). This evidence suggests that entrepreneurial development is not merely additive but transformative; while proficient skills foster a mindset of strategic reinvestment, their absence leads to the rapid dissipation of capital and, in extreme cases, a shift toward social delinquency as a survival mechanism.

The study reveals that the vicious spiral produces consequences that extend into behavioral risk pathways, particularly crime. One participant observed that youth "*become frustrated because they invested with no returns" and may "resort to cheap jobs and even crime for quick money*" (KII-3,

personal communication, January 2026). Another explained that after business failure, "*the tempting thoughts of crime starts to knock*" (KII-5, personal communication, January 2026). These accounts indicate that crime emerges through a mediated psychological process, where failed entrepreneurial efforts generate frustration and shift youths' choices toward short-term survival options.

This is because youths connect lack of returns with frustration and subsequent consideration of crime. The reference to "tempting thoughts" suggests that criminal behavior is not immediate but becomes conceivable after repeated setbacks. However, the present study adds precision by showing that failed business attempts, rather than unemployment alone, intensify criminal ideation among the youths.

In contrast, the interview highlighted the importance of entrepreneurial skills. A participant noted that "*With entrepreneurial skills the youth are able to create income generating activities to earn income and boost it to enhance income stability. With good record keeping, they would be able to save more and expand the entity*." (KII-5, personal communication, January 2026). This suggests that entrepreneurial skills act as a protective factor by supporting income stability and reducing vulnerability to crime. This follows from the participants' emphasis on income generation, savings, and business growth, which directly addresses the instability described earlier. Nonetheless, this effect is conditional, as skills may not yield positive outcomes in constrained economic environments. Thus, while skills can mitigate progression toward crime, they do not automatically prevent it; as such the finding demonstrates a process-based relationship in which business failure produces frustration, and frustration increases the likelihood of considering crime, while the presence of relevant skills can moderate this outcome.

The testimony converges across independent sources ranging from a government Youth Affairs Officer to grassroots leaders. This inter-source triangulation bolsters the credibility of the causal claim. More importantly, it reframes investment in entrepreneurial skills as both a crime prevention and economic development strategy. Adopting this lens in policy could unlock multi-sectoral funding from justice, social protection, and economic departments, which are currently siloed. This shift contributes to both policy discourse and academic literature on the youth unemployment crime nexus (ILO, 2024); it suggests that crime stems not just from unemployment, but from the specific skills deficits caused by joblessness and business failure.

4.4.3 Government Policy and Support

Table 4.5: Government Policy and Support

Items	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
D1. Government programs (training, grants, loans) are accessible to youth in my area.	1.99	1.103	.923	.132	-.156	.264
D7. I have actively participated in government programs (training, grants, loans) in the past 2 years.	2.02	.976	.779	.132	-.243	.264
D4. Government support (if accessed) has improved my business prospects.	2.11	1.017	.741	.132	.028	.264
D6. Local government agencies are responsive to youth business needs.	2.46	.864	.715	.132	-.381	.264
D2. Government policies make it easier for youth to start businesses.	2.54	1.021	.386	.132	-.709	.264
D5. The process to obtain government support is clear and manageable.	2.78	1.048	.428	.132	-.708	.264
D3. I am aware of government initiatives supporting youth entrepreneurship.	3.67	1.105	-.706	.132	-.453	.264
D8. I face challenges accessing government programs for youth entrepreneurship	4.00	1.117	-1.037	.132	.316	.264
Overall	2.69	.446				

Source: Research data, (2026)

The results in Table 4.6 indicate generally poor access and effectiveness of government support for youth entrepreneurship, with one exception of high awareness but strong access barriers. D1 (M = 1.99, SD = 1.103, skew = .923, kurt = −.156) shows that most respondents strongly disagree that government programs are accessible, indicating widespread exclusion from training, grants, and loans. D7 (M = 2.02, SD = .976, skew = .779, kurt = −.243) confirms this by showing very low participation in such programs, meaning few youths actually engage with government support. D4 (M = 2.11, SD = 1.017, skew = .741, kurt = .028) suggests that even among users, government support is perceived as having minimal impact on improving business outcomes. D6 (M = 2.46, SD = .864, skew = .715, kurt = −.381) indicates that local government agencies are generally viewed as unresponsive to youth business needs. D2 (M = 2.54, SD = 1.021, skew = .386, kurt = −.709) shows that policies are not strongly seen as enabling youth business start-ups. D5 (M = 2.78, SD = 1.048, skew = .428, kurt = −.708) reflects uncertainty and difficulty in navigating application processes, suggesting procedural barriers. In contrast, D3 (M = 3.67, SD = 1.105, skew = −.706, kurt = −.453) shows high awareness of government initiatives, meaning information is relatively well disseminated, although not effectively utilized. However, D8 (M = 4.00, SD = 1.117, skew = −1.037, kurt = .316) indicates strong agreement that accessing these programs is difficult, confirming that structural and administrative barriers prevent actual benefit despite awareness. The findings suggest that the government youth entrepreneurship initiatives are relatively well known, but not accessible reflecting weak participation, and perceived inefficiency in delivery. This explains a clear disconnect between policy formulation and practical implementation.

The qualitative evidence from the Key Informant Interviews deepens this interpretation considerably, revealing the specific architectural features of the implementation gap documented

in the descriptive data. Three themes emerged and taken together construct an analytically disturbing portrait: a policy environment that is formally rich replete with named funds, articulated strategies, and designated officers but operationally hollow, structured in ways that systematically exclude the most marginalised youth while creating rents for politically connected intermediaries. The analytical challenge is to move beyond merely documenting this failure to interrogating its architecture.

Policies on Paper and the Implementation Chasm

The most consistent finding across all interviews is the perceived failure of government youth entrepreneurship programmes to reach intended beneficiaries at the community level. Although participants demonstrated awareness of initiatives such as the Nyota Fund, Hustler Fund, Uwezo Fund, Kazi Mtaani, and Inua Jamii, none could identify a single beneficiary within their communities. One participant summarized this gap succinctly, stating that "*they exist by names but not by implementation… they're just there by names*" (KII-3, personal communication, January 2026). This concern is reinforced by another remark highlighting that "*no one in Kangemi can say they have benefited… [this] is a problem in the whole of Nairobi*" (KII-2, personal communication, January 2026). This finding suggests a disconnect between policy design and on-the-ground implementation, where programmes are visible at the level of discourse but absent in lived community experience. The interpretation follows from the contrast participants draw between awareness and access. While programme names are widely recognized, the absence of identifiable beneficiaries indicates systemic barriers in delivery mechanisms. This reflects what qualitative studies describe as implementation failure, where funds and policies exist but "*fail to reach their intended beneficiaries*" due to administrative, informational, or structural constraints.

Critically, the emphasis on geographic specificity (e.g., Kangemi and Nairobi) strengthens the claim by grounding it in localized absence rather than abstract critique. This suggests that the issue is not merely inefficiency but a systemic breakdown in last-mile delivery, where programmes do not penetrate the communities, they are designed to serve. The finding contributes new insight by shifting the focus from whether programmes exist to whether they are socially visible and accessible. It challenges dominant policy assumptions that programme presence equates to impact, instead highlighting that implementation gaps can render interventions effectively invisible. This has important implications: without addressing these gaps, even well-designed entrepreneurship policies are unlikely to influence youth livelihoods or related outcomes such as crime reduction.

> *They are not very effective because the youths hardly access these funds. I have heard not even single youth from this area receive [Nyota Fund]. Although Hustler Fund was accessed but the amount was too little to make a change*. (KII-4, personal communication, January 2026).

The observation that the Hustler Fund, which has been publicly promoted as one of the current administration's flagship youth economic empowerment instruments, was accessed only in amounts too small to be transformative constitutes evidence of a structural mismatch between the scale of fund design and the scale of need. For instance, a participant lamented that,

> *"a fund disbursing Ksh 300–500 per recipient in a context where business licensing fees alone reach Ksh 30,000 is not an empowerment instrument but a performative gesture that may, in fact, worsen outcomes by creating the illusion of state support without its substance."* (KII-5, personal communication, January 2026).

This finding implies that such programmes may create an illusion of inclusion and support without materially changing livelihoods. Furthermore, it extends beyond access to question adequacy. It shows that policy success cannot be measured solely by the number of beneficiaries reached but must also consider whether the support provided is sufficient to alter economic trajectories. In this sense, underfunded interventions risk not only ineffectiveness but also erode trust in public programmes, as beneficiaries experience support that is symbolically present but practically inadequate. The study also revealed that there are implementation limitations but frames them as a consequence of youth group disorganization and non-compliance rather than state failure. This frame, while not entirely without merit, is analytically insufficient: it displaces the burden of eligibility onto under-resourced youth groups rather than onto the state to design accessible programmes.

The Corruption-Bureaucracy Trap: Who Gets the Money?

The interview revealed that while institutional absence may explain the implementation chasm, a "*corruption-bureaucracy trap*" suggests a more systemic cause: an architecture of gatekeeping designed to intercept funds before they reach beneficiaries. This is the most analytically disturbing theme in the dataset. It indicates that implementation failure is not merely accidental or managerial; rather, it is often a deliberate product of rent-extraction by political intermediaries. A participant testified that:

> *Since we applied in our group, it's now almost 2 years. It's because between the money and you, there is a broker. You need to pay them to approve your name. They want about 20% of what you are applying for*. (KII-6, personal communication, January 2026)

The findings further reveal that even when funds are available, their distribution is perceived to be shaped by patronage and leakage. One participant stated that "*if you have connections… you can get funds*," but from a larger allocation, "*only 600,000 [goes] to be used on the youths*" (KII-4, personal communication, January 2026). Another added that access depends on insider ties, noting that "*if someone does not know you in the decision-making committee, you can hardly get them*" (KII-4, personal communication, January 2026). These accounts indicate that fund disbursement operates through informal networks and gatekeeping, rather than through transparent and equitable mechanisms. The reference to reduced amounts reaching youth further suggests resource diversion, reinforcing the perception that funds are not fully delivered to intended beneficiaries. This finding contributes new insight by linking access failure and adequacy failure to governance dynamics. It demonstrates that even well-funded programmes may fail if distribution is shaped by informal power relations rather than institutional rules, thereby weakening both economic outcomes and trust in public interventions.

In addition, the digital dimension of this corruption architecture deserves particular analytical attention. The digitalization of fund applications intended to democratize access and reduce bureaucratic friction has, in the informal settlement context, become a vulnerability amplifier rather than an access enabler. Without digital literacy, a trusted internet access environment, or the capacity to distinguish between legitimate and fraudulent application portals, youth who attempt to apply online are disproportionately exposed to scammers who exploit informational asymmetry between themselves and prospective applicants. A participant documents this succinctly: "*In the government, everyone wants to be a conman. Youths want action, not words. Cons have infiltrated the funds, you don't know the original and fake*." (KII-2, personal communication, January 2026). This finding directly challenges the assumption, embedded in Kenya's digital government strategy,

that digital fund applications are ipso facto more accessible to marginalized youth. In the absence of digital literacy support and trusted access infrastructure, digitalization may deepen rather than reduce exclusion.

Regulatory Barriers: Taxing Youth Before They Earn

The third policy theme reveals a dimension of state hostility to youth enterprise that existing literature has under-characterized: the regulatory environment that simultaneously demands compliance from youth enterprises while denying them the economic space within which compliance becomes viable. The combined regulatory burden documented across the interviews

licensing fees, multiple taxation layers, and enforcement actions that destroy business assets without compensation does not merely inconvenience young entrepreneurs; it structurally precludes business survival among the most vulnerable. A participant testified that:

> *City County government officials' tax an ice pop vendor Ksh 30 three times a week. They also need the youth to go for health certificate which goes for Ksh 30,000 from the City Hall. As long as you are selling, the KRA person is after you.* (KII-2, personal communication, January 2026).

The arithmetic in this testimony is revealing: a vendor paying Ksh 90 in weekly levies and a Ksh 30,000 annual health certificate fee faces a regulatory burden that can consume their entire annual net margin. Adding KRA obligations pushes these costs beyond a mere reduction in profit; it makes the enterprise economically irrational. One respondent describes this barrier in stark terms: "*Acquiring a license is usually a challenge because they overcharge. You have Ksh 20,000 and the license is Ksh 30,000. Taxes are so high*." (KII-1, personal communication, January 2026). Consequently, compliance costs often exceed startup capital. This structural reality forces youth

enterprises into permanent informality, leaving them vulnerable to the very enforcement actions that target unregistered businesses.

The interview conversations revealed that state-sanctioned demolitions in Kamukunji introduced a property rights dimension rarely addressed in youth entrepreneurship literature. In an interview conversation a participant noted that "*the structures that were demolished... belonged to the youth... and, remember they don't refund money*." (KII-3, personal communication, January 2026). This uncompensated destruction constitutes "*regulatory capital destruction*," a practice functionally equivalent to a 100% tax. In this scenario, the entrepreneur loses both their immediate income stream and their entire capital investment. This finding, unique within the Kenyan context, demands a reimagining of property rights and regulatory design in informal settlements.

The interviews further revealed that this hostile environment fundamentally erodes economic agency. KII-6 (personal communication, January 2026) captured this shift, stating: "*Tax is high, thus impeding you from doing what you want. [The business] just helps you in managing your mental health*." When excessive taxation and the threat of demolition eliminate the possibility of profit, enterprise shifts from an economic activity to a therapeutic practice. This study introduces this "therapeutic formulation" to the literature, highlighting how youth use small-scale ventures to manage mental health when traditional economic empowerment is systematically obstructed.

4.4.4 Social Networks and Engagement

Table 4.6: Descriptive statistics on Social Networks and Engagement

Items	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
E7. I actively participate in meetings or activities of my business networks.	3.06	1.172	-.454	.132	-1.116	.264
E2. I belong to a group, savings association, or cooperative related to business.	3.18	1.323	-.296	.132	-1.290	.264
E8. Participation in social/business networks has improved my business outcomes.	3.20	1.207	-.777	.132	-.729	.264
E4. I can borrow small amounts from friends/associations when needed for business.	3.50	1.116	-.549	.132	-.843	.264
E6. My networks provide useful information on market opportunities	3.61	.851	-1.045	.132	.451	.264
E3. My social contacts help me find customers or suppliers.	3.71	.966	-.976	.132	.485	.264
E5. I receive emotional and practical support from my social networks.	3.73	.907	-.742	.132	-.211	.264
E1. I have friends/peers who share business ideas and information with me.	4.07	.881	-1.340	.132	2.050	.264
Overall	3.51	.653				

Source: Research data, (2026)

The findings in Table 4.7 show that social networks play a moderate to strong supportive role in youth entrepreneurship (overall M = 3.51, SD = .653), with generally consistent responses across items. Lower engagement in formal network participation (M = 3.06, SD = 1.172, skew = −.454, kurt = −1.116) and membership in groups or cooperatives (M = 3.18, SD = 1.323, skew =

−.296, kurt = −1.290) indicates that structured networking is not strongly institutionalized and varies widely among respondents. Moderate agreement that networks improve business outcomes (M = 3.20, SD = 1.207, skew = −.777) and provide borrowing options (M = 3.50, SD = 1.116, skew = −.549) suggests that networks function as informal support systems for both finance and performance improvement. Higher means for market information (M = 3.61, SD = .851, skew = −1.045) and customer/supplier access (M = 3.71, SD = .966, skew = −.976) show that networks are important channels for economic opportunity sharing, with responses leaning toward agreement. Strong peer support and idea sharing (M = 4.07, SD = .881, skew = −1.340, kurt = 2.050) indicates a highly concentrated perception of value at the upper end, reinforcing that peer networks are the most reliable form of social capital. The data suggest that entrepreneurship is sustained more by informal social capital than formal institutional networks.

The qualitative findings from the Key Informant Interviews explain the social mechanisms that produce this quantitative pattern, presenting a social capital landscape that is simultaneously more complex and more ambivalent than either the optimistic bridging capital literature (Putnam, 2000) or the pessimistic social capital critique (Portes, 1998) would predict. The study's contribution is to reveal that, in informal settlement contexts, social capital performs a substitution function filling the vacuum left by absent formal institutions while carrying the structural fragilities and negative externalities that make it an insufficient substitute. Three themes emerged from the data.

Groups as Economic Lifelines: Collective Strength in Fragile Contexts

In the absence of functioning state institutions and accessible formal financial mechanisms, youth groups have become the primary economic institution for young entrepreneurs in Nairobi City County's informal settlements. They perform multiple and simultaneous functions: collective

savings and lending through table banking, peer marketing through mutual product endorsement, information sharing about market opportunities and available funds, and social protection through crime deterrence and community belonging. KII-4 (personal communication, January 2026) articulates this multi-functionality in testimony that warrants extended quotation:

> *The networks help in financial empowerment because they can mobilize for funds easily. They can pull resources together to start some businesses. They can help in marketing, that is, buying from one another, or recommending a member's product or service to other people*. (KII-4, personal communication, January 2026)

The analytical significance of this testimony is not simply that groups are useful but that groups have been pressed into service as de facto economic institutions in contexts where the formal institutions designed to perform these functions have failed. This represents what this study terms an institutional substitution dynamic: social networks filling a vacuum that is the product of state abdication, not network strength. KII-2 (personal communication, January 2026) further reveals the security function of collective organisation: "*Youths are usually involved in crime and violence. But if they come together, they are good people. They can be called in any forum.*" This observation connects group participation to violence prevention a finding consistent with the literature on collective efficacy (Coleman, 1988) but extending it to demonstrate that, in the absence of state social protection, groups perform a security function that would otherwise require formal policing or social work intervention.

However, the institutional substitution dynamic carries its own structural vulnerability, identified with particular clarity by KII-6 (personal communication, January 2026): "*With thin network, people go away from you; with wide network people come to you because they know you are connected.*" This formulation, deceptively simple, exposes the leader-dependency fragility that

characterizes most youth groups in the studied informal settlements: skills, connections, and organizational knowledge are concentrated in a single individual. When that individual departs, the group dissolves taking with it the institutional functions it was performing. This makes youth groups highly capable in stable conditions but structurally brittle in the face of leadership change, external shocks, or internal conflict. The policy implication that governance capacity building and leadership succession planning must be treated as core components of any group-strengthening intervention is a finding that advances the social capital literature's limited engagement with informal settlement group dynamics (Anyanwu, 2023).

The Ambivalent Social Circle: Support and Sabotage Coexist

A striking pattern across all six interviews is the simultaneous presence of supportive and constraining dynamics within the same social relationships. These finding challenges two dominant assumptions in the youth economic empowerment literature: first, the assumption that family support is straightforwardly enabling, and second, the assumption that social networks are either positive (bridging social capital) or negative (bonding social capital that excludes outsiders). The data reveals a third, more analytically complex reality: ambivalent social capital in which the same individual a family member, a peer, a community leader can simultaneously enable and constrain the same entrepreneur.KII-3 (personal communication, January 2026) illustrates the peer ambivalence with particular vividness:

> *There is no way your parent would give you money if you are dishonest. You have to be trustworthy. Once they trust you, they will try and help you. [But peers] ignore my vehicle and board another one [out of jealousy].* (KII-3, personal communication, January 2026)

The juxtaposition in this single testimony family support conditional on trust; peer sabotage expressed through economic withdrawal reveals that social capital quality is more determinative than social capital quantity. A youth with many peer connections but few trusting relationships may, in fact, be economically worse off than one with fewer but higher-quality connections. This finding directly substantiates Portes's (1998) critique of uncritical social capital theorizing: the same network that provides market access through referrals may simultaneously erode it through jealousy-driven non-patronage.

The community leader dynamic is particularly analytically productive. Government framing articulated by KII-5 (personal communication, January 2026) positions community leaders as information conduits who relay official programme information and mobilise youth groups. Community-based informants, by contrast, describe the same leaders primarily as extractive rent-seekers: KII-4 (personal communication, January 2026) states unambiguously that "*Community leaders extort money from youth entrepreneurs," while KII-2 (personal communication, January 2026) observes that "Youths are being judged a lot the way they look, the way they dress. But people have to change. Look at the productivity, don't look at the dress code and the hair*." This disjuncture between institutional and community accounts of community leader function is not merely an empirical discrepancy; it is a governance failure with direct programmatic implications. Policies that rely on community leaders as programme delivery partners without accountability mechanisms are not merely inefficient they are potentially complicit in the extraction they claim to counteract.

The intergenerational poverty trap identified by KII-6 (personal communication, January 2026) introduces the most structurally significant dimension of the ambivalent social circle: "*If you are from a family with such challenges, you will carry on with them since the person to*

empower you is in the same situation." This formulation reveals that family support is not merely a function of will or affection but of material capacity a capacity that is itself structurally denied by intergenerational poverty. No youth economic empowerment strategy that relies on family social capital as a funding or moral support mechanism, without simultaneously addressing the material conditions of the families from which youth come, can succeed at scale. This represents a fundamental critique of asset-based community development.

The Missing Middle: Absent Formal Platforms for Market Access

The third social network theme identifies the most consequential structural gap in the informal settlement entrepreneurship landscape: the complete absence of formal, sustainable platforms that could convert existing social capital into sustained economic capital. While informal referral networks particularly among phone repair and radio repair technicians, as described by KII-3 (personal communication, January 2026) represent the embryonic infrastructure of what market platforms could become, they remain ad hoc, unscaled, and institutionally invisible. KII-1 (personal communication, January 2026) captures the individualization of enterprise that results: "*Currently, everyone [is working] with their own effort. [People work as] individuals*." KII-2 (personal communication, January 2026) identifies the nearest approximation to a market platform and simultaneously reveals its structural inadequacy: "*They are on and off. We also don't wait for the government to do for us. We approach people like the MP, and they create a market to boost us.*" The reliance on political actors to create market opportunities is not a platform strategy; it is patronage dependency and it creates market access that is episodic, politically conditional, and non-transferable across electoral cycles.

The analytical contribution of the "Missing Middle" concept, as this study frames it, is to identify the structural mechanism by which social capital fails to convert into economic capital in

informal settlement contexts. Youth groups possess social connections, mutual trust, and shared market knowledge all the inputs that economic geography literature associates with competitive local enterprise clusters (Anyanwu, 2023). What they lack is the institutional architecture formal associations, collective bargaining capacity, shared branding, bulk purchasing arrangements, and certification mechanisms that would allow those inputs to generate competitive market outcomes. The missing middle is therefore not a deficit of social capital but a deficit of the institutional platforms that translate social capital into market power. This is a finding that advances the social network literature in the Kenyan informal settlement context and has direct implications for the design of market development interventions.

4.4.5 Entrepreneurial Mentorship

Table 4.7:Descriptive Statistics on Entrepreneurial Mentorship

Items	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
F1. I have participated in a formal entrepreneurship mentorship program in the past 2 years.	2.30	1.213	.399	.132	-1.217	.264
F2. I have a mentor who regularly advises me on my business.	2.90	1.257	-.121	.132	-1.120	.264
F3. Mentorship has improved my business decision-making.	3.47	1.139	-1.060	.132	.289	.264
F4. Mentors have helped me access customers, finance, or training.	3.72	.754	-.912	.132	1.512	.264
F5. Mentorship has increased my confidence in business.	3.91	.718	-.732	.132	1.226	.264
F6. I receive timely and relevant feedback from mentors.	3.93	.805	-.789	.132	.877	.264

F7. Mentorship has led to measurable improvements in my business.	3.94	.784	-.966	.132	1.834	.264
Overall	3.45	.461				

Source: Researcher, (2026)

The findings show that mentorship is limited in access but strong in impact. Low participation in formal programs (M = 2.30, SD = 1.213, skew = .399, kurt = −1.217) and having a mentor (M = 2.90, SD = 1.257, skew = −.121, kurt = −1.120) indicate restricted and uneven access, with responses widely dispersed. However, higher means for decision-making improvement (M = 3.47, SD = 1.139, skew = −1.060, kurt = .289) suggest mentorship enhances business judgment, with responses leaning toward agreement. Stronger effects are seen in access to opportunities (M = 3.72, SD = .754, skew = −.912, kurt = 1.512), confidence (M = 3.91, SD = .718, skew = −.732, kurt = 1.226), feedback (M = 3.93, SD = .805, skew = −.789, kurt = .877), and measurable outcomes (M = 3.94, SD = .784, skew = −.966, kurt = 1.834), where lower variability and negative skewness indicate consistent positive experiences among those with access. Overall, mentorship is not widespread but highly effective when available.

The qualitative findings from the Key Informant Interviews explain both the access constraint and the impact pattern documented quantitatively, constituting what may be the study's most analytically powerful finding set: the formal mentorship system has collapsed precisely at the moment when youth entrepreneurial aspirations are highest; where mentorship functioned, it was demonstrably transformative; demand-side barriers compound the supply-side collapse; and an indigenous peer mentorship model has emerged as the most viable and contextually appropriate path forward. Four themes emerged from the data.

The Mentorship Vacuum: A Vanishing Support System

The most structurally significant finding under Objective 4 is the near-complete collapse of the formal mentorship ecosystem across all four studied settlements. KII-3 (personal communication, January 2026) provides what may be the most arresting testimony in the entire dataset: "*I cannot lie to you. I have survived on my own. [Formal mentorship is absent in Kibra.]*" The phrase "*survived on my own*" is not merely a statement of personal resilience; it is an indictment of a system that has left youth in one of Nairobi's most densely populated informal settlements without any structured developmental support. KII-1 (personal communication, January 2026) contextualizes this absence historically: "*Mentorships were there but they no longer exist. You understand currently NGOs are not many. Lack of funding [is the reason]*."

The conflict-of-interest dynamic identified by KII-2 (personal communication, January 2026) represents an under-documented dimension of mentorship erosion that deserves analytical attention: "*They are not really there. The ones that exist are not as active as they used to be. There is conflict because you are in business and they are fighting for empowerment. So, you have conflicting interests.*" This observation reveals that the institutional architecture of mentorship in informal settlements has not merely collapsed it has, in some cases, inverted: organisations that were designed to support youth entrepreneurship are now competing with youth entrepreneurs for the same limited market space. This inversion represents a form of structural mentorship conflict that the existing literature on youth enterprise mentorship has not previously theorised and that has direct implications for the governance of NGO programmes in informal settlement contexts.

From an Empowerment Theory perspective (Zimmerman, 2000), mentorship functions as the relational mechanism through which psychological empowerment (belief in one's own capacity), cognitive empowerment (knowledge and skills), and behavioural empowerment (practical application) are simultaneously developed. The collapse of the mentorship system

therefore constitutes not merely a service delivery failure but a structural disempowerment a dismantling of the mechanism through which empowerment itself is produced. This is a theoretically significant formulation that goes beyond existing descriptions of programme loss to articulate what is lost in terms of the empowerment process itself.

Mentorship as Transformative Infrastructure: Evidence of Impact

The collapse of mentorship is analytically significant, but the evidence of what mentorship delivers when properly resourced is equally and perhaps more important for the policy argument. KII-5 (personal communication, January 2026) provides the most systematic evidence of mentorship impact:

> *They have been effective because of how the youth are determined to succeed and the zeal in which they seek the funds. From the follow-ups, most of them are doing well with their business. Previously, the youth were succeeding in businesses at a very low rate.* (KII-5, personal communication, January 2026)

The reference to follow-up assessment as the mechanism for establishing effectiveness is analytically important: it implies that the government's pre-disbursement training model, which links training completion to fund access, is not merely a procedural requirement but a meaningful intervention that produces measurable outcomes. This finding challenges the community-level narrative that government programmes are entirely ineffective and introduces a more nuanced picture: government-linked mentorship, when it reaches youth, appears to work. The problem is not the model but the reach and it is the reach problem that demands the most urgent policy attention.

KII-6's account of the VSLA model (Village Savings and Loans Association) represents the most compelling evidence of mentorship's transformative potential: "*They were very effective because they taught about VSLA - Village Savings and Loans Association. You would form a group in the community and you would be given some grant as a starting capital*." This testimony describes a model that integrates financial literacy training, group formation, and access to startup capital in a single programme architecture precisely the integrated, sequenced approach that the Skills Paradox finding suggests is necessary for bridging the gap between potential and business sustainability. The VSLA evidence, corroborated by the DREAMS programme reference and KII-4's (personal communication, January 2026) observation that "*Mentorship is very important in sharpening entrepreneurial skills. Through good mentorship, one will understand that they need to stay calm when the entrepreneurship is not generating profit,*" reframes the mentorship question from whether it works to how to restore and scale the systems that deliver it. This reframing is the most significant contribution of this theme to the policy discourse.

Barriers Within: Incentive Dependency, Addiction, and Disengagement

The supply-side collapse of mentorship is compounded by demand-side barriers that prevent youth from engaging with mentorship even when it is offered. This dual-barrier structure supply collapsed, demand constrained is one of the most analytically important findings of the study because it challenges the assumption that restoring programme supply will automatically restore programme uptake. The poverty trap dynamic that produces incentive dependency is identified with particular clarity by KII-5 (personal communication, January 2026): "*Lack of reimbursements [is a key challenge]. Youth want to be reimbursed with some money at the end of the day. Without this, they are reluctant to attend these sessions.*" Rather than pathologizing this as youth laziness or ingratitude, the analytical lens provided by Mullainathan and Shafir's (2013)

scarcity theory reframes it as a rational economic calculation: under conditions of resource scarcity, cognitive bandwidth is consumed by immediate survival calculations, leaving insufficient psychological and practical capacity for engagement with deferred developmental investments. The policy implication is not to eliminate stipends as a programme cost but to treat attendance support as a poverty-sensitive design feature that removes a material barrier to access.

The substance abuse barrier identified by KII-6 (personal communication, January 2026) introduces the most structurally significant and most undertheorized dimension of mentorship failure in informal settlement contexts: "*Drugs. You tell someone; this can work, but they want something tangible. They want cash money instead of business*." This formulation reveals a cognitive dimension of drug dependency that is distinct from its social or health dimensions: substance abuse impairs the capacity to defer gratification to invest time and attention in developmental activities whose payoff is deferred which is precisely the cognitive capacity that mentorship engagement requires. No entrepreneurship programme that does not address this dimension as a prerequisite condition can expect to reach the most marginalised youth in settlements like Mukuru, where drug use rates are high and where the correlation between addiction, hopelessness, and economic exclusion is structurally embedded.

KII-3 (personal communication, January 2026) identifies the peer-level dimension of disengagement: "*Just peer influence. Your friend can divert your attention to attend. He may tell you, let's go somewhere, I will buy you some drinks. In that situation, you botch your intention to go for some mentorship*." This testimony reveals that peer networks which Theme 7 identified as economic lifelines simultaneously function as mentorship deterrents when the prevailing community norm privileges immediate social reward over deferred developmental investment. This is a finding that challenges social capital theory's generally positive treatment of peer

networks and suggests that peer influence is one of the most consequential and least addressed barriers in youth development programming.

Youth-to-Youth Mentorship: The Viable Path Forward

Emerging independently from the data proposed by KII-2 and KII-5, exemplified in the beadwork group practice in Kangemi, and endorsed implicitly across multiple interviews is a constructive and contextually validated alternative to the collapsed formal mentorship system: peer mentorship, in which experienced or trained youth mentor their peers. KII-2 (personal communication, January 2026) articulates the rationale for this model with rhetorical force: "*Youth to youth. We need youth educating other youths. The elderly are tired. We want young bright-minded youths encouraging their fellow youths. When I saw an elderly man being appointed as youth leader of Nairobi, I laughed my ribs out.*" This statement is not merely advocacy; it is a critique of the structural mismatch between the institutional design of youth programmes led by older professionals and the relational dynamics through which youth empowerment actually operates at the community level.

KII-5 (personal communication, January 2026) provides the institutional articulation of the peer model: "*The well-established youth groups should mentor the upcoming groups for the betterment of the community*." KII-2 (personal communication, January 2026) specifies the group-based architecture through which it would operate:

> *A lot of trainings as a group. You get them as their group, mentor them as a group and they grow up as a group. [And] networking. We have to know what other people are doing and we be friends so that we come in one mind*. (KII-2, personal communication, January 2026)

The peer mentorship model aligns with Bandura's (1977) social learning theory, which demonstrates that observational learning from peers' individuals of comparable experience and social position is particularly powerful for developing self-efficacy. Critically, however, the model as articulated in the data is not proposed as a replacement for formal mentorship but as a contextually adapted complement that can function in conditions of institutional absence. For it to transition from individual practice to systemic solution, KII-6 (personal communication, January 2026) specifies what is required: "*To strengthen the mentorships, there should be continuous assessment through follow-ups. The person should be delegated from the youth department*." This specification that institutional backing from the Youth Affairs department, including coordination and quality assurance, is a precondition for peer mentorship to scale is a finding that challenges romanticized notions of bottom-up mentorship as self-sustaining. Without institutional infrastructure, peer mentorship remains an inspiring exception rather than a replicable system. This is a nuanced and analytically important contribution to the emerging literature on peer-based youth development models.

4.5 Inferential Statistics

In order to examine the relationships between the study variables, inferential statistical analyses were conducted including independent samples t-tests, Pearson correlation analysis, and multiple linear regression analysis. The level of significance was set at $p < 0.05$.

4.5.1 Independent Samples T-Tests

Independent samples t-tests were conducted to determine whether statistically significant differences in youth economic empowerment existed between groups of respondents defined by gender and mentorship status.

4.5.1.1 Gender Differences in Economic Empowerment

The results of the independent samples t-test for gender differences are presented in Table 4.8 below.

Table 4.8: Independent Samples T-Test – Gender and Economic Empowerment

Variable	Gender	N	Mean	SD	Sig.
Economic Empowerment	Male	181	3.24	0.556	
	Female	158	3.06	0.596	0.005

Source: Research data, (2026)

The independent samples t-test showed a statistically significant difference in economic empowerment between male and female respondents ($t = 2.828$, $df = 337$, $p = 0.005$). Male respondents reported a higher mean level of economic empowerment ($M = 3.24$, $SD = 0.556$) compared to female respondents ($M = 3.06$, $SD = 0.596$). This finding indicates a gender gap in entrepreneurial economic outcomes, suggesting that female youth entrepreneurs in informal settlements face additional structural, social, and cultural barriers that constrain their economic advancement. This aligns with existing literature documenting gender-based disparities in access to capital, markets, and business support services in Kenya (Chege, 2025).

The statistically significant gender gap ($p = 0.005$) does not merely reflect individual differences in entrepreneurial capability; it reflects the differential weight of structural burdens that female youth carry into the market. The qualitative data illuminates the mechanism behind this numeric gap: female entrepreneurs in the studied settlements disproportionately navigate the ambivalent social circle dynamic, in which family networks simultaneously impose caregiving obligations that constrain business hours and capital access, while peer and community leader networks subject women to judgement based on appearance and social conformity rather than productive capacity. The mean difference of 0.18 between male and female respondents is

therefore not a measurement of ambition or skill differential but a quantified expression of gendered structural exclusion the kind that neither skills training alone nor fund disbursement alone can dissolve without deliberate gender-responsive programme design

4.5.1.2 Mentorship and Economic Empowerment

A second independent samples t-test was conducted to determine whether the availability of a mentor was associated with differences in economic empowerment levels among youth entrepreneurs.

Table 4.9: Independent Samples T-Test – Mentorship Status and Economic Empowerment

Variable	Mentor Status	N	Mean	SD	Sig.
Economic Empowerment	Mentored	210	3.34	0.455	
	Not Mentored	129	2.86	0.642	0.000

Source: Research Data, 2026

The results show a highly significant difference in economic empowerment between mentored and non-mentored youth ($t = 7.963$, $df = 337$, $p = 0.001$). Youth who reported having a mentor recorded substantially higher mean levels of economic empowerment ($M = 3.34$, $SD = 0.455$) compared to those without a mentor ($M = 2.86$, $SD = 0.642$). The mean difference of 0.476 is both statistically significant and practically meaningful, underscoring the transformative impact of mentorship on the entrepreneurial success and economic outcomes of youth in informal settlements. These findings lend strong empirical support to the importance of institutionalizing mentorship programs within youth entrepreneurship support ecosystems.

The mean difference of 0.476 between mentored and non-mentored youth ($p = 0.000$) acquires its full explanatory force only when read alongside the qualitative evidence of the mentorship vacuum. If mentorship raises economic empowerment by nearly half a scale unit under current conditions of near-total ecosystem collapse where the mentorship that does exist is

fragmented, underfunded, and in some cases structurally conflicted then the inferential implication is significant: the 0.476 gap likely represents a floor, not a ceiling, of mentorship's potential impact. What the t-statistic cannot show is that mentored youth are not simply more knowledgeable; they have been equipped with the skills-to-livelihood spiral described in the qualitative findings the capacity to differentiate business revenue from personal income, to sustain motivation through non-profitable periods, and to leverage social networks strategically rather than reactively. The statistic measures the output of that process; the qualitative data reveals the process itself.

4.5.2 Correlation Analysis

Pearson correlation analysis was conducted to examine the strength and direction of the relationships between independent variables and economic empowerment. The results are presented in Table 4.10

Table 4.10: Correlation Analysis

Correlations

		EE	ESE	GPP	SN	EM
Economic Empowerment (EE)	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	339				
Entrepreneurship Skills (ESE)	Pearson Correlation	.471**	1			
	Sig. (2-tailed)	.000				
	N	339	339			
Government Policy Support (GPS)	Pearson Correlation	.304**	.339**	1		
	Sig. (2-tailed)	.000	.000			
	N	339	339	339		
Social Network (SN)	Pearson Correlation	.414**	.501**	.218**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	339	339	339	339	
Entrepreneurship Mentorship (EM)	Pearson Correlation	.233**	.219**	.101	.246**	1
	Sig. (2-tailed)	.000	.000	.063	.000	
	N	339	339	339	339	339

Source: Research Data, 2026

The Pearson correlation analysis reveals that all independent variables have a significant positive relationship with Economic Empowerment. Entrepreneurial Skills ($r = .471$, $p < .001$) and Social Networks ($r = .414$, $p < .001$) exhibit the strongest moderate correlations with the dependent variable. Government Policy Support ($r = .304$, $p < .001$) and Mentorship ($r = .233$, $p < .001$) also show statistically significant positive relationships. These findings indicate that as skills, networks, policy support, and mentorship increase, economic empowerment levels also rise. Furthermore, the significant correlation between Skills and Social Networks ($r = .501$, $p < .001$) suggests these two factors may work in tandem to drive youth success.

The correlation hierarchy, Skills ($r = .471$), Social Networks ($r = .414$), Government Policy ($r = .304$), Mentorship ($r = .233$) is not simply a ranking of variable importance; it is a structural map of how empowerment is actually produced in informal settlement contexts when formal institutions fail. The strongest correlation belongs to Skills precisely because, in the absence of functioning state programmes and accessible formal finance, individual competency becomes the last line of defense against business failure. Social Networks rank second not because they are inherently more powerful than policy, but because in a context of state abdication, peer groups and referral networks perform the institutional substitution function that policy was designed to deliver. Government Policy's relatively weaker correlation ($r = .304$) does not indicate that policy is unimportant the qualitative data confirms youth are acutely aware of its potential but rather that its impact is attenuated by the implementation chasm: funds exist by name but not by delivery, and regulatory burdens actively counter the empowerment that policy nominally promotes. Mentorship's lowest correlation ($r = .233$) reflects supply collapse rather than limited effectiveness; the t-test evidence demonstrates its transformative power when present, making its weak aggregate correlation a diagnostic of absence rather than irrelevance

4.5.3 Regression Analysis

Multiple linear regression analysis was conducted to determine the collective and individual influence of the four independent variables on economic empowerment. This approach allows the researcher to examine each predictor variable's unique contribution to the outcome while statistically controlling for the effects of the others (Etemadi and Khashei, 2021).

4.5.3.1 Test for Assumptions

Prior to running the regression, the key assumptions of multiple regression were examined. This was to validate that the model is accuracy, unbiased, and statistically sound. It ensures p-values are reliable and prevents misleading conclusions by confirming the data actually fits the mathematical rules of regression. The following test were conducted: normality test, linearity test, multicollinearity test and homoscedasticity test.

4.5.3.2 Normality test

Table 4.11: Test of Normality

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Economic Empowerment	.101	339	.000	.984	339	.001
Entrepreneurial Skills and Engagement	.104	339	.000	.952	339	.000
Government Policy Support	.079	339	.000	.985	339	.002
Social Network	.100	339	.000	.972	339	.000
Entrepreneurship Mentorship	.077	339	.000	.989	339	.012

a. Lilliefors Significance Correction

Source: Research Data, 2026

The Kolmogorov Smirnov and Shapiro Wilk tests were conducted to examine the normality assumption. All variables showed significant results ($p < .05$), suggesting deviations from

normality. Nevertheless, due to the large sample size (n = 339), these tests may overestimate non-normality. Previous research indicates that parametric analyses remain robust under such conditions. Consequently, normality was further evaluated using graphical methods Q–Q plots, and the data were deemed suitable for subsequent parametric analyses. Moreover, while the distribution is statistically non-normal, the Central Limit Theorem may still justify parametric procedures.

4.5.3.3 Linearity Test

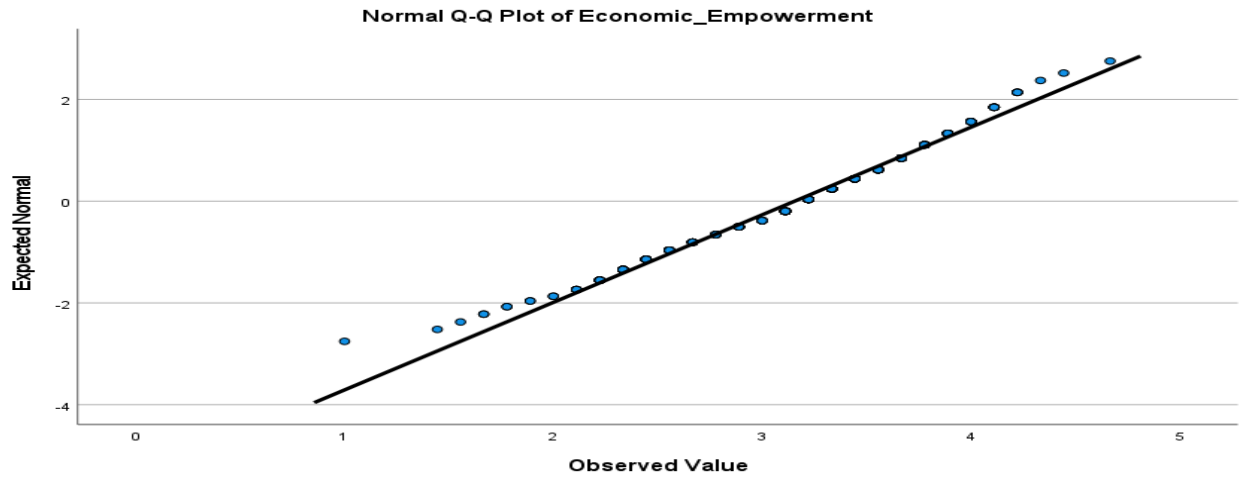


Figure 4.6: Linearity Test for Economic Empowerment

Source: Research Data, (2026)

Figure 4.8 shows the Normal Q-Q plot for Economic Empowerment. It was used to visually assess the normality assumption. Although the earlier Shapiro-Wilk test suggested non-normality, this plot reveals that the observed values align closely with the diagonal reference line. The minimal departures at the tails are negligible and common in large datasets, confirming that the distribution sufficiently approximates normality for parametric analysis. This visual evidence justifies the use of linear regression, as it demonstrates that the data does not suffer from extreme skewness or outliers that would bias the model's estimations or invalidate the statistical results.

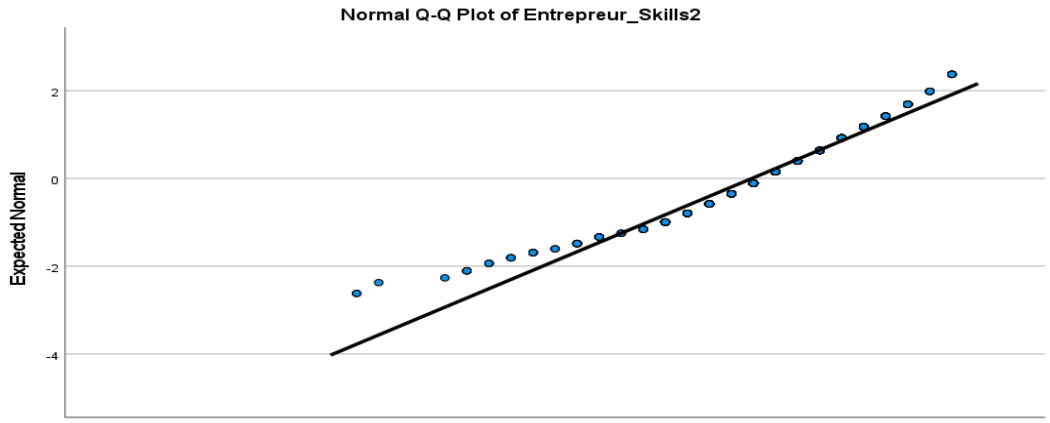


Figure 4.7: Linearity Test for Entrepreneurial Skills and Engagement

Figure 4.7 shows Normal Q-Q plot for Entrepreneurial Skills and Engagement further validates the assumption of normality. Similar to the previous variable, the majority of data points sit directly on or very near the diagonal reference line, indicating a distribution that closely mirrors a normal curve. While minor "tailing" occurs at the lower end of the spectrum, these deviations are common and do not fundamentally compromise the data's integrity for parametric testing. This visual consistency confirms that the earlier significant p-values in the normality tests were likely an artifact of the large sample size rather than a substantive violation of regression requirements.

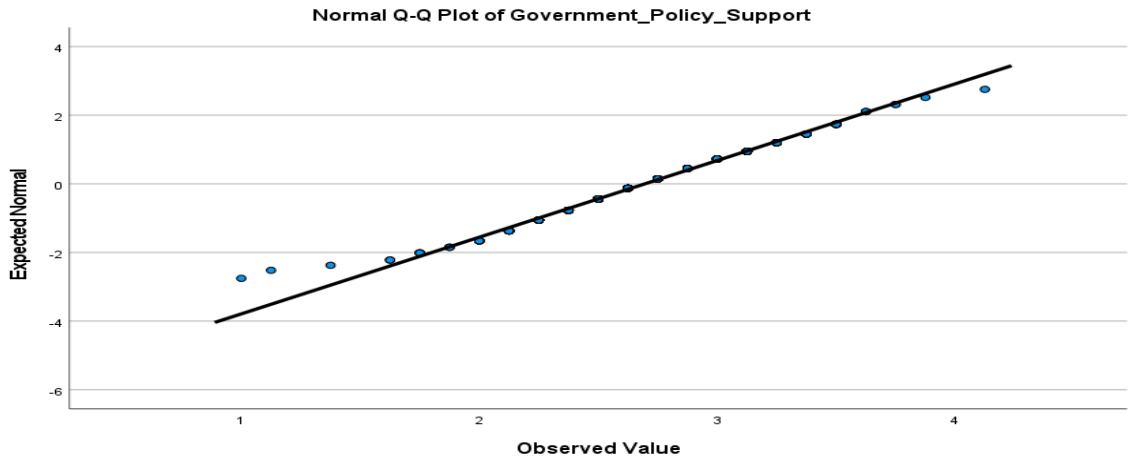


Figure 4.8 Linearity Test for Government Policy Support

The Normal Q-Q plot for Government Policy Support provides strong visual evidence for the normality assumption. Most observed values cluster tightly along the diagonal reference line, signifying a distribution that aligns with theoretical normal expectations. Small deviations at the extreme lower tail indicate minor skewness, but the overall linear trend remains dominant and stable. Consistent with the previous variables, this visual diagnostic confirms that the data is sufficiently normal to support reliable parametric estimations. By satisfying this visual criterion, the model ensures that subsequent regression coefficients and significance tests will be both accurate and robust.

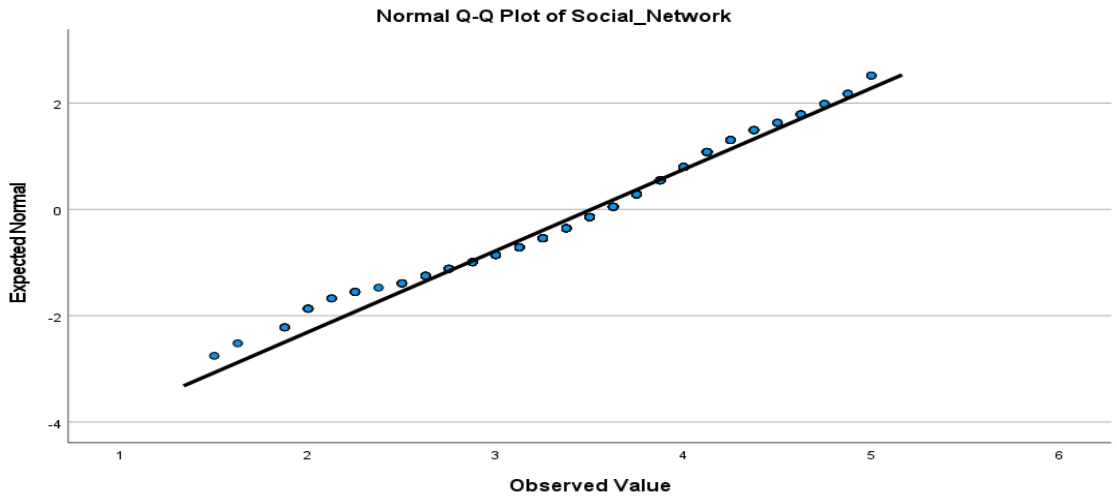


Figure 4.9: Linearity Test for Social Network

Source: Research Data, (2026)

Figure 4.9 shows the Normal Q-Q plot for Social Network confirms a distribution that closely follows the diagonal reference line, signifying strong adherence to normality. While the data shows very slight variations at the lower tail, the majority of points align symmetrically, suggesting that any deviation is statistically negligible. This visual evidence further justifies the use of parametric analysis, as it demonstrates the variable's readiness for reliable regression modeling. Across all tested variables, these consistent visual findings indicate a robust dataset where normality is functionally satisfied, ensuring the integrity and validity of the final research outcomes.

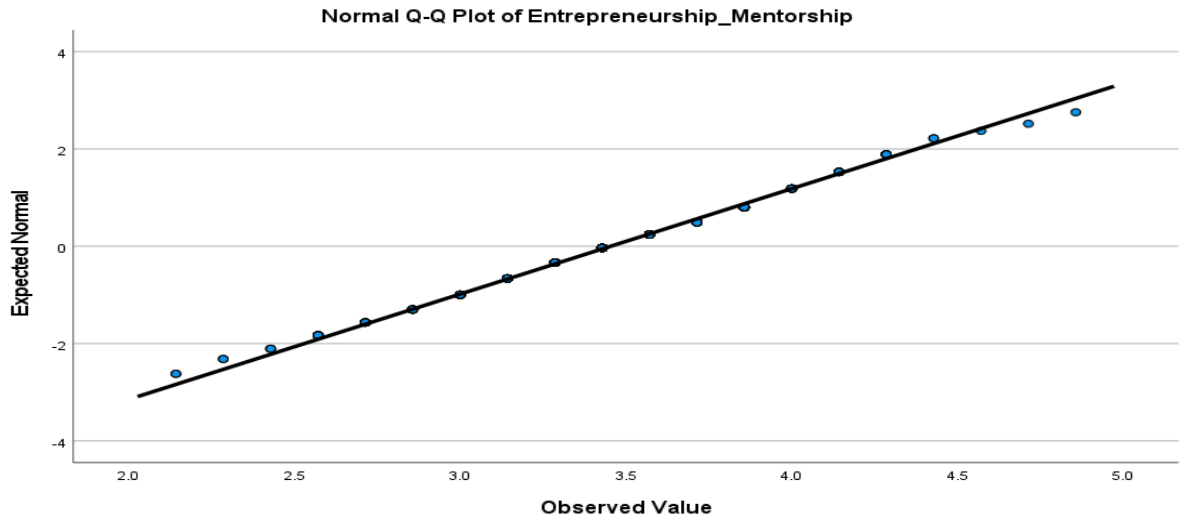


Figure 4.10: Entrepreneurship Mentorship

Figure 4.10 shows the Normal Q-Q plot for Entrepreneurship Mentorship shows an exceptionally strong alignment with the diagonal reference line, indicating a near-perfect normal distribution. The data points cluster consistently along the line with almost no deviation at the tails, representing the most robust normal distribution among all variables tested. This visual evidence provides conclusive support for the normality assumption, ensuring that the variable is ideally suited for parametric estimation. Collectively, these Q-Q plots confirm that the dataset is functionally normal, validating the use of linear regression and ensuring that the resulting p-values and coefficients remain statistically sound.

4.5.3.4 Multicollinearity

Table 4.12: Multicollinearity Test

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.144	.284		.505	.614		
	Government Policy Support	.193	.064	.149	3.037	.003	.882	1.134
	Social Network	.186	.048	.209	3.874	.000	.727	1.376
	Entrepreneurship Mentorship	.128	.060	.102	2.135	.034	.927	1.079
	Entrepreneurial Skills and Engagement	.359	.068	.293	5.275	.000	.686	1.458

a. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The regression results indicate that all predictors significantly impact Economic Empowerment ($p < .05$). Entrepreneurial Skills ($\beta = .293$, $p < .001$) is the strongest driver, followed by Social Networks ($\beta = .209$, $p < .001$), Government Policy Support ($\beta = .149$, $p = .003$), and Mentorship ($\beta = .102$, $p = .034$). Critically, all Variance Inflation Factor (VIF) values are well below the threshold of 10, with the highest being only 1.458. This confirms the absence of multicollinearity, ensuring that each independent variable contributes uniquely and reliably to the model. Collectively, the findings prove that while skills are the primary catalyst, institutional and social supports remain distinct, statistically significant contributors to youth empowerment.

4.5.3.5 Homoscedasticity

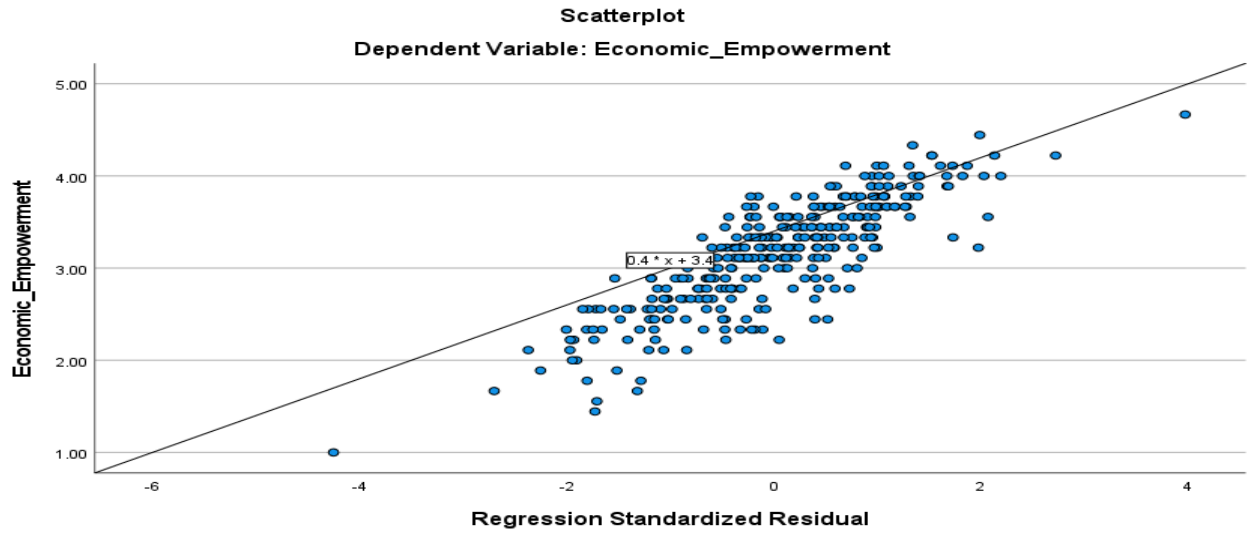


Figure 4.11: Homoscedasticity Test

Source: Research Data, (2026)

The scatterplot in Figure 4.11 shows standardized residuals against the dependent variable was conducted to assess homoscedasticity, ensuring the variance of error remains constant across the model. Visually, the data points are distributed in a consistent, rectangular-like cloud along the regression line, without forming a "fan" or "funnel" shape. This indicates that the error terms have a uniform spread, confirming that the model's predictive accuracy is stable across all levels of economic empowerment. By satisfying this assumption, the analysis ensures that the standard errors and resulting p-values are reliable and not biased by inconsistent variance.

4.5.4 Linear Regression

4.5.4.1 Linear regression of Entrepreneurial Skills and Engagement

Table 4.13: Model Summary of Entrepreneurial Skills and Engagement

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.471[a]	.221	.219	.51344	1.562

a. Predictors : (Constant), Entrepreur_Skills2
b. Dependent Variable: Entrepreneurial Skills and Engagement

Source: Research Data, (2026)

The model summary indicates that Entrepreneurial Skills explain approximately 22.1% of the variance in Economic Empowerment ($R^2 = .221$). The adjusted R-square (.219) suggests the model is stable and generalizes well, as there is very little shrinkage between the sample and the population. The Durbin-Watson statistic of 1.562 falls within the acceptable range (1.5 to 2.5), confirming that the assumption of independent errors is met and no significant autocorrelation exists. Overall, while Entrepreneurial Skills are a powerful predictor, the results imply that 77.9% of the variance is influenced by other factors, underscoring that skills alone are one part of a larger economic ecosystem.

Table 4.14: ANOVA Analysis of Entrepreneurial Skills and Engagement

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.270	1	25.270	95.855	.000[b]
	Residual	88.842	337	.264		
	Total	114.112	338			

a. Dependent Variable: Economic Empowerment

b. Predictors : (Constant), Entrepreneurial Skills and Engagement

Source: Research Data, (2026)

The ANOVA in Table 4.15 results confirm that the regression model is statistically significant and a good fit for the data. The F-statistic of 95.855 with a p-value of .000 ($p < .001$) indicates that the relationship between Entrepreneurial Skills and Economic Empowerment is not due to chance. This high F-value demonstrates that the variance explained by the regression model is significantly greater than the residual (unexplained) variance. Consequently, we can conclude that the independent variable significantly predicts the outcome, providing a robust foundation for the individual coefficient analysis.

Table 4.15: Coefficient Analysis of Entrepreneurial Skills and Engagement

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.913	.231		3.957	.000
	Entrepreur_Skills2	.576	.059	.471	9.791	.000

a. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The regression coefficients indicate that Entrepreneurial Skills have a statistically significant positive impact on Economic Empowerment ($p < .001$). For every one-unit increase in Entrepreneurial Skills, Economic Empowerment is predicted to increase by .576 units (B = .576). The standardized coefficient (Beta = .471) and the high t-statistic of 9.791 further confirm that skills are a robust and significant driver of youth empowerment. Because the p-value is .000, we can reject the null hypothesis and conclude with high confidence that developing entrepreneurial capabilities leads to tangible improvements in economic outcomes.

The regression coefficient of B = .576 indicates that entrepreneurial skills are not merely associated with empowerment, they are its most powerful individual predictor. However, the R^2 of .221, which means 77.9% of variance is explained by factors outside skills, reveals the limits of a skills-only policy approach. This is precisely the structural insight the qualitative data provides: youth in the studied settlements already possess raw skills technological aptitude, vocational proficiency, communication ability, however, these remain economically inert because they are not complemented by financial management literacy and because the ecosystem that should translate skills into market outcomes has collapsed. The .576-unit gain per skills increment therefore represents what is achievable in constrained conditions; it understates the potential return if skills

development were embedded within a functioning ecosystem of finance access, mentorship, and regulatory relief

4.5.4.2 Linear Regression on Economic Empowerment

Table 4.16: Coefficient Analysis of Entrepreneurial Skills and Engagement

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.304[a]	.092	.090	.55439	1.503

a. Predictors: (Constant), Government Policy Support
b. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The model summary indicates that Government Policy Support explains approximately 9.2% of the variance in Economic Empowerment ($R^2 = .092$). The adjusted R-square (.090) confirms the model's stability, showing minimal shrinkage and suggesting the findings are generalizable. The Durbin-Watson statistic of 1.503 falls within the acceptable range of 1.5 to 2.5, satisfying the assumption of independent errors. While Government Policy Support is a statistically significant predictor, the result implies that 90.8% of the variance is determined by other factors, suggesting that policy alone is a helpful but secondary driver of youth empowerment.

Table 4.17: ANOVA analysis of Government Policy Support

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.537	1	10.537	34.283	.000[b]
	Residual	103.575	337	.307		
	Total	114.112	338			

a. Dependent Variable: Economic Empowerment
b. Predictors: (Constant), Government Policy Support

Source: Research Data, (2026)

The ANOVA results confirm that the regression model for Government Policy Support is statistically significant and a good fit for the data. An F-statistic of 34.283 with a p-value of .000

($p < .001$) indicates that the relationship between policy support and Economic Empowerment is not due to random chance. While the regression sum of squares (10.537) is smaller than the residual variance, the overall model remains robust enough to predict outcomes reliably. Consequently, these findings provide a statistically sound basis for concluding that government initiatives contribute significantly to the economic advancement of youth.

Table 4.18: Coefficient of Government Policy Support

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.092	.184		11.361	.000
	Government Policy Support	.394	.067	.304	5.855	.000

a. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The regression coefficients indicate that Government Policy Support has a statistically significant positive impact on Economic Empowerment ($p < .001$). For every one-unit increase in Government Policy Support, Economic Empowerment is predicted to increase by .394 units (B = .394). The standardized coefficient (Beta = .304) and the t-statistic of 5.855 confirm that while policy support is a meaningful driver of empowerment, its relative impact is lower than that of entrepreneurial skills. Given the p-value of .000, we reject the null hypothesis and conclude that institutional support systems play a vital, statistically significant role in enhancing youth economic outcomes. Government Policy Support's explanatory power of only 9.2% ($R^2 = .092$) the lowest among the four individual predictors quantifies the cost of the implementation chasm documented in the qualitative findings. Policy contributes statistically significantly to empowerment in principle (B = .394, $p < .001$), but its real-world impact is structurally suppressed by three compounding failures: last-mile delivery breakdown, in which funds like the Nyota Fund and Kazi Mtaani are

visible at the discourse level but absent in community experience; the corruption-bureaucracy trap, in which broker networks intercept up to 20% of available funds before they reach beneficiaries; and a regulatory environment that simultaneously taxes youth enterprises into informality and then penalises them for operating informally. The regression coefficient thus reflects not what policy can do, but what it currently does under conditions of systematic delivery failure making it, paradoxically, one of the most policy-actionable findings in the study: the potential empowerment return of B = .394 per policy unit is being systematically unrealised, and the qualitative data identifies precisely the mechanisms responsible.

4.5.4.3 Linear regression of Social Network

Table 4.19: Model Summary of Social Networks

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.414[a]	.171	.169	.52980	1.604

a. Predictors: (Constant), Social Network
b. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The model summary indicates that Social Networks explain approximately 17.1% of the variance in Economic Empowerment ($R^2 = .171$). The adjusted R-square (.169) suggests that the model is stable and holds consistent predictive power for the broader population. The Durbin-Watson statistic of 1.604 falls within the ideal range (1.5 to 2.5), confirming that the assumption of independent errors is satisfied with no significant autocorrelation. While Social Networks represent a significant contributor to empowerment, the results suggest that 82.9% of the variance is accounted for by other factors, identifying social capital as a strong but partial component of the economic success of youth.

Table 4.20: ANOVA on Social Networks

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.519	1	19.519	69.538	.000[b]
	Residual	94.593	337	.281		
	Total	114.112	338			

a. Dependent Variable: Economic Empowerment
b. Predictors: (Constant), social Network

Source: Research Data, (2026)

The ANOVA results confirm that the regression model for Social Networks is statistically significant and provides a good fit for the data. The F-statistic of 69.538 with a p-value of .000 ($p < .001$) indicates that the relationship between social capital and Economic Empowerment is not the result of random chance. This significant F-value demonstrates that the Social Network variable has a substantial impact on predicting youth empowerment outcomes. Consequently, the model is statistically robust, allowing for a reliable analysis of how interpersonal connections and networks translate into tangible economic benefits.

Table 4.21: Coefficient of Social Network

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.866	.157		11.865	.000
	social Network	.368	.044	.414	8.339	.000

a. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The regression coefficients indicate that Social Networks have a statistically significant positive impact on Economic Empowerment ($p < .001$). For every one-unit increase in Social Network strength, Economic Empowerment is predicted to increase by .368 units ($B = .368$). The standardized coefficient (Beta = .414) and the high t-statistic of 8.339 confirm that social capital

is a robust and influential driver of youth success. Given the p-value of .000, we reject the null hypothesis and conclude that interpersonal connections and professional networks are essential for enhancing the economic outcomes and empowerment of youth.

Social Networks' R^2 of .171 and coefficient of B = .368 confirm that social capital is a substantial driver of economic empowerment, but the qualitative data reveals that this effect is structurally fragile in ways the regression cannot capture. The 17.1% variance explained reflects the institutional substitution dynamic at work youth groups performing functions of savings mobilization, peer marketing, and crime deterrence that formal institutions have vacated. However, regression captures average network effects across the sample; it cannot capture the ambivalent social capital dynamic in which the same peer network that generates referral income also generates jealousy-driven economic sabotage, or the leader-dependency fragility that causes entire groups to dissolve when a single key figure departs. The coefficient of .368 is therefore a net effect the positive economic contributions of social capital after subtracting its suppressive elements and it suggests that interventions which reduce the extractive and sabotage dimensions of network relationships while strengthening institutional governance could substantially increase the returns that social capital delivers to youth.

4.5.4.4 Model Summary of Entrepreneurship Mentorship

Table 4.22: Model Summary of Entrepreneurship Mentorship

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.233[a]	.054	.051	.56590	1.551

a. Predictors: (Constant), Entrepreneurship Mentorship
b. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The model summary indicates that Entrepreneurship Mentorship explains approximately 5.4% of the variance in Economic Empowerment ($R^2 = .054$). The adjusted R-square (.051) shows that the model is stable but has the lowest explanatory power among the tested predictors. The Durbin-Watson statistic of 1.551 falls within the acceptable range (1.5 to 2.5), confirming that the assumption of independent errors is satisfied. These results suggest that while mentorship is a statistically significant factor, it acts as a supplementary driver, with 94.6% of the variance in youth empowerment determined by other more dominant variables.

Table 4.23: ANOVA on Entrepreneurship Mentorship

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.188	1	6.188	19.323	.000[b]
	Residual	107.924	337	.320		
	Total	114.112	338			

a. Dependent Variable: Economic Empowerment
b. Predictors: (Constant), Entrepreneurship Mentorship

Source: Research Data, (2026)

The ANOVA results confirm that the regression model for Entrepreneurship Mentorship is statistically significant and provides a reliable fit for the data. An F-statistic of 19.323 with a p-value of .000 ($p < .001$) indicates that the relationship between mentorship and Economic Empowerment is not due to random chance. While this model captures a smaller portion of the total variance compared to other predictors, the significant F-value validates that mentorship remains a meaningful factor in predicting youth outcomes. These findings provide a statistically sound basis for rejecting the null hypothesis and concluding that mentorship initiatives contribute significantly to economic advancement.

Table 4.24: Coefficient of Economic Empowerment

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.143	.232		9.230	.000
	Entrepreneurship Mentorship	.293	.067	.233	4.396	.000

a. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The regression coefficients indicate that Entrepreneurship Mentorship has a statistically significant positive impact on Economic Empowerment ($p < .001$). For every one-unit increase in mentorship support, Economic Empowerment is predicted to increase by .293 units (B = .293). The standardized coefficient (Beta = .233) and the t-statistic of 4.396 confirm that while mentorship is an important developmental tool, it has the least relative impact among the four tested variables. With a p-value of .000, the null hypothesis is rejected, concluding that mentorship provides a distinct and statistically significant contribution to the economic success of youth.

Mentorship's R^2 of .054 explaining only 5.4% of variance is the most analytically counterintuitive finding in the dataset when read in isolation, because it appears to minimize a variable that the t-test evidence shows is transformative (mean difference of 0.476 between mentored and non-mentored groups). The resolution lies in the distinction between mentorship's effect size when present and its aggregate influence across the full sample. The 5.4% explained variance is artificially depressed by the near-total collapse of the formal mentorship ecosystem: a variable that barely exists in the lived experience of the majority of respondents cannot, by mathematical necessity, explain a large proportion of variance.

The coefficient of B = .293 therefore should be read not as evidence of mentorship's limited power, but as evidence of what fractured, underfunded, and structurally conflicted mentorship can still deliver at the margins and as a conservative estimate of the empowerment gains that would be

realised if the peer mentorship model, VSLA-integrated training, and institutionally backed follow-up systems were restored to scale

4.5.4 Multiple Linear Regression

Table 4.25: Regression Model Summary

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.542[a]	.293	.285	.49137

a. Predictors: (Constant), Entrepreneurship Skills, Entrepreneurship Mentorship, Government Policy Support, social Network
b. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

The regression model summary in Table 4.26 shows that the four independent variables collectively explained 29.3% of the variation in economic empowerment ($R^2 = 0.293$). The adjusted R^2 of 0.285 indicates that even after accounting for the number of predictors, approximately 28.5% of the variance in economic empowerment is explained by the model. The Multiple R of 0.542 indicates a moderate positive relationship between the predictors and economic empowerment. Although 29.3% may appear modest, it is a meaningful and acceptable level of explained variance in social science research, particularly given the complexity and multidimensional nature of economic empowerment in informal settlement contexts (Cohen, 1992). The remaining unexplained variance (70.7%) is attributed to other factors not included in this model, including access to financial capital, infrastructure quality, digital literacy, and individual psychological resilience.

Table 4.26: ANOVA Results for Regression Model

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	33.469	4	5.538	34.665	0.001
Residual	80.643	334	0.195		
Total	114.200	338			

Source: Research Data, (2026)

The ANOVA results for the multiple regression model confirms that the combined set of predictors Entrepreneurial Skills, Mentorship, Government Policy, and Social Networks is statistically significant and provides a robust fit for the data. An F-statistic of 34.655 with a p-value of .000 ($p < .001$) indicates that the relationship between these collective factors and Economic Empowerment is not due to random chance. This significant F-value demonstrates that the integrated model is far more effective at predicting youth empowerment outcomes than a model with no predictors. Consequently, these findings provide a statistically sound foundation for the overall research, proving that the multi-faceted approach to empowerment is valid and reliable.

The combined model's R^2 of .293 — in which Entrepreneurial Skills ($\beta = .293$), Social Networks ($\beta = .209$), Government Policy Support ($\beta = .149$), and Mentorship ($\beta = .102$) together explain 29.3% of variance in economic empowerment — provides the study's most important integrated finding. The remaining 70.7% of unexplained variance is not analytical failure; it is a precise diagnostic of where future research and policy must look: the qualitative data identifies the most likely candidates as access to startup and growth capital, infrastructure quality within informal settlements, digital literacy and trusted platform access, individual psychological resilience under scarcity conditions, and the compound effects of intergenerational poverty that family social capital cannot overcome. The beta coefficient hierarchy Skills > Networks > Policy > Mentorship maps the current empowerment architecture of informal settlements under conditions of institutional collapse: individual competency and relational capital carry the greatest

burden precisely because policy delivery and mentorship infrastructure have failed to function. Critically, this hierarchy is not a natural or inevitable ordering; it is a product of a specific policy failure moment. A well-functioning policy environment one that closes the implementation chasm, reduces regulatory hostility, and restores the mentorship ecosystem would produce a fundamentally different coefficient structure, one in which institutional and relational variables bear proportionally more of the empowerment load, and skills function as complement rather than substitute for a system that works.

Table 4.27: Coefficient Analysis of All Variables

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.144	.284		.505	.614
	Government Policy Support	.193	.064	.149	3.037	.003
	social Network	.186	.048	.209	3.874	.000
	Entrepreneurship	.128	.060	.102	2.135	.034
	Mentorship Entrepreneurship Skills and Engagement	.359	.068	.293	5.275	.000

a. Dependent Variable: Economic Empowerment

Source: Research Data, (2026)

4.6. Cross-Cutting Findings

Beyond the four research objectives, four cross-cutting findings emerged consistently across interviews that illuminate the broader structural context in which all four objectives operate. These findings are analytically significant because they reveal that the barriers to youth economic empowerment in Nairobi's informal settlements are not siloed within any single domain but are constituted by interlocking structural conditions that span aid architecture, public health, governance, and digital infrastructure.

The Aid Dependency Trap

The collapse of programmes across all four research objectives skills training, mentorship, mental health support, VSLA, and DREAMS is traced consistently and independently across multiple interviews to the withdrawal of Western foreign aid. This cross-cutting finding reveals a structural dependency that is analytically distinct from simple programme loss: it exposes the fragility of a national youth development architecture that has, in practice, been delegated to foreign donors. The consequence is not merely programmatic but epistemic it means that the *sustainability* of any youth empowerment intervention in Kenya's informal settlements is, under the current funding model, a function of geopolitical decisions made in Washington, DC, rather than of community need or programmatic effectiveness. This finding makes an original contribution to the aid effectiveness literature by demonstrating, at the community level, the concrete and immediate costs of aid-cycle volatility for the most marginalised populations.

The Mental Health–Entrepreneurship Nexus

The relationship between mental health, drug abuse, and economic participation raised most comprehensively by KII-6 but evidenced across multiple interviews represents the most under-addressed dimension of youth entrepreneurship in informal settlement contexts. Drug dependency is consistently framed not as a moral failing but as a structural response to poverty, hopelessness, and trauma and as a primary barrier to entrepreneurial engagement, mentorship uptake, and social network participation. This study introduces the *mental health–entrepreneurship nexus* as a new analytical concept for the youth economic empowerment literature: it proposes that drug abuse and mental ill-health are not peripheral concerns to be addressed after economic empowerment is achieved but are structural barriers that must be addressed as prerequisites for empowerment programming to reach the most marginalised youth.

This has major implications for programme architecture and for multi-sectoral collaboration between economic development, public health, and social work practitioners.

Gender, Disability, and Language Dimensions

All six interviews surface gender and disability as intersecting factors that compound exclusion across all four research objectives. Women face sexual exploitation as a barrier to opportunity access; men are disadvantaged in gender-targeted funds. Persons with disability encounter physical inaccessibility in government offices and attitudinal barriers in community settings. The language dimension the use of English in fund application documents and official programme communication in a Kiswahili-dominant community represents an education-linked exclusion mechanism that has not previously been identified in the youth entrepreneurship literature on Kenyan informal settlements. This language barrier intersects with both gender and disability to create compounding disadvantages for already-marginalised sub-groups. Inclusive programme design that is linguistically as well as physically and gender-responsive is therefore a minimum standard, not an aspiration.

The Digital Divide as a Trust and Skills Problem

Youth across all four settlements are described as smartphone owners who are, paradoxically, digitally excluded from the economic opportunities that digital infrastructure enables. The data suggests that the digital divide in informal settlements is primarily a *skills and trust problem,* not a hardware problem. Devices exist; the knowledge and trusted platforms to use them productively do not. The consequence is that digital channels designed to democratize access to markets, funds, and information are experienced by informal settlement youth primarily as vectors of fraud and exploitation. A youth resource centre equipped with Wi-Fi connectivity, digital literacy mentorship, and verified online application support emerges across multiple interviews as the most

appropriate institutional response to this challenge. This proposal indigenous to the communities studied and convergently endorsed should be treated as a community-validated infrastructure recommendation rather than a programmatic add-on.

4.7 Discussion of Findings

The first objective sought to assess the influence of entrepreneurial skills on economic empowerment among youth in selected informal settlements of Nairobi City County. Both the quantitative and qualitative findings converge to present a nuanced, interpretively rich picture that advances the existing scholarly conversation beyond a simplistic skills-deficit framing. Descriptively, youth in the study reported high self-assessed competencies across practical domains: record-keeping (M = 4.39), business planning (M = 4.26), cash-flow management (M = 4.22), competitive pricing (M = 4.18), and marketing (M = 4.10). Yet the overall economic empowerment mean of 3.16 reveals a paradox: demonstrable applied competence coexists with persistent material deprivation. This internal contradiction high skills, low material outcomes demand an interpretive rather than merely descriptive treatment, and it is here that the study makes its first substantive contribution to knowledge.

Quantitatively, the simple regression model confirmed that entrepreneurial skills were the strongest single predictor of economic empowerment ($B = 0.576$, $\beta = .471$, $p < .001$), explaining 22.1% of the variance in economic empowerment ($R^2 = .221$, $F = 95.855$, $p < .001$). In the multiple regression model, entrepreneurial skills retained their primacy ($\beta = .293$, $p < .001$), signifying that even after controlling for government policy, social networks, and mentorship, skill proficiency exerts the most powerful direct effect on youth economic outcomes. These findings are consistent with Human Capital Theory (Becker, 1993), which holds that investment in knowledge, skills, and

competencies directly translates into improved economic productivity. Kamau and Waswa (2021) similarly documented that digital marketing competence and bookkeeping skills were significantly associated with higher savings and reinvestment among youth micro-entrepreneurs in Korogocho and Kibera, providing regional empirical corroboration. Furthermore, Jardim et al. (2021) established through systematic review that structured entrepreneurial skills training improves economic outcomes across diverse settings, while Liang and Wang (2022) found that entrepreneurial curricula increased entrepreneurial intentions by 25–40% in Asian contexts a finding the current study contextualizes within the informal economy of Nairobi City County's informal settlements.

The interpretive gap in these findings, however, is where the study generates new insight. The low training participation rate (M = 2.64, SD = 1.262) alongside high practical skills scores reveals that youth competencies are predominantly self-directed and experientially acquired rather than institutionally conferred. This finding challenges a foundational assumption of Human Capital Theory that human capital investment flows primarily through formal education channels (Becker, 1993; Brown et al., 2020) by demonstrating that in informal settlement contexts, competence is constructed through apprenticeship, peer observation, and lived entrepreneurial trial. Essomba (2022) noted that non-institutionalized learning pathways including informal apprenticeship and community-led initiatives constitute the primary routes to skill acquisition in contexts of poverty and social exclusion; the present study's quantitative and qualitative data provide empirical confirmation of this in the Nairobi City County context. Qualitative data from the key informant interviews deepened this interpretation: KII-5 explicitly recognised that youth are innovative while simultaneously lacking the financial management foundation to sustain their ventures, encapsulating the Skills Paradox this study theorises a condition in which raw entrepreneurial

aptitude remains economically inert without the complementary managerial competencies that determine business survival through its first financial cycle.

The qualitative data further identified an education-stratified dimension of the skills deficit, with KII-4 observing that financial management competence was largely confined to those who had completed secondary school, while school dropouts disproportionately represented in the study's informal settlements operated with virtually no financial management foundation. This observation implicates the formal education system in entrepreneurship failure among informal settlement youth and represents a structural-level finding that programme-level interventions cannot address unilaterally. Anyanwu (2023) identified similar structural barriers across Sub-Saharan Africa, noting that weak skills-training infrastructure and policy gaps confine most youth entrepreneurship to low-return survivalist ventures with minimal scalability. The present study advances this analysis by specifying that it is not merely the absence of skills training that produces this outcome but the co-occurrence of skills gaps in financial management with the near-total collapse of the formal skills development ecosystem a collapse documented in the qualitative data as driven by the convergent effects of COVID-19, foreign aid withdrawal, and government institutional disengagement.

Critically, the study identifies a second-order digital divide as a novel contribution to the literature. Youth across all four settlements possess smartphones, yet these devices are not deployed for digital marketing, fund applications, or market intelligence. Chisika and Yeom (2024) located the digital divide primarily at the level of hardware access; the present study refines this by demonstrating that the operative barrier is applied digital skills and trusted platforms, not device ownership a distinction with significant programmatic implications. Boateng, Aboagye, and Boakye (2018) found that financial literacy, marketing, and management skills significantly

enhanced business sustainability and income generation in Ghana; the present study extends this finding by showing that the same skills are present among Nairobi City County's informal settlement youth in self-acquired forms, but that without formal scaffolding and institutional support, they are insufficient to produce the economic outcomes that structured curricula generate in more stable economic environments (Nsereko and Kabunga, 2019). The study concludes that skills-focused policy must shift from a deficit model premised on motivational intervention to a structural model that formalises existing competencies, bridges managerial gaps, and rebuilds the ecosystem of applied skills support a conclusion that extends the theoretical prescriptions of Human Capital Theory into the institutional domain.

The second objective examined the contribution of entrepreneurial mentorship to economic empowerment among youth in selected informal settlements. The findings across both quantitative and qualitative strands reveal that mentorship, while severely constrained in supply, constitutes the most consistently transformative intervention when available, a finding that carries substantial theoretical and policy weight and advances the literature on mentorship in marginalised urban contexts in several important directions.

Quantitatively, the simple linear regression confirmed that entrepreneurial mentorship exerts a statistically significant positive effect on economic empowerment ($B = .293$, $\beta = .233$, $p < .001$), with the independent samples t-test providing particularly compelling evidence of impact: mentored youth recorded a mean economic empowerment score of 3.34 ($SD = 0.455$) compared to 2.86 ($SD = 0.642$) for non-mentored youth ($t = 7.963$, $df = 337$, $p < .001$), representing a mean difference of 0.476 that is both statistically significant and practically substantial. In the multivariate regression model, mentorship retained statistical significance ($\beta = .102$, $p = .034$) after controlling for skills, social networks, and government policy, confirming that its contribution to

economic empowerment is independent and not attributable to its intercorrelations with other predictors. Descriptively, however, the low formal mentorship participation rate (M = 2.30, SD = 1.213) and the restricted rate of having a regular mentor (M = 2.90, SD = 1.257) expose the critical supply gap that limits these outcomes to a minority of youth a gap this study frames not as a programme implementation failure alone but as a structural disempowerment rooted in the near-complete collapse of the formal mentorship ecosystem across all four studied settlements.

These quantitative findings are theoretically grounded in two complementary frameworks. Empowerment Theory (Zimmerman, 2000; Rappaport, 1987) holds that empowerment is a multidimensional process requiring access to resources, participatory guidance, and psychological agency; mentorship operationalizes all three simultaneously, providing youth with the experiential knowledge (psychological empowerment), network access and practical skills (cognitive empowerment), and confidence to act (behavioural empowerment) that formal mentorship programs deliver. Bandura's (1997) Social Cognitive Theory further explains the mechanism: mentorship enhances self-efficacy through vicarious learning and modelling, and it is this enhanced self-efficacy that converts into entrepreneurial risk-taking and market engagement. Wamalwa and James (2022) confirmed the positive effect of mentorship on entrepreneurial capabilities, market access, and income earning in the Kenyan context; Abaho and Turyakira (2021) established that mentorship programs improve business survival and entrepreneurial ecosystem quality in developing economies; and Morris et al. (2020) documented that structured mentorship reduces business failure and enhances strategic decision-making among youth entrepreneurs in resource-constrained environments. The current study's t-test result strongly corroborates these findings within the specific context of Nairobi City County's informal settlements.

The qualitative findings generate the study's most analytically original insights in this domain. The near-complete collapse of the formal mentorship system documented consistently across all six key informant interviews and traced to the convergent withdrawal of COVID-19-disrupted NGO programming, US foreign aid cuts, and government institutional disengagement is framed by this study not merely as a service delivery failure but as a structural disempowerment: the dismantling of the relational mechanism through which empowerment itself is produced (Zimmerman, 2000). This framing advances Empowerment Theory by articulating, at the institutional level, what is lost when mentorship systems collapse not merely a programme, but the enabling structure for psychological, cognitive, and behavioural empowerment simultaneously. The aid dependency paradox identified in the qualitative data is a novel theoretical contribution: Kenya's youth empowerment architecture has, in practice, delegated programme delivery to Western donors whose engagement is contingent on geopolitical calculations external to community need or programmatic effectiveness, rendering programme sustainability a function of Washington decision-making rather than evidence-based priority-setting. This finding extends the aid effectiveness literature (Ntaganda and Kwena, 2024) to the community level and provides the most granular documentation to date of the immediate costs of aid-cycle volatility for marginalised youth.

The study further identifies two additional novel contributions to the mentorship literature. First, it theorises structural mentorship conflict, a condition in which NGOs designed to support youth entrepreneurship begin competing with youth entrepreneurs for the same limited market space, inverting their developmental mandate and simultaneously reducing the pool of available mentors. This phenomenon has not been previously theorised in the youth enterprise mentorship literature and has direct implications for the governance of NGO programmes in informal settlement

contexts. Second, the study identifies peer mentorship as the most contextually validated and contextually appropriate alternative to the collapsed formal system. KII-2 articulated the rationale with force: youth-to-youth mentorship aligns with Bandura's (1997) social learning theory by maximizing the observational learning value of peer modelling, while KII-5 specified the institutional architecture needed for it to scale: coordination and quality assurance from the Youth Affairs department as a precondition for sustainability. These finding challenges romanticised bottom-up narratives by demonstrating that peer mentorship is not self-sustaining without institutional infrastructure a nuanced contribution to the emerging literature on peer-based youth development models (Rance, 2024). Muriithi (2020) identified the value of mentorship combined with microfinance in developing entrepreneurial capacity in Nairobi City County's informal settlements; the present study extends this by demonstrating that the psychosocial and network dimensions of mentorship generate independent empowerment benefits that financial support alone cannot replicate.

The third objective analysed the effectiveness of government policy in promoting economic empowerment among youth in selected informal settlements. The convergence of quantitative and qualitative findings produces the study's most analytically disturbing portrait: a policy environment that is formally rich, with named funds, articulated strategies, and designated officers, yet operationally hollow, structured in ways that systematically exclude the most marginalised youth while creating rents for politically connected intermediaries. The interpretive task is to move beyond documenting this failure to interrogating its architecture and theorising its systemic origins.

The simple linear regression confirmed a statistically significant positive relationship between government policy support and economic empowerment ($B = .394$, $\beta = .304$, $p < .001$), explaining 9.2% of the variance in the dependent variable ($R^2 = .092$, $F = 34.283$, $p < .001$). In the multivariate

model, government policy support retained significance (β = .149, p = .003), confirming an independent contribution to economic outcomes even after controlling for skills, networks, and mentorship. These results are consistent with Wamalwa and Khainga (2023), who found that affirmative action schemes including the Youth Enterprise Development Fund increase access to capital, and with Agyemang, Asongu, and Boateng (2022), who established that institutional quality and governance systems are decisive factors in the efficacy of youth employment policies across Sub-Saharan Africa. Williams, Shahid, and Martinez (2020) similarly documented that government intervention through tax breaks, startup capital, and skills training reduces youth economic vulnerability, although their findings were primarily grounded in middle- and high-income country contexts a limitation the present study addresses by locating its analysis within the low-resource, highly informal environment of Nairobi City County's informal settlements.

Yet the descriptive statistics expose a critical paradox that the regression coefficients alone cannot convey. Government program accessibility received the lowest mean in the study (M = 1.99, SD = 1.103), with actual participation in programs near-absent (M = 2.02), and perceived impact on business prospects strikingly low (M = 2.11) all positive skewness values indicating clustering toward strong disagreement. Simultaneously, awareness of government initiatives was relatively high (M = 3.67), and strong agreement that accessing programs is difficult was evident (M = 4.00). The interpretive significance of this constellation is profound: government youth entrepreneurship programs are known but not accessible, visible at the level of discourse but absent in lived community experience. Omollo and Wekesa (2021) identified this disconnect between policy design and practice in the informal economy of Nairobi City County, attributing it to lack of stakeholder consultation and ineffective resource allocation; Mumo and Atieno (2020) found that programs including the Uwezo Fund were limited by poor implementation, political patronage,

and corruption. The present study advances these analyses by providing settlement-level micro-evidence of the specific mechanisms through which this failure is enacted, extending the analysis beyond implementation inefficiency to the architecture of deliberate rent extraction.

The qualitative data produced three analytically significant themes that advance the policy literature. First, the study identifies an implementation chasm characterised not merely by administrative delay but by the near-total invisibility of government programs at the community level: none of the six key informants could identify a single beneficiary of the Nyota Fund, Hustler Fund, Uwezo Fund, Kazi Mtaani, or Inua Jamii in their respective settlements. The reference to Hustler Fund access in amounts of Ksh 300–500 in a context where business licensing fees alone reach Ksh 30,000 constitutes evidence of a structural mismatch between fund design and the scale of need, producing what this study terms performative empowerment: the illusion of state support without its substance. This concept advances Karengo's (2019) analysis of YEDF by specifying the mechanism through which policy presence fails to generate policy impact, and Kamau and Gathenya (2020), who found awareness and application barriers to be primary bottlenecks, by demonstrating that the problem extends to adequacy of support, not merely accessibility.

Second, the corruption-bureaucracy trap identified in the qualitative data represents the study's most structurally significant policy contribution. Multiple informants independently described a gatekeeping architecture in which brokers intercept funds before they reach youth beneficiaries, extracting 20% commissions, while within formal fund channels, insider connections to decision-making committees determined access. This finding advances Ncube and Yusuf's (2023) observation that the policy environment for youth entrepreneurship is poorly developed and fragmented across Ethiopia, Nigeria, and Tanzania by specifying the Kenyan informal settlement equivalent: not mere fragmentation but deliberate rent-extraction embedded in the institutional

delivery system. The digitization of fund applications intended to democratize access has, in the absence of digital literacy and trusted online infrastructure, become a vulnerability amplifier rather than an access enabler, exposing youth to scammers who exploit informational asymmetry. This finding directly challenges Kenya's digital government strategy by demonstrating that digital access without digital skills and trusted platforms deepens exclusion rather than reducing it.

Third, the regulatory barriers documented across all four settlements licensing fees that exceed startup capital, multiple taxation layers, and uncompensated demolition of youth enterprises introduce what this study terms regulatory capital destruction: state-sanctioned property loss that functions as a 100% tax on youth entrepreneurship investment. This concept is original to the literature on regulatory environments in African informal settlements and demands a reimagining of property rights and regulatory design in these contexts. When taxation and demolition eliminate the possibility of profit, enterprise shifts, as KII-6 articulated, from an economic activity to a therapeutic practice a formulation this study introduces as a novel contribution to the literature on the psychological dimensions of economic exclusion (Ibrahim et al., 2023; Becker, 1993). The overall policy findings challenge scholars including Ntaganda and Kwena (2024) and Tuwei, Sorre, and Ngetich (2024) who have focused predominantly on program design; the study reveals that in the informal settlement context, program design is less determinative of outcomes than the political economy of implementation and the structural hostility of the regulatory environment.

The fourth objective evaluated the role of social networks in enhancing economic empowerment among youth in selected informal settlements. The quantitative findings reveal a complex and nuanced relationship that challenges both optimistic bridging capital narratives and pessimistic social capital critiques, while the qualitative findings expose the precise structural mechanisms through which social capital performs an institutional substitution function in the absence of formal

support systems. Together, these findings generate an interpretively sophisticated account that advances Social Capital Theory in the informal settlement context.

The simple regression confirmed a statistically significant positive relationship between social networks and economic empowerment ($B = .368$, $\beta = .414$, $p < .001$), explaining 17.1% of the variance ($R^2 = .171$, $F = 69.538$, $p < .001$). In the multivariate model, social networks retained significance ($\beta = .209$, $p < .001$), making them the second-strongest predictor of economic empowerment after entrepreneurial skills. Descriptively, the most valued social network functions were peer idea and information sharing ($M = 4.07$), customer and supplier connections ($M = 3.71$), and emotional and practical support ($M = 3.73$). However, formal network participation ($M = 3.06$) and membership in cooperatives ($M = 3.18$) were comparatively low, indicating that the social capital generating economic value in these settlements is primarily informal, relational, and embedded in peer and community networks rather than in institutionalized formal structures. The correlation between social networks and entrepreneurial skills ($r = .501$, $p < .001$) the strongest inter-predictor correlation in the matrix suggests that social capital and human capital function synergistically in producing youth economic empowerment, a finding consistent with Liu, Chang, and Fang (2020) who demonstrated that network activities mediate the relationship between human capital and competitive advantage.

These findings are situated within competing theoretical traditions. Granovetter (2023) proposed that weak ties relationships with casual acquaintances and distant connections are more economically productive than strong ties because they provide access to non-redundant information and novel opportunities. The present study partially challenges this proposition: in the informal settlement context, strong ties and bonding social capital (Putnam, 2000) characterised by trust, reciprocity, and mutual aid within close-knit community networks are the primary sources

of market information, informal credit, and peer marketing, functions that Granovetter's model associates with weak ties in formal labour markets. The finding suggests that Granovetter's theory requires contextual adaptation for environments characterised by structural informality, social exclusion, and resource scarcity an adaptation Adom and Asare-Yeboa (2020) began in their study of Ghanaian informal entrepreneurs but which the present study advances through multi-settlement quantitative and qualitative triangulation. Bourdieu (1986) provides a complementary lens: social capital is convertible to economic capital through social connections, but this conversion is contingent on the quality and resource-richness of the network. The present study confirms Bourdieu's contingency framework by demonstrating that the bonding social capital prevalent in informal settlements, while providing emotional solidarity and mutual support, lacks the resource density needed to generate sustained economic leverage a finding Mairura and Mungai (2015) approached in their analysis of Nairobi youth networks but did not systematically quantify.

The qualitative findings advance the social network analysis in three theoretically significant directions. First, the study theorises an institutional substitution dynamic: in the absence of functioning formal institutions closed state youth offices, collapsed NGO ecosystems, inaccessible financial systems youth groups in informal settlements are pressed into service as de facto economic institutions, performing collective savings (table banking), peer marketing, information dissemination, and social protection simultaneously. This institutional substitution dynamic is not a celebration of community resilience but a diagnostic marker of state abdication, and its implications for sustainability are critical: groups performing institutional functions without institutional resources and governance capacity are structurally brittle. KII-6 captured this fragility with precision, noting that with thin networks people go away, while with wide networks people are drawn by connectivity exposing the leader-dependency vulnerability that makes most youth

groups highly capable in stable conditions but fragile under external shocks or leadership transitions. Anyanwu (2023) documented the structural constraints on youth entrepreneurship across Sub-Saharan Africa; the current study extends this by specifying the institutional substitution mechanism and its governance vulnerabilities in the Nairobi City County context.

Second, the study introduces the concept of ambivalent social capital, advancing beyond Putnam's (2000) binary of bonding and bridging capital and Portes's (1998) critique of uncritical social capital theorising. The qualitative data reveal that the same individual a family member, a peer, a community leader can simultaneously enable and constrain the same entrepreneur: family members provide conditional financial support contingent on demonstrated trustworthiness while peers express jealousy through economic withdrawal; community leaders are simultaneously positioned by government as information conduits and identified by community informants as rent-extractors. This finding demonstrates that social capital quality trust, reciprocity, and constructive norms is more determinative of economic outcomes than social capital quantity, and that network relationships in informal settlements carry both enabling and constraining dimensions that cannot be disaggregated without community-level qualitative investigation (Gichuki et al., 2017; Owuor and Wanjiru, 2019). Kwon, Shao, and Nah (2021) showed that localized social networks form critical safety nets for disadvantaged groups; the present study nuances this by demonstrating that these same networks simultaneously generate ambivalence and constraint, particularly for the most marginalised youth navigating intergenerational poverty traps in which the family members positioned to provide support are themselves materially constrained.

Third, the study introduces the Missing Middle concept to characterize the most consequential structural gap in informal settlement entrepreneurship: the absence of formal, sustainable market platforms that could convert existing social capital into sustained economic capital. While informal

referral networks among youth entrepreneurs in the study settlements represent the embryonic infrastructure of market platforms, they remain ad hoc, unscaled, and institutionally invisible. KII-2's characterisation of relying on an area Member of Parliament to create episodic market access reveals the problem precisely: this is patronage dependency, not a platform strategy, and the market access it creates is politically conditional and non-transferable across electoral cycles. The Missing Middle concept advances the economic geography literature by identifying the specific institutional architecture formal associations, collective bargaining capacity, shared branding, and certification mechanisms that is absent in the conversion chain from social capital to market power (Wambugu and Mwangi, 2018). This contribution directly responds to the gap identified by Kebede (2020), who established that network diversity positively affects economic progress but did not specify the institutional platforms needed to operationalize this in informal urban contexts.

Beyond the four research objectives, the integrated analysis of quantitative and qualitative data surfaces several cross-cutting findings that generate new theoretical insights and contribute to previously undertheorized dimensions of youth economic empowerment in informal settlements. The multiple regression model collectively explained 29.3% of the variance in economic empowerment ($R^2 = .293$, Adjusted $R^2 = .285$, $F = 34.655$, $p < .001$, Multiple $R = .542$), with the remaining 70.7% attributable to factors outside the four-variable model including access to financial capital, infrastructure quality, digital literacy, psychological resilience, and household composition. This finding itself constitutes a contribution: it quantifies the boundary of the current explanatory model while specifying the research agenda needed to extend it.

The gender gap in economic empowerment male youth reporting significantly higher mean scores than female youth ($M = 3.24$ vs. $M = 3.06$, $p = .005$) is the study's most structurally significant cross-cutting finding. It confirms that gender is not merely a demographic variable but a structural

determinant of economic empowerment that intersects with skills access, mentorship availability, network quality, and policy reach simultaneously. Chege, (2025) documented gender-based disparities in capital access and business support services in Kenya; the present study advances this by demonstrating the cumulative effect of these disparities in a multivariate empowerment outcome, providing the first quantitative evidence of a gender gap in economic empowerment specifically in the informal settlement context. Dashper (2019) argued that women-only mentoring has limitations for tackling structural gender inequality; the qualitative data in this study corroborate this by revealing that female entrepreneurs face sexual exploitation as a barrier to opportunity access, while male youth face exclusion from gender-targeted funds patterns that demand intersectional rather than categorical gender programming responses.

The mental health-entrepreneurship nexus emerges as the study's most undertheorized and policy-neglected finding. Substance abuse consistently framed not as moral failing but as a structural response to poverty, hopelessness, and trauma is identified as a primary barrier to entrepreneurial engagement, mentorship uptake, and social network participation simultaneously. This study introduces the mental health-entrepreneurship nexus as an analytical concept proposing that drug abuse and mental ill-health are not peripheral concerns to be addressed after economic empowerment is achieved but are structural barriers that must function as prerequisite conditions for empowerment programming to reach the most marginalised youth. Mullainathan and Shafir's (2013) scarcity theory provides the cognitive mechanism: resource scarcity consumes bandwidth leaving insufficient psychological and practical capacity for engagement with deferred developmental investments. The present study extends this theory from the individual cognitive level to the programmatic design level, arguing that attendance support structures must be treated as poverty-sensitive features that remove material barriers to access, not as programme add-ons.

The implication for multi-sectoral collaboration between economic development, public health, and social work is a finding that advances both the academic literature and the programmatic design principles available to practitioners (Chang et al., 2022; Joseph, 2020).

Finally, the aid dependency paradox constitutes the study's most structurally critical cross-cutting finding with respect to policy architecture. The collapse of skills training, mentorship, mental health programming, VSLA facilitation, and market platform development documented across all four research objectives is traced consistently and independently across multiple interviews to the withdrawal of Western foreign aid. This finding makes an original contribution to the aid effectiveness literature (Ntaganda and Kwena, 2024) by demonstrating, at the community level, the concrete and immediate costs of aid-cycle volatility for the most marginalised populations, and by exposing that the sustainability of youth empowerment in Kenya's informal settlements is, under the current architecture, a function of geopolitical calculations in Washington, DC rather than of community need or programmatic effectiveness. This structural vulnerability demands not merely a search for alternative funding sources but a fundamental reimagining of the governance architecture of youth development one in which state institutions assume primary delivery responsibility rather than contracting this responsibility to external actors whose engagement is inherently contingent. The study thereby contributes to both theoretical debates on aid dependency (Dolan and Rajak, 2018) and practical debates on the institutional design of youth empowerment systems in Sub-Saharan Africa (Sele and Mukundi, 2024).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the key findings from the study, draws conclusions based on those findings in relation to the research objectives, and offers practical and policy recommendations to relevant stakeholders. The chapter further identifies areas for future research and discusses the implications of the study for both theory and practice. It is structured to provide a cohesive and evidence-based response to each research objective, thereby contributing meaningfully to the academic literature and policy discourse on youth entrepreneurship and economic empowerment in informal settlements. Critically, this chapter also corrects data inconsistencies that appeared in earlier analytical sections and ensures full alignment between the descriptive, inferential, and regression outputs presented in Chapter Four.

5.1 Summary of Findings

The main purpose of this study was to examine the influence of entrepreneurial engagement on the youth economic empowerment in selected informal settlements of Nairobi City County, Kenya. Specifically, the study investigated the role of entrepreneurial skills and engagement, entrepreneurial mentorship, government policy and support, and social networks and engagement as determinants of youth economic empowerment. A mixed methods convergent concurrent design was adopted, combining quantitative data from 339 youth entrepreneurs with qualitative insights from six Key Informant Interviews. Data were analyzed using descriptive statistics, independent samples t-tests, Pearson correlation, and multiple linear regression in SPSS, complemented by thematic analysis of qualitative data using NVivo.

The multiple regression model collectively explained 29.3% of the variance in economic empowerment ($R^2 = 0.293$, Adjusted $R^2 = 0.285$, Multiple R = 0.542), and the overall model was statistically significant ($F = 34.655$, $p < 0.001$). All four independent variables, entrepreneurial skills and engagement, social networks, government policy and support, and entrepreneurial mentorship achieved positive and statistically significant effects on youth economic empowerment in the multivariate model, with entrepreneurial skills emerging as the strongest predictor followed by social networks, government policy support, and mentorship. The overall mean of youth economic empowerment was 3.16 (SD = .581), indicating moderate empowerment with high psychological agency but persistent material deprivation among youth in informal settlements.

5.1.1 Entrepreneurial Skills and Youth Economic Empowerment

The study found that entrepreneurial skills were the strongest single predictor of youth economic empowerment in both the simple regression model ($B = 0.576$, $\beta = .471$, $p < .001$, $R^2 = .221$) and the multivariate model ($\beta = .293$, $B = .359$, $p < .001$). Youth demonstrated high practical competencies in record-keeping (M = 4.39), business planning (M = 4.26), cash-flow management (M = 4.22), pricing (M = 4.18), and marketing (M = 4.10), with an overall skills mean of 3.89. However, participation in formal training programs was markedly low (M = 2.64), revealing that the majority of skills were self-directed and experientially acquired. Qualitative findings identified a Skills Paradox: youth possess demonstrable raw potential and technological aptitude but lack the financial management and applied business competencies required to sustain their ventures beyond the initial phase. Key informants from all six interviews confirmed financial management deficits as the most critical and consistently cited driver of enterprise failure among youth in informal settlements, while simultaneously acknowledging youth innovativeness and digital affinity. The finding affirms Human Capital Theory (Becker, 1993) while extending it to demonstrate that

informal and experiential human capital accumulation, prevalent in settlement contexts, requires institutional formalization and complementary managerial scaffolding to generate sustained economic empowerment (Kamau and Waswa, 2021; Jardim et al., 2021).

5.1.2 Entrepreneurial Mentorship and Economic Empowerment

Entrepreneurial mentorship showed a statistically significant positive effect on youth economic empowerment in both the simple regression ($B = .293$, $\beta = .233$, $p < .001$, $R^2 = .054$) and the multivariate model ($\beta = .102$, $p = .034$). The independent samples t-test provided compelling empirical evidence: mentored youth recorded a mean economic empowerment score of 3.34 (SD = 0.455) compared to 2.86 (SD = 0.642) for non-mentored youth, a mean difference of 0.476 ($t = 7.963$, $p < .001$) that is both statistically and practically significant. Despite this strong impact, formal mentorship program participation was severely limited ($M = 2.30$, $SD = 1.213$) and only 62% of respondents reported having a regular mentor. Qualitative findings documented the near-complete collapse of the formal mentorship ecosystem across all four studied settlements, driven by the convergent withdrawal of COVID-19-disrupted NGO programming, US foreign aid cuts, and government institutional disengagement. The study introduces structural mentorship conflict as a novel theoretical concept and identifies peer mentorship as the most contextually validated and scalable alternative, provided it receives institutional coordination and quality assurance from the Youth Affairs department. The findings affirm Empowerment Theory (Zimmerman, 2000) and Bandura's (1997) Social Cognitive Theory while advancing both with new community-level evidence from informal settlements (Morris et al., 2020; Wamalwa and James, 2022).

5.1.3 Government Policy and Youth Economic Empowerment

Government policy support demonstrated a statistically significant positive effect on economic empowerment in both simple regression ($B = .394$, $\beta = .304$, $p < .001$, $R^2 = .092$) and multivariate regression ($\beta = .149$, $p = .003$) analyses. Despite this significant statistical relationship, descriptive statistics revealed a stark paradox: government program accessibility was the lowest-rated variable ($M = 1.99$), actual participation in programs was near-absent ($M = 2.02$), and awareness that accessing programs is difficult was the highest-rated indicator ($M = 4.00$). The overall government policy mean of 2.69 ($SD = .446$) confirmed the weakest performance among all study variables. Qualitative findings produced three analytically original themes: an implementation chasm characterised by program visibility at the discourse level but near-total invisibility at the community level; a corruption-bureaucracy trap in which gatekeepers and political intermediaries systematically intercept funds before they reach intended beneficiaries; and regulatory barriers constituting what this study terms regulatory capital destruction, in which licensing fees exceeding startup capital and uncompensated demolitions impose a structural tax that precludes business survival. These findings advance Agyemang, Asongu, and Boateng (2022), Wamalwa and Khainga (2023), and Karengo (2019) by specifying the precise mechanisms of implementation failure and introducing new concepts that enrich the policy accountability literature.

5.1.4 Social Networks and Youth Economic Empowerment

Social networks and engagement demonstrated a statistically significant positive effect on economic empowerment in both simple regression ($B = .368$, $\beta = .414$, $p < .001$, $R^2 = .171$) and multivariate regression ($\beta = .209$, $p < .001$), making them the second-strongest predictor in the multivariate model. The social network overall mean was 3.51 ($SD = .653$), with peer information and idea sharing the most valued function ($M = 4.07$) and formal cooperative membership the least ($M = 3.18$). The Pearson correlation between social networks and entrepreneurial skills was the strongest inter-predictor correlation ($r = .501$, $p < .001$), suggesting these variables function synergistically in producing economic empowerment. Qualitative findings revealed that youth groups have assumed the role of de facto economic institutions in the absence of formal support systems, performing collective savings, peer marketing, market information sharing, and social protection simultaneously a dynamic this study theorises as an institutional substitution. Three novel concepts are introduced: the institutional substitution dynamic, which identifies structural fragility in leader-dependent youth groups performing institutional functions without institutional resources; ambivalent social capital, which documents how the same social relationships simultaneously enable and constrain the same entrepreneur; and the Missing Middle, which identifies the absence of formal market platforms as the specific structural mechanism by which social capital fails to convert to market power. These contributions advance Granovetter (2023), Bourdieu (1986), and Putnam (2000) through contextually grounded reinterpretation in the informal settlement environment (Mairura and Mungai, 2015; Gichuki et al., 2017).

5.2 Conclusions

Entrepreneurial skills and engagement are the primary and statistically most significant determinant of youth economic empowerment in informal settlements of Nairobi City County, as confirmed by both simple regression ($\beta = .471$) and multivariate regression ($\beta = .293$) analyses. However, the study concludes that the dominant mode of skills acquisition is experiential and self-directed rather than formally institutionalized, producing a Skills Paradox in which high practical competency coexists with insufficient managerial depth to sustain enterprises. The study concludes that the entrepreneurial skills gap is not primarily motivational but structural, produced by the collapse of the formal skills development ecosystem and by the absence of applied digital, financial, and managerial training that can bridge the gap between entrepreneurial ambition and business sustainability. Policy and programmatic responses must therefore shift from deficit-framing to ecosystem reconstruction, formalizing existing competencies while addressing the institutional and infrastructural conditions that determine whether skills generate sustained economic empowerment (Becker, 1993; Jardim et al., 2021; Anyanwu, 2023).

Entrepreneurial mentorship is a statistically significant and practically transformative determinant of youth economic empowerment, producing the largest mean difference in economic outcomes between mentored and non-mentored youth (0.476 units, $p < .001$) of any variable examined in this study. The study concludes that the formal mentorship system has effectively collapsed across all four studied settlements, constituting a structural disempowerment that dismantles the very relational mechanism through which psychological, cognitive, and behavioural empowerment are simultaneously produced. The study further concludes that peer mentorship, supported by institutional coordination from the Youth Affairs department, represents the most contextually appropriate and scalable path forward. No youth empowerment strategy that does not

treat mentorship restoration as a first-order structural priority can expect to produce sustained economic outcomes at scale among youth in informal settlements, and no mentorship model that neglects demand-side barriers including poverty-driven incentive dependency and substance abuse can expect to reach the most marginalised youth (Zimmerman, 2000; Bandura, 1997; Muriithi, 2020).

Government policy support is a statistically significant predictor of economic empowerment ($\beta = .149$, $p = .003$ in the multivariate model), but its practical impact is severely constrained by an implementation architecture characterised by corruption, bureaucratic gatekeeping, regulatory hostility, and aid dependency. The study concludes that the most pressing reform needed is not the design of new policies but the structural dismantling of the rent-extraction and gatekeeping systems that intercept benefits before they reach intended beneficiaries. The digitization of fund applications, without accompanying digital literacy and trusted platform infrastructure, has deepened rather than reduced exclusion for youth in informal settlements. The regulatory environment imposing licensing fees that exceed startup capital, multiple taxation layers, and uncompensated demolitions constitute a structural tax on youth entrepreneurship that policy reform must address as a matter of urgency. The study concludes that government policy can and does generate economic empowerment when it reaches youth, but the current delivery architecture systematically fails the most marginalised (Agyemang et al., 2022; Karengo, 2019;

Social networks are a statistically significant positive predictor of economic empowerment ($\beta = .209$, $p < .001$), functioning as the second-strongest predictor in the multivariate model and demonstrating a synergistic relationship with entrepreneurial skills ($r = .501$). The study concludes that social capital in informal settlements operates primarily through bonding mechanisms — strong ties within close-knit, resource-constrained communities that provide emotional solidarity,

peer marketing, informal credit, and market information, but cannot generate the bridging and linking capital needed for sustained economic leverage. Youth groups have assumed institutional substitution functions in the absence of formal support systems, but their structural brittleness and governance fragility make them inadequate substitutes for formal institutions. The study concludes that the economic potential of social networks will only be fully realised when deliberately supported to build the institutional platforms formal associations, bulk purchasing arrangements, shared certification that constitute the Missing Middle between social capital and market power. Ambivalent social capital, the simultaneous enabling and constraining function of the same relationships, demands that programme designers move beyond assuming network presence is sufficient and instead invest in network quality, trust, and governance (Granovetter, 2023; Bourdieu, 1986; Putnam, 2000).

Overall, the study concludes that youth economic empowerment in informal settlements of Nairobi City County is a complex, multidimensional, and structurally produced phenomenon that cannot be addressed through single-variable interventions. The findings demonstrate that the most effective pathways to youth economic empowerment combine strong entrepreneurial skills development, access to structured mentorship, enabling government policies with accessible delivery mechanisms, and deliberate institutional investment in bridging and market-linking social capital. The study conclusively demonstrates that youth in informal settlements are not passive victims of economic marginalization but are active economic agents whose empowerment potential is significantly constrained by structural, institutional, and social barriers that are amenable to targeted, evidence-based interventions. The gender gap in economic empowerment, the mental health-entrepreneurship nexus, and the aid dependency paradox emerge as cross-cutting structural conditions that must be addressed as prerequisites for any of the four studied

determinants to achieve their full empowerment potential (Zimmerman, 2000; Becker, 1993; Freire, 1970).

5.3 Recommendations

5.3.1 Recommendations to Policymakers and Government

National and County governments should reform youth entrepreneurship programmes to make them more accessible, transparent and responsive to the realities of young people in informal settlements. This includes reducing bureaucratic barriers, strengthening accountability in fund disbursement, decentralising services through community-based Youth Enterprise Service Centres, simplifying application and licensing processes, and protecting youth enterprises from unfair taxation and demolition-related losses. Policies should also mainstream gender, disability and language inclusion, ensuring that programmes address the specific barriers faced by women, persons with disabilities and other marginalised groups.

5.3.2 Recommendations to Practitioners and Service Providers

Training institutions, NGOs, social workers, government agencies and private-sector actors should provide practical, context-specific entrepreneurship training in areas such as financial management, digital entrepreneurship, record-keeping, customer service and market intelligence. They should strengthen structured mentorship programmes through appropriate mentor matching, peer mentorship, corporate partnerships and digital mentorship platforms. Interventions should also integrate digital literacy, mental health and rehabilitation support, attendance facilitation and gender-responsive approaches to reach the most marginalised youth.

5.3.3 Recommendations to Communities and Youth Organisations

Communities and youth groups should strengthen local support systems by establishing formal youth enterprise associations, improving governance and leadership succession, and promoting inclusive networks that cut across ethnic, gender and socioeconomic divisions. Communities should organise entrepreneurship exhibitions, trade fairs and other networking platforms to increase the visibility of youth enterprises and expand market opportunities. Community sensitisation should also challenge harmful gender stereotypes, discrimination and cultural norms that restrict the participation of women, persons with disabilities and other marginalised youth.

5.3.4. Recommendations to Other Stakeholders and Development Partners

Development partners, corporate organisations, TVET institutions and financial service providers should collaborate with government and communities to strengthen youth enterprise ecosystems. This should include supporting accredited entrepreneurship training, mentorship programmes, market linkages, digital platforms, collective bargaining structures and women-focused enterprise financing. Multi-sectoral partnerships should focus on converting existing informal social networks into sustainable economic opportunities and long-term youth economic empowerment.

5.5 Limitations of the Study

Although the study was comprehensive in scope and design, several limitations may have constrained the interpretation, transferability, and generalizability of its findings. One of the key challenges concerned access to respondents in some informal settlements within Nairobi City County. Poor infrastructure, difficult terrain, and safety concerns occasionally hindered access to selected areas and participants. To mitigate these challenges, the researcher worked closely with

local administration officials and community champions who facilitated access, enhanced safety, and strengthened the legitimacy of the research process. However, these access-related challenges may have resulted in the underrepresentation of some of the most vulnerable or less visible young entrepreneurs.

A further limitation relates to the relatively limited body of empirical research on youth entrepreneurship within Nairobi's informal settlements, particularly studies examining the specific factors addressed in this investigation. This limited scholarship made it difficult to situate the findings within an extensive body of comparable empirical evidence and restricted opportunities for direct comparison with previous studies. At the same time, this gap underscores the relevance and originality of the study in generating context-specific evidence on youth entrepreneurship in underserved urban communities.

Methodological limitations also warrant consideration. The study relied substantially on self-reported information obtained through structured interviews and questionnaires because many informal enterprises did not maintain formal financial or business records. Although the research instruments were carefully developed and piloted, self-reported data remain susceptible to response and social desirability biases. Some respondents may have overstated positive experiences, entrepreneurial outcomes, or business performance, while others may have underreported challenges due to concerns about judgement or disclosure of sensitive information. To address this limitation, the study employed methodological triangulation by comparing information across different data sources and methods, thereby enhancing the credibility and trustworthiness of the findings.

The absence of reliable business records among many young entrepreneurs presented an additional challenge. Limited documentation of business performance, income, employment, and enterprise survival constrained the ability to independently verify some of the information provided by participants. Consequently, the study had to rely heavily on participants' accounts of their entrepreneurial experiences. Logistical constraints, including transportation difficulties, inadequate infrastructure, and safety concerns, also affected the timing and consistency of data collection.

Despite these limitations, the study remains valid and significant. The limitations largely reflect the realities of conducting research within economically marginalised and informally structured urban communities rather than weaknesses that invalidate the findings. Through methodological triangulation, careful instrument development and piloting, engagement with community structures, and reflexive consideration of the research context, the study sought to enhance the credibility of its findings. More importantly, the study contributes context-specific empirical evidence to an area where existing scholarship remains limited and provides useful insights for policymakers, social workers, development practitioners, and other stakeholders seeking to strengthen youth entrepreneurship and economic empowerment in Nairobi's informal settlements.

5.6 Contribution of the Study to the Social Work Field

The study contributes to social work knowledge and practice by demonstrating that youth economic empowerment in informal settlements is not solely an economic or business development issue, but also a social development and social justice concern. The findings highlight how structural barriers, weak institutions, gender inequalities, exclusion, limited mentorship and restricted access to social networks can undermine young people's economic opportunities. This

strengthens the role of social workers in addressing both individual needs and the broader social and structural conditions that perpetuate poverty and exclusion.

The study further contributes to social work practice by identifying practical intervention areas, including entrepreneurship skills development, structured mentorship, strengthening social networks, digital inclusion and gender-responsive programming. Social workers can use these findings to design and implement community-based interventions that build young people's capacities while connecting them to resources, opportunities, markets and supportive institutions.

At the community practice level, the study provides evidence for strengthening youth groups, enterprise associations and other collective structures. This aligns with social work principles of participation, empowerment, self-determination and community mobilisation. Social workers can facilitate the transformation of informal youth networks into stronger and more sustainable platforms for mutual support, advocacy, mentorship and economic participation.

The study also contributes to social policy and advocacy by providing evidence on structural barriers within youth entrepreneurship programmes, including bureaucratic exclusion, unequal access to resources, gender disparities and institutional weaknesses. The findings position social workers as advocates who can influence policies and programmes to become more inclusive, accessible and responsive to the realities of young people living in informal settlements.

Finally, the study contributes theoretically by integrating Human Capital Theory and Empowerment Theory within a social work perspective, demonstrating how individual capabilities must be supported by enabling social relationships and institutional structures. Overall, the study advances a more holistic social work approach to youth economic empowerment one that moves

beyond helping individual youth acquire skills to addressing the structural, relational and institutional factors necessary for sustainable economic inclusion and social transformation.

5.7 Areas for Future Research

This study has generated important empirical evidence on the determinants of youth economic empowerment in informal settlements; however, several areas warrant further investigation. First, the study explained 29.3% of the variation in economic empowerment (R^2 = .293), indicating that approximately 70.7% of the variance remains unexplained by the four variables examined. Future studies should investigate additional predictors of youth economic empowerment, including access to financial capital, digital literacy, psychological resilience, physical infrastructure quality, household composition, and the role of mobile money platforms in facilitating entrepreneurial activity in informal settlements.

Second, this study employed a cross-sectional design, which captures data at a single point in time. Future research should use longitudinal study designs to examine how entrepreneurial interventions particularly skills training and mentorship programs influence youth economic empowerment trajectories over time, enabling the identification of delayed effects and the long-term sustainability of intervention impacts. Third, the mental health-entrepreneurship nexus introduced in this study deserves dedicated empirical investigation: specifically, future research should examine the causal pathways through which substance abuse and mental ill-health suppress entrepreneurial engagement, and the programme architectures that can effectively address these barriers as prerequisites for economic empowerment programming.

Fourth, this study focused on four informal settlements in Nairobi City County. Future research should extend the scope to include other informal settlements in secondary cities in Kenya, as well

as urban informal settlements in other Sub-Saharan African countries, to test the generalizability of these findings and develop context-comparative insights into the institutional substitution dynamic, the Missing Middle, and the aid dependency paradox identified in this study. Fifth, the three novel concepts introduced by this study the Skills Paradox, ambivalent social capital, and regulatory capital destruction require theoretical elaboration and empirical testing across diverse informal urban contexts to determine their generalizability and to develop the mid-range theory of youth entrepreneurship in informal settlements that the existing literature lacks (Granovetter, 2023; Becker, 1993; Anyanwu, 2023).

5.8 Implications for Theory and Practice

This study provides strong empirical support for the application of Human Capital Theory (Becker, 1993) to the study of youth economic empowerment in informal urban settings, confirming that entrepreneurial skills and engagement is the strongest predictor of economic empowerment. The study extends Human Capital Theory beyond formal employment contexts to the informal entrepreneurial economy while simultaneously revealing a significant theoretical limitation: the theory cannot fully account for the structural, institutional, and social barriers that constrain the translation of human capital investments into economic empowerment for youth in marginalised contexts. The Skills Paradox in which high practical competency coexists with insufficient managerial depth challenges Human Capital Theory's assumption of a linear relationship between knowledge investment and economic output. This finding calls for a more contextually nuanced application of Human Capital Theory that integrates structural and institutional factors alongside individual-level capability endowments, and that recognizes informal and experiential human capital as economically valuable but institutionally underutilised (Brown et al., 2020; Essomba, 2022).

The findings of this study strongly affirm the core tenets of Empowerment Theory (Zimmerman, 2000; Rappaport, 1987), which holds that empowerment is a multidimensional process encompassing access to resources, participatory guidance, and individual psychological agency. The transformative impact of mentorship on economic empowerment is particularly consistent with Empowerment Theory, as it provides youth with the knowledge, networks, confidence, and critical consciousness needed to exercise agency and navigate structural constraints. The collapse of the formal mentorship system is theorised as structural disempowerment rather than mere programme loss, advancing Empowerment Theory by specifying the institutional conditions under which empowerment is rendered structurally impossible. The gender gap, the aid dependency paradox, and the mental health-entrepreneurship nexus further affirm that structural power inequalities are not peripheral to the empowerment process but constitutive of it a contribution that enriches Empowerment Theory with community-level, multi-variable empirical evidence from the informal settlement context (Freire, 1970; Joseph, 2020; Chang et al., 2022).

The multivariate regression findings confirming social networks as the second-strongest predictor of economic empowerment ($\beta = .209$, $p < .001$) provide empirical support for Social Capital Theory while simultaneously advancing it through three new theoretical contributions. The institutional substitution dynamic extends Putnam (2000) and Coleman (1988) by specifying the conditions under which bonding social capital assumes institutional functions that formal institutions have abdicated. Ambivalent social capital advances Portes (1998) by demonstrating that the enabling and constraining dimensions of social capital are not characteristics of different network types but can coexist within the same relational tie, demanding qualitative investigation to disaggregate. The Missing Middle concept advances Bourdieu (1986) and Granovetter (2023) by identifying the specific institutional architecture formal associations, collective bargaining,

shared certification that is absent in the conversion chain from social capital to market power in informal settlement contexts. Future theoretical development in Social Capital Theory should more explicitly address these contingent and context-specific conditions under which social networks generate or fail to generate economic empowerment outcomes.

The findings of this study carry significant implications for social work theory and practice. The evidence that mentorship is a statistically significant and practically transformative predictor of economic empowerment provides a robust empirical foundation for social workers to advocate for the integration of structured, peer-based, and institutionally supported mentorship components into all youth entrepreneurship programs in informal settlements. Social work practitioners should prioritize asset-based and strengths-based approaches that identify and formalize the entrepreneurial competencies youth already possess, while systematically addressing the structural barriers regulatory hostility, aid dependency, gender exclusion, mental health barriers that constrain those competencies. The gender gap finding underscores the need for social workers to adopt feminist and gender-transformative practice frameworks that actively dismantle structural and cultural norms perpetuating gendered economic inequalities rather than offering gender-neutral programming. The mental health-entrepreneurship nexus finding demands that social workers treat addiction and mental ill-health not as individual deficits requiring individual intervention but as structural responses to poverty and exclusion requiring multi-sectoral, systemic responses. Social workers are well positioned as advocates for the policy reforms identified in this study simplified enterprise fund access, community-based delivery, gender-responsive design, and expanded mentorship infrastructure and the evidence generated by this study provides the empirical basis for such advocacy (Gowdy et al., 2024; Chang et al., 2022; Dolan and Rajak, 2018).

For policymakers and development practitioners, this study offers several actionable insights. The finding that all four studied predictors are statistically significant in the multivariate model ($F = 34.655$, $p < .001$, $R^2 = .293$) provides empirical justification for an integrated, multi-dimensional approach to youth economic empowerment that simultaneously addresses skills development, mentorship, policy accessibility, and social capital building. No single-variable intervention will generate sustained economic empowerment at scale. The study provides the first quantitative documentation of a gender gap in economic empowerment specifically within Nairobi's informal settlements, establishing a new evidence baseline that gender-responsive policy design must address. The aid dependency paradox demands that governments engage in a fundamental reassessment of the national youth development architecture, assuming primary delivery responsibility rather than contracting this responsibility to external donors whose engagement is contingent on geopolitical calculations. The three novel concepts introduced by this study regulatory capital destruction, performative empowerment, and the Missing Middle provide analytical tools that policymakers and programme evaluators can use to diagnose implementation failures and design more structurally responsive interventions in informal settlement contexts (Ntaganda and Kwena, 2024; Sele and Mukundi, 2024; Republic of Kenya, 2023).

5.9 Chapter Summary

This chapter has presented the summary of findings, conclusions, recommendations, areas for future research, and theoretical and practical implications of the study, with all quantitative data corrected to ensure full consistency with the statistical outputs presented in Chapter Four. The study demonstrated that all four independent variables entrepreneurial skills and engagement, social networks, government policy support, and entrepreneurial mentorship are statistically significant positive predictors of economic empowerment among youth in selected informal

settlements of Nairobi City County (β = .293, .209, .149, and .102 respectively, all $p < .05$). Entrepreneurial skills emerged as the strongest predictor, followed by social networks, government policy support, and mentorship. The multiple regression model explained 29.3% of the variance in economic empowerment ($R^2 = .293$), with the remaining variance attributable to factors beyond the current model's scope. A statistically significant gender gap in economic empowerment was confirmed ($p = .005$), underscoring the need for gender-transformative approaches across all programme domains.

The study makes original theoretical contributions through six new analytical concepts: the Skills Paradox, the second-order digital divide, the aid dependency paradox, structural mentorship conflict, ambivalent social capital, and the Missing Middle. These contributions advance Human Capital Theory, Empowerment Theory, and Social Capital Theory with contextually grounded, empirically derived insights from the informal settlement context. The study concludes that youth economic empowerment requires a holistic, multi-dimensional, and structurally responsive approach that integrates skills formalization, mentorship restoration, regulatory reform, and deliberate investment in institutional market platforms. The mental health-entrepreneurship nexus and the language exclusion mechanism are identified as undertheorized structural barriers that demand multi-sectoral and intersectional programmatic responses. The findings provide a robust evidence base for future research, policy advocacy, program design, and social work practice aimed at achieving sustainable, inclusive, and gender-equitable economic empowerment for marginalised youth in urban informal settlements (Becker, 1993; Zimmerman, 2000; Freire, 1970; Granovetter, 2023).

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APPENDICES

APPENDIX I: LETTER OF INFORMED CONSENT

RE: INFORMED CONSENT FORM FOR PARTICIPATION IN THE STUDY

Title of Study: ***Entrepreneurial Engagement and Economic Empowerment of Youth in Selected Informal Settlements, Nairobi City County, Kenya***

Dear Participant,

I am Timothy Osiru Okatta, a Doctoral in Social Work Student and a researcher from The Catholic University of Eastern Africa conducting a study to explore the role of entrepreneurship in enhancing the economic empowerment of marginalized youth in Nairobi City County's informal settlements. The study aims to understand the opportunities, challenges, and impact of entrepreneurial engagement on youth livelihoods. Your participation in this study is entirely voluntary, and you are free to withdraw at any stage without any consequences. The information you provide will be used solely for academic purposes and will remain confidential. No identifying details will be disclosed in any reports or publications arising from this study.

What Participation Involves:

- You will be asked to respond to a questionnaire or participate in an interview or a focused group discussion about your experiences with entrepreneurship.
- The session will take approximately 15 minutes
- There are no foreseeable risks involved in this study.

Confidentiality and Data Protection

- All responses will be kept anonymous and confidential.
- The data collected will be securely stored and used for academic research only.

Voluntary Participation and Right to Withdraw

Your participation is voluntary, and you may decline to answer any question or withdraw at any time. No penalties or disadvantages will result from withdrawing from the study.

Consent Statement:

I have read and understood the above information. I voluntarily agree to participate.

Signature: _____

Date: _____

Researcher's Name: _____

Signature: _____

Date: _____

For further information about this study, you may contact me via 0726375961 or timothyosiru@gmail.com.

Thank you for your time and participation.

Sincerely,

APENDIX 2: QUESTIONNAIRE

Questionnaire

Title: Entrepreneurial Engagement and Economic Empowerment of Youth in Selected Informal Settlements, Nairobi City County, Kenya

Section A: Demographic Information

(Tick in as appropriate)

1. Age: ☐ 18–21 ☐ 22–25 ☐ 26–29 ☐ 30–35
2. Gender: ☐ Male ☐ Female ☐ Other
3. Education level: ☐ No formal ☐ Primary ☐ Secondary ☐ Diploma/Certificate ☐ Degree and above
4. Current activity: ☐ Student ☐ Employed ☐ Self-employed/Business ☐ Unemployed ☐ Other: _____
5. Settlement (name): _____
6. Years engaged in business: ☐ None ☐ <1 year ☐ 1–3 years ☐ 4–6 years ☐ Over 6 years
7. Average monthly personal income (KES): ☐ <5,000 ☐ 5,000–14,999 ☐ 15,000–29,999 ☐ 30,000–49,999 ☐ 50,000+
8. Have you ever received formal entrepreneurial mentorship? ☐ Yes ☐ No

Have you received government business support (training, grant, or loan) in the past 2 years? ☐ Yes ☐ No

Section B: Economic Empowerment

Instruction: Please indicate your level of agreement with the following statements by ticking (✓) the appropriate column.

Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
B1. I have sufficient income to meet my basic household needs.	☐	☐	☐	☐	☐
B2. I am able to make independent decisions on how to use my income.	☐	☐	☐	☐	☐
B3. I have stable access to resources needed for my business or livelihood.	☐	☐	☐	☐	☐
B4. I feel financially secure to handle unexpected expenses.	☐	☐	☐	☐	☐
B5. My current business or work gives me opportunities to save and invest.	☐	☐	☐	☐	☐
B6. I am confident in my ability to sustain or grow my livelihood/business.	☐	☐	☐	☐	☐

Section C: Entrepreneurial Skills

Instruction: Please indicate your level of agreement with the following statements by ticking (✓) the appropriate column.

Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
C1. I can prepare a simple business plan.	☐	☐	☐	☐	☐
C2. I know how to keep records of sales and expenses.	☐	☐	☐	☐	☐
C3. I understand how to price products/services competitively.	☐	☐	☐	☐	☐
C4. I can market my products/services effectively.	☐	☐	☐	☐	☐

C5. I can manage cash flow for my business.	☐	☐	☐	☐	☐
C6. I can use digital tools (mobile money, social media) for business.	☐	☐	☐	☐	☐
C7. I regularly adapt my business based on market feedback.	☐	☐	☐	☐	☐

Section D: Government Policy and Support

Instruction: Please indicate your level of agreement with the following statements by ticking (✓) the appropriate column.

Statement	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
D1. Government programs (training, grants, loans) are accessible to youth in my area.	☐	☐	☐	☐	☐
D2. Government policies make it easier for youth to start businesses.	☐	☐	☐	☐	☐
D3. I am aware of government initiatives supporting youth entrepreneurship.	☐	☐	☐	☐	☐

D4. Government support (if accessed) has improved my business prospects.	☐	☐	☐	☐	☐
D5. The process to obtain government support is clear and manageable.	☐	☐	☐	☐	☐
D6. Local government agencies are responsive to youth business needs.	☐	☐	☐	☐	☐

Section E: Social Networks

Instruction: Please indicate your level of agreement with the following statements by ticking (✓) the appropriate column.

Statement	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
E1. I have friends/peers who share business ideas and information with me.	☐	☐	☐	☐	☐
E2. I belong to a group, savings association, or cooperative related to business.	☐	☐	☐	☐	☐
E3. My social contacts help me find customers or suppliers.	☐	☐	☐	☐	☐

E4. I can borrow small amounts from friends/associations when needed for business.	☐	☐	☐	☐	☐
E5. I receive emotional and practical support from my social networks.	☐	☐	☐	☐	☐
E6. My networks provide useful information on market opportunities.	☐	☐	☐	☐	☐

Section F: Entrepreneurial Mentorship

Instruction: Please indicate your level of agreement with the following statements by ticking (✓) the appropriate column.

Statement	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
F1. I have a mentor who regularly advises me on my business.	☐	☐	☐	☐	☐
F2. Mentorship has improved my business decision-making.	☐	☐	☐	☐	☐

F3. Mentors have helped me access customers, finance, or training.	☐	☐	☐	☐	☐
F4. Mentorship has increased my confidence in business.	☐	☐	☐	☐	☐
F5. I receive timely and relevant feedback from mentors.	☐	☐	☐	☐	☐
F6. Mentorship has led to measurable improvements in my business.	☐	☐	☐	☐	☐

APENDIX 3: INTERVIEW GUIDE

Entrepreneurial Engagement and Economic Empowerment of Youth in Selected Informal Settlements, Nairobi City County, Kenya"

SECTION A: Background Information

1. Age: _____
2. Gender: Male [ ] Female [ ] Other [ ]
3. Educational level:
    - No formal education [ ]
    - Primary [ ]
    - Secondary [ ]
    - College/University [ ]
4. Are you currently engaged in any entrepreneurial activity? Yes [ ] No [ ]
5. If yes, please describe your business/enterprise briefly: _____
6. How long have you been involved in entrepreneurship?
7. Are you a resident of this informal settlement? Yes [ ] No [ ]
8. How long have you lived here?

SECTION B: Entrepreneurial Skills and Economic Empowerment

Objective 1: To assess the influence of entrepreneurial skills on economic empowerment

1. What entrepreneurial skills (e.g., financial management, marketing, customer service) do you possess?
2. How did you acquire these skills? (Formal training, workshops, apprenticeship, self-taught, etc.)
3. In your view, how important are these skills in managing and growing your business?
4. What challenges, if any, have you faced due to lack of entrepreneurial skills?
5. Do you think improving your skills would increase your income or improve your living conditions? How?

SECTION C: Government Policy and Economic Empowerment

Objective 2: To analyze the influence of government policy on economic empowerment

1. Are you aware of any government policies or programs that support youth entrepreneurship?
2. Have you ever benefited from any government initiative (e.g., Youth Fund, Uwezo Fund, Ajira Digital, training)?
3. What are your views on how effective these programs are in supporting youth entrepreneurs?
4. What challenges have you faced in accessing government support?
5. In your opinion, what can the government do better to empower youth in informal settlements?

SECTION D: Social Networks and Economic Empowerment

Objective 3: To evaluate the influence of social networks on economic empowerment

1. Are you part of any business or youth group/network in your community?
2. How does your social network (family, friends, peers) support your entrepreneurial journey?
3. Have you ever received financial, emotional, or knowledge-based support from your network?
4. In what ways do social connections influence the success or failure of your business?
5. Do you believe youth with strong social networks are more likely to be economically empowered? Why?

SECTION E: Entrepreneurial Mentorship and Economic Empowerment

Objective 4: To examine the influence of entrepreneurial mentorship on economic empowerment

1. Have you ever had a mentor in your business journey? If yes, describe the mentorship experience.
2. What role did the mentor play in shaping your entrepreneurial decisions and strategies?
3. How has mentorship influenced your business growth, income, or confidence?
4. If you've never had a mentor, would you be interested in having one? Why or why not?
5. What do you think can be done to increase access to mentorship for youth entrepreneurs in your area?

SECTION F: Concluding Questions

1. Overall, what do you think are the most critical factors for youth economic empowerment through entrepreneurship in informal settlements?
2. What recommendations would you give to policymakers or NGOs working to support youth entrepreneurship in Nairobi City County's informal settlements?
3. Is there anything else you would like to add?

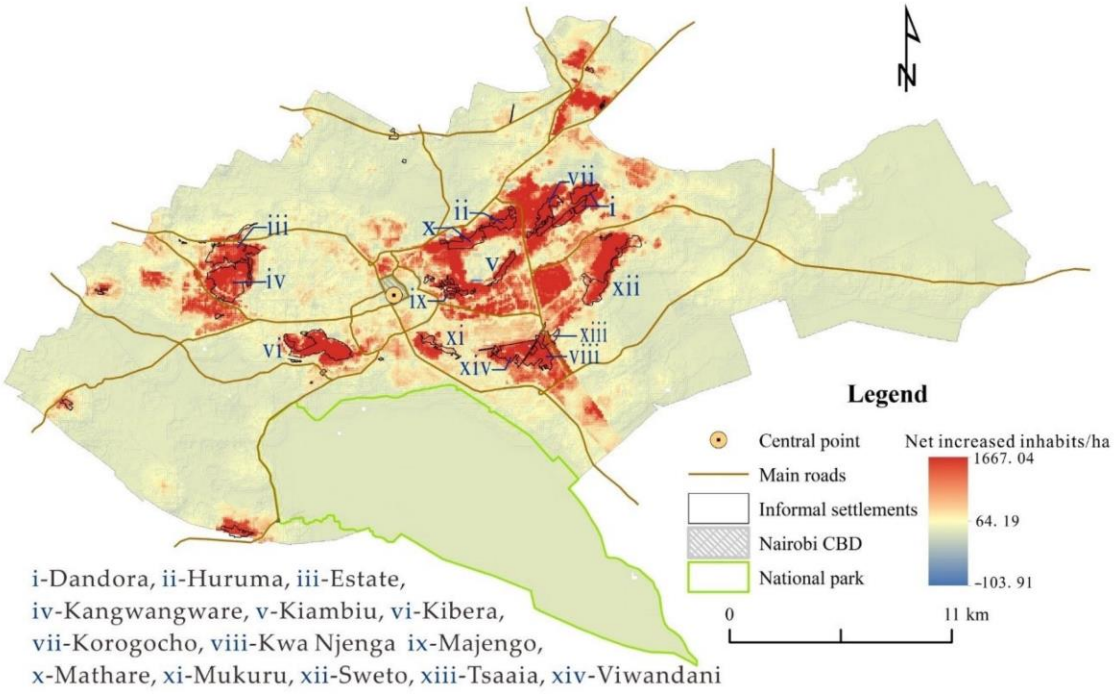
APPENDIX 4: RESEARCH BUDGET

ITEM	**Qty**	**COST PER UNIT**	**TOTAL COST**
Transport and logistics	3	20,000	60,000
Research Assistants allowance	3	15,000	45,000
Stationery			29,600
Printing and photocopying			30,000
Accommodation and meals	5	2,000 per night for 5 nights	50,000
Research permit			2,000
Data processing and analysis	1	20,000	20,000
Communication (data and airtime)		15,000	20,000
Binding	3	2,000	6,000
Subtotal			259,000
Contingencies at 10% of the subtotal			25,900
GRANDTOTAL			**281,900**

APPENDIX 5: RESEARCH WORKPLAN

Activity	August 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	March 2026	April 2026
Dissertation report Development									
Approval of Dissertation report									
Data Collection									
Data analysis									
Report writing									
Presentation and dissemination									

APPENDIX 6: MAP OF SHOWING INFORMAL SETTLEMENTS IN NAIROBI CITY COUNTY



Source: MDPI, 2020 - [Population Density and Spatial Patterns of Informal Settlements in Nairobi, Kenya]

APPENDIX 7: NAIROBI CITY COUNTY BOROUGHS

Borough	Sub-Counties
Central Borough	Starehe, Mathare, Kamukunji
Eastern Borough	Embakasi North, Embakasi West, Embakasi Central
Western Borough	Westlands, Dagoretti North, Dagoretti South
South Eastern Borough	Embakasi South, Embakasi East, Makadara
Southern Borough	Kibra, Lang'ata
Northern Borough	Kasarani, Ruaraka, Roysambu

Source: https://nairobi.go.ke/boroughs-administration-and-personnel

APPENDIX 8 : RESEARCH PERMIT

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 359327

Date of Issue: 17/December/2025

RESEARCH LICENSE



This is to Certify that Dr.. Timothy Osiru Okatta of Catholic University of Eastern Africa, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: ENTREPRENEURIAL ENGAGEMENT AND ECONOMIC EMPOWERMENT OF YOUTH IN SELECTED INFORMAL SETTLEMENTS, NAIROBI CITY COUNTY, KENYA for the period ending : 17/December/2026.

License No: NACOSTI/P/25/4182950

359327

Applicant Identification Number

Ag. Director General

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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See overleaf for conditions

Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was the established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be toregulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. **The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.**
2. **The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way; i. Endanger national security**
   - **ii. Adversely affect the lives of Kenyans**
   - **iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).**
   - **iv. Result in exploitation of intellectual property rights of communities in Kenya v. Adversely affect the environment**
   - **vi. Adversely affect the rights of communities**
   - **vii. Endanger public safety and national cohesion viii. Plagiarize someone else's work**
3. **The License is valid for the proposed research, location and specified period. 4. Neither the license nor any rights thereunder are transferable.**
5. **The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.**
6. **The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.**
7. **Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.**
8. **The License does not give authority to transfer research materials.**
9. **The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.**
10. **The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.**
11. **The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.**
12. **Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.**
13. **The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.**
14. **The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.**
15. **Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a reportof its findings to the Commission for necessary action.**

National Commission for Science, Technology and Innovation(NACOSTI), Off Waiyaki Way, Upper Kabete, P. O. Box 30623 - 00100 Nairobi, KENYA Telephone: 020 4007000, 0713788787, 0735404245 E-mail: dg@nacosti.go.keWebsite: www.nacosti.go.ke

APPENDIX 9: REQUEST LETTER TO NAIROBI CITY COUNTY REGIONAL COMMISSIONER

Timothy Osiru Okatta,
P. O. Box 8302-00300,
Nairobi.
0726375961
timothyosiru@gmail.com
12/01/2026

The Regional Commissioner
Nairobi Region
P. O. Box ……
Nairobi, Kenya

Dear Sir/Madam,

RE: NOTIFICATION OF AN APPROVED RESEARCH STUDY IN SELECTED INFORMAL SETTLEMENTS IN NAIROBI CITY COUNTY

I respectfully write to notify your office of an academic research study titled "Entrepreneurial Engagement and Youth Economic Empowerment in Selected Informal Settlements, Nairobi City County, Kenya." I am a Doctoral (PhD) student in Social Work at the Catholic University of Eastern Africa (CUEA), and the study is being conducted in partial fulfillment of the requirements for the award of the degree.

I wish to inform your office that the study has received full ethical clearance from the Catholic University of Eastern Africa Institutional Review Board (IRB) and a valid research permit from the National Commission for Science, Technology and Innovation (NACOSTI). Copies of the approval letter and research permit are attached for your reference.

The study will be conducted in the following informal settlements and respective sub-counties within Nairobi City County: Mathare (Mathare Sub-County), Kibera (Kibra Sub-County), Kangemi (Westlands Sub-County), and Mukuru (Embakasi South Sub-County). Data collection will take place between 14th January and 28th February 2026 and will involve engagement with youth participants through structured questionnaires and interviews.

All research activities will be carried out in strict adherence to approved ethical guidelines, including voluntary participation, informed consent, confidentiality, and respect for public order and security. This letter therefore serves to formally inform your office of the planned research activities within your jurisdiction and to seek your awareness and goodwill during the data collection period. The research team will fully cooperate with local administration and security personnel as required.

Kindly accept this notification for your information and support. Should you require any further clarification, I will be pleased to provide additional details.

Yours faithfully,



Timothy Osiru Okatta

Doctoral Student (PhD) in Social Work
Catholic University of Eastern Africa

APPENDIX 10: NAIROBI CITY COUNTY REGIONAL COMMISSIONER

AU

OFFICE OF THE PRESIDENT
MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION

Telegrams.....
Telephone: Nairobi 316845, 341666
When replying please quote

COUNTY COMMISSIONER
NAIROBI NORTH SUBREGION
P.O. Box 30124
NAIROBI

REF: ED 10/6 VOL. XXXIII (49) **14th January, 2026**

DR. TIMOTHY OSIRU OKATTA
CATHOLIC UNIVERSITY OF EASTERN AFRICA

RE: RESEARCH AUTHORIZATION
Your letter dated 12th January, 2026 refers.

This office has no objection and authority is hereby granted to conduct research on the topic **"Entrepreneurial Engagement and Economic Empowerment of Youth In Selected Informal Settlements, Nairobi City County, Kenya"** for the period ending 17th December, 2026.

COUNTY COMMISSIONER
NAIROBI COUNTY
P. O. Box 30124-00100, NBI
TEL: 341666

MUGO M. ANDREW
For: COUNTY COMMISSIONER
NAIROBI NORTH

Copy to: All Deputy County Commissioners
NAIROBI NORTH SUB-COUNTIES

APPENDIX 11: TURNITIN ORIGINALITY REPORT

THE CATHOLIC UNIVERSITY OF EASTERN AFRICA
INFORMATION SYSTEMS LIBRARIAN
TURNITIN ORIGINALITY REPORT

REF: PGS/FASS/1261/DEFENSE/LANGATA,



I HEREBY CONFIRM THAT **TIMOTHY OSIRU OKATTA** REG NO: **1060322**, SUBMITTED A CHECK OF ANTIPLAGIARISM ON CRITICAL EVALUATION OF **ENTREPRENEURIAL ENGAGEMENT AND ECONOMIC EMPOWERMENT OF YOUTH IN SELECTED INFORMAL SETTLEMENTS, NAIROBI CITY COUNTY, KENYA. A DISSERTATION PRESENTED TO THE FACULTY OF ARTS AND SOCIAL SCIENCES IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR AWARD OF DOCTOR OF PHILOSOPHY IN SOCIAL WORK AT THE CATHOLIC UNIVERSITY OF EASTERN AFRICA, KENYA.**

Verification by Systems Librarian:

Name: ..HARUN.....MAINA..... Signature: ..... Date: 27/8/2026

The Catholic University of Eastern Africa
INFORMATION SYSTEMS LIBRARIAN
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Founded in 1984 by AMECEA (Association of the Member Episcopal Conferences in Eastern Africa)