

**THE MEDIATING ROLE OF FINANCIAL DISCIPLINE ON THE  
RELATIONSHIP BETWEEN THE YOUTH LIVELIHOOD FUND AND YOUTH  
WELFARE: A CASE OF BU SITEMA SUB-COUNTY IN SAMIA  
BUGWE NORTH IN BUSIA DISTRICT**

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**A DISSERTATION SUBMITTED TO THE DIRECTORATE OF RESEARCH  
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**DECLARATION**

I Emorut Okumu John, declare to the best of my knowledge that this dissertation titled “*The Mediating Role of Financial Discipline on The Relationship Between the Youth Livelihood Fund and Youth Welfare: A Case of Busitema Sub-County in Samia Bugwe North Busia District*” is my original work except where cited and has never been submitted to any institution for any award.

Signature .....

Date .....

**APPROVAL**

This is to confirm that this dissertation titled “*The Mediating Role of Financial Discipline on the Relationship between the Youth Livelihood Fund and Youth Welfare: A Case of Busitema Sub-County in Samia Bugwe North Busia District*” has been written under my supervision and is now ready for submission to Kyambogo University.

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Signature .....

Date .....

**Dr. Michael Omeke**

## **DEDICATION**

This dissertation is dedicated to my family for their prayers throughout my academic journey.

## ACKNOWLEDGEMENT

I would like to express my heartfelt gratitude to all those who have supported me throughout my journey to completing this dissertation. I am profoundly grateful to my supervisors: Associate Professor Jacob L. Oyugi and Dr. Michael Omeke for their unwavering guidance, valuable insights, and continuous encouragement. Their expertise and dedication played a pivotal role in shaping the direction and quality of this research.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

MGLSD:	Ministry of Gender Labour and Social Development
NGO:	Non-Governmental Organization
SPSS:	Statistical Package for Social Scientists
SSA:	Sub-Saharan African
UN:	United Nations
YLF:	Youth Livelihood Fund
YLP:	Youth Livelihood Programme

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## ABSTRACT

The purpose of the study is to investigate the mediating role of financial discipline on the relationship between the Youth Livelihood Fund (YLF) and youth welfare in Busitema Sub-county in Samia Bugwe North Busia District. The specific objectives included: examining the relationship between the YLF and Youth Welfare, establishing the relationship between the financial discipline and Youth Welfare, and examining the mediating role of the financial discipline on the relationship between the YLF Fund and Youth Welfare in Busitema sub-county in Samia Bugwe North in Busia District. A cross-sectional descriptive research design was employed, utilizing both quantitative and qualitative data collection methods. The target population included the youths from Busitema Sub-county in Samia Bugwe North Constituency in Busia District, who were direct beneficiaries of the YLP. The study used stratified random sampling and purposive sampling techniques to select the respondents from the study population. The study utilized a structured questionnaire to gather quantitative data and an interview guide to collect qualitative data. The study employed descriptive and regression analysis techniques to address the research hypotheses. To investigate the association between the study variables, the research utilized Spearman's rank correlation test. The study tested the mediation effect using Partial Least Structural Equation Modeling (PL-SEM) with the bootstrapping method. The findings from the study reveal that the youth livelihood fund had a positive and significant association with youth welfare in Busitema sub-county. The correlation findings reveal that there was a positive and significant relationship between financial discipline and youth welfare in Busitema Sub-County. The PL-SEM findings showed that there was a positive partial mediating effect of financial discipline on the relationship between YLF and youth welfare in Busitema Sub-County. In conclusion, the study provides evidence that financial discipline plays a remarkable positive role in mediating the effect of financial discipline on the relationship between YLF and youth welfare in Busitema Sub-County. There is a need for the expansion of the Youth Livelihood Fund to reach a wider group of eligible youth in the Busia district. This could ensure that more young people have access to the fund. There is a need to develop and implement financial literacy programmes specifically tailored to the needs and circumstances of youth in Busitema Sub-County. These programmes should focus on budgeting, saving, investing, and managing debt effectively. Enhance financial discipline training and education for youth beneficiaries of the Youth Livelihood Fund in Busitema district. This should include workshops, seminars, and educational materials to help them make responsible financial decisions.

## **CHAPTER ONE: INTRODUCTION**

### **1.0 Introduction**

The Youth Livelihood Fund (YLF) is a programme that aims to empower youth through access to financial resources, skills training, and mentoring. The YLF is an initiative to support the younger generation in initiating and expanding their ventures, thereby fostering the creation of job opportunities, and improve their economic well-being. The role of the YLF in promoting youth welfare is significant. By providing young people with the tools and resources they need to start their own businesses, the YLF can help reduce youth unemployment and poverty. It can also support young people gain valuable skills and experience in entrepreneurship, which can increase their employability and overall economic mobility. Moreover, the YLF can also contribute to promoting societal and economic progress by supporting young entrepreneurs to establish new products, expanding existing businesses, and creating new jobs. This can contribute to the growth of local economies and improve the standard of living for communities (Oduti, 2018).

By promoting financial discipline among young people, the YLF can help them develop the skills and habits necessary to manage their finances effectively in the long term. This can lead to greater financial stability and resilience, which can, in turn, positively impact their overall welfare. Therefore, it was significant for the current study to investigate the mediating role of financial discipline on the relationship between YLF and youth welfare in Busitema Sub-county in Samia Bugwe North Busia District.

## **1.1 Background of the Study**

### **1.1.1 Historical Background**

In several nations worldwide, a significant proportion of young individuals are either not attending school or not employed in formal sectors, while others face difficulties in securing employment. According to recent findings from the International Labour Organization, the global youth unemployment rate remained elevated at 13.6% in 2020. This high rate of youth unemployment is predominantly attributed to limited access to financial resources, inadequate job prospects, challenges in entering the job market due to lack of experience, and population growth (Achiro & Mwesigwa, 2023). Establishing a livelihood fund play a critical role in supporting youth employment and economic empowerment worldwide. Providing targeted financial resources, skill-building initiatives, and access to small business grants empower young people to establish sustainable income streams, contribute to their communities, and foster economic resilience (Unnikrishnan et al., 2022).

Globally, there is a significant number of 142 million young individuals in upper secondary age cohort who are not enrolled in schools. There are notable disparities in education and employment among youth, both within and between countries, with various factors such as gender, poverty, rural location, disability, and migrant/refugee status serving as significant obstacles. For instance, in low- and middle-income countries, approximately 156 million young individuals are classified as working poor, while nearly 30% of the poorest 12- to 14-year-olds have never had the opportunity to attend school (United Nations Report, 2019).

Several studies carried out and documented in Africa have consistently demonstrated that a significant portion of the youth population is engaged in informal sector employment. Moreover, many young individuals experience unemployment and persistent poverty,

regardless of their educational attainment. This situation hinders their access to essential social services (Ackah-Baidoo, 2016). In addition, the well-being of youth in the informal sector in Africa remains substandard due to low wages, insufficient social safety nets, and insecurity, impeding the progress of several African nations in catching up with more developed countries (Regmi et al., 2020).

Youth livelihood funds across Africa provide critical financial resources, empowering young people to pursue entrepreneurship or vocational training and secure sustainable livelihoods. These funds enable youth to participate in stable, income-generating activities, fostering economic resilience and reducing dependency on precarious informal employment. (DeJaeghere et al., 2020; Rogito et al., 2020). However, despite the need, only a few of these programs are implemented across African countries. Many regions lack adequate access to youth livelihood funds due to limited resources, insufficient policy support, and challenges in program scalability. This gap leaves a substantial portion of the youth without the necessary financial tools to enter formal employment or build sustainable businesses. Consequently, a vast number of young people remain in low-paying, informal jobs, limiting both their economic growth and contributions to national development (Dadzie et al., 2020; DeJaeghere et al., 2020).

In Sub-Saharan African (SSA), youth welfare has remained a challenge despite several interventions (Ackah-Baidoo, 2016). According to a report by the African Development Bank, approximately 10 to 12 million young individuals enter the workforce in Africa annually, while only 3 million formal jobs are created each year. As a result, many graduates find themselves working as taxi drivers in countries such as Cameroon, Uganda, and Kenya. Various interventions have been implemented to enhance youth self-reliance through

comprehensive skills training, financial support, business entrepreneurship programmes, and institutional assistance, with the objective of alleviating both poverty and unemployment among youth in economically disadvantaged countries (Regmi et al., 2020).

Similar to other African nations, Uganda confronts the ongoing issue of declining welfare among its youth population. The high levels of unemployment and underemployment pose potential social, economic, and fiscal challenges in the future, exerting significant strain on public revenues (Makumbi, 2018). Uganda possesses one of the world's youngest and most rapidly expanding populations, with an annual population growth rate of around 3.7%. The majority, approximately 78% of Uganda's population falls under the age of 30 (Kaba, 2020). This situation presents a significant challenge and considerable prospects for the government. It is estimated that each year, nearly one million young individuals join the labour market, leading to a youth unemployment rate of 30%. Even institutionally qualified youth encounter difficulties in securing employment, further compounded for those with semi-skilled or unskilled backgrounds. Unfortunately, individuals unable to harness their full potential often find themselves susceptible to issues like gambling/ drug abuse (Ejang, 2020).

The YLF was implemented by the Ugandan government as a strategic intervention to enhance youth employment opportunities and welfare. With an annual budget of UGX 265 billion, the programme aimed to support livelihood initiatives. However, despite these efforts, there remains a persistently high level of youth poverty and unemployment, which hampers their access to social services and inhibits asset growth (Mwesigwa & Wahid, 2021). In the context of this study, there is no clear study that has examined the mediating role of financial discipline on the relationship between YLF and youth welfare in the Busitema sub-county in Samia Bugwe North in Busia District.

### **1.1.2 Theoretical Background**

The research used the principal-agent theory originally formulated by American economists Michael Jensen and William Meckling in 1976 (Panda & Leepsa, 2017). The principal-agent theory postulates that principals have a higher likelihood of attaining their intended results when agents have a clear understanding of work programmes and goals (Gauld, 2018). The theory suggests that the principal-agent relationship involves the principal providing supervision and oversight to the agent while granting the agent a certain degree of autonomy to carry out their responsibilities in the most suitable manner (Debi, 2004).

According to Hiskey (2011) the theory of principal agent asserts that the bottom line between the principal and agent relationship is that there is an accountability proposition. It is believed that if the agent fails to act in the best interests of both parties, it can result in a loss known as agency loss (Hiskey, 2011). In the context of livelihood fund and welfare, the theory is important in a way that the principal is typically the government agency that provides the livelihood fund, while the agent is the individual or group that receives the funds. The principal-agent theory highlights the potential for information asymmetry and moral hazard problems between the provider of the livelihood fund and the recipient. Information asymmetry can arise because the provider may not have complete information about the recipient's ability to use the funds effectively. The principal-agent theory suggests that the provider can address this problem by implementing a screening process to select eligible recipients, verifying their financial information, and monitoring their use of the funds (Sunit, 2014).

Moral hazard can arise because the recipient of the livelihood fund may have an incentive to misuse the funds or engage in risky behavior that undermines the success of their income-

generating activities. The principal-agent theory suggests that the provider can address this problem by implementing contracts or agreements that specify the terms and conditions of the livelihood fund, including repayment schedules, penalties for non-compliance, and reporting requirements (Salia, 2015).

In addition, the principal-agent theory emphasizes the importance of aligning the interests of the provider and the recipient to ensure that the livelihood fund achieves its intended goals. This can be achieved by designing contracts that provide incentives for the recipient to use the funds responsibly and effectively, such as offering lower interest rates or longer repayment periods for successful projects (Menzies et al., 2019).

In the context of this study, the relevance of this theory is that the government is responsible for managing and disbursing the funds to the youth, who are expected to use the funds to improve their livelihoods and overall welfare.

### **1.1.3 Conceptual Background**

Youth welfare refers to the condition of young individuals, offering valuable insights into the progress of their well-being over time (Chaaban, 2014). The Youth Welfare Index serves as a valuable resource for policymakers and activists committed to enhancing the quality of life for youth (Chaaban, 2014). Welfare is the overall well-being, health, and happiness of an individual, group, or community. It encompasses various aspects of life, such as physical, emotional, social, and economic well-being. A person's welfare can be affected by factors such as their income, employment, access to healthcare, education, housing, and social support networks. In the context of public policy, welfare can also refer to programmes and initiatives aimed at promoting the well-being of individuals or communities, such as social

security, healthcare, education, and other forms of social assistance (Sonntag, 2015). The current study conceptualized youth welfare as an increase in income, growth in assets, and access to social services.

The Livelihood Fund is an impact investment fund aimed at providing support to agricultural and rural communities in fostering sustainable ecosystems. These ecosystems play a crucial role in ensuring food security and providing the essential resources needed for their livelihoods. This type of fund may be established by governments, non-governmental organizations (NGOs), or other institutions, and it usually provides financial assistance or resources that can be used to create sustainable livelihoods or income-generating activities (Rakodi, 2014). In Uganda, The YLP offers revolving funds with free interest to financially disadvantaged and unemployed young individuals in the age group of 18 to 30 years. This programme aims to support various marginalized groups, such as school drop-outs, youth residing in slums, those with limited formal education, single parents, individuals with disabilities, and those affected by HIV/AIDS, among other vulnerable categories (Ministry of Gender Labour and Social Development Report, 2021). This study conceptualized YLP as the credit given to youth through banks and the terms of accessing the fund.

Financial discipline is conceptualized as how well someone complies with his/her expenditure and saving practices aligned with established financial objectives. It also refers to the ability to manage one's finances responsibly and consistently over time. It involves developing good financial habits and making informed decisions about spending, saving, investing, and borrowing money. Financial discipline requires self-control and the willingness to prioritize long-term financial goals over short-term gratification (Dwiastanti,

2015). The current study conceptualized financial discipline as the ability of the youth to adopt saving, investment, consumption, and loan repayment discipline.

#### **1.1.4 Contextual Background**

The YLP is a financial assistance initiative established by the Ugandan government to address the prevalent issues of youth unemployment and poverty in the country. Operating from 2014 to 2017, the programme extended its coverage to around 112 districts, supported by an annual budget of UGX 265 billion. The YLP garnered support and involvement from various stakeholders, including the private sector, civil society organizations (CSOs), non-governmental organizations (NGOs), and the government (Achiro & Mwesigwa, 2023). The YLP was structured around three fundamental pillars: livelihood assistance, skills development, and institutional support, to foster self-sufficiency among young individuals. The livelihood support component accounted for 70% of the overall YLP, encompassing various viable income-generating endeavours. These activities included the cultivation of high-value crops, dairy production, poultry/egg production, and piggery among others. Despite the intervention through YLP in Uganda, there is still poor welfare of youth nationwide due to the high youth unemployment rate (Ministry of Gender Labour and Social Development Report, 2021; Uganda Bureau of Statistics Report, 2021).

The youth in Busia district were among the beneficiaries of this programme with 139 projects approved and funded. The youth in Busia district have developed various projects, ranging from agriculture, trade, and industry from the 1.1 billion YLP received from the government (Ministry of Gender Labour and Social Development Report, 2021). Nevertheless, the district continues to grapple with a significant number of unemployed youth and a substantial youth population. These factors contribute to an elevated dependency ratio and place

considerable strain on the limited resources necessary for livelihoods, employment opportunities, economic growth, and the overall well-being of families in the area. Based on the Ugandan census, the projected youth population in Busia district for 2017 was reported to be 73,390 individuals within the age range of 18 to 30 years. Concurrently, the estimated youth unemployment rate in the district stands at 26.2% (Kyotalengerire, 2017). However, no clear study has been conducted to examine the mediating role of financial discipline on the relationship between YLF and youth welfare in the Busitema sub-county in Samia Bugwe North constituency Busia District. Thus, the need for the current study.

### **1.2 Problem Statement**

Access to YLF is significant as it has the potential to help youth achieve financial independence, create employment opportunities, and contribute to the economic growth of their communities. Several efforts have been put in place to improve the welfare of the youth in Uganda, for instance, the government introduced the YLP as a financial support initiative to address the prevalent challenges of youth unemployment and poverty in Uganda. Implemented from 2014 to 2017, the programme extended its coverage to around 112 districts and received a budget allocation of UGX 265 billion annually. The YLP gained endorsement and involvement from various stakeholders, including the government and NGOs (Ministry of Gender Labour and Social Development Report, 2021).

However, youth unemployment and poverty have remained a challenge in Busia district, despite the provision of cheap credit under the YLP. The district faces a youth unemployment rate estimated at 26.2%, leading to a significant dependency ratio and placing substantial strain on the limited resources required for livelihoods, employment opportunities, economic development, and the overall welfare of families (Kyotalengerire,

2017). This has also made the incomes of the youth in Busia district continuously remain low, a situation that further creates uncertainty among the youth and increases the crime rate (Ministry of Gender Labour and Social Development Report, 2021). Many factors are instrumental in the utilization and implementation of YLP in Busia district among which is financial discipline. Despite the importance of financial discipline in YLP, no clear study has been conducted to examine the mediating role of financial discipline on the relationship between YLF and youth welfare in Busitema sub-county in Samia Bugwe North in Busia District. Thus, the need for the current study.

### **1.3 Main Objective of the Study**

To examine the mediating role of financial discipline on the relationship between YLF and youth welfare in the Busitema sub-county in Samia Bugwe North Busia District

#### **1.3.1 Specific Objectives of the Study**

The study was guided by the following specific objectives;

- i.** To examine the relationship between the YLF and Youth Welfare in Busitema sub-county in Samia Bugwe North in Busia District
- ii.** To establish the relationship between financial discipline and Youth Welfare in Busitema sub-county in Samia Bugwe North in Busia District
- iii.** To evaluate the mediating role of the financial discipline on the relationship between the YLF Fund and Youth Welfare in the Busitema sub-county in Samia Bugwe North in Busia District.

#### **1.3.2 Hypotheses of the Study**

The specific objectives were answered using the alternative hypotheses below;

**Ha1:** YLF has a positive significant relationship with Youth Welfare in Busitema sub-county in Samia Bugwe North in Busia District

**Ha2:** Financial discipline has a positive significant relationship with Youth Welfare in Busitema sub-county in Samia Bugwe North in Busia District

**Ha3:** Financial discipline significantly mediates the relationship between YLF and Youth Welfare in Busitema sub-county in Samia Bugwe North in Busia District

## **1.4 Scope of the Study**

### **1.4.1 Geographical Scope of the Study**

The geographical scope is an important aspect of research as it can significantly impact the findings, implications, and generalizability of the research. By including a wide geographical scope, a research study can ensure that its sample is representative of a larger population (Fariborzi et al., 2022). The study was conducted in Busitema Sub-county in Samia Bugwe North in Busia District, Uganda. This place was considered because it has many youths who are unemployed yet some received YLF from the government.

### **1.4.2 Content Scope of the Study**

Content scope refers to the specific subject matter that is covered by a research study. It is an important aspect of research as it can help to focus the study and ensure that the research questions are clearly defined (Fariborzi et al., 2022). The study focused on examining the mediating role of financial discipline on the relationship between YLF and youth welfare in the Busitema sub-county in Samia Bugwe North in Busia District. The study also established the relationship between YLF, financial discipline, and youth welfare in Busitema Sub-county in Samia Bugwe North in Busia District.

### **1.4.3 Time Scope of the Study**

Time scope looks at the period or duration that is covered by a research study. It is an important aspect of research as it can significantly impact the findings, implications, and generalizability of the research (Cañal-Bruland & Mann, 2015). The study covered the period between 2015 and 2020 because the YLP was introduced in 2013. This period provided enough literature regarding the study subjects.

### **1.5 Significance of the Study**

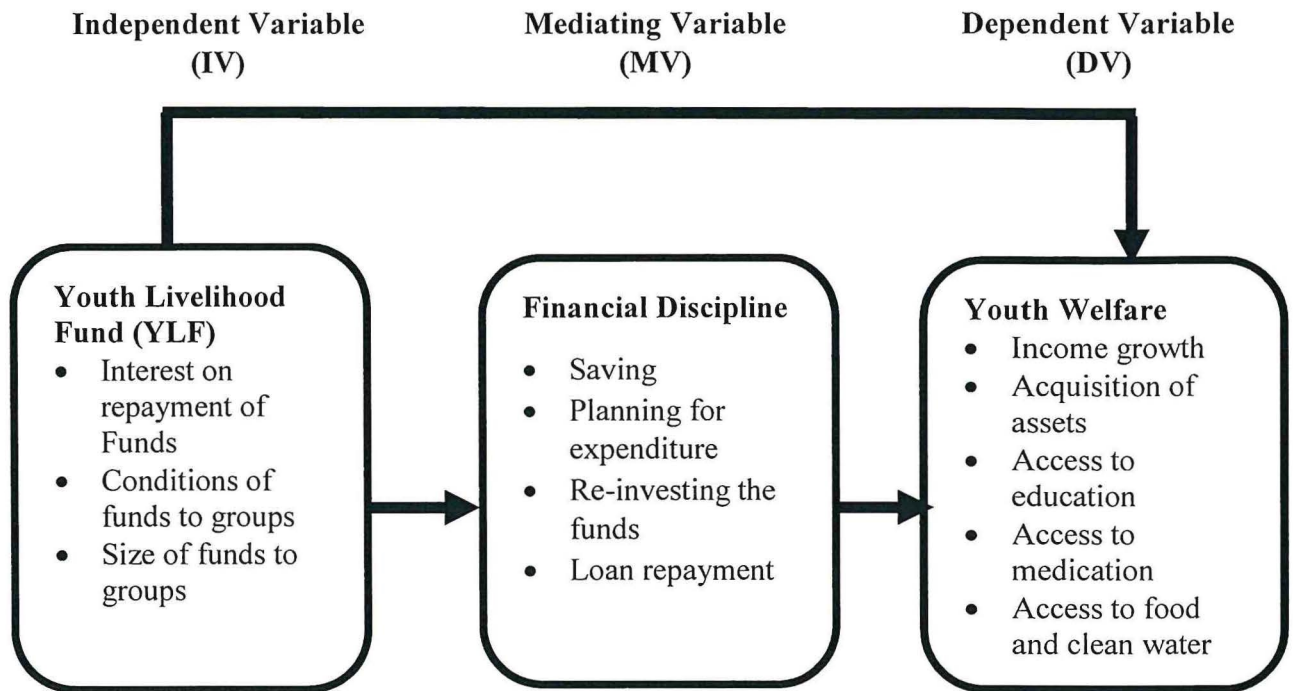
The results may be beneficial to the Local Council members in Busia district. It is within the researcher's expectation that results highlight remedies for LC officials to deal with the livelihoods of the burgeoning youth population, regarding self-employment and personal income.

Besides, the results of the study may be beneficial to the MGLSD. It is hoped that the results exposed the effect of the YLP on welfare among the youth of the Busitema sub-county. This may benefit officials from the ministry as they develop plans for their next move in the formulation of their policies toward raising the welfare of the youth.

Further still, findings may be beneficial to the government regarding YLP as a way of assessing the impact of the intervention on alleviating the challenges associated with welfare among the youth.

### **1.6 Conceptual Framework**

The framework presents the association between the YLF, financial discipline, and youth welfare. The conceptual framework was adopted from Achiro and Mwesigwa (2023) and the researcher made some modifications.



**Figure 1.1: Conceptual Framework**

**Source: Achiro and Mwesigwa (2023) and Researcher**

### **Conceptual Framework Narration**

From the above conceptual framework in Figure 1.1, YLF is the independent variable, financial discipline is the mediator, and youth welfare is the dependent variable. The YLF is believed to have a direct association with youth welfare since providing access to credit for young people can contribute to their overall well-being and welfare. YLF is designed to provide financial support to young people to enable them to start and sustain their own businesses or engage in income-generating activities.

Financial discipline is assumed to have a direct association with youth welfare because when youth develop financial discipline, they are better able to manage their finances and avoid financial stress, which can have positive effect on their mental and physical health, education, and social relationships. Moreover, the financial discipline of the youth through

saving, investment, consumption, and loan repayment may help them achieve their personal and professional goals, such as starting a business, pursuing higher education, or buying a home.

Figure 1.1 also shows that financial discipline is hypothesized to have a direct mediating role in the relationship between YLF and youth welfare. For instance, youth who may have access to youth livelihood funds and are financially disciplined are more likely to experience positive welfare outcomes compared to those who are not financially disciplined. In other words, financial discipline can amplify the positive effects of youth livelihood funds on youth welfare.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Chapter one provided an introduction to the study, encompassing the background of the study, problem statement, study objectives, scope, significance of the study, and the conceptual framework. This aimed to bring the current study into context. This chapter presents the theoretical review, conceptual review, and empirical literature of the study objectives.

### **2.2 Theoretical Review**

This sub-section reviews the strength and weaknesses of the principal-agent theory to bring the current study into context.

#### **2.2.1 Principal-Agent Theory**

The Principal-agent theory postulates that the likelihood of principals attaining their desired outcomes increases when agents possess a clear understanding and alignment with work programmes and goals (Gauld, 2018). The theory suggests that the principal and agent relationship involves the principal providing supervision and oversight to the agent while allowing the agent a certain degree of independence to carry out their duties in the manner they deem most suitable (Debi, 2004).

According to Hiskey (2011), the theory of the principal agent asserts that the bottom line between the principal and agent relationship is that there is an accountability proposition. It is believed that if the agent fails to act in the best interests of the two parties, it can result in a loss known as agency loss (Hiskey, 2011). In the context of YLF and welfare, the theory is important in a way that the principal is typically the government agency that provides the

livelihood fund, while the agent is the individual or group that receives the funds. The principal-agent theory highlights the potential for information asymmetry and moral hazard problems between the provider of the livelihood fund and the recipient. Information asymmetry can arise because the provider may not have complete information about the recipient's ability to use the funds effectively. The principal-agent theory suggests that the provider can address this problem by implementing a screening process to select eligible recipients, verifying their financial information, and monitoring their use of funds (Sunit, 2014).

The principal-agent theory emphasizes the importance of aligning the interests of the provider and the recipient to ensure that the livelihood fund achieves its intended goals. This can be achieved by designing contracts that provide incentives for the recipient to use the funds responsibly and effectively, such as offering lower interest rates or longer repayment periods for successful projects (Menzies et al., 2019).

The strength of the theory is that it has been applicable in many studies where the government gives out livelihood financial support to vulnerable people, and the theory would help to make accountability of the funds allocated to the agents. The theory was employed in the study by Leruth and Paul (2006) on public expenditure management systems in developing countries. The study used the theory to ensure that the government expenditures were meant to be used for their intended objectives by the beneficiaries.

In the context of this study, the theory is important because the government is responsible for managing and disbursing the funds to the youth, who are expected to use the funds to improve their livelihoods and overall welfare.

## **2.3 Conceptual Review**

The conceptual review is an important aspect because it provides a clear and comprehensive understanding of the concepts. It helps to define and clarify key concepts and terms used in the literature. This is important because it establishes a common language for researchers in the field and helps to avoid misunderstandings or confusion. The key concepts reviewed in this section include youth welfare, youth livelihood fund, and financial discipline.

### **2.3.1 Youth Welfare**

Youth welfare refers to the condition of young individuals, offering valuable insights into the progress of their well-being over time. The Youth Welfare Index serves as a valuable resource for policymakers and activists committed to enhancing the quality of life for youth (Chaaban, 2014). Welfare is the overall well-being, health, and happiness of an individual, group, or community. It encompasses various aspects of life, such as physical, emotional, social, and economic well-being (Sonntag, 2015).

Youth welfare looks at a system of support and care that aims to promote the well-being of youth in the age range of 12 to 18 years who may be experiencing various challenges or difficulties. This can include young people who are at risk of harm, abuse, or neglect, as well as those who are experiencing mental health problems, family issues, social isolation, or other challenges. Youth welfare services may be provided by entities such as NGOs, government organizations and others. These services may include a range of interventions and supports, such as counseling, therapy, education and employment assistance, housing support, and recreational activities (Chevalier, 2016).

### **2.3.2 Youth Livelihood Fund**

The Youth Livelihood Fund (YLF) is conceptualized as a fund designed to support and empower young people to start or expand their own businesses or income-generating activities. The programme is typically administered by national or local governments, in collaboration with international organizations (Mwesigwa & Mubangizi, 2019).

The Youth Livelihood Fund aims to tackle the issue of youth unemployment and underemployment, which is an issue which is significant in many developing countries. By providing young people with access to financing, training, and mentorship, the programme seeks to promote entrepreneurship, create jobs, and improve economic opportunities for young people (Achiro & Mwesigwa, 2023).

### **2.3.3 Financial Discipline**

Financial discipline is conceptualized as the extent to which an individual can align their spending and saving habits with established plans in order to achieve financial objectives. It also refers to the ability to manage one's finances responsibly and consistently over time. It involves developing good financial habits and making informed decisions about spending, saving, investing, and borrowing money. Financial discipline requires self-control and the willingness to prioritize long-term financial goals over short-term gratification (Dwiastanti, 2015).

Financial discipline is the key to benefit from a stable and independent financial status. An individual who exercises discipline will consistently exhibit the ability to effectively manage their finances, mitigating the risk of accumulating debt or encountering unforeseen financial burdens. Financial discipline helps individuals to achieve their financial goals, whether it is

saving for a down payment on a home, paying off debt, or investing for retirement. By managing their finances effectively, individuals can make progress toward their financial objectives and achieve greater financial stability and security (Christopher, 2022).

## **2.4 Empirical Literature**

Empirical literature looks at research studies and publications that are based on systematic and objective observations. This type of literature is an important component of research, as it provides evidence and data to support or refute hypotheses and research questions. The empirical literature is presented in line with the specific objectives.

### **2.4.1 The Relationship between the Youth Livelihood Fund and Youth Welfare**

The Youth Livelihood Fund (YLF) can have a significant association with youth welfare. The YLF can contribute to improving the welfare of young people through job creation, income generation, skills development, entrepreneurship promotion, and social and economic empowerment. This sub-section reviews studies on the relationship between the youth livelihood fund and youth welfare.

Mwesigwa and Mubangizi (2019) the study investigated the role of the YLP in promoting youth empowerment within Hoima District, Uganda. The analysis of the gathered data involved the utilization of both descriptive and inferential statistical methods. The model findings showed a significant positive contribution of YLP to Youth empowerment. The research discovered that both financial support for livelihoods and institutional assistance made significant contributions to the empowerment of young individuals (Mwesigwa and Mubangizi, 2019). The livelihood financial support provided to the youth can empower them in several ways: can enable young people to start their businesses, pursue education, or

acquire skills to get better jobs. This can help them become financially independent, which can be an empowering experience. Similarly, Livelihood financial support can enable young people to acquire skills and knowledge that are relevant to the job market. This can make them more competitive in the labour market and improve their chances of finding employment.

Mwesigwa and Mubangizi (2019) also found that the interest on the repayment of the funds was favourable. Favourable interest rates on the repayment of youth livelihood funds play a crucial role in ensuring the success and sustainability of such programmes. Favourable interest rates make it more attractive for young individuals to borrow funds for starting or expanding their businesses. Lower interest rates reduce the financial burden on borrowers, making the funds more accessible and increasing the likelihood of their participation in the programme (Mwesigwa & Mubangizi, 2019).

The research conducted in Ibanda Municipality examined the impact of the YLP on enhancing the livelihoods of young individuals. The findings revealed that the livelihood fund has resulted in both direct and indirect improvements in the lives of the youth, particularly in poverty alleviation and job creation. The provision of financial support to young individuals enhances their ability to initiate and manage small-scale businesses (Muhoozi, 2021). The findings also indicated that the livelihood funds were accessible to the existing and new groups. Opening up access to both existing and new youth groups ensures that a wider range of young individuals, regardless of their current affiliations, backgrounds, or circumstances, can benefit from the funds. This promotes inclusivity and reduces potential disparities in opportunities (Muhoozi, 2021).

Achiro and Mwesigwa (2023) studied the effect of the YLP on promoting self-reliance among youth residing in the west division of Lira City. A descriptive cross-sectional design was utilized, and data analysis involved both descriptive and inferential statistics with the assistance of SPSS. A comprehensive regression analysis demonstrated a significant positive relationship between the YLP programme and self-reliance. Specifically, livelihood financial support exhibited a positive and significant correlation with self-reliance (Achiro & Mwesigwa, 2023). The financial assistance given to youth implies that they can be encouraged to start their businesses or become self-employed. This can help them become self-reliant by providing them with the means to generate their income and become financially independent. Similarly, the study found that the funds acquired by the youth groups in Lira city were enough to run the activities initiated (Achiro & Mwesigwa, 2023).

According to a study carried out by Nanyonga (2021) in Makindye division, it was found that the youth livelihood projects made a significant contribution towards generating employment opportunities for young individuals. This, in turn, enabled them to enhance their financial capability, thereby fostering self-reliance within the local youth community (Nanyonga, 2021). The study also indicated that formal registration of groups was a pre-condition for accessing the youth funds. Formal registration of groups establishes a legal framework and documentation that enhances transparency and accountability. It ensures that the funds are being accessed by legitimate groups with clear objectives and structures, reducing the risk of fraud or mismanagement (Nanyonga, 2021).

Bukenya et al. (2019) studied the impact of Uganda's YLP on self-employment and income focusing on the revolving fund. The research employed a mixed-methods approach, combining qualitative and quantitative data gathered from baseline and end-line surveys

conducted on specific youth groups. The findings indicated that the revolving fund provided under the YLP did not demonstrate a statistically significant effect on the socioeconomic outcomes of the youth in the intervention group when compared with the control group (Bukonya et al., 2019). This implies that the revolving fund may not be achieving its intended objectives which may call for more funding or venturing into other projects that can impact the livelihoods of the youth.

In a separate research conducted in China concerning a livelihood support programme, it was discovered that the community achieved a substantial income boost. Around 43% of the income was obtained through the sale of products obtained from the forest, which was established as a result of the livelihood programme. The products included firewood, fish, crabs, and prawns. Additionally, agricultural activities contributed to 25% of the total income, while non-farm activities accounted for 32%, highlighting the project as the primary income source for the community (Aye et al., 2019).

Chilefwe (2022) focused on examining the influence of the youth development fund on youth livelihoods in Zambia. Employing a descriptive research design, the study targeted a population of 110 youths from Kasempa, which constituted the total sample size. These individuals participated in the youth empowerment in sustainable agriculture project. The collected data was analyzed using descriptive statistics, including standard deviations, means, and percentages. Inferential statistics such as correlation tests and regression analysis were also employed. The findings revealed a significant and positive impact of providing start-up capital on the youth's livelihoods. This support facilitated the establishment of aquaculture enterprises, enabled access to loans, and contributed to income generation (Chilefwe, 2022). Access to start-up capital by youth means that they can start their

businesses or become self-employed. This can help them become economically independent and create jobs for others. The study further established that there were no administrative fees levied on any application for funds by the youth groups in Zambia (Chilefwe, 2022).

Otiende et al. (2020) examined the effect of the Youth Empowerment and Development Fund (YEDF) on the improvement of youth livelihoods in Nairobi County, Kenya. The study aimed to evaluate the impact of youth empowerment programmes on job availability for young individuals in the county. The findings revealed that youth in Nairobi County had accessed loans from the Youth Enterprise Development Fund and utilized them to establish their businesses. As a result, they experienced economic empowerment, witnessed business growth, and contributed to self-employment, thus reducing unemployment rates (Otiende et al., 2020). However, it was revealed that the size of the funds provided did not depend on the request made by the group. This indicates that beneficiaries might view the programme as less equitable if the fund allocation process is not directly tied to the group's specific needs and aspirations (Otiende et al., 2020).

In summary, the literature presented in this section highlights the geographical gap that the present study sought to address by investigating the correlation between the YLF and youth welfare in Busitema Sub-county. The reviewed studies were conducted in districts such as Hoima, Ibanda, Lira, and Kampala Central, while others were conducted outside Uganda in countries like China, Zambia, and Kenya.

#### **2.4.2 The Relationship between Financial Discipline and Youth Welfare**

Financial discipline plays a crucial role in the well-being of young individuals as it fosters the development of positive financial habits, including budgeting, saving, and investing. By

cultivating these practices, youths can effectively manage their finances, make informed decisions regarding their money, and enhance their overall financial management skills. By practicing financial discipline, youth can build a strong financial foundation for their future. This can help them achieve their financial targets (Dwiastanti, 2015). This section presents the literature on the relationship between financial discipline and youth welfare.

Usama and Yusoff (2018) investigated the correlation between financial discipline and business performance among youth entrepreneurs in Bauchi State, Nigeria. The Pearson correlation test was employed to assess the significance of the relationship between variables. The findings demonstrated a significant association between financial discipline and the business performance of youth entrepreneurs (Usama & Yusoff, 2018). This means that youth entrepreneurs who are financially responsible and maintain good financial practices are more likely to be successful in their businesses. By being financially disciplined, young entrepreneurs are more likely to make sound financial decisions, manage their resources effectively, and minimize the risk of financial failure. The study also revealed that planning for the funds before spending increased the performance of youth entrepreneurs (Usama & Yusoff, 2018).

Tuffour et al. (2022) studied the influence of financial literacy on the performance of small-scale enterprises of the youth in the La Nkwantanang Madina Municipality of Ghana. The collected data was examined utilizing a structural equation model. The findings indicated a significant effect of financial literacy on the performance of the firm. The study observed that managers of SMEs who were involved in saving increased the growth of the business. Saving can increase financial stability for the entrepreneur and their business. By having a

financial buffer, the business is better able to weather any unforeseen challenges or unexpected expenses that may arise.

In a study on the correlation between financial literacy and the growth of micro and small enterprises operated by young individuals in Kenya. It was found that investment was an important factor in improving the development of micro and small enterprises and the welfare of the youth. The investment provides long-term financial security for youth. By investing in stocks, bonds, or real estate, youth can generate passive income and build wealth over time. This can provide a strong foundation for financial security and stability in the future. Investing in assets such as a home or a retirement account can enhance the quality of life for young people. By investing in these assets, young people can secure their future and have peace of mind knowing that they have financial security (Lusimbo, 2016).

In a study of the influence of financial socialization, financial literacy, and attitude toward money on the financial welfare of youth. The results demonstrated that these had a noteworthy effect on the financial welfare of youth. It was noted that youth who were involved in planning for their money before spending increased their welfare. When youth plan their spending, they have better control over their finances. This means they are less likely to overspend or make impulsive purchases that can lead to financial problems. By having a plan, they can prioritize their spending and make sure that they are using their money in the most effective way possible. Planning for money before spending can also help youth develop better financial literacy skills. By learning about budgeting, saving, and investing, they can make informed financial decisions and build a strong foundation for their financial future (Pandey et al., 2020).

From the literature review in this section, a geographical gap becomes apparent concerning the relationship between financial discipline and the welfare of youth. The reviewed studies were conducted in countries such as Nigeria, Ghana, Kenya, and notably, there is no empirical study that was conducted in Busia District. Therefore, this study addressed the geographical gap by examining the relationship between financial discipline and youth welfare in Busitema Sub-county in Busia District.

#### **2.4.3 The Mediating Role of Financial Discipline on the Relationship between the Youth Livelihood Fund and Youth Welfare**

Financial discipline is critical in mediating the relationship between the Youth Livelihood Fund and youth welfare in several ways. Firstly, financial discipline can help young people to use the funds they receive from the programme effectively. This can include creating a budget, tracking expenses, and making informed investment decisions. Secondly, financial discipline can help youth to save and invest the profits they make from their businesses. This can ensure that they have a stable source of income and can improve their overall welfare. Therefore, this section presents studies conducted in light of the mediating effect of financial discipline on the relationship between the youth livelihood fund and youth welfare.

In a study on the mediating influence of financial literacy and the moderating role of social capital in the association between financial inclusion and sustainable development in Cameroon. A Partial Least Squares Structural Equation Modeling (PLS-SEM) model was employed, utilizing data collected from a questionnaire survey conducted with 488 participants residing in the municipalities of Douala and Buea in Cameroon. The research findings indicated that financial literacy played a significant positive mediating role in the association between financial inclusion and sustainable development. it would highlight the

importance of financial education in promoting sustainable development. This implies that Financial literacy can help individuals and businesses make informed decisions about their finances, including managing debt, saving, investing, and accessing financial services. This can lead to more efficient use of financial resources, which can contribute to sustainable economic growth (Lontchi et al., 2022).

Kaur and Bansal (2020) examined the mediating role of financial discipline in the relationship between financial access and the growth of micro, small, and medium-sized enterprises (MSMEs) in India. The main objective was to determine the significance of financial discipline as a mediator in linking financial access to MSME growth within developing markets. The findings affirmed the presence of a mediating effect, although further confirmation is needed in other emerging economies.

Okello et al. (2017) investigated the moderating effect of financial discipline on the relationship between Bongomin access to finance and the growth of small and medium enterprises (SMEs) among the youth in developing economies. The moderating effect of financial discipline on the relationship between access to finance and SME growth for youth in developing economies was tested using ModGraph, an Excel programme. The results indicated a positive and significant moderating effect of financial discipline on the relationship between access to finance and SME growth among the youth in developing economies.

The literature review in this section highlights a geographical gap, as prior studies on mediation were conducted in countries such as Cameroon and other developing nations and there was no empirical study conducted in Uganda or Busia district. Consequently, this study

was relevant in bridging this gap by examining the mediating role of financial discipline in the relationship between the YLF and youth welfare in Busitema Sub-county, located in the Busia district.

## **CHAPTER THREE: METHODOLOGY**

### **3.0 Introduction**

Chapter two involved a comprehensive review of the existing literature to provide a contextual framework for the present study. To bring this study into context, this chapter highlights the research design, study population, sample size, sampling, data collection methods and instruments used, validation and reliability of the instruments, data collection process, description of data analysis techniques, and limitations of the study.

### **3.1 Research Design**

A cross-sectional research design was employed. The cross-sectional descriptive research design holds significance in providing a snapshot or a "slice of time" view of a population or phenomenon. It allows researchers to collect data from different individuals or groups at a single point in time, providing insights into the characteristics, behaviours, or attitudes of the population at that specific moment (Kesmodel, 2018). A cross-sectional design was practical for mediation analysis as it helped to collect data on YLF participation, financial discipline, and youth welfare concurrently at a single point.

#### **3.1.1 Research Approaches**

The study used both quantitative and qualitative approaches. The quantitative approach was chosen due to its utilization of statistical data as an efficient means to save time and resources. This approach focuses on numerical data and emphasizes the collection and analysis of figures and numbers (Bryman, 2016). Meanwhile, the researcher also used the qualitative approach because it involves relying on the collection of non-numerical primary data such as words and pictures to get a wider perspective of the study variables (Johnson & Christensen, 2012). Qualitative approaches were considered by the researcher to provide

supplementary information which would help to validate the quantitative findings in the study. This involved getting in-depth information through conducting key informant interviews with the local government officials, local council leaders, and parish chiefs.

### **3.2 Study Population**

A population refers to a comprehensive group of individuals possessing specific attributes (Banerjee & Chaudhury, 2010). The target population included the youths from Busitema Sub-county in Samia Bugwe North Constituency in Busia District, who were direct beneficiaries of the YLP. This included a total of 70 youths involved in youth dairy farming, tents & chairs, produce buying & selling, grinding mill project, carpentry & joinery, and brick making project. The study also targeted the livelihood programme officer at Busia district local government and 4 parish chiefs in the four parishes of Busitema sub-county who were directly associating with the beneficiaries.

### **3.3 Sample Size**

The sample size represents the number of elements or subjects within a subset of the population. It is determined by the researcher's inability to test or include every individual within the entire population (Hassan, 2015). Selecting an optimal sample size is crucial to guarantee the study's adequacy in terms of statistical power, accuracy, and representation of results. Krejcie and Morgan (1970) formula was used to compute the sample size as shown below;

$$S = \frac{X^2NP(1 - P)}{d^2(N - 1) + X^2P(1 - P)}$$

In this formula, s represents the sample size,  $X^2$  signifies the chi-square value for 1 degree of freedom at a 95% confidence level (3.841), N represents the size of the target population,

P denotes the proportion of the population with the specific characteristics of interest (0.50), and d represents the desired degree of accuracy (0.05).

$$S = \frac{3.841*75 *0.5*0.5}{0.05^2*74 +3.841*0.5*0.5} = 63$$

Sixty-three respondents were used as a study sample.

### **3.4 Sampling Procedure**

The study used multistage sampling procedure in the course of collecting data. The first stage involved stratifying Busitema sub-county into four parishes: Busitema, Chawo, Syanyonja, and Habuleke. The study population was stratified by parish to facilitate easier access to beneficiaries through their respective parish chiefs. This approach ensured efficient identification and engagement of participants, as parish chiefs served as key local leaders who could help identify eligible beneficiaries. In the second stage, a list of 70 YLP beneficiaries from the four parishes was obtained from the Busia local government. The beneficiaries were sampled or selected from each parish using a lottery method, ensuring that all beneficiaries on the list have an equal chance of selection. A total of 58 YLP beneficiaries were sampled from the four parishes. The proportionate-to-size allocation method was considered when selecting YLP beneficiaries from the four parishes. A parish with more beneficiaries had a greater chance of having more beneficiaries involved in interviews.

However, the selection of key informants (local government officials in charge of YLP and parish chiefs in the four parishes) was conducted using purposive sampling which yielded a total of 5 key informants. Table 3.1 presents a summary of the employed sampling techniques, the target population, and the chosen sample size.

**Table 3.1: Overview of Study Population, Sample Size, and Sampling Techniques**

Particulars	Population	Sample size	Sampling technique
<b>Busitema parish</b>	18	15	Stratified and Simple random sampling
<b>Chawo parish</b>	15	13	Stratified and Simple random sampling
<b>Syanyonja parish</b>	22	17	Stratified and Simple random sampling
<b>Habuleke parish</b>	15	13	Stratified and Simple random sampling
Key informants (Busia local government officer in charge of YLP, parish chiefs)	5	5	Purposive sampling
<b>Total</b>	<b>75</b>	<b>63</b>	

**Source: Busia District Local Government (2023); Krejcie and Morgan's (1970)**

### **3.5 Data Collection Methods**

Data collection methods encompass the techniques utilized to gather information from various sources. These methods include questionnaires, interviews, observations, and other applicable approaches. Data collection methods are important because they show the type of information that is to be collected and the analytical approach to be applied by the researcher (Paradis et al., 2016). The study employed a questionnaire and interview method to arrive at meaningful results.

#### **3.5.1 Questionnaire Method**

The use of a questionnaire is an effective approach for gathering a diverse range of data or information from a considerable number of respondents. An adequately constructed questionnaire is vital to the success of a survey (Roopa & Rani, 2012). The study used this method because it was of great help in collecting data from youth in the YLP in Busitema sub-county. This method takes less time and this helped to save time and resources.

### **3.5.2 Interview Method**

The utilization of the interview method enables the collection of more comprehensive information about respondents' experiences, thoughts, emotions, and opinions. This approach facilitates a deeper understanding of the subject matter being investigated. The interview method is appropriate when the topic under investigation associates with issues that need substantial probing as well as complex questioning (Easwaramoorthy & Zarinpoush, 2006). This method involved face-to-face conversations with parish chiefs and local government officials.

### **3.6 Data Collection Instruments**

It is imperative for any researcher to critically decide on the instruments for collecting data since research is carried out in different ways and for different purposes (Easwaramoorthy & Zarinpoush, 2006). The study utilized a structured questionnaire to gather quantitative data and an interview guide to collect qualitative data.

#### **3.6.1 Structured Questionnaire**

A structured questionnaire enables the collection of quantitative data in a standardized manner, ensuring internal consistency and coherence for subsequent analysis. This tool is appropriate when resources are limited since it is not expensive to design and administer (Roopa & Rani, 2012). The structured questionnaire involved questions that are closed-ended to capture quantitative data. The structured questionnaire consisted of questions on respondents' demographics and statements on the study variables.

Statements on each study variable were measured on a five-point Likert scale where scale '1' represents "strongly disagree", '2' represents "disagreed", '3' represents "not sure", '4'

stands for “agree” and ‘5’ stands for “strongly agree”. The questionnaire was administered by research assistants who conducted interviews and completed the questionnaires based on the responses provided by the respondents.

### **3.6.2 Interview Guide**

The guide for an interview is made up of open-ended questions that seek to gather more in-depth information on respondents’ experiences, thoughts, feelings, as well as opinions. Through open-ended questions, the interviewer can probe or even construct new questions that have not been scripted (Easwaramoorthy & Zarinpoush, 2006). The interview guide contained open-ended questions that were asked of parish chiefs and Local government officials to solicit their knowledge, views, thoughts, and opinions on YLF, youth welfare, and financial discipline. The open-ended interview was conducted in person with parish chiefs and local government officials, and it lasted for 30 minutes.

## **3.7 Testing for Validity and Reliability**

This section focuses on the assessment of the validity and reliability of the research instruments employed in the study.

### **3.7.1 Validity Test**

Validity refers to the extent to which research instruments can accurately measure or elicit the desired responses from the target population. It assesses whether the instruments are capable of capturing the intended constructs or variables effectively (Kothari, 2004). The questionnaire was administered to supervisors to gather their feedback on the adequacy and representativeness of the instruments. This step aimed to ensure that all the variables being measured are adequately covered and to eliminate any invalid items. Content and criteria

validity tests were conducted to assess how well the tool represents the constructs and captures the relationships between variables (Saunders et al., 2003). The Content Validity Index (CVI) was computed to assess the validity of the instruments and it yielded a percentage of 86.2% which was significantly above the cut-off of 70% (Shi et al., 2012) as indicated below;

$$CVI = \frac{\text{Questions in the questionnaire declared valid}}{\text{Total Number of Questions in the Questionnaire}}$$

$$CVI = \frac{25}{29} = 86.2\%$$

### 3.7.2 Reliability Test

Cohen et al. (2007) stated that reliability pertains to the degree to which a research tool accurately assesses its intended target without any prejudice and provides dependable outcomes across different elements to ensure stability and consistency. Before Cronbach's Alpha test was performed, the researcher conducted a pilot study to collect data on the study items that were tested. Therefore, Cronbach's Alpha coefficient was utilized to evaluate the reliability of the research instruments. A Cronbach's Alpha coefficient of 0.7 and above indicated that the instrument was considered reliable as indicated in Table 3.2.

**Table 3. 2: Reliability Test**

Variable	No of Items	Cronbach's Alpha coefficient
Livelihood Fund	6	0.745
Financial Discipline	5	0.855
Youth Welfare	5	0.810

The Cronbach's alpha coefficients for the Livelihood Fund were 0.745, for Financial Discipline were 0.855, and for Youth Welfare were 0.810. All the alpha coefficients exceeded the 0.7 threshold, indicating that the variables were reliable for the study.

### **3.8 Data Collection Procedures**

The researcher requested an introduction letter from Kyambogo University to obtain permission to conduct the study. This letter was later presented to the local government officials of Busia to seek permission to collect data. Upon obtaining the permission, the researcher proceeded to make appointments with the selected respondents for structured and key informant interviews.

### **3.9 Data Analysis**

This section presents the procedures followed in analyzing quantitative and qualitative data.

#### **3.9.1 Analysis of quantitative data**

The statistical package for social scientists (SPSS) tool was used in the analysis of quantitative data. The study employed descriptive and regression analysis techniques to address the research hypotheses. The level of significance of the tests was at 5% considering a 95% confidence level. Descriptive analysis involved presenting results in percentages, means, and standard deviations. To investigate the association between the study variables, the research utilized Spearman's rank correlation test. This statistical test is particularly suitable for analyzing non-parametric data, and it enables the assessment of the strength and direction of the relationship between the variables under investigation.

The study tested the mediation effect using Partial Least Structural Equation Modeling following the steps and assumptions of Hair et al. (2017) and Hair et al. (2021). The study

adhered to the following assumptions: Firstly, there should be a significant direct effect between the independent variable and the mediator, the mediator and the dependent variable, and the independent variable and the dependent variable. In the structural model, if the total effect is insignificant while the indirect effect is significant, full mediation would occur. On the other hand, if both the total and indirect effects are significant, and the coefficients are in the same direction, that would indicate complementary partial mediation. However, if both the total and indirect effects are significant, and the coefficients are in different directions, that would suggest competitive partial mediation.

The significance of the path coefficients was assessed using the bootstrapping technique with 5000 subsamples. The bootstrapping process is a non-parametric method for making inferences. It involves randomly selecting multiple subsamples (for instance, 5,000) from the original dataset, with replacement. Bootstrapping is particularly essential when dealing with an indirect effect data sample, as it allows gathering information about the overall population distribution. This information forms the foundation for hypothesis testing (Nitzl et al., 2016).

### **3.9.2 Qualitative Data Analysis**

For the analysis of qualitative data, the thematic analysis method was employed. The responses obtained from key informants were grouped based on recurring themes or issues. These recurring themes, which emerged concerning each guiding question, were presented as part of the results. Finally, the results of the analysis were presented, often in the form of a narrative or descriptive account of the identified themes and their supporting evidence. Selected direct quotations from participants were included to add richness and authenticity to the findings.

### **3.10 Ethical Considerations**

The research team prioritized ethical considerations to ensure that respondents are treated respectfully and their participation is voluntary. Measures were taken to prevent coercion or manipulation. Clear explanations about the purpose and objectives of the study were provided to the respondents, ensuring transparency. Informed consent was sought from each participant, ensuring they have a clear understanding of what their involvement entails and that they have the right to withdraw from the study at any time without facing any negative consequences. Respecting the autonomy and confidentiality of the respondents was of utmost importance throughout the research process.

### **3.11 Limitations of the Study**

A significant limitation of this study was the exclusion of the observational method, as many youth groups were unable to demonstrate the activities they were undertaking within their groups, making it challenging to gather visible evidence.

## **CHAPTER FOUR: PRESENTATION, ANALYSIS, AND INTERPRETATION OF FINDINGS**

### **4.0 Introduction**

This chapter presents the findings on the demographic characteristics of respondents, the relationship between the YLF and youth welfare, the relationship between the financial discipline and youth welfare, and the mediating role of the financial discipline on the relationship between YLF and youth welfare in Busitema sub-county in Samia Bugwe North in Busia District. The first section presents the response rate, followed by demographics, descriptive results of the variables, and inferential statistics.

### **4.1 Response Rate**

Response rate impacts the statistical power of a study. A higher response rate allows for more robust statistical analyses, increasing the ability to detect meaningful relationships, differences, or patterns in the data (Dillman et al., 2009). A total of 58 questionnaires were issued out to YLP beneficiaries during data collection and only 49 questionnaires were filled and returned for consideration which represented a response rate of 84.5%. In addition, the study intended to involve 5 key informants for open-ended interviews and these interviews were successfully conducted representing a response rate of 100%. The response rates were adequate for the study as recommended by Ngulube (2005).

### **4.2 Demographic Characteristics of Respondents**

Demographic characteristics provide important contextual information that can help explain the results. For instance, age, gender, education level, income, and religion among others could influence attitudes, perceptions, and behaviours of respondents towards YLF, financial discipline, and youth welfare. Understanding the demographic profile of respondents helps

interpret their responses within the broader social, cultural, and economic context (Connelly, 2013). The demographic characteristics in this study constituted parish of residence, gender, marital status, age, education level, main source of income, income-generating activity initiated from YLP funds, and religion. The findings are presented in Table 4.1.

**Table 4.1: Distribution of Respondents by Demographic Characteristics**

<b>Variable</b>	<b>Frequency (n=49)</b>	<b>Percentage (%)</b>
Parish		
Busitema	13	26.5
Chawo	09	18.4
Habuleke	10	20.4
Syanyonja	17	34.7
Gender		
Male	40	81.6
Female	09	18.4
Marital Status		
Married	42	85.7
Single	06	12.2
Widowed/Widower	01	02.0
Age Group of Respondents		
20-24 years	06	12.2
25-29 years	12	24.5
30-34 years	21	42.9
35-39 years	06	12.2
40 years and above	04	08.2
Education Level		
No formal education	01	02.0
Some primary	02	04.1
Completed primary	09	18.4
Some secondary	20	40.8
Completed secondary	06	12.2
Tertiary education	11	22.4
Main Source of Livelihood		
Agriculture	21	42.9
Formal employment	04	08.2
Small business	10	20.4
Casual labor	06	12.2
Support from family/friends	02	04.1
Others (specify)	06	12.2
Income Generating Activity initiated from the fund accessed		

Brick Making Project	07	14.3
Carpentry and Joinery	07	14.3
Dairy farming	08	16.3
Grinding Mill project	06	12.2
Produce buying and selling	08	16.3
Tents and chairs for hire	13	26.5
Religion		
Catholic	19	38.8
Anglican	09	18.4
Muslim	04	08.2
<b>Pentecostal</b>	17	34.7
<b>Others</b>	0	0.0

*Source: Primary Data (2023)*

Table 4.1 presents the distribution of respondents by demographic characteristics. The findings reveal that the majority of the respondents (34.7%) were from Syanyonja parish and the least proportion of respondents (18.4%) was from Chawo Parish in Busitema sub-county. This suggests that youth from Syanyonja parish were more actively engaged or aware of the youth livelihood programme than others. It might also indicate variations in programme visibility, accessibility, or outreach efforts in different parishes in Busitema Sub-county. The findings from the study show that the majority of the respondents (81.6%) were males while the least were females (18.4%). The findings imply that more males than females were involved in the YLP in Busitema Sub-county. This could also indicate that women and girls faced barriers or challenges in participating in the YLP in the sub-county.

The survey established that a bigger percentage of respondents (85.7%) was married while a smaller proportion was widowed/widower (2%). The higher representation of married individuals might indicate that they have family responsibilities, such as caring for children or other family members, which could influence their capacity to engage in YLF activities. In light of the age of respondents, the majority were aged between 30 and 34 years (42.9%) and the minority were aged 40 and above. The high representation of respondents in the 30-

34 age group suggests that the YLP has gained traction primarily among young adults in Busitema Sub-county. This could indicate that the programme's focus and outreach efforts were successful in attracting and engaging this particular age group.

In relation to the education level, nearly 40.8% of the majority of the respondents had some secondary education while the least (2%) had no formal education. The survey results indicate that a substantial portion of the YLF beneficiaries had at least some secondary education. This could mean that they possessed certain skills and knowledge that might be advantageous in business and livelihood activities compared to those with no formal education. Concerning the main source of livelihood, close to 42.9% of the majority of the respondents were involved in agriculture as their main source of livelihood while the least proportion was receiving support from family/friends (4.1%). The high percentage of respondents involved in agriculture indicates that agriculture is a significant economic activity for the YLF beneficiaries in Busitema sub-county.

Regarding income-generating activity initiated from the YLF, the majority of youth were involved in tents and chairs for hire (26.5%), followed by dairy farming and produce buying & selling (16.3%), while the lowest percentage of respondents was involved in grinding mill project (12.2%). Tents and chairs for hire being the most prevalent activity initiated by the beneficiaries, it could mean that it is a well-established and popular business opportunity that could provide livelihood support to the youth in Busitema sub-county. In light of the religion of respondents, it was found that the predominant respondents were Catholics (38.8%) while the least proportion were Muslims (8.2%). The findings may signify that beneficiaries in the catholic communities were more informed or engaged in the programme while others could have experienced limited awareness or participation.

### **4.3 Descriptive Analysis of the Study Variables**

Descriptive analysis plays an important role during the comparisons between different items. It helps to identify which items received higher or lower mean scores and analyse the reasons behind such differences. In the context of this study, if the mean score was below 3.1, it indicated that the majority of respondents disagreed with the statement. This suggests that the respondents generally do not support or agree with the idea presented in the statement. However, the mean score between 3.1 to 5 indicated that the majority of respondents agreed with the statement. This suggests a positive inclination towards the idea presented in the statement. The descriptive findings are presented in relation to the study variables as indicated in the conceptual framework.

#### **4.3.1 Descriptive Statistics on Youth Livelihood Fund**

The study investigated the respondent's views concerning the youth livelihood programme in Busitema Sub-county. The study assessed several aspects: whether the interest on the repayment of the funds was favourable, whether livelihood funds were accessible to both existing and new groups, whether the funds acquired were sufficient to support the activities within the groups, whether formal registration of groups was a prerequisite for accessing the funds, whether any administrative fees were levied on fund applications, and whether the size of the funds provided was determined by the group's request. The findings are presented in Table 4.2.

**Table 4.2: Findings of the Descriptive Statistics on Youth Livelihood Fund**

Statements	SD (%)	D (%)	NS (%)	A (%)	SA (%)	Mean	Std. Deviation
The interest on the repayment of the funds was favorable	4.1	10.2	8.2	30.6	46.9	4.06	1.162
The livelihood funds were accessible to the existing and new groups		14.3	2	49	34.7	4.04	0.978
The funds acquired were enough to run the activities in our group	30.6	46.9		16.3	6.1	2.2	1.224
Formal registration of groups was a pre-condition for accessing the funds	8.2	2	2	46.9	40.8	4.1	1.123
There were no administrative fees levied on any application for the funds	28.6	14.3	4.1	30.6	22.4	3.04	1.594
The size of the funds provided depended on the request made by the group	20.4	46.9	12.2	14.3	6.1	2.39	1.151

*Source: Primary Data (2023)*

Table 4.2 presents the descriptive statistics of the respondents' views on the YLF. The findings revealed that the majority of the respondents agreed that the interest rate charged on the repayment of the funds was favourable as shown with a mean score of 4.06 and standard deviation of 1.162. This suggests that the interest rates were perceived as fair and conducive to successful repayment. The results from the interviews also confirmed that the interest on the repayment of the funds was favourable.

*The interest each youth group was supposed to return was friendly because it was not like that of the Bank as the programme was intended to improve the livelihood of the youth. (Respondent 07 commented)*

The survey investigations show that the livelihood funds were accessible to the existing and new groups as agreed by most of the respondents (mean=4.04, Std. Dev=0.978). The positive

agreement among respondents indicates that the youth livelihood funds were accessible to both existing and new groups. This could indicate that the programme was designed to be inclusive and open to various youth-led groups, regardless of their stage of establishment. The results are also in line with the findings from the interviews as it was supported that the fund was available to formal groups.

*Any group as long as it was formally established was entitled to this money, so both new and older formally registered groups stood a chance of getting the money. (Respondent 10 commented)*

In light of whether the funds acquired were enough to run the activities in the groups, the survey found that the funds acquired were not enough to run the activities initiated by the youth as indicated by a strong disagreement from the respondents (mean=2.2, Std Dev=1.224). The strong disagreement on the sufficiency of funds indicates that many youth beneficiaries were facing financial constraints in running their activities due to the limited funds accessed. This financial strain could impede their ability to fully develop and sustain their livelihood ventures.

On investigating whether formal registration of groups was a pre-condition for accessing the funds by youth in Busitema sub-county, a bigger proportion of the respondents agreed that formal registration of groups was a pre-condition for accessing the youth funds (mean=4.1, Std. Dev=1.123). The agreement on formal registration as a pre-condition indicates that the programme placed importance on accountability and compliance with legal requirements. This could enhance transparency and ensure that funds are directed towards legitimate and registered youth-led groups. The findings from the interviews also indicated that the funds were accessed to only formally registered groups.

*This fund attracted only registered youth groups in this Sub-county to avoid mishandling of funds and using it for marriage purposes. (Respondent 07 argued)*

The results from the survey established that most of the respondents disagreed that there were no administrative fees levied on any application for the funds (mean=3.04, Std. Dev=1.151). The disagreement indicates that a significant number of youth groups in the Busitema sub-county perceived the presence of administrative fees on fund applications. This indicates that such fees could pose a financial burden on the youth beneficiaries, potentially hindering their ability to access the funds. The observations from the study indicated that much as the local government officials indicated that there were no administrative fees charged, the youths indicated during the interviews that money was collected from them during the formation of groups.

*To be included in my group, we were asked to pay 5000 shillings. (Respondent commented)*

The study further revealed that the majority of the respondents disagreed that the size of the funds provided depended on the request made by the group (mean=2.39, Std. Dev=1.151). The disagreement suggests that the youth livelihood fund programme lacked flexibility in adjusting the size of funds based on the specific needs and requests of youth groups. This lack of flexibility could limit the programme's ability to cater for the varying financial requirements of different youth-led initiatives.

#### **4.3.2 Descriptive Statistics on Financial Discipline of Youth in Busitema Sub-County**

The survey sought to establish the respondents' opinions concerning the financial discipline of the youth livelihood beneficiaries in Busitema sub-county. The study investigated whether the youth plan for the funds before spending them, save a proportion of the money they

obtain from their income-generating activities, invest their money in assets such as land and houses, ensure that the funds received are paid back within the required period of time, and keep records of the funds received and expenditures made in their groups. The findings are presented in Table 4.3.

**Table 4.3: Findings of the Descriptive Statistics on Financial Discipline of the Youth**

<b>Statements</b>	<b>SD (%)</b>	<b>D (%)</b>	<b>NS (%)</b>	<b>A (%)</b>	<b>SA (%)</b>	<b>Mean</b>	<b>Std. Deviation</b>
I usually plan for the funds before spending it	2			57.1	40.8	4.35	0.694
I always save a proportion of the money I obtain from my income generating activity	2	14.3	4.1	34.7	44.9	4.06	1.126
I always invest my money in assets like land, houses, etc.	12.2	30.6	4.1	38.8	14.3	3.12	1.333
We ensure that the funds received are paid back in the required period of time	14.3	30.6	8.2	36.7	10.2	2.98	1.299
We keep records of the funds received and expenditures made in our group	6.1	6.1	14.3	26.5	46.9	4.02	1.199

*Source: Primary Data (2023)*

Table 4.3 presents the descriptive statistics of the respondents' views relating to the financial discipline of beneficiaries of the youth livelihood programme in Busitema sub-county. The results show that the majority of the respondents agreed that they usually plan for the funds before spending it (mean=4.35, Std. Dev=0.694). The agreement on planning for funds indicates that the youth beneficiaries are financially responsible and proactive in managing their finances. This responsible approach can lead to better financial decision-making and resource allocation for their livelihood activities. The results from the interviews also confirmed that most of the youth groups were planning for the funds before spending.

*The planning for the funds was always done before they could buy things to run their activities in the group. (Respondent 006 commented)*

A bigger percentage of respondents agreed that they always save a proportion of the money they obtain from their income-generating activity (mean=4.06, Std. Dev= 1.126). The agreement on saving a proportion of their earnings suggests that the youth beneficiaries prioritize financial security and have a savings habit. This responsible financial behaviour can provide a safety net during unforeseen circumstances and contribute to their long-term financial well-being.

Regarding investing money in assets, the survey found that most of the livelihood beneficiaries always invested their money in assets like land and houses as agreed by the majority of respondents (mean=3.12, Std. Dev=1.333). The consistent investment in assets like land and houses indicates that the livelihood beneficiaries prioritize wealth creation and long-term financial stability. Owning valuable assets can provide a solid foundation for building wealth and securing their financial future. The findings from the interviews also confirmed that some youth invested in some assets like land and others.

*I was able to purchase some land from our group business of chairs and tents. (Respondent added)*

The investigations from the study established that the majority of the study respondents disagreed that they ensure that the funds received are paid back in the required period (mean=2.98, Std. Dev=1.199). The disagreement on ensuring timely repayment implies that there may be financial risks associated with the youth livelihood programme. Delayed payment of funds can strain the programme's financial resources and hinder its ability to support future beneficiaries.

The study also revealed that the youth groups were keeping records of the funds received and expenditures made (mean=4.02, Std. Dev=1.199). Keeping records of funds and expenditures demonstrates a commitment to financial transparency and accountability within the youth groups in Busitema sub-county. Transparent financial management fosters trust among stakeholders enhancing the credibility of the youth livelihood programme. The results also agree with the findings from the interviews which indicated that youth groups were keeping records.

*They have been keeping records of the sales they make and the items they purchase, for instance, they keep receipts. (Respondent 012 added)*

#### **4.3.3 Descriptive Statistics on Youth Welfare in Busitema Sub-county**

The study intended to establish the respondents' perceptions concerning youth welfare in Busitema Sub-county. It investigated whether the income had grown since the youth accessed the livelihood funds, whether they had acquired physical assets, whether they were able to support themselves or their siblings to go to school, whether they could access good medical care from a reputable hospital, and whether they had enough food and clean water for themselves or their household members. The findings are presented in Table 4.4.

**Table 4. 4: Findings of the Descriptive Statistics on Youth Welfare**

Statements	SD (%)	D (%)	NS (%)	A (%)	SA (%)	Mean	Std. Deviation
My income has grown from the time we accessed the livelihood funds	22.4	14.3		42.9	20.4	3.24	1.507
I have acquired some assets like land, house, car, motorcycle, bicycle	16.3	24.5	2	44.9	12.2	3.12	1.364
I have been able to support myself or my siblings to go to school	4.1	18.4	6.1	63.3	8.2	3.53	1.023
I am able to access good medical care from a good hospital	4.1	14.3	6.1	65.3	10.2	3.63	0.994
I am able to access enough food and clean water for myself or household members	2	6.1	10.2	59.2	22.4	3.94	0.876

*Source: Primary Data (2023)*

Table 4.4 presents the findings of the respondents' views on youth welfare in Busitema Sub-county. The findings revealed that the majority of the respondents agreed that their income has grown from the time they accessed the livelihood funds (mean=3.06, Std. Dev=1.519). The positive response indicates that the livelihood fund programme has been successful in contributing to the income growth of the youth beneficiaries in Busitema Sub-county. It suggests that the programme's interventions and support have had a positive impact on their economic well-being. Similarly, it signifies that the youth have been able to generate more revenue and improve their financial stability through the support of the livelihood fund.

The survey established that the youth in Busitema sub-county have acquired some physical assets like bicycles, land, and houses (mean=3.12, Std. Dev=1.507). The acquisition of physical assets implies that the youth in Busitema sub-county have been able to accumulate wealth and assets over time. This suggests that the youth livelihood programme has contributed to their economic well-being and asset ownership. The results confirm with the findings from the interviews.

*I have seen one youth who bought a motorcycle and has been paying school fees for the little ones. (Respondent 14 commented)*

The results from the study revealed that the majority of respondents agreed that they have been able to support themselves and their siblings to go to school (mean=3.53, Std. Dev=1.023). The positive response indicates that the youth beneficiaries have experienced improved access to educational opportunities. Supporting themselves and their siblings to go to school demonstrates the programme's positive impact on their educational pursuits. The qualitative findings indicated that the youth have been able to continue with education as a result of YLP.

*Many youths in this sub-county have been supported with the continuation of their studies as a result of their participation in YLP. (Respondent 012 explained)*

In light of access to good medical care, the majority of the respondents agreed that they can access good medical care from a good hospital (mean=3.63, Std. Dev=0.994). This implies that the youth beneficiaries in the Busitema sub-county have access to quality medical care, which can lead to improved health outcomes. Good medical care can help prevent and treat illnesses, promoting the overall well-being of the youth. The survey also established that the majority of the respondents were in agreement that they could access enough food and clean water for themselves and household members (mean=3.94, Std. Dev=0.876). The positive response indicates that the youth beneficiaries and their households are food secure. Access to enough food by youth beneficiaries ensures that their basic nutritional needs are met, contributing to their overall health and well-being.

#### 4.4 Findings of the Specific Objectives of the Study

This section presents the findings on the three objectives: the relationship between Youth Leadership Fund (YLF) and Youth Welfare, the relationship between financial discipline and Youth Welfare, and the mediating role of financial discipline on the relationship between YLF and youth welfare in Busitema sub-county, Busia District.

##### 4.4.1 The Relationship Between the YLF, Financial Discipline, and Youth Welfare in Busitema Sub-County in Samia Bugwe North in Busia District

This section presents the relationship between YLF, financial discipline, and youth welfare. The findings are presented in Table 4.5 using Spearman's rank correlation at a 1% significance level.

**Table 4.5: Spearman's rank Correlation between YLF, Financial Discipline, and Youth Welfare in the Busitema sub-county**

			YLF	Financial Discipline	Welfare
<b>Spearman's rho</b>	YLF	Correlation Coefficient	1		
		Sig. (2-tailed)	.		
		N	49		
	Financial Discipline	Correlation Coefficient	.785**	1	
		Sig. (2-tailed)	.000	.	
		N	49	49	
	Welfare	Correlation Coefficient	.744**	.753**	1
		Sig. (2-tailed)	.000	.000	.
		N	49	49	49

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

*Source: Primary Data (2023)*

The findings in Table 4.5 reveal that the youth livelihood fund had a strong positive and significant association with youth welfare in Busitema sub-county ( $r=0.744$ , P-value  $(0.000) < 0.01$  level of significance). The strong positive association infers that growth in

YLF was strongly associated with an improvement in youth welfare, which could lead to increased entrepreneurship, job creation, and overall economic growth in the community.

Similarly, the findings mean that several YLF factors have significantly contributed to the enhancement of youth welfare in Busitema Sub-county. For instance, the favourable interest rates on the repayment of the youth livelihood fund, easy accessibility of funds to the beneficiaries, and the formal registration of groups facilitated better coordination and governance of the funds' which undoubtedly contributed to the effectiveness of the youth welfare initiatives. These results are also supported by the results from the interviews.

*I was able to start a new saloon from this maize milling machine acquired from YLP which has helped to add on support to my family. (Youth commented during the interview)*

The findings in Table 4.5 also reveal that there was a strong positive and significant relationship between financial discipline and youth welfare in Busitema Sub-County ( $r=0.753$ , P-value (0.000)  $<0.01$ ). The strong positive correlation implies that as financial discipline among the youth improves, their overall welfare also tends to improve. This could mean that when youth in the livelihood project plan for the funds before spending, save, invest in assets, and keep records of the funds received and spent, they are better able to meet their basic needs, access education, healthcare, and other essential services, leading to an overall better quality of life. The qualitative results also align with the above findings indicating that financial discipline was important in improving the welfare of the beneficiaries.

*The involvement of some youth in saving and investment has enabled them to raise some money for school fees for their children and also fight famine in their homes. (Respondent 15 commented)*

#### 4.4.2 The Mediating Role of the Financial Discipline on the Relationship between YLF and Youth Welfare in Busitema Sub-County in Samia Bugwe North in Busia District

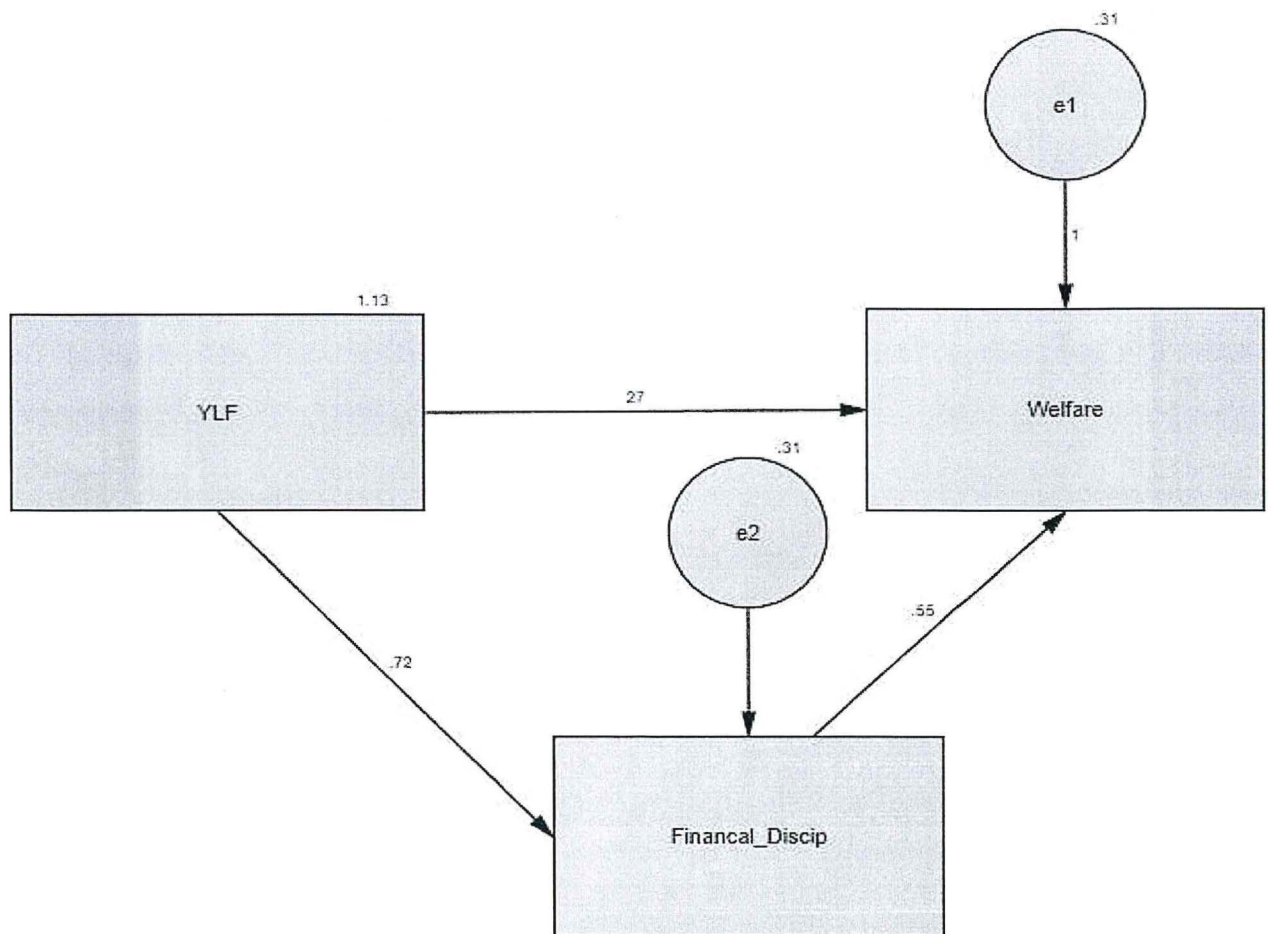
The mediating role of the financial discipline on the relationship between YLF and Youth Welfare was tested using Structural Equation Modeling following the assumptions and steps proposed by Hair et al. (2017) in PLS-SEM. The first step involved examining the direct effects between the variables. The first direct effect involved examining the association between YLF and youth welfare. This involved checking both the path coefficients and its statistical significance, which was determined using bootstrapping with 5,000 resamples. The effect of YLF on youth welfare was positive and significant (Coef=0.272, P=0.035) as shown in Table 4.6 and Figure 4.1.

**Table 4.6: Estimates of the Structural Model**

Endogenous Variables	Paths	Exogenous Variables	Estimates	Standardized Estimates	S.E.	Critical Ratio (CR)	P-value
Financial Discipline	A	YLF	.725	0.813	.075	9.657	0.000
Welfare	B	Financial Discipline	.546	0.544	.145	3.762	0.000
Welfare	C	YLF	.272	0.304	.129	2.104	0.035

*Source: Primary Data (2023)*

The second step involved including the mediator variable (Financial discipline). As observed in Table 4.6 and Figure 4.1, the direct effect between YLF and financial discipline (Coef=0.725, P=0.000) and the relationship between financial discipline and youth welfare (Coef=0.546, P=0.000) were positive and statistically significant.



**Figure 4.1: Path Diagram**

Since the first and second paths were significant, mediation analysis was tested using the bootstrapping method with bias-corrected confidence estimates. In this study, the 95% confidence interval of the indirect effects was obtained with 5000 bootstrap resamples (Hair et al., 2017).

**Table 4.7: Test for Indirect and Total Effects of Structural Model**

Endogenous Variables		Exogenous Variables	Total effect Coefficient	Bootstrap Lower CI	Bootstrap Upper CI	P-value	Indirect Effect Coefficient	Bootstrap Lower CI	Bootstrap Upper CI	P-value
Welfare	<---	YLF	0.668	0.386	0.875	0.001	-			
Welfare	<---	Financial Discipline	-				0.396	0.129	0.683	0.000
<i>Chi-square Goodness of Model Fit (P-value)</i>				=0.867						

**Source: Primary Data (2023)**

The results in Table 4.7 indicate that the total effect of YLF on welfare was positive and statistically significant (Coefficient = 0.668, Bootstrap Lower Confidence Interval = 0.386, Bootstrap Upper Confidence Interval = 0.875, P-value = 0.001). On the other hand, the indirect effect of financial discipline on youth welfare was also positive and statistically significant (Coefficient = 0.396, Bootstrap Lower Confidence Interval = 0.129, Bootstrap Upper Confidence Interval = 0.683, P-value = 0.000). Given that both the indirect and total effects were positive and statistically significant, it can be confirmed that there is a partial mediation of financial discipline in the relationship between YLF and youth welfare in Busitema sub-county. Furthermore, the results indicate that the direct effect of YLF on youth welfare remained significant when controlling for financial discipline, thus supporting the concept of partial mediation as suggested by Hair et al. (2017).

The partial mediation implies that financial discipline enhances the relationship between YLF and youth welfare. Indeed, when the YLF is packaged well with financial education, the youth become financially disciplined and as a result, they utilize the YLF well improving their livelihood and income levels leading to better welfare.

The diagnostic results indicate that the structural equation model (SEM) was a good fit as the chi-square p-value (0.867) was greater than the 0.05 level of significance.

## **CHAPTER FIVE: SUMMARY FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

### **5.0 Introduction**

Chapter four highlighted data presentation, analysis, and interpretation of findings. This chapter presents the summary of findings, discussion of findings, conclusions, and recommendations.

### **5.1 Summary of Findings**

The summary of findings is presented following the specific objectives of the study.

#### **5.1.1 The Relationship between the YLF and Youth Welfare in Busitema Sub-County**

The study found that YLF had a positive and significant association with youth welfare in Busitema sub-county. The findings confirm the rejection of the null hypothesis in support of the alternative hypothesis that YLF has a positive significant relationship with youth welfare in Busitema sub-county. The strong positive association infers that growth in YLF was strongly associated with an improvement in youth welfare. In addition, the findings imply that several YLF factors have significantly contributed to the enhancement of youth welfare in Busitema Sub-county. For instance, the favourable interest rates on the repayment of the youth livelihood fund, easy accessibility of funds to the beneficiaries, and the formal registration of groups facilitated better coordination and governance of the funds' which undoubtedly contributed to the effectiveness of the youth welfare initiatives.

### **5.1.2 The Relationship between the Financial Discipline and Youth Welfare in Busitema Sub-county**

The findings from the study revealed that there was a positive and significant relationship between financial discipline and youth welfare in Busitema Sub-County. The findings confirm the rejection of the null hypothesis in support of the alternative hypothesis that financial discipline has a positive significant relationship with youth welfare in the Busitema sub-county. The findings indicate that as financial discipline among the youth improves, their overall welfare also tends to improve. This could mean that when youth in the livelihood project plan for the funds before spending, save, invest in assets, and keep records of the funds received and spent, they are better able to meet their basic needs, access education, healthcare, and other essential services, leading to an overall better quality of life.

### **5.1.3 The Mediating Role of the Financial Discipline on the Relationship between YLF and Youth Welfare in Busitema Sub-County in Samia Bugwe North in Busia District**

The study also found that there was a partial positive mediating effect of financial discipline on the relationship between YLF and youth welfare in Busitema Sub-County. The findings confirm the rejection of the null hypothesis in support of the alternative hypothesis that financial discipline significantly mediates the relationship between YLF and youth welfare in the Busitema sub-county in Samia Bugwe North in Busia District. The partial mediation implies that financial discipline enhances the relationship between YLF and youth welfare. Indeed, when the YLF is packaged well with financial education, the youth become financially disciplined and as a result, they utilise the YLF well improving their livelihood and income levels leading to better welfare.

## **5.2 Discussion of Findings**

This section helped to place the findings within the broader context of existing literature and knowledge. By referencing previous studies, It highlighted how the findings contribute to the current body of knowledge, either by confirming, extending, or challenging existing ideas. The discussion is presented in line with the specific objectives.

### **5.2.1 The YLF and Youth Welfare in Busitema Sub-County**

The first objective of the study was to examine the relationship between YLF and youth welfare in Busitema sub-county. The findings revealed that YLF had a positive and significant association with youth welfare in Busitema sub-county. The findings indicate that the effectiveness of the YLF was associated with improved youth welfare in Busitema sub-county. The findings are in agreement with the previous studies which found a significant positive relationship between YLF and youth welfare (Achiro & Mwesigwa, 2023; Muhoozi, 2021; Mwesigwa & Mubangizi, 2019). These scholars observed that YLF was significantly instrumental in enhancing the youth welfare which confirms the findings from the study.

The study found out that the interest on the repayment of the funds was favourable. This implies that the interest rates set by the youth livelihood fund were perceived as fair and conducive to successful repayment. The findings are in line with that of Mwesigwa and Mubangizi (2019) who found in Hoima district that the interest on the repayment of the funds was favorable. The survey investigations showed that the livelihood funds were accessible to the existing and new groups. This implies that the programme was designed to be inclusive and open to various youth-led groups, regardless of their stage of establishment. The results are also consistent with the findings of Muhoozi (2021) in Ibanda municipality.

The survey found out that the funds acquired were not enough to run the activities initiated by the youths in their respective groups. This indicates that many youth beneficiaries were facing financial constraints in running their activities due to the limited funds accessed. The findings are in disagreement with the findings of Achiro and Mwesigwa (2023) who found that the funds acquired by the youth groups in Lira City were enough to run their activities. A bigger proportion of the respondents agreed that formal registration of groups was a pre-condition for accessing the youth funds. The agreement on formal registration as a pre-condition indicates that the programme placed importance on accountability and compliance with legal requirements. This could enhance transparency and ensure that funds are directed towards legitimate and registered youth-led groups. The findings are consistent with the findings by Nanyonga (2021) who found in Makindye division that formal registration of groups was a pre-condition for accessing the youth funds.

The results from the survey established that most of the respondents disagreed that there were no administrative fees levied on any application for the funds. The disagreement indicates that a significant number of youth groups in Busitema sub-county perceived the presence of administrative fees on fund applications. This implies that such fees could pose a financial burden on the youth beneficiaries, potentially hindering their ability to access the funds. These findings disagree with the findings of Chilefwe (2022) in Zambia which indicated that there were no administrative fees levied on any application for the funds by the youth groups.

The study further found out that there was a disagreement that the size of the funds provided depended on the request made by the group. The disagreement suggests that the youth livelihood fund programme lacked flexibility in adjusting the size of funds based on the

specific needs and requests of youth groups. This lack of flexibility could limit the programme's ability to cater for the varying financial requirements of different youth-led initiatives. The findings are in agreement with the findings of Otiende et al. (2020) who found that the size of the funds provided to youth did not depend on the request made by the group.

The qualitative findings also supported the quantitative findings that: interest on the repayment of the funds was favourable, the livelihood funds were accessible to the existing and new groups, and formal registration of groups was a pre-condition for accessing the funds by youth. These findings suggest that the programme or initiative related to the youth livelihood funds is functioning in a way that encourages repayment, offers accessibility, and emphasizes the importance of formal group registration as part of its design or policies.

### **5.2.2 The Financial Discipline and Youth Welfare in Busitema Sub-County**

The second objective of the study was to examine the relationship between financial discipline and youth welfare in Busitema Sub-County. The findings show that there was a positive and significant relationship between financial discipline and youth welfare in Busitema Sub-County. The strong positive correlation implies that as financial discipline among the youth improves, their overall welfare also tends to improve. The findings are consistent with that of other researchers who found a positive and significant association between financial discipline and welfare (Usama & Yusoff, 2018).

The results show that the youth groups in Busitema Sub-county usually plan for the funds before spending it. The agreement on planning for funds indicates that the youth beneficiaries are financially responsible and proactive in managing their finances. The

findings are in agreement with Usama and Yusoff (2018) who found in their study in Nigeria that planning for the funds before spending increased the performance of youth entrepreneurs. Similarly, findings are consistent with the findings of Pandey et al. (2020) who noted that youth who were involved in planning for their money before spending increased their welfare.

A bigger percentage of respondents agreed that they always save a proportion of the money they obtain from their income-generating activity. The agreement on saving a proportion of their earnings indicates that the youth beneficiaries prioritize financial security and have a savings habit. The findings are in line with Tuffour et al. (2022) who observed that individuals involved in saving increased the growth of their business.

Regarding investing money in assets, the survey found that most of the livelihood beneficiaries always invested their money in assets like land and houses as agreed by the majority of respondents. The consistent investment in assets like land and houses indicates that the livelihood beneficiaries prioritize wealth creation and long-term financial stability. The findings are in agreement with Lusimbo (2016) who found that investment was an important factor in improving the development of micro and small enterprises and the welfare of the youth.

The qualitative findings also show that youth in Busitema Sub-county plan for the utilization of the funds before spending them, invest the money in assets, and maintain records of both the funds received and the expenditures incurred. These findings indicate that the youth exhibit responsible financial behaviours by planning their spending, making investments, and maintaining financial records. This can be seen as a positive outcome on their welfare.

### **5.2.3 The Mediating Role of Financial Discipline on the Relationship between the Youth Livelihood Fund and Youth Welfare**

The study confirms that there was a positive mediating effect of financial discipline on the relationship between YLF and youth welfare in Busitema Sub-County. The mediating effect implies that financial discipline enhances the relationship between YLF and youth welfare in Busitema Sub-county. This shows that when the YLF is packaged well with financial education, the youth become financially disciplined and as a result, they utilise the YLF well improving their livelihood and income levels leading to better welfare. The findings are in agreement with the previous studies which found a significant positive mediating effect of the financial discipline on the relationship between YLF and welfare (Kaur & Bansal, 2020; Lontchi et al., 2022).

### **5.3 Conclusions**

The purpose of the study was to investigate the mediating role of financial discipline on the relationship between the YLF and youth welfare in Busitema Sub-county in Samia Bugwe North in Busia District. A cross-sectional descriptive research design was employed, utilising both quantitative and qualitative data collection methods. The target population included the youths from Busitema Sub-county in Samia Bugwe North Constituency in Busia District, who were direct beneficiaries of the YLP. The study tested the mediation effect using Partial Least Structural Equation Modeling (PL-SEM) with the bootstrapping method. The PL-SEM findings confirm that there was a positive partial mediating effect of financial discipline on the relationship between YLF and youth welfare in the Busitema Sub-County. The findings infer that financial discipline enhances the relationship between YLF and youth welfare.

It is concluded that when youth in Busitema sub-county exhibit greater financial discipline, it leads to enhanced utilisation and management of the YLF resources, ultimately contributing to improved youth welfare outcomes. The mediating role of financial discipline highlights the need for comprehensive interventions that focus on fostering responsible financial behaviours among youth beneficiaries of the livelihood fund.

#### **5.4 Recommendations**

There is a need by the government to broaden the Youth Livelihood Fund outreach in Busia district to increase accessibility for a larger number of eligible youth.

The government should establish financial literacy programs specifically designed for youth in Busitema Sub-County, with a curriculum focused on budgeting, saving, investing, and debt management.

The government should facilitate regular community-based workshops and seminars on financial management in Busitema Sub-County, ensuring these sessions are accessible to all youth in the livelihood program.

The government should integrate targeted training sessions on financial discipline into the Youth Livelihood Fund program, offering workshops and resource materials to guide beneficiaries in making sound financial decisions.

The government should set up access to financial counseling for Youth Livelihood Fund beneficiaries, enabling them to receive one-on-one guidance on personal finance management and investment planning.

### **5.5 Areas for Further Study**

There is a need to conduct cross-contextual studies by comparing the findings from Busitema Sub-County with other districts of Uganda. They may involve exploring whether the mediating effect of financial discipline holds true in different cultural, socioeconomic, and institutional settings.

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## APPENDICES

### Appendix I: Youth Questionnaire

Dear Respondent,

My name is **JOHN OKUMU EMORUT**, I am currently pursuing a Master's Degree in Business Administration at Kyambogo University (Reg no. 19/U/GMBA/18859/PD). As part of my academic research, I am conducting a study titled "THE MEDIATING ROLE OF FINANCIAL DISCIPLINE ON THE RELATIONSHIP BETWEEN THE YOUTH LIVELIHOOD FUND AND YOUTH WELFARE IN BUSITEMA SUB-COUNTY IN BUSIA DISTRICT." You have been kindly chosen to participate as one of the respondents in this study. Please rest assured that any information you provide will be treated with the utmost confidentiality and will be used exclusively for academic purposes. Your cooperation is kindly requested to respond to the alternatives by either ticking the appropriate option or providing a brief statement, as necessary.

<b>SECTION A: Socio-demographic characteristics of respondents</b>		
<b>S/N</b>	<b>Question</b>	<b>Responses</b>
1	Name of Parish	
2	Name of Village	
3	Gender	1=Male 2=Female
4	What is your marital status?	1=Married 2=Single 3=Widowed/Widower 4=Divorced/separated
5	What is your age?	
6	What is your highest level of education?	1=No formal education 2=Some primary 3=Completed primary 4=Some secondary 5=Completed secondary 6=Tertiary education
7	What is your main source of livelihood?	1=Agriculture 2=Formal employment 3=Small business 4=Casual labor

		5=Support from family/friends 6=Others (specify)_____
8	Which income-generating activity did you initiate from the youth livelihood fund accessed?	1=Small shop 2=Crop farming 3=Poultry 4=Cattle keeping 5=Piggery 6=Other specify_____
9	what is your religion?	1=Catholic 2= Anglican 3=Muslim 4= Pentecostal 5=Others

## SECTION B: Youth Livelihood Fund for the youth in Busitema Sub-county

### Instructions:

Use a Likert scale of 1-5 to rate the following constructs/statements where; 1- Strongly disagree [SD], 2- Disagree [D], 3- Not Sure [NS] 4 – Agree [A] 5- Strongly agree [SA].

S/N	Statements	RANKINGS				
		1	2	3	4	5
1.	The interest on the repayment of the funds was favorable					
2.	The livelihood funds were accessible to the existing and new groups					
3.	The funds acquired were enough to run the activities in our group					
4.	Formal registration of groups was a pre-condition for accessing the funds					
5.	There were no administrative fees levied on any application for the funds					
6.	The size of the funds provided depended on the request made by the group					

**SECTION C: Financial discipline of the youth in Busitema Sub-county**

**Instructions:**

Use a Likert scale of 1-5 to rate the following constructs/statements where; 1- Strongly disagree [SD], 2- Disagree [D], 3- Not Sure [NS] 4 – Agree [A] 5- Strongly agree [SA].

S/N	Statements	RANKINGS				
		1	2	3	4	5
1.	I usually plan for the funds before spending it					
2.	I always save a proportion of the money I obtain from my income generating activity					
3.	I always invest my money in assets like land, houses, etc.					
4.	We ensure that the funds received are paid back in the required period of time					
5.	We keep records of the funds received and expenditures made in our group					

**SECTION D: Youth welfare in Busitema Sub-county**

**Instructions:**

Use a Likert scale of 1-5 to rate the following constructs/statements where; 1- Strongly disagree [SD], 2- Disagree [D], 3- Not Sure [NS] 4 – Agree [A] 5- Strongly agree [SA].

S/N	Statements	RANKINGS				
		1	2	3	4	5
1.	My income has grown from the time we accessed the livelihood funds					
2.	I have acquired some assets like land, house, car, motorcycle, bicycle					
3.	I have been able to support myself or my siblings to go to school					
4.	I am able to access good medical care from a good hospital					
5.	I am able to access enough food and clean water for myself or household members					

**Thanks for your time**

## **Appendix II: Interview Guide**

Dear Respondent,

My name is EMORUT OKUMU JOHN, and I am currently pursuing a Master's Degree in Business Administration at Kyambogo University (Reg no. 19/U/GMBA/18859/PD). As part of my academic research, I am conducting a study titled "THE MEDIATING ROLE OF FINANCIAL DISCIPLINE ON THE RELATIONSHIP BETWEEN THE YOUTH LIVELIHOOD FUND AND YOUTH WELFARE IN BUSITEMA SUB-COUNTY IN BUSIA DISTRICT." You have been kindly chosen to participate as one of the respondents in this study. Please rest assured that any information you provide will be treated with the utmost confidentiality and will be used exclusively for academic purposes. Your cooperation is kindly requested to respond to the questions.

### **Questions**

1. How have you found the extent of youth involvement in access to the livelihood fund in this constituency?
2. In your observation, do you see both male and female youth involved in the livelihood fund project?
3. What is the likely amount each group is supposed to receive? (Probe whether the fund is enough for running the activities in the groups).
4. Are there requirements for accessing the YLF? (If yes, request the respondent to list some of them and also probe whether these requirements are favorable for the youth to access funds)
5. In your observation, do you see the youth involved in saving, investing, keeping records, and making expenditure plans for the funds? If yes, Explain

6. What is your take on the youth welfare since they got involved in this programme?
7. In your analysis, how has access to YLP influenced youth welfare in this constituency?
8. What is your take on the association between financial discipline (culture of saving, investment, financial planning) and youth welfare in this constituency?
9. Do you think financial discipline has played any role in mediating access to YLF and youth welfare in this constituency? (probe for the role it has played)
10. Comment on what should be done to improve YLF, financial discipline, and youth welfare in this constituency

**End of Interview**

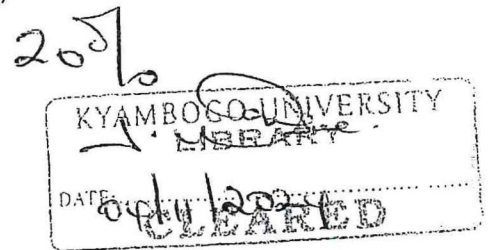


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THE MEDIATING ROLE OF FINANCIAL DISCIPLINE ON THE RELATIONSHIP  
 BETWEEN THE YOUTH LIVELIHOOD FUND AND YOUTH WELFARE:  
 A CASE OF BUSTEMBA SUB-COUNTY IN SAKHA BILWAL NORTH ILIC  
 BUSA DISTRICT

BY  
 JOHN OKUMU EMURUT  
 1904258134889 PD

A DISSERTATION SUBMITTED TO THE DIRECTORATE OF RESEARCH AND  
 GRADUATE TRAINING IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
 FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS  
 ADMINISTRATION OF KYAMBOGO UNIVERSITY

NOVEMBER, 2024