



ALLIANCE *for* AFRICAN
PARTNERSHIP

Youth Entrepreneurial Ecosystem
for **Sustainable Development**
in **Sub-Saharan Africa**

April 2022



This report contributes significantly to emerging knowledge that makes us excited about youth entrepreneurship development in Africa. There is now consensus that supporting youth entrepreneurship requires deep understanding of the youth ecosystem, and of how that system connects different stakeholders and institutions.

Richard Mkandawire

Alliance for African Partnership (AAP) is a consortium of institutions supporting work that transforms lives and addresses global challenges through sustainable, effective, and equitable long-term collaborations among African institutions, Michigan State University, and other international partners.

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FORREWORD



Richard Mkandawire

Director, Alliance for African Partnership Africa Office

This report provides an important step for increasing our understanding of the myriad and complex ecosystems encapsulating youth in Africa's rapidly changing development landscape. Sub-Saharan Africa has the youngest population globally—one that is still rapidly growing. The increasing youth population coupled with stagnating economies that are unable to generate high enough economic growth bring unemployment challenges, in particular for young people. More and more young people are entering the labor market every year, and the gap between labor supply and demand continues to widen. The United Nations estimates that Africa's 15 to 24-year-old age group will swell by about six million each year in the next decade. This is a challenge that needs to be addressed quickly.

The scoping work provides critical insight into the intense obstacles faced by youth, thousands of whom have prematurely dropped out of school systems, as well as identifying opportunities to support youth in overcoming these obstacles. Although some youth have walked through the corridors of higher education and have earned their well-deserved educational qualifications, they nevertheless find themselves stuck in a quagmire of joblessness and are slowly sliding into the informal sector to eke out a living. This scoping work, however, provides hope for the future of youth who are defining new spaces as innovators and creators of jobs.

Many have written about initiatives to address the challenge of youth unemployment, and this report contributes significantly to emerging knowledge that makes us excited about youth entrepreneurship development in Africa. There is now consensus that supporting youth entrepreneurship requires deep understanding of the youth ecosystem and how that system connects different stakeholders and institutions. From the

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Kenyan entrepreneur, Joan Kinyanjui, demonstrates bee keeping practices.

study, it is heartening to hear that various actors in the ecosystem are actively catalyzing hitherto unheralded roles to promote entrepreneurship.

This work helps African higher learning institutions reexamine approaches they have honed through decades of commitment to teaching and researching about youth in Africa. Over the past years, the consortium of Alliance for African Partnership institutions has reignited its interest in rethinking the youth question in Africa. Many of us as researchers continue to pitch youth issues at continental and global forums and speak about their energy and creativity. In a lot of ways, this has led us to opening our imaginations to the possibilities that youth might usher in for the renewal of the African continent. At the same time, we have been dismayed by the disconnect between young people and the economic, social, and political structures that govern their lives to such an extent that the human and social development of young people in Africa has been compromised. The results are evident to all: cohorts of people have become spectators to the world of work, education, decision-making, and political participation. These young people, excluded from mainstream life and lacking quality education and skills are left to piece together precarious livelihoods in dire circumstances.

Our hopes are raised by knowing that there is an emerging consensus and a sense of urgency to address the “youth question” in Africa. Many African governments agree that there is need to leverage the creative potential of the youth by, among other things, strengthening entrepreneurship initiatives to promote employment. Many training and skills development initiatives are being implemented across the continent to promote knowledge and job readiness to young people.

We are also encouraged to hear about the drive of the youth. The study has revealed that young people are keen to build youth-owned sustainable and scalable businesses across various industries. And what is even more pleasing is that young people are doing this consciously to create jobs, improve their communities, and achieve other societal goals.



AAP launch program, Dar es Salaam, Tanzania 2017
Photo: Rachel Warner

Information is emerging to increase our understanding of the role of partnerships in youth entrepreneurship development. We are excited to learn about the innovative collaborations between governments and institutions of higher learning in Tanzania, Botswana, and South Africa that are showing us the roadmap on how to promote sustained entrepreneurship outcomes among youth. These partnerships are helping key players pool resources to reach more young people with impactful entrepreneurship education. Even more critical, these partnerships draw on youth creativity, energy, and social consciousness to popularize entrepreneurship education and mobilize them to address social ills through entrepreneurship. Learning about these things is what motivates us to continue to make strides in this space in light of existing obstacles.

Many thanks to the many researchers who dedicated countless hours to gather data for this study. Thanks to AAP management for the support towards the study and the patience in guiding the research team.

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Executive SUMMARY

Youth entrepreneurship development requires a deep understanding of the entrepreneurial ecosystem that connects stakeholders and institutions. According to Mason and Brown (2014), an entrepreneurial ecosystem is:

a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organizations (e.g., firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g., the business birth rate, numbers of high growth firms, levels of “blockbuster entrepreneurship,” number of serial entrepreneurs, degree of sell-out mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment. (p. 5)

Many African governments and learning institutions agree that more efforts should be made to strengthen entrepreneurship education and training, including innovation, motivation, risk-taking, and business skills within the mindset of small and medium-sized enterprises (SMEs; Isaacs et al., 2017; Ladzani & Van Vuuren, 2002). This scoping exercise emphasizes understanding the entrepreneurship ecosystem actors and institutions engaged in youth empowerment processes to achieve entrepreneurship successes in sub-Saharan Africa. Data were collected through 304 interviews by selected researchers to explore country cases that can enable the Alliance for African Partnership (AAP) and partners, policymakers, private entities, nongovernmental organizations (NGOs) at national and institutional levels to make informed decisions and implement effective intervention policies.

The qualitative research method was applied using a multiple-case study design (Amal & Freitag Filho, 2010; Akhavan et al., 2006) to examine how existing youth entrepreneurial ecosystem actors and institutions support youth entrepreneurial activities to empower young Africans. The study further explores how youth entrepreneurs have benefitted from the ecosystem, success stories, and challenges. From nine countries

of West, East, and Southern Africa, the scoping exercise gathered data through AAP-university partners, including University of Botswana (Botswana), Egerton University (Kenya), Lilongwe University of Agriculture and Natural Resources (Malawi), Université des Lettres et des Sciences Humaines de Bamako (Mali), University of Nigeria at Nsukka (Nigeria), Makerere University (Uganda), Université Cheikh Anta Diop (Senegal), University of Pretoria (South Africa), and University of Dar es Salaam, (Tanzania).

The study report is structured into sections and country chapters that highlight the roles and actions of entrepreneurship ecosystem actors in youth empowerment processes and the experience of young entrepreneurs in navigating between their skills and the market realities. The discussions focus on success stories, challenges, and recommendations from stakeholders such as higher education institutions, policy, NGOs, financial services, government entities, youth entrepreneurs, mentors, and support structures (national and international).

The report is organized as follows: **Part A** provides an overview of the research. The first section focuses on entrepreneurship development in sub-Saharan Africa that describes existing efforts and constraints, mechanisms, and transformation in youth employment through entrepreneurship. The following section describes the methodology and how this study was conducted and how the data were analyzed. The third section of the report relates to country-country themes that emerged from different country reports. **Part B** of the research section further discusses the findings of individual study reports from Botswana, Kenya, Malawi, Mali, Nigeria, Senegal, South Africa, Tanzania, and Uganda. Each country report engages in a deeper understanding of the entrepreneurial ecosystem, actors, success stories, and changes to achieve youth empowerment. Evidence-based recommendations from these reports and the overall study can guide policymakers, actors, institutions, and partners to make informed decisions.



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PART A

Overview of the Study and Cross-Country Findings

This section presents the overview of the youth entrepreneurial ecosystem scoping study. The background to the research is introduced, followed by a detailed discussion of the research design and methodology. The cross-country findings or themes are presented next, in which we reflect on the similarities and differences across the participating countries. This section concludes with integrated recommendations and those suggested by the youth entrepreneurial ecosystem actors.

1

BACKGROUND TO ENTREPRENEURSHIP IN SUB-SAHARAN AFRICA

In global terms, sub-Saharan Africa has the youngest population: over 50% are under 25 years old (Mo Ibrahim Foundation, 2019). The growing youth population and many other factors place the continent in a demographic youth bulge and poor economic growth related to unemployment challenges (Baah-Boateng, 2016). Although more youths enter the labor market seeking employment every year, the gap between supply and demand in the labor force has been widening. The United Nations (UN) estimates that Africa's 15 to 24-year-old age group will swell by about six million each year over the next decade. Some training and skill-development initiatives have been implemented to promote knowledge and job readiness to the growing youth population for employment. However, a significant number of African youths still experience unemployment. They lack the institutional and financial background to start a business or do not have the appropriate skills to enter the labor market.

Entrepreneurship is a mechanism that could solve some of the unemployment challenges in sub-Saharan Africa. Entrepreneurship can drive innovation and economic development through the creation of business ventures, a willingness to take on financial risks to make a profit (Kim et al., 2020), and the desire to build wealth (Sathiabama, 2010). However, the entrepreneurial mentality is influenced by individual and environmental factors such as culture and institutional support (Jabeen et al., 2017). Thus, engaging youth capacity-building through entrepreneurial programs in a sustainable fashion across sub-Saharan Africa demands integrated efforts from community-university partners, local governments, and the entire entrepreneurial ecosystem. Without such integrated efforts, youth entrepreneurs will continue to experience similar challenges that affect their entrepreneurial activities.

The transformation of African economies is also an indication of the expansion of the formal and informal sectors, which is giving youth entrepreneurs the space and opportunities for the creation of new business ventures. Population growth, social inequality, and climate change in African countries, challenge youth entrepreneurs to develop resilience and identify new opportunities. As Elder and Kring (2016) state, the informal economy in developing countries is borne out of necessity because opportunities are scarce in the formal economy, and developing countries offer fragile social protection. These conditions may drive some youth members into the necessity of engaging in the informal sector.

A comparative empirical study conducted by Roskilde University on the informal economy between two settlements near large cities in Kenya (Pumwani) and South Africa (Amaoti) observed that both settlements have similarly high unemployment and high poverty rates. However, there were vast differences in informal entrepreneurship. Conditions that had existed for a long time in these areas set the tone for their informal economies. For example, in South Africa, apartheid is still being felt because of the "separate development" of the "second economy" in the slums, where business activity was essentially disallowed or utterly dependent on the "first economy" for many years. The economic dispossession caused by the Land Act of 1913 in South Africa continued through apartheid and prevented the accumulation of capital by indigenous people. Such challenges create barriers for youth in informal settlements to receive adequate entrepreneurial support primarily offered in the universities and urban areas.

A similar situation occurred during the colonial era in Kenya in the 1930s. However, the Kenyan case did not reach the separation of economies as experienced in South Africa. This study found a significant difference between the informal economies of the two settlements in Kenya and South Africa: the state's level of faith and the expectation to support them. In Amaoti, South Africa, belief and expectations in the state were high, partly due to the promises of reconstruction and development that the government undertook during the post-apartheid era. In Pumwani, Kenya, the state's support expectations are significantly lower, which is attributed to a culture that sees the state less as a regulatory figure and more of a facilitator (Kaarsholm & Frederiksen, 2019).

The contextual factors also demonstrate that an entrepreneur requires access to financial supports. Access to resources in the continent can be influenced by age, gender, and family background. Elder and

Engaging youth capacity-building through entrepreneurial programs in a sustainable fashion across sub-Saharan Africa demands integrated efforts from community-university partners, local governments, and the entire entrepreneurial ecosystem.

Kring (2016) point out that the intersection between youth and female entrepreneurs reveals the same problems that formal female laborers face, such as gender discrimination, wage gaps, and occupational segregation. These issues are still seen in the informal economy and are often more pervasive. In addition, young women face the challenges of household responsibilities, early pregnancies, early marriages, and the difficulty of getting an education. The authors argue that access to land, technology, and business skills makes it more difficult for young women to start a business. As such, young women face more entrepreneurial barriers compared to their counterparts.

Fiala (2015) conducted a study in Uganda for the International Labor Office to capture how different forms of finance affect business ventures for men and women entrepreneurs. In the study, loans were randomly assigned along with cash grants, business skills training, or a combination to participants. Findings showed that men with access to loans and training were more likely to make significant profits compared to those with loans but no training. This trend is attributed to family pressures that limited women's investments in small enterprises. Married women tend to have the most negative results, followed by women who had family nearby. Women who did best in the study were single women who lived far from their relatives. On the other hand, men overwhelmingly saw increased profits after the intervention (Fiala, 2016). This trend was attributed to men benefiting from family employment and capital accumulation. The constraint to a healthy entrepreneurial atmosphere in this study of Central and Northern Uganda was that social and cultural norms inhibit women's abilities to achieve positive business outcomes.

One of the longstanding questions is how education could encourage entrepreneurship among the youth population. Entrepreneurship education lays the groundwork for understanding entrepreneurial ideas, innovation, and creative thinking (Jones & English, 2004). It is widely known that strong entrepreneurship

training programs can positively affect entrepreneurial outcomes for young entrepreneurs (Ho et al., 2018). Across Africa, governments and higher education institutions are the leading training providers. Vocational schools, NGOs, and other training entities also support entrepreneurship learning to facilitate youth integration in the labor force. Programs that train in skill development to grow businesses and improve employability operate within a variety of systems (government entities, private sector services, and policy and market systems) that also influence the youth entrepreneurial ecosystem.

In Tanzania, the National Economic Empowerment Council created a plan in 2017 to optimize a regulatory framework, enhance entrepreneurship education and skill development, facilitate technology exchange and innovation, improve access to finance, and promote awareness and networking within the country. This program called for collaboration between government and higher learning institutions through grants or funds that stimulate innovation by establishing incubators and innovation labs. The goal has been to promote "edutainment" that captures youth interest in entrepreneurship and create capacity-building programs for entrepreneurship teachers at all levels. Another idea that stood out of the plan suggested having a network of schools and colleges working together with communities and the private sector to deliver effective entrepreneurship curricula. This large multistep plan was also developed to stimulate interest and create partnerships among academia, government, and the private sector to empower new entrepreneurs by educating and involving them in real-life experiences.

Another program that affects youth, especially student entrepreneurs, is South Africa's Entrepreneurship Development in Higher Education (EDHE). The EDHE was established in 2016 by the country's Department of Higher Education and Training to "mobilize the national student and graduate resource to create successful enterprises that will ultimately lead to wealth and job creation." The program also focuses

on supporting academics in their quest to establish an entrepreneurial mindset. The program also aims to create a conducive environment for successful business ventures.

A 3-year project was created between BA ISAGO University in Botswana, and the Kellogg Foundation called the “Zooming Approach to Entrepreneurship” (Raditloaneng & Chawawa, 2015). Project partners designed and implemented training with young individuals in the D’Kar San community to reduce poverty and related social problems. The training focused on the logistics of starting and running a business, the soft skills of business management, and encouraging participants to consider self-employment as a viable career route. The project partners identified the “top three origins of new ventures”: prior work experience, family traditions, and hobbies. The training also identified requisite values for entrepreneurship, including passion, vision, strategic planning, creativity, innovation, efficiency, perseverance, and self-confidence.

Likewise, an entrepreneurship mindset should be cultivated among youth in Africa. Most young people engage in entrepreneurship by default because of a lack of a primary employment option and acquire no formal entrepreneurship training background (Jabeen et al., 2017). Makerere University and Uganda Christian University implemented a program to develop training on entrepreneurial self-efficacy, action knowledge, action planning, entrepreneurial goals, entrepreneurial action, business opportunity identification, and business ownership. An experimental study was designed after the training to evaluate the impact of entrepreneurial mentality on the trainees. Compared to the control group, the experimental group was 50% more likely to start a business. The training significantly affected almost all of the factors mentioned above in the experimental group.

In addition, the digital boom of the 21st century comes as both an opportunity and a challenge that African youths face in transforming economies. In his book, *Young World Rising*, Salkowitz (2010) describes how youth, new technology, and entrepreneurship opportunities contribute to a changing world. The unique specificity of this transformation comes from the “bottom up.” Using case studies on young entrepreneurs in resource-poor countries, Salkowitz explores how youth could successfully benefit from support to sustain their enterprises. The author claimed that youth’s success depends considerably on the increasing access and falling cost of information and communication technology. This implies that

access to basic infrastructure such as information and communication technology (ICT) can be an asset to entrepreneurship success. The lesson learned from this study reflects the challenge that young entrepreneurs in rural areas face when starting their careers in places that lack basic physical infrastructure, such as communication capacities, sanitation, clean water, and health care. Conditions like these can be exacerbated by poverty and political instability.

For young entrepreneurs to succeed, barriers to business development such as the lack of infrastructure and political stability, inadequate curriculums and learning practices, and the lack of entrepreneurial support and interest must be addressed (Shambare, 2013). It is essential to remove these barriers while maintaining effective partnerships and restoring market-oriented entrepreneurship training. Examples of this are the booming entertainment industry and the high-tech sector in Nigeria. Other countries in high-tech industries are Ghana, Kenya, Rwanda, and Uganda (Salkowitz, 2010).

In terms of employment opportunities and patterns for youth, the informal economies in Africa are primarily in agriculture and related sectors. According to the International Labor Organization (ILO) 2020 report, agriculture is the primary source of employment for about 50% of young people in Angola and Tanzania. The report also indicates that even though extreme poverty among young people is decreasing globally, instances of it are still notably higher in sub-Saharan Africa (ILO, 2020).

This multicase study explores skill development and entrepreneurship initiatives’ social, economic, and institutional contexts to identify success scenarios, challenges, and limitations to youth empowerment in sub-Saharan Africa. A particular focus was to explore youth empowerment and the entrepreneurship ecosystem in East, West, and South Africa. Further investigations focus on entrepreneurship training, incubation and mentorships, economic sectors, and institutional challenges facing youth empowerment efforts in Botswana, Kenya, Mali, Malawi, Nigeria, Senegal, Southern Africa, Tanzania, and Uganda. Data in these countries are supported by a scoping exercise conducted in collaboration with universities and partners.

2

RESEARCH DESIGN AND METHODOLOGY

RESEARCH DESIGN

Research on the youth entrepreneurial ecosystem in Africa is still in the nascent stages. Qualitative research is essential when exploring topics still in the early stages, which can contribute to theory development (Bansal, Smith & Vaara, 2018). This study employed a qualitative research design to explore the emerging insights on the youth entrepreneurial ecosystem in sub-Saharan Africa. The study used a multiple-case study approach to explore how extant youth entrepreneurial ecosystem actors support entrepreneurial activities as well as exploring how youth entrepreneurs have benefited from ecosystems. The inductive approach was used to gather insights from participants and generate new themes to enhance our understanding of youth entrepreneurial ecosystems.

CASE SELECTION AND MOTIVATION

The study focuses on Botswana, Kenya, Malawi, Mali, Nigeria, Uganda, Senegal, South Africa, and Tanzania. The countries were selected based on their contribution to African GDP, the development of the youth entrepreneurial ecosystem, and higher learning institutions' contribution to entrepreneurial activities. Each participating country was selected as a case and was represented by a university that has partnered with AAP:

1. Botswana (University of Botswana)
2. Kenya (Egerton University)
3. Malawi (Lilongwe University of Agriculture and Natural Resources)
4. Mali (Université des Lettres et des Sciences Humaines de Bamako)
5. Nigeria (University of Nigeria at Nsukka)
6. Uganda (Makerere University)
7. Senegal (Université Cheikh Anta Diop)
8. South Africa (University of Pretoria)
9. Tanzania (University of Dar es Salaam)

We focused on different industries in each country. These industries include financial institutions, community leaders, higher educational institutions (universities and vocational training); policymakers; departments of small business development; NGOs; private organizations; support structures (intermediaries), mentors/leadership (see [Figure 2-1](#) for case mapping).

THE EMBEDDED UNITS OF ANALYSIS

The purpose of the research study was to understand the level of support from higher education institutions and other stakeholders to youth entrepreneurial activities. As such, our embedded units of analysis are youth entrepreneurial ecosystem successes and challenges.

PARTICIPANT SELECTION

The population of the study consisted of different actors within the entrepreneurial ecosystem who play a supporting role in advancing entrepreneurship in sub-Saharan Africa. A nonprobability, purposive sampling approach was used to select the study's participants. Purposive sampling ensured that the chosen participants were actively engaged in entrepreneurial activities and would provide insights that could answer the study's research questions (Saunders, Lewis & Thornhill, 2009). We used Stam's (2015) elements of an entrepreneurial ecosystem (e.g., finance, knowledge, support services, and formal institutions) to identify the key actors. The actors were selected based on their business activities in the previous 5 years, engagement in youth entrepreneurial development programs or activities, or involvement any other support dedicated to youth entrepreneurship. We selected youth entrepreneurs between 19 and 35 years, had business ownership experience of more than 5 years, whose business location was rural or urban, and who conducted business activities in the selected industries.

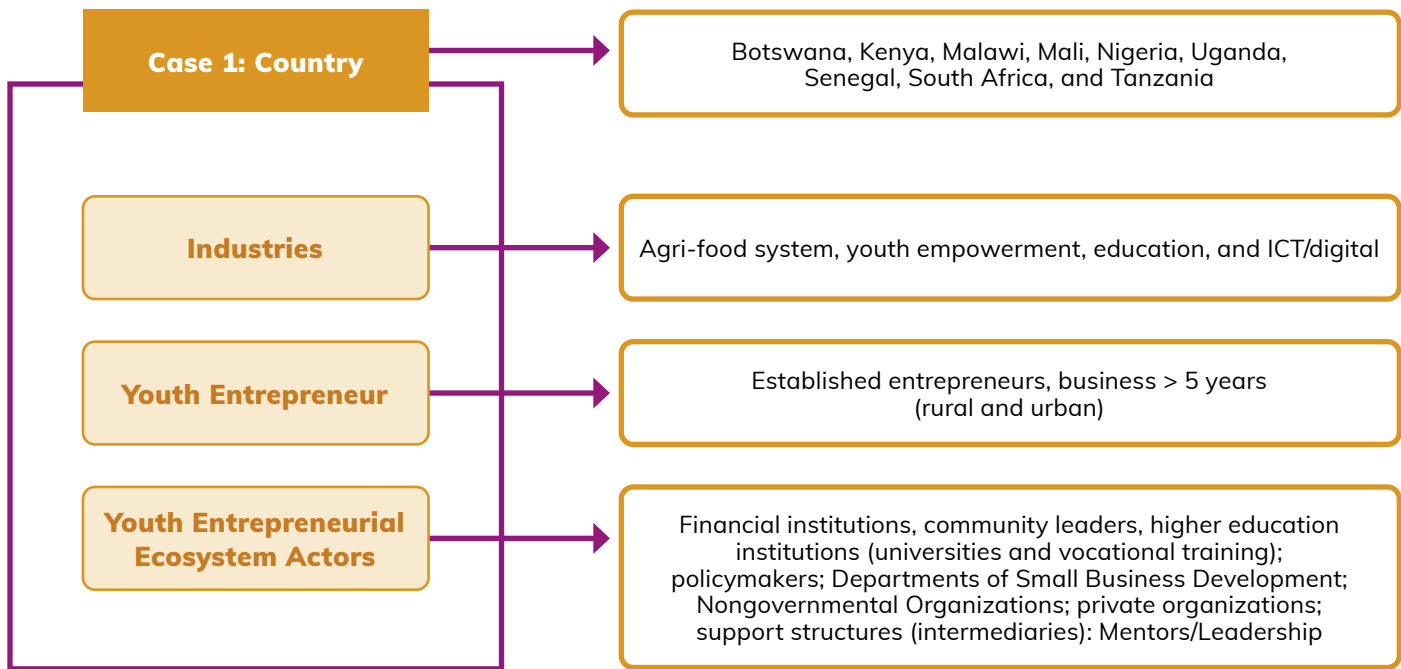
SAMPLE SIZE

The final sample size numbered 304.

Total sample size per country: Botswana (28), Kenya (30), Malawi (41), Mali (41), Nigeria (40), Uganda (34), Senegal (32), South Africa (25), and Tanzania (33).

Total sample size per participants' roles or organizations: youth entrepreneurs (99), NGOs (21); private organizations (28); financial institutions (20); higher education institutions (55); policymakers (17); support structures (27); Departments of Small Business Development (14); mentors/leadership/community leaders (23), and others. (See [Table 2-1](#).)

Figure 2-1 Youth Entrepreneurial Ecosystem Research Case Mapping



DATA COLLECTION

Data across the countries were collected through semi-structured interviews by researchers in the participating institutions. The interview guide is in **Appendix A**. These interviews enabled the researchers to probe and ask for clarification during the interview process. The interview guide was designed based on the existing literature, following the principle by Stam (2015). Due to the COVID-19 social distancing and lockdown regulations in the participating countries, we used hybrid interviewing methods, including online platforms such as Skype, Zoom, and Microsoft Teams, and, where possible, face-to-face. The interviews lasted an average of an hour. Before the discussions could begin, the researchers asked participants to sign a consent letter to ensure they agreed to voluntary participation in the interviews.

In addition, the researcher sought permission to record the interviews and take notes. In cases where permission to record was not granted, the researcher took field notes. The recorded interviews were submitted to the AAP offices and stored in a secure place.

DATA ANALYSIS

Data analysis happened in two phases. Phase I focused on within-country analysis conducted by the country researchers. Before data analysis could begin, the recorded interviews were transcribed manually. After the transcription, the researchers listened to the interviews to ensure that information was not lost during the transcription process.

After checking the quality of the data, a six-step thematic content analysis was used to analyze the data (Braun & Clarke, 2006). First, the researchers closely read the interview transcripts and removed possible identifiers. Second, the interview transcripts were loaded onto data analysis software. In some cases, Microsoft Word and Excel were used to analyze the data manually. Third, coding began by assigning labels or codes to the information on the participants' transcripts. The researchers ensured that the codes were closely aligned with the participants' responses. Once the codes were identified, the fourth step involved the formation of categories. The codes with similar meanings were together into categories and assigned unique labels. In the fifth step, the categories were grouped into themes, which were presented as the study findings. Finally, the designed themes were reviewed against the existing literature to ensure rigor and robustness.

Across case, analysis was conducted in Phase II, where data patterns across the different countries were analyzed to provide a comprehensive overview of youth entrepreneurial ecosystems in sub-Saharan Africa. For example, the focus was on analyzing the similarities and differences in the success factors and challenges that emerged from the data. The data were also analyzed for key themes. The final across-case analysis resulted in these themes:

Table 2-1 Sample Size per Country and Entrepreneurial Ecosystem Actors

ENTREPRENEURIAL ECOSYSTEM ACTORS	Botswana	Kenya	Malawi	Mali	Nigeria	Uganda	Senegal	South Africa	Tanzania	TOTAL
NGOs	1	3	4	2	3	2	2	2	2	21
Private Organizations	3	5	5	2	3	4	0	3	3	28
Financial Institutions	2	3	2	2	3	2	0	3	3	20
Higher Education Institutions and Vocational Programs	5	2	8	12	8	6	4	3	7	55
Policy	1	2	2	6	2	2	0	0	2	17
Support Structures (Legal, Technical Experts, Account)	3	2	3	4	3	3	5	1	3	27
Departments of Small Business Development	1	1	2		2	3	2	1	2	14
Mentors/Leadership/Community Leaders	2	4	5	2	3	0	4	2	1	23
Young Entrepreneurs	10	8	10	11	13	12	15	10	10	99
TOTAL	28	30	41	41	40	34	32	25	33	304

- Sustainable entrepreneurship development outcomes;
- Entrepreneurial skill gap and training capacity building;
- Entrepreneurial ecosystem actors' collaboration through integrated systems thinking;
- Developing the youth entrepreneurial mindset;
- Youth specific entrepreneurship programs;
- Exploiting the market and digital frontier.

DATA QUALITY

The quality of the data involved trustworthiness, credibility, and transferability (Daniel, 2019). To ascertain the reliability of the findings, the researchers reported that the data presents the participants' opinions. This was further demonstrated by providing a clear and systematic approach for analyzing the data. The credibility aspect of data quality was ensured by engaging with the participants during data analysis to verify the preliminary outcomes of the findings. Transferability of the research findings was achieved by describing the research context and looking for patterns in other cases. In some countries, there were multiple researchers involved in data collection. Including multiple actors as part of the research the strategy was one way of triangulating the findings. Finally, data were triangulated by interviewing different entrepreneurial ecosystem actors.

ETHICAL CONSIDERATIONS

The researchers maintained ethical principles throughout the execution of the research project. In the data collection stage, the researchers applied for ethical clearance at the local university. Before the interviews began, participants known to the researcher were assured of anonymity when reporting data. Participants were given a consent letter to sign to show that they voluntarily participated in the research and could withdraw at any time. Youth below the age of 19 were not allowed to participate in the study. When reporting the findings, the researchers ensured that the participants were anonymous. Finally, the gathered data were stored without identifies.

LIMITATIONS

This study achieved suitable sample sizes for each country that in turn allowed for cross-country comparisons. However, the data were limited to industry- or actor-specific generalizations. In addition, this research was about exploring the state of the entrepreneurial ecosystem at a particular point in time. Therefore, future studies should consider quantitative studies with longitudinal time dimensions to investigate entrepreneurial interventions on sustainable entrepreneurial outcomes. Lastly, the research demonstrates that the entrepreneurial ecosystem is still nascent. Therefore, the future longitudinal studies should investigate the emergence of the entrepreneurial ecosystem in the African context.

3

CROSS-COUNTRY ANALYSIS AND THEMES

Across-case analysis was conducted to identify the themes that emerged from the data. The findings demonstrate that there were patterns of entrepreneurial experiences that were similar across the different countries. The patterns were observed across the countries and formalized into themes (displayed in **Figure 3-1**) that explain the role of youth entrepreneurial ecosystem actors in supporting sustainable youth entrepreneurial activities. The differences and uniqueness of the cases are presented in the country chapters.

Figure 3-1 Key Themes



SUSTAINABLE ENTREPRENEURSHIP DEVELOPMENT OUTCOMES

The findings demonstrate that all entrepreneurial ecosystem players contribute towards sustainable entrepreneurial outcomes. The ecosystem actors' successes in entrepreneurial activities are also aligned with the UN's sustainable development goals. Six primary sustainable entrepreneurial development outcomes emerged from the findings. The first set of outcomes are the entrepreneurial mindset and skills development. This outcome was achieved by institutions of higher learning, private sector training organizations, and NGOs that focus on training. The NGOs mainly focused on empowering youth entrepreneurs in rural areas who do not have access to formal educational systems. Mentors and other support personal also contribute to skills development by providing indirect skills transfer through mentoring engagements. Although entrepreneurship education is still nascent, various training providers are constantly working on instilling an entrepreneurial mindset.

Second, building youth-owned sustainable and scalable businesses across various industries. The ecosystem actors shared that youth entrepreneurs who receive adequate and relevant support from their interventions can engage in entrepreneurial activities. The support received enabled the entrepreneurs to engage in start-up activities, run new businesses, and expand the established companies. Youth entrepreneurs reported that interventions from other actors equipped them with the business management tools to run sustainable businesses. Some of those tools included communication and marketing plans, customer base expansion, customer satisfaction and recognition, the acquisition of new equipment, and the exploitation of digital technology.

Third, economic outcomes focus on digital technologies, job creation, and social impact projects. Another significant outcome emphasized by the actors, especially entrepreneurs, is job creation. Some of youth enterprises were able to create jobs that benefited their communities. These findings highlight that a focus on youth entrepreneurs will significantly reduce the high unemployment reported in most African countries. The advent of the internet and digital technologies are changing the business environment. Youth entrepreneurs emphasized the significance of exploiting digitalization to grow their businesses. Finally, innovation is an essential antecedent of economic growth. Youth entrepreneurs who participated in the study could develop innovative solutions to solve challenges within their communities.

The fourth outcome is the formation of integrated partnership opportunities to support the development of youth entrepreneurial activities. The findings showed that most countries are starting to formulate partnerships that drive sustainable entrepreneurial development. Although most of these partnerships are still fragmented and nascent, they have achieved some entrepreneurial outcomes. The partnerships were found among youth entrepreneurs who partnered with similar organizations; partnerships of youth entrepreneurship with other actors which could expose them to international markets; collaborations among ecosystem actors to cocreate entrepreneurial and business solutions. Smaller countries like Botswana with saturated local markets emphasized developing global partnerships to facilitate access to markets beyond Botswana.

The fifth outcome is providing entrepreneurial resources, including funding to support start-up activities and expanding youth entrepreneurial ventures. Most African countries are faced with uncertainty and scarce resources. Despite the longstanding lack of resources, entrepreneurial actors used what was available to support entrepreneurial activities. Access to start-up capital is a challenge reported by most entrepreneurs. The findings show that some organizations were able to provide funding to youth entrepreneurs, and they offered nonfinancial resources required to run a successful business.

Lastly, findings demonstrated that some of the entrepreneurial projects executed by various actors had a social impact. The actors were able to reach youth entrepreneurs in the rural areas and provide them with adequate support. This was done to ensure that entrepreneurial empowerment is inclusive.

ENTREPRENEURIAL SKILL GAP AND SUSTAINABLE TRAINING CAPACITY BUILDING

Traditional curriculums have trained African youth to work for the formal sector, leaving little space for innovation or creativity. Entrepreneurship training is a common challenge in all the countries that participated in this study. Although universities, vocational schools, and NGOs contribute to entrepreneurship training, there is a noticeable skill gap in every country. Multiple training and skill development programs have been initiated to support employment and prepare the workforce to meet market demands. Despite those initiatives, African youths still face unemployment because the skill set they acquire is often incompatible with the labor market (Yu, 2013; Mlatsheni & Rospabé, 2002). In addition, the social, individual,

and environmental factors may not necessarily align with the training to enter the workforce. Data indicate that the gap between job seekers and employment expands every year in South Africa. This is partly due to supply-and-demand issues, given that young Africans do not always have the appropriate training when they enter the labor force. The study reveals that youths lack the marketing skills to sell their talents to potential investors or employers. Inadequate branding and marketing skills also reflect the type of training students receive in Kenya. Communication and business management are parallel and must be developed in entrepreneurship training. For example, in Mali, up-skilling and capacity building come through communication and commitment, leading to successful entrepreneurial ventures.

Many African higher education institutions are public-owned universities with a mandate to train youth not to be solely part of a service society but also independent producers. However, limited resources and capacity, combined with long-term tenure of public officials, limit youth employment in the formal sector. This reinforces youth's lack of appropriate skills and experiences, which limits their ability to enter private or cooperative industry. The problem is that youth people are not trained with the right skill sets to expand and be creative beyond the public sector. Education and training, along with other factors such as experience and job readiness, must be jointly addressed with all stakeholders engaged in the ecosystem (Van Aardt, 2012). The findings show that graduates from TVET in Kenya are ready to be "employed or self-employed," partly due to the training and skill development that students received during their education at TVET.

Likewise, universities and vocational programs in Mali and Malawi are more likely to promote training for self-employment. The question is how governments, financial institutions, and potential partners can encourage the informal sector through self-employment to thrive. In Uganda, the momentum for self-employment is high; however, most self-employed youth enterprises (SMEs) are unsuccessful and often collapse a few years after start-up (see chapter 14). Although most students engage in self-employment following graduation, family background and access to financial literacy and resources are crucial for start-ups or youth entrepreneurship (Fahed-Sreih et al., 2009; Nordqvist & Melin, 2010). Improving entrepreneurship training to match the demands should include strong partnerships that include multiple stakeholders and strategic plans that enable innovation and employment.

Empowerment is not simply a word; strategies and resources should accompany it. This study reveals that the lack of access to funds, technology, land, ICT, and markets hinders youth entrepreneurship. Information sharing and access to valuable resources and services are as important as training to empower youth in Africa. This study shows that strategic partnerships and collaborations with business practitioners, governments, educational institutions, and financial institutions could facilitate the transition from skills development to youth ready to be entrepreneurs.

ENTREPRENEURIAL ECOSYSTEM ACTORS' COLLABORATION THROUGH INTEGRATED SYSTEMS THINKING

Youth's needs in Africa are dynamic and transforming; there is no single solution to youth empowerment. Collective and collaborative thinking could provide tremendous solutions to emerging problems. Systems thinking appears appropriate to tackle youth entrepreneurship challenges because it enlarges the repertoire of understanding and choices to solve issues using different courses of action (Arnold & Wade, 2015; Cabrera et al., 2008). Several institutions are working to empower youth in Kenya, Nigeria, South Africa, Uganda, and Mali; however, there is no clear data on whether youth are empowered and how sustainable these empowerment efforts might be. This calls for a more holistic and systematic assessment in order to create new strategies that work.

Training is one thing, but youth access to capital and credit is another thing. Across the countries, access to adequate resources, financial, material, or natural is a barrier youth entrepreneurship and empowerment. This country case study reveals collaborations as the vehicle for supporting youth empowerment through business entrepreneurship. Participants argue that reviewing educational curriculums can be more effective if governments, the private sector, and NGOs come together to define the needs of labor markets and design education based on those needs. This approach must add young people into the conversation because they are at the forefront of change or innovation in their respective countries (Ile & Boadu, 2018). It is particularly essential to determine industries and areas of employment so training can be focused to match the needs. The goal is to promote local employment through training, mentorship, leadership, and community engagement.

DEVELOPING THE ENTREPRENEURIAL MINDSET

Entrepreneurship education can influence learners' intentions and mindsets (Handayati et al., 2020). Data show that most youth involved in business ventures do not have the necessary training or skills to maintain a business. Thus, young people and educators' lack of an entrepreneurial mindset is a common challenge that youth entrepreneurs and ecosystem actors face. In addition, critical support structures are often reluctant to invest in youth with limited experience in entrepreneurship. The question of reliability and accountability appears to be another barrier to access of resources. Some youth entrepreneurs in the continent tend to think that any funding from their government is a public good to which they are entitled with no costs or obligation to repay. The myths are that youths often lack experience, cannot be trusted to repay loans, and lack collateral so that some financial institutions find it hard to provide investments. This issue is particularly pronounced with self-funded entrepreneurs, people with disabilities, women, and low-income households or rural areas. The strategic partnerships should encourage credit and loan schemes to enable youth to secure loans to start small to medium enterprises (Agnes, 2010). Having a mindset focused on free services, handouts, and rapid gains, undercuts entrepreneurial readiness and sustainability (see reports of Kenya, Mali, Botswana, and Nigeria).

In addition, other reports point out that many youth entrepreneurs do not consider paying loans back on time or keeping records as part of their responsibility to attract investors. Other youths believe that the government is the only employer, and therefore they wait for the government before being entrepreneurial. The entrepreneurship mindset can be cultivated through transformative forces such as internships, mentorship, and digital learning across businesses and incubators for start-ups with the support of government interventions and private sector engagements. This could facilitate, through systemic change, access to funds or loans to start a business (Young et al., 2020). Most of the youths interviewed in this study raise financial needs as one of the impediments to success (see country reports, chapters 6–14).

In addition, the partnership must also engage rural young populations in training and collaborations that focus on agribusiness, market information, and credit services. Agribusiness is a strategic sector that can increase youth employment in rural Africa (Yami et al., 2019). Governments, private entities, and other partners in the ecosystem should leverage this opportunity to engage more youths in the workforce.

YOUTH-SPECIFIC ENTREPRENEURSHIP PROGRAMS

The mantra of building out of anything is an African value that needs to be nurtured to enhance youth African's innovation and entrepreneurship skills. Unfortunately, creativity and innovative spirit are latent and are not necessarily reflected in entrepreneurial activities. In many cases, most of the youth programs are designed and implemented for youth in the continent. Although there are a limited number of youth-led entrepreneurship initiatives, this study recognizes that youth must be a part of the solution because their participation in programs could foster entrepreneurial impact. In Malawi, the Ministry of Youth, the minister of labor, and the National Youth Council (NYCoM) are engaged in youth development programs.

Likewise, the Ministry of Employment and Youth programs of Mali and the Ministry of Commerce for Small and Medium-Sized Enterprises in Senegal invest in training and support youth employment initiatives. Youth-led programs, on the other hand, are rare. This is true across all the countries we studied, with a few exceptions. In Nigeria, Kenya, and South Africa, youth take initiatives to start a business. However, a lack of local roads, power supplies, and credit hinder entrepreneurship opportunities. In Botswana and Malawi, policy recommendations have been made to encourage local, citizen, and youth ownership of businesses. However, evidence the supports the impact of such efforts is blurry. For youth empowerment programs to succeed, meaningful participation in the decision-making process based on transparent engagement is a precondition (Yohalem & Martin, 2007).

Thus, individuals, institutions, organizations, and communities should create opportunities for initiatives. This includes nurturing young people to plan, participate in decision making, and reflect on contexts that matter to them. Adult-young adult relationships are built on trust through training and policy action. Youth-led programs can come from opportunities that actors in the ecosystem generate with young people, which in turn provides skillset development in livelihood creation and leadership (Youth Build, 2021).

EXPLOITING THE MARKET AND DIGITAL FRONTIER

The needs of young people vary across time and space (Assaad & Roundi-Fahimi, 2007). Entrepreneurship, being dynamic, evolves according to market demands. A digital presence in Africa is not only an opportunity but also a challenge to young entrepreneurs.

Thus, digital platforms have tremendous impact on agricultural production in sub-Saharan Africa (Adegboye, 2020). Social media and mobile technology have transformed how young people do business, including access to market information, mobile banking and transactions, and other forms of communication. This is an excellent opportunity for African youth, but it may exclude young entrepreneurs with limited digital skills, networks, and resources. Market digitalization also calls for more significant competing interests. The digital divide among rural and urban youth, mentors, and young entrepreneurs is a challenge to promoting youth empowerment through entrepreneurship development. The lack of digital education for advertisement and marketing impedes entrepreneurship across the countries, especially with illiterate entrepreneurs. In addition, this study also points out that digital platforms to foster networking and partnership building, access to markets, and distance learning could benefit young entrepreneurs.

CONTEXT

According to Welter (2011), the entrepreneurial context can be classified as social, business type, institutional, and spatial/infrastructure. The study's findings demonstrate that various contextual dimensions play a significant role in promoting youth entrepreneurial activities. All the countries that participated have an underdeveloped youth entrepreneurial ecosystem. The data revealed infrastructural challenges such as power shortages and network coverage, poor access to finance, lack of integrated ecosystem actor frameworks, and a lack of social acceptance of entrepreneurship as a career. However, the level of underdevelopment is not the same in all countries. For example, some institutions in Botswana have compulsory entrepreneurship modules for all college or university seniors, whereas entrepreneurship is offered to business management students in some countries. In Mali, entrepreneurship training is almost nonexistent in most higher education institutions, and the entrepreneurial mindset remains underdeveloped. The findings show that although most countries are experiencing similar challenges, the country's context should be considered when designing entrepreneurial interventions. The country research chapters in this report highlighted some of the nuances among the entrepreneurial actors.

4

RECOMMENDATIONS

The summary of the key recommendations is discussed in this section, followed by those raised by entrepreneurial ecosystem actors.

- The data reveal that the higher education institutions and other vocational institutions should provide tailor-made entrepreneurial curriculum, programs, and degrees, develop entrepreneurship program facilitators, and establish an entrepreneurial support system for incubating and exploiting youth entrepreneurial activities. Also, institutions should partner with the private sector, alumni, and local experts to close the gap between theory and practice, and they need outreach programs that cater to the disadvantaged youth.
- The ecosystem actors, including the government as the key stakeholder, should create a conducive environment by promoting youth-specific funding mechanisms, access to markets, policies, infrastructure, and support programs contributing to sustainable youth entrepreneurial activities within and beyond the local borders.
- The existing entrepreneurial ecosystem programs are fragmented, resulting in a duplication of activities; therefore, there is a need to have intermediary institutions or agents coordinate the entrepreneurial activities towards a common goal. Also, the data show that there is an opportunity for African countries to learn best practices from each other to strengthen the youth entrepreneurial activities.
- The entrepreneurial ecosystem should be built from the entrepreneur's perspective, focusing on enriching the entrepreneurial mindset and skills and driving towards entrepreneurial activities aligned with sustainable development goals.

- Existing entrepreneurial incubation centers should build high-growth youth business ventures with sustainable business models for long-term success. Innovating to solve African problems should be the focus of some of the programs.
- Youth entrepreneurs are faced with the liability of "newness," making it difficult to access local markets, especially when there are established players. The recommendation is to work towards inclusive industries, strengthen emerging markets, and promoting intra-African trade. Youth could be part of the African experiential exchange program, where they learn about other countries.
- The entrepreneurial ecosystem actors suggested developing a strategic youth entrepreneurial program with implementation, impact, monitoring, evaluation, and governance frameworks to ensure that the programs are well-run and achieve desired outcomes.
- The advent of digitalization is introducing the digital youth entrepreneurial ecosystem. Although this is progressive, there is the challenge of a digital divide among entrepreneurial ecosystem actors, including youth in rural areas. There must be a digital strategy that will be inclusive of all entrepreneurial actors.
- Finally, the data reveal that some entrepreneurs in rural areas have limited access to entrepreneurial ecosystem activities; there is a need to develop an inclusive strategy to enhance their participation within the system.

The entrepreneurial ecosystem should be built from the entrepreneur's perspective, focusing on enriching the entrepreneurial mindset and skills.

RECOMMENDATIONS FOR HIGHER EDUCATION INSTITUTIONS

- There must be specialized entrepreneurial programs for graduates. Although the study did not focus on primary school education, the findings show that entrepreneurship education must be incorporated at early stages of education.
- The higher institutions' development of the entrepreneurial ecosystem must be done in collaboration with other stakeholders. In some institutions, entrepreneurship is offered as a stand-alone course or degree; therefore, the participants recommended that entrepreneurship education should be introduced across degree programs.
- Entrepreneurship teachers must have some form of entrepreneurial experience that will enhance their teaching methodologies. There must be continuous development of entrepreneurship teachers.
- There must be coordinated efforts to bridge the gap between theory and practice.
- There must be articulated criteria for selecting entrepreneurial students to be part of the program, focusing on willing entrepreneurs with a passion for solving societal issues.
- Institutions of higher education must collaborate with other ecosystem actors to avoid duplication of activities.
- Institutions must provide seed capital to support students with bankable ideas and provide relevant resources. Also, other stakeholders must provide friendly financing options for entrepreneurs.
- Universities could use alumni and local experts to serve as mentors, coaches, and funders of student entrepreneurial activities.
- The entrepreneurial training program must not be generic but specific to student entrepreneurs' needs focusing on ideation, start-up, and business development. Also, universities must use local case studies aligned with the context.
- The design of the entrepreneurship programs should consider the local context, in particular in countries with bigger classes, where teaching many students is a challenge.
- Universities must have inclusive awareness programs targeting youth in rural areas.
- There must be continued student entrepreneurial engagement to understand the challenges that they are facing.
- Universities must leverage their existing partnerships to build entrepreneurial ecosystems.

YOUTH ENTREPRENEURS RECOMMENDATIONS

- Universities must provide entrepreneurship-specific training aligned with youth's entrepreneurial needs.
- Government should provide a conducive environment and tailor-made interventions to support youth entrepreneurial activities. Funding opportunities such as loans must be tailor-made for youth entrepreneurs. Also, the existing organizations can be incentivized and receive tax reductions to support youth entrepreneurial activities.
- Some of the local markets in the selected countries, such as Botswana, have saturated local markets. Therefore, the government should focus on introducing international business activities to empower youth entrepreneurs.
- The youth entrepreneurs suggested that an intermediary body must offer support and ensure fair competition for government grants.
- Youths suggested that government agencies should have clear funding policies aligned with entrepreneurial activities. In addition, there must be robust monitoring and evaluation of the funding policies to ensure that suitable candidates receive funding.
- Youth participants suggested that there should be an integration of multiple stakeholders and proper communication channels.
- Government should invest in understanding the day-to-day challenges of youth entrepreneurs and develop mechanisms to address those challenges.
- Finally, youth entrepreneurs must not be treated as homogenous groups, but their characteristics such as family background and culture should be considered when designing youth entrepreneurial interventions.
- There must be infrastructure support for entrepreneurial activities.
- There is a need to establish entrepreneurial hubs to support youth entrepreneurs and provide access to experienced entrepreneurs.
- Youth entrepreneurs suggested that there must be masterclasses for university graduates focusing on personal development. These masterclasses should concentrate on the growth orientation needed for entrepreneurial businesses.

PRIVATE SECTOR PARTICIPANTS

- The practitioners emphasized the need to develop sustainable business models focusing on the youth entrepreneurial growth postgraduation.
- Private organizations focusing on youth entrepreneurship must have articulated areas of focus to ensure that their programs are effective and align with the other stakeholder actors.
- The government support structures should focus on building high-growth youth entrepreneurial ventures with a significant economic impact.
- Private actor players can collaborate to create youth entrepreneurial funding schemes for capacity development of youth entrepreneurial businesses.
- Private sectors can contribute by building sustainable entrepreneurial incubation centers to support youth entrepreneurial activities. Also, there must be a framework that will govern the incubation centers' entrepreneurial activities.
- Private sector actors emphasized a need to develop stronger practice–university collaborations that will facilitate technology transfers.
- The private sector can play a significant role in monitoring, evaluating, and governing government programs.
- The private sector could play a role in building social capital and networks among the various entrepreneurial ecosystem players.
- Finally, private sector actors emphasized that the institutions of higher learning should focus on enhancing the entrepreneurial mindset.

FINANCIAL INSTITUTIONS

- Members of financial institutions mentioned that they could support youth entrepreneurs beyond start-up activities to scaling. Thus, funding must be available to help scale businesses.
- Similar to the youth entrepreneurs' recommendations, financial institutions suggested that there must be an intermediary body that will provide support to entrepreneurs.
- Training institutions must provide training on funding and finance. The training will boost the entrepreneur's confidence when approaching financial institutions.
- The selection procedure for various programs, including funding, must be inclusive. The credit requirements and interest rates should be adjusted to conform to the local market.

- Youth who have received funding should receive mentoring to ensure that the business invests in growth.

POLICY RECOMMENDATIONS

- A common theme that emerged from the policymakers is that there must be coordinated efforts to implement youth entrepreneurial activities and improve the ease of doing business in different countries.
- There must be credit facilities and young graduate entrepreneurship funds suitable for youth entrepreneurs.
- There must be an evaluation of entrepreneurial actors and their developmental needs to ensure that they can deliver on youth entrepreneurial activities.
- The funding provided by the government should contribute to building sustainable businesses that will have a long-term social and economic impact.
- The universities must introduce creative mechanisms for cultivating entrepreneurial activities. Also, universities could set-up entrepreneurial clubs to promote youth entrepreneurial activities.
- The policy actors recommended the creation of a strategic monitoring framework to ensure the successful implementation of entrepreneurial activities.
- The universities could partner with local governments to access disadvantaged youth entrepreneurs in rural communities and facilitate entrepreneurial activities within their areas.
- Respondents in different countries highlighted policies on youth entrepreneurial activities; however, there are implementation challenges. Therefore, entrepreneurial actors, especially policymakers, should support the implementation of those policies.

SUPPORT STRUCTURES

- Youth entrepreneurs must receive adequate support to design governance and risk management protocols and suitable processes or operations.
- Like other stakeholders, entrepreneurial support actors also recommended that entrepreneurship education be practical rather than theoretical. Moreover, they suggested that entrepreneurial education must be introduced at an early stage of training.

- Bridge the professional and academic world by establishing a fruitful dialogue between the business sector and universities. The entrepreneurial activities offered by different actors must be integrated to facilitate easy access to those activities. Also, there must be a consultation framework that will serve as guidance for entrepreneurial actors.
- Empower the youth entrepreneurial digital skills, especially for youth in rural villages.
- The support structure actors encouraged a continuous gathering of data on youth entrepreneurial activities that key decision makers could use in government and private institutions.
- Introduce effective communication methods to reach youth entrepreneurs in different areas.
- Introduce incubation, internship, and mentorship centers accessible to youth entrepreneurs and designed to meet their business venture needs.

RECOMMENDATIONS BY MENTORS

- Entrepreneurs who would like to pursue international business must be supported.
- Entrepreneurial actors should encourage culture and mindset shifts to adopt entrepreneurship as a career of choice.
- Reduce the digital divide among mentors and beneficiaries, support structures, and young entrepreneurs.
- Mentors suggested an integration of the various actors to achieve a common goal.
- There is a need to improve the infrastructure and create a conducive environment supporting youth entrepreneurial activities.
- There must be practical and innovative training methods to support entrepreneurial activities.
- There must be institutes within universities to strengthen private-sector and academic collaborations.
- The private sector should be involved in entrepreneurial program and curriculum design.
- Youth entrepreneurs should receive training on diversification and scaling their businesses.

RECOMMENDATIONS FROM NONGOVERNMENTAL ORGANIZATIONS

- Provide access to the internet for youth entrepreneurs in rural villages.
- Entrepreneurs in the rural villages must receive tailor-made programs suitable for their entrepreneurial activities.

- Youth entrepreneurial activities should receive increased publicity.
- Expose youth entrepreneurs to experiential learning activities

RECOMMENDATIONS FROM THE DEPARTMENT OF SMALL BUSINESS IN THE PARTICIPATING COUNTRIES

- The government and financial institutions should strengthen their attempts to facilitate access to funding and expose youth entrepreneurs to international markets.
- Provide digital infrastructure to support youth entrepreneurial activities.
- Youth should be allocated mentors who will guide them from inception to scaling their entrepreneurial businesses. This will also give the entrepreneurs networking opportunities with other stakeholders such as serial entrepreneurs and funders.
- Government should introduce youth-specific entrepreneurship programs. The curriculum in universities must be reviewed to promote the development of practical entrepreneurial skills.



The objective of this report is to highlight the successes and critical challenges faced by entrepreneurial ecosystem actors. This study provides recommendations to initiate a dialogue among stakeholders to promote sustainable youth entrepreneurship development. The insights found in this report will benefit stakeholders in understanding local challenges within their countries. Finally, this study is a foundation of future cross-country qualitative and quantitative studies on youth entrepreneurial activities.

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APPENDIX A

Interview Questions for Youth Entrepreneurs

1. Demographic data: Gender, Age, Qualification, Type of business, Duration of the Business
2. Start-up funds before, during, and post the training?
3. What kind of training have you received, and how did it help you?
4. What can be done to improve youth entrepreneurial training?
5. Who are the key actors in the ecosystem that you engage?
6. How did you select the different actors?
7. What kind of support have you received from the entrepreneurial actors?
8. How did the entrepreneurial actors affect your business? Any success stories?
9. Key limitations or challenges?
10. What can be done to improve the youth entrepreneurial activities?
11. Additional questions (country-specific)

Interview Questions for Institutions of Higher Learning

1. Mapping the existing program
 - What are the programs (active, duration, participants, and the training, how many youth entrepreneurs are covered, demographics)?
 - What are the program goals?
 - Training or strategies to deliver the training?
 - Short, medium, and long-term outcomes of the existing programs?
 - What kind of skills do entrepreneurs learn from the programs?
 - Challenges related to the training to the training?
 - Do they offer mentorship and coaching?

- Collaborations with practice and other stakeholders to minimize the gap between what universities teach and what is required in the marketplace?
2. The impact of the training programs
 - Impact of the programs on youth entrepreneurship
 3. Youth entrepreneurship questions
 - Challenges that youth entrepreneurs are facing (primarily related to training)
 4. Areas of improvement
 - Recommendations to mitigate the challenges?
 - Recommendations on minimizing the gap between academic and practice?
 5. Additional questions (country-specific)

Interview Questions for Entrepreneurial Ecosystem Actors

1. Mapping the existing entrepreneurial ecosystem actors.
 - Demographic data: Gender, age, and location
 - What are the current support activities or strategies dedicated to youth entrepreneurs?
 - How do they select entrepreneurs to participate in the activities?
 - Who and how do they collaborate with other entrepreneurial actors within and outside their organizations?
 - Short, medium, and long-term outcomes of the existing entrepreneurial activities?
 - Challenges related to participating in the youth entrepreneurial ecosystems?
 - What are the future strategies in place to effectively support youth entrepreneurial activities?
 - Collaborations with other stakeholders to minimize the gap between what universities teach and what is required in the marketplace?
2. The impact of the entrepreneurial youth actors on youth entrepreneurial activities
 - What is the impact of the programs on youth entrepreneurship
 - What are some of the success stories?
 - How sustainable are the success stories?
 - Who are the key players?
3. Areas of improvement
 - Recommendations to mitigate the challenges?
 - Recommendations for institutional integration?
 - Recommendations for sustainable youth entrepreneurship?
4. Additional questions (country-specific)



PART B

Country Reports

This section covers the findings of individual study reports from:

6. Botswana

9. Mali

12. South Africa

7. Kenya

10. Nigeria

13. Tanzania

8. Malawi

11. Senegal

14. Uganda

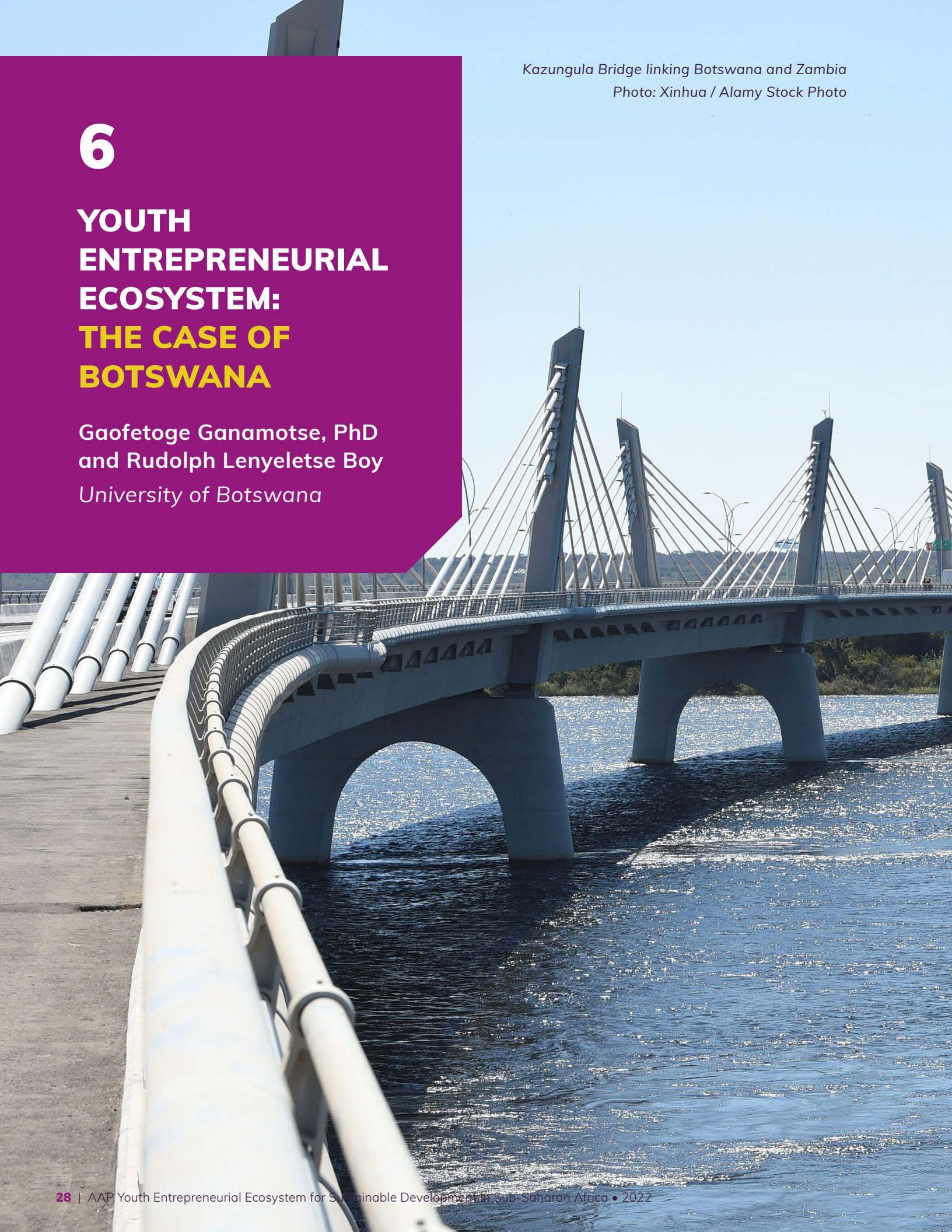
Kazungula Bridge linking Botswana and Zambia

Photo: Xinhua / Alamy Stock Photo

6

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF BOTSWANA

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ABSTRACT

Entrepreneurs build entrepreneurial ecosystems as they select their networks, mentors, funders, and other players. As a result, entrepreneurial ecosystems are deemed necessary for stimulating successful entrepreneurial activities. This study seeks to understand how the actors in a youth entrepreneurial ecosystem facilitate youth engagement in successful entrepreneurial activities. To meet the objectives of this qualitative study, interviews were conducted with successful youth entrepreneurs to understand their critical success factors. Also, the entrepreneurial ecosystem actors were interviewed to understand how they facilitate successful youth entrepreneurship. The study has found that the impact of ecosystem players on successful youth entrepreneurial activities is marginalized by disaggregated efforts of the entrepreneurial ecosystem in Botswana. Also, the study found that to facilitate successful youth entrepreneurship, there is a need to address mindset issues, provide experiential entrepreneurship education, and align funding interventions with the level of development of the entrepreneurs. This study contributes to the existing body of knowledge because it presents an understanding of how entrepreneurial ecosystem actors support successful youth entrepreneurship from an African perspective. Also, it informs policy on how to support successful youth entrepreneurship from an emerging economies perspective in general, and an African context in particular.

6.1 INTRODUCTION

This part of the report highlights the findings of a qualitative study that was conducted to understand how the ecosystem actors in Botswana support youth entrepreneurial activities. These online interviews were conducted in English, mainly using Zoom, with a few collected using Teams. The study's main question was how the entrepreneurial ecosystem actors facilitate youth to engage in successful entrepreneurial activities. The following specific questions were addressed:

1. How do the entrepreneurial ecosystem actors support successful youth entrepreneurship?
2. What are the challenges for promoting successful youth entrepreneurship?
3. What is the impact of promoting youth successful entrepreneurship?

6.2 BOTSWANA DEMOGRAPHIC DATA

Botswana's stable political environment includes a multiparty democratic tradition, with general elections held every 5 years. The ruling Botswana Democratic Party has been in power since 1966. On October 23, 2019, Botswana held its 11th general election. According to the latest World Bank annual ratings, Botswana is ranked 87 among 190 economies for ease of doing business.¹ However, Botswana's ranking deteriorated to 87 in 2019 from 86 in 2018 (World Bank, 2020).

The economy is projected to rebound in 2021, after contracting this year due to COVID-19. Domestic demand is set to recover gradually while the improving global market should bolster the external sector, in particular with key diamond exports. A protracted health crisis is a critical downside risk, however. Analysts at Focus Economics project the economy to grow 4.2% in 2021, up 0.3 percentage points from the previous months of the same year and 4.6% in 2022.² The primary vital industries include diamonds, copper, nickel, salt, soda ash, potash, coal, iron ore, silver, beef processing, textiles, tourism, and the service industry.

Botswana has a relatively young population, with 70% of the population aged under 35 years.³ Botswana Demographic Reports 2017 lists the child population (aged under 15 years) at 34.6% (744,613) of the total population (2,154,863), with females accounting for 51.6% of the youth population compared to 48.4% for males. The working class (ages 15–64) was the largest segment at 59.8%, whereas the elderly (people aged 65 years and older) represented 5.4%.⁴ The economic impact of the Omicron variant of COVID-19 on emerging economies will depend on a mix of government restrictions, public comfort with social interactions, and capacity of governments and central banks to provide additional policy support to the private sector. The emergence of the new variant poses new risks to the global economic growth and inflation outlook, as concerns mount about the variant's health risks and several countries have imposed new travel restrictions in recent days.⁵

6.3 YOUTH ENTREPRENEURSHIP IN BOTSWANA

Botswana has developed numerous policies intended to encourage citizens to take an active role in new venture creation and business growth through SMME and entrepreneurship development (Pansiri & Yalala, 2017; Mannathoko, 2011; Okurut et al., 2016). In the 1970s, the country introduced business development Units (BEDU) to provide physical spaces, coaching, and mentorship for SMEs to conduct their business. The Financial Assistance Policy (FAP) was introduced in 1982 to replace BEDU and support enterprise development. FAP sought to provide grants for the start-up and growth of SMMEs in the manufacturing, tourism, and agricultural sectors in order to promote the productive employment of citizens. However, FAP was phased out in 2001 following an evaluation by the Botswana Institute for Development Policy Analysis, which cited a high failure rate of projects (about 70%) and poor monitoring, among other issues (Government of Botswana, 1998). The Citizen Entrepreneurial Development Agency (CEDA) was set up in 2001 as a revamped version of the FAP. CEDA provides subsidized loans, structured finance, training, and mentoring to businesses. The numbers recorded for loan applications received by CEDA when it commenced operations far exceeded expectations (Sekwati, 2010; Mwobobia, 2012).

Several other initiatives have been introduced to encourage locals to participate in national economic activities, such as the Credit Guarantee Scheme, Reservation Policy, and Economic Diversification Drive. The Credit Guarantee Scheme provides guarantees to loans extended by commercial banks to citizen-owned SMMEs and pays a certain percentage in case of default. The scheme promotes borrowing from banks by companies that do not have the requisite collateral. Citizens 18 years of age and above who either wish to start a new business or expand an existing one benefit from the scheme. In the Reservation Policy, some businesses and services are reserved for citizens only. As a result, from time to time, the Ministry of Industry Trade and Investment, based on an assessment of the local industry's capacity to supply locally, restricts the importation of certain goods and reserves participation in specific industries to locals.

Under the Public Procurement and Asset Disposal Board Act (PPADB), public procurement allows for reservations and preferential treatment in the public procurement system. Preferential treatment for public procurement is accorded to citizen-owned businesses over foreign companies whereby first priority is accorded to 100% citizen ownership, followed by

majority ownership, minority ownership, and foreign ownership, respectively. A special dispensation grants youth and female entrepreneurs a further advantage in pricing, giving them a 15% advantage over other bidders. Lastly, the Economic Diversification Drive is intended to encourage local citizens to take an active role in the manufacturing sector by encouraging public sector procurement from local manufacturers. Other preferential schemes are based on vendor-company ownership, with variable weighting applied to 100% citizen ownership, majority ownership, minority ownership, and foreign ownership.

Despite these policies and initiatives, Botswana continues to record high unemployment rates, in particular among the youth. It is estimated that 34% of young people in Botswana cannot find work in the formal sector (according to UNFPA, the second-highest in the world among middle-income countries). For the first time, the country is faced with the dilemma of unemployed graduates. This could be attributed to the earlier orientation towards education and learning for the job market by the government as the primary employer and the country's educational institutions.

The Botswana Revised National Youth Policy 2010 recognized the critical role youth (aged 15–35 years) play in contributing to national socioeconomic development (Botswana Ministry of Youth, Sports, & Culture, 2010). Hence, the Government of Botswana has developed programs and strategies to improve their livelihoods and their communities. In particular, to curb the unemployment problem, the Botswana government created several initiatives such as the Youth Development Fund (administered under the Ministry of Sports Youth and Culture) and the young Farmers Fund (issued under the auspices of the Citizen Entrepreneurial Development Agency). However, the 2013 Global Entrepreneurship Monitor (GEM) study, undertaken by a team from the University of Botswana, Faculty of Business, indicated that most youths do not make use of government programs (Ganamotse & Morakanyane, 2015). Also, the GEM study has pointed to the fact that youth tend to engage in necessity entrepreneurship. There is evidence of children's high participation in the informal sector (Botswana, Ministry of Finance, 2015). In addition, the stakeholders attending an Entrepreneurial Ecosystem workshop on February 21, 2018, unanimously identified a gap in developmental support in the entrepreneurial ecosystem.

Thanks to the education reforms that resulted from the revised Policy on Education of 1994, Botswana has registered many tertiary education institutions. As of 2016, the country boasted of about "85 tertiary

“Despite these policies and initiatives, Botswana continues to record high unemployment rates, in particular among the youth. It is estimated that 34% of young people in Botswana cannot find work in the formal sector.”

education institutions which is made up of 39 Higher Education Institutions, (HEIs), 8 Technical Colleges and 38 Brigades” (Statistics Botswana, 2019). Nevertheless, Botswana has been experiencing high unemployment rates among the youth, including graduates (Gaetsewe, 2019). This qualitative study focused on tertiary educational institutions: four universities, and four vocational institutions. The purpose of this element of the study was to understand how education providers support the entrepreneurial activities of the youth.

6.4 RESEARCH METHODS

This study employed a qualitative research design to explore the youth entrepreneurial ecosystem in Botswana. A qualitative approach was deemed appropriate for this study to examine successful youth entrepreneurship from the ecosystem perspective, a nascent phenomenon potentially contributing to theory development (Bansal et al., 2018).

For this qualitative study, online interviews were conducted in English using Zoom and Teams online meeting platforms. Interviews were deemed appropriate as they facilitated the researcher to probe and ask for clarification during the interview process. In particular, online interviews were preferred because they allow for data collection without exposing both the respondent and the researcher to COVID-19.

Snowballing techniques were employed (Saunders et al., 2009). According to Naderifar et al. (2017), snowball sampling is a convenience sampling technique suitable for use where it is not possible to identify all subjects with similar characteristics. They suggest that an efficient snowball technique starts with a few respondents that are known to the researchers and selected based on convenience. “the first sample is linked to the researcher” (Naderifar et al., 2017, p. 2). Following the known subjects, they are then requested to provide the researcher with respondents with similar characteristics (p. 2). Hence,

for this research, we contacted the ecosystem actors within our networks. Further contacts were suggested by the initial contacts for both ecosystem actors and successful entrepreneurs.

Data were collected from a total of 27 respondents (10 youth entrepreneurs and 17 ecosystem players). The ecosystem players comprised community leaders and mentors; Ministry of Trade and Investment; Ministry of Youth Sports and Culture; financial institutions; higher education institutions (both universities and vocational education); nongovernmental institutions; policymakers; private organizations, and support structures such as legal and technical experts and accountants. The youth entrepreneurs also traversed a broad spectrum of industries: water, energy, and the environment; culture; education, health, and nutrition; youth empowerment; and digital and social media ICT. These were selected because they were either featured in media (newspapers or magazines) or through referrals from the ecosystem players as successful entrepreneurs (see **Table 6-1**).

1. <https://www.focus-economics.com/countries/botswana>
2. <https://botswana.unfpa.org/en/topics/demographic-dividend0#:~:text=Botswana%20presents%20a%20youthful%20population,in%20realizing%20the%20demographic%20dividend.>
3. <https://www.statsbots.org.bw/sites/default/files/publications/Botswana%20Demographic%20Survey%20Report%202017.pdf>
4. <https://www.zeebiz.com/India/news-impact-of-omicron-on-emerging-economies-to-depend-on-restrictions-policy-support-moodys-172150>
5. <https://www.zeebiz.com/India/news-impact-of-omicron-on-emerging-economies-to-depend-on-restrictions-policy-support-moodys-172150>

Table 6-1 List of Participants

List of Participants	Gender	Industry	Organizational Type Governmental, Private or NGO	Interview	
				Mode Zoom /Teams/ Google Meet	Duration (min)
YOUNG ENTREPRENEURS					
Participant 1	Male	Marketing		Zoom	40
Participant 2	Female	Baking		Zoom	38
Participant 3	Male	Culture		Zoom	59
Participant 4	Male	Water		Zoom	38
Participant 5	Male	Education—Tutoring		Zoom	50
Participant 6	Male	Youth Empowerment		Zoom	68
Participant 7	Male	ICT/Digital/Social Media		Zoom	44
Participant 8	Male	ICT/Social Media		Zoom	50
Participant 9	Male	Creative/Entertainment		Teams	48
Participant10	Male	Transport		Teams	47
ECOSYSTEM ACTORS					
Participant 1	Male	Music Production	Private	Zoom	32
Participant 2	Male	Mentorship and advisory	Private	Zoom	41
Participant 3	Male	Mentorship	Private	Zoom	35
Participant 4	Male	Consultancy	Private	Zoom	54
Participant 5	Male	Financial Institution - Incubation	Private	Zoom	54
Participant 6	Female	Financial Institution – Bank	Private	Teams	63
Participant 7	Male	Education -University	Private	Zoom	51
Participant 8	Male	Education- University	Government	Zoom	58
Respondent 9	Female	Education-University	Private	Teams	56
Participant 10	Male	Education - Vocational	Government	Zoom	56
Participant 11	Female	Consultancy - employability	NGO/Social	Teams	43
Participant 12	Female	Entrepreneurship development	Private	Zoom	58
Participant 13	Male	Branding and Legal	Private	Zoom	66
Participant 14	Male	Department of Small Business/ Trade - cooperatives	Government	Zoom	34
Participant 15	Female	Education - University	Government	Zoom	32
Participant 16	Male	Private organizations	Private	Zoom	34
Participant 17	Male	Private organization	Private	Zoom	37
Participant 18	Male	Ministry of Youth Sports and Culture	Government	Zoom	49

The data was analyzed using content analysis and excerpts from the interviews used to report the analysis. The recorded interviews were transcribed, after which the researcher read the interview transcripts and removed possible identifiers. There were numerous limitations for this study. First, because of COVID-19, it was not possible to do face-to-face interviews. Second, it took us too long to get ethical clearance. We only got it in May—and the study ended in March. Third, the delay in obtaining ethical clearance approval negatively affected the number of respondents that could be reached. As a result, instead of 41 interviews, we were only able to conduct interviews with 28 respondents.

6.5 HIGHER EDUCATION INSTITUTIONS

The findings from in-depth interviews with tertiary institutions bring success stories and challenges, and recommendations are highlighted below.

Success Stories Reported by Higher Education Institutions

The findings of the in-depth interviews conducted with universities have underscored several success stories. These included the programs that promote youth entrepreneurship, the designed program goals and skills learned by students, training methodologies, and the long- and short-term achievements.

Programs that Promote Youth Entrepreneurship

Different approaches are taken across the various universities to deliver entrepreneurship education. For instance, for ecosystem actors cases 7 and 8, entrepreneurship courses are compulsory for all programs at the final-year level. Other institutions are only offered for those registered for entrepreneurship programs. In the 4th year, the focus is on refining their ideas through experiential learning activities. Most of the participants explained that the programs focus on both theory and practical exposure. In explaining the context of the programs, one facilitator said that they focus on key elements, which are basic market research and ideation, introducing the business plans, and lastly, the implementation of the idea, what they call market day. Some have created entrepreneurial clubs which facilitate collaboration among the students.

At this level; entrepreneurship is introduced to all students in 3rd year. . . At 4th year another module is introduced focusing on practicalities of entrepreneurship, they develop and refine their ideas at this level through a practical project. . . Then there are short courses offered

to entrepreneurs, upcoming, aspiring and these last for a week, while the other modules run for a semester. (Ecosystem Actor Case 7)

Entrepreneurship Program Goals and Outcomes

The main intention of the program goals is to build an entrepreneurial mindset. This is to ensure that the students are thinking about entrepreneurship as a career of choice. Also, the intention is to cultivate the students' capability to develop products relevant to the population in Botswana and beyond. Finally, the most critical outcome goal is to teach entrepreneurial skills, including communicating ideas, ideation, and critical thinking. The objectives of the vocational institutions were also not significantly different from those of universities; however, they emphasized the crucial focus on technical skills. "Reduce the mindset of taking employment as the only key driver for students. . . So, we are hoping that they can take entrepreneurship as a valid. . . career aspiration, or career choice" (Ecosystem Actor Case 8). The respondents explained that the participants learned the following skills from the entrepreneurship programs: opportunity evaluation; business model development skills; pitching business ideas; idea generation; and technical skills. "The ability to assess whether a business is a good business idea . . . idea generation and idea assessment . . . developing a business model for their idea (Ecosystem Actor Case 9).

Training or Strategies Used to Deliver the Trainings

Traditional methods such as lecturing sessions, group work, and presentations are used to facilitate both full- and part-time modules. Also, some adopt a collaborative approach whereby the students are brought together in groups to collaborate on various projects. These programs are inclusive, considering those who have disabilities. In addition to the traditional methods, some institutions have introduced mentoring and coaching to allow students to learn business skills practically. "We have mentorship and coaching, and we also have a program called Student Enterprise Management which seeks to allow students to practice . . . by running one of the enterprises that they co-own with support of the business clinic..." (Ecosystem Actor Case 15). Besides traditional teaching methods, tertiary education providers also implement experiential learning strategies such as pitching business ideas, building prototypes, and validating the ideas in the market. Some students are tasked to provide business development support to the enterprises within their universities.

The tertiary institutions (both universities and vocational) have to align themselves with the national qualifications framework, which is

outcomes-based. The critical focus is the facilitation of learning rather than teaching at the students and providing information. Lastly, the lecturers also adopt internationally recognized experiential curriculum to ensure that they are aligned with the global standards.

Short, Medium, and Long-Term Outcomes of the Existing Programs

The universities have several measures to track their impact. The first indication of success is when students apply for external funding to support their entrepreneurial activities. Second, some emerge with business ideas that are sustainable in the long term. Third, the participation of students in diversified economic activities and participation in other programs that positively contribute to the economy.

Short term it is to develop interest in business and facilitate a paradigm shift to the medium term where people participating in a diversification of the economy offerings. The long term is that the economy must grow. You must contribute positively to the growth of the economy. (Ecosystem Actor Case 10)

The interviews also highlighted success stories of students who did entrepreneurship in universities and utilized the knowledge acquired from the tertiary institutions. They started businesses in construction, jewelry design and manufacturing, and multimedia. However, more success stories seem to have emerged from the vocational institutions. This is even though entrepreneurship is only taught as a module.

Higher Education Institutions' Entrepreneurship Education Challenges

The educators narrated that the challenges related to financing entrepreneurial activities are common to both privately financed and government financial institutions. The institutions do not have a sufficient budget to support the student enterprises. Although the government in Botswana is perceived as the most supportive government in sub-Saharan Africa, there are still challenges when accessing government funding. "About budgetary constraints, we use our recurrent budget to finance these enterprises" (Ecosystem Actor Case 10). Other challenges revolve around the accreditation of the entrepreneurship programs. This is because the accreditation process is long, and there are specific documents required to support the application. Most institutions offer entrepreneurship as a module with less than one hour of credit; there is a need to increase more credits.

Another element is the challenges related to teaching and learning. Entrepreneurship is still in the nascent stage; therefore, it is difficult to teach entrepreneurship to students who are not receptive. This is because entrepreneurship is not yet perceived as a field or career of choice and some do not know about the opportunities in the various industries. The participants emphasized that the students are more of necessity entrepreneurs, seeing business venturing as a "fall back." Other facilitators mentioned that some students do not display creativity, mind-blowing innovative solutions, and business management skills. Youth entrepreneurs like to take shortcuts like selling sweets or muffins, making the teaching experience challenging. Giving them large amounts of money would be to set them for failure. Because the entrepreneurial process is long, some of the students do not display perseverance when they are faced with adversity. On the other hand, some participants argue that they may opt for quick wins because they do not have access to any land, machinery, offices, and vehicles. The context in which teaching and learning take place also challenges the caliber and capacity of people who can teach entrepreneurship.

Recommendations from Higher Education Institutions

- The first recommendation points to the importance of specialization, whereby entrepreneurship is accorded "respect" as a specialized area. Entrepreneurship education must be incorporated in primary school education until university.
- Second, to improve teaching and learning of entrepreneurship. The facilitators can be engaged in peer review and develop communities of practice.
- The third recommendation concerns the selection criteria of students who will be part of the entrepreneurship program. The criteria will be used to identify students who are committed to resolving social issues. This will involve various psychometric testing and interviews.
- Fourth, there are recommendations to minimize the gap between academia and practice by having policies that outline the entrepreneurship objectives and available government support. Some of these policies should encourage the private sector participation in supporting entrepreneurial activities by providing tax rebates.
- Lastly, there seem to be multiple actors working on various projects. The participants recommended that there must be the integration of the ecosystem actors to minimize the duplication of duties.

6.6 YOUTH ENTREPRENEURS

Success Stories Reported by Youth Entrepreneurs

The findings of the in-depth interviews conducted with youth entrepreneurs have underscored several success stories.

The Kind of Training Received and How It Helped

The respondent youth entrepreneurs view tertiary education as a breeding ground for successful entrepreneurs. The study also found that education enables youth entrepreneurs to find suitable business partners. Education enables one to better identify and take up opportunities. Although some underscore the importance of tertiary education, some lamented that their education was inadequate. As a result, they had to take additional courses to support what they wanted to do in business. For instance, entrepreneur actor case 1 stated that:

The problem is it . . . it didn't teach me how to run a business. Running a business and doing . . . having a profession are two very different things. I discovered and have come to learn that running an industry on its own is a job. And then delivering the services and doing all that is also another job on its own.

However, some of the youth started companies outside their educational disciplines based on their passion. Some started their entrepreneurial endeavors based on experiences in student employment.

Bootstrapping. Some bootstrapping success stories involved starting and formalizing their entrepreneurial activities using their funds. For instance, the interviews revealed that they started businesses by offering pro-bono services, starting small, freelancing, and using their finances. "I started the business with my funds and strategizing through bootstrapping by utilizing the payments made by my first clients to register the company to get stationery, furniture and a few essentials the business needed to start operating" (Entrepreneur Actor Case 5).

Access to Finance. Access to finance is reported to be the main challenge. Most of the entrepreneurs needed to have a prototype before they could access the funding. The in-depth interview also revealed that there is better access to funds for young entrepreneurs in rural areas. However, some opted to start their businesses with their funds.

Opportunities for Growth. Interviews with young entrepreneurs revealed that they tend to attain growth when they network and enter into partnerships. Some

grow by expanding their services to multiple locations as well as venturing into neighboring countries. However, it was more beneficial for some to partner with other smaller companies to offer services to some entrepreneurial actors. The partnerships have enabled the smaller companies to leverage each other's strengths and successfully deliver on projects. For others, the growth potential emanated from their ability to propose and provide innovative, quality service, and retention of clients.

The Impact of the Entrepreneurial Youth Actors on Youth Entrepreneurial Activities

Responding to the question of the key players who have positively affected their business, the respondent's highlighted financial institutions, educational institutions, entrepreneurship support institutions, and the private sector:

The players have been changing from financiers like the Ministry of Youth through YDF to other support institutions such as LEA, Botswana Unified Revenue Services (BURS), the Government of Botswana, Career pool and Staffwise for recruitment, Neo hub for orientation of tutors and public speaking training, University of Botswana, Botswana Accountancy College, ABSA bank, FNB foundation just to name a few. (Entrepreneur Actor Case 5)

Key entrepreneurial actors have facilitated youth businesses' success on many fronts, such as business and soft-skills development, financial growth and support, professional support, expansion, and reputational impact. One entrepreneur stated that:

the impact has been big . . . the company had a turnover of more than BWP 200,000.00 the latest turnover is BWP 5,000,000.00. . . Our greatest achievement was being selected for Forbes 30 under 30, which only selects 30 successful entrepreneurs across Africa. (Entrepreneur Actor Case 5)

Challenges Reported by Youth Entrepreneurs

Lack of Resources. Several finance-related challenges were identified by youth entrepreneurs. Some respondents lamented the lack of access to start-up finance, whereas others mentioned lack of access to infrastructure.

Business Regulations. Cumbersome regulatory requirements for company registration made it disheartening for most entrepreneurs. Furthermore, some have highlighted challenges associated with new industries that are not consolidated and therefore unregulated and not formalized.

Social Norms. The respondents also highlighted challenges of doing business in Botswana, in particular the perception and attitudes of customers regarding signing contracts before service delivery and pricing strategies.

COVID-19 Pandemic. COVID-19 has negatively affected many youth-grown enterprises. However, some successful entrepreneurs have identified opportunities, even in these dire times.

Business Acumen. Poor financial management has also been cited as one of the challenges for youth entrepreneurs, such as using profit for personal reasons rather than investing in the business. Also, not being able to separate their livelihood from their businesses. Lastly, youth entrepreneurs reported a lack of experience as one of the challenges. For example, the experience of running a business with projections, sticking to the projections, having an accounting system, maintaining a clean and clear billing system, and sound administration system.

Recommendations by Youth Entrepreneurs

- Subsidies (rental fees, property) for youth entrepreneurs;
- Universities should introduce entrepreneurship-specific training;
- Formal training on business management should be provided to entrepreneurs running businesses;
- Introduction of entrepreneurship in the early education stages;
- Government should reduce the requirements for company registration;
- Government should provide interventions that are tailor-made to address youth-specific challenges;
- Introduce programs that will expose youth entrepreneurs to international markets;
- There is a need for a body that regulates the different industries to ensure fair competition and provide specific interventions.

6.7 YOUTH ENTREPRENEURSHIP ACTORS

Interviews of entrepreneurship actors included respondents from various institutions across numerous sectors, such as nongovernmental organizations, private organizations, financial institutions, policy, support structures, and the public sector are discussed in this section. The results of the interviews, which focus on success stories, challenges, and recommendations, are discussed below.

6.8 NONGOVERNMENTAL ORGANIZATIONS

Responses from the sole nongovernmental organization respondent, a young person who works with young women to help them boost their employability and facilitate their engagement in entrepreneurial activities:

there is a young person that we started with, he was just doing supplies [tenders] . . . he was able to get a mentor, he was able to build a team. . . [B]ecause of COVID, they were able to quickly switch and say yes, I do supplies, but we are talking about COVID now, how can I you know, get into the space of you know COVID and they started sanitising, providing sanitation services. So they fumigate and all of these things. (Ecosystem Actor Case 11)

One of the specific challenges specific to young people is that they want overnight success. As such, they give up easily when faced with challenges. In addition, the NGOs reported that higher education institutions offer theories that are not relevant to start-up activities. Access to finance is also one of the critical challenges faced by youth entrepreneurs. The participant explained that it is challenging to get corporates onboard. Another challenge is the national training levy, which is available for established businesses and limited to youth entrepreneurs. Internet access seems to be a challenge for providing training services.

Challenges about participation in the entrepreneurial ecosystem emerged from the interviews. Although most respondents lamented the lack of integration of the ecosystem, the NGO respondent reported that she had not encountered any challenges related to her participation in the youth entrepreneurial ecosystem. She stated that:

No challenges whatsoever. . .[W]e often attend share, exchange information. They would tell us, you know we are running this program, we are looking for young people, can you look within your system, and then we can also do referrals, and they also do the same for us. So there has been from our experience an excellent working relationship with the other ecosystem partners.(Ecosystem Actor Case 11)

Nevertheless, she laments lack of entrepreneurship experience among the actors: “a lot of us that go into entrepreneurship it’s our first experience compared to, we don’t have a lot of entrepreneurship experience, even within our families (Ecosystem Actor Case 11). In terms of recommendations for access to resources, the respondent stated that there is a need to enhance

training programs, provide access to the internet in the villages, in particular in a public library, Kgotla (“meeting places”), and post offices.

The last recommendation concerns building resilience among youth entrepreneurs. There must be training programs for youth who would like to start a business. The same model used for the national entrepreneurship programs could be used for youth entrepreneurial activities.

6.9 PRIVATE ORGANIZATIONS

The interviews with private sector ecosystem actors highlight that success can be defined as success or failure. This simply means that some of the failures encountered in the entrepreneurial process should be celebrated as successes. The participant suggests that: “if you do something and you fail, it may be success, in the in the fact that you may go out there and do a product because you have gained experience.” The youth entrepreneurs they supported were able to launch their products in the market (e.g., food delivery apps), whereas some are still in the development phase. The ecosystem player emphasized the need to expose youth entrepreneurs to international markets such as Finland.

The challenges experienced by private companies relating to youth entrepreneurship include lack of drive or motivation among young people, limited focus of social impact projects, and lack of entrepreneurial skills.

Our youth are no go getters, they, they want everything to be done for themselves. . . [W]e’re a society where a lot of our people are not hungry enough for opportunities. . . [I]t’s like someone say, because I’m a young person, someone owes me something for being a young person. . . It is technically an entitlement mentality and expecting a lot. (Ecosystem Actor Case 16)

Also, the participants emphasized that there is fragmentation within the entrepreneurial ecosystem, whereby there is replication of business activities without any differentiation. This happens in instances where the government and the private sector have similar programs. An integrated system will help to channel available government funds towards sustainable entrepreneurial activities. One of the participants suggested that perhaps the government should focus on policy development rather than implementation: “the governmental side players, they also instead of also being implementers, my feeling is that they should remain largely on the policy formulation side, because at the moment, they draft policy, then they also implement it” (Ecosystem Actor Case 17).

Recommendations by Private Organizations

- Facilitate the implementation of sustainable business support models focusing on youth enterprises’ success postgraduation, acquiring resources, and sustaining growth.
- There must be practical and impactful participation in the entrepreneurial ecosystem, reaching out to various organizations focused on youth entrepreneurial activities. Each organization must have a clearly stated mandate.
- The government facilitators must be well-trained and monitored to ensure that they can train entrepreneurs. In addition, role models from previous programs could participate as coaches or mentors.
- Funds should be dedicated towards capacity development and acceleration of high-growth entrepreneurial ventures.
- The entrepreneurial education must be structured so that the entrepreneurs start early so that when they get to university they will be ready to start entrepreneurial ventures.

6.10 FINANCIAL INSTITUTIONS

The financial institution actors focused on entrepreneurship and facilitating employability, mainly working with youth to address unemployment. Interviewees at financial institutions cited several success stories such as employment for young people, assisting young entrepreneurs in accessing funding in order to facilitate order fulfillment, and creating youth entrepreneurs through a graduate sponsorship program. Moreover, some youth entrepreneurs emerged from financial institutions’ ready-to-work initiatives: “recently we did a video I don’t know if you saw on television, where we were featuring one of the youngsters, who has started a business following the Ready to Work training. I think it is in poultry production” (Ecosystem Actor Case 6).

Another success story from financial institutions has been helping youth cocreate solutions, which would not have been possible without their intervention. Most of the success experienced by financial institutions in terms of the provision of training and activities around entrepreneurship offered to youth was made possible by collaboration with various stakeholders. For example, they provided soft and business skills to entrepreneurs who had technical knowledge or expertise. They emphasized that because entrepreneurship is a nationwide imperative, there must be a strategy to encourage collaboration and the cocreation of entrepreneurial activities.

So we are going out, to solicit for worthy partners to say, can we all co-contribute to this thing? Not to Case 5 no, to this national agenda on entrepreneurship and unemployment. So really, our strategy is that collaboration, co-creation because we fully understand we don't have the resources to move the dial if we are on our own. (Ecosystem Actor Case 5)

The main challenge for the bank was that because they engage in multistakeholder interventions, it is sometimes challenging to measure the bank's real impact. According to case 6, even when young entrepreneurs are assisted in starting their businesses, sometimes they fail to generate sustainable revenues. Another challenge of working with young people is the lack of traceability after receiving an intervention. Furthermore, the respondents pointed to the problem of lack of access to markets and finance. “[O]nce their businesses get going, I think now the frustration around actually earning reasonable income for whatever reason, whether it's their inability . . . to secure the financing that they require to really push their businesses” (Ecosystem Actor Case 6). However, there is a lot that needs to be done to help youth become more successful. For instance, case 6 posited that they would like to work with youth entrepreneurs as productive members of society. Next, someone should launch online platforms that support and bring entrepreneurs together. Third, entrepreneurs should receive help to make their businesses sustainable. “But beyond that, is to say how do we now take these young developers and help them make their businesses more sustainable . . . perhaps on the business side, they're not able to grow or expand the company” (Ecosystem Actor Case 6).

Recommendations by Financial Institutions

- There is a need for a thorough understanding of the challenges faced by youth entrepreneurs and to develop solutions to address those problems.
- Assist entrepreneurs in scaling their businesses.
- There is a need for an intermediary body that will bring all the ecosystem actors together and serve as a “one-stop shop” for entrepreneurs.
- There should be forums where different entrepreneurial ecosystem players can share what they are doing and develop creative interventions.
- There should be better ways of connecting entrepreneurs with those that are successful through mentorship programs.
- Build mentorship programs that accommodate the business lifecycle from inception to growth.

- It is essential to have entrepreneurial leaders appointed to implement youth entrepreneurial activities.
- Funding must be made available from start-up to scaling

6.11 POLICY MAKERS

Success at the policy level is measured in employment creation, repayment of loans, and growth. The entrepreneurs also achieve business growth in their various industries, such as hospitality, farming, and manufacturing: “to us, the major issue is about youth employment creation, so whenever we find young people that we have funded being able to employ others, we regard that as a highly commendable and successful story” (Ecosystem Actor Case 18). Most of the challenges are related to the characteristics of youth that opt for entrepreneurship. The participants explained that some of the entrepreneurs lack the relevant education that prepares them for start-up activities. Moreover, some do not have business ideas that are bankable, innovative, and impactful. Some of the challenges are the lack of a successful track record and collateral to attract funding. Receiving financial support and training is a challenge, especially when dealing with officials who lack entrepreneurial skills and understanding. Lastly, there is no integration of the ecosystem players. As such, they end up with duplicate programs targeting the same objectives. Also, there is a prohibitive distance from other support agencies, making it challenging to facilitate referrals for youth to develop their business ideas.

Recommendations by Policymakers

- Place entrepreneurs at educational institutions and libraries with entrepreneurial education so they can work as consultants.
- There should be a multisectoral and collaborative approach to youth development.
- There must be robust entrepreneur selection to ensure that the right people are recruited for entrepreneurial programs.
- There is a need to build business management skills and provide the funding required for business growth and sustainability. Also, funding should be accompanied by support, monitoring, and evaluation to ensure that the business objectives are met.
- Create a centralized platform that will enable entrepreneurs to collaborate rather than compete.

6.12 SUPPORT STRUCTURES

The following were success stories mentioned by the respondents. One of the respondents is a business development practitioner who developed platforms that allow easy access to low-cost entrepreneurship development services. Some of the activities include masterclasses, coaching, and competitions. Also, some of the support structures help entrepreneurs deal with policy and regulation challenges. Other success factors cited by the respondents were focusing on the internal management of the companies, such as successful debt recovery system for micro-lending business and brand management. Finally, some participants mentioned that they could facilitate an entrepreneur's access to investors, networking opportunities, and international markets.

Despite the success stories related by the respondents, several challenges were highlighted: (1) investing in businesses that do not have solid frameworks; (2) most financial institutions do not have requirements that are tailored for youth entrepreneurs; and (3) the respondents said that some of the SMME challenges include an inability to develop and follow processes and accounts. The difficulty in getting contracts with local companies relative to multinational or cross-border companies is a challenge that hinders business continuity or sustainability.

Furthermore, the compliance requirements are cumbersome for SMMEs who wish to participate in tender processes. Finally, the challenge related to the teaching entrepreneurship is that there is inadequate entrepreneurship education. This demonstrates the nascent nature of Botswana's entrepreneurial ecosystem, making it challenging to engage locally and globally.

Recommendations by Support Structures

- Before providing funding, it is essential to ensure that entrepreneurs have good corporate governance and sound risk management with suitable protocols, processes, and operations.
- Entrepreneurship education must not be theoretical but practical in nature.
- The entrepreneurial institutions should facilitate access to real entrepreneurs who can engage with the students.
- Government should create a special projects department, where they look for really innovative ideas and partner with people from countries with innovative programs.

The recommendation for ecosystem players is that the challenges faced by youth entrepreneurs must be mitigated through concerted efforts by those in the entrepreneurial space, that is, those who provide the financial support, those who are in capacity building, and the entrepreneurs themselves.

6.13 DEPARTMENT OF SMALL BUSINESS/TRADE

The success factors reported by the government is that there are youth entrepreneurs forming producers and manufacturing cooperatives. These cooperatives contribute to job creation. The Department also said that through the Ministry of Youth Sports and Culture they founded about six cooperative groups engaged in horticulture, piggery, poultry, and construction. Each group has about 20 members.

The significant challenge raised was regulatory, whereby students should be encouraged to participate in entrepreneurship from the entrepreneurship perspective. At the same time, regulations prohibit minors from entering into any form of contract. Some of the challenges raised by the Department are youth's lack of participation in the affairs of their societies, instead chasing quick money or profit. Finally, because there is a movement to exploit digital opportunities, there seems to be a low adoption of ICT and digitalization.

The recommendation for ecosystem players is that the challenges faced by youth entrepreneurs must be mitigated through concerted efforts by those in the entrepreneurial space, that is, those who provide the financial support, those who are in capacity building, and the entrepreneurs themselves. There must be a cooperative entrepreneurship program that will ensure sustainability, hand-holding, and mentoring of the businesses. Finally, the recommendation for facilitating access to funding is that emphasis should be placed on manufacturing businesses and infrastructure development at the different farm levels.

Success stories from tertiary education attest that entrepreneurship can indeed be taught.

6.14 MENTORS/LEADERSHIP AND COMMUNITY LEADERS

This section presents findings from leaders and mentors, some of whom are young people who have assumed leadership roles in the youth entrepreneurship development space. The success stories highlighted that mentors, leadership, and community leaders traverse various music production, mentorship, business development, and general consulting industries.

Challenges related to the ecosystem were (1) the different institutions are not working together; (2) the nascent entrepreneurial ecosystem is not too strong; and (3) using foreign consultants to make sense of the local market. The challenge with using foreign consultants is that they bring approaches attuned to their own cultures, assuming those approaches will work in Botswana.

The mentors also spoke about industry-related challenges, such as piracy and payment of royalties in the media industry, that dampened the entrepreneurial spirit. Finally, entrepreneurs have difficulty accessing resources such as finance, sponsors, and facilities/infrastructure.

Recommendations Suggested by Mentors

- There must be ways of ensuring that the entrepreneurial actors, from the governmental institutions and the communities, work together in projects and partnerships to build ecosystems.
- One of the recommendations is that governmental organizations should merge to avoid duplication of entrepreneurial activities.
- There must be support dedicated to youth entrepreneurs who would like to pursue international business activities.

6.15 DISCUSSION

Universities

The study found that entrepreneurship is taught in tertiary institutions, although different approaches are taken. For instance, some of the interviewed institutions offer entrepreneurship as a degree program to a select few who have enrolled for a course, some as a compulsory module and others offer a blend.

Notwithstanding that, the interviewed institutions offer both theory and practical skills, intending to inculcate an entrepreneurial mindset among the students. This is consistent with previous studies (Kent, 1990; Boldureanu, 2020; Huang et al., 2021). However, the study found that technical and vocational institutions tend to go beyond knowledge and soft skills to impart hard/technical skills. This is not surprising, because practical skills have been found to better prepare students for entrepreneurship (Yemini & Haddad, 2010).

Although there are still debates on whether entrepreneurship can be taught (Klein & Bullock, 2006; Bhatia & Levina, 2020), success stories from tertiary education attest that entrepreneurship can indeed be taught. However, not all who go through the entrepreneurship programs in tertiary institutions engage in entrepreneurial activities, which points to potential factors that could deter the youth from opting for entrepreneurship. These include lack of access to finance, poor financial literacy, and youth-related challenges (lack of creativity, poor mindset, inability to apply what was learned). Despite leading sub-Saharan Africa in offering opportunities to start businesses by 35%, Botswana's need for improved start-up skills has been noted by scholars (Acs et al., 2018).

Nevertheless, the stories from successful entrepreneurs corroborate the idea that education is essential—it can be a breeding ground for successful youth entrepreneurship. Tertiary institutions have been found to facilitate students starting and running their businesses successfully. This is consistent with previous studies that suggest entrepreneurship education as a trigger event for individuals. They are better equipped to evaluate the feasibility and desirability of available options (Frimpong, 2014; Linan, 2004). Also, Ibicioglu et al. (2008) suggest that colleges and universities are a catalyst for entrepreneurial activities by students.

Entrepreneurs

The results from the study suggest that students' part-time employment during tertiary education provides the necessary experience to enable the identification of entrepreneurial opportunities. Our results are

consistent with previous studies suggesting that part-time jobs help students gain experience and attain career maturity (Patton & Smith, 2010).

Previous researchers have argued that access to finance is essential at the start-up stage (Overall & Wise, 2015). However, our study has brought to light that successful youth entrepreneurs preferred bootstrapping techniques to finance the start-up stages of their ventures. Our findings are consistent with previous studies, which concluded that most young people do not make use of government programs (Ganamotse & Morakanyane, 2015). Also, the study notes that youth access government programs for growth. Although the government has created financial instruments to support youth entrepreneurial activities, the interviewed youth entrepreneurs only accessed government funding to scale from proof of concept.

The study further shows that successful entrepreneurs who accessed government funding repaid their loans. This finding is critical because it suggests that government efforts can be practical when care is taken to select beneficiaries who have the potential to succeed. For example, the Ministry of Youth Sports and Culture disburses around BWP 120 million in start-up loans each year and at the time of this study about BWP 400 million was owed (MYSC, n.d.). This could help avert the problem of failure to repay the loans.

Youth Entrepreneurial Ecosystem Actors

The study has found that several actors in the entrepreneurship ecosystem in Botswana have programs that target youth entrepreneurs. This study points to several benefits that youth entrepreneurs derived from their interaction with youth entrepreneurial ecosystem actors, such as skills development, financial growth, expansion, and reputational impact. Not only that, youth entrepreneurs have facilitated access to both local and international markets for their clients. This is consistent with previous studies, which point to the benefits that entrepreneurs could potentially gain from the entrepreneurship ecosystem (Roundy et al., 2018; Hechavarría & Ingram, 2019; Stam, 2015).

6.16 CHALLENGES

Universities

The study has highlighted several challenges that could explain the reported ineffectiveness of entrepreneurship education in graduating successful youth entrepreneurs. First, evidence from this study suggests that what is taught in tertiary institutions did not adequately prepare the youth for what lies

ahead in the entrepreneurship space. As a result, some respondents had to take additional courses to prepare for their entrepreneurial journey.

Second, the study points to the poor quality of entrepreneurship teachers, which could result from not recognizing entrepreneurship as a professional field. The study suggests that entrepreneurship subjects are taught by nonspecialists who mainly take traditional approaches to teaching of entrepreneurship. The conventional teaching methods have been found to be ineffective for many entrepreneurship students (Solomon, 2007; Balan, 2014; Mousa, 2014). Previous studies suggest that entrepreneurship teaching can only be effective when done by an entrepreneurial teacher (Yamakawa et al., 2016; Nabi et al., 2017). This is due to the fact that, unlike other traditional subjects, entrepreneurship is multidisciplinary in nature and requires one to embrace multiple subject areas (Neck & Greene, 2011). One needs to have the proficiency to traverse theory and practice, where theory is mainly used to inform practice (Yamakawa et al., 2016; Tomczyk et al., 2016). According to Alaydi (2021), practical and conceptual knowledge, skills, and techniques help students to turn their ideas into products and services.

Third, the time allocated to entrepreneurship when entrepreneurship is taught in the university is too short. Entrepreneurial education involves developing behaviors, skills, and attributes applied individually and/or collectively to help individuals and businesses create, cope with, and enjoy change and innovation (Seikkula-Leino, 2008). It should impart entrepreneurial qualities and skills (Majid et al., 2019). The desired impact cannot be achieved in a short space of time.

Finally, tertiary education intuitions in Botswana have relied on local students sponsored by the government, resulting from the changes in the tertiary education policy and the government sponsorship model (Mpabanga, 2016; Botswana Ministry of Youth, Sports, & Culture, 2010). The model was not sustainable, and the government has since embarked on efforts to reduce sponsorships to tertiary education in line with the recommendations from the Human Resource Development Council. As a result, tertiary institutions, both private and public, have seen severe budget cuts, which has resulted in the drastic reduction of tertiary institutions from 85 in 2016 (Statistics Botswana, 2020) to 48 in 2019 (Statistics Botswana, 2019). Therefore, it is not surprising that the study's results highlight the budgetary constraints for both public and private tertiary education institutions.

Youth-Related Challenges

The study further has highlighted youth-related challenges. First, students tend to have little interest in entrepreneurship because they take it as a fallback alternative. As a result, they pursue the necessity type of entrepreneurship. Second, the mindset of youth in Botswana is not conducive to driving successful entrepreneurship. Although previous studies attest to the importance of creativity and innovation-driven activities (Laming & Kuehl, 2007; Alaydi, 2021), this study has found that youth lack the requisite skills. Also, contrary to previous entrepreneurship scholars who suggest that successful entrepreneurship requires one to devote the necessary time and effort (Hisrich et al., 2017), this study suggests that the youth in Botswana are not patient; they like taking shortcuts.

Ecosystem-Actors-Related Challenges

The results from the interviews show that the entrepreneurship ecosystem is marred by challenges related to disaggregation. First, the study reveals that the government tends to take an active role in entrepreneurship development instead of providing guidance and monitoring at the policy level. Our study supports previous studies that suggested that the government be involved in program implementation (Pansiri & Yalala, 2017) instead of the private sector (Sheriff & Muffatto, 2015).

In addition to government institutions that reported strong collaboration in providing support to youth entrepreneurs, most private sector and parastatal organizations work in silos. Such disaggregated entrepreneurship development efforts tend to be self-defeating because successful entrepreneurship development functions as an efficient entrepreneurial ecosystem (Acs et al., 2018). According to Isenberg (2011), for entrepreneurial ecosystems to be beneficial to their recipients or actors, they need to consist of components such as a conducive culture, enabling policies having been put in place, leadership, availability of the appropriate financing, quality human capital, venture-friendly markets for the products, and a range of institutional and infrastructural support.

6.17 THE CONCEPTUAL FRAMEWORK

Please see **Figure 6-1** for a summary of the findings of the report.

The results show that the promotion of successful entrepreneurship is a function of effective tertiary education that seeks to develop skills, knowledge, and attitudes. Furthermore, qualified subject teachers should deliver effective tertiary education, especially for entrepreneurship development programs

courses. The study has also highlighted the need for tertiary education to adopt experiential teaching methodologies to effectively affect the entrepreneurial activities of the youth who have proven to have the required aptitudes for successful entrepreneurship. Furthermore, successful youth entrepreneurship can only be attained if the ecosystem actors realize that successful entrepreneurship cannot be achieved in silos. Also, the study suggests that impactful entrepreneurship development can be achieved when government develops policies and engages the private sector to implement them. In this case, the government plays more of a supportive and monitoring role. Consistent with Gynawali and Fogel (1994), this study also underscores that it is only when entrepreneurship development initiatives are targeted to those with the propensity to enterprise that successful youth entrepreneurship can be attained. As a result, both entrepreneurship education and entrepreneurship support initiatives ought to be selective if results are to be attained.

6.18 PRACTICAL AND ACADEMIC IMPLICATIONS

This section summarizes the recommendations of the study, with a focus on the selected areas: tertiary institutions, practice, policy, and future research. The respondents highlighted several suggestions that could improve youth entrepreneurship success if they are taken into consideration.

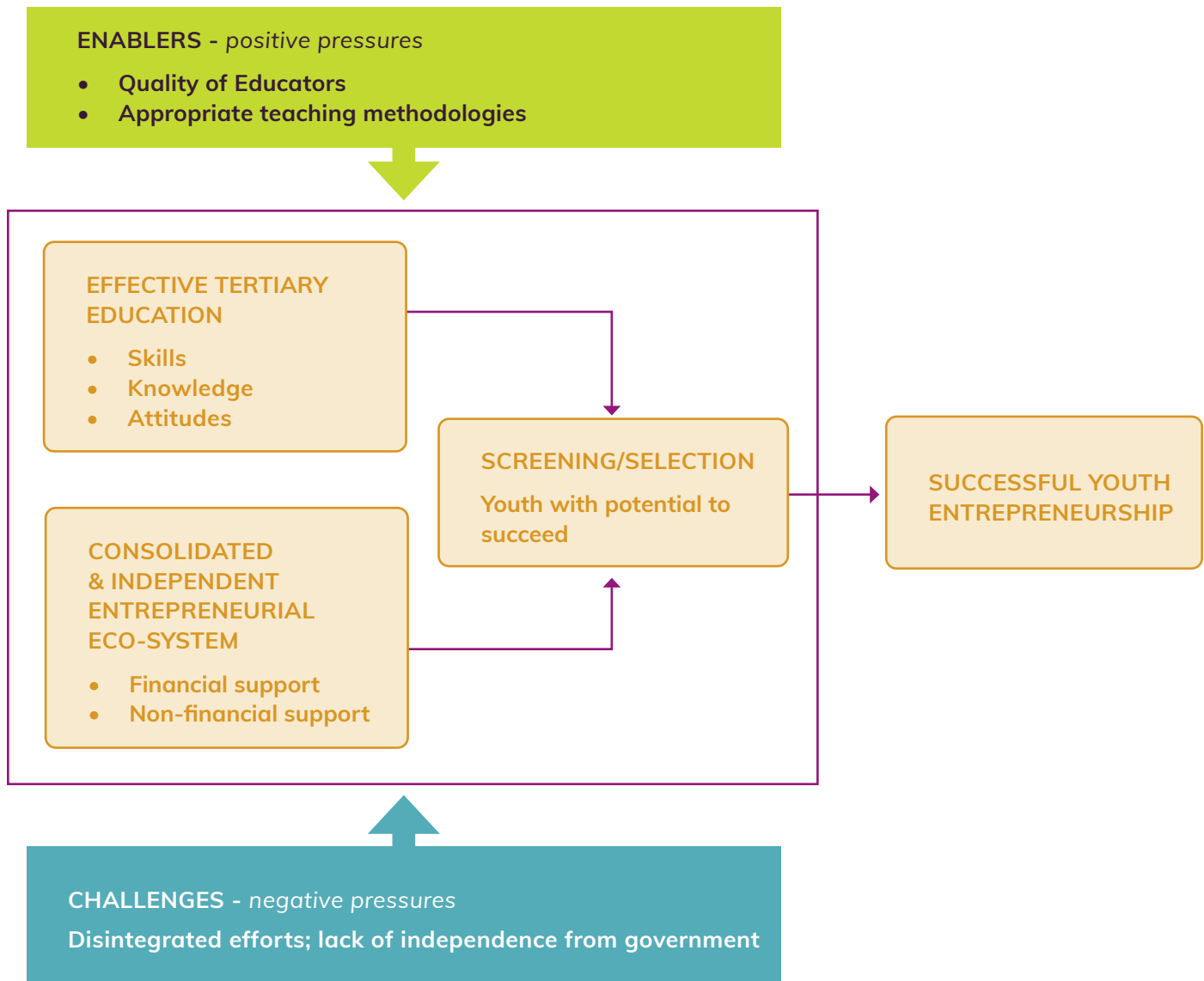
Recommendations for Tertiary Institutions

- Selection of entrepreneurship students' basic psychometric tests to screen for people who are really committed to addressing social issues, or entrepreneurial issues.
- Peer reviews among entrepreneurship trainers to maintain quality of training.
- Embrace experiential learning for all courses offered in entrepreneurship programs.
- Nurture entrepreneurship at an earlier age to develop entrepreneurs at an early age to instill mindset change education.
- Improve the relationship between academia and tertiary institutions as stakeholders.

Recommendations for Practice

- Reduce fragmentation in the ecosystem, which results in duplication of duties.
- Avail youth access to resources such as the internet through existing structures such as libraries, post offices, Kgotla, and internet hotspots.

Figure 6-1 Antecedents for Promotion of Successful Youth Entrepreneurs



- Financial support for youth entrepreneurship should be supplemented with capacity building. For instance, training should be offered to youth entrepreneurs to help them better manage their enterprises.
- Have programs that build resilience among youth entrepreneurs.
- Promote successful young entrepreneurs as role models for the upcoming youth entrepreneurs.
- Decouple youth entrepreneurship teaching methodologies from academia (i.e., some youth entrepreneurs learn from nonformal education).
- Practical teaching of entrepreneurship should teach youth by mentoring and coaching them.

- Use libraries and information centers (they fall under the Ministry of Youth Sports and Culture) that have been equipped with access to the internet to facilitate youth entrepreneurship by youth as graduate interns, business consultants, or advisors.

Recommendations for Policy

- Provide incentives to encourage private sectors participation.
- Reduce the requirements for company registration of youth.
- Engage more young people in youth-related initiatives.
- Government should invest in the promotion of entrepreneurship in the creative multimedia industry and have a body that regulates the industry.

- The government work internship program that places graduates in work situations should be extended to graduates who want to take entrepreneurship as an alternative career.
- Reduce government control on entrepreneurship support institutions; allow greater independence to implement efficient entrepreneurship development models.
- Promote effective and impactful participation in the entrepreneurial ecosystem.
- Privatize business development initiatives (incubation initiatives such as the innovation hub and incubation facilities under LEA and hold government accountable for results because government is the custodian of seed funds). Government's role should be that of facilitation and monitoring.

Recommendations for Future Research

This research attempted to understand scope of the youth entrepreneurial ecosystem in Botswana, which could provide a practical solution to youth unemployment. It was a qualitative study that used the interview method of data collection and the content analysis method to analyze the data.

A critical area for future research would be a broader study to examine the impact of the entrepreneurship ecosystem on successful youth entrepreneurship in Botswana. We believe that quantitative research, which would cover many youth respondents, would allow the researchers to generalize the study results. Such a study could also cover youth entrepreneurs who have not been that successful because this study focused on interviewing successful youth entrepreneurs. A more robust qualitative study could enlighten scholars and policy on the enablers of successful youth entrepreneurial activities.

Lastly, it would also be prudent for future research to focus on the policies and find out if they address youth entrepreneurs or are not aligned with what youth expect.

6.19 CONCLUSION

In conclusion, successful entrepreneurship development necessitates the presence of critical players, an effective tertiary education system, a well-functioning entrepreneurial ecosystem, and the selection of entrepreneurs to succeed.

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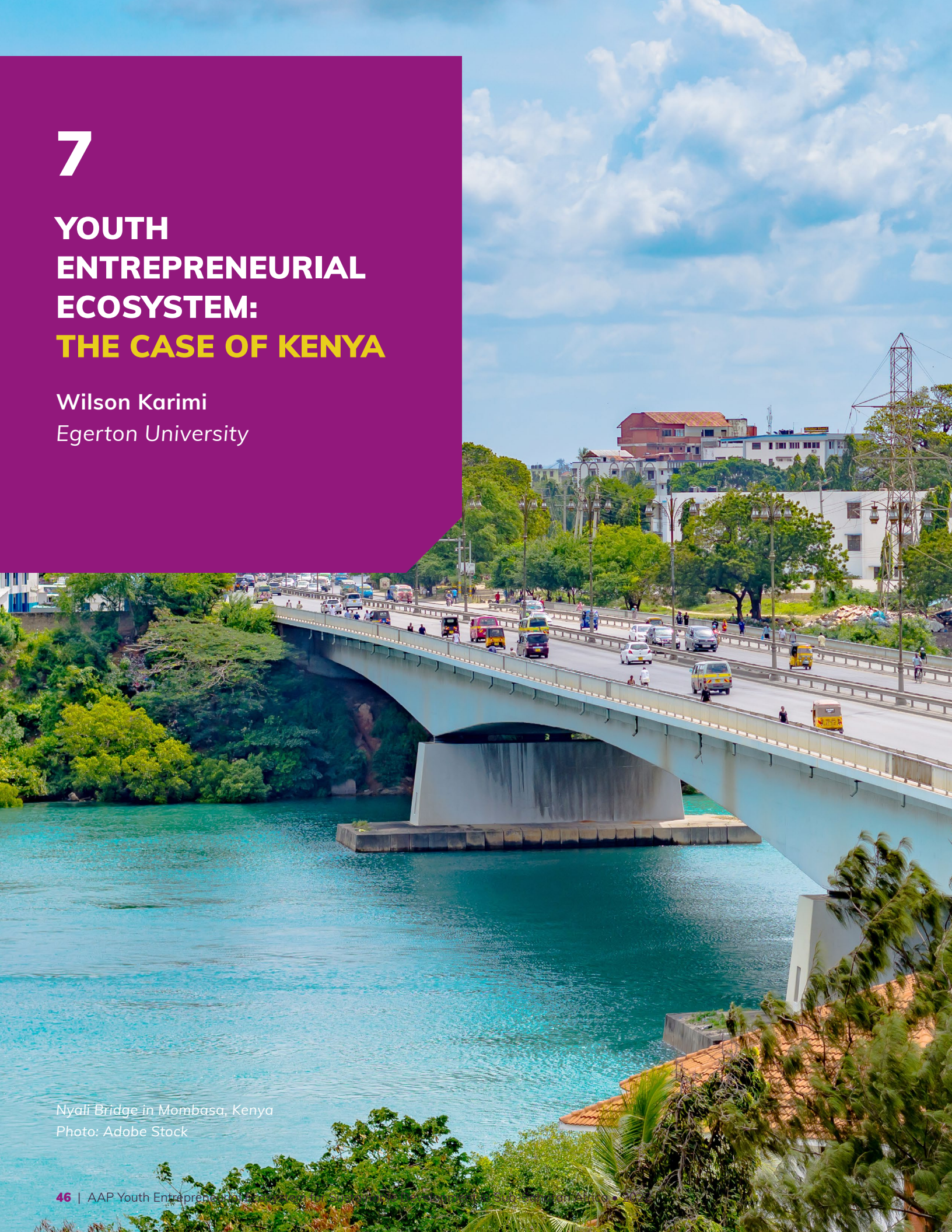
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7

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF KENYA

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Nyali Bridge in Mombasa, Kenya
Photo: Adobe Stock

Abstract

The scoping study aims to understand the Kenyan youth entrepreneurial ecosystem. The study adopts a case study approach that helps explore how existing youth entrepreneurial ecosystems support youth entrepreneurial activities. A nonprobability, purposive sampling was used to select eight entrepreneurs and 22 different actors (nongovernmental organizations; private organizations; financial institutions; higher education institutions; policymakers; Micro and Small Enterprise Authority; and mentors/leadership/community leaders within the entrepreneurship ecosystem. The participants were interviewed to find out about the success stories, challenges, and recommendations to mitigate the challenges they face. Data was collected through semi-structured interviews via Zoom and stored without identifiers. The recorded interviews were transcribed using transcription software. A six-step thematic content analysis was used to analyze the data (Braun & Clarke, 2006). The study shows that young entrepreneurs face a challenge in raising capital to start their business; they have inadequate basic skills for starting and running a business; have insufficient knowledge about what is happening in the entrepreneurship ecosystem; finally, most young entrepreneurs feel that the government does not provide an enabling environment when it comes to registering the business, IPs, or access to government funds, and there is an unfriendly tax system. Ecosystem support organizations also felt that capital hinders young people, and a lack of skills and the right mindset, the lack of a legal framework that governs the ecosystem, and government bureaucracy are significant challenges hindering the growth of youth entrepreneurship.

7.1 INTRODUCTION

Youth constitute the most significant part of the population in Kenya. With the increasing unemployment rate, most youth find themselves unemployed or underemployed. This leads to most of them going to self-employment or running small businesses to support themselves, which is not easy because most do not have enough skill or money to run businesses. Kenya has been identified as one of the leading innovation hubs in Africa, and this is due to the growth of the entrepreneurship and innovation ecosystem.

Being a new concept, most of the educational institutions and ecosystem support organizations (ESOs) have challenges in understanding how they can effectively support youth to participate in the entrepreneurship ecosystem. The purpose of this study is to gain insights into entrepreneurial activities that support youth entrepreneurship and opportunities available in Kenya. Involved in this is understanding of current challenges and how these are and are not being met by current entrepreneurial ecosystems.

The study illuminates the challenges youth entrepreneurs, education institutions, and ecosystem actors face. It also highlights their success stories as well as their recommendations for improving the entrepreneurship ecosystem. The organizations interviewed have a direct link to youth entrepreneurs in terms of offering entrepreneurial education, working space, technical support, and financial support. Most

of the interviews were conducted via Zoom after the consent of the interviewees. A total of 30 institutions were interviewed.

The Republic of Kenya is a unitary state divided into 47 counties. The country is run by a national government and 47 county governments. The two levels of government work in close consultation, as espoused in the Kenyan Constitution, which states that "the governments at the national and county levels are distinct and inter-dependent and shall conduct their mutual relations based on consultation and cooperation" (Embassy of the Republic of Kenya in Japan, 2020).

The Kenyan economy is a market-based with a few state enterprises. Major industries include agriculture, forestry, fishing, mining, manufacturing, energy, tourism, and financial services. Kenya's economic growth was 5.7% in 2019, making Kenya one of the fastest-growing economies in sub-Saharan Africa (World Bank, 2020). By 2019, Kenya's competitive index was 54.14, and this increased from 53.25 in 2017 to 54.14 in 2019, growing at an average annual rate of 0.84% (Knoema, 2020).

Kenya has a total population of 53,527,936 in 2020. The proportion of children below the age of 15 in 2020 was 38.71%, 20.45% between the ages of 15 and 24 years, 33.75% between the age of 25 and 54, 4.01% between 55 and 64 years, and 3.07% 65 years or older (World Bank, 2020). In 2020, Kenya ranked 56th in

the World Bank rating of “ease of doing the business,” up from 61st in 2019 (of 190 countries). The most problematic factor for doing business is corruption, followed by access to financing (World Bank, 2020).

7.2 ENTREPRENEURSHIP IN KENYA

Kenya has made remarkable progress in poverty reduction in the last two decades. However, there is a need to accelerate the pace of poverty reduction in achieving inclusivity. The economy experienced a robust growth, averaging 3.9% between 1997 and 2016. The poverty rate dropped from 52.3% in 1997–1998 to 46.8% in 2005–2006, and eventually to 36.1% in 2015–2016 (KIPPRA, 2020). In Kenya, most entrepreneurs are micro, small, and medium enterprises (MSMEs), which contribute approximately 40% of the GDP, with the majority in the informal sector (Wakiaga, 2021). The majority of the SMEs are wholesalers and retailers. Overall, the sector makes key contributions to improving the economic and social sectors of the country by nurturing employment across the country. Most SMEs are faced with many challenges, thus hindering their full contribution to Kenya’s economic growth.

7.3 RESEARCH DESIGN AND METHODOLOGY

This study employed a qualitative research design. Qualitative research is important when exploring topics in the nascent phase and has the potential to contribute to theory development (Bansal et al., 2018). Insights from participants were gathered, with the objective of using them to generate new propositions. The study adopted a case study approach, which helped the researcher explore how the existing youth entrepreneurial ecosystems are support entrepreneurial activities. The study sample consisted of 30 different actors within the entrepreneurial ecosystem who play supportive roles to advance entrepreneurship in sub-Saharan Africa. The unit of analysis is the youth entrepreneurial ecosystem. A nonprobability, purposive sampling was used to select the study’s participants. Purposive sampling was done to ensure that the selected participants provide insights that answer the study’s research question (Saunders et al., 2009). The researcher used their networks to access the study’s participants.

Youth entrepreneurs: Age between 19 and 35 years, business ownership of more than 5 years, operating in either rural or urban, and business activities in the selected industries.

Entrepreneurial ecosystem actors (nongovernmental organizations; private organizations; financial institutions; higher education institutions; policymakers; Micro and Small Enterprise Authority; and mentors/ leadership/community leaders): Operational in the previous 5 years, youth entrepreneurship-focused programs, and involved in youth entrepreneurial support activities in the previous 5 years.

Sample Size

The final sample size was 30 participants. An overall sample size guide is presented in **Table 7-1**; the participant’s details are shown in **Table 7-2**.

Table 7-1 Total Sample Size

Participants	Estimated No. of participants
Nongovernmental organizations	03
Private organizations	05
Financial institutions	03
Higher education institutions	02
Policymakers	02
Support structures (e.g., legal, technical experts, account)	02
Micro and Small Enterprise Authority	01
Mentors/leadership/community leaders	04
Entrepreneurs	08
Total	30

Data Collection

The data was collected through semi-structured interviews. These interviews enabled the researcher to probe and ask for clarification during the interview process. The interview guide was designed based on the existing literature, following Stam’s (2015) guidelines. The interviews were conducted online using Zoom and lasted between 19 minutes to one hour. Before the interviews could begin, the researcher asked the participant to consent to a letter to ensure that they agreed to voluntary participation in the interview. In addition, the researcher sought permission to record the interviews and take notes.

Data Analysis

The recorded interviews were transcribed using a transcribing software (<https://get.otter.ai/>). After the transcription, the researcher listened to the interviews to ensure that information was not lost during the transcription process. A six-step thematic content analysis was used to analyze the data (Braun & Clarke, 2006). First, the researcher closely read the interview transcripts and remove possible identifiers. Second, the interview transcripts were loaded onto the data analysis software. Third, coding was done by assigning labels or codes to the chunks of information on the participants' transcripts. The researcher ensured that the codes were closely aligned with the participants' responses. Once the codes were identified, the fourth step involved the formation of categories. The codes with similar meanings were grouped into categories and assigned unique labels. In the fifth step, the categories were grouped into themes, which were presented as the findings. Finally, the designed themes were reviewed against extant literature to ensure that they were rigorous and robust.

Ethical Considerations

The researcher maintained ethical principles throughout the execution of the research. In the data collection stage, the researcher applied for ethical clearance at the Gordon Institute of Business Science. Before the interviews began, the participants were assured of anonymity. The researcher then read a consent letter to the participants to them to show that they voluntarily participated in the research and could withdraw at any time. In the reporting of the findings, the researcher ensured that the participants were kept anonymous. Finally, gathered data was stored without identifiers.

Limitations

During the data collection, it was challenging to get some of the participants to be interviewed via Zoom. In particular, it was hard to get universities and government organizations to participate in the interview because of bureaucracies, and some were skeptical. There were challenges of connection via the internet: some of the bandwidths were weak, and communication breakdowns sometimes occurred. Some of the activities had to be postponed due to the COVID-19 pandemic. Because the study began during the holiday season, this was also a limitation when we took a 2-week break. Getting the right software for transcription was also a challenge, and because some of the audio was not clear, it took a long time to do the transcriptions. However, we were able to overcome all these challenges with innovative solutions.

7.4 HIGHER EDUCATION INSTITUTIONS

Success Stories Reported by Higher Education Institutions (HEIs)

The success stories presented were from TVET institutions interviewed. Most of the students who graduate from agricultural technical colleges do not find it difficult to get jobs or begin self-employment because they have the necessary skills and expertise. Strong networks have been created within the industry, and this has contributed to the success of the graduates. As a result, most of the graduates end up being self-employed.

So in terms of the network, we have really tried to build on that and something very important is that we have been able to help young people become agripreneurs. Better is that most of them become farmers. Because most of them once they get out of this place, they go and start their own businesses that are farming. We have had so many students even before they complete the program, and to do these they already got the skills and have learned probably they need some small capital to start farming, and they are really doing great. (Participant 17: TVET)

Challenges Reported by HEIs

When it comes to teaching in a TVET institution most of the lecturers want to teach the way they were taught in the university, that is, theory without application of hands-on practice, and it takes a long time to change the mindset of tutors to get them to adopt practical training.

Well, one thing we find is a half of our trainers are former trainees from the same institution, and therefore, they come back with a tradition. You know, they come back with a tradition, and they want to enhance that tradition, they are not coming so much with completely different ideas. (Participant 17: TVET)

Most of the students pursuing a diploma assume that it is a step to get a degree offered in universities. Thus, after completing their studies, they do not go and practice what they learnt because they want to study in a degree program that they believe is more lucrative than their diploma program. The other issue is that most young people have a negative attitude towards work and agriculture-related courses and prefer white-collar jobs. Most of the youth who want to venture into business do not have the capital to start a business; this a huge hindrance, in particular within the agribusiness sector. Most youths do not decide what they want to do early enough and are not patient enough to start a successful business.

Table 7-2 List of Participants

List of Participants	Gender	Industry	Organiza- tion type <i>Governmental, private, or NGO</i>	Interview	
				Mode <i>Phone, Zoom, in person etc.</i>	Duration
Participant 1	Male	Agri-tech manufacturing (poultry)	Private	Zoom	22 min
Participant 2	Male	ICT—Dairy Application	Private	Zoom	30 min
Participant 3	Female	Agri-input provider/ Agriculture training services	Private	Zoom	40 min
Participant 4	Male	Film/creative industry	Private	Zoom	45 min
Participant 5	Female	beauty—manufacturing	Private	Zoom	37 min
Participant 6	Female	Agro-production	Private	Zoom	30 min
Participant 7	Female	Assistive technology	Private	Zoom	23 min
Participant 8	Male	Film/creative industry	Private	Zoom	14 min
Participant 9	Male	Co-working space and business incubation	Private	Zoom	24 min
Participant 10	Female	Business advisory	Private	Zoom	1hr
Participant 11	Female	Accelerator and business advisory	Private	Zoom	41 min
Participant 12	Female	Accelerator and business advisory	Private	Zoom	45 min
Participant 13	Male	Accelerator and business advisory	Private	Zoom	47 Min
Participant 14	Male	Banking—Financial services	Private	Zoom	39 min
Participant 15	Female	Banking—Financial services	Private	Zoom	40 min
Participant 16	Male	Banking—Financial services	Private	Zoom	19 min
Participant 17	Male	TVET	Private	Zoom	40 min
Participant 18	Male	TVET	Private	Zoom	35 min
Participant 19	Male	Policy consultant	Private	Zoom	40 min
Participant 20	Female	County government—Youth affairs	Private	Zoom	35 min
Participant 21	Male	Entrepreneurship advisor	Private	Zoom	1hr 7 min
Participant 22	Female	Youth empowerment	Private	Zoom	60 min
Participant 23	Male	Fresh produce export regulation	Private	Zoom	35 min
Participant 24	Male	Youth empowerment and youth entrepreneurship	NGO	Zoom	45 min
Participant 25	Female	Youth empowerment	NGO	Zoom	35 min
Participant 26	Female	Youth empowerment and youth entrepreneurship	NGO	Zoom	44 min
Participant 27	Male	Design thinking and human interaction design/business mentor	Private	Zoom	27 min
Participant 28	male	Business development/mentor	Private	Zoom	32 min
Participant 29	Female	Youth empowerment advisor/mentor	NGO	Zoom	20 min
Participant 30	Male	Business incubation/mentor	Private	Zoom	30 min

Recommendations by HEIs

- There is a need to create patient capital (period with favorable interest rates) that is friendly to young people, which will help them kickstart their business ventures, which will create more employment and give young people the chance to test their ideas without fear.
- Youth need to change their attitude towards work and in particular agriculture-related work. They need to understand that agriculture can also help them earn a living like the white-collar job.

7.5 YOUTH ENTREPRENEURS

Success Stories Reported by Entrepreneurs

We sought to understand if youth entrepreneurs have benefited from services and support given by ecosystem actors. The question was on how entrepreneurial actors affected their business. Most of the entrepreneurs found it easy to answer this question, but it was not relevant to those who did not receive support from ecosystem actors. Some entrepreneurs have been able to expand their market access and increase their market reach due to support given by ecosystem actors in their region.

We are now able to conduct market analysis, understand the markets and develop solutions for our customers. Our market penetration has increased by 60%. This is as a result of support from ecosystem actors that we work with.
(Participant 1: Dairy/fodder application developer)

Some of them have been able to gain new skills on financial management, business model development, and digital skills, which will help them build networks, increase their product portfolio, develop new products, and generally gain more knowledge on how to run their enterprises and create more strong and robust business linkages.

The main theme is that most entrepreneurs have been able to understand business models and have been able to develop products and services acceptable to their customers and, as a result, increased their market access through the support of various ESOs. This has led them to kickstarting their enterprises and expand their products and market reach.

Challenges Reported by Youth Entrepreneurs

Most of the young entrepreneurs face many challenges when starting a business or even trying to venture into entrepreneurship space. One common challenge was the issue of raising capital. Most of the entrepreneurs stated that they found it challenging to

raise capital to start and expanding their businesses; some of the reasons were dealing with bureaucracies, the long and tedious process of applying for loans from mainstream banks, and corruption within the government. Some did not have a clue on how they could get capital to start a business.

Most one, as usual, is getting the capital, so you have to try and bootstrap but you know, it's not always enough. So you have to persevere and maybe try to get capital from other avenues, that was the main challenge of getting capital.
(Participant 2: Dairy application developer)

Lack of capital was a common challenge among all young entrepreneurs. Other challenges highlighted by the entrepreneurs included bureaucracy, both in the government when it comes to formalizing their companies, competition from established businesses, the long process of acquiring intellectual properties, the challenges in accessing credit from mainstream banks due to bureaucracies and the lack of security needed to secure loans, inadequate skills for understanding market, lack of knowledge on what is happening within the sector (and specifically within the youth entrepreneurship space), lack of trust from players in the industry, being undermined by members of the older generation, corruption within the government during business registration, and accessing funds issued by government agencies.

Those in youth groups felt that having a cohesive group was a challenge because it was difficult to meet each person's interests. Some stated that getting a skilled workforce to work on their innovation was a huge challenge, and they had to look for expertise outside the country to help them develop their products. Disruptions caused by COVID-19 led to entrepreneurs losing market share.

Recommendations by Youth Entrepreneurs

- There is a need for a clear policy on start-ups in Kenya: how they are started, supported, and funded to scale.
- Capital access for start-ups should be made easy; as of now, the Uwezo and Youth fund, government fund structures, are not working because of the bureaucracy involved when attempting to access funds.
- Organizations that support youth entrepreneurship should be led by youth because they understand youth problems. The creation of proper institutions that offer business support to facilitate growth of start-ups is needed.

- Corruption is a huge factor and it affects the way business is done in Kenya. For example, there is a rule that a third of all government procurement opportunities should be given to youth and women but this does not happen because some people who call for tenders are the same people who apply for these tenders or their close friends so we need checks and balances in the ecosystem to ensure youth and women are protected from such incidents.
- Research from academic institutions needs to be applied rather than having it put on shelves. Research could be commercialized to help develop more innovative solutions.
- There should be stakeholder engagement to ensure that every player in the industry understands their role. Youth need support in terms of infrastructure to help them expand their product base.
- Rigorous assessment on what is happening on the ground should be done before deciding on the interventions to improve youth entrepreneurship, which in turn will avoid the replication of interventions, which would help youth entrepreneurs. Youth should not be treated as a homogeneous group; they differ in culture, level of education, skills and knowledge, and face different challenges.
- Youth entrepreneurs should be linked with experts in their field to help them develop suitable and sustainable solutions. There need to be working systems that support youth entrepreneurship.
- The government should simplify the procedures and bureaucracies involved in business registration. There is a need for transparency from ESO's; most of them take advantage of young entrepreneurs by not fully communicating what is on offer before offering them services.
- Entrepreneurship should be hands-on and should be taught by people with experience. It is necessary to link entrepreneurs with mentors in the field, people who have taken the journey of entrepreneurship, rather than giving them theoretical mentors who have no experience in running a business. There should be more incubation centers to assist youth starting their businesses by offering training on entrepreneurship and mentorship.
- Youth should be involved in developing solutions for the problems facing them, not just involving them during the implementation of projects.

7.6 NONGOVERNMENTAL ORGANIZATIONS

Success Stories Reported by NGOs

Some of the success stories highlighted were young people in high school being able to start their enterprises at a young age, changing their perception of agriculture and agripreneurship, creating linkages that have helped entrepreneurs to access funding, and supporting youth groups to help set up their businesses and increase its value with infrastructure/equipment supports.

One is a change in perception. Taking advantage of opportunities along the agriculture value chain, most of them do not offer the option of being producers, maybe because of the challenge of land, but you'll see they'll take advantage of the opportunities along the value chain. And then the others who did well, we'll see them growing their SMEs. (Participant 25: Youth Empowerment [NGO])

Challenges Reported by NGOs

The challenges highlighted include a challenge for youth to access funds to start and run their business, thus hindering profitability and growth.

Also the fact that yes, they acquire this skill, but being able to get financing for their business plans and proposals is also a bit difficult. You know, because in our economy, you are high risk people. So getting someone who is willing, even if it's a financial institution who is willing to finance this business, especially as a beginning, there is no proof of that completely. This is someone who's starting their own thing, people who have proof of concept, trade, and this is how far they've come, it's easier for them to get financing. But people who don't have any proof of concept, they're just this is a brand new thing they want to start; it becomes very hard for them to get financing. So they get very little financing, or none at all. (Participant 26: Youth Empowerment [NGO])

Access to finances and market are also a challenge. (Participant 25: Youth Empowerment [NGO])

It was emphasized that most youth entrepreneurs lack the right mindset when it comes to entrepreneurship, and that they are unpredictable, nor are they sure if they want to be entrepreneurs in a certain field, and they tend to be all over the place. Access to land as a factor of production and a negative perception of businesses associated with farming and agriculture has made many youth miss opportunities in agripreneurship and has prevented youth from fully participating in the ecosystem.

The NGOs reported that it is difficult to work and collaborate with government departments because of bureaucracies and corruption. This hinders how they work with the entrepreneurship space.

Recommendations by NGOs

We sought to understand what recommendations the NGOs would make to solve the challenges they highlighted. Some of the recommendations included:

- Training provided to young entrepreneurs should not be generalized and should not be given to every youth (assuming they want to be entrepreneurs). It should be specific to the needs of entrepreneurs and be administered to people who are interested in pursuing entrepreneurship.
- Youth should be well-taught and mentored to ensure they have integrity and due diligence should always be done when it comes to disbursing funds to support the youth to make sure the right people are being supported.
- Stakeholder engagement is key if youth entrepreneurs are to succeed. To ensure this, all stakeholders should be brought on board when implementing youth empowerment projects.
- Kenya already has a strategy on youth in agribusiness but is not being implemented. The government, through the ministries, should ensure such strategies are fully implemented instead of just being documents.

7.7 PRIVATE ORGANIZATIONS

Success Stories by Private Organizations

The goal was to understand how private institutions have supported youth entrepreneurs and how successful they have been in ensuring that youth entrepreneurship is promoted in Kenya. The findings show that revenues of SMEs operated by youth has grown by over 70% as a result of support from private organizations.

Definitely, in terms of revenue increase, I think one of my highest entrepreneurs was an increase of over 250% within a period of one year in terms of revenue growth. And the least was probably like 10 to 20%. So you could look at an average of like, 60 to 70% in terms of growth. (Participant 12: Accelerator)

There has been an increase in employment and funding, which has been the result of the support given by business support organizations. Entrepreneurs have also been able to raise millions of shillings to expand

their businesses, and entrepreneurs have been able to improve their products and services through the business support given.

We've not seen a lot of private equity firms, venture capitalists and other kinds of funds coming into Nakuru to look for some of the start-ups. But with this specific one, we are happy enough to say that they caught the eye of an investor and actually, between this month and March, we are supposed to be assisting them with the negotiations, the due diligence towards investment from a venture capitalist. (Participant 13: Accelerator)

Thanks to ecosystem support, some of the businesses have grown from just an idea to a functional and profitable venture.

So the success stories, we have a story in their testing periods for us because once we've grown from just ideation to growth, to scalability, it's not perfection for us. It's a story, it's a story that we can say the business is sustainable, then where we are right now is just the initial stages of trying to see how this business is moving forward. And then I think after a year of working with these businesses with these start-ups, we can now confidently say that they can now work on their own, they can run and we've stopped helping them to crawl. (Participant 9: Accelerator)

Challenges Reported by Private Organizations

We sought to understand the challenges the private organization faced when dealing with youth entrepreneurs in Kenya. The most common challenge highlighted when dealing with the youth entrepreneur was inadequate funds to run their businesses and support expansion. This affected how they developed their solutions and access to markets.

I think one of the major challenges is with finance; I think this is this cuts across the whole country, not the globe, young entrepreneurs have limited access to funding, financing, they have fantastic ideas, and we support them to create a good business model. But then now when it comes to funding, to grow their business, or just to execute ideas becomes a challenge. (Participant 9: Incubator/ Coworking space)

Youths' mindset and how young entrepreneurs perceive business support was also highlighted as a challenge. Some of the young entrepreneurs believe they know it all when it comes to running an enterprise. Some of the young entrepreneurs struggle to start small and think big. "So I find

entrepreneurs, especially the youth struggle to start small, while thinking big, and you see that already affects the entrepreneur because it's a journey, it's not a linear process" (Participant 11: Accelerator).

Inadequate skills from incubators and accelerators to support young entrepreneurs was also highlighted as a challenge. Legislation, Intellectual Property (IP) rights, and support available to start ups was also mentioned as a challenge. Finally, unstructured mentoring programs were also highlighted as a challenge; mentors who have walked the journey of entrepreneurship are not available to guide young entrepreneurs and thus most of them end up struggling to establish businesses.

Again, mentoring is one of the things that need to be structured, and it's been there, especially in African setup, but it needs to be structured in a way that it delivers value for the entrepreneur. So because if you if someone else has walked that journey, I don't see why you also need to struggle through it. And it's part of how you're building your networks. So whoever is your mentor gets to guide you through it, because ideally, then they're not supposed to be imposing things on you to guide you through it. (Participant 11: Accelerator)

Recommendations by Private Institutions

- Build a local system of funders, people who will provide funds to local entrepreneurs. The organizations in the ecosystem should find areas of synergy and work together to streamline the ecosystem and help distribute resources that will support entrepreneurs.
- It is good to have preincubation programs for entrepreneurs to find out if they are fit to be entrepreneurs. This will help avoid wasting resources and time supporting start-ups that do not qualify to be incubated.
- There is a need to equip and support incubation centers and make them sustainable so that they can support entrepreneurs effectively. This includes diversifying the types of incubations we have in the country.
- The government of Kenya should create favorable conditions for doing business in Kenya to spur economic growth.
- Create technology transfer offices in universities and create policies that favor technology transfer.

- Entrepreneurs need mentors who can help them refine their business model and support them in their entrepreneurship journey. There is a need to change or simplify the process of access to funding for start-ups to ensure that they do not struggle too much when it comes to raising capital. The government should create a fund to support start-ups within the country.

7.8 MENTORS/LEADERSHIP/COMMUNITY LEADERS

Success Stories Reported by Mentors and Community Leaders

Youth entrepreneurs have been linked with government and financial institutions and as a result they have been able to raise capital to run their businesses.

We've tried to link up to financial service providers for example; we have linked some Youth-to-Youth Enterprise Development Fund where they were able to access over 5 million shillings as loan to go into business and other financial institutions that you're working with like Equity Bank. (Participant 29: Mentor/NGO, Youth Empowerment)

Another successful approach has been training youth how to save the money they get as a group and use it as capital to start or expand their businesses, and get the right skills.

I've also helped them to come to develop saving culture, where we train them on how to do their own savings within groups that have table banking, where they save and borrow money from each other, which we find as a good Launchpad for them to get access to financial inclusion. (Participant 29: Mentor/NGO; Youth Empowerment)

Youth need to be equipped with research skills to ensure that they support research activities within the ecosystem; they should also be equipped with skills that will make them competitive in the job market. "We're also training some youth associations and youth organizations to be research assistants. Because we look at youth employment, critically from a point of self-employment and wage employment" (Participant 29: Mentor/NGO; Youth Empowerment). Some of the mentorship organizations were able to develop strategy for youth in agribusiness to help the government learn what is needed to support youth in the agriculture sector.



Challenges Reported by Mentors and Community Leaders

In the interviews it was stated that the youth mindset is a huge challenge. Most of the youth have been oriented to think about being employed rather than creating employment, and this contributed to the increase in unemployment among youth. This is also a push factor that causes youth to enter entrepreneurship, but not because they want to be entrepreneurs; once they get a chance to get employment they leave entrepreneurship. There is also an issue of mindset: youth think they know it all and thus it is difficult for them to absorb new knowledge.

So most of the challenges are, you know, these youths, they know everything, you tell people to come to study about things like business canvas, the art of pitching, and they think they know them, they know what that is all about. So it's very hard to convince this user to come without paying them. (Participant 30: Mentor/Incubation)

The entrepreneurship training that is being offered to young people is still theoretical; as a result they are not able to apply the skills they've gained to start their entrepreneurship journey.

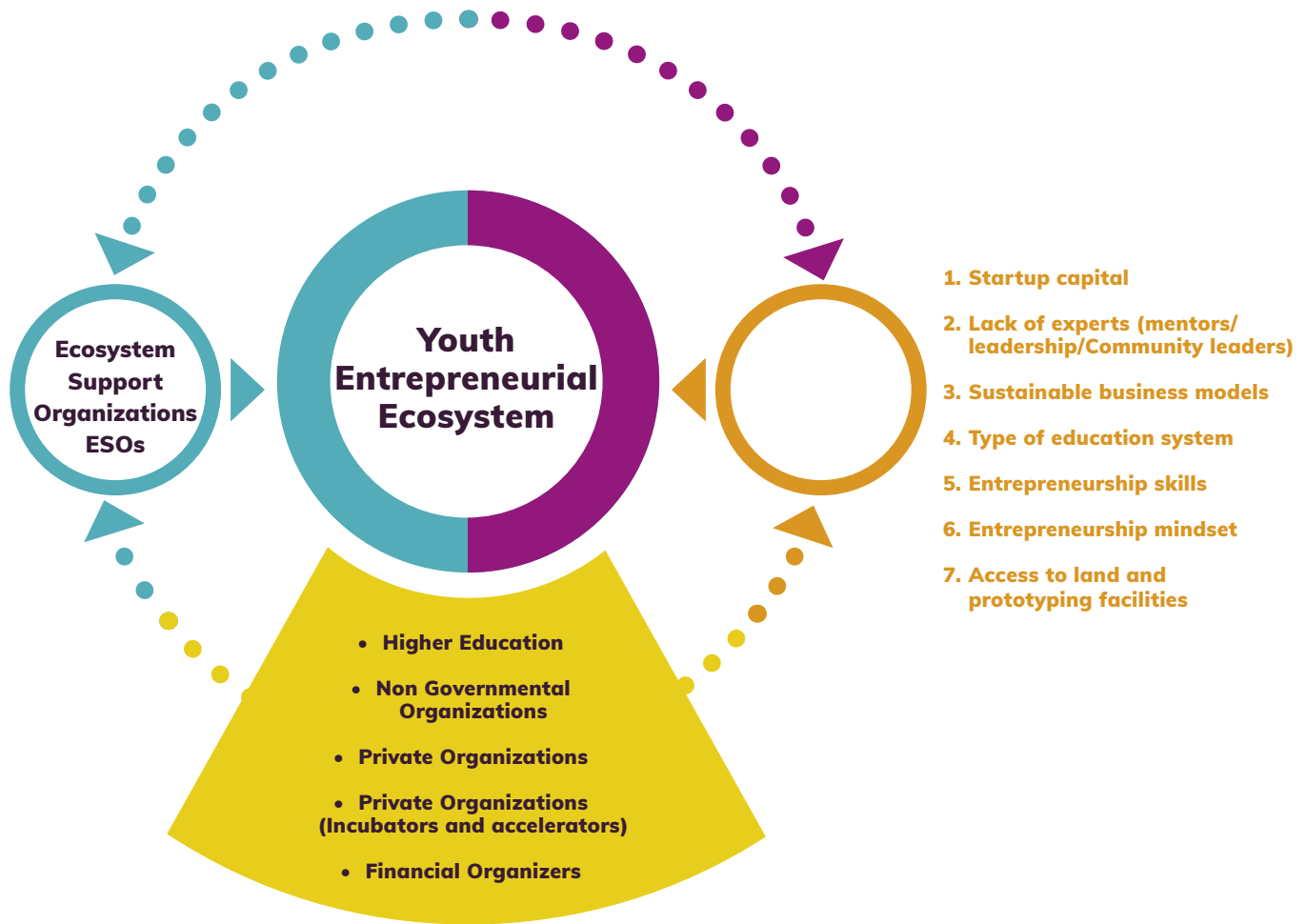
Now the other kind of training that is being provided for these young people is still theoretical training. That is oriented for a job market where they have to be employed, it is not training that has given them skills to go and be job creators. (Participant 29: Mentor/NGO; Youth Empowerment)

The ecosystem does not have the right structure to help young people thrive and become impactful entrepreneurs; there is a gap when it comes to mentorship and supporting young people and helping to develop their innovative ideas. Moreover, young people are naïve and they have inadequate knowledge on how they can start and run their ventures and become sustainable; the application of IP rights is still a huge challenge.

Access to funds to start their enterprises is also a huge challenge. This cuts across young entrepreneurs and ESOs. ESOs do not have enough funds to support young entrepreneurs to ideate and develop prototypes that can be tested in the market. Most of the capital in the country is coming from foreign countries and few local investors are investing in local start-ups. In addition to access to funds, market access and competition from big players causes start-ups to face unfair competition. Most of them end up being bought, or they just fizzle because they can't compete.

Accessibility of some ecosystem actors is still a huge challenge, in particular research commercialization institutions and ESOs with facilities for testing innovations and ideas. Getting market intelligence and conducting market research is still a challenge for entrepreneurs. Thus, there are no linkages in the ecosystem in particular when it comes to supporting innovative ideas.

Figure 7-1 Illustrating How the Different Variables Relate to Each Other to Influence an Entrepreneur



Young people lack skills on how they can pitch their ideas to investors to get resources to start their enterprises, they have inadequate branding skills, they have poor business management skills, poor communication and life skills, and lack basic skills on record keeping. Some organizations reported that they don't have the right mentors with the right experience, and if these mentors are there, they do not have time to mentor start-ups. Thus it becomes difficult for young entrepreneurs to access experienced mentors. Finally, there is insufficient data on youth employment and engagement in entrepreneurship; what data exists is inaccurate and not up to date.

Recommendations by Mentors and Community Leaders

- There is a need for the government to coordinate different stakeholders and actors focused on youth entrepreneurship and create a platform where synergies can be created to ensure all actors are moving in the same direction.

- Educational institutions need to change how they provide skills to young people. They need to move from a curriculum that is too academic to a curriculum that can support youth entrepreneurship. There is a need to address the issue of entrepreneurship from an early stage.
- The government also needs to create a conducive environment for entrepreneurs to thrive. Energy costs are high, roads are in bad condition, registration of businesses takes long time: all these add to the high cost of production and the unconducive environment for doing business. There is a need to protect infant industries and ensure they thrive through their formative stages.
- We should establish design institutes within universities to provide an avenue for industry to get inside educational institutions. This will create rapport between industry and educational institutions and influence them to customize their programs to suit the needs of industry.

7.9 DISCUSSION

The findings indicate that the HEIs, in particular TVET institutions, are struggling to convince youth to join agripreneurship. Youth have the wrong attitude about agriculture-related courses and business. According to the findings most HEIs lack facilities that can support youth entrepreneurs, and if they are available most young people cannot access them. Institutional collaboration between HEIs and other ecosystem actors is minimal, and therefore there is a huge disconnect on what is happening in the entrepreneurship ecosystem. The HEIs do not have information on what the industry is doing and vice versa. Lecturers and mentors offering entrepreneur support do not have experience; most of them have knowledge from books, and thus it is difficult for them to offer real-world experience to young entrepreneurs. There is a lack of data to describe what is happening in the entrepreneurial space, and what data is available is outdated and inaccurate, in particular on the impact of start-ups on the Kenyan economy. **Figure 7-1** shows the relationship and interactions among different factors that influence the youth entrepreneurial ecosystem.

There is a huge skill gap among the young entrepreneurs; most of them lack basic communication skills, life skills, soft skills, fundraising skills, and negotiation skills, which are important in ensuring they can be successful. They also lack the right mindset. It was emphasized that most of youth have huge egos that hinder them from learning; some want to get rich fast and they have the notion that entrepreneurship will make them rich, which often is not the case. They lack basic understanding of what entrepreneurship entails. The other hindrance is inadequate capital to start their enterprises. Most youth are not employed and do not have the collateral or the skills to raise capital. This has resulted in the collapse of many start-ups and thus discourages a lot of young people from being entrepreneurs. Most of them fear failing; they would rather get a job, which looks like an easier option. Lack of capital to fund youth entrepreneurs is also a hindrance. Most of the available capital is from foreign venture capitalists and angels; locally available capital is mainly from banks and this is not attractive to young people because it is expensive and hard for them to access.

On the other hand, ecosystem actors are also struggling to get youth to accept they have inadequate skills and knowledge to run their ventures. Most young people prefer ready-made jobs than struggling to start a business. An unstructured ecosystem and lack of a policy governing how the ecosystem should operate was also identified as a huge hindrance for ecosystem actors. Some ecosystem actors who support youth entrepreneurs do not have sustainable business models, nor do they have adequate skills to support youth entrepreneurial activities.

Doing business in Kenya is still a huge struggle for most young entrepreneurs. Limited access to government funds, registration of business, over taxation, corruption, and long processes for IP applications and getting KEBS certification were highlighted as huge hindrances by youth entrepreneurs and ecosystem actors.

7.10 PRACTICAL AND ACADEMIC IMPLICATIONS

According to the findings, the private sector is the main actor when it comes to youth entrepreneurship empowerment in Kenya despite HEIs being the main player when it comes to interaction with youth. This is an opportunity for HEIs to collaborate with the private sector to ensure that youth coming from educational institutions have a smooth transition when it comes to entrepreneurship or self-employment.

There is insufficient data to support youth entrepreneurial activities in the ecosystem and this is an area where research will play a big role to ensure ESOs understand what is happening and their impact in the ecosystem.

HEIs need to build the capacity of faculty members to help them develop curriculum that is market-led and entrepreneurial. This will ensure that students get relevant skills on entrepreneurship, which will make them more competitive in the marketplace.

When it comes to the entrepreneurship curriculum there is no standard curriculum that can be applied by HEIs and ESOs, and this creates an opportunity for educational institutions to lead. Lack of pilot agriprocessing and manufacturing units in the ecosystem is also an opportunity for HEIs.

Most of the ESOs need training and capacity building on entrepreneurship and entrepreneurship support; HEI has an opportunity to conduct a study on the most needed skills, which will help them develop training that will help build the capacity of ESOs.

ESOs are trying to equip young people with skills but most of them lack experts who are well-versed in innovation and entrepreneurship.

7.11 CONCLUSION

Kenya's youth entrepreneurship ecosystem is very young compared to that of the West. Kenya's youth get into entrepreneurship at a later age due to different limitations that exist in the entrepreneurship ecosystem. It is evident that getting capital to start a business is a huge challenge for young entrepreneurs. This calls for the government and other ecosystem actors to create more innovative ways for youth to can access patient and cheap capital to help them start and grow their businesses. The study shows that inadequate skills to start, run, and expand startups is also a huge hindrance to the growth of youth entrepreneurship, ESOs are trying to equip young people with skills but most of them lack experts who are well-versed in innovation and entrepreneurship; some also lack sustainable business models and thus a need to support the ESOs who can then support the young entrepreneurs to gain skill on entrepreneurship.

The education system in Kenya at O level and partial level does not promote entrepreneurship. It is mainly geared towards creating employees who follow instructions rather than thinking on their feet. Most young people's goal in school is to score high on tests so that they can get good grades, once out of school most of them never continue learning. This has created a robotic kind of thinking because most young people are only thinking about being employed rather than creating employment or even working on their talents and using them to earn a living. There is a need to equip the young people with skills that can help them be more innovative and entrepreneurial.

The study highlights that HEIs are also struggling to survive. It seems their business model is not working, and thus it is hard for these institutions to support

students to pursue entrepreneurship. The curriculum in HEIs is not entrepreneurial; it is geared towards finding employment. Even the employees created by these institutions are not entrepreneurial. Most of the tutors and lecturers teaching entrepreneurship in these institutions do not have practical experience of running enterprises or even raising capital to start business. This calls for collaboration with other ESOs, which will ensure that students interact with industry actors and are able to get a clearer picture of what's happening in the entrepreneurship arena. HEIs need to create incubation centers and research commercialization centers in the universities where students can have an opportunity to learn and test their business ideas. HEIs need to be more entrepreneurial, too.

There are many institutions in Kenya working with youth and empowering youth through entrepreneurship, but there is no data to show what ecosystem actors are doing. There is a need to create a system that can collect and analyze the data. This will provide information on what is happening within the ecosystem. This can be done by ESOs working together by sharing their data, thus enabling ESOs to develop more customized solutions.

It is evident that youth entrepreneurship in Kenya is growing and many young people have been able to change their livelihoods and that of others by starting sustainable businesses. This happened because of the support they have received from different actors in the ecosystem. However, more needs to be done to support ESOs, who in turn will be able to support more young people to start profitable, scalable business ventures.

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Kenyan entrepreneur, E. Mwaka Mupe,
on her farm in Kilifi county, Kenya
Photo: Amy Jamison

8

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF MALAWI

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A city market in Malawi
Photo: Adobe Stock

Abstract

Understanding the context of entrepreneurship at local levels is necessary to inform the design of initiatives that can improve an entrepreneurial landscape. The entrepreneurial landscape consists of all actors and interdependent factors that hinder or enable entrepreneurial activities in a given setting. This chapter uses an entrepreneurial ecosystems framework to understand the status, successes, and challenges for Malawi and inform designing interventions. An exploratory qualitative research design was adopted, and in-depth interviews were used to gather data. The results indicate that multiple actors, who are supposed to offer distinct expertise and services, exist; however, there is minimal differentiation in interventions delivered on youth employment initiatives. A general lack of entrepreneurial mindsets among the youth and limited coordination among actors were commonly sighted challenges, and establishment of enterprises was a common outcome among the ecosystem actors. Achieving success for an entrepreneurial ecosystem calls for embracing collective functionality.

8.1 INTRODUCTION

Worldwide efforts are being made to solve the twin problems of poverty and unemployment especially throughout sub-Saharan African countries including Malawi. Among the efforts being done, promotion of youth entrepreneurship is high on the agenda. This is expected because in Malawi, like other African countries, 46% of the population are under the age of 15, and 73% are under the age of 35 (NSO, 2018). Out of 20.4% of the economically active population only 27.5% are youth (Mussa, 2016). It is therefore expected that a higher percentage of the unemployed population is also composed of youth. This situation poses a significant threat to the social and economic development of the country. Researchers have documented that entrepreneurship plays an important role in economic development of a country and is identified as positively related to economic growth through job creation, technological change, and firm survival (Farsi et al., 2012; Thurik, 2009). In line with these observations, governments have moved to promote aggressive investment in youth development programs to empower the youth and contribute to the national economy. In Malawi, the interest in improving the entrepreneurial landscape is depicted in the policy frameworks that guide implementation. There are a number of policy documents that capture how the policy environment supports youth entrepreneurship issues, as captured in an OECD report (2018). As a rule, youth are energized, willing to explore new territories, and take up new challenges and risks, which are key attributes of entrepreneurs. However, for these attributes to be used productively, the availability of a conducive policy environment alone is not a solution to employment problems (Page, 2012). The extent to which the entrepreneurial ecosystem functions also

matters. This ecosystem view approach emphasizes the relationship of individual, organizational, and societal forces that is essential to promote and support entrepreneurial activities (Roundy et al., 2017; Spigel, 2017).

In this chapter an exploration on the entrepreneurial ecosystem for Malawi is conducted with the aim of answering three research questions:

- What is the state of entrepreneurship training in Malawi?
- How do existing entrepreneurial ecosystem players support development of youth entrepreneurship activities?
- Who do youth entrepreneurs interact with in the entrepreneurial ecosystem?

The chapter begins with an overview of the operating environment, followed by a snapshot of the status of the entrepreneurial ecosystem actors. The focus is on the roles of selected key actors, their interdependencies and challenges, and recommendations for a better functioning ecosystem to support the development and growth of businesses owned and run by youth.

Manufacturing, wholesale, and retail trade are the second largest contributors to the gross domestic product (GDP). It should be noted that of all the people employed in Malawi, 76% were in agriculture in 2019. Total unemployment was recorded at 5.8%, but vulnerable employment stood at 61% with the population of working poor (Purchasing Power Parity \$3.20/day) at 86.9% (World Bank Development Database, 2019). It is interesting, however, that when an entrepreneurial lens is applied to the business environment context, research reveals that micro, small, and medium enterprises (MSMEs) in the

Table 8-1 Sector Contributions to GDP

ITEM	2017	2018	2019
Agriculture, forestry and fishing	23%	22%	22%
Mining and quarrying	1%	1%	1%
Manufacturing	11%	12%	12%
Electricity, gas, steam, and air conditioning supply; water supply	3%	3%	3%
Construction	3%	3%	3%
Wholesale and retail trade; repair of motor vehicles and motorcycles	13%	13%	13%
Transportation and storage	5%	5%	5%
Accommodation and food service activities	2%	2%	2%
Information and communication	5%	6%	6%
Financial and insurance activities	6%	6%	6%
Real estate activities	7%	7%	7%
Professional, scientific, and technical activities; administrative and support service activities	1%	1%	1%
Public administration and defense; compulsory social security	3%	3%	3%
Education	4%	4%	4%
Human health and social work activities	4%	4%	4%
Arts, entertainment, and recreation; other service activities; activities of households as employers	2%	2%	2%

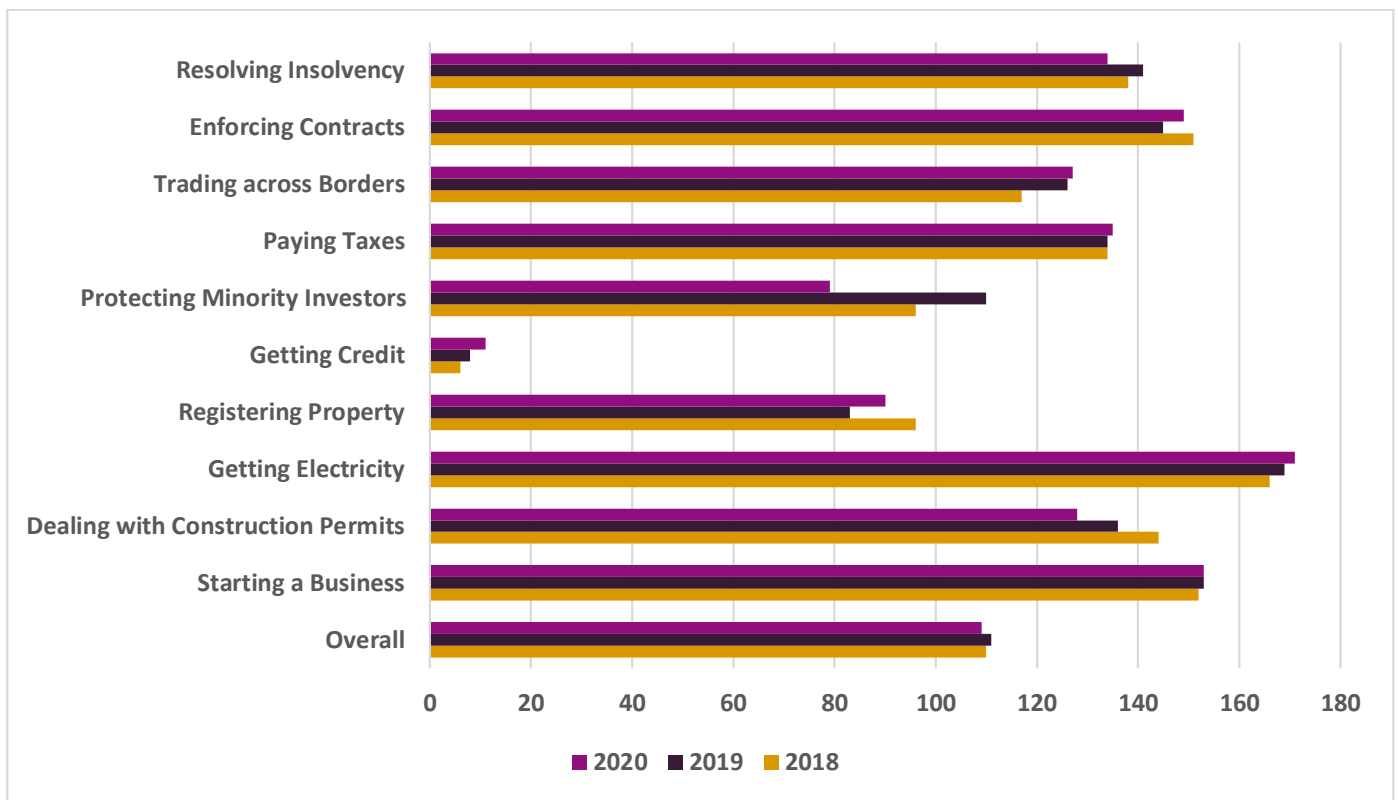
Source: RBM National Accounts Data (2020)- National accounts

country are minimally involved in agriculture-farming (17%), agroprocessing (1%), manufacturing (4%), and business services (1%) opposed to wholesale/retail trade (69%; FinMark Trust, 2019a). The trade sector predominantly trades in agricultural products and fast-selling goods from foreign countries. The trading of agricultural activities in this case presents a large opportunity for linking agricultural SMEs to the wholesale and retail sectors (FinMark Trust, 2019a). Entrepreneurship is a collective achievement relying not only on individual entrepreneurs but also on other actors who contribute by facilitating innovations. Thus, an understanding of the business environment in Malawi is necessary. The business environment has remained unchanged over the past 3 years (see **Figure 8-1**). In the figure, the lower the rank the better the indicator compared to the 190 economies assessed.

A high ranking on getting credit indicates the strength of movable collateral laws and credit information systems in facilitating lending. Although the systems in place are highly ranked, entrepreneurs still rank access to finances as one of the critical challenges to business growth (FinMark Trust, 2019a). The report further indicates that 89% of MSMEs trade informally,

thus are neither registered or licensed, yet they provide employment to about 1,825,219 people (full, parttime, seasonal, and owner) and have an estimated gross revenue of US\$15.8 billion (FinMark Trust, 2019a). The extent of informality might explain why the paying tax indicator in the figure is ranked low. In addition, 42% of MSMEs are owned by youth (below age 35). Therefore, supporting the growth of MSMEs would have a direct impact on the youth employment landscape. In general, MSMEs in most developing countries receive minimal support as start-ups. The available support is usually viewed in terms of the availability of formal institutions and policies that offer services to enhance entrepreneurial activities. However, entrepreneurs feel that conventional tools of business-friendly policies like tax incentives, grants, and local regulations have little relevance to vibrancy and success of local entrepreneurial ecosystems (Auerswald, 2015). Therefore, there is more to a successful entrepreneurial environment that needs to be explored. After all, most large enterprises had humble beginnings at some point; hence the need to understand the status of entrepreneurial ecosystem.

Figure 8-1 Ease of Doing Business Indicators



Source: World Bank, Doing Business project (2020)

8.2 THE ENTREPRENEURIAL LANDSCAPE FOR YOUTH IN MALAWI

Entrepreneurship affects economic growth through job creation, firm survival, and technological change (Thurik, 2009). An entrepreneurial ecosystem is generally understood as a combination of elements through networks, which produce shared cultural values that support entrepreneurial activity. Many authors have likened the entrepreneurial ecosystem to a rainforest (Hwang & Horowitz, 2012; Sussan & Acs, 2017). A rainforest is where complex factors exist together in a specific way to enable the forest to prosper, and each entity reinforces existence of others in a balance that can easily be disrupted. Neglecting the power of this metaphor is likely to hamper the progress in the academic discourse of entrepreneurial ecosystem (Kuckertz, 2019). Thus, acknowledging roles, responsibilities, and linkages of the actors, institutions, social networks, and cultural values that produce and sustain entrepreneurial activity is a starting point to designing better programs to enhance youth entrepreneurship. Analysis of the landscape was guided by the entrepreneurial ecosystem view. A country analysis focus was adopted because the local scale is the most appropriate for studying entrepreneurial ecosystems (Malecki, 2019).

Regardless of the economic status of a country, entrepreneurs are viewed as the engine of economic growth and development (Farsi et al., 2012). However, local context can determine the extent to which entrepreneurs can affect economic growth of a country. Therefore, established institutions that are mandated to support development of entrepreneurs have a key role to play in the socioeconomic development of countries. Development of any entrepreneurial ecosystem is unique depending on the complex interactions among actors. According to Isenberg (2010), six domains exist in an entrepreneurial ecosystem, namely, policy, finance, culture, support, human capital, and markets. These domains resonate with the pillars of a successful ecosystem (World Economic Forum [WEF], 2013). The pillars include resources (human capital, finance, and services); actors (talent, investors, mentors, entrepreneurs); formal (the government and regulatory framework) and informal institutions (cultural support); and access to customers. Using the six-domain framework, a quick scan of the entrepreneurial landscape of Malawi revealed the availability of actors that are mandated to offer a variety of services that can spur youth entrepreneurship.

Policy

The responsibility of policies governing the youth labor market and the establishment of the operating environment for Malawi rests mostly with government ministries and agents. For instance, Malawi Growth and Development III (2017–2022) calls for aggressive investments in youth development programs as a way of reducing the dependency ratio and empowering youth to contribute to the national economy. The National Youth Policy (2013) calls for the creation of more opportunities for youth through promoting entrepreneurship for self-employment. The Malawi Vision 2063 (MW2063) envisions youth-centric inclusive wealth creating a self-reliant nation by 2063, which will be anchored on the three pillars of agricultural productivity and commercialization; industrialization; and urbanization, as well as other sectoral policies for stimulating the development and growth of youth-owned businesses. In particular, there is a Ministry of Youth, Ministry of Labor, and the National Youth Council of Malawi (NYCoM), which is mandated to spearhead youth empowerment and development through the promotion and coordination of youth organization activities. NYCoM is also an advisory board to the Ministry of Youth. There is also the Sector Working Group on Gender, Youth, and Development and Sports, which is responsible for backstopping and coordinating the implementation of youth programs at the national level. The Ministry of Labor co-chairs the group. In addition, the MSME policy focuses on the enterprises themselves. Policies to provide a conducive environment have been developed (Gondwe et al., 2020), however, evidence of their impact on youth unemployment is limited.

Finance

Access to finance is a key driver for the development, survival, and growth of enterprises. According to the Malawi MSME survey (FinMark Trust, 2019a), 80% of business start-up funds come from the entrepreneur's own savings, salaries, selling assets, or from family and friends. Formal credit, including that sourced from savings and loans, comprise only 10%. The report further highlighted that finding money is a major challenge for entrepreneurs; however, this is a result of a wide range of personal and institutional factors. On the financial service provider side, there are only nine banks operating 110 branches and 120 agencies/kiosks/vans, and 496 autoteller machines across the country. In addition, there are 46 registered and licensed microfinance institutions comprising of 36 microcredit agents, eight non deposit-taking and two deposit-taking institutions (RBM, 2019). According to the Malawi MSME diagnostic report (FinMark

Trust, 2019b), lack of financial service providers that meet specific sector and lifecycle needs of MSMEs, lack of robust lending models, and lack of innovative lending models are among the supply-side constraints hindering access to finance for MSMEs.

Culture

In general, young entrepreneurs' motivations are bound by personal attitudes, preferences, particular interests, and individual strengths and skills as well as their living conditions. Over the years there has been a general shift in focus from a getting-employed-after-education orientation, to a "create-a-job" orientation, largely due to a shift in policy in response to the high unemployment situation. Although aspiring for a job is not a bad thing, the challenge with such a perception is that it creates an attitude of looking at entrepreneurship activities as a second-class activity, something to fall back on when one cannot find a job. This changing attitude is evidenced in the motivations for starting a business in Malawi which were 37% identifying an opportunity, and 36% lack of employment in 2012 (FinMark Trust, 2012) to 36% making more money, 27% identifying opportunity, and 12% out of desperation (FinMark Trust, 2019a).

Support

Apart from businesses not responding to changes in market demand, lack of skills and services for running a successful business contribute to failure of start-ups. Nongovernmental organizations (NGOs) and programs funded by development partners and the government dominate the available support to youth and MSMEs in Malawi. Government ministries, and other statutory institutions are also focused on provision of business development services (e.g., SMEDI¹, TEVETA², MITC³, MCCI⁴, and MBS⁵). The stated agencies take an active role in the development of Malawi's MSMEs (Finscope Survey, 2019). According to Gondwe et al. (2020), regardless of the service provider most support concentrates on training and education in entrepreneurship skills, with minimal standardized guidance or monitoring mechanisms. Other common support services include provision of inputs, community-level savings and credit services, storage infrastructure, cooperative formation, and skills trainings. A recent training approach on business incubation is slowly gaining ground in Malawi with both private and public institutions establishing business incubation centers with support from government and development partners. Due to the infancy of this approach in the country the policy framework to guide implementation is not yet fully in place. Support professions like legal, accounting, and marketing

services, although available mostly in cities, do not target specific groups, but rather those who are able to access those services. Despite availability, accrued benefits of available business support depends also on usage. Although 97% of MSME owners were aware of available support services, only 18% made use of them (FinMark Trust, 2019b). The majority (46%) were more aware of the services being offered by NGO/CSOs than those offered by government ministries or agencies. In addition, the highway system and information and communication infrastructure are limited, but there is a high usage of telephones as key technology equipment among MSMEs compared to other technologies.

Human Capital

The majority (62%) of MSMEs in Malawi have primary education or less, are owned by youth (46%), and fall into the following phases: start-up, 0–2 years (34%) and growth, 3–5 years (27%; FinMark Trust, 2019a). The majority (61%) are in a phase that needs a lot of support to enhance survival. It is in this stage where product innovations need to happen. It should be noted that entrepreneurship courses are now offered by both higher education institutions (HEIs) and vocational schools as a profession and an academic discipline as well as practical area. According to the National Council for Higher education (NCHE), in 2018 there

Table 8-2 Entrepreneurship Activities at HEI

Type of Programs	Key Objectives	Delivery Approaches	Type of Institution Offering Programs	Duration of Programs
Courses within long-term degree programs at graduate and postgraduate levels offering applied entrepreneurship within a discipline	Develop competencies, build confidence and change mindsets in managerial and entrepreneurship to enhance employability	Class-based (theoretical); internships, periodic practical sessions; all accessible academically	Universities	2 years for postgraduate; 4 years undergraduate
Business incubation services	Nurture business ideas to develop into enterprises that can create jobs; build entrepreneurial mindset; create youth networks	Training workshops; experiential learning; mentorship; coaching;	Universities and vocational education	2 months to 1 year months with varying ranges within and across disciplines
Innovation labs	Support development and commercialization of innovations	Mentorship and coaching	Universities	Less than a year
Courses within certificate and diploma programs	Train youth in technical skills for self-employment	Classroom and practical sessions in workshops; educational visits	Vocational education	Up to 3 years

1. Small and Medium Enterprises Development Institute, a parastatal organization under Ministry of Industry specializing in capacity building, training, research, and support for small and medium enterprises.
2. Technical, Entrepreneurial and Vocational Education and Training (TEVET) Authority, a parastatal established to enhance human resource through sustainable skills training and development to support export led socioeconomic development.
3. Malawi Investment and Trade Centre promotes and facilitates sustainable, inclusive, and transformative investment and trade in Malawi, and an advisor to government on government on policies that influence the business environment.
4. Malawi Confederation of Chambers of Commerce, offers business facilitation services. It conducts research and analyzes policies and regulations to identify obstacles to doing business in Malawi and ensure a conducive environment for private sector development
5. Malawi Bureau of Standards, to promote standardization and quality assurance of products.
6. As of May 4, 2021 two more have been established to bring total to six.

were 21 registered public higher education institutions (four public universities⁶) and 26 registered or duly registered private HEIs in Malawi. Entrepreneurship education is increasingly acknowledged to contribute to development of people’s know-how, skills, and entrepreneurial attitude among others, and hence believed to enhance job creation and economic growth (Bosma et al., 2014). Over the past few years, universities and vocational institutions offering a variety of academic programs dealing with issues of creating self-employment and creativity among others have flourished (Barba-Sánchez & Atienza-Sahuquillo, 2016). This supports the debate that entrepreneurship can be taught. A snapshot of available programs in the public institutions is presented in **Table 8-2**. The target clients for the short programs are mostly all youth, whereas the long-term programs target those who meet set academic requirements.

Empirical studies have revealed that entrepreneurial education is associated with student’s entrepreneurial motivation, enterprise creation skills that lead to better performing entrepreneurial firms (Nabi & Liñán, 2011; Rideout & Gray, 2013). The presented program goals in **Table 8-2** reflect aspirations to develop such skills.

Markets

Access to markets is still a key challenge for most MSMEs (FinMark Trust, 2019b). Assuming logistical and infrastructure challenges are constant, a lack of market can mean that the business was ventured into without understanding market needs, or the product, place, promotion, or price aspects. The result is that entrepreneurs offer products that do not meet the needs of the targeted clientele, and hence the challenge of not having customers and/or too many competitors arise.

This section has revealed that structurally, an entrepreneurial ecosystem exists in Malawi, however, recognizing the presence of elements in the ecosystem only provides a partial picture of its status, but understanding the processes is the critical aspect. The processes depend on relationships within the entrepreneurial ecosystem that change over time (Spigel, 2017). The presence of the elements and their interactions is what determines success (Stam, 2015). The following sections explore the interactions of entrepreneurial ecosystem actors in enhancing youth entrepreneurial ability by focusing on how they view success, key challenges, and perceived recommendations. A deliberate focus is placed on the role of HEIs and their training programs within the ecosystem.

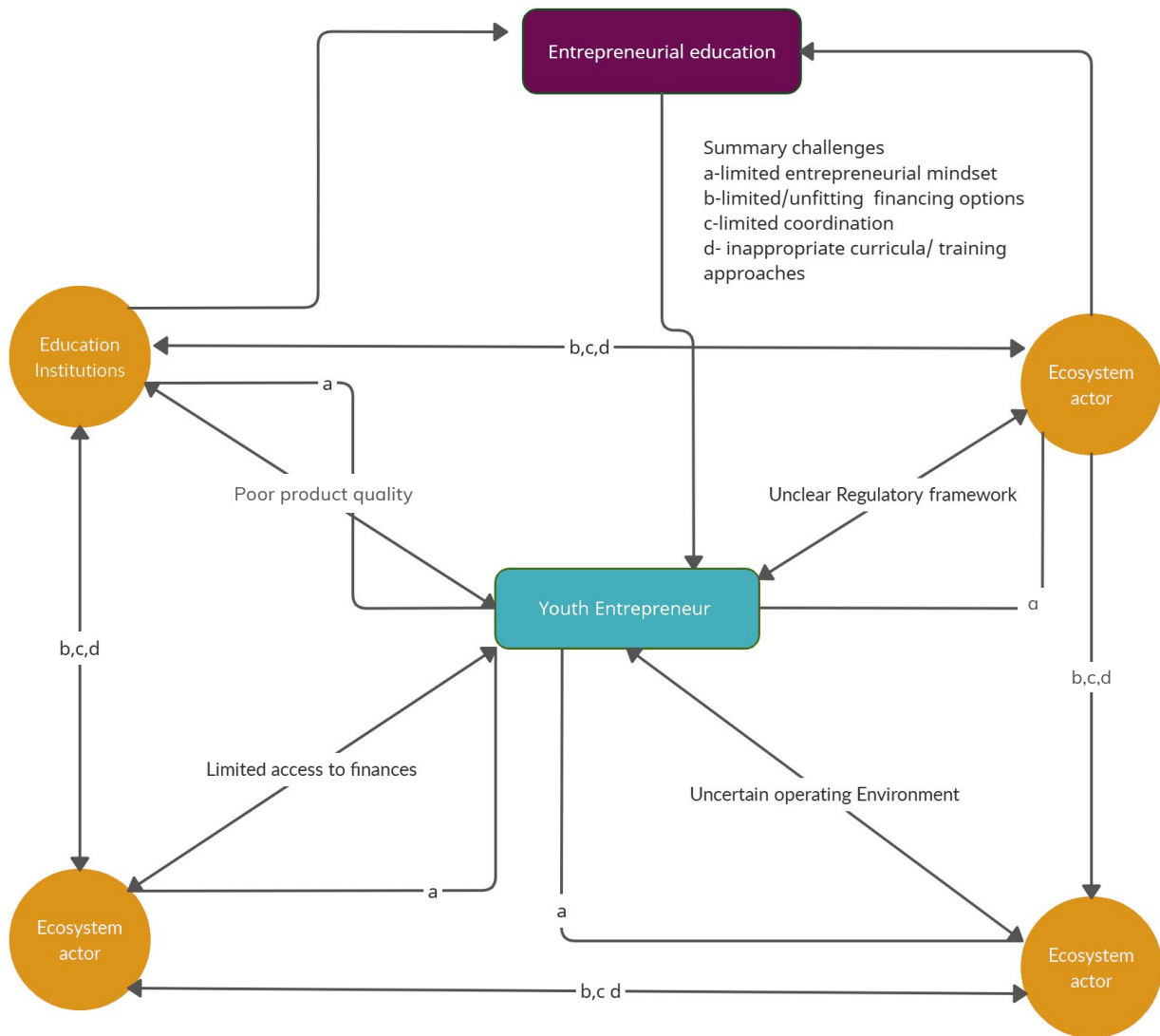
8.3 RESEARCH DESIGN AND METHODOLOGY

A qualitative research design was adopted to explore the youth entrepreneurial ecosystem for Malawi. The design was chosen because it provides a description of individual actors’ experiences in the ecosystem. Qualitative research provides human side information to capture behaviors, beliefs, opinions, emotions, and relationships. It is inductive and allows the researcher to explore meanings and insights (Strauss & Corbin, 2008; Levitt et al., 2017). Guided by the entrepreneurial ecosystem framework, a purposive random sampling technique was used to select interview participants. Participants categories were identified, within which an allocated number of participants were interviewed. Five industries representing a food system were randomly selected with deliberate inclusion of the main industry that contributes to GDP—agriculture. Only public HEIs were targeted because they offer majority of the standardized training programs on entrepreneurship. Entrepreneurs were randomly selected from the identified industries. In-depth interviews using semi-structured questionnaires were conducted with 41 actors (see **Table 8-3**).

Table 8-3 Respondents Categories

Sector	Number of Respondents
Community leaders/mentors	5
Entrepreneurs	10
Financial institutions	2
NGOs	4
Policy	2
Department of small business	2
Private organizations	5
Support structures	3
Higher education-University	5
Higher education-Vocational	3
TOTAL	41

Figure 8-2 Summary of the Findings



A thematic analysis was used to analyze the data because it is a foundational method for qualitative analysis, and it provides key skills for doing other forms of qualitative analysis (Braun & Clarke, 2006). The aim was to capture perspectives of different entrepreneurial ecosystem actors on success, challenges, and recommendations. Thematic analysis was therefore a fitting approach because it is a useful method for examining the perspectives of different research participants' similarities and differences, which generates unanticipated insights (Braun & Clarke, 2006; King, 2004). Interview notes were transcribed, and coding was done guided by any sentence, paragraph mentioning entrepreneurship, success, challenges, or recommendations. Themes were then developed from the codes and categorized. Comparisons, interrelationships, and contrasts of categories informed the conclusions on the research questions. Results from similar studies were used to test the conclusions reached.

Findings

This section highlights the findings of the research study, which have been grouped by specific actor categories to portray the distinct nature of the services offered in the entrepreneurial ecosystem. For each category a brief description of what success means, highlights of success stories, challenges, and recommendations made by the actors are described. The section begins with a summary of the findings before presenting the grouped findings.

Conceptualization of success can be on a firm or on the individual; monetary or nonmonetary and can be objectively or subjectively determined (Fisher et al., 2014). According to Boldureanu et al. (2020), the impact of entrepreneurship education can be assessed using six variables: opportunity discovery, opportunity exploitation, entrepreneurship, creative capacity, social problem solving, and entrepreneurial intention.

Success stories captured across actors concentrated on a few of these variables, which is an indication that more research needs to be done to understand extent of impact of entrepreneurship education. According to MSME survey (FinMark Trust, 2019a), there are only few start-ups and growing businesses in Malawi indicating room for growth. If the envisioned success of establishing enterprises has not been achieved, what is impeding the process? **Figure 8-2** depicts the intertwined challenges to success among entrepreneurial ecosystem actors.

As seen in **Figure 8-2**, challenges identified by actor(s) are a reflection of a gap in the ecosystem, which another actor is failing or is delivering inadequately. Effectiveness of achieving each actor's objective in the ecosystem is moderated by other actors, e.g., accessing financing by entrepreneurs or enhancing their entrepreneurial mindset through the education system. The boundary of an entrepreneurial ecosystem is not geographical or area of specialization, but it is the collective functionality (Dedehayir et al., 2016). The need for collective functionality as represented by the numerous arrows among the actors requires well-coordinated efforts that were perceived to be a key challenge among actors. Willingness of stakeholders to coordinate putting an entrepreneurial vision into practice is one of the key elements of entrepreneurial regions (Smith, 2016). Establishing a successful enterprise is a factor of the entrepreneur's capacities, which can be enhanced through tailor-made entrepreneurial education initiatives to enhance their chances of accessing required services to help grow their business.

Although specialization in services offered was clear by registration status, training, and coaching, mentorship dominated among what was offered. HEIs are mandated to lead in imparting knowledge and skills for not only youth, but also other actors in the ecosystem in various areas, including entrepreneurial skills and abilities. Availability of relevant human, physical, and financial resources was a factor contributing to how delivery is done. Such resources can be sourced innovatively through other ecosystem actors. Other universities not only act as educators, but also as institutional entrepreneurs who network, shape regional strategies, and local routines as well as policy (Raagmaa & Keerberg, 2017). Education institutions are also central to developing entrepreneurs not only through how they deliver their courses, but also through offering business incubation services. University-based incubators, resource networks, and know-how are established to be a means through which the community engages with entrepreneurs in

cocreation (Parker, S, 2007). Although universities are well-known as places that provide highly skilled and talented human resource (Bramwell & Wolfe, 2008), it is the "students" they teach that are entrepreneurial agents who will establish new ventures. In this case, "students" refer to any youth whose skills can be enhanced directly or indirectly (by improving the abilities of other ecosystem actors) by them. The findings revealed that all actors in the ecosystem are engaging in some form of entrepreneurship education, although how that is done is not systematic, and hence it is difficult to meet intended goals.

8.4 HIGHER EDUCATION INSTITUTIONS

The integration of entrepreneurship education into higher education and vocational institutions act as engines of technological development and economic growth, although they use varying approaches. Despite the variations in type of programs offered, all institutions interviewed indicated that entrepreneurship skills are a target outcome for their efforts. Other skills/knowledge areas mentioned frequently were business planning, marketing, sourcing finances, and financial management. Therefore, if youth showcased the knowledge and skill sets mentioned, that would indicate success.

Success Stories Reported by HEIs

It must be acknowledged that the effectiveness of entrepreneurship education can be difficult to measure in the short term. All the respondents' success stories showcased the variety of views of how success was perceived.

Establishment of Business and Employment Creation

Some students who have gone through programs with entrepreneurial courses in them have established micro- to small-scale businesses since graduation. Others have mostly been employed to support the development and implementation of entrepreneurial capacity-building programs offered by other ecosystem actors. Incubation and innovation-hub programs are fairly new in Malawi, and hence the enrollment of youth into such programs was considered a success. At the time of this study, the public universities sampled had started the incubation programs within past 2 years. Some youth who underwent these programs started operating micro-businesses, whereas others demonstrated growth by employing at least one person after their training, although it was mostly seasonal labor.

Table 8-4 HEI Key Recommendations

Action Area	Recommended Actions to Be Taken
Mindset change among youth	<ul style="list-style-type: none"> • Mentor youth to be entrepreneurial, self-reliant, and resilient to internal and external shocks • Entrepreneurship training to be introduced at earlier education levels • Select deserving youth into training programs to avoid wasting already constrained resources on unwilling youth. • Expose youth to more career and motivational talks by successful business captains. • Groom youth exhibiting entrepreneurial skills in academics through relevant links to service providers and mentorship.
Supporting environment	<ul style="list-style-type: none"> • Support intensification of business incubation activities across sectors • Provision of youth-friendly financing options to develop youth-owned businesses
Practical orientation of curricula	<ul style="list-style-type: none"> • Involvement of industry captains in curriculum development and practical sessions as means for appreciation of the need for practice. • For long-term programs, entrepreneurship courses to be delivered in final years, and to include more vocational skills. • Design training programs that consider youth needs and behaviors to induce interest • Provision of relevant equipment and infrastructure for adequate hands-on sessions delivery • Inclusion/development of local context case studies for training rather than theories from other contexts • Develop avenues for students to enroll for internship/attachments within university establishments for ease of monitoring and supervision
Access to available programs	<ul style="list-style-type: none"> • Invest in innovative delivery approaches to cater for large class situations; and in creating more learning spaces • Adopt a deliberate policy to target youth from rural areas • Conduct innovation campaigns in rural areas to create awareness and interest in ICT-related interventions
Human capacity development	<ul style="list-style-type: none"> • Trainers to be retooled in delivery of competency-based approaches • More experts encouraged to work with youths as mentors

Opportunity Discovery

At one university over 8 years ago, an experiential learning pilot was implemented where students were challenged to develop business plans and given start-up funds for implementation as part of their practical experience. Following this pilot program, a number of micro-businesses run by students started mushrooming, and currently there are some students who are even paying fees from such businesses.

Entrepreneurial Motivation

On the behavioral side, a group of youth who participated in an incubation program submitted a proposal to a funding agency within a few months

of finishing the program. Their motivation to even be reaching out for support is an indication of an entrepreneurial drive that had been sparked.

Challenges Reported by HEIs

The challenges faced in offering the programs and those faced by participating youth are presented sequentially to reflect the most emphasized challenge to the least.

Wrong Mindset About Training Opportunities

The mindset of most youth is that of wanting handouts. They want to be given everything free from training to start-up capital. There is a general tendency for youth

to prioritize short-term gains. For instance, in training programs that offer stipends and access to loans and equipment, their concentration is on additional benefits and not the training itself. The mindset of wanting quick gains makes youth lose interest when the training is lengthy, despite the rich knowledge that such trainings bring. Others view entrepreneurship courses as something they need to pass to get a certificate rather than a way of gaining skills. The lack of business support services for beginners or motivational talks further deny the encouragement that can pay dividends.

Limited Financial Resources

Most youth in Malawi are financially constrained and cannot afford to pay for tuition or training or even pay for transportation to where the training takes place. The high cost of higher education contributes to limited access for needy and vulnerable students, and the higher education loan scheme has some inefficiencies (Government of Malawi, 2019). In situations where they are capable of starting a business, they lack start-up capital to go further. Institutions also face financial constraints in providing the required learning and teaching materials needed for interactive and practical lessons for the learners. In the end, this affects the effectiveness of training programs intended to build skills.

Limited Access and Delivery Mechanisms

There is a lack of creative space and financial and technological resources for providing the required environment for experimentation and creating prototypes of innovative ideas. Of the space that is available, some of it is dilapidated or has poorly stocked lab facilities. In some cases, institutions are forced to take a large number of students due to the high demand, however, this affects delivery effectiveness when the approach ends up tipping more towards theory than practice. The other avenue for practical exposure, the industry, has limited spaces for placements and cannot accommodate all the youth out there, which also leaves them with more theory than practice.

Four out of five public universities and a few vocational education institutions in Malawi started offering business incubation services over the past 2 years. Because the approach is still new, “teething problems” to do with delivery are unavoidable. First, there are limited opportunities for retooling of faculty staff, trainers, and mentors to learn how others do it and to share this information with peers. Second, the limited number of academic staff handling entrepreneurship training are already overloaded with mainstream engagements to handle delivery of entrepreneurship training.

Available programs are mostly accessible to youth in urban areas unlike rural areas. According to a World Bank (2020) report, 83% of Malawians live in rural areas, and the majority of those people are youth. Business ideas from youth in rural areas are not creative due to lack of exposure to ICT innovations or ICT in general. “They have such a closed view about ICT that apart from repairing and selling ICT equipment, most of them do not know what ICT can achieve.” As such, most rural youth miss out on opportunities compared to the urban dwellers

Emerging Issues

The most recent challenge facing every institution is the COVID-19 pandemic. Because most of the programs are designed for face-to-face interactions, the alternative delivery channels have reduced effectiveness and prolonged delivery periods in most cases. Alternate delivery remains technology based, this has made for ineffective delivery. Most youth do not own the required gadgets to facilitate such delivery, and the cost of an internet connection remains high for those who might have gadgets.

Recommendations by HEIs

Respondents were asked to share their recommendations to improve the delivery and effectiveness of the training. **Table 8-4** captures the recommendations grouped by category.

8.5 YOUTH ENTREPRENEURS

Success in entrepreneurship is connected to how one starts and moves from nothing to developing or growing businesses that employ others, and hence job and wealth creation. According to Angel et al. (2018), entrepreneurs define success in various ways, depending on their underlying understanding of success. To capture how success is viewed by entrepreneurs, the study first asked about how they started their businesses (see **Table 8-5**).

In agreement with the observations shown in **Table 8-5**, OECD reports about developing countries highlighted that most youth entrepreneurs with the urge to start running a business are driven by necessity: lack of better employment opportunities (OECD, 2018; OECD development center 2017). The reasons for starting a business in Malawi are now tipping towards the need for more money and identifying opportunities (see Malawi MSME Survey; FinMark Trust, 2019a), with no major changes in the sources of start-up capital. Regardless of how a business is started, success is what would encourage more youth to engage in entrepreneurial activities.

Table 8-5 Reasons for Starting Business

Reasons for Starting	Source of Capital
Lack of job opportunities (only option available)	Own savings (employment/school); family assistance; growing with profits; grants; well-wishers gifts
Following parents footsteps (survival)	Own savings (employment/business); family contributions
Responding to business opportunity (social problem)	Own savings (partner's contributions); machinery through government program
Passion for the trade	Family support

Success Stories Reported by Youth Entrepreneurs

Success among entrepreneurs was viewed mostly in terms of availability and access to services that contributed to the growth of enterprises. The categories that reflected success in the eyes of the entrepreneur were financing and capacity building that translated into growth of the business.

Access to Finance

“I received the African Entrepreneurship Seed Award that enabled us to increase briquette making capacity through the procurement of a machine. I was also able to increase production, thereby, minimizing rise in husk pollution,” an entrepreneur narrated. He was happy that because of his intervention he was able to reduce deforestation by persuading the secondary school in his area to use briquettes for cooking. Another young entrepreneur who wanted to start a media business but could not get start-up funding from a bank got money through a funding agency and was able to start the business and grow. Through linkages with a supporting institution, which acted as guarantor for the entrepreneur, the business has now grown and can compete with other businesses offering similar services. Another young entrepreneur, in logistics and the freight-forwarding business, benefited from a temporary credit line from the international freight forwarders he deals with. This opportunity enabled his business to grow because the nature of his business is such that he is supposed to pay up front and invoice his customers. Local banks were unwilling to fund this financing gap.

Relevant Capacity Building

An entrepreneur started experiencing business growth after going through training by an NGO. At first, he was just in business for survival. The training gave him a wider understanding of business principles. Record keeping helped track unnecessary costs and helped identify slow- and fast-moving stocks. The agribusiness entrepreneur said, “The cost saving measures and by directing the limited capital towards

fast moving stock has enabled the business to grow and increase profitability.” Another entrepreneur said that he was taught by an NGO how to conduct business by formulating and implementing a business plan, controlling costs, and record keeping. He was able to produce a business plan, which was presented to a bank. This gave him the confidence that it is possible to grow a business through alternative sources of finance like bank loans or grants, rather than just from own savings.

Challenges Reported by Youth Entrepreneurs

Further discussions with the entrepreneurs captured their perceptions of the challenges that hinder their progress achieving intended results for their businesses. The challenges fall under four categories, namely, financing, enabling environment, uncertainties in the operating environment, and product quality.

Uncertainties in the Operating Environment

The COVID-19 pandemic has brought uncertainties. For example, local agricultural traders who normally transport their product from rural to urban areas have been forced to sell the produce in rural markets where prices are low due to travel restrictions. For those who trade in products obtained from outside Malawi, travel restrictions have meant empty shelves because restocking is now a challenge. In the transportation and logistics business, high fuel costs particularly affect small-scale players on the market due to lack of credit to purchase in bulk. The problem worsened due to delays by customers settling invoices, which affected liquidity. There is limited available support for industries such as fashion, health, and beauty, which was also evidenced by the lack of institutions that offer such training services.

Financing

Access to finance was cited as a major challenge. In general, banks require loan security, preferably land and buildings, which most youth (start-ups) do not have. One entrepreneur lamented that even

after negotiating and securing a contract to supply his product to a reputable, established organization, he failed to fulfill the contract because he could not secure any funding. Limited capital means limited growth, because most of the profits are used as the entrepreneurs' livelihood. For those that have had the opportunity to borrow, the cost was cited as too high.

Product Quality

Failure to meet product quality specifications by farmers and traders results in loss of business when big buyers along the value chains reject the products. Penetrating some domestic market segments is problematic because customers reject the product if it does not meet their quality standards. Entrepreneurs lack the capacity to identify genuine from counterfeit products. As a result, middle traders buy poor quality products, which are rejected by final consumers. The availability of such products on the market further undercuts those traders selling genuine quality products.

Enabling Environment

Business policies, such as tax policies, are either unclear or not communicated well enough for entrepreneurs to understand the benefits of such policies for start-up business. An entrepreneur stated that, "Malawi, taxes are unrealistically high, even though such [needed] materials are not locally found." Entrepreneurs bemoan the fact that there is very little or no support

from the government to support innovative start-ups. The government's tendency of setting minimum prices for agricultural produce does not reflect realities on the ground, which results in a distortion of market forces, and hence movement of commodities. The regulatory framework for licenses in some sectors (e.g., logistic businesses) are prohibitive and increases the cost of doing business. An example is a case of imported goods clearing houses, who start charging fees if goods are not cleared within 48 hours, whereas the key institution in direct control of how fast clearing can be done, Malawi Revenue Authority (MRA), does not work within the specified period. Worse still, the MRA is not penalized for this; all penalties go to the trader. The interviewed entrepreneurs further stated that there were no barriers to entry or checks on unfair business practices in Malawi because foreigners are allowed to operate small businesses that do not require specialized technical expertise. In addition, the limited implementation of monitoring is contributing to the development of unfair practices in which large-scale operators sometimes monopolize the market and end up kicking small businesses out. They further reiterated that differential enforcement of laws by the city puts those operating legally at a disadvantage. A case in point concerned vendors, who also allegedly sell counterfeits (thus they do have to pay license fees), versus traders operating from designated premises who pay the applicable fees.

Recommendations by Youth Entrepreneurs

Table 8-6 Entrepreneurs Key Recommendations

Action Area	Recommended Actions to Be Taken
Financing youth initiatives	<ul style="list-style-type: none"> • Ensure fair and equitable access to the limited government funding schemes targeted for the youth; the government to support credit guarantee schemes for deserving youth • Available funding opportunities to have realistic requirements fitting the target group's needs. • Training programs for establishment of businesses need to come with start-up capital for the youth.
Building capacity	<ul style="list-style-type: none"> • Provide opportunities that can guide youth as they embark on developing businesses • Engage with youth to better understand their needs to inform development of solutions • Eradicate red tape and corruption in government offices for fair competition
Policy implementation	<ul style="list-style-type: none"> • Enforcement of available bylaws guiding business operations • Restrict entry for small business operations by foreigners, but encourage them to venture into large-scale businesses
Enabling environment	<ul style="list-style-type: none"> • Embark on civic education entrepreneurs about taxes, licenses, and other related business charges including at borders • Revise compliance costs for small businesses • Provide tax breaks

Table 8-7 NGO Perceptions Summary

Type of Interventions	Target Outcomes (S, M, L)	Success Stories	Key Challenges to Achieving Outcomes
One-off entrepreneurship trainings, coaching, mentoring or link to BDS for same; business incubation; VSLA for start-up funds	<ul style="list-style-type: none"> • Knowledge, capacity and competence in business development • Entrepreneurial attitude and culture • Build network of support actors 	<ul style="list-style-type: none"> • Establishing a business after being supported • Developing business plan 	<ul style="list-style-type: none"> • Enrolled youth have poor attitude, no knowledge, and no entrepreneurial drive. Want quick gains • Limited equipment and infrastructure to deliver incubation program • Players operate as they see fit due to lack of coordinated guidance

Recommendations for improvement:

(1) Training: Higher learning institutions need to work closely with industry so as not to train job seekers; selection of participants should not just be about meeting targets but meeting requirements for better outcomes; and entrepreneurial courses to be introduced early on in life in order to change mindsets; and

(2) Support: Financing packages need to be tailor-made to youth needs; involve all relevant stakeholders to monitor implementation.

8.6 ENTREPRENEURIAL ECOSYSTEM ACTORS

Entrepreneurial actors shared their views on the roles they play to support youth entrepreneurship who they work with, how they viewed success, challenges, and their envisioned growth path.

8.7 NONGOVERNMENTAL ORGANIZATIONS

Rural and urban youth are a main target group for the various programs offered. NGOs indicated that reaching out to youth (i.e., when they issue calls for applications) was done through social media, local organizations, apex organizations, and community organizations. Some applicants are asked to pitch their ideas when they are picked for business incubation.

NGOs deliver the indicated services through linkages with other stakeholders, which include relevant government ministries and agencies, district youth officers, and youth organizations, among others. Specific interaction with universities involved offering students places for attachments, staff conducting research to develop business models, and commenting on curricula.

8.8 PRIVATE ORGANIZATIONS

The involvement of the private sector in youth entrepreneurial initiatives was mostly guided by support available from other players (funders) within the ecosystem, with little or none coming out of their own generated funds. Participation in such initiatives was made available to youth by considering their age—and sometimes location—to minimize costs. The level of education is also considered for some interventions in order to better understand concepts. Target groups are referenced by other players in the ecosystem, including development partner programs, or they respond to advertisements.

Private organizations consulted indicated that they interact with various players to deliver the outcomes. These include government ministries and agencies, development partners, entrepreneurs, vocational and HEIs, financiers, suppliers, marketing specialists, community organizations, and business incubators, among others. In particular, they offered universities internship space.

Table 8-8 Private Organizations Perceptions Summary

Type of Interventions	Target Outcomes (S, M, L)	Success Stories	Key Challenges to Achieving Outcomes
Entrepreneurship trainings, coaching, mentoring; business incubation; market for products; engage in policy dialogues; space for internship	<ul style="list-style-type: none"> • Access to markets • Resilient businesses established • Build linkages for networking among actors to build confidence and less risk-averse entrepreneurs 	<ul style="list-style-type: none"> • Establishing a business and showcasing using technology after being supported • Developing business plan and pitching for funding • School dropout managing to generate income from established micro enterprise. 	<ul style="list-style-type: none"> • Limited funding to engage more youth and for start-up finance • Limited business incubation providers • Difficult to identify self-motivated youth participants • Pressure from funders for quantity and not quality • Poor attitude by youth: limited creativity and quick gains preferred • Fragmented ecosystem players with varying models who see each other more as competitors

Recommendations for improvement:

(1) Available funding mechanisms offered by government need to have clear strategies of how they are channeled to youth through ecosystem players; (2) Develop monitoring database for youth initiatives, and hence document evidence on how various approaches are affecting youth entrepreneurship; (3) Training institutions to have curricula to tackle entrepreneurial mindset building; and (4) Develop and implement regulatory framework for business incubation

8.9 FINANCIAL INSTITUTIONS

Most financial institutions did not have specific products for youth, but some had products for the MSME sector, where the youth constitute a majority of the players.

LUANAR students and graduates gain hands-on experience with business incubation. From left to right (Davison Mubale, Wezzie Saka, Emmanuel Mapundu and Lazaro David)

Table 8-9 Financial Institution Perspectives Summary

Type of Interventions	Target Outcomes (S, M, L)	Success Stories	Key Challenges to Achieving Outcomes
Training, group lending, account services	<ul style="list-style-type: none"> • Access to credit • Improve savings culture; support development of businesses • Increased access to financial services 	<ul style="list-style-type: none"> • Accessing credit and using it to grow a business, and repaying the loan. 	<ul style="list-style-type: none"> • Youth unstable in business decisions, difficult to trust hence high delinquency rates • Youth do not like to work in groups, hence a mismatch with product offered.

Recommendations for improvement:

(1) Develop more partnership models with academia to support linkage of theory and practice;
 (2) Youth need to be encouraged to embrace working in groups as a way of accessing resources.

8.10 POLICYMAKERS

The playing field is defined and monitored by government ministries and agencies. In addition, some ministries also are lead implementors of projects or they host or coordinate project implementation. For such projects, youth in the country are usually eligible to participate and are reached through calls for applications made by contracted ecosystem players, depending on intervention.

The Ministry of Youth collaborates closely with Ministry of Trade, TEVETA, SMEDI, the private sector, development partners, business captains, and mentors, among others. They are collaborating with universities by supporting the establishment of incubation centers, sponsoring internship programs for university graduates, and developing training curricula on entrepreneurship for agriculture, ICT, small scale-mining, and manufacturing.



Table 8-10 Summary of Policy Maker Perspectives

Type of Interventions	Target Outcomes (S, M, L)	Success Stories	Key Challenges to Achieving Outcomes
Training service providers; incubation centers, technical college tutor in business incubation, innovation and management, data management, developing policy documents; sharing opportunities with stakeholders	<ul style="list-style-type: none"> Support youth organization to set up and sponsor youth to participate in newly established incubation programs Strengthen capacity of staff that deliver training Network with players to establish frameworks and models for developing youth entrepreneurship 	<ul style="list-style-type: none"> 4 private and 4 public incubation centers established and networked Developed Entrepreneurship curriculum; training materials and shared with 4 universities Through established IC, businesses established and employment generated. Agency leading development of business with youth organizations 	<ul style="list-style-type: none"> Low literacy levels affecting delivery of developed manuals, which are in English Youth lack entrepreneurship culture, and there is low female participation Limited specialization of BDS providers hence compromising quality because they offer everything Weak policy and regulatory framework to promote youth-owned MSMEs.

Recommendations for improvement:

(1) All established coordination mechanisms need to be strengthened and allowed to function as expected, including how training institutions can link with industry; **(2)** Develop youth-entrepreneur-friendly credit facilities; **(3)** Strengthen existing service providers for entrepreneurship and mentorship services through partnerships.

Table 8-11 Summary of Support Services Perspectives

Type of Interventions	Target Outcomes (S, M, L)	Success Stories	Key Challenges to Achieving Outcomes
Capacitating incubation centers, coaching; mentoring; training in entrepreneurship and business development principles	<ul style="list-style-type: none"> Capacity to start and manage business Improved survival rate of start-ups Youth businesses creating employment for others 	<ul style="list-style-type: none"> Formulation of bankable business plans, and able to access financing 	<ul style="list-style-type: none"> Failure to participate if service is fee based Poor coordination among players with common goal Lack of seriousness among youth, they take part as they wait for employment

Recommendations for improvement:

(1) Introduce entrepreneurial courses in schools and colleges to build the culture; (2) Improve coordination among players for efficient use of limited resources; (3) Develop and offer youth-friendly financing facilities

8.11 SUPPORT STRUCTURES

Specialized business development service providers do not offer youth-specific services. However, the indication is that everyone is welcome to access services as long as they meet the cost requirements where needed, because most of them operate privately. Some services can be accessed freely from government agencies. Youth-focused services therefore concentrated on training, coaching, and mentoring as contracted services offered on behalf of their clients, which were mostly development partner-supported projects, NGOs, or government projects.

The key players interacted with relevant government ministries and agencies, e.g., TEVET institutions and SMEDI, NGOs, business associations, colleges and universities, and development partners.

8.12 DEPARTMENTS FOCUSING ON SMALL BUSINESS

These are departments in ministries and agencies who had a mandate to support business development. They also implement or support the implementation of projects. For the projects they implement, identifying participants was done through calls to participate in innovation challenges, through local and district leaders, and apex cooperative bodies, among others. Those with best business ideas were usually targeted.

Key players included NGOs, other government ministries and agencies, BDS providers (for training, coaching, and mentorship services), CSOs, private sector, development partners, etc. Universities are engaged in research, and also graduates offered internship spaces to link practice with theory.

Table 8-12 Summary of Small Business Departments Perspective

Type of Interventions	Target Outcomes (S, M, L)	Success Stories	Key Challenges to Achieving Outcomes
Business development support; group formation; trainings; access to markets and financing; supporting business incubation.	<ul style="list-style-type: none"> Increased revenues from businesses Formulate group businesses Job creation through established businesses 	<ul style="list-style-type: none"> Increasing number of women led horticulture businesses Establishment of technology based business incubation hub 	<ul style="list-style-type: none"> Limited access to productivity enhancement platforms and skills by rural youth; and information sharing within networks. Youth want quick gains investment, not agriculture Limited financing options for start-ups

Recommendations for improvement:

(1) Institution of proper linkages among stakeholders promoting youth entrepreneurship issues to enhance information and experience sharing; (2) Increase usage of technologies to enhance productivity and performance; (3) Develop and document more inclusive youth business models.

8.13 MENTORS/LEADERSHIP/ COMMUNITY LEADERS

Leadership is key in organizing and motivating groups of people to engage in entrepreneurship activities. Community leaders were key players in the community-level ecosystem. Mentorship was mentioned by a number of ecosystem players, as one of the interventions they offer and hence the mentors' perspectives were also captured. Mentors were more prevalent in a contracted role for their services. It should be noted that community leaders were central in rural communities where youth initiatives not only captured entrepreneurship issues but also other social behavioral issues. All youth were eligible to take part, but selection was based on the funders' requirements, and chiefs are involved at local level. Group initiatives were more prevalent compared to individual interventions.

Engagement was done with all players depending on the intervention that is being implemented.

8.14 DISCUSSION

Holding all other factors constant, a challenge needs to be viewed as a gap in an entrepreneurial ecosystem, which in turn is an opportunity for another actor to achieve their intended goals. Therefore, if an expected service is not forthcoming,

another actor bemoans a challenge because the nonavailability of the expected service hampers their success. Regardless of the number of ecosystem actors in the system, entrepreneurs need to lead the ecosystem (Feld, 2012). This is because even if governments provide an enabling environment for entrepreneurs to prosper, it is the entrepreneur who decides to take advantage of available opportunities to innovate, invest, start, or expand a business. Three key elements of entrepreneurial regions include the entrepreneur and resources, entrepreneurial vision, and the willingness of stakeholders to coordinate and put vision into practice (Smith, 2016). Therefore, our starting point was a comparison of how success is viewed among entrepreneurs, ecosystem actors, and HEIs. Regardless of the actor category, the support was skewed towards entrepreneurship education, and hence the success of youth entrepreneurship interventions meant the establishment of a business. In general, entrepreneurship education refers to any programs that promote self-reliance and opportunity-seeking behaviors through training and skills development (Mwasaliba, 2010). This means that the way services are delivered need to induce and support establishment and growth of enterprises. For the entrepreneur, success was related to access to financing and relevant capacity-building initiatives that resulted in business growth. The ability to access financing by entrepreneurs can be a

Table 8-13. Mentors' Perspective Summary

Type of Interventions	Target Outcomes (S, M, L)	Success Stories	Key Challenges to Achieving Outcomes
Training, coaching, and mentorship in sexual health, environment, entrepreneurship, advocacy, human rights, etc.	<ul style="list-style-type: none"> • Reduced early marriages • Self-reliance and enhanced confidence in business • Run successful ventures to attain food security 	<ul style="list-style-type: none"> • Youth rescued from early marriages and sent back to school • Developing information seeking behaviors • Youth engaging in social enterprises and accessing seed capital 	<ul style="list-style-type: none"> • Logistical and finance nightmare to reach to more youth in local communities • Some interventions are one off without supporting reference materials for sustainability • Perception of youth that business is not work • Poor coordination of players leads to inefficient service delivery

Recommendations for improvement:

(1) Alternative funding opportunities for youth need to be explored i.e. crowdfunding, grants, angel investments, to complement efforts done on training in business plan development; (2) Financial literacy and awareness need to target youth at early age to help develop entrepreneurial mindset; (3) Capacitate BDS providers, and link with relevant ministries to contribute to policy reviews aimed at enhancing entrepreneurship activities; and (4) Implement interventions that meet needs identified, and select youth that are passionate about the intervention for better results.

function of entrepreneurship education. Every type of entrepreneurship education can have its own goals, with some aiming to help participants create or grow start-ups (Brannback & Carsrud, 2017), whereas others focus on building corporate intrapreneurship skills—entrepreneurial activity that leads to innovation within large established organizations (Hayes & Richmond, 2017), that apply across jobs and industries. Besides the goals, the entrepreneur's attitude is also key to success. All ecosystem actors presented the poor attitude that youth have towards initiatives targeted at them to be a major challenge. Thus, entrepreneurial skills and attitude include the ability to take initiative, be creative, think critically, solve complex problems, and communicate effectively, and such skills are key to succeeding in any industry or job. The key question is how are/should actors help young people develop entrepreneurial mindsets? If the entrepreneur is capable, then they can more easily know how and where to access necessary services.

Financing is another challenge noted not only by financial institutions but also other actors. Although services are available, there is a mismatch with the needs of the target clientele (youth). Limited financing alternatives to fit the needs of youth was another key challenge identified by almost all the actors. Although youth are perceived as a risky group to service with start-up funds, limited evidence exists on which financing models best suit this potential market. Entrepreneurial ecosystem success is achieved through the work of multiple interconnected actors. This is because firms do not need to compete with each other with their own stand-alone strategies and resources, but by basing their business models on shared resources, network externalities, knowledge spill overs, local endowments, and government support (Audretsch et al. 2019).



LUANAR student, Mike Goliath, gains agribusiness experience.

For the entrepreneur, success was related to access to financing and relevant capacity-building initiatives that resulted in business growth.

8.15 PRACTICAL AND ACADEMIC IMPLICATIONS

In line with the challenges identified, several implications were highlighted as a starting point to improve the rate of success. First, in terms of education, the introduction of entrepreneurial education courses from primary level through tertiary and vocational levels is considered a tool for building entrepreneurial mindsets in youth. Assessments on what to include, how, and how such courses can be delivered can provide needed evidence for the decision makers. Business incubation services are increasingly accepted to enhance the birth and growth of start-ups, therefore continued investments in regulatory, coordination, and physical infrastructure can be prioritized. Reviewing curricula would also need to go hand in hand with building trainers' ability for effective delivery. Considering that other countries in the region are ahead on this, learning from their experiences to guide development is recommended. Involving the private sector in order to expose students to practical aspects can go beyond offering internships to partnering to help solve challenges, among others. Education institutions need to engage with the private sector to offer win-win partnerships. Second, not all youth can be entrepreneurs, but all youth would benefit having entrepreneurial skills and attitude. The selection of youth to undergo available initiatives needs to consider rural and urban youth equally as well as identifying needs and target outcomes. Third, research and experimentation need to be used when designing youth-centric financing models that incorporate identified needs. Finally, a functional review of current coordination and monitoring frameworks of youth employment interventions needs to be done as a starting point for strengthening what is already in place.



LUANAR students and graduates gain hands-on experience with business incubation. From left to right (Davison Mubale, Wezzie Saka, Emmanuel Mapundu and Lazaro David) Photo: Robert Skeva

8.16 CONCLUSION

This chapter explored the landscape of the entrepreneurial ecosystem in Malawi by focusing on the current state of entrepreneurship training, how system actors support development of youth enterprises, and who entrepreneurs interact with. A wide range of organizations are implementing interventions in line with government policies that support a youth-focused agenda as a way of dealing with the challenge of high youth unemployment. All the services that an entrepreneur needs to develop are available from various actors, however, they are either not youth focused or limited in terms of how they are offered. Interventions are mostly skewed towards training and mentoring, although using varying unverified approaches to achieve an outcome of establishing start-ups. Education institutions are responding to the needs of the sector by offering courses and (more

recently) incubation services; however, human capital and financial and physical infrastructure available do not always match the delivery of needed skills. Although all actors in the ecosystem interact with the entrepreneur as the center of their intended outcomes, interaction of most actors with education institutions was limited to the provision of internship spaces for learners. Lack of finances, limited display of entrepreneurial mindsets among the youth, mismatch of offered business development services that do not respond to youth needs, and limited coordination of the actors offering interventions were identified as key challenges. Recommendations from actors highlighted the importance of education and training approaches, research for evidence, creative partnerships, and coordination to achieve a collective functionality, and hence success for the entrepreneurial ecosystem.

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9

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF MALI

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Motorbike in West African city
Photo: Adobe Stock

Abstract

This chapter is a study on youth entrepreneurship in Mali. A qualitative approach using in-depth interviews was adopted to collect data. The study aimed at mapping out the entrepreneurial ecosystem in Mali to identify the key actors, their successes and challenges, and their recommendations to make the ecosystem more efficient and more conducive to youth entrepreneurial activities. The main findings indicate that entrepreneurship training is almost inexistent in most higher education institutions in Mali, and the entrepreneurial mindset is still underdeveloped. Although the ecosystem seems to be well-organized in terms of policies, programs, and support groups, the lack of coordination, transparency, and persistent nepotism to access funding for young entrepreneurs have been pointed out as serious hurdles to entrepreneurship success. Thus, most stakeholders recommend innovative measures to overcome the many challenges that youth entrepreneurial ventures face in Mali.

9.1 INTRODUCTION

Mali is a landlocked country that shares borders with Sénégal, Burkina Faso, Mauritania, Ivory Coast, Niger, Algeria, and Guinea with an estimated population of 21,179,796 (Worldometer, 2022). Mali is a member of the African Union (AU) and the Economic Community of West African States (ECOWAS). Its currency is the Franc CFA. It is a low-income country with a low global competitiveness index as the country “went down by 8 in rank from 2007 to 2017” and its latest rank is 123 out of 137 countries (World Bank, 2017). In this regard, Mali’s ecosystem scores lower than many of its neighboring countries with an estimated GDP per capita of US\$730, ranking 148 among 190 economies in the ease of doing business (World Bank, 2019).

Although the institutional framework of youth entrepreneurial ecosystem seems to be well-organized with many key actors, it is still dominated by the informal sector and over 90% of its small medium enterprises (SMEs) operate primarily informally, whereas agriculture is the driver of the economic growth. In fact, 65% of Mali’s labor force of 6.5 million is employed in agriculture (Catalystas, 2019). Access to financing and credits are the main challenges to the development of youth entrepreneurial ventures, and the lack of basic skills in business management also seems to be a major impediment to the success and sustainability of many start-ups. Moreover, Mali has a low Youth Development Index: it ranks 166 out of 170, which has far-reaching impacts on the sociopolitical and economic situations of the country (Catalystas, 2019), because 66% of the population is under the age of 25 (Catalystas, 2019), and a large majority are unemployed.

This report comes within the framework of Alliance for African Partnership (AAP) scoping study on youth entrepreneurship. The study aims to map the entrepreneurial ecosystem in Africa in order to

shed light on existing initiatives and success stories, challenges and roadblocks to the development of youth entrepreneurship. The overall objective of the study is to boost youth employment by assisting HEIs to set up incubation centers and integrate entrepreneurship training in their curricula. There were 42 participants in the study including 12 women.

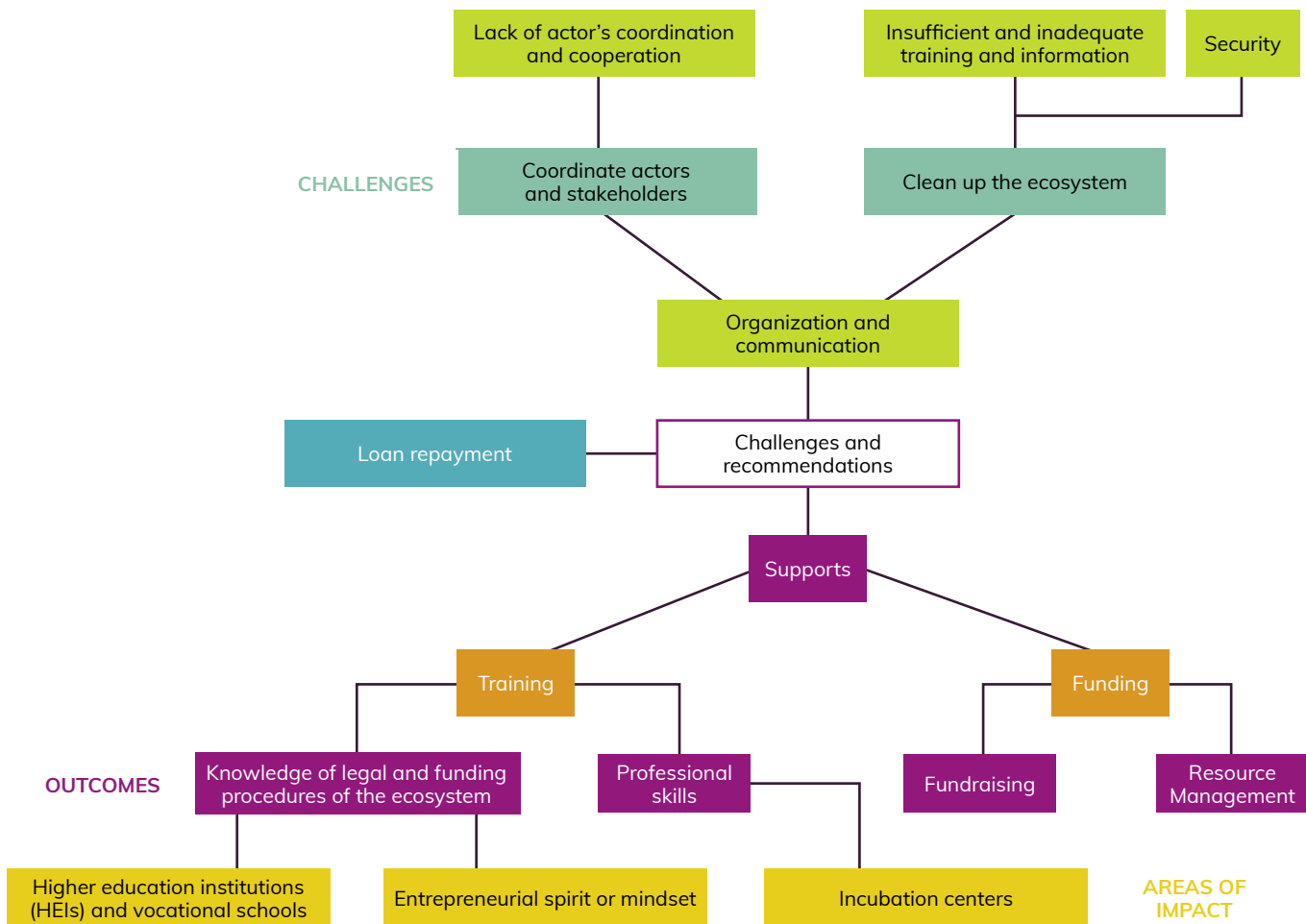
9.2 RESEARCH DESIGN AND METHODOLOGY

The qualitative method was used to collect data through Zoom, WhatsApp, face-to-face interviews, and phone interviews. Participants came from the higher education institutions (HEIs) and vocational programs, government policymakers, the private sector, international institutions, and supports for youth entrepreneurs. Participants were selected according to age and gender (for young entrepreneurs) and according to their experience, position, and degree of support to youth entrepreneurial activities. A total of 41 actors participated in the study (see [Table 9-1](#)).

Table 9-1 Study Participants

Participants	Number	Percent
Higher education institutions	12	29%
Youth entrepreneurs	11	26%
Mentors/Coaches	2	5%
Financial institutions	2	5%
International institutions	2	5%
Support structure	4	10%
Government actors	6	14%
NGOs	2	5%
Total	41	100%

Figure 9-1 Youth Entrepreneurship in Mali



Data Analysis

Interview data were translated from French to English before they were analyzed. The researchers carefully revised the transcripts to make sure that any misalignments or errors during the translation process were corrected. A thematic analysis approach was used to analyze data based on key themes that emerged from different interviews. The researcher used the Bubbl.us (<https://bubbl.us/>) application to map, organize, and visualize the entrepreneurship ecosystem. **Figure 9-1** presents different data components that illustrate the main findings of this study, which was conducted between December 2020 and February 2021.

9.3 HIGHER EDUCATION INSTITUTES

Participants (10 males and two females) of higher education institutes (HEIs) were interviewed via Zoom and face to face. Most of them occupy leadership positions. The content analysis is structured around four main axes: entrepreneurship training programs, incubators, partnerships, and recommendations to

improve existing initiatives. The 12 participating institutions are: Université des Lettres et des Sciences Humaines de Bamako (ULSHB), Institut Universitaire de Technologie (IUT), Université des Sciences Sociales et de Gestion de Bamako (USSGB), Université des Sciences, des Techniques et des Technologies de Bamako (USTTB), Ecole Normale d'Enseignement Technique et Professionnel (ENTP), Ecole Centrale pour l'industrie, le Commerce et l'Administration (ECICA), Ecole Nationale d'Ingénieurs- Abderhamane Baba Touré (ENI/EBAT), Institut Polytechnique Rural de Formation et de Recherche Appliquée, Katibougou (IPR/IPRA), Université de Ségou, and Centre de Recherche et de Formation pour l'Industrie et le Textile (CERFITEX). We interviewed one participant per institution except at the University of Ségou, which had two participants (secretary of the university and the vice chancellor).

Higher education programs engage in two main types of partnerships in Mali. First the multisectoral partnerships (MSP), which involve the intervention of business professionals, private institutes, and NGOs

working with universities to training youth in different entrepreneurship programs. MSP also help to develop interuniversity and interfaculty relations as well as employer’s council and incubation programs. Second, the curriculum development and redesign strategies that encourage the evaluation and redesign of teaching programs to fit entrepreneurial culture as a transversal

module for more practical or technically applied work. In addition, the strategies include understanding the paths, successes, pool of good practices, and teaching leadership and professionalism that align with the job market. This encourages institutions to start training related to entrepreneurship as earlier as the elementary school level (see **Table 9-2**).

Table 9-2 Higher Education Institutions Data Presentation

Themes	Variables	Findings
ENTREPRENEURSHIP PROGRAMS	Existing	<ul style="list-style-type: none"> • Entrepreneurship programs exist • No specific programs, training on entrepreneurship slightly integrated into the curriculum / curricula of the University of Ségou/parallel programs • Objectives to help students develop an entrepreneurial spirit upon graduation • Cultivate the entrepreneurial mindset. • Embryonic program design initiatives • Projects in perspectives in many HEIs • Lack of systematic training in entrepreneurship • Online training on master’s programs at ENI/EBAT for self-employment, business creation support information, preparation of professional career • Modules and workshops at USSTB
	Operating	<ul style="list-style-type: none"> • Often operates in isolation and intentionally optional • Little or no direct contact with companies and the professional world • Lack of qualified trainers, equipment, business creative space • Lack of qualified staff and resources to implement the programs/initiatives • Insufficient public funding and resources • Lack of support and follow-up structures and services • Lack of direct contact with the world of work/disability • Lack of business skills development space and services
	Challenges	<ul style="list-style-type: none"> • Lack of qualified staff and resources to implement the programs/initiatives • Insufficient public funding, resources generated • Lack of support and follow-up • Lack of direct contact with the world of work/disability
	Experiences	<ul style="list-style-type: none"> • No real incubators in HEIs: some isolated experiences • Unsuccessful or nonexistent experiences • There are some at IPR/IFRA (3) • Interfaculty incubator project involving USSTB, USSGB, and ULSHB
INCUBATORS	Success Stories	<ul style="list-style-type: none"> • Isolated and informal success stories, weak capitalization mechanism • Lack of feedback on experiences/low capitalization • Poorly documented successes
	Challenges	<ul style="list-style-type: none"> • Lack of sustaining financing • Lack of management skills • Insufficient qualified staff • Lack of infrastructure and equipment (i.e., office space with facilities)

Entrepreneurship in the Curricula of HEIs

The interviews in HEIs revealed two different visions and perspectives on entrepreneurship programs. This can be attributed to the differences among the colleges, which traditionally provide students with general education skills without immediate professional aim, and the vocational training institutes, which are geared toward providing professional training and skills. However, it should be pointed out that the aim of the LMD system (license, master's, doctorate) educational reform adopted in 2011 was to reduce the divide between colleges and professional institutes. However, this gap still exists as far as entrepreneurship programs are concerned.

In the colleges, entrepreneurship programs are loosely integrated in certain modules with the aim of equipping students with basic entrepreneurship skills and strengthening their theoretical knowledge on issues of entrepreneurship. Employment after graduation remains a challenge because programs are not connected with the business world. As illustrated by HEI participant: "There is little contact between universities and companies, students have very few opportunities to get practical internship programs, and very few business professionals are involved in the teaching." This shows that there is a weakly coordinated entrepreneurship initiative in the colleges. Another participant noted, "In many cases, entrepreneurship is not integrated into official curricula, if it exists, it is taught in the form of an optional course and students are not supported by entrepreneurship organizations outside of the University." The incubation centers are still in the embryonic phase. An interuniversity-led incubation lab project was initiated by USTTB. Although a working space was already settled upon, the center is still not operational although all the administrative documents have been sent to all the universities in Mali.

Unlike universities, vocational training schools and institutes have formalized entrepreneurship training by integrating it into all programs. Their objectives are aligned with building professional skills. Therefore, entrepreneurship programs are designed in relation to the professional training they offer. In this regard, the representative of the National Institute of Youth and Sports (INJS) emphasized the development of youth enterprises and sports as well as the efforts to train trainers. As a participant confirmed, "Other institutes have established relationships with partners in the professional world to establish a bridge between their structures and the business world."

Success Stories in Entrepreneurial Training in HEIs

Participants of HEIs explain that there are initiatives on entrepreneurship training programs in their respective structures. For example, certain institutions have incubators, whereas other institutions have none. Data reveal that entrepreneurial training programs remain embryonic, although there have been successful cases in some institutions. These institutions have put more emphasis on the need to include entrepreneurship modules in their programs due to the increased awareness of the importance of entrepreneurial education for students. They have designed modules on business creation and management to help students develop entrepreneurship skills. Two successful cases are mentioned in this study: Institut Polytechnique Rural de Formation et de Recherche Appliquée of Katibougou (IPR/IFRA) and the University of Ségou.

Incubation Centers under Construction in HEIs.

Incubation centers at HEIs are still in the design phase. Even when there are initiatives to set up incubators, a lack of funding and institutional constraints somehow slow down their implementation. There are efforts to set up incubation centers. For example, the vice chancellor of a university states: "We have also elaborated an incubation project in partnerships with other universities, unfortunately we are currently equipping it . . . eh . . . we have not yet finished equipping the co-working space where students can come and be supervised, but we are still faced with the problem of qualified staff to manage it." The need for setting up a center is shared by another vice chancellor, who made similar comments: "So we really need an incubator, it is in this very framework that we have a project for an interuniversity incubator that we are going to host. We already have a room that we have started to equip."

Entrepreneurship Training Course. Training courses are in their initial stages: they are unstructured and poorly integrated into the teaching curricula. Their existence illustrates the interest of universities in innovation and youth entrepreneurship. At the University of Ségou, entrepreneurship training is structured to gradually support students towards employment after their studies. Besides, the USSGB has institutionalized "financial intelligence and entrepreneurship" courses for all students before graduation. "This is a project that I have already set up and which will start this year," said the vice chancellor of the University of Social Sciences and Management. Those training courses are taught by experts in entrepreneurship, with the support of NGOs. The vice chancellor also noted that good partnerships with the business world, in particular the NGOs, support the promotion of entrepreneurship around

incubator projects to guarantee success. In addition, a vocational training participant stated that there is no entrepreneurship training per se at ENTP, but there are entrepreneurial components in certain modules.

This constitutes a milestone and a paradigm shift in advancing entrepreneurship teaching in academia and vocational schools. In both success stories, there is a partnership with the business sector and NGOs supporting youth entrepreneurship, incubation projects, and training courses. Such a public–private partnership contributed to the success of the programs.

Difficulties and Challenges

There are many difficulties and challenges facing entrepreneurship training in HEIs. These difficulties are operational and organizational on the one hand, and financial and material on the other.

Operational and Organizational Difficulties. The first difficulty is the lack of skilled teachers to deliver quality lessons on entrepreneurship. Many HEIs do not have sufficiently trained teachers and staff to set up programs and manage incubators. The following comments from a participant illustrate the low operational level of incubators and the dearth of qualified staff: “In our structure, the major difficulty is to find a qualified person suited for this course. That is to say the human resources. . . And this is what is lacking here in fact. “

In a similar vein, another participant laments about the lack of permanent qualified teaching staff for courses on entrepreneurship: “The major difficulty is that there are not enough trained human resources in entrepreneurial issues. We have to call part-time lecturers to teach the modules.” As far as the School of Engineering at ENI/EBAT, the participant asserts

. . . that the training curricula have not integrated youth entrepreneurship and there are little supporting initiatives in the establishment of incubators . . . for the moment, as far as I know, there is no initiative here. Not long ago, a student came up with an idea to open an incubation center here at ENI/EBAT but the project has never been implemented.

As a result, HEIs do not have operational incubation centers because of the lack of integration of entrepreneurship in the curricula and their lack of connection to the business world to bring qualified teaching staff.

Financial and Material Limitations and Challenges. The HEIs also encounter difficulties to fund initiatives related to incubation centers. In many situations, HEIs are struggling to find a sustainable financial source for

supporting projects that benefit their graduates. Also, some participants highlighted the lack of equipment to develop and implement their entrepreneurship projects. The following statement made by a participant illustrates these difficulties: “Our main concern is funding. In order to achieve our goals, we wanted to provide the first financial support to our student entrepreneurs, who will then reimburse at 0% interest rate.” There is a need to strengthen the capacity of HEIs in entrepreneurship training and infrastructure. This includes incubation centers and labs for training youth in business creation to improve employability. There is also a need for sustained partnerships around existing initiatives and the development of new ones.

In sum, all the respondents insist on the importance of strengthening partnerships between the universities and the workforce. One argues that:

The partnership may be between institutions, it may be among universities, businesses and NGOs as I just said within the framework of “Bamako incubator.” In any case we must try to reinforce the partnership, that is very important; and having the means to innovate structures so that students will be comfortable once they graduate.

Recommendations for HEIs

- Pooling strengths in interuniversity experiences, developing partnerships with the business world, NGOs, and companies to help set up and operate incubators under construction in a sustainable and efficient manner.
- Strengthen the capacities of HEIs in terms of youth entrepreneurship training; institutionalize and systematize the teaching of entrepreneurship.
- Institutionalize the creation of incubators in HEIs and develop a funding policy from revenues generated in the universities for the management of incubators and their full functioning.
- Build partnerships with the professional world and NGOs to set up incubators and ensure their sustainability.
- Build the capacity of HEIs in terms of teacher training and professional development geared toward entrepreneurship training and innovation.
- Teaching
 - Develop and financially support teacher training programs
 - Change mindsets from the beginning of schooling towards entrepreneurship
 - Increase partnerships among universities, the labor market, and entrepreneurship actors

- Partnership with incubators
 - Collaboration with mentoring and coaching services
 - More contact with the business world
 - Cooperation with the Employers Council
 - Increased public–private cooperation

9.4 GOVERNMENT ACTORS AND POLICIES

Six government actors including one female were interviewed. Respondents came from leadership positions across institutions: Agence Malienne d'Assurance Qualité de l'Enseignement Supérieur; (AMAQ-SUP [Malian Quality Assurance Agency for Higher Education]), the remaining five institutions were Direction Nationale de la Formation Professionnelle, (DNFP [National Directorate of Vocational Training]), Agence Nationale pour l'Emploi (ANPE [National Agency for Employment]), Agence pour la Promotion de l'Emploi des Jeunes (APEJ [Agency for the Promotion of Youth Employment]), Fonds Auto Renouvelable pour l'Emploi (FARE [Self-Renewable Employment Fund]), and Fonds d'Appui à la Formation Professionnelle (FAFPA [Professional Training and Apprenticeship Support Fund]).

The interviews revealed existing youth entrepreneurship training programs in these government institutions. APEJ has a youth employment project called *Projet d'Emploi Jeunes* (PEJ), which works in close partnership with financial institutions and international NGOs and has the goal of equipping the youth with professional skills. However, the training modules are not consonant with actual work demands, as a participant from APEJ explains:

You really have to contextualize the modules, I think we have a lot of things to improve in this domain because it also requires a lot of effort, it asks uh! Resources. Today with incubators I think we should in any case try to find the means so that young people can be really supervised, better equipped before receiving funding.

He adds that it's not just funding that guarantees the success of the start-up, but training, self-training, and support:

Because today everyone thinks it's funding that is most important, for me funding is not the most important! What is really important is that the young person is prepared technically, equipped to be able to undertake. This is the most important

thing. Because even if you give a billion to someone, if he does not like entrepreneurship and is unskilled the one billion will finish huh! They will finish and he will not be able to grow a business.

As for ANPE, which deals with the same issues as APEJ, there are also training modules in entrepreneurship such as the *Trouver son Emploi* (TE [Find your Business]), *Créer son Entreprise* (CRE [Create your Business]), *Trouver l'Idée d'Entreprise* (TRI [Find Business Idea]), and *Gérer Mieux son Entreprise* (GERM [Better Manage your Business]). According to one government policy actor, “Beyond these training programs we have employment advisers who help jobseekers make business plans to benefit from start-up funds. FAFPA deals with vocational training of private sectors while FARE finances retailers.” The same modules exist at the DNFP and are taught in vocational schools in partnership with the ILO. The APEJ also uses these modules as part of their training even if a participant assumes that they must be revised to align with the demands for employment.

AMAQ-SUP is interested in quality training programs in HEIs and evaluates them through its assessment toolkit. The quality of the training and its adequacy with the job market as well as the employment rate of graduates are important to AMAQ-SUP. According to the director, “Our assessment toolkit requires HEIs to follow up their graduates and encourage them to undertake entrepreneurial activities.”

Success Stories Reported by Government Actors

There are many initiatives that have yielded significant results. The eligibility and selection procedures seem to be rigorous, inclusive, decentralized, and in partnership with young people. For instance, APEJ projects have a success rate of 60% employment. It has a robust program focused on vocational training, the promotion of self-employment, and reconversion through PEJ. “No experience, no job,” stated a participant. The first phase of the project lasted between 2004 and 2011 and PEJ II is underway. It has a component called high labor intensity (HIMO), which trains young people in the domain of infrastructure by using local materials. In terms of success stories, one can cite PIC III's partnership with the European Union through the EJOM project to train 8,620 young people, including 2,586 women and 1,293 migrants, and created 472 jobs. Other success stories include the Enable project in partnership with Belgian technical cooperation and the Pajerko project (a support project for young rural entrepreneurs in Koulikoro with a total cost of 196 million FCFA). The DNFP has an employment rate of 98% and even more in carpentry and trades. Famous examples such as the *Allo Taxi* and *Telimani*

companies in the field of interurban transport are flourishing businesses. FAFPA has made possible the creation of several professional training centers, which has resulted in the emergence of an entrepreneurial culture and the creation of many companies in Mali. According to a male participant from FAFPA:

... from the beginning of 1999 to the present day, 200 to 300 training centers were created. The only problem is that most of these centers are related to FAFPA, and when FAFPA has difficulties, all these centers have difficulties too.

Challenges Encountered by Government Actors

There are four categories of challenges: (1) financial (not enough funds to finance and monitor young entrepreneurs' activities); (2) repayment (young people do not often repay funds, and take them for granted); (3) the lack of information, training, and awareness as well as the inadequacy between training and demands of the job market; and (4) the absence of synergy and coordination between different actors of the ecosystem, which undercuts pooling efforts.

A male participant emphasizes training and lack of awareness as main challenges to the success and sustainability of start-ups. He believes that "one is not born an entrepreneur but becomes one." Another mentions the lack of availability of human and financial resources to conduct their mission. According to another male participant, challenges are related to funding and security. He explains that "our programs are designed according to allocated funds, but insecurity throughout the northern territory means that our fields of action is practically limited to the South." Another male participant points out that there is an ingrained belief in Mali that government funds belong to anyone and should not be repaid. Repayment of loans and lack of basic entrepreneurship skills constitute the main roadblocks to the success and sustainability of youth entrepreneurship ventures.

Recommendations by Government Actors

- Cultivate entrepreneurship spirit in the youth upon their enrollment at colleges and universities.
- Include modules on entrepreneurship in the training.
- Establish entrepreneurship clubs at the university level as a project to be implemented in 2021.
- Promote and support youth entrepreneurial activities.
- Create synergy among the different actors to avoid duplication of activity and better coordinate the management of youth entrepreneurial activities. Given that there are various actors, a male participant suggests that each actor should have a

specific role to play in the ecosystem so as to avoid the overlapping of activities.

- Ensure the adequacy of training programs so that they will meet the demands of the business.
- Establish a strategic monitoring framework to ensure follow-up and coordination of the different activities.
- Ensure the availability and sustainability of resources.

9.5 ENTREPRENEURSHIP FINANCIAL INSTITUTIONS

Two banks (African Development Bank [AfDB], Coris Bank), a microfinance institution (Microcred Baobab), and a mesofinance institution (Cofina Group) participated in this scoping study. Five persons were interviewed, two from AfDB. Among the five respondents, two were female (Microcred and Cofina).

Success Stories of the Financial Institutions

The AfDB supports the private sector and economic governance and works closely with an umbrella organization in the private sector: Conseil National du Patronat au Mali (CNPM). AfDB is working on a project that will support the private sector's green entrepreneurship. As for Cofina, it is in the Orange Money to Wallet platform and supports the small Orange UV resellers. Cofina offers digitalized services and offers services like classic banks. Coris Bank works with Fonds d'Appui à la Creation d'Entreprise par les Jeun (FACEJ), an international NGO that supports youth entrepreneurship in Mali and many incubators.

Challenges Experienced by Financial Institutions

Challenges are related to funding, training, and grantees (problem of repayment). On the one hand, young entrepreneurs are unfamiliar with the funding systems and opportunities because many have not been trained in financial management. As a result, they do not know how to manage bank loans, formalize their business, and develop it. On the other hand, they do not have a guarantee to be eligible for a loan. The lack of information and training prevent many youths from applying for funding at FACEJ and the government level. In addition, many young entrepreneurs face challenges repaying banks loans. A female bank agent explained they no longer finance the start-ups because they had bad experiences. Many entrepreneurs declare bankruptcy and do not repay loans. As a matter of fact, she explains why they position themselves, "In supporting only innovative SME start-ups and essentially the established ones which have a product or service on the market already and

seek to develop it. So, we will work precisely to advise them, guide them on their development strategies.” Another participant mentions that the reason why many young entrepreneurs do not repay bank loans is related to not understanding entrepreneurship and loans, which they take for granted as public money not meant to be repaid.

Another difficulty faced by the financial institutions is the lack of coordination among different actors of the ecosystem and the many cumbersome administrative procedures, bureaucracy, and nepotism in the selection and funding of young entrepreneurs' projects. Finally, political instability and insecurity constitute roadblocks to the development of entrepreneurship in Mali because they hinder long-term investments.

Recommendations by Financial Institutions

- The youth must have confidence in themselves to be able to undertake and convince financial institutions to finance and support their projects.
- Self-confidence and self-reliance are connected to good training and a mastery of business plans, financial management, and marketing.
- Set up a structure to coordinate the activities of the various actors and stakeholders in the ecosystem for better results.
- Sensitize young entrepreneurs about the importance of repaying loans, whether they are from government institutions or private ones.
- Set up transparent and inclusive selection procedures for candidates applying for the different programs.
- Readjust the AfDb credit line to conform to the local SME and SMI size in Mali.

The youth must have confidence in themselves to be able to undertake and convince financial institutions to finance and support their projects.”undertake and convince financial institutions to finance and support their projects.

9.6 INTERNATIONAL INSTITUTIONS

The participating institutions are the U.S. Embassy (through the Economic Section and the Department of Cultural Affairs), the U.S. Agency for International Development (USAID), the United Nations Development Programme, (UNDP), and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). All these structures not only welcomed this AAP initiative to boost youth employment through entrepreneurship, but also showed their willingness to support ULSHB's incubation center project. UN institutions such as UN-Women and UNDP also took part in the scoping study while adhering to the objectives of the project. These two organizations also pledged to support ULSHB's entrepreneurial project. Interviews with the U.S. Embassy and USAID were conducted in a focus group with six participants (three females and three males) on Zoom and face to face.

Success Stories Reported by International Institutions

UNDP organized TEF workshops and two Hackathons which is a kind competition event in which programmers work in a project to be completed in a short time frame (Lawrence, 2016)). UNDP has an accelerator lab, and works with several partners including Tuwindi, Donilab, an incubation center to strengthen the capacity of women entrepreneurs. UNDP is also planning to organize a consultation workshop with all the stakeholders in the ecosystem. As for the UN-Women, it partnered with API-Mali to create a women's business center to support female entrepreneurship. It facilitates the formalization processes of women's businesses. The U.S. Embassy has programs that include entrepreneurship training modules. These elements of entrepreneurial training are found in exchange programs such as YALI, Mandela Washington Fellowship, SUSI, Fulbright program, and African Women Entrepreneurship Program (AWED). Through the Timbuktu Youth employment project, 25 young entrepreneurs were trained and seven companies were created (three are still in operation). The U.S. Embassy also organizes Afro-Idea and Idea-Phones workshops, gathering young people who have an expertise in technology. The U.S. Embassy connects its alumni to the world of entrepreneurship and business in general in order to facilitate their access to grants and other funding opportunities or to provide them with expertise to develop their business. USAID also has a program that focuses entirely on youth and women entrepreneurship. Several projects have been implemented in support of youth entrepreneurs.

Challenges Reported by International Institutions

According to one participant, the youth entrepreneurship ecosystem in Mali is well-organized with structures like API and APEX. But in practice, red tape, bureaucracy, corruption, and nepotism undermine the business climate and do not favor the entrepreneurial activities of young people. In addition, there are too many stakeholders in the field who do not collaborate. To this, one must add the sociocultural constraints for women entrepreneurs, resistance to change (in general) and innovation, the problem of access to credit, and good information concerning economic opportunities and training, good practices, and technology.

Recommendations by International Institutions

- Clean up the business environment by alleviating administrative procedures.
- Fight against corruption, nepotism, patronage, and red tape.
- Strengthen the digitalization of tax collection services.
- Create a platform, a ministerial entity dedicated to entrepreneurship that will centralize the activities of all stakeholders.
- Reform the education system by integrating entrepreneurship and business management from an early age (at primary school).
- Deconstruct the cliché of the welfare state by encouraging young people and women to go into the private sector and create their own businesses.
- Deconstruct the myth that entrepreneurship is for losers, those who drop out of school or couldn't fit into public service.
- Facilitate access to credit for women and young people by relying on the good management of their bank accounts and bank statements.
- Improve the managerial capacities of women so that they can reconcile family life and business management through gender-sensitive programs and proactive measures.
- Promote female and youth leadership by empowering them to occupy decision-making positions.

9.7 NONGOVERNMENTAL ORGANIZATIONS

Interviews with NGOs focus on the success stories, challenges, and recommendations formulated with a view to improving the ecosystem. The FACEJ (Support Fund for the Creation of Young Enterprises) is a support structure for the creation and development of start-ups. The targeted youth are age 18 to 35 years

old with technical, vocational, or higher education training. Two FACEJ participants were selected to be interviewed.

Success Stories Reported by NGOs

Success depends on achieving set goals. This includes identifying and helping young entrepreneurs with relevant projects and fulfilling the age and qualifications criteria. FACEJ works closely with financial institutions and partners such as banks: BNDA, Coris Bank, ORABANK, and COFINA. These identifications are made with the support of facilitators such as other NGOs, incubation centers, design offices, and GIE (economic interest group). FACEJ covers six regions of the country. FACEJ works also with incubator centers in private universities and successful candidates are selected for funding and training. In addition, incentive bonuses exist to encourage young entrepreneurs: innovation bonus, job creation bonus, and loan repayment bonus. The amount of each prize can go up to 1 million FCFA. Successful candidates are also invited to participate in events such as “MADE IN MALI.”

Challenges Reported by NGOs

The main challenges are the lack of loans repayment (delinquencies) and excessive involvement of state structures in the funding circuit. They must remain on the sidelines and hand over to private organizations. In addition, there are challenges of financing and market competition. One NGO agent summarizes the difficulties in three categories: “The first is the selection of young entrepreneurs, committed to perform and succeed. The second problem is the lack of expertise in terms of supporting young entrepreneurs in the field. The third difficulty is also the context of the COVID-19 disease, insecurity. . . .”

Other difficulties persist between public and private relations. When private institutions work with public ones, there is often an issue of accountability and young entrepreneurs who are allocated loans do not repay the funds. Another NGO agent explains why FACEJ does not work with the government:

We do not work with public structures because there, if you take the case of EJOM, today EJOM faces serious challenges because it works with a government institution called APEJ. When young people see a public structure in a system, they immediately think that it is free money that can be squandered.

Recommendations by NGOs

- Create a database of young applicants who received funding and support. This will prevent them from acquiring double funding for the same project.
- Develop young entrepreneurship training programs at schools and HEIs.
- Build the capacity of young entrepreneurs who have already created their business.
- Create collaboration between banks and support organizations.
- Establish the culture of accountability and require young entrepreneurs to repay loans.

9.8 YOUNG ENTREPRENEURS

The analysis of issues raised with young entrepreneurs is structured around three main axes: (1) those who have followed entrepreneurship training before starting their activities (which increases success stories), (2) challenges, and (3) recommendations formulated with a view to improving the business ecosystem. A total of 11 (six females and five males) young entrepreneurs aged 23 to 34 with business experience between 9 months and 3 years. Young entrepreneurs are engaged in agrifood agribusiness, event marketing, waste management, consulting agency, and ICT. The interview revealed that entrepreneurial training is not well-developed and did not exist in many schools and universities. Therefore, many young entrepreneurs start their activities with little knowledge of the ecosystem. They also start their businesses with self-funds before obtaining seed loans from creditors such as FACEJ, TEF, PROCEJ, Next Economy, or PEJERIZ.

Success Stories in Youth Entrepreneurship

Many young entrepreneurs have not received training in entrepreneurship before starting their business, some have learned from the experiences of close relatives. The vast majority enrolled in training programs after starting their entrepreneurial activities. For example, four entrepreneurs said they received training from YALI or the U.S. government's African Leaders Initiative, seven young were trained by the Tony Elumelu Foundation. Other training programs were provided through the Next Economy, PEJERIZ, FACEJ, and PROCEJ). Thanks to these programs, many have received credits or seed funding while getting mentored. The effects of this support have been a better communication and marketing plan, customer base expansion, customer satisfaction and recognition, the acquisition of new equipment, and the creation of temporary and full-time jobs. A few successful

situations such as messages testifying customers' satisfaction. Connecting young entrepreneurs to training programs and funding opportunities also enabled young entrepreneurs to acquire skills and develop their network and understanding of the ecosystem. Partnerships with private structures (FACEJ and the Tony Elumelu Foundation) enabled many to obtain start-up funds, grants, or loans to create or develop their businesses.

Challenges in Youth Entrepreneurship

Some participants stated that young entrepreneurs lack basic entrepreneurship training and support as well as confidence in their capacities. In addition, they face competition from established national and foreign companies and the saturation of the market, which prompts them to seek for innovation and diversification of their products. Lack of creativity and innovation in a rapidly changing world is also a challenge for many young entrepreneurs. In addition, we can add marketing and advertising challenges. Difficulties exist in the distribution of products due to a multiplicity of stores and sale points and the lack of supplies. The weak purchasing power of certain customers sometimes has a negative impact on the sustainability of the production of certain items. A female young entrepreneur noted also problems related to sales, industrial processing, storage, and especially lack of funding opportunities. Some participants pointed out the lack of coordination among the different actors, inadequate educational system, dearth of qualified human resources, and equipment. Lack of transparency from government actors in the selection procedures is a serious impediment to the development of their entrepreneurial activities. Lack of digitalization and a platform to connect all the actors is also a concern for some young entrepreneurs.

The inadequacy between training programs and the demands of the labor market is a concern. As a young entrepreneur states, "I think that schools and universities have a role to play in improving youth entrepreneurship in Mali. Today, 80% of people who are in higher education institutions and vocational schools no longer meets the demands of the job market."

In the same vein, another female entrepreneur adds:

In Mali, entrepreneurship is not at all structured. It's a total mess. The programs do not finance without going to the incubators. Incubators generally choose candidates by nepotism. Nothing is done correctly and even government programs indulge in corruption, there is a real problem. Actors do not work in a consortium. They do not work collaboratively and everyone does so.

Young entrepreneurs don't have the right support. They are left to their own devices. No one cares. The people who help most are foreigners: FACEJ, the Tony Elumelu Foundation program, the US Embassy, the PEJERIZ program. All of these programs are foreign programs.

Besides these structural difficulties, there is also the lack of trust between young people and those governing bodies, as noted by a female young entrepreneur from agribusiness:

Even young people no longer believe in the Malian State. Young people no longer believe in these structures which call themselves support structures. Because in reality they don't help. They are just looking for money on our backs and do nothing. We are there with our businesses crawling. We do with what we have and that's it. You can't grow a business project with just 1 to 2 million. Entrepreneurship is risky. To be able to do it, you need a solid team. Without money how can the entrepreneur recruit staff, pay our expenses, buy the raw material? We need money for all those, if you don't have it your activities will not be at the level you want. This is the problem in Mali.

Recommendations by Youth Entrepreneurs

- The main recommendation from the participants is to introduce entrepreneurship in initial training at school and university levels to give future graduates the basic tools to start entrepreneurial activities. Moreover, financing and supporting structures, and most of the ecosystem actors, are particularly interested in those who are already in business. There should be a focus on start-ups.
- The reform of educational systems to integrate entrepreneurship has been formulated by many participants in order to endow young people with an entrepreneurial spirit.
- Skill building and commitment are key to succeed in entrepreneurial ventures.
- Developing a strong mentorship program is crucial to entrepreneurship. Almost all the participants recommend better synergy between different structures in charge of entrepreneurship to better support young entrepreneurs through a platform of exchange of information, communication, and consultation. This can encourage networking among young entrepreneurs themselves, so that they can share experiences, good practices, and join forces.

- Another type of support might be allocating incentives and tax reduction opportunities to big companies to provide incubation centers to start-ups. The support to young entrepreneurs must be holistic as it should encompass business management, entrepreneurship training, tools, taxes, and funding.
- Create centers of expertise to support start-ups.
- Self-confidence is the foundation of entrepreneurship and plays an important role in success.
- Clean up further investment systems to start-ups was echoed by many participants in order to facilitate access to markets for young entrepreneurs by organizing more fairs and product exhibitions. Another participant insisted on the necessity of introducing transparency into the selection procedures of government entrepreneurship programs.

9.9 MENTORSHIP FINDINGS

Three male mentors who are also entrepreneurs participated in this scoping exercise. All of them have flourishing businesses and are mentoring young entrepreneurs in Bamako and other regions of Mali. Although they are not paid for this activity, they engage themselves to provide support and advice to start-ups. They train and advise promising and aspiring young entrepreneurs and students.

Success Stories Reported by Mentors

The three mentors that participated in this study had been the recipients of a variety of entrepreneurship training programs and grants before becoming trainers. They also received start-up funds allowing them to acquire equipment and start their own businesses.

A mentor mentions the existence of training modules in robotics and artificial intelligence through software at the master's level, as well as primary and secondary levels. The programs were popularized through itinerant training; introductory courses are given in public and private schools. Mentoring programs are provided and successful candidates are selected to participate in international competitions (for instance, Mali comes second in the world robotics competition in the United States). We note also that national and international conferences are held in different universities to encourage young people to take an interest in this field. Partnerships with incubators have been developed with other organizations.

In addition, participants provide mentoring to candidates in the development of their business plans while allowing them to acquire skills. These skills enabled them to better meet with the selection criteria for the Tony Elumelu Foundation. They also provide advice and guidance to young project leaders and use a platform to share their experiences with younger ones while allowing them to interact in a broader network.

Challenges Reported by Mentors

- The problem of entrepreneurship mentoring in Mali is not only financial, but also structural. A participant reported that there is a great discrepancy between the overdigitalized market and the training of the youth.
- There are setbacks and administrative delays in setting up a business and supporting mentoring initiatives by not respecting deadlines for payment of the license.
- There is a crucial lack of qualified personnel to meet market expectations.

Recommendations by Mentors

- Create a framework for dialogue and fruitful exchanges between stakeholders and the government.
- Ensure financial availability, support, and training.
- Reduce the digital divide between mentors and beneficiaries, support structures, and young entrepreneurs.
- Strengthen the capacity of funding institutions to better support young entrepreneurs and mentoring activities.
- Demystify entrepreneurship by professionalizing the sector and building the capacity of youth.
- Design practical and innovative training modules geared toward entrepreneurship.

9.10 SUPPORT STRUCTURES FINDINGS

Four institutions participated in this scoping study: The Women's Business Center created by UN-Women in partnership with API-Mali to support women-led businesses to get legal documents like barcodes, marketing authorization. PROCEJ, created in 2003, is a flagship project of the Ministry of Employment and Training to promote youth employment. Finally, there is PADES (Projet d'Appui au Développement de l'Enseignement Supérieur), a government project funded by the World Bank to improve the quality of programs in HEIs.

Success Stories Reported by Support Structures

The Women's Business Center provides technical support for the creation and formalization of female companies by helping them to be more competitive in national and international markets. API-Mali supports thousands of companies and works with private and public partners in their quest for funding and legal procedures. In 2020, the Women's Business Center contributed to the creation of 14,688 businesses, delivered 37 investment codes, generated 86.5 billion FCFA in investment, and supported 880 women. The center welcomed and assisted more than 20,000 users (API, 2021). As for API-Mali, which houses the Women's Business Center, it supports companies by putting them in touch with investors.

PROCEJ contributed to the improvement of the technical platform of various vocational schools in Bamako and other regions. More than 28,000 young people were trained in various professional sectors (PROCEJ, 2021). It also allocates loans to young entrepreneurs for more than one million FCFA and a nonrefundable subsidy of 300,000 FCFA. According to the coordinator, "We revised 21 training programs to align them to the business sector and equipped several vocational schools and renewed the infrastructure." PADES supports all initiatives geared toward the improvement of higher education and capacity in youth employment. That is why, according to the participant, PADES contributed in 2016 to the funding of the interuniversity incubation lab project.

Challenges Reported by Support Structures

The first challenge is funding: both API-Mali and the Women's Business Center support start-ups and established businesses in their legal procedures and strengthen their capacity to be more competitive, but they do not provide financial assistance. Another difficulty comes from the lack of adequate training and information of young entrepreneurs about funding and investment opportunities. The lack of entrepreneurial skills also leads to poor business management and partnership. A male participant explains this problem in these terms:

The main challenge that arises is how to convince Malians that it is important when we are in entrepreneurship to share the risk with other people. You know we have a culture here that consists of saying, "Ah it's my company!" And like that when you say it's my company, you no longer make the difference between your private person and the company, the legal person.

So, to have an associate also helps share the risk while helping develop and better manage the company.

Another participant mentions the problem of loan reimbursement. Many young people think that the fund lent by public actors is free and refuse to repay it. He reports that when he asks young entrepreneurs why they refuse to repay the loans, they reply: “but it’s my due! You worked, you are paid, people steal the money from the state, you think I have to pay?” In addition to all these, the lack of synergy and coordination between actors also led many young people to get funding from several actors for the same project. All the actors state the need to create a consortium for different stakeholders to coordinate their actions and control the activities.

Finally, identifying potential project leaders and young candidates with the best profiles is also a serious challenge, as stated by one participant:

Among the challenges, young people do not know much about the business environment and how to access information. Consequently, we do not know where we can find them which is not good. They are scattered everywhere. We want to be a gateway to entrepreneurs and administrators. Maybe the difficulty is how to gather all that into one unit.

As for the PADES, the main challenge is how to innovate higher education to align teaching goals with sustainable development goals and entrepreneurship, and how to set up a sustainable funding system for the continuity of a project whose first phase has just finished. Hence, how to boost student’s employment and professional insertion is the main challenge PADES is now facing.

Recommendations by Support Structures

- Bridge the professional and academic world by establishing a fruitful dialogue between the business sector and the universities.
- Create a synergy between actors in order to improve the ecosystem and make it more efficient and attractive. Create a consultation framework, a platform to coordinate activities.
- Strengthen the capacity and awareness of the youth about requirements and constraints of entrepreneurship.
- Introduce entrepreneurship in training at schools and universities.
- Make the incubation phase longer than 45 days to allow young people to better understand all the challenges related to entrepreneurship. As a participant says, “It is important that incubation is not limited to 45 days as we are doing it. Incubation period should allow these young people to stay in the companies and see the pressures that businesses face, that is very important!”
- Harmonize selection and funding procedures.
- Create a platform dedicated to entrepreneurship to collect and centralize data about young entrepreneurs and provide a database to be used by both private and public actors of the ecosystem.
- Reduce information and technological gaps between urban young entrepreneurs and rural ones.



9.11 DISCUSSION AND CONCLUSION

The main finding is that entrepreneurship training is almost inexistent in the HEIs except some components that are infused in modules. As for the vocational ones, it exists but it is neither well-structured nor in tune with local business realities. From their perspectives, entrepreneurship should be integrated in university programs and there must be more collaboration between them and the private sector. Finally, they mention the importance of creating incubation labs at the universities.

For government support structures, policies, and program actors, entrepreneurship is a priority of the Malian government as illustrated by the myriad of agencies, projects, and policies devoted to boost youth employment and entrepreneurial skills (e.g., ANPE, APEJ, PROCEJ, FARE, DNFP, PADES). However, they recognize a lack of coordination and synergy of actions among the various stakeholders that have a negative impact on the quality and efficiency of the support provided to young entrepreneurs. Lack of transparency in the selection procedures, nepotism, corruption, clientelism, and mismanagement of allocated funds, added to young people's refusal to repay the loans seriously undermine young entrepreneurs' activities and the dynamism of the whole ecosystem.

Private institutions and NGOs highlight the institutional framework of youth entrepreneurship in Mali, which is rich and diverse. However, an in-depth analysis reveals many flaws, inadequacies, and shortcomings in the overall organization and functioning of institutions with less coordination. Training in entrepreneurship skills, business management, and civic education for them to know the challenges and requirements of entrepreneurial ventures is paramount. Financial institutions also point out the lack of financial literacy education and training of the youth, their inability to provide a guarantee to get loans, or sometimes their refusal to repay loans. All this makes banks and microcredit institutions reluctant to grant them loans to start-uppers. This risk aversion is also a serious impediment to the development of entrepreneurship in Mali.

Finally, young entrepreneurs also insist on skill building, sensitization, training, and financing entrepreneurs. Although they recognize the richness of the ecosystems in terms of policies, programs, and support groups, they point out the lack of coordination, transparency in the selection procedures, and nepotism are hurdles to success. Many of them have benefited from seed grants, credits, and subsidies from private and international institutions as well as training. Therefore, they request that the government clean up the ecosystem, create a digitized platform that will serve as database, increase funding and awareness campaigns, protect domestic companies from foreign goods, and increase support to youth entrepreneurship programs and training. Interviewed coach and mentors have almost the same recommendations and have also pointed out the importance of information, training, self-training, and mentoring in addition to fundraising.

Multiple recommendations cross and intersect in many ways. All of the actors insist on more government involvement in the legal and institutional organization of the ecosystem for a better result of different actions. More funds, training, and supports to start-ups to make them more resilient, sustainable, and competitive in the national and international markets. Promoting entrepreneurial culture in children at a tender age and making entrepreneurship programs central in educational systems are also recommended. Finally, the thorny issue of access to funding opportunities and guaranteed loan repayment also appears to be a deep concern of support structures, financial institutions, and the young entrepreneurs themselves. As a result, existing youth entrepreneurship programs should be improved and they should collaborate more by establishing a platform that shares and coordinates their actions. More focus on training, information, and mentoring is crucial.

Existing youth entrepreneurship programs should be improved and they should collaborate more by establishing a platform that shares and coordinates their actions.

LIST OF ACRONYMS

AfDB: African Development Bank

AMAQ-Sup: Agence Malienne d' Assurance Qualité de l'Enseignement Supérieur (Malian Quality Assurance Agency for Higher Education)

ANPE: Agence Nationale pour l'Emploi (National Agency for Employment)

APEJ: Agence pour la Promotion de l'Emploi des Jeunes (Agency for the Promotion of Youth Employment)

APEX: Agence pour la Promotion des Exportations au Mali (Agency for the Promotion of Exportation)

API-Mali: Agence pour la Promotion des Investissements au Mali (Agency for the Promotion of Investments in Mali)

BNDA: Banque Nationale du Développement Agricole: National Bank for the Development of Agriculture

CERFITEX: Centre de Recherche et de Formation pour l'Industrie et le Textile (Research and Training Center for Industry and Textile)

CNPM: Conseil National du patronat au Mali (Mali Employers' National Council)

COFINA MALI: Financial institution of the COFINA SA group

DNFP: Direction Nationale de la Formation Professionnelle (National Directorate of Vocational Training)

ECICA: Ecole Centrale pour l'industrie, le Commerce et l'Administration (Central School of Industry, Commerce and Administration)

EJOM: L'emploi des jeunes crée des opportunités au Mali (Youth Employment creates Opportunities in Mali)

ENI/EBAT: Ecole Nationale d'Ingénieurs-Abderhamane Baba Touré (National School of Engineering -Abderhamane Baba Touré)

GIE: Groupement d'Interêt Économique (Economic Interest Group)

ENTP: Ecole Normale d'Enseignement Technique et Professionnel (Normal School of Technical and Professional Teaching)

FACEJ: Fonds d'Appui à la Creation d'Entreprise par les Jeunes (Support Fund for Youth Entrepreneurship)

FAFPA: Fonds d'Appui à la Formation Professionnelle (Professional Training and Apprenticeship Support Fund)

FARE: Fonds Auto-Renouvelable pour l'Emploi (Self-Renewable Employment Fund)

FCFA: Mali's currency

INJS: Institut National pour la Jeunesse et le Sport (National Institute for Youth and Sports)

IPR/IFRA: Institut Polytechnique Rural de Formation et de Recherche Appliquée (Rural Polytechnic Institute of Training and Research)

IUT: Institut Universitaire de Technologie (University Institute of Technology)

ORABANK: Private Bank from the ORAGROUP present in 12 African countries

PADES: Projet d'Appui au Développement de l'Enseignement Supérieur (Higher Education Development Support Project)

PEJERIZ: Rice, entrepreneurship and jobs in West Africa

PROCEJ: Projet de Développement des Competences et Emploi Jeunes (Youth Professional Capacity-Building and Employment Project)

TEF: Tony Elumelu Foundation

ULSHB: Université des Lettres et des Sciences Humaines de Bamako (University of Arts and Human Sciences of Bamako)

UNDP: United Nations Development Programme

USAID: U.S. Agency for International Development

USSGB: Université des Sciences Sociales et de Gestion de Bamako (University of Social Sciences and Management of Bamako)

USTTB: Université des Sciences, des Techniques et des Technologies de Bamako (University of Science, Technique and Technology of Bamako)

UN-WOMEN: United Nations Entity for Gender Equality and the Empowerment of Women

YALI: Young African Leaders Initiatives

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10

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF NIGERIA

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Traffic in Lagos, Nigeria
Photo: Adobe Stock

Abstract

Entrepreneurs, including youth entrepreneurs, depend on the support of a variety of entrepreneurial ecosystem actors to establish, thrive, and grow into sustainable businesses. Thus, the success of entrepreneurs is determined to a great extent by the quality of vital support they receive from the various ecosystem actors. This qualitative study, which was conducted via telephone and Zoom, was aimed at determining how the various entrepreneurial ecosystem actors in Nigeria have been supporting the activities of youth entrepreneurs in the country. Thus, different ecosystem actors were interviewed to find out how they support young entrepreneurs, whereas the young entrepreneurs were interviewed to determine the type and degree of support they have received from the ecosystem actors. From the study, it was observed that the ecosystem actors, including individuals, nongovernmental organizations, higher institutions, private organizations, financial institutions, and government agencies, offer a range of supports to young entrepreneurs based on their mandate and mission, and this is done to the extent that available resources can allow them. For their part, young entrepreneurs also differed in terms of how much support they receive from the different ecosystem actors. Improved support received is needed for sustainable youth entrepreneurial activities. The major challenges limiting youth entrepreneurial activities in Nigeria include limited access to capital, inadequate training opportunities, challenges of poor state of infrastructure, and multiple taxation. To improve youth entrepreneurial activities in the country, there is need for additional support, improved collaboration between the different ecosystem actors, and improved entrepreneurial education, which will inculcate the right entrepreneurial mindset and attitude in youth.

10.1 INTRODUCTION

This is a report of a qualitative study aimed at understanding how different entrepreneurial ecosystem actors support the activities of youth entrepreneurs. The interviews were conducted mostly via telephone, although some were conducted via Zoom. The interview questions were intended to find out how effective different entrepreneurial actors have been in supporting the activities of youth entrepreneurs drawn from different sectors of the economy in Nigeria. This is based on the belief that youth entrepreneurs need the support of ecosystem actors to thrive and succeed. A number of specific questions were asked on the programs aimed at supporting youth entrepreneurs, as well as the challenges that limit the ability of entrepreneurial actors to successfully support youth entrepreneurs.

Other questions sought to find out who the ecosystem actors collaborate with and what recommendations they would make on how to improve youth entrepreneurial activities in the country. A total of 18 entrepreneurial ecosystem actors and 12 youth entrepreneurs were interviewed. The ecosystem actors included nongovernmental organizations (NGOs), private organizations, financial institutions, and policy makers. Other entrepreneurial support structures are higher education institutions (HEIs), departments of small trade, and mentors and community leaders.

The young entrepreneurs who took part in the study were drawn from a wide range of industries, including ICT, agriculture and food production, nutrition, health, construction, education, and the service industries.

The interviews, which were conducted in English, were recorded with the permission of the participants and transcribed thereafter. The findings of the study are presented in form of the responses of the respondents belonging to different groups of participants.

This is a report of the answers obtained from higher education institutions, youth entrepreneurs, and ecosystem actors in response to the interview questions with emphasis on success stories, challenges, and recommendations.

10.2 DEMOGRAPHIC DATA OF NIGERIA

Nigeria is a multiparty democracy fashioned after the U.S. presidential system of government. The country has achieved a relatively stable democracy since April 1999 when the last military regime was replaced by a democratically elected government.

With an estimated population of 212 million people, Nigeria is the most populous country in Africa and the seventh most populous country in the world. Nigeria has a predominantly young population with a median age of 18.1 years (Statista, 2021). The Nigerian economy is a middle income, mixed economy and is

ranked the largest in Africa and 27th largest in the world in terms of nominal gross domestic product (GDP). The Nigerian GDP of Nigeria grew 2.2% in 2019, 3.1% in 2020, and currently stands at US\$432.2 million (World Bank, 2020; International Monetary Fund, 2021). The petroleum industry, agriculture, banking, mining, and the entertainment industries are the main industries in the country. The information technology, healthcare, and real estate industries are also on the rise.

According to 2019 report, the global competitive index of Nigeria is 48.33. This places Nigeria at 116 out of 140 countries (Trading Economics, 2020). Likewise, in terms of ease of doing business, Nigeria is ranked 131 out of 190. This is an improvement from the position of 146 out of 190 she occupied previously (Statista, 2021).

10.3 YOUTH ENTREPRENEURSHIP IN NIGERIA

A high rate of unemployment has been a problem in Nigeria for decades, in spite of the efforts made by successive governments to address the problem. Recent figures from the National Bureau for Statistics (NBS) places the general unemployment rate in Nigeria at 33.3% and youth unemployment rate at 42.5% (NBS, 2020). The factors responsible for the high and rising rate of unemployment in Nigeria have been identified by various researchers (Alanana 2003; Federal Ministry of Youth Development, 2008; Olukayode, 2017; Anyanwu & Duru, 2020). These studies have identified such factors as the low level of industrialization, poor agricultural system, poor state of the economy, a faulty system of education, and a rapidly growing population as the main causes of youth unemployment in Nigeria. Other causes include a high degree of rural–urban migration and poor state power supply (Obialo, 2019). Corruption, which often manifests as the diversion or embezzlement of funds meant for development projects, is widely thought to be responsible for the poor state of the Nigerian economy. The implications of this high level of unemployment have also been chronicled to include a high rate of crime and social vices, a brain drain that is the result of the migration of skilled manpower to other countries as well as the related problem of rural–urban migration. Widely advocated solutions include population control, improvement of social amenities in the rural areas, and restructuring of the education system to produce more job creators than job seekers.

Successive governments have made efforts to address the problem through a variety of job creation policies, and these have had various degrees of success.

The idea behind these policies is to create employment opportunities for youths, grow the economy, and address the related problems of poverty and crime associated with youth unemployment. Some of the earliest of these policies were incorporated in the Third National Development Plan (1975–1980) and the Fourth National Development Plan (1981–1985). Other related economic policies of the 1980s include the Economic Stabilization Act of 1983 and the Structural Adjustment Programme (SAP) of 1986 that was launched by the military administration of General Ibrahim Babangida. It is worthy of note that one of the immediate outcomes of SAP was an increase in the rate of unemployment caused by the retrenchment of public sector workers and the privatization of some public enterprises.

Other policies and programs designed to address youth unemployment and associated problems of poverty include the National Economic Empowerment and Development Strategy 1 (2003–2007) and 2 (2007–2011), the Seven Point Agenda (2007) and the Transformation Agenda (2011). In addition to these, many government policies and programs have been launched in the last decade to encourage entrepreneurial activities among the youth. These include Youth Enterprise With Innovation (You-Win), which was launched in October 2011; the Subsidy Re-Investment Programme (SURE-P), which was launched in January 2012; the Micro, Small and Medium Enterprises Development Fund (MSMEDF), which was launched in August 2013 to “enhance access of MSMEs to financial services”; the Government Enterprise and Empowerment Programmes (GEEP), which was launched in 2016 with the aim of offering interest—and collateral-free—credit to micro, small and medium enterprises operating at the bottom of the Nigerian economic pyramid. Others include the Anchor Borrowers’ Programme (ABP) launched in November 2015 to support small-holder farmers, the Economic Recovery and Growth Plan (ERGP), launched in April 2017; the Presidential Youth Empowerment Scheme (P-YES), launched in October 2020 to empower 774,000 jobs for youths across the country.

In addition, institutions such as the Bank of Industry, National Directorate for Employment, the Bank of Agriculture, and microfinance banks have launched various programs aimed at reducing the burden of youth unemployment in the country. For example, the Youth Entrepreneurship Programme (YES-P) launched by the Bank of Industry is intended to equip young people with the requisite skills to start and manage a business.

In addition to these, a number of private organizations, including NGOs have initiated programs aimed at addressing the problem of youth unemployment in Nigeria. Examples include the Tony Elumelu Foundation and the FATE Foundation, which offer entrepreneurship training and seed funding to youth who have left school to encourage them to start and run their own businesses.

As might be expected, these programs have recorded differing degrees of success. In spite of these efforts, youth unemployment has remained high in Nigeria.

10.4 RESEARCH DESIGN AND METHOD

A qualitative research approach involving the use of semi-structured interviews was adopted in the study of youth entrepreneurial ecosystem in Nigeria. The inductive interview approach was used to gather insights from the participants regarding how and to what extent youth entrepreneurial actors support the activities of youth entrepreneurs in Nigeria.

Data was collected via telephone interviews and Zoom during which questions designed to answer the research question were asked. The interviews were recorded and later transcribed for analysis. The telephone interviews were the best option, considering that the study was conducted at the height of the COVID-19 pandemic in Nigeria during which traveling and face-to-face meetings were discouraged. A total of 27 participants took part in the study.

The chain-referral sampling or snowball technique was used to reach the respondents, comprising 10 youth entrepreneurs aged 18–35 and 17 ecosystem actors, comprising NGOs, private organizations, financial institutions, HEIs (made up of universities and vocational training), policymakers, support structures, the Nigerian Department of Small Business and Trade, mentors/leaders, and community leaders. The youth entrepreneurs were drawn from a wide range of industries, namely water, mining, energy, the environment, education, culture, agriculture, nutrition, health, construction, ICT, and the service industries (see **Table 10-1**).

Data obtained during the interviews were analyzed using content analysis. The audio recordings of the interviews were transcribed and the transcripts were analyzed. The recorded interviews were played over and over again to check the accuracy of the transcription process. The transcripts were thereafter read and edited to remove all identifiers. A number of limitations which may have affected the study were identified. First, the interviews were conducted remotely by telephone and Zoom because of the restrictions on face-to-face meetings as a result of the COVID-19 pandemic. The closure of offices sometimes also made it difficult to have access to some officers who would have granted interviews. Data collection took much longer as a result of these issues.

Table 10-1 List on Youth Entrepreneurs

Participants	Gender	Industry	Mode of interview	Duration (min)
1	F	Education	Telephone	56
2	M	Agribusiness	Telephone	48
3	M	ICT	Telephone	62
4	F	Nutrition	Telephone	57
5	F	Nutrition	Telephone	60
6	M	Construction	Telephone	45
7	M	ICT	Telephone	54
8	M	Health	Telephone	55
9	M	Sales	Telephone	50
10	F	Service	Telephone	51
11	M	Agribusiness	Telephone	61
12	M	Agro-Consultancy	Telephone	55
13	M	Agribusiness	Telephone	43

Table 10-2 List of Ecosystem Actors

S/N	Participant	Industry	Ownership	Type of Interview	Duration (min)
1	HE1	Higher education–University	State government	Telephone	56
2	HEI2	Higher education–University	Private	Telephone	60
3	HE3	Higher education–University	Federal government	Telephone	50
4	HE4	Higher education–University	Federal government	Telephone	48
5	HE5	Higher education–Polytechnic	State government	Telephone	62
6	HE6	Higher education–Vocational	Federal government	Telephone	55
7	HE7	Higher education–University	Private	Telephone	50
8	HE8	Higher education–Vocational	Private	Telephone	52
9	NG1	NGO	Private	Zoom	60
10	NG2	NGO	Private	Zoom	64
11	NG3	NGO	Private	Telephone	57
12	PO1	Private organization	Private	Telephone	52
13	P02	Private organization	Private	Telephone	50
14	P03	Private organization	Private	Telephone	46
15	FI1	Financial institution	Government	Telephone	66
16	FI2	Financial institution	Private	Telephone	54
17	FI3	Financial institution	Private	Telephone	50
18	PO1	Policy	State government		63
19	PO2	Policy	Federal government		60
20	SS1	Support structure	Private		49
21	SS2	Support structure	Private		43
22	SS3	Support structure	Private		51
23	DS1	Department of Small Trade	State government		46
24	DS2	Department of Small Trade	Federal government		64
25	ML1	Mentor/Leadership	Private		45
26	ML2	Mentor/Leadership	Private		46
27	ML3	Mentor/Leadership	Private		50

10.5 HIGHER INSTITUTIONS

The interviews with HEIs revealed a number of success stories and the challenges they face in the delivery of entrepreneurial education as well as recommendations for improvements. A total of eight participants came from higher education and vocational institutions of Nigeria. All of these institutions are public or government-owned institutions. Entrepreneurial training is mainly delivered through this government institutions of higher learning and technical programs.

Success Stories Reported by Higher Institutions of Learning

All the participants confirmed that they offer entrepreneurial training to their students as part of their academic program or curriculum. The respondents further reported their success in changing the mindset of the students (away from being job-seekers to being self-employed and becoming potential job creators). Success was also evaluated in terms of producing graduates who go on to successfully establish sustainable businesses.

Training on Entrepreneurship

The HEIs adopt different approaches to equip their students with the desired entrepreneurial skills. This varies in terms of structure, content, modes of delivery, and level of commencement. For example, Case EN1 had this to say:

To achieve, the center introduced a program called enterprise creation and skills acquisition. The program has five different modules and every student of the university must pass all five modules to graduate irrespective of the course of study. Thus entrepreneurship modules are offered in five out of the eight semesters of the undergraduate programs, irrespective of the course of study.

There are multiple strategies used by HEIs to ensure that graduates are engaged in the labor force with appropriate skills. In response to the question on what strategies they adopt to achieve their mandate, the response from Case EN2 was as follows:

First, there is the Entrepreneurship Development Course. Secondly, there is the EDS practical. The EDS has evolved over time. It was initially designed to train the students to acquire a variety of vocational skills—sewing, baking, etc. In 2016 there was a change in approach—to emphasize the entrepreneurship mindset. To teach the students to build businesses based on the skills they have. Students are encouraged to form groups and build

Getting the students to adopt an entrepreneurial mindset was identified as the central objective of entrepreneurial trainings in the HEIs.

companies. (It doesn't matter if the businesses fail). The idea is to learn how to build and run a business. If the business fails, they also learn from their failure. Students are also encouraged to provide services to the university and get paid for doing so. They are encouraged to write proposals to the management of the university.

The response from case EN4 confirmed the offer of entrepreneurship training, viz; “the first one is ‘the Introduction to Entrepreneurship and Innovation’ and the second one is ‘Business Creation,’ growth and corporate governance. These are the two courses that we use to expose them to skills, depending on the ones we are able to organize at the period.”

Change of Mindset

Getting the students to adopt an entrepreneurial mindset was identified as the central objective of entrepreneurial trainings in the HEIs. The respondents identified this as one of the major aims of their entrepreneurial training. Thus, a new mindset became a good yardstick for assessing the success of their efforts. From their account, this was achieved through a variety of approaches, including formal lectures delivered by faculty and guest lecturers drawn from the business world coupled with a period of business attachment and mentorship. The importance of getting the students to adopt an entrepreneurial mindset could be deduced from some of the remarks:

. . . the university was determined at inception to provide job creators and not job seekers. The center was given a mandate to make this come true,

Self-Employment and Job Creation

In the course of the interview, the heads of the entrepreneurship training units in the institutions stated their conviction that the training offered to the students have helped many of them to become self-employed graduates and job creators. This conviction was best captured by one of the respondents:

In 2016, we got a call from a venture capitalist who invested in several companies started by graduates of xxx. The venture capitalist offered to collaborate with the hub. This was because they discovered that 50% of the companies they invest in recent times were started by graduates of xxx. Thus, the company wanted to have a regular pipeline/supply of teams from xxx to invest in. (Case EN2)

Another respondent summarized the success of their center as follows: “About 60% of the 15,000 businesses started so far by students and alumni of the university are up and running” (Case EN1).

Establishment of Business Ventures

The main purpose of entrepreneurship training is to produce graduates who can establish and run their own businesses. Thus, in demonstrating the successes of their training centers, the interviews revealed that many of their graduates establish new businesses. They believe this is made possible by the training they receive ranging from a changed mindset, drawing up and successfully executing business plans, and, in some cases, newly acquired skills. Some of the respondents went on to reveal the additional support they offer to their students to enable them to establish business ventures. This includes business attachment, mentorship by successful entrepreneurs, the offer of soft loans, access to facilities at the incubation hub, and links to alumni networks for various forms of support. These were put across rather succinctly by some of the respondents: “The entrepreneurship ecosystem requires both talent and incentive to succeed, and my university offers both” (Case EN2).

Sustainability of Business Ventures

Sustainability is an important factor in the assessment of new businesses. Thus, the interviewees were asked questions on the sustainability of the businesses set up by their trainees. They confirmed that a good number of the businesses set up by their trainees have been sustained over time. “About 60% of the 15,000 businesses started so far by students and alumni of the university are up and running”(Case EN1).

Challenges Reported by HEIs

Funding, inadequate infrastructure, and the lack of competent training personnel were the commonest challenges mentioned by the HEIs as impediments. For example, Case EN7 had this to say:

... the major challenge is funding. Just recently, the Directors of Entrepreneurship Centre in Nigerian Universities met yesterday, and those of us in the

private universities made a case of poor funding. Another challenge we have is infrastructure. Our building in the faculty isn't enough to accommodate all our students. A whole lot of activities go on at the center. It would be okay to have a building dedicated to entrepreneurship training. Another challenge is personnel. We do not have many staff teaching the students. If we had funding, more staff could be employed. We are trying to link up with industries.

Likewise, Case EN5 responded: “funding was a challenge because the center did not have enough money to put things in place.”

Some of the institutions also highlighted a rather unique challenge concerning youth's attitude to entrepreneurial training:

... the main challenge we have is the attitude and unwillingness of these youths to learn. The society already has shown them faster ways of making money without hard work. They do not desire to sit through and learn a skill. (Case EN8)

Recommendations by HEIs

The HEIs made a number of recommendations for improving entrepreneurial training. The responses center on improved government support for entrepreneurial training and the improved attitude of institutions, staff, and students to entrepreneurial training.

The need for increased government funding was highlighted in the response by Case EN3:

... finance challenge, the government can sponsor these youths like some prominent individuals have done. The government should from time to time, organize these trainings and skill development programs for these young people so they don't become misfits and nuisance to the society. Some prominent Nigerians can also go to their communities, bring the youth and sponsor their trainings.

The response from Case EN4 was somewhat different and highlighted the need to create more awareness about youth entrepreneurship, viz: “. . . my recommendation would be to continue with the campaign of creating more awareness to the students on why the program is important. We also need to make the students understand that the program would make them more self-reliant after graduation” (Case EN4).

10.6 YOUTH ENTREPRENEURSHIP

This is a report on the findings from interviews conducted with youth entrepreneurs in Nigeria. The participants were asked questions on the sources of their start-up capital, the type of training they received, and the skills or benefits they derived from the training. The entrepreneurs were asked further questions about those they have collaborated with, the successes they have recorded, and the challenges they face. The challenges included the general challenges attributable to a particular business subsector and those experienced in different geographical locations. Finally, the entrepreneurs were asked to make recommendations on how youth entrepreneurship activities can be improved in the country.

A total of 13 participants aged 18–35 years were interviewed in English via the telephone. The recorded interviews were thereafter transcribed and analyzed.

Success Stories Reported by Youth Entrepreneurs

The responses from the participants contained evidence of success in various forms, including training, access to funding, networking, product and service development and improvement, business growth, and expansion.

Access to Funding

Many of the entrepreneurs revealed that they started their businesses with private funds and gifts from families, but some confirmed that they were able to access funding from other sources at different stages. The sources of funding varied and included grants from NGOs, private investors, and, to a lesser extent, government agencies. A few of the entrepreneurs were also able to receive funds from international organizations as well as foreign investors. These were discussed in the following responses:

Grants have been our only external source of funds apart from personal funds which we invested early in the business. Also revenues come into our business. (Case EN1)

. . . we also have a block chain part of it which enables people earn interests in cryptocurrency. So that is a platform that is created and we have received the funding of over \$1.5 million from a group of companies in the United States, Asia, Israel . . . in funding; and the investments were announced in 2020. . . (Case EN3)

Many young entrepreneurs demonstrated a high degree of apathy and a general lack of interest and trust in seeking funds from government agencies. This can be deduced from the following responses:

. . . I have information about them; but usually, they look out for businesses with huge returns and some of the specifications they require, we don't meet them so most times we don't apply. . . (Case EN1)

. . . I did not because of fear of the Nigerian factor where friends of the government will take it all, the process will be hijacked by other sets of people, the process will lack transparency and that put me off. . . (Case EN6)

Product and Service Development (Growth)

All the entrepreneurs revealed that they have been able to grow their businesses in spite of all the challenges. Growth has been in the form of product development, service delivery, and the growth of the respective businesses. According to the entrepreneurs, these have been made possible by the various forms of support, namely, training received, funding, and the networks they entered. These sentiments were revealed in the following response:

The network is so valuable. You need the access to network of business. This is very important that what they provide. I have spent my grants on assets, but the network helps me generate funds. The collaborations give confidence and help you generate more revenue. . . (Case EN4)

Challenges Reported by Youth Entrepreneurs

In their response to the questions seeking to know about the challenges they face, the respondents revealed the litany of challenges they faced or are still facing. This includes the lack of funds to either start or to scale up their business and limited access to training opportunities. Others are the current challenges of the poor state of roads and other municipal infrastructure, in particular power supply, the problem of multiple taxation, and the impact of rising inflation, which is linked to the devaluation of the local currency, which affects the overall cost of doing business. In addition, inconsistencies in government policies were also cited by some of the respondents as a challenge to their businesses.

Poor Access to Funds

Many of the young entrepreneurs mentioned lack of funds as a major stumbling block on their way to setting up their businesses. Some also cited poor access to funds as a challenge to their desire to scale up their businesses. These were captured best by the following:

... The key challenge would be start-up capital. If I had access to capital, I would have started my business earlier than now. My second challenge is also related to capital. If I had capital, I would have expanded my business and my business space. I have also faced the challenge of multiple taxation. ... (Case EN7)

There are so many challenges. It is difficult to get bank loans. Although I am established, there is always a need for expansion which always needs money. The rate of inflation and repeated depreciation in the value of the local currency and the poor state of infrastructure are all issues to contend with. The state of municipal roads affects the flow of traffic and affects the ease of delivery of orders. ... (Case EN5)

Some young entrepreneurs also complained of difficulties in building teams and competition.

... the challenge of building a team hasn't been easy. Marketing has been tough because of competition and the increasing interest in agriculture. Thirdly is the fact that our teams are in different locations so sometimes organizing meetings and brainstorming sessions doesn't give a chance of getting everyone available. ... (Case EN1)

Poor State of Infrastructure

The challenge posed by the poor state of electricity infrastructure, road networks, and other basic amenities in the country and how it affects the businesses of young entrepreneurs can be gleaned from these responses from the entrepreneurs:

A major challenge is power because of the power situation in Nigeria; I have been forced to depend almost entirely on green energy and alternative energy. Also accommodation: we are based in Enugu State, Nigeria and there are many young, brilliant people here but people cannot afford shelter. ... (Case EN3)

Taxation

Young entrepreneurs also complained about high or multiple taxation, which they identified as a major threat to the survival of their businesses: "The multiple taxation starts the moment you start the business

not minding how much you make. They include the environmental tax, taxes from other government agencies and the local government and taxes on advertisement" (Case EN5).

Inflation

The Nigerian economy has been experiencing a high level of inflation, which has hovered above 15% in recent times. This is closely related to the devaluation of the local currency, the naira. The combined effect of these on the cost of material inputs (e.g., raw materials and machinery) has been identified as a serious threat to the profitability and survival of businesses:

... [t]he absence of price control and regulation. This is a problem for manufacturers when prices of inputs and raw materials increase suddenly and you cannot increase the price of your products. (Case EN4)

The rate of inflation and repeated depreciation in the value of the local currency and the poor state of infrastructure are all issues to contend with. ... (Case EN5)

Recommendations by Youth Entrepreneurs

The young entrepreneurs made a number of recommendations on how entrepreneurial activities can be improved in Nigeria. Most of the recommendations were directed at the government in terms of improved access to training and other incentives.

- The federal government can liaise with the firms to give training to young people in all areas to teach them business management, show them the tactical approach on how to get started, and how they manage their business.
- There is a need to introduce the entrepreneurial programs beyond Nigeria because most current training opportunities are oversubscribed.
- The government should consider monitoring the entrepreneurship entry system to ensure the grants are accessed.
- There must be a provision of loans at lower interest rates by the right government agencies.
- Regarding infrastructural challenges, respondents suggested that attempts should be made to repair the roads to minimize the cost of moving goods and losses.
- The entrepreneurs also recommended improving the ease of doing business and the introduction of additional incentives to support young entrepreneurs.

10.7 ENTREPRENEURIAL ACTORS: SUPPORT SERVICES

The success of private organizations supporting entrepreneurs was assessed based on their ability to meet their desired mandate of successfully empowering and supporting youth entrepreneurial activities. For example, a private organization reported success as follows: “I train between 200 and 250 students every year”; “80% to 90% of them go back and start their cake business, while others go further to have their own training school” (Case PO1). Youth entrepreneurs require the services of legal, accounting, and other technical experts to be able to start and grow their businesses.

Success Factors Reported by Support Services

The support structures presented their success as the ability to successfully provide necessary assistance to young entrepreneurs. Thus, in response to the interview questions, respondents from these support structures stated as follows: “A lot of businesses have come to be in existence through registrations and incorporations. From legal advice, investment plans and a lot our corporation has to offer” (Case SS1 2). Another respondent stated as follows: “some of these young people come to us to prepare their financial statements to help them access loans” (Case SS3).

Challenges Reported by Support Services

In response to the question on the challenges faced by support structure, Case SS3, who offers accounting support to young entrepreneurs, had this to say:

... one is the lack of knowledge of the business the entrepreneurs go into and at the inability to keep proper track record of financial transactions of their business. Another challenge is that there is no adequate check to make sure that these entrepreneurs do not divert funds. The inability to manage the resources given to them is also a problem. Multiple taxations and inadequate supply of electricity are also challenges.

Case SS2 identified delays in business registration as a common challenge faced: “I wish the time it takes to process registrations could be shortened.”

Recommendations by Support Services

The support structures offered a number of recommendations on how entrepreneurial activities can be improved. They emphasized that the government should monitor and ensure that these intervention funds do not go into the wrong hands. In

addition, the government should also ensure—through the universities—that the entrepreneurial courses that students take would not just be for graduation needs, but to produce students who can effectively manage their businesses.

10.8 DEPARTMENT OF SMALL TRADE

Success Stories Reported by the Department of Small Trade

Departments of small trade exist at different levels of government, namely, federal, state, and local governments, and they have a number of programs geared towards improving and coordinating youth entrepreneurial activities in the country. Youth entrepreneurs from various industries were trained. Case DS1 stated:

We have two program varieties. One is called Skills Training and Entrepreneurship Program otherwise called STEP and the second is Youth Agricultural Entrepreneurs Program called YAGEP. . . the job and wealth creation has trained and established 5,074 youths in various enterprises ranging from agricultural to nonagricultural enterprises.

For his part, Case DS2 had this to say: “I can list up to about 10 programs that we have targeted at youth of both male and female gender.”

Challenges Reported by Departments of Small Trade

The challenges faced by the departments of small business and trade were varied but included the wrong attitude by youth, limited funding, and the lack of adequate skilled manpower needed to deliver on their respective mandates. Other challenges included infrastructural deficits and poor access to technology, in particular in the rural communities. These challenges were expressed in the following responses:

Another major challenge is the macroeconomic environment which hinders the profitability and viability of the young entrepreneurs. Spikes in the prices of agricultural inputs such as fertilizers, poultry and fish feed which increase cost and diminish the viability and success of agricultural projects. (DS1)

There is also the challenge of infrastructure deficit, especially with power supply. The young entrepreneurs have to generate their own power and this escalates their cost of operations as they seek to address the issue of inadequate and erratic power supply. (Case DS1)

One of the respondents highlighted the challenge of youth attitude to entrepreneurship: “The other challenge is about distraction and personality issues among the youths. This is rooted in the social stereotyping of occupations in the country.” (Case EN2).

Recommendations by Departments of Small Trade

- Banks that offer loans should find a way to help by offering financial management for their businesses. In addition, efforts should be made to ensure young entrepreneurs are knowledgeable and focused. This, they recommend, can be achieved through a mentoring system that involves attaching entrepreneurs to mentors.
- Participants also suggested that youth entrepreneurship programs should not be general, but should be targeted at specific groups. It should be enterprise-specific and tailored to particular enterprises and particular segments of the population. For example, the Delta State program is targeted at youth aged 18–35 years.
- Lastly, youth entrepreneurship should be faithfully and continuously funded. The youth entrepreneurship program must be sensitive to the macroeconomic environment because this plays a role in the profitability and viability of the programs.

10.9 FINANCIAL INSTITUTIONS

Success Stories Reported by Financial Institutions

The three financial institutions that took part in the study play different but related roles in the support of youth entrepreneurial activities. One is a commercial bank offering full banking services, one is a microfinance bank, and the third is a state-owned bank with both policy and regulatory functions. Two of the banks offer loans to individual entrepreneurs to enable them to fund their businesses, whereas one offers a number of incentives directed at young entrepreneurs in specific industries, such as agriculture, the creative industry, and ICT, as a part of the federal government’s policy.

In narrating their success stories, Case FI1 claimed they have:

. . . supported a lot of intending young people, many of whom have gone ahead to become entrepreneurs after benefiting from the financial and non-financial initiatives of the bank, and leveraging on the collaborations with some of the agencies that were set up to advance the course of young entrepreneurs.

Youth entrepreneurship should be faithfully and continuously funded. The youth entrepreneurship program must be sensitive to the macroeconomic environment because this plays a role in the profitability and viability of the programs.

Case FI1 further stated that their support to SMEs “has been rated very highly and their rating has improved considerably because the financial and non-financial initiatives of the bank are having a positive impact in the market.”

Likewise, Case FI2 claimed as follows:

As a result of the injection of capital or funds to the economy through the targeted credit facilities that was rolled out last year during the pandemic, we have already started seeing the positive impact on the GDP which was released recently. This is also the reason the Nigerian Bureau of Statistics said Nigeria has come out of recession.

Challenges Reported by Financial Institutions

The challenges faced by financial institutions as part of the youth entrepreneurial ecosystem had mostly to do with the attitude of youth towards training, managing their business, and repayment of loans. The issue of diversion of loans was identified as a common complaint.

The challenge of poor attitude was captured as follows by Case FI1: “There is also the issue of young people who prefer fraudulent activities, instead of generating ideas that can make them entrepreneurs.” The same issue was presented by Case FI2: “Some of the challenges we have faced are some that the youths have posed on themselves. Some of the youths are not willing to patiently go through the process.” The other challenges were captured in these words:

The first challenge is with the low penetration of banking services. (Many people still do not hold bank accounts). There is a challenge with getting many more people into the formal sector and getting people to change their ways of lives. Same challenge is faced with getting people to adopt technology, such as getting people to use point of sale (POS) machines for their transactions instead of cash transactions. This has been linked to the literacy level in the country. (Case FI1)

Recommendations by Financial Institutions

- The recommendations from the financial institutions were directed at the need for young entrepreneurs to have the requisite skills needed to make them successful entrepreneurs.
- The educational system from the secondary to university levels needs to be retuned to emphasize self-sufficiency through entrepreneurship, rather than the usual employee mentality that takes the youth straight to the unemployment market instead of taking the youth straight to self-sufficiency entrepreneurship. The young people need to know that they can become financially independent and self-sufficient by creating an idea that transforms into a business and starts creating wealth, rather than thinking that the only way to financial independence is by becoming an employee.
- There is a need to introduce business development programs where youths don't just undergo training, graduate, and access funds, but will get mentorship. Youth entrepreneurs must be given internships that would be mentored over time until they are able stand on their own.

10.10 MENTORS AND COMMUNITY LEADERS

Success Stories Reported by Mentors and Community Leaders

The mentors reported the success stories in terms of the number of people who had benefited from their mentorship programs and initiatives as well as the impact of their mentorship on young entrepreneurs. This can be deduced from this response by Case ML1:

We help them understand what entrepreneurship is all about and how they can become one if they are passionate and not because they want to make quick money. They have to think right, take basic steps, be intentional about what they want to do and be intentional about it. I coach them to also be able to identify like-minded people, get great role models and know people in the same journey and share their experience.

Case ML2 expressed the success a bit more succinctly: "We have mentored over 80 people. . . ." Case ML3 reported on the success of its recently concluded program intended to help young entrepreneurs connect with each other across the African continent.

When we did the youth summit in October, our goal was not just to train, but also to help the young people discover possibilities across Africa

and to connect, and then grow. We achieved this aim, because we ended up having people from over 70 countries; that is from Africa and beyond. The speakers came from over 27 countries and we ended up creating a community throughout the whole sessions. These young people made connections and networks to help them grow. These communication and connections continued through social media platforms. The idea is to connect and see what they can do together.

Challenges Reported by Mentors and Community Leaders

When narrating the challenges they face, the mentors highlighted the issue of attitude of youth entrepreneurs.

According to Case ML1:

The main challenge in what I am doing is the attitude of young people. They see the world differently; you want to train people who are trainable, but because of the structure of our curriculum, they realize they need late. Funding is also a challenge, instead of bringing the idea before the funding, they put funding first and then you see that the ideas die before they are even birthed. Higher institutions do not see this as a priority, they do not care about what happens after school, sometimes, you have to use inducements to get them to be interested and serious.

Case ML1 also mentioned the difficulty in getting facilitators who are willing to participate in their mentoring programs without being paid. Case ML2 listed a number of specific challenges to include running costs and state of infrastructure:

The first challenge would be lack of diversification, in terms of people who are doing what I'm trying to do. The next challenge would be infrastructure. Another one is the charges attached to the internet transfers we do. We have the issue of poor power supply and so on.

Recommendations by Mentors and Community Leaders

The mentors made a number of closely related recommendations, especially on the need to improve the ease of doing business in the country, the need for improvement in entrepreneurship training, and the increased involvement of the private sector in promoting youth entrepreneurship activities in the country. In the words of Case ML1:

There needs to be an enabling environment and this is crucial. There is also [a] need to minimize the efforts in business registration and taxation. The cost of doing business in Nigeria is high, and government needs to break it down. Entrepreneurship should be made part of our regular curriculum in schools and expose them to opportunities. The private sector should get involved, we have a role to play to make sure things work. Government, private sectors, institutions, individuals should change attitudes and get it right.

The need for improved support for mentoring was also stated: “. . . more energy should be channeled into mentoring and guiding entrepreneurs other than just funding them . . . we should not rely on the government. Successful entrepreneurs should create room for others and mentor others” (Case ML2). Case ML3 emphasized the need for improvement in the quality of training and an increased role for government in supporting innovation hubs.

We need to get the universities to start practical entrepreneurship. Entrepreneurship education should be taken seriously. Sustainability which is a major challenge on the innovation hubs have to be addressed. Most of them do not have funds to sustain their businesses. The government could try to support the innovation hubs and networks so they can reach out to different groups in Africa. Some financial institutions, rather than supporting these youth hubs, start up theirs. This creates unnecessary competition. The universities should also try to collaborate with some innovation hubs so they can run technology driven entrepreneurial centers. (Case ML3)

10.11 NONGOVERNMENTAL ORGANIZATIONS

Success Factors Reported by NGOs

The NGOs play a crucial role in the entrepreneurial ecosystem as they seek to complement government efforts. The NGOs interviewed as part of this study offer different forms of support to young entrepreneurs, namely, trainings, funding, exposure to networks, and mentorship. Those running incubation offer preincubation, incubation programs, and short-courses. These were summed up by Case NG1:

Typically . . . we have the training which takes around 12 weeks; afterwards they receive the capital. Throughout this process, we have mentors that help them transcend to ensure they build businesses and literally stand on the shoulders

of giants. Then once they finish, they get into our alumni pool; where they have access to each other and access to networks which enables them [to] continue towards building their business and accessing second stage funding.

The most important success factor reported by NGOs is their ability to executive the mandates. Also, their impact was demonstrated through alumni who created successful businesses and created hundreds:

We have made a tremendous impact; this is through advocacy and the annual program—the largest gathering of entrepreneurs in Africa. We have been able to raise the bar and create a platform for people to understand the problems faced by people in Africa. Over the last 20 years . . . we have been able to reach over 6,000 aspiring emerging entrepreneurs who are classified as people who went through structured courses. (Case NG1)

Challenges Reported by NGOs

The challenges encountered by the NGOs are as varied as their mandate. However, the problems associated with funding, the attitude of potential young entrepreneurs, and finding collaborators are the most common. Challenges associated with working with nascent youth entrepreneurs who desire quick outcomes:

the level of concentration in our more mature classes is more than what we have in the younger classes. So in classes where we have our emerging entrepreneurs program or our skill program, which are actually more intensive. . . [T]he level of concentration is a lot less unlike with older people, the challenge isn't there. (Case NG2)

Case NG1 also highlighted the challenges of getting the right gender mix and the challenge of getting enough participants from the rural areas:

. . . it is easier to get youths in urban areas than rural areas but you find that more rural dwelling youths need these interventions. Another challenge is we want to have very good diversity of males and females as well as rural and urban diversity. (Case NG1)

On the challenge of funding, the different actors had this to say: “Having the funds to get the manpower you need to execute the strategy you have is one big challenge” (Case NG3). Case NG3 also referred to “the sector-specific challenge where, for instance, the creative arts are challenging for them to come up with a viable business plan.” On the issue of challenges, Case NG2 went further to say, “One of the first is the fact that the interest to the program is dependent on

whether the program has some money or financial benefit to it.”

Going further, NG3 highlighted the challenges of obtaining partners and infrastructure:

Another major challenge is how to advertise the skills and empowerment you have especially in this pandemic era where you have to rely on media publicity, and we all know that forms of publicity don't come cheap. Getting partners on board is another challenge. As a new organization in this part of the world, if your network isn't that big yet, we find getting partners or collaborations difficult. We have network and connectivity issues. We are not strong on the 4G network and interruptions keep coming on virtual meetings like Zoom and the rest of them. Again, some young people who would like to participate in the programs don't have internet enabled phones and power to sustain the participation. (Case NG3)

10.12 DISCUSSION

This study on the interaction between youth entrepreneurs and entrepreneurial ecosystem actors in Nigeria revealed a number of insights on the successful outcomes as well as challenges faced by the entrepreneurs and ecosystem actors because they both interact in the advancement of entrepreneurship activities in the country.

First, the study revealed that higher institutions in the country offer one form of training or the other on entrepreneurship. This is part of an increased national consciousness about the need to find a lasting solution to the menace of graduate unemployment in the country by producing graduates who can be job creators and not seekers of jobs. A government directive issued in 2007 directed all universities to incorporate entrepreneurial education in the curricular of all programs (Nwanbam et al., 2018; Oboreh & Nnebe, 2018).

The HEIs differed in terms of the approach to entrepreneurial training. Whereas some universities stuck to the minimum of two modules on entrepreneurship, as recommended by the National Universities Commission, the others offered a lot more than this, with some offering as many as five modules on entrepreneurship. They also differed in terms of year of commencement of entrepreneurial training, in particular the much-needed change of mindset. In addition, the vocational institutions were found to place more emphasis on skill acquisition as opposed to the relatively more theoretical approach adopted

by the universities. Some of the institutions reported stories as proof of the effectiveness of their approach to entrepreneurial training. The success rate seems to be higher in institutions that have incorporated incubation hubs as part of their entrepreneurial training centers and those who maintain contact with their students after graduation.

Although some of the young entrepreneurs gave credit to the entrepreneurship training they received at school, others could not see the benefit of the training. This could be due to the content of the programs, the teaching style (pedagogy), the widely acknowledged poor attitude of students to learning entrepreneurship, or the amount of time allocated to the teaching of entrepreneurship in the respective institutions. In comparison, the two modules adopted by some universities are obviously inadequate. Although the courses are mandatory, the students perceive them as another course that should be passed as a requirement for graduation.

Experts have criticized the manner in which entrepreneurship is being taught in Nigerian universities. Some suggest that entrepreneurship should be introduced much earlier in the education system, whereas others attribute the lack of impact to the use of nonexperts in the teaching of entrepreneurship in universities. Others attribute the failures to the low level of interest and the attitude of students. It is a matter of fact that the average student still considers entrepreneurship or self-employment as an option of last resort to be pursued only when they cannot get a job. And many who would like to be self-employed are discouraged by the difficulties associated with starting and running a business in Nigeria. Such challenges, which include the lack of capital, the poor state of municipal infrastructure, and multiple taxation have already been highlighted. The institutions also highlighted a myriad of issues that militate against their ability to provide the ideal entrepreneurial training. These include the perennial problem of inadequate funding, the related problem of the lack of requisite manpower, and the challenge of changing the mindset of the students. Some of the institutions who reported a higher degree of success attributed the success to the involvement of entrepreneurs in the training as well as the inclusion of a mentorship and apprenticeship or business attachment as part of the entrepreneurial training. This model should be adopted by all the institutions.

Some of the young entrepreneurs have benefited from the programs offered by the ecosystem actors, such as the NGOs and the government agencies, whereas



Students in University of Nigeria Nsukka's Faculty of Technical Vocational Education

a good number have not. Thus, some of them have leveraged these opportunities to receive funds and training, in addition to joining networks, with a positive impact on their entrepreneurial activities. Many of the entrepreneurs expressed general apathy towards funding opportunities offered by government because of a widely held suspicion that the opportunities could not give out on merit. Multiple taxation, the poor state of municipal infrastructure, such as power and roads, were also identified as the major challenges generally faced by business owners in the country. They advocate the provision of a kind of tax holiday as an incentive for young entrepreneurs.

The youth entrepreneurs identified the inadequacy or lack of funding and training opportunities as the commonest challenge faced by young entrepreneurs, and would advocate for the improved provision of these two factors as a strategy for improving entrepreneurial activities among youth. A disturbing observation of

youth entrepreneurship is a general apathy towards different government programs designed to support youth entrepreneurship. This is attributed to a lack of trust that the selection process would be transparent and merit-based. The consequence of this is that the desired impact of government programs may not be achieved in the long run.

The different ecosystem actors are working to support the entrepreneurial activities of the youth. A good number of youth entrepreneurs have benefited from their programs, and these serve to justify their existence. However, their ability to achieve the optimum impact is limited by sundry challenges, including funding limitations and the wrong attitude of the youth. The study further revealed a low level of collaboration among the actors, except for the NGOs, which tend to collaborate with partners within and beyond the country.

10.13 CONCLUSIONS AND PRACTICAL IMPLICATIONS

Nigeria has an increasing number of active young entrepreneurs whose activities have benefited from the support of a variety of ecosystem actors. However, a number of challenges militate against the ability of existing and many more intending young entrepreneurs to achieve their dream of building sustainable businesses. This includes the inability of some entrepreneurial ecosystem actors and the government to adequately support young entrepreneurs.

HEIs should review their approach to entrepreneurial training to address identified shortfalls such as content and approach. They should also ensure that the training is done by experts and, where possible, successful entrepreneurs. They should also devise the means to grow student interest in entrepreneurship, and where possible, include real-life training, through a form of business attachment or apprenticeship.

Young entrepreneurs should explore the many available opportunities, in particular those offered by the government. They should also continually seek opportunities for further training on business management and financial literacy.

The ecosystem actors should seek greater cooperation among themselves for the purpose of supporting entrepreneurial activities more successfully. Adopting a more transparent selection process will increase the number of young entrepreneurs applying and competing for available opportunities.

Countless government policies and programs have been launched in quick succession for the purpose of promoting entrepreneurship among Nigerian youth leaving school. Although some degree of success can be credited to these programs, the desired impact on unemployment has not been achieved. As a consequence, youth unemployment has continued to worsen in the country. Additional policies are needed to address such concerns as the ease of doing business, promote entrepreneurial education, provide additional opportunities for training and funding, and in general to create an enabling environment for the private sector to thrive. In addition, a critical evaluation of the factors responsible for the poor implementation and low success rates recorded in previous programs would help in better planning of future programs and policies.

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11

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF SENEGAL

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Abstract

In the framework of its partnership with the AAP and MSU, DIVAC (Director of Incubation, Extension and Community Support) participated in the data collection phase in the study of entrepreneurial ecosystems in order to know the state of entrepreneurial training in universities and higher education institutions in order to make an analysis of the ecosystem of young entrepreneurs in sub-Saharan Africa. For this purpose, three types of questionnaires were developed: a questionnaire for entrepreneurs, a questionnaire for ecosystem actors, and a questionnaire for educational institutions. The actors in the entrepreneurial ecosystem are composed of entrepreneurial support structures, consultants, NGOs, policy structures set up by the state, financial structures, etc. This data collection allowed us to understand that support structures, NGOs, consultants, and other actors in the entrepreneurial ecosystem focus more on the entrepreneurial training of entrepreneurs because they have not had advanced entrepreneurial training and coaching in universities and training institutions. In addition, financial institutions have a limited collaboration with and access to information for start-up entrepreneurs in these structures. Thus, to encourage youth entrepreneurship, entrepreneurial training curricula should be put in place in universities and training institutions to train students well and prepare them in ideation, prototyping, and business plan development so that they can defend their project and obtain funding.

11.1 INTRODUCTION

In Senegal, the socioeconomic situation is marked by unemployment and the lack of employment among young people. This situation “imposes” the need to clean up and develop the entrepreneurial environment and business creation in order to take advantage of this important growth lever. In this way, sustainable entrepreneurship in Senegal could guarantee an important qualitative leap in development in reducing youth unemployment and increasing gross domestic product (GDP).

It is therefore important to know how Senegal is positioned regarding entrepreneurship. To do this, it is necessary to have the means to observe and analyze the phenomenon among young people in order to better appreciate its evolution, potential impact, and expectations.

Several actions have been implemented for supporting the entrepreneurial dynamic in Senegal, and some of those activities have been carried out by the public sector (e.g., creation of incubators, design of programs and policies aimed at encouraging entrepreneurship, in particular among young people and women).

For its part, DIVAC, which serves the communities, has set itself the task of mapping the entrepreneurial ecosystem among young people, in particular within universities, including Cheikh Anta Diop University (UCAD). The targets are students (i.e., potential aspiring entrepreneurs), entrepreneurs, support structures, and financial institutions.

Within the framework of the AAP project, Senegal as a country concerned by the project has initiated a data collection campaign to take stock of training and opportunities in the field of entrepreneurship. For this purpose, the data collection concerns the actors of the entrepreneurial ecosystem (e.g., entrepreneur, training institutes, consultants, NGOs, financial institutions, entrepreneurship coaches).

11.2 DEMOGRAPHIC DATA OF SENEGAL

According to the latest statistics from the National Agency of Demography and Statistics (ANSD) in 2019 (DSDS, 2020), Senegal has a population of 16 million, 50.2% of whom are women and 49.8% men. However, the population is young, with 52.1% under the age of 20. The real GDP growth rate was 4.4% in 2019, after 6.2% in 2018. This is due to the slowdown in the primary (4.5%, after 8.1% in 2018), secondary (3.7%, after 6.5% in 2018), and tertiary (4.6%, after 5.4% in 2018) sectors. In terms of contribution to GDP growth, the primary sector contributed 0.7 points, the secondary sector 0.9 points, and the tertiary sector 2.3 points. The tertiary sector thus remains the engine of economic growth, given its preponderant weight and dynamism. The growth of net taxes on products is estimated at 5.0% in 2019, with a contribution to GDP growth of 0.5 points. GDP per capita is 2.41% according to the latest data from the World Bank.

11.3 ENTREPRENEURSHIP IN SENEGAL

In Senegal, according to the Global Entrepreneurship Monitor (GEM) in 2015, the promotion of entrepreneurship represents an important vector of development in all economic policies. Thus, the state, associations, NGOs, and all socioeconomic actors recognize the importance of enterprise creation, in particular in developing countries affected by structural unemployment (GEM, 2015). In addition, in the Senegalese context, with an essentially young and growing population, entrepreneurship offers new perspectives, but entrepreneurship is not a “standard” act because young people do not make entrepreneurship their priority. The complexity of its environment, the disparity of sectors of activity, the multitude of approaches and processes of business creation are all reasons that require relevant and quality information on entrepreneurial activity in Senegal. Today, young people’s entrepreneurial capacity is facilitated by the organization of the entrepreneurial ecosystem composed of training institutes in higher education, incubators, consultants, NGOs, etc. In the context of this study, consultants, NGOs, coaches, financial institutions, incubators, etc. are the actors of the entrepreneurial ecosystem. Therefore, three categories have been retained, namely, entrepreneurs, universities, and actors of the entrepreneurial ecosystem.

11.4 RESEARCH METHODOLOGY

In the framework of this study on the entrepreneurial ecosystem, the methodology is based on surveys of those elements that make up the ecosystem. Individual questionnaires were administered to the participants. The technique used is an elaboration of three types of questionnaires through “Google Forms.” We conducted a form for entrepreneurs, a form for higher education institutions, and a form for stakeholders in the entrepreneurial ecosystem. Following the data collection, the information obtained is processed according to the actors as a summary table was directly provided by “Google Forms.”

The attendance list of each participant was taken on the basis of the type of actor or anonymity. The interview was conducted face to face for some participants, by telephone for others, and by filling in the questionnaire directly via “Google Forms.” In the context of this study, consultants, NGOs, coaches, financial institutions, and incubators are the actors of the entrepreneurial ecosystem. Therefore, three categories have been retained: entrepreneurs, universities, and actors of the entrepreneurial ecosystem. The interviews were carried out by telephone, in person, and by filling in the online form. The list of the participants is in the Appendix.

The observation made at the end of this preliminary survey is mainly related to the nature of the questions, which the participants sometimes did not understand well. The duration of the interview seemed long for the entrepreneurs and also for the other actors. This is why most of the questionnaires were filled in directly through the form.

During the course of the questionnaire, a difficulty of access in certain structures such as financial institutions was noted. In the case of other structures, access was difficult to obtain because some structures require a letter addressed to the director before having information. In the case of contractors, access was easy with good participation. For the training institutes and universities, the interviews were successfully completed without major difficulties.

11.5 HIGHER EDUCATION INSTITUTIONS (HEIS)

Success Factors Reported by HEIs

Thanks to the collaboration of some training managers in universities and higher education institutes, we obtained data according to the questions asked. The Faculty of Economic Sciences and Management (FASEG), the Institute of Environmental Sciences (ISE), the Institute for Training in Administration and Business Creation (IFACE) in Dakar, and the Higher Institute of Vocational Education (ISEP) in Thiès. The teaching is done through lectures, tutorials, immersion in companies, field trips, internships, organization of workshops, seminars, course illustrations, and practical case studies. They lack training in entrepreneurship, a segregated, disorganized, and disjointed labor market, the importance of the informal sector, and the financing of their activities. The challenges of supervision and funding also remain a major problem in the system, followed by follow-up, the application of their knowledge in the service of the community, and the lack of funding.

As far as training at universities is concerned, we have this list in summary:

- Rural economy
- Money banking finance
- Leadership
- Logistics transport
- Finance
- Economics and quantitative finance
- Master in Development Practice
- Management of public infrastructure
- Economic policy and project analysis

- Statistical and econometric methods
- Professional Degree in Management Sciences Banking and Financial Institutions
- Licence Professionnelle en Sciences de Gestion Marketing Gestion Commerciale
- Licence Professionnelle en Sciences de Gestion Finance Comptabilité
- Professional Degree in Management Sciences, Business Creation and Project Management
- Professional Degree in Management Sciences, Human Resources Management
- Licence Professionnelle en Sciences de Gestion Marketing Communication
- Professional Master's Degree in Management Sciences, Finance Option
- Professional Master's Degree in Management Sciences, Audit and Management Control Option
- Professional Master in Management Sciences, Human Resources Management
- Professional Master in Management Sciences, Marketing and Business Management
- Professional Master in Management Sciences, Business Creation and Project Management
- Professional Master in Management Sciences, Banking and Financial Institutions
- Professional Master in Human Resources Management
- Master in Business Administration (MBA)
- Professional Master in Management Sciences, Islamic Finance
- Master in Environmental Sciences
- Master in Natural Resource Management and Sustainable Development
- Master in Social and Environmental Responsibility
- Master in Environment and Mine Waste Management

The training objectives in the universities are:

- Skills provision for businesses, skills creation, and community service
- Stimulating the entrepreneurial skills of learners

The main objective is the training in Business Management to ensure its students and auditors:

- Good professional integration
- The development of fundamental business management skills
- Training as an incentive for the creation and development of economic activities

- To train development agents, program managers, design managers, and researchers capable of mastering the complexity and challenges of environmental issues

For the provision of mentoring programs, the collected data demonstrate that 85% of higher education institutions offer mentoring programs to students. These are some of the challenges in higher education institutions:

Training challenges:

- Success in professional activities
- The professional integration of learners, the lack of teachers, the lack of university infrastructure within the faculty
- Responding to labor market needs
- They lack training in entrepreneurship, segmented, disorganized, disjointed labor market, importance of the informal sector, financing of their activities
- Quality trainers
- The challenges of leadership and funding
- Follow-up
- Putting their knowledge into practice in the service of the community and the lack of funding

Recommendations by HEIs

It is important to follow-up on young people at least during the first 5 years. It is necessary to reinforce training in entrepreneurship, to make students understand that the objective is not to find them a job but to enable them to create a business, to identify labor-intensive sectors with few or no qualifications, and to encourage young people to undertake. Entrepreneurs must be chosen to support young project holders. There is a need for more supervision, more training, and more control. It is necessary to set up a support space for young people and to encourage individual business creation initiatives.

In Senegal, job opportunities at universities and training schools are not automatic or guaranteed for graduates. Although the content of the training courses is adapted to the needs of the market, most of the graduates do not find jobs, which pushes some of them into entrepreneurship or to change direction, i.e., they look for a job that has nothing to do with their basic training.

11.6 YOUTH ENTREPRENEURS

The availability and collaboration of the entrepreneurs allowed us to have a large number of participants (13 entrepreneurs). The entrepreneurs surveyed live in localities such as Ziguinchor (4), Kaolack (3), Bambey (1), Saint-Louis (1), Kebemer (1), Dakar (3), of which six were women and seven men. The age range varies between 26 and 37 years.

The fields of activity of the different profiles encountered are agriculture, agrifood, processing of medicinal plant products, trade, services and distribution, agroforestry, livestock, market gardening, and the environment. All the entrepreneurs we met have businesses structured and formalized as MSEs, sole proprietorships, or limited companies. Most of them did not have financing to start their activities. The real challenge for the entrepreneurs is still financing and the informal nature of the business, which makes any attempt at development difficult.

Moreover, the real challenge of an entrepreneur for this country is to see a green Senegal, especially in the north, train millions of rural women on new agricultural techniques, make organic farming possible, and above all profitable, eradicate child malnutrition with local food supplements, and set up a plastic waste recycling system.

In the entrepreneurial environment in Senegal there are as many men as women. The key actors that entrepreneurs engage with are customers, the commune, the village chief, producers, distributors, ADPME, Kosmos innovation center, resellers, consumers, consultants, service providers, Forum for Agricultural Research in Africa (FARA)/Ghana, Senegalese Investors Club (CIS)/ Senegal, Youth Forum Senegal/Senegal, Rikolto (ex VECO), Saemaul Plan Cama service, Declic, Yesaal Agrihub, and YMCA. They engage with these actors based on the client segment, stakeholders, networking, their agricultural product needs, training opportunity, quality of training, duration of the training, their skills, and know-how. Entrepreneurs receive from these ecosystem actors; loans, technical offers, grants, financial and technical partnerships, advice, networking, and capacity building.

Recommendations by Youth Entrepreneurs

In order to improve the entrepreneurial component, the following recommendations should be considered:

- Entrepreneurship training
- Appropriate training
- Increasing emphasis on practice

- Focus on the quality of the products, which must meet the real needs of the market and compete through innovation
- Technical and financial support
- Establishment of incubators
- More capacity building, monitoring, and maintenance
- Making professionals available to advise entrepreneurs
- Establish flexible financing mechanisms such as loans on honor, pledges, or guarantee bonds

11.7 ACTORS IN THE ENTREPRENEURIAL ECOSYSTEM

In this category, we have NGOs, private entrepreneurial support and training organizations, banks, public structures, consultants, legal support structures, mentors/coaches, and small business institutions.

Table 11-1 Types of Ecosystem Actors Encountered

Type of actor	Location
Consultant and trainer	Louga/Saint-Louis/Dakar/Thiès
NGO	Dakar
NGO	Dakar
Farmer	Thiès
Consultant	Saly
Incubator	Dakar
Employee	Dakar
Professional integration ANIDA	Dakar
Local development actress	Dakar
Consultant and trainer	Kaolack, Senegal
Entrepreneurship support structure	Dakar
Agropastoralist consultant	Notto Diobass, Thiès
Hub for studies, support and coworking in agritech and agribusiness.	Thiès
Consultant-coach	Dakar
Financial institutions	Dakar
Financial institutions	Dakar
Financial institutions	Dakar
Financial institutions	Dakar

In addition to their contribution to the training of young people through interventions in several modules of higher education and actors of the informal sector, they accompany entrepreneurs through research and management consulting.

Some actors in the ecosystem carry out actions across the country ranging from simple awareness-raising to diagnostic studies, from the design of capacity-building modules to the implementation of comprehensive support programs, from the drafting of advocacy to intermediation with development partners.

On the other hand, the actors intervene in training on key entrepreneurship themes (Value Proposition, Persona), weekly follow-ups (over a period of 6–12 months) to help with the set-up, prototyping of the project, and structuring of the business. Financial monitoring, collection and analysis of financial data, digital communication to improve the visibility of entrepreneurs, support for the creation of a visual identity, support for the design, and deployment of digital strategy are among the services dedicated to entrepreneurs. In addition to these trainings, there are training and start-up guarantors, training on investment, training on agricultural production techniques, training on production and use of biopesticides, and training on agroecological techniques and practices.

Challenges Reported by Ecosystem Actors

- The spirit of creativity
- The quality of an adapted training
- Reorienting job creation policies towards entrepreneurship
- Formalizing the ecosystem
- The lack of structuring of the ecosystem
- The low involvement and transparency of the different actors
- The scarcity of sharing of tools and good practices between actors
- Low purchasing power limits young people's ability to pay training fees. Social pressure, lack of financial education, and entrepreneurial culture prevent some from taking off including the challenge of mobilizing beneficiaries. However, effective strategies to support youth entrepreneurship have been put in place by these actors, such as
- The integration of training modules in all higher education institutions
- The spread of reception, advice, and guidance services from state structures specializing in the field
- The requirement to support a well-developed business plan for a higher education degree

- The multiplication of entrepreneurship forums
- Improve the traceability of training courses to be able to iterate easily
- Design a clear coaching process
- Improving the monitoring and evaluation strategy (long term)
- Have a financial and business database to provide advice tailored to the ecosystem
- Establish sustainable financing solutions and access facilities for young people
- Partnerships to subsidize training costs, support for incubators, and entrepreneurship support firms
- Platforms to facilitate market access, support for digital tools for distance learning, encouraging young people into agriculture
- Cohesive ecosystem of players with complementary expertise, better access to seed funding.
- The establishment of an incubator that provides permanent and practical assistance to entrepreneurs on the ground
- Online training, grouped series training in agricultural cooperatives.

Recommendations by Entrepreneurial Ecosystem Actors

- To get all universities and educational institutions to integrate modules into all programs offered
- Building effective communication on youth entrepreneurship
- Building on successful models
- Facilitating the provision of funding
- Setting up project monitoring and evaluation units
- Develop tools and curricula adapted to poor, rural and illiterate women, and encourage regular follow-up on all aspects at the training sites because what is learned during training is rarely implemented.

Some actors in the ecosystem carry out actions across the country ranging from simple awareness-raising to diagnostic studies, from the design of capacity-building modules to the implementation of comprehensive support programs.

11.8 NONGOVERNMENTAL ORGANIZATIONS FINDINGS

At the NGO level, the selection criteria was a participatory process with farmers' organizations, communities, and grassroots organizations (see **Table 11-1**). For the NGOs, the challenge is still present. For example, the prices of many products are fixed. However, entrepreneurs are not used to calculating production costs, the fact that the market is restricted for people in rural areas, access to financial services, especially for women, IGAs are not environmentally sustainable. Entrepreneurs do not produce for the market so there is too much competition. The strategies used by the NGOs are to facilitate access to the market, support digital tools for distance learning, encourage young people in agriculture. Training structures support the programs (e.g., chamber of commerce, 3FPT), farmers' organizations, and community-based organizations (see **Table 11-1**).

11.9 PRIVATE ORGANIZATIONS FINDINGS

These private companies are part of the entrepreneurial ecosystem and provide training, coaching, mentoring, and assistance in obtaining funding from donors (see **Figure 11-3**). They accompany entrepreneurs through support programs for start-up entrepreneurs: individual and group coaching, contacts with technical and financial partners, preparation for investment, organization of networking events through calls for applications launched on their acquisition channels (social media, website, etc.). Indeed, they regularly solicit the support of other players in the ecosystem with expertise that can enrich their support methodology. They also have partnerships that facilitate access to funding for entrepreneurs. However, the major challenge is the lack of information about entrepreneurial opportunities in urban and rural areas. Thus, to effectively support youth entrepreneurship, there is a need for a cohesive ecosystem of actors with complementary expertise, better access to seed funding, and the provision of training programs for entrepreneurs. The training programs offered to entrepreneurs are sustainable because they are organic and are the result of activities carried out by entrepreneurs with few resources at the outset. As a recommendation, there is a need for better access to capital and support in the seed stage to reduce the risk of failure.

11.10 FINANCIAL INSTITUTIONS FINDINGS

In the context of this study, financial institutions remain the most demanding actors in the entrepreneurial ecosystem to understand in terms of their accessibility. No information was obtained at the level of financial structures.

11.11 POLICY FINDINGS

These are autonomous agencies such as ANPEJ, ONFP, ANIDA, PAPEJ, PPDC, DER, ADPME, DPME, the Agricultural Bank, ANER, BNDE, FONGIP, and CNAAS, whose mission is to carry out agricultural developments to fix young people in the land through hydro-agricultural developments, training, entrepreneurship, and support for private initiatives through technical and financial assistance. The creation of village farms, family farms, and emerging agricultural areas are also part of the areas of competence of the actors of the entrepreneurial ecosystem. These organizations collaborate with other organizations set up by public policies such as the PASA Project, ANPEJ, ONFP, ANIDA, PAPEJ, PPDC, DER, ADPME, DPME, the Agricultural Bank, ANER, BNDE, FONGIP, CNAAS, etc., but also with international organizations such as the World Bank, the African Development Bank, the European Union, etc. The programs are designed according to Senegalese models and meet the needs of entrepreneurs.

These public structures must be multiplied and this will allow farmers to be organized so that they can position themselves in promising sectors. They will have a knock-on effect on private initiatives that set up their own model, improved incomes, improved food, and the mobility of young people. Young people register in a database for free. There is a supply-side approach when the structure makes its service offer. However, it happens that young people come to meet the structure. In these public organizations, there is an ecosystem in place where everyone plays their part. Inside they treat everyone with consideration and bring their expertise whenever the agency is called upon.

The training programs offered to entrepreneurs are sustainable because they are organic and are the result of activities carried out by entrepreneurs with few resources at the outset.

11.12 SUPPORT STRUCTURES FINDINGS

The sustainability of the successes should be ensured by adapting the training to the needs of the market and by continuously strengthening managerial capacities. The targets of their programs are:

- Potential young entrepreneurs
- Program managers of higher education institutions
- Women's groups
- Youth associations

In order to invite entrepreneurs to comply with the procedures it is necessary to:

- Encourage young entrepreneurs to legally incorporate businesses
- Boost collaboration with state structures
- Build partnerships with support and funding organizations

11.13 MINISTRY OF SMALL BUSINESS/ TRADE FINDINGS

In Senegal, the field of small and medium-sized enterprises is managed by ADPME, an agency attached to the Ministry of Commerce for Small and Medium-Sized Enterprises. This agency plays the role of facilitator between the state and SMEs (small and medium enterprises). It improves the development of SMEs through networking, support, training, coaching, and facilitating the sale of their products. It has a business generation center that offers training to entrepreneurs who request it, with a training package that meets the needs of entrepreneurs. The agency organizes project competitions aimed at selecting and providing technical and financial support to entrepreneurs. It also collaborates with private organizations in the framework of public-private collaboration such as AFD (French Development Agency), PAISD (Support Program for Solidarity Initiatives for Development), the World Bank, and ENABEL (Belgian Development Agency).

11.14 MENTORS, LEADERS, AND COMMUNITY LEADER FINDINGS

These structures carry out actions across the country, ranging from simple awareness-raising to diagnostic studies, from the design of capacity-building modules to implementing comprehensive support programs, from advocacy to intermediation with development partners. They have two models, one based on the online community and another based on field actions. They define corrective actions with the learners following a preliminary diagnosis. In the short term,


they will try to enhance the personal skills component of a set of learners, which allows them to turn to the long-term goal of building a fund based on an inclusive concept. To better support entrepreneurs, they set up a synergy among the support actors, a quality labeling of the support actors, and an entrepreneurial follow-up booklet for the beneficiaries. The success of the entrepreneurs is sustainable insofar as the learning model is based on bootstrapping (making do with one's resources to grow one's business) and the optimization of resources by the beneficiary so that they can finance themselves without waiting for an external contribution such as a subsidy or loan. This ensures the definition of an autonomous and proactive approach. They propose to align themselves with the recovery and development policies initiated by the country. Based on this contextualization, the integration will be facilitated.

11.15 DISCUSSION OF THE FINDINGS

This survey of actors in the entrepreneurship ecosystem in Senegal shows that the various actors encountered have a common concern, which is the challenge of entrepreneurial training. Actors such as NGOs, consultants, public and private organizations, mentors, coaches, and all other actors felt the need for training in the entrepreneurial environment. In Senegal, entrepreneurs do not typically receive entrepreneurial training in educational institutions.

The majority of educational institutions that integrate entrepreneurship education into their learning programs provide mentoring to learners. The Senegalese entrepreneurial environment is well-balanced in terms of gender. The age range of entrepreneurs is between 26 and 37 years. Access to finance for young people is not easy; many aspiring entrepreneurs abandon their project ideas. This is justified by the fact that actors in the entrepreneurial ecosystem emphasize training entrepreneurs before starting them. The absence of data from financial institutions shows banks' low level of engagement in supporting young entrepreneurs.

In universities and training institutions, a standard entrepreneurial training curriculum should be made available to integrate entrepreneurial training in all faculties to enable students to have all the basics to start their own business and learn how to make a business model. Mentoring should be adopted as a service in universities and training schools to offer learners support in the incubators available at each institute.



An effective support system for young people through the establishment of incubators would stimulate the entrepreneurial spirit and creativity of students.

11.16 CONCLUSION

In Senegal, entrepreneurial training for young people is an absolute necessity in order to encourage the development of the entrepreneurial spirit of young people in universities. In addition, an effective support system for young people through the establishment of incubators would stimulate the entrepreneurial spirit and creativity of students in the institutions. The state must also have policies to operationalize the insertion of programs and policies to support young people to develop and defend their projects to financial institutions for funding.

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LIST OF ACRONYMS

- ANPEJ:** National Agency for the Promotion of Youth Employment
- ONFP:** National Office for Vocational Training
- ANIDA:** National Agency for Agricultural Integration and Development
- PAPEJ:** Youth Entrepreneurship Support Programme
- PPDC:** Casamance Development Cluster
- DER:** General Delegation for rapid Entrepreneurship
- ADPME:** Agency for the Development and Support of Small and Medium Enterprises
- DPME:** Directorate for Small and Medium-Sized Enterprises
- ANER:** National Agency for Renewable Energies
- BNDE:** National Bank for Economic Development
- FONGIP:** Guarantee Fund for Priority Investments
- CNAAS:** National Agricultural Insurance Company of Senegal
- UCAD:** Cheikh Anta Diop University
- NGO:** Nongovernmental Organization
- IFACE:** Institute for Training in Administration and Business Creation
- DIVAC:** Director of Incubation, Extension and Community Support
- AFD:** French Development Agency
- ENABEL:** Belgian Development Agency

APPENDIX

List of Participants

Participant	Gender		Type of actors	Rental
	Male	Female		
1	X		Consultant and trainer	Louga/Saint-Louis/Dakar/Thiès
2		X	NGO	Dakar
3	X		NGO	Dakar
4	X		Farmer	Thies
5	X		Consultant	SALY
6		X	Incubator	Dakar
7	X		Employer	Dakar
8	X		Professional integration ANIDA	Dakar
9		X	actors of local development	Dakar
10	X		Consultant and trainer	Kaolack, Senegal
11		X	Entrepreneurship support structure	Dakar
12	X		Consultant Agropastoralist	Notto Diobass, Thiès
13	X		Hub for studies, support and coworking in agritech and agribusiness.	Thiès
14	X		Consultant-coach	Dakar
15	X		Faculty of Economics and Management	FASEG-AB (Dakar)
16	X		Institute for Training in Administration and Business Creation (IFACE)	BK (Dakar)
17	X		Institute of Environmental Sciences	ELM Sko/ISE (Dakar)
18	X		Higher Institute of Professional Education	ISEP/ED (Thies 2)
19		X	Agricultural Entrepreneur	Dakar
20		X	Agricultural Entrepreneur	Dakar
21	X		Entrepreneur Senphytomed	Kaolack
22	X		Entrepreneur	Ziguinchor
23	X		Entrepreneur Cooperative	Passy
24	X		Agricultural Entrepreneur	Kebemer
25		X	Commercial entrepreneur	Bambey
26	X		Entrepreneur GIE	Ziguinchor
27		X	Agrifood entrepreneur	Dakar
28		X	Entrepreneur Livestock and Trade	Wack ngouna/ngueyene djim
29	X		Agrifood entrepreneur	Ziguinchor
30	X		Entrepreneur Senegal green	Saint Louis
31		X	Agricultural Entrepreneur	Ziguinchor
32	X		Entrepreneur GIE	Ziguinchor
Total	22	10		

12

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF SOUTH AFRICA

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Abstract

This study explored the state of youth entrepreneurial activities in South Africa. Despite the significance of entrepreneurial ecosystem actors in fostering youth entrepreneurial activities, there is scant research on their successes and challenges. A sample of 25 entrepreneurial actors, including youth entrepreneurs, was interviewed to gather insights into how the actors support youth entrepreneurial activities. The findings demonstrate that the South African youth entrepreneurial ecosystem is pushing towards sustainable youth entrepreneurship development. Although much is still needed to be done to promote youth enterprises, the pathway that all stakeholders have established is gaining momentum. Just as established enterprises experience challenges, youth entrepreneurs face various limitations that delay the accelerated growth of their venture. To curb these challenges, entrepreneurial actors recommend integrated ecosystem collaborations that work together for a common goal. Suppose silo intervention culture, which results in the duplication of interventions by different actors, can be addressed to promote multistakeholder integrated collaboration and coordination that support a common goal. In that case, the country will achieve meaningful results in addressing poverty and unemployment.

12.1 INTRODUCTION

Youth entrepreneurship is a mechanism that can be used to address high unemployment, inequality, and poverty. This qualitative interpretive research was conducted to explore the role of youth entrepreneurial ecosystem actors in supporting youth entrepreneurial activities. The study also focused on understanding how entrepreneurs leverage support from the ecosystem actors to explore entrepreneurial activities.

There have been studies on South Africa youth entrepreneurship. However, most of the studies focus on exploring youth entrepreneurial intentions and orientation (Chauke & Obadire, 2020; Van der Westhuizen, 2017), challenges faced by youth (Fatoki & Chindoga, 2011; Radebe, 2019), and the training received by youth (Dzomonda & Fatoki, 2019). Some of these studies tend to focus on university graduates (e.g., Dzomonda & Fatoki, 2019). Despite the increased focus on youth entrepreneurship, there is scant research on the youth entrepreneurial ecosystem. Therefore this study provides insights that contribute to youth entrepreneurship practice and research.

The interviews were conducted with a sample of 24 participants in December 2020 and January 2021. The interviews involved youth entrepreneurs, higher education institutions (HEIs), nongovernmental organizations (NGOs), private organizations, financial institutions, the Department of Small Business, and mentors/leadership/community leaders.

The focus of the study was on entrepreneurs who were actively engaged in entrepreneurial activities. The key questions that we explored include: What is the state of entrepreneurship training in African institutions of higher learning? How do HEIs design and implement youth entrepreneurial training programs? What actors are involved in the design and implementation of the programs? These questions provided in-depth data on youth entrepreneurial activities in South Africa.

One of the key findings of this research is the lack of integration among entrepreneurial ecosystem actors. Therefore, these research findings may initiate dialogue and the formulation of an integrated approach to youth entrepreneurial activities.





Table 12-1 South African Country Data

Official Name:	Republic of South Africa				
Type of Government:	Constitutional democracy				
Population (2020):	59,308,690				
FACTS AND FIGURES					
	2016	2017	2018	2019	2020
GDP (current US\$, billions):	296.357	349.554	368.289	351.432	301.924
GDP per capita (current US\$):	5,273.59	6,131.479	6,372.606	6,001.401	5,090.715
GDP per capita growth (annual %):	-1.068	-0.012	-0.578	-1.157	-8.137
Foreign direct investment, net inflows (% of GDP):	0.748	0.589	1.512	1.456	1
Exports of goods and services (current US\$, billions):	90.629	103.565	110.114	104.916	91.987
Exports of goods and services (% of GDP):	30.851	29.628	29.907	29.854	30.467
Corruption Index:	44	43	43	44	44
Competitiveness Index	62.66	61.71	60.76	62.44	2
Ease of doing business index (Ranking)	74	82	82	84	3
Human Development Index (HDI)	0.703	0.705	0.707	0.709	0.709

1. 2020 data not available.
2. 2020 data not available.
3. 2020 data not available.

Sources: (Transparency, 2020; World Bank Data, 2020; United Nations, 2020)

12.2 DEMOGRAPHIC DATA

The World Bank classifies South Africa as an upper-middle-income economy with per capita gross national income between US\$4,096 and US\$12,695. As an emerging economy, South Africa has the challenge of developing efficient production processes to contribute to economic growth. An economic analysis of South Africa for 2019 and 2020 (see **Table 12-1**) demonstrates that the gross domestic product (GDP), per capita GDP, and per capita growth of the GDP have declined. This is coupled with infrastructural inadequacies and triple challenges (inequality, poverty, and unemployment). This demonstrates a need for multistakeholder engagement to address some of the critical challenges to the economy. Based on the existing frameworks, such as the National Development Plan, multistakeholder and sectoral engagements should focus on improving youth's capability to participate in entrepreneurial activities and create a conducive environment for sustainable businesses.

12.3 ENTREPRENEURSHIP IN SOUTH AFRICA

The youth population in South Africa is faced with multiple challenges, unemployment being at the top of the list. Statistics South Africa (2021) reported that the official unemployment rate among youth (15–34 years) was 46.3% in the first quarter of 2021, with 9.3% among university graduates. The high level of unemployment calls for innovative strategies that will enable youth entrepreneurs to contribute positively to the economy. Odeku and Rudolf (2019) argued that there is a need to start “creating employment opportunities for the youth through the entrepreneurial activity because the problem of youth unemployment is frightening and it seems the whole country is sitting on a keg of gun powder which might explode anytime” (p. 8).

Entrepreneurship is gaining popularity globally as a mechanism to contribute to economic development through innovation and job creation. Recognizing the need to promote entrepreneurial activities and small business development, the South Africa National Youth Development Agency and National Youth Policy support existing and emerging businesses (Odongo & Kyei, 2018). This was also to address the low entrepreneurial activity among the South African citizens. These interventions also contribute to the improvement of society regarding entrepreneurship. The Global Entrepreneurship Monitor (GEM) 2019/2020 reports that there was an increase between 2017 and 2019 in the number of individuals who consider entrepreneurship a good career choice (from 69.4% to 78.8%) and one with high status (from 74.9% to 82.2%).

Also, in 2019 60.4% of individuals perceive good entrepreneurial opportunities and have the necessary skills and capabilities to start a business venture (GEM, 2021). The student population was also found to have a relatively positive perception of taking the risk and managing risky situations, being innovative, and being proactive (Van der Westhuizen, 2017).

Despite the government's efforts to support entrepreneurial activities, entrepreneurs continue to face challenges that inhibit the growth of their businesses ventures. The GEM (2020) report further shows that South African total early-stage entrepreneurial activities (10.8%) and established business (3.5%) rates are lower than those in other African regions. In addition, the South African business discontinuance rate (4.9%) is higher than the rates of other countries in the region (3.5%), demonstrating that the sustainability of entrepreneurial business is one of the significant challenges faced by entrepreneurs.

Age is known to have an impact on entrepreneurial activities. South African data demonstrates that youth aged 25–34 have a greater prevalence of entrepreneurship activities than those in the 18–34 age group (GEM, 2020). The existing research shows that youth entrepreneurs are faced with many challenges. Radebe (2019) found that challenges faced by youth entrepreneurs include lack of education, society's attitude towards youth entrepreneurship, lack of access to finance, and a poor entrepreneurship culture, all of which are barriers that prevent youth from engaging in entrepreneurial activities. Despite the challenges, an empirical study conducted among youth entrepreneurs discovered that findings also show that technology played a huge role in the success of South African youth entrepreneurs' initiatives (Tshabalala & Beharry-Ramraj, 2021). Perhaps technology could be used to increase entrepreneurial activity in the 18–24 age group.

One of the strategies to enhance entrepreneurship among youth is through the entrepreneurial universities initiative introduced by the Department of Higher Education and Training through the Entrepreneurship Development in Higher Education Programme (EDHE). The program's objective is to develop the entrepreneurial capacity of students, academics, and leaders. The latest report on the national university entrepreneurship ecosystem shows that “institutions are convinced of their value and relevance in providing entrepreneurship training to the youth of South Africa, but the data also reveals that the current model and approach is not fulfilling this obligation” (EDHE, 2020, p. 2). Some of the weaknesses of HEIs reported by students include insufficient practical entrepreneurship education, entrepreneurial advice and financial support

to young South Africans through their corporate social responsibility programs, and acting as training centers and innovation hubs (Dzomonda & Fatoki, 2019).

This review demonstrates that although there has been investment in and the development of entrepreneurial activities, there are still areas of concern that must be addressed. This research builds on existing studies to reveal the development of the youth entrepreneurial ecosystem in South Africa.

12.4 RESEARCH METHODOLOGY

The study used a qualitative research design. The nature of the design was interpretive in nature, allowing the researchers to draw conclusions from the participants' experiences. Because the South African youth entrepreneurial ecosystem is still in a nascent stage, the inductive approach used in this study led to insights on the phenomenon that was explored.

The participants displayed in **Table 12-2** include youth entrepreneurs, HEIs, NGOs, private organizations, financial institutions, Department of Small Business, and mentors/leadership/community leaders. The entrepreneurial ecosystem players were selected based on their business activities in the past 5 years, engagement in youth entrepreneurial development programs or activities, or any other support dedicated to youth entrepreneurship. The youth entrepreneurs who participated in the study were in the age range of 19–35 years, had business ownership experience of more than 5 years, had an operation that was either rural or urban, and conducted business activities in the selected industries.

The data gathered were analyzed using content analysis. The first step in the analysis was to do quality control of the transcripts and read them to ensure quality. In the second step, meanings were assigned to the chunks of data from the transcripts, i.e., coding. In the third step, codes with similar meanings were grouped into categories. The last step involved the development of themes.

A peer review system was used to ensure the quality of the data. The results of the study were presented to other scholars who gave input.

One of the study's limitations is that cross-sectional data were collected with limited testing of the impact of entrepreneurial programs in the long term. The second limitation is the sample size. Because the sample is heterogeneous, it is difficult to make the generalizations for each ecosystem player. Future research should focus on each entrepreneurial actor or have balanced sample sizes.

12.5 HIGHER EDUCATION INSTITUTIONS

The sample size in this category was three HEIs, one of which is a private organization. An HEI, represented by participant 1, facilitates the higher education curriculum, entrepreneurship, and leadership curriculum as the overarching subjects offered. Limitations with this particular study sample are that although it collaborates with some high-ranking South African business schools and vocational training institutions, it provides industry-specific entrepreneurial training for entrepreneurs already managing businesses. Therefore, the findings are industry-focused and do not represent all South African HEIs. On the other hand, the stakeholders' service offering covers all entrepreneurship training spectrum and business funding facilities.

Success Stories Reported by Higher Education Institutions (HEIs)

Entrepreneurship Curriculum

The findings show that apart from traditional school subjects, higher education and training institutions introduce entrepreneurship curriculum at an early age to encourage entrepreneurship tendencies to learners at school-going age. Within the curriculum modules, learners are trained by running real ventures while they are still in school (on the premises) in order to understand how to manage businesses when they get out in the real business world. For young entrepreneurs, training institutions train emerging entrepreneurs with skills designed to assist them when managing their existing businesses. Those not yet in tertiary training institutions train emerging entrepreneurs with business abilities designed to help them manage their existing businesses.

What we do then is we then put together this 12-month program. It's like a mini-MBA, but it's for emerging contractors in the mining space where we put them through what it takes to manage the main contractor from a human resource, operations availability, and all of that. So those are the programs that we run, and there's also a mentorship component built into a training program. (Participant 2)

Participants emphasized that teaching learners at a young age encourages them to become successful entrepreneurs who can compete with the world's experienced and successful entrepreneurs. Entrepreneurship training done at schools, therefore, ignites the entrepreneurial spirit because this is where they learn that entrepreneurship can be a career just

Table 12-2 Description of Participants

Participant	Gender	Industry	Organization Type	Mode
Higher Education Institution				
1	Female	Higher education	University	In person
2	Male	Education	Vocational trainer	Zoom
3	Male	Higher education	Business school	Teams
Entrepreneurs				
4	Male	Agriculture	Agribusiness	In person
5	Female	Agriculture	Agribusiness	In person
6	Male	Mining	Mining services	Zoom
7	Male	Online media	Radio	In person
8	Male	Construction	Building	Zoom
9	Male	Food and beverages	Restaurant	In person
10	Male	Media	Advertising	Zoom
11	Male	Medical	Dental	Zoom
12	Male	Management consulting	Consulting	Zoom
13	Male	Financial	Fintech	Zoom
Entrepreneurial Ecosystem Actors • Nongovernmental Organization				
14	Female	NGO	Trust	In person
15	Female	NGO	Incubation hub	Zoom
Private Organizations				
16	Male	Training	Enterprise development	Zoom
17	Male	Training and funding	Financial Institution	Zoom
18	Male	Food industry	Manufacturing	Zoom
Financial Institution				
19	Male	Government department	Funding institution	Zoom
20	Male	Financial Institution	Bank	Zoom
21	Female	Financial Institution	Bank	Zoom
Department of Small Business				
22	Male	Government	Small business	Zoom
Mentors/Couches				
23	Male	Mentor	Agricultural mentor	In person
24	Male	Couch	Business couch	Zoom
Support Structures (legal, technical experts, and accountancy)				
25	Male	NGO	Entrepreneurial support	Teams

like traditional careers such as a doctor or a lawyer. Also, having entrepreneurship curricula in educational institutions and allowing learners to start running ventures while still at a school-going age accelerates their entrepreneurship acumen. It is during these early stages where a positive African entrepreneurship narrative is being developed.

Unlike universities, training institutions provide general business management programs focused on the industries of interest to the entrepreneurs. Some of the entrepreneurs participating in practice-focused interventions come from different African countries. Further, entrepreneurs are paired with industry-specific African business consultants, enabling the sharing of knowledge and skills and lessons learned from other business environments. While youth are learning together and forming relationships, this achieves the recommendation for young entrepreneurs already in business, which speaks to creating an African integrated ecosystem that will bring African entrepreneurship solutions for African sustainable development.

Capacity Building

Because of their age, entrepreneurs typically enter the business environment with limited knowledge of managing enterprises. However, education and vocational institutions programs stimulate young entrepreneurs' capacity by offering them holistic business management training. The participants agreed that entrepreneurship education is fertile ground for young venture managers.

Financial Support

The role of HEIs is to provide entrepreneurship education in classrooms; some institutions have gone a step further by supporting entrepreneurs with financial aid to establish ventures while learning. Participants engaged in this study stated that they fund emerging young entrepreneurs through grants and affordable interest-free loans to assist them in starting businesses.

Stakeholder Partnerships

In addition to financial support, learning institutions have developed partnerships with external stakeholders to assist entrepreneurs with technical backing, such as shadowing and mentorships. The interventions help entrepreneurs in financial management matters and enable skills transfer in areas where institutions cannot teach entrepreneurship. These opportunities create an environment where entrepreneurs begin building networks of stakeholders within the ecosystem for future market-information exchange.

Sustainable Growth

Educational and vocational training institutions say that though it is difficult to measure the impact of entrepreneurship education and training, the number of businesses and jobs created and sustainable enterprises by alumni indicate that entrepreneurship education positively affects young entrepreneurship development. In addition, the success of entrepreneurship education can be traced to young businesses that have survived global pandemics when most established ventures have closed shop. This shows that formal entrepreneurship training enables entrepreneurs' skills and creativity to pivot their business models and navigate through challenges.

Challenges Reported by Higher Education Institutions

Time

Education in institutions' works with some entrepreneurs that are already running their businesses. Because of the nature of other businesses, most entrepreneurs are often pressed for time and are found having to juggle running a business and attending classes. This hurdle challenges both entrepreneurs and institutions because it disrupts learning.

Ease of Doing Business

Despite tireless interventions by education institutions contributing to capacity-building and supporting youth entrepreneurs at an early age, the overall entrepreneurship environment does not favor the ease of establishing ventures. A common challenge raised by institutions is that issues such as registering the business, opening bank accounts, applying for business loans, and credibility issues from external stakeholders discourage the efforts established by education institutions to accelerate the exploration of young ventures.

The challenges that entrepreneurs face is that no one takes them seriously because they're still young. For instance, if they say an entrepreneur, hopefully the person they have a conversation with take some more seriously, getting funding is difficult for that age group. So, we like to be credible actors and recognition for them.

Business Management

One of the participants admitted that even though entrepreneurs come to them for business management capacity-building, when they are enrolled for training, most of them lack general business management skills because they enroll while already exploring their

opportunities, which puts their ventures and contracts at risk because so many deliverables are expected from them. Institutions emphasize that sometimes they are faced with the challenge of being tempted to do everything on behalf of entrepreneurs. Most of the time, entrepreneurs are under pressure by the contracts they must deliver on.

Recommendations by HEIs

- Enabling a favorable environment for youth entrepreneurship development starts by assessing all the actors' shared values. Participants highly recommend multistakeholder collective interests for the benefit of young entrepreneurs and the whole ecosystem. Because different support groups intervene in many different ways but work in silos, aligning objectives and sharing intervention in collaborations is suggested as necessary to make sure all stakeholders can reach desired outcomes.
- Moreover, participants echoed that while educating entrepreneurs, investors and holders of capital should come on board and start looking at young entrepreneurs as potential successful customers who would become trusted customers. Though HEIs have begun to level financial support ground for entrepreneurs, they still need to ease their requirements to encourage more young people to consider entrepreneurship for their future.
- One of the limitations highlighted by support structures is that youth entrepreneurs are starting up and lack entrepreneurship experience; therefore, it is difficult to engage in lucrative business or trust them with colossal capital to venture their ideas. In this case, learning institutions that instill entrepreneurship education recommend the entrepreneurial ecosystem be more lenient when dealing with young venture managers and start taking calculated risks because they have been taught the ins and outs of entrepreneurship. By accepting these risks and piloting support to youth entrepreneurs, stakeholders would have a case study to refer to when dealing with other youth entrepreneurs and they could start learning what works and areas of improvement.
- In closing, participants recommend that entrepreneurship education should start at an early age. Furthermore, parents and communities should support and encourage kids to think of entrepreneurship as a promising career, and schools should introduce an entrepreneurship curriculum. Proving entrepreneurship education by the institutions engaged in this study is not enough. Advocating and promoting continental

entrepreneurship education in classrooms would be a step in the right direction if all education institutions can start making entrepreneurship education part of the learning lesson.

12.6 YOUTH ENTREPRENEURS

Success Stories Reported by Youth Entrepreneurs

Self-Efficacy

Results of the study reveal that entrepreneurs attribute their success in entrepreneurship to self-belief and confidence that they can navigate the entrepreneurship environment when starting business ventures. Due to the lack of employment in South Africa, participants of the study emphasized that being unemployed and dissatisfied in the corporate world encouraged them to start their own businesses. Even though starting was not accessible due to lack of sufficient funds, having identified opportunities showed that it can be done. Participants alluded to the fact that lack of start-up capital did not stop them from believing in their dream of becoming entrepreneurs; thus, keeping the goal alive coupled with self-efficacy propelled them to become successful entrepreneurs.

Self-Funding/Support from Family and Society

Nine of the 10 participants mentioned that they self-funded their businesses. This study regards this point as a success story because if entrepreneurs did not risk their funds to start their ventures, they would not have been able to change their status quo. Entrepreneurs felt that getting financial support for start-up businesses in South Africa is difficult because financial institutions do not believe in financing young businesses due to the risks associated with start-ups. Therefore personal savings and support from family, even though they were not sufficient to establish a business but were good enough to put their names in the entrepreneurship playground resulted in the successful establishment of young enterprises.

Mentorship

Participants were asked to elaborate on the impact different stakeholders have on the success of their businesses. Almost all entrepreneurs alluded to the positive impact mentors and coaches play by holding their hands throughout their entrepreneurial journey. Having a mentor, whether it was a person who understands the industry the entrepreneur is operating in or an individual who has a vested interest in the entrepreneur's success, meant that participants would learn the ins and outs of the business and learn from the mistakes of experienced entrepreneurs.

Other entrepreneurs mentioned that these mentors believed in them and established them by working capital and infrastructure. Apart from start-up resources, mentors provided entrepreneurs a valuable and ongoing apprenticeship and industry-specific business advice.

Government Support

A success story worth mentioning is the nonfinancial support the government is presenting to entrepreneurs by intentionally leveling the entrepreneurship environment so that young entrepreneurs could also benefit from available entrepreneurship opportunities. The South African government created a policy stipulating that at least 30% of all government tenders and opportunities are allocated to businesses managed by youth entrepreneurs. This milestone promotes the success of youth-managed companies and encourages the entrepreneurship spirit among young and aspiring entrepreneurs. Participants of this study confirmed that they benefited from this opportunity and other policies, such as a transformational policy that the government has introduced to redress past imbalances.

According to entrepreneurs, with the introduction of policies and legislation, clients intentionally work with businesses that comply with these state regulations. This has been fast-tracking growth and sustainability for young companies, thus enabling them to compete successfully with established businesses.

Apart from policies and legislation, participants confirmed that the state, through its various departments, provides them financial grants in times of disaster such as COVID-19 to keep their businesses running, in particular industries regarded as essential services industries such as agriculture.

Private Stakeholders Support

It is encouraging to learn that private stakeholders are beginning to show interest in assisting young entrepreneurs. Their vested interest in youth enterprises proves that they do not regard youth as their competitors. Participants revealed that they get support from private organizations and funding—in some cases, grants that they would not have obtained easily from the government. Win-win collaborative support is also seen in specific industries where young entrepreneurs are operating. Results show that private stakeholders have been fast-tracking youth enterprises' growth by giving them support that increases their revenues and promotes their ventures to match old businesses. Support from

these stakeholders has enabled youth entrepreneurs to improve their bottom line, opening doors to bank loans, acquiring more assets, and becoming more sustainable by unlocking more business potential.

Practical Business Exposure

Support from private stakeholders has been exposing youth enterprises to other business avenues where barriers to entry are regarded as high or where young entrepreneurs need to have a strong network connections to penetrate specific industries. Participants narrate that being associated with experienced entrepreneurs has opened doors for their businesses, and testimonies from established entrepreneurs paved the way for their ventures to develop new businesses and gain more business leads.

Some of the success stories young entrepreneurs were proud of were open business doors, thus exposing their ventures to the world stage and allowing them to compete with established entrepreneurs. Participants further mentioned that they established with their external stakeholders through networks, the relationships expose their businesses to international markets where it would have been difficult to develop those without these ecosystems.

Strategic Relationships

In their success stories of building sustainable businesses, youth entrepreneurs stress the importance of creating relationships within their ecosystems and trust-based cooperation. Entrepreneurs appreciated the importance of strategic relationships, alliances, and partnerships with different stakeholders to create value for a collective goal. Through these relationships, young entrepreneurs emphasized that they could gain a new client base and create various sources of income by entering new business territories with their strategic partners. Not only are these relationships affording youths competitive skills, but they also enable them affordable alternatives that reduce the risk of losing business.

Employment Creation and Poverty Alleviation

Although South African youth face socioeconomic problems and unemployment, youth participation in the entrepreneurship environment steadily creates opportunities for gainful employment. Participants highlighted that their success in their ventures unlocked potential contributions to their development and the economic development of their local communities.

Challenges Reported by Youth Entrepreneurs

Access to Finance

The typical challenge that youth venture managers experience when establishing their ventures is raising enough capital to enable them to explore all entrepreneurial opportunities. Because lending institutions view them as risky, coupled with high repayment agreements, youth entrepreneurs struggle to access finances that will aid the successful exploration of their businesses.

Although others have succeeded starting from their savings and family loans, a tight cash flow continues to hinder the navigation of the entrepreneurship environment's challenges. As entrepreneurs elaborate, this challenge stifles their venture growth and slows catching up with the market's most established and experienced entrepreneurs.

Lack of Infrastructure

Because they run with limited funds, getting the necessary infrastructure is the key challenge facing youth entrepreneurs. With little equipment, according to entrepreneurs, it becomes difficult to run ventures in a fully fledged manner to achieve sustained businesses.

Experience and Skills

The data show that starting and running a business in South Africa is difficult. According to youth entrepreneurs, the skills and experience of running a business are not adequately taught in schools. In addition, youth leave schools not knowing what it takes to run the company, and those who do not have experienced entrepreneurs to share business skills are exposed to failure.

High Barriers to Entry

In some industries, the landscape does not favor young entrepreneurs because of high entry barriers. This challenge, as entrepreneurs articulated, is the direct result of South Africa's history where previously disadvantaged entrepreneurs could not access the capital required to establish and run successful enterprises.

In terms of other barriers to entry that prohibit youth entrepreneurs from competing with established entrepreneurs and succeeding, participants articulated that lack of networks and ecosystem surrounding young entrepreneurs adds to the difficulties of navigating the business environment even when youth have good business ideas.

Inconsistency in Government Support

Entrepreneurs established that they experience continuing bottlenecks in dealing with government agencies that are meant to disseminate support to them. Participants articulated that most government agencies that are supposed to be the custodians of delivering and enabling sustainable youth entrepreneurship development do not consistently show the support needed. Some went on to highlight that after obtaining training from government agencies when it comes to applying for funding from sister agencies, peers who went through the same training provided by the government would be granted funds. However, when it was their turn to receive the same funding, the funding agency would not recognize the similar training.

Lack of Technical and Administrative Capacity

It is a fact that most young entrepreneurs enter the entrepreneurship field with a good idea and the zeal to succeed but with zero knowledge of managing a business. Technical and administrative capacity, in particular for those with no work-related experience and no technical training such as incubations, becomes a challenge once they have commenced their entrepreneurship journey. According to entrepreneurs, during the early days of their ventures, sometimes because of the lack of sustainable markets, they were blinded by wanting to prove their concepts and thus ended up signing unprofitable deals. Further, lack of soft skills, administrative experience such as tax compliance issues, and money management issues contributed to the delays and losses to their ventures.

Market Penetration

Access to sustainable markets is another considerable challenge youth entrepreneurs expressed as a hurdle blocking their way to sustainable development. Because they compete with experienced and established entrepreneurs, young entrepreneurs hustle to get a piece of the pie within their different operating industries because the market perceives them as inexperienced and incapacitated.

This challenge often handicaps most entrepreneurs' growth because in the fast and ever-changing business environment, having to wait for the next project or service/product offering affects building a portfolio for the venture. Some entrepreneurs confessed that they only get a chance in the market once a year in those circumstances, which in most cases leads to closing shop due to unsustainability.

Emerging Industries

In industries where entrepreneurs are players in emerging industries, young entrepreneurs find it challenging to navigate because there are no earlier players to observe. Because entrepreneurs are “first generations” in those industries; it is hard for them to compete with big corporations with years of experience and resources, which afford to make business mistakes, learn from them, and still run. Another factor that challenges young entrepreneurs in emerging industries is that skilled workers hesitate to join them because they have not seen their concept coming to fruition.

Entrepreneurship Training

- **Self-Taught.** Findings reveal that a significant number of young entrepreneurs opt for informal learning by tailor-making entrepreneurship programs from sources such as the internet, engaging with colleagues, and reading entrepreneurship books.
- **Formal Training.** Although most believed that self-teaching, work experience, and skills transfer through mentorships were enough to get them relevant entrepreneurship training, some still appreciate the classroom business education and training provided by higher education and vocational institutions. Participants narrated that formal entrepreneurship training taught them the skills necessary to run their ventures and exposed them to networks of other experienced entrepreneurs with whom they shared different skills.
- Whereas HEIs recommend formal entrepreneurship education where entrepreneurship is taught in depth, those who enrolled praised the learning they received. Some entrepreneurs who have gone through this learning claim that proper entrepreneurship education is experiential, i.e., running an existing venture. Therefore, formal training only supported what they have already seen and learned through managing their ventures.
- **Mentorship.** Results show that entrepreneurs, as the direct beneficiaries of mentorship, benefit from mentoring relationships because exchanging information, skills, and resources builds their capacity to develop their ventures. Therefore, their success, which includes both financial and nonfinancial performance, is primarily influenced by mentoring.
- **Previous Work Experience.** Although some entrepreneurs were self-taught running a business, most young entrepreneurs learned business techniques from their previous employment. Through these past employments, they aspired, took

the leap, and established their businesses because they believed that the experience they had acquired would, to a large extent, be sufficient for managing their ventures.

- **Through Experienced Entrepreneurs.** Most entrepreneurs attest that their networks of experienced entrepreneurs played a significant role in transferring industry-specific knowledge and general business management skills.
- Acquiring skills in entrepreneurship from trusted relations meant that entrepreneurs gained confidence and the competence to avoid business mistakes because they were learning from people ahead of them.

Recommendations by Youth Entrepreneurs

- **Aligned Collaborative Strategies.** It is clear that both the public and private sectors have a vested interest in developing young entrepreneurs, but the challenge that is delaying the fruition of a well-sustained youth entrepreneurship environment is that all stakeholders work in silos. Youths recommend that for sustained young entrepreneurial development, all stakeholders should align their support strategies so that they all sing one hymn.
- **Strategic and Intentional Government Interventions.** To encourage successful youth entrepreneurship, entrepreneurs recommend tax breaks for small businesses and individuals with skills and experience who choose to work for youth start-up because this will enable the speed growth of these youth ventures.
- **Deliberate Policy and Legislation.** Entrepreneurs suggest that the government should be deliberate in supporting young businesses. According to entrepreneurs, this conscious effort would be achieved by the government introducing policies and legislation that encourage youth ventures and creating enabling environments that will attract more youths to make entrepreneurship their career choice. The government is playing a role in accelerating youth entrepreneurs by legislation, such as 30% of all government contracts allocated to small businesses. But according to entrepreneurs, the government can do more by encouraging partnerships between experienced entrepreneurs and youth entrepreneurs with specific incentives where skills transfer and exposure will be possible.
- **Stakeholder Support.** In response to the challenges of start-up capital, market penetration, entrepreneurial skills, high barriers to entry, and many others, entrepreneurs outlined that all stakeholders in the ecosystem need to show them support, not just for the sake of good corporate

citizenship but to grow and develop young entrepreneurs. Recognizing constraints related to funding nascent youth start-ups, entrepreneurs recommend that funding and nonfunding institutional stakeholders let go of their view of young entrepreneurs that they are not bankable but stimulate and promote funding mechanisms, in particular for innovative opportunities.

- **Creating Inclusive Industries.** Entrepreneurs suggest that ecosystem stakeholders should strengthen their support by opening their respective industries and giving them a chance to gain the necessary skills and prove their business concepts in the market.
- **Intercontinental Entrepreneurship Ecosystem.** Results show that South African young entrepreneurs are beginning to delve into uncharted African industries; therefore, an entrepreneurial ecosystem is recommended as the key driver for African sustainable development. Because there is growing start-up potential in the continent embedded with skilled African youth and hustle spirit, entrepreneurs suggest that the diaspora should nurture and support an integrated ecosystem that will enable successful African entrepreneurship for the next generation.
- **Entrepreneurial Determination.** Entrepreneurs recommend that aspiring and established peers aspire to succeed by being practical and persevering in their entrepreneurial ideas. They highlighted that although there are challenges for youth entrepreneurship in South Africa, there are more significant entrepreneurial opportunities in the country; it takes passion, stamina, and hard work to unearth them to fruition. In closing, they suggest that, after discovering the opportunity, entrepreneurs should have a growth mindset for building their ventures through trials and tribulations because in the end success will prevail.

12.7 NONGOVERNMENTAL ORGANIZATIONS

The two NGOs operating in the Gauteng region were engaged to understand their interventions in promoting youth entrepreneurial activities. The first NGO managed as a trust runs within the township area where its audience comprises people living below the poverty line characterized by high youth unemployment, increasing crime statistics, and poor service delivery. Qualifying participants in this organization do not pay a tuition fee to benefit from the services offered by the trust. The second organization

runs national incubation hubs in South Africa, and it enrolls participants on fee-based participation.

Success Stories Reported by NGOs

Structured Intervention

Supporting young entrepreneurs in their journey and contributing to economic development, NGOs design focused interventions on developing sustainable entrepreneurs. The support included providing training interventions for sustainable business venturing, idea development, and connecting the entrepreneurs to funders.

Facilities and Resources

Because the NGOs have the facilities, they allow youth entrepreneurs to utilize their space when they are not conducting training activities. They can access computers, furniture, wi-fi, printing equipment, and telephone. Some of the facilities and resources are for free, but some come at a cost. Another important observation is that some of the NGOs have accounting services where SMEs can get help.

Business Readiness

Another success factor reported by the NGO is that they have a business readiness program. These programs ensure that businesses are ready to access finance and markets and launch their products. Also, they can assess the businesses according to their needs. If the businesses need funding, they can match them with suitable stakeholders according to their needs.

Market Creation

Because NGOs have a wide range of networks with different stakeholders, they connect youth businesses with potential markets for their products and services to boost their business activities.

Mentorship

NGOs also provide mentoring services through their external stakeholders to oversee, monitor, and evaluate the sustainability of youth entrepreneurs while they are still in their program and after exiting the programs to share their experiences and answer business questions. Entrepreneurs also get legal services from some of the external stakeholders and get the opportunity to attend entrepreneurial workshops.

Challenges Reported by NGOs

Entrepreneur Dependency

The most prominent challenge NGOs come across supporting youth entrepreneurs is giving them all the tools enabling their self-sufficiency, but entrepreneurs

always want to have their hand held. NGOs explain that this overdependency results from the environmental dynamics and conditions youths grew up surrounded with, in particular in township communities.

Insufficient Resources

Sufficient resources are a primary challenge that NGOs articulated as an inhibitor for success in delivering support to youth entrepreneurs. At times, NGOs that operate within poor communities offer support at no cost and are often dependent on donations from other stakeholders to keep the lights burning. Because of dependency and competition for contributions and donations, NGOs face the challenge of allocating these scarce resources but are still insufficient to meet the ends.

On top of competing for resources that keep the business afloat, NGOs offer more than entrepreneurship support in townships areas. They are often faced with socioeconomic hardships that deprive potential young entrepreneurs of excelling. Therefore, because of these misfortunes, available resources are found to solve these social ills instead of programs intended to support youth businesses.

Crime

Crime is yet another challenge NGOs face, in particular in areas where poverty has stricken the communities. Although actors hustle for resources supporting entrepreneurs, those resources are at risk of being stolen, making it difficult for actors to facilitate proper support and further putting their lives at risk.

Duplication of Services

Due to misalignment of interventions provided by different NGOs in different areas, lack of integration and sharing of information results in multiple NGOs offering the same services to entrepreneurs. Therefore, this challenge allows access to entrepreneurs moving from one establishment to another, sometimes not finishing the training/incubation. Because of this, other deserving entrepreneurs end up not getting the chance to receive support for their venture ideas.

Access to Markets

Market penetration and attraction seem to be an all-encompassing challenge for all stakeholders participating in the youth entrepreneurship ecosystem face together with the entrepreneurs. Participants echoed that while trying to promote entrepreneurs, they usually face the difficulty of finding profitable markets for entrepreneurs' goods and services. In most cases, the markets are oversaturated with experienced

entrepreneurs. This hurdle hits NGOs more within disadvantaged environments such as townships because consumers perceive township entrepreneurs as inexperienced. Entrepreneurs themselves often do not put enough effort into proving their concepts. This drives prices down for their products and services or the demand becomes very low.

Recommendations by NGOs

- **Integrated Ecosystem.** To curb most of the challenges, NGOs recommend that all players in the ecosystem integrate the entrepreneurial interventions to avoid duplication of service offerings and competition of donated resources.
- The purpose of integration will abolish actors working in silos because there will be an alignment of interventions offered by all players with a common goal. Although some NGOs have started negotiations on ecosystem integration, advocating for speedy cohesiveness from multiple stakeholders will speed up the achievement of development goals.

Participants recommend that if all actors can create a shared database where stakeholders can have access to it, update all the support they offer to recipients where all their details are loaded and the support they have received from different actors in the ecosystem, this will eliminate the challenge of recipients moving from one stakeholder to the next. The database, the participants recommend, will load records of successes and challenges to be referred to when dealing with newly onboarded recipients.

According to NGO participants, this shared database will keep record of entrepreneur's journey and can also be used when other opportunities arise that need the services or goods of recorded entrepreneurs.

- **Ecosystem Collaboration.** NGOs highly recommend that actors come together in partnership to achieve more in developing youth entrepreneurship because working together with different stakeholders with different skills, experiences, and combined resources will bring a win-win solution.
- Strengthening the need for ecosystem collaborations, participants admitted that although they play their part in developing youth entrepreneurship, they still do not meet the needs of a successful youth entrepreneurship development mandate. Therefore, working together and learning from each other will assist in taking stock, reflecting, and identifying areas of improvements.

- **Entrepreneur's Determination.** Working with different entrepreneurs and knowing their strengths and weaknesses, NGOs recommend that entrepreneurs want to succeed and be determined to grow their ideas but not depend entirely on the support they receive from stakeholders.

12.8 PRIVATE ORGANIZATIONS

Three private organization stakeholders took part in this study by narrating their role as actors in different roles that support youth entrepreneurship in South Africa. Participant 15 represents a business accelerator organization that designs, builds, and implements Enterprise Supplier Development (ESD) solutions for small businesses. Their role in youth entrepreneurship is to facilitate training and incubation programs to build business skills, business and personal growth, market access, business funding, an asset of value, and the corporate supply chain. Participant 16 represents a private organization with an accredited financial provider subsidiary that focuses on small to medium business development. Their ESD solution is intended to assist youth entrepreneurs with nonfinancial support such as training and incubation, monitoring and evaluation, loans/grants/equity management and administration, SMME readiness, and ESD policy and strategy review, development, and implementation. The third private organization, represented by participant 17, is a food manufacturing and distribution organization providing its products in South Africa and the African continent. Part of their responsibility and mandate is to support small businesses and previously disadvantaged communities participating in the agriculture industry from the supply chain to procurement and SMMEs distributing their products to the market.

Success Stories Reported by Private Organizations

Incubation and Entrepreneurship Training

The private organizations that participated in the study provided incubation programs for youth entrepreneurs. The incubators allow entrepreneurs to learn through direct experience and working with established organizations for technical support. Some of the incubators provide specialized training related to merchandising, developing catalogue for the products, and promotions.

Capacity Building

The incubators also provide practical training that youth entrepreneurs will be able to implement in their businesses. In some cases, the incubators help the entrepreneurs to do ongoing monthly analysis on the business to see how their revenues are performing.

The support structures are continuously developing programs such as pricing strategies to meet the entrepreneurs' needs.

Financial Support

The financial institutions that participated in the study indicated that they offer financial support to allow entrepreneurs to purchase some of the equipment and assets they need to execute the jobs. The other key difference with commercial banks is that the entrepreneurial support institutions' financing comes at a prime less or 0% interest or sometimes grants. The participants indicated that if they do a whole loan and the company makes the repayment, the entrepreneur will not be left with sufficient capacity to grow or capacitate the business. As a result, the financial support institutions convert a portion of the loans into grants to alleviate cash flow. Combining grants with loans give entrepreneurs a bit of a breather to improve their financial position.

Market Access

Access to the market is a considerable challenge narrated by youth entrepreneurs, highlighting that competing with experienced entrepreneurs is difficult because they operate in environments with insufficient resources and skills to attract new markets for their products and services. Having private stakeholders on board as a support structure, private organization participants narrated that one of the successes of being involved in supporting youth entrepreneurs is assisting them source markets for their products and services. In addition to global sourcing markets, private organizations direct youth entrepreneurs' products and services.

Job Creation and Poverty Alleviation

One of the impactful successes that private organizations contribute to youth entrepreneurship is creating jobs for the entrepreneurs they engage with and their communities. Due to the holistic business support that private organizations provide to qualifying youth entrepreneurs, this has allowed the country to see employment creation because by assisting passionate youth entrepreneurs, their innovative business ideas turned into profitable businesses are being driven down to the society, resulting in improved quality of living.

Participants further narrated that they see an increase in sustainable jobs when they strengthen their role in supporting youth entrepreneurs. Participant 3 makes an example of youth businesses from both farming and distribution, employing more workers since they got access to financial and

nonfinancial support. According to participant 3, this success is improving their footprint as an industry player to uncharted territories.

Mentorship

As critical stakeholders intervene and support youth entrepreneurs, private organizations continue to provide nonfinancial support in mentorships and coaching to monitor and evaluate the youth entrepreneurship journey. This support ensures that entrepreneurs continuously engage with mentors to avoid mistakes that can cost them the success of their ventures.

For instance, some private organizations, participant 15's organization, allow entrepreneurs access to their dashboard systems (for a license fee) even after they have finished the incubation and training provided to them. This access enables entrepreneurs an opportunity to engage with business experts for relevant advice.

Sustainable Business Growth

The financial assistance that private organizations provide in terms of capital injection, most of which are grants and interest-free loans, accelerate the sustainable growth of nascent ventures.

With the engagement with a private organization, youth entrepreneurs can improve their assets and expand their business operations. This allows young entrepreneurs to use their cash flow to grow their ventures organically.

According to participant 3, though it is difficult to measure the impact their interventions contribute to youth entrepreneurs, over the years their engagements with youth enterprises have had fruitful results not only benefiting young enterprises but the organization's bottom line as well. Participants narrate that young enterprises experience year-on-year growth with their organizations on board, skills development, and distribution of products.

Challenges Reported by Private Organizations

Insufficient Resources and Cash Flow

Although private organizations play a significant role in facilitating assistance to accelerate the sustainable growth of youth enterprises, finance and capable resources are still a hurdle that disables the successful desired outcomes. In their narrations, participants stressed that the financial support does not reach all the needs required by the stakeholders in the youth entrepreneurial ecosystem. Because of this, the day-to-day cash flow for ventures operations becomes a burden for successful entrepreneurship.

Resources are therefore regarded as a significant challenge that private actors face while supporting entrepreneurs. As a result, it prohibits entrepreneurs from operating at their full potential because private organizations cannot afford to supply entrepreneurs with everything required to run ventures. In addition to insufficient resources, stakeholders in private organizations emphasized that cash flow on the entrepreneurs' side continues to be a hurdle because they cannot access loans from the banks because of the infancy nature of their ventures. This hurdle, therefore, slows the development that private organizations implement towards youth enterprises.

Entrepreneurial Competencies

While engaging with youth entrepreneurs, private organizations identified a lack of business experience and managerial skills as a significant challenge limiting their potential growth. In this light, stakeholders in private organizations state that lack of entrepreneurial competencies in business management know-how affect smooth rollout of planned interventions for entrepreneurs.

High Barriers to Entry

In some industries where private organizations have interventions promoting youth entrepreneurs, starting a business requires high start-up capital and unfavorable legislation. This challenges private organizations because, in most instances, their efforts in encouraging and supporting entrepreneurship are limited.

Service Delivery Issues

South Africa is faced with poor service delivery. Essential services such as roads, electricity, and water, in their absence or in a poor state, hamper the smooth running of businesses. This challenge is mentioned by participants as a hurdle that is beyond their control because it is a national problem. Due to this, operations come to a standstill for most businesses. In most cases, equipment runs on electricity, and delivery of goods depends on well-serviced roads.

Participants highlight that where they have established working relationships with local municipalities supporting young entrepreneurs to strengthen and protect operations, macro issues are still an issue to solve between them and the local government.

Crime

Macro disruptions such as security issues, unfortunately, affect everyone across the board. Based on their experience in dealing with youth entrepreneurs, participants explained that crime and theft are challenges entrepreneurs face while conducting their

businesses. Because this is a country-wide pandemic, there is little private organization to curb because this requires multidisciplinary task intervention.

Time to Attend Training

Summing up the challenges, actors in private organizations elaborated that, though they understand that youth are entrepreneurs before receiving business support, attending and finishing training and programs to strengthen their skill and experience in managing ventures is essential. Because most entrepreneurs join training programs while still running their businesses, taking time away is always a challenge for them to finish programs; thus, this challenge leads to prolonged training times or unfinished programs.

Recommendations Reported by Private Organizations

- **Early Entrepreneurship Training.** The fact that starting and running a successful business in South Africa is difficult and challenging, participants recommended early entrepreneurship training in schools. They strongly suggest that learning institutions should introduce entrepreneurship as a curriculum so that youth, when they leave school, they are equipped on what it takes to run a business, this approach, according to participants, will reduce a high rate of failure of young ventures. Learning entrepreneurship at school will further reinforce entrepreneurship traits and distinguish which areas of entrepreneurship one is exploring before committing to ideas that will not be realized.
- **Intentional Support.** Private organizations recommend supporting youth who aspire to make entrepreneurship a career. Participants suggest that measures such as taking calculated risks supporting youth enterprises and easing security requirements are needed.
- **Financial Institutions Change of Mindset.** Private organizations advise that financial and funding institutions should change how they view young entrepreneurs when it comes to risk assessing and financing young ventures. Because financial institutions are holders of funds, and their business is the business of lending money for profit, it is in their interest to consider youth businesses as their future clientele and this would be achieved if they start early by building relationships with young businesses at their infancy.

- **Private–Public Partnerships.** Participants endorse the establishment of private–public partnerships that promote value and impact for all parties involved. They further stress that unstructured and unaligned interventions from different stakeholders do not reach desired goals; therefore, these partnerships and collaboration by both stakeholders will allow sharing of knowledge and ideas that will create synergies in the implementation of intended projects.

12.9 FINANCIAL INSTITUTIONS

Three financial institutions were engaged in the study to establish their involvement in assisting youth entrepreneurship in South Africa. Of the three institutions, two are commercial banks, and the other is a state developmental funding institution. The difference between the commercial banks and government agency developmental institutions regarding promoting youth entrepreneurship is that commercial banks provide loans at the current prime lending rate to entrepreneurs who meet the lending requirements, and the banks operate for profit, not necessarily for the development of entrepreneurship. On the other hand, the government funding agency provides development funding targeting specific priority groups, for instance, young people, people with disabilities, women, Black entrepreneurs, and entrepreneurs in townships and villages. Although the commercial banks provide loans based on an entrepreneur's security and track record, the agency's intervention in providing funding is based on the viable business case on the applicant.

Success Stories Reported by Financial Institutions

Credit Provision

Having a brilliant idea is good, but having a business idea that will sell is nothing without funds to support it. Nonetheless, financial institutions help qualifying entrepreneurs who meet the requirements for a business loan.

Nonfinancial Support

In addition to providing financial assistance, some funding institutions merge loans with other nonfinancial interventions to assist entrepreneurs in building capacity to manage their ventures so that their businesses will be sustainable and be able to pay back their loans.

Stakeholder Partnerships

Some of the financial institutions reported that they had formulated partnerships with governmental agencies to support youth entrepreneurs. Because most governmental agencies have databases of entrepreneurs, financial institutions use those databases to identify entrepreneurs who are ready to obtain funding or loans. The financial institutions use the partnerships to monitor the entrepreneurs who received funding from the institutions.

Postlending Monitoring

To ensure that the money landed is used for the purposes intended, financial institutions provide after-service support that assists in monitoring and evaluating how funds are being spent. This follow-up service helps financial institutions get their money back and encourages entrepreneurs to continue building their ideas for sustainability.

Challenges Reported by Financial Institutions

High Repayments Terms

Although providing credit and financing nascent enterprises responds to the challenge of lack of start-up capital for most young entrepreneurs, repayments rates are set high because start-up ventures are regarded as high risk by financial institutions. Due to this view on young ventures, most are found not to afford the high-interest rates, which prolongs the repayment period for those who would succeed in paying back the loans, but those who fail in the first stage of their ventures are left indebted.

Access to Markets

Participants expressed that in most cases, the challenge they would experience funding youth entrepreneurs is that they are presented with brilliant ideas but not shown the capacity to solve problems in the market. According to participants, the challenge would not be a lack of funds to finance the idea but funding proposals that do not have a clear-cut solution for addressing available markets.

Recommendations by Financial Institutions

- **Stakeholder Collaboration.** The issue of stakeholder collaboration is echoed by all participants engaged in this study. Participants from financial institutions advocate that these partnerships would reduce the risk of funding young entrepreneurs because they would have all the capacity to manage their ventures. These partnerships will assist in holding accountable stakeholders who do not deliver on the agreed service levels.

- **Focused Intervention.** Participants highlighted the need for a focused intervention that will glue all the interventions provided by different stakeholders.
- **Ecosystem Integration.** Taking stock, sharing roles and responsibilities, and establishing interventions that are solely focused on youth entrepreneurs within the integrated ecosystem, it would be possible for stakeholders to abolish the issue of working in silos all in the name of supporting entrepreneurs, according to participants. In doing so, there would have been a dedicated market created for youth products and services that serve the economy's needs as a whole.

12.10 DEPARTMENT OF SMALL BUSINESSES

The provincial department of business took part in the study in an engagement elaborating its interventions and its role in facilitating and supporting youth entrepreneurship. The primary mandate for this agency is to promote export trade and investment in the province from different continental regions and the rest of the world as an implementation arm for the province's Department of Economic Development. One of the agency's key performance indicators is to ensure economic inclusivity and transformation by implementing economic policies set to promote youth, women, and people with disabilities.

Success Stories Reported by the Department of Small Business

Financial Support

The Department's main objective is to promote the province as the attractive investment region in Africa, helping support youth entrepreneurs financially. The participant revealed that youth entrepreneurs are the greatest asset in presenting Gauteng as an attractive investment center. To achieve this, deserving entrepreneurs are funded to scale-up and enhance the acceleration of their ventures.

Market Establishment

Youth entrepreneurs face market penetration dominated mainly by established organizations, making it difficult for small and youth enterprises to penetrate the value chain. Therefore, through its export promotion intention, the province offers youth entrepreneurs market access opportunities that enable them an equal chance to participate in global and local environments.

Sustainable Businesses

Some of the evident successes that are brought by the interventions the province has in working with youth entrepreneurs include achieving youth sustainable and thriving businesses. The partnerships that the province has with these entrepreneurs through the enterprise supplier development programs contribute to solving country's challenges of poverty, unemployment, and inequality by contributing to sustainable businesses in sectors that were previously inaccessible to specific groups.

To achieve inclusivity, the government, through its economic agencies, has put in place policies and regulations meant to redress and transform the entrepreneurship environment in support of youth entrepreneurship. These measures have propelled youth enterprises to compete with established organizations and promoted young ventures, and given them a platform to contribute to the country's economic growth.

Challenges Reported by the Department of Small Business

Information Dissemination

The participant stressed that the Department also supports and promotes youth entrepreneurship to the rest of the world; however, many recruits who are supposed to benefit from these interventions do not have relevant information or knowledge of the department's services.

He further highlighted that because the information is not well-distributed to other qualifying youth entrepreneurs. Those who know the benefits the government is offering to support nascent entrepreneurs have limited means of sharing information.

In conclusion, a participant made an example of beneficiaries who do not take it upon themselves to inform and encourage other young deserving entrepreneurs to seek assistance the department is providing.

Poor Coordination

Coordination of services and programs provided by the government to support youth businesses is regarded as an obstacle hindering the government from achieving its desired outcomes. The respondent highlighted that support structures meant to run these programs do not perform the task and are insufficient to reach targeted youth entrepreneurs. The respondent added that this challenge disables the smooth running of earmarked programs to accelerate youth entrepreneurship. He further made an example

that if South Africa can adopt frameworks of countries such as Rwanda, which have successfully promoted youth entrepreneurs because they have succeeded in implementing programs aimed at supporting youth businesses, positive steps would be seen.

Scarce Resources

Although the respondent mentioned that the government had made the most in providing financial and nonfinancial support towards youth enterprises, they agreed that there is much to do before the government reaches the desired outcome. Part of this is due to limited resources. According to the participant, lack of sufficient resources is the root of almost all the challenges, hindering the success of all opportunities South African young entrepreneurs are meant to enjoy.

The participant further articulated that inadequate financial capacity, which was deployed to ensure that information reaches intended beneficiaries and enable the successful coordination of projects, hinders the implementation of strategic policies formulated to support youth ventures. This is a challenge because the size of economic inclusiveness the Department is expected to serve is significant, and beneficiaries are located in different locales that were previously disadvantaged, most of which still do not have access to information of the support the province is providing.

Competition from Cheap Imports

One of the hurdles to the success of youth enterprises is competition from Chinese products. Youth-managed businesses are exposed to cheap Chinese competition, and as a result, cheap Chinese products stifle the growth and development of their businesses.

Recommendations by the Department of Small Business

- **Centralized Planning.** Centralized planning is critical for ensuring that the youth facing challenges are given a fair, efficient response.
- **Aligned Coordination.** Coordination of resources and the mobilization of interventions that the province provides to young entrepreneurs was suggested as the way forward to curbing the challenges they face.
- **Integrated Networks.** The participant reiterated that to address the limitations of youth entrepreneurship development, stakeholders should integrate their interventions in collaboration with young entrepreneurs, learn more about the interventions provided by different stakeholders, and outline an integrated road map, which will be adopted going forward by participating actors.

12.11 MENTORS/COACHES

Success Stories Reported by Mentors and Coaches

Skills Transfer

One of the biggest challenges associated with starting a business for most young people is a lack of business management skills. Having someone willing to hold them by hand and teach them the ins and outs of business minimizes the chances of failing. The entrepreneur would learn from the mistakes of experienced people who have walked the journey before them. Actors who interacted in this study who perform duties of mentoring and coaching young entrepreneurs articulated their devotion to contributing to the development of young entrepreneurs.

Incremental Business Growth

Among the success stories that mentors and coaches are achieving within the youth entrepreneurship ecosystem is to produce self-sufficient entrepreneurs who take what they learn and run with it while managing their ventures. Participants elaborated that their involvement in holding entrepreneurs by hand, sharing skills and knowledge improves their business management, resulting in sustainably run ventures.

Networks

The participants further revealed that they introduce their mentees to their networks and associates, who further assist them in establishing markets for their products and enabling them to gain easy access to other financial and nonfinancial support.

Role Modeling and Counseling

Apart from providing them with the most valuable apprenticeships, mentors and coaches motivate their mentees by affirming that they have what it takes to succeed. This affirmation is achieved by giving examples of other successful people and, most important, examples of established entrepreneurs like them. The role-modeling success stories not only motivate mentees to reach for their dream, but they also provide counsel during difficult times.

Apart from providing them with the most valuable apprenticeships, mentors and coaches motivate their mentees by affirming that they have what it takes to succeed.

Challenges Reported by Mentors/Coaches

Resources

Mentors elaborated that in their efforts to contribute to fueling youth entrepreneurship as an engine for the country's economy, they still face the problem of insufficient resources to make their support successful.

Financial Background

Participants highlighted that one of the biggest challenges they come across dealing with youth entrepreneurs, in particular those from previously disadvantaged backgrounds, is the lack of financial resources and start-up resources; in most cases, it slows their progress in catching up with their peers. Because of this hurdle, financial institutions resent financing their ventures or requiring unattainable securities before funding them. Furthermore, after getting their business ventures off the ground, entrepreneurs find themselves in situations where their families are looking to them for survival even before their businesses are sustainable.

Commitment and Perseverance

Business coaches explained that in working with young entrepreneurs, they observed that entrepreneurs are dazzled by overnight success stories and do not understand that being an entrepreneur is a multifaceted undertaking. One needs to perform several different roles, especially at the nascent stage. Another challenge is that most youth entrepreneurs tend to gravitate toward their areas of strength and ignore the other side of the business.

Recommendations by Mentors and Coaches

Integrated support was repeatedly recommended by all the participants of this study. Together with a common goal of giving aligned support to youth entrepreneurs, mentors and business coaches are alluded to as the mechanism that will help the ecosystem see progress in assisting young entrepreneurs and eliminate the challenges.

Likewise, with all stakeholders who participate in the youth entrepreneurship ecosystem, mentors and coaches strongly recommend intended collaborations of all actors involved to reach developmental solutions for sustainable growth in youth entrepreneurship.

12.12 CONCLUSION

It seems that the South African youth entrepreneurial ecosystem is moving towards sustainable youth entrepreneurship development. Although much is still needed to be done to promote youth enterprises, the path that the stakeholders have established is gaining momentum. The lack of start-up funds continue to limit South African young entrepreneurs because financial institutions require unattainable securities to fund their enterprises. With this in mind, young entrepreneurs choose to invest their savings and funds from family and friends to make their dream come alive. Although some entrepreneurs taught themselves the ins and outs of entrepreneurship, others still enroll for formal training such as incubations hubs and the business school provided by private and public institutions to fine-tune their calling as entrepreneurs. Thus, previous employment experience is applied while managing and making informed business decisions. Young entrepreneurs engage with multiple stakeholders who provide mentorships, business opportunities, alliances, and resources to grow their ventures. Youth entrepreneurs participate in these ecosystems where value co-creation is established. Relationships from these stakeholders have a positive impact on youth-managed businesses and enable them to increase their capacity and contribute to the broader economy. Just as established enterprises experience challenges, youth entrepreneurs face various limitations that delay the growth of their venture. To curb these challenges, entrepreneurs recommend integrated ecosystem collaborations that will work together for one common goal.

If silo intervention culture, which results in the duplication of interventions by different actors, can be addressed and promote multistakeholder integrated collaboration and coordination that support a common goal, the country will achieve meaningful results in reducing poverty and unemployment. Although stakeholders are advancing their involvement in empowering youth entrepreneurs, multiple challenges continue to be hurdles that restrict youth enterprises from taking up and occupying the space as participants in the entrepreneurship environment. To some extent, the South African youth entrepreneurship ecosystem is maneuvering around these obstacles. Overall, there are success stories that both private and public stakeholders have achieved in their response to put youth entrepreneurs at the center of sustainable entrepreneurship development.

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13

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF TANZANIA

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Street scene in Morogoro, Tanzania

Photo: Amy Jamison

Abstract

The problem of unemployment among youth is a global issue that can be addressed through various strategies; one of the notable strategies is conducting entrepreneurial activities. However, the youth unemployment problem needs to be addressed from a holistic view with all stakeholders in the entrepreneurial ecosystem. Therefore, this study aimed to explore the entrepreneurship training and development landscape in Tanzania to understand the challenges to enterprise development and opportunities that could be exploited. It was found that higher education institutions have to realize their full potential through effective design and implementation of entrepreneurship training programs. In contrast, well-coordinated efforts among youth entrepreneurial ecosystem actors are essential for effective support mechanisms to youth entrepreneurial activities.

13.1 INTRODUCTION AND DEMOGRAPHIC INFORMATION

A scoping study was undertaken on the entrepreneurship training and development landscape in Tanzania to understand the challenges to enterprise development and opportunities that could be exploited. This was largely a desk study and also required some interviews. In particular, the study had the following purposes:

1. To assess the state of entrepreneurship training in Tanzanian institutions of higher education related to the design and implementation of training programs;
2. To analyze the existing youth entrepreneurial ecosystem in Tanzania; and
3. To assess and address current knowledge gaps in the youth entrepreneurial ecosystem research, focusing on agrifood systems; energy and environment; creative/entertainment; education; health and nutrition; youth empowerment; and ICT/digital.

The United Republic of Tanzania is located in Eastern Africa, and it comprises mainland Tanzania and the island of Zanzibar. The capital of Tanzania is Dodoma, whereas Dar es Salaam is the largest commercial city in the country. The Tanzanian government is a unitary multiparty republic with one legislative house, and the head of government is President Samia Suluhu Hassan. The projected population of Tanzania for 2021 is 59.4 million people, based on 2012 Population and Housing Census by the Tanzania National Bureau of Statistics ([NBS], 2018). The average annual growth rate, according to the 2012 Population and Housing Census, is 3.1%. Of the population of Tanzania, 44.8% of total population is under 15 years, 52% is aged 15–64, and 3.1% are over the age of 64.

In accordance with the income classification by World Bank, Tanzania was announced and upgraded to a middle-income country in 2019 with a per capita gross domestic product (GDP) of US\$1,090. The key economic activities in the country are agriculture, construction, tourism, mining, and manufacturing. In 2019, the global competitiveness index for Tanzania was 48.19 with a rank of 117 among 140 countries. On the other hand, ease of doing business in Tanzania scored 53.63, ranking 141 among 190 countries (World Bank, 2019).

Methodology and Data

The methodology used in the study was an embedded multiple case study research design, and data was collected through semi-structured interviews that lasted at least an hour. The sample size was 33, which included respondents from higher education institutions (HEIs), youth entrepreneurial ecosystem actors and youth entrepreneurs within the industry of agrifood systems; energy and the environment; education; health and nutrition; youth empowerment; ICT/Digital; and creative/entertainment. Data was analyzed through content/thematic analysis.

Moreover, youth entrepreneurs build their own entrepreneurial ecosystem through strategic collaboration among themselves and with entrepreneurial ecosystem actors and stakeholders. Nonetheless, the government plays a big role in providing an enabling environment for the success of these entrepreneurship training programs, youth entrepreneurial activities, and collaborations among youth entrepreneurial actors.

13.2 ENTREPRENEURSHIP IN TANZANIA

Entrepreneurship is vital for any country due to its contribution to socioeconomic development including creating employment, increasing per capita income, improving quality of life, adding to national income, promoting innovation, and so forth. According to the Tanzanian 2012 SMEs survey, there were about 3.16 million MSMEs contributing around 27% of the GDP, and they created employment for more than 5.2 million people (United Republic of Tanzania [URT], 2012). Of these enterprises, 97.1% were “micro,” out of which about 60% are located in the urban areas, and majority of them were established as a survival strategy.

The government is supportive of entrepreneurship in the country through its several policy frameworks and regulations as stipulated in the national development plan, entitled Tanzania Development Vision 2025; National Five-Year Development Plan 2016/17–2020/21; SME Policy; National Employment Policy; Sustainable Industrial Development Policy; National Youth Development Policy; and Education and Training Policy, just to mention a few. Furthermore, the government works in collaboration with other stakeholders in the entrepreneurial ecosystem, such as academia, the private sector, NGOs, and development partners, for enhancing entrepreneurship in the country. For example, the government sets an enabling business environment through policy, advocacy, and requisite infrastructure; other stakeholders’ inputs include the provision of education and training, business development services, finances, and technical advice from entrepreneurs and SMEs (Argidius Foundation, 2017).

However, the estimates show that there are between 600,000 and 800,000 new entrants into the labor force every year against only about 40,000 job vacancies available in the public sector. A potential option for unemployed youths is to pursue self-employment, thus ending up in the SME sector. Bearing in mind that the largest proportion of the total population is youth and that the population growth rate is increasing, there is a need to address the problem of unemployment among youth from a holistic view from all stakeholders in the ecosystem. This study will explore attempts to tap full potential of HEIs related to the design and implementation of entrepreneurship training programs, together with support mechanisms from youth entrepreneurial ecosystem actors.

13.3 HIGHER EDUCATION INSTITUTIONS

Institutions of higher learning in Tanzania studied in this research included universities and vocational training centers. These institutions are making efforts to promote entrepreneurship to their respective students. In particular, HEIs are offering training programs focusing on entrepreneurship. These courses range from one semester to a full degree program/six semesters. The goal of most of these training programs is to inculcate the entrepreneurial culture into the mindset of the students. Nonetheless, other HEI training programs go further to develop capacities and facilitate the students in launching their business start-ups. The delivery of the entrepreneurship training at HEIs is mostly carried out through face-to-face classroom delivery and some other strategies such as online, blended, or one-to-one small group delivery. The skills students gain from these entrepreneurship training programs include problem solving, communication, and business skills—branding, pricing and distribution. In addition to training programs, some of the HEIs also provide mentorship and coaching services. Nonetheless, mentorship and coaching has frequently been observed at a private/personal level. It is offered to few students, in particular those who are active in implementing their business start-up. The outcomes of the existing entrepreneurship programs have been such that the students have started their own businesses, created employment for others through their businesses, contributed to per capita income and GDP through tax payments, and inspired other youth as role models to consider entrepreneurship. In addition, there are positive outcomes as a result of the developed entrepreneurial mindset to students. Several employers have reported seeing differences in the working performance and attitude of graduates who had taken entrepreneurship training and those who did not: the former outperform the latter. Furthermore, HEIs do not work in isolation but collaborate with practitioners and other stakeholders to minimize the gap between what they teach and what is required in the marketplace. Examples of areas where HEIs collaborate with stakeholders include involvement in curriculum reviews, invitations for guest lectures, role models, mentors, internship placements, training provisions, and financing/seed capital for students business start-ups.

Success Stories Reported by HEIs

In the case of the University of Dar es Salaam (UDSM), which is the largest and oldest university in Tanzania (UDSM, n.d.), the success factors are discussed below.

Training Programs

There are more than 30 undergraduate and postgraduate courses covering entrepreneurship and/or innovation issues at UDSM. These courses are taught independently at different colleges/schools/institutes within the university. However, in the academic year 2019/2020, the university management contemplated the establishment of innovation and entrepreneurship course modules for undergraduate (first and final year) and postgraduate students. The course modules would be intended to be practice-oriented to assist students in applying what they have learned into business ideas and business ventures. Due to the importance of entrepreneurship to youth, the university is spearheading the entrepreneurship course modules to be delivered to all students as other common courses such as Development Studies and Communication Skills.

Center and Business Incubators

In 2015, the University of Dar es Salaam established the University of Dar es Salaam Innovation and Entrepreneurship Centre (UDIEC). The Centre's target group is students, staff, and SMEs outside the university, whereby the centre assists students and staff in forming new start-ups. In contrast, SMEs are assisted in increasing the competitiveness of their existing companies. Different target groups helped accordingly to their needs and their respective stage of business development. UDIEC seeks to realize university-wide strength and competitive advantages by making cross-cutting services like business, legal, and management skills available to all university units, including but not limited to science and engineering. Among the key functions of UDIEC is the provision of business incubation services; currently the centre is hosting more than 10 incubatees/start-ups.

Furthermore, in 2010 UDSM established the University of Dar es Salaam Information and Communication Technologies Incubator (UDICTI). The incubator aims to groom UDSM students who wish to establish their own ICT-enabled businesses. UDICTI is hosted under the College of Information and Communication Technologies (CoICT), although its services are open to all the students. Unlike UDIEC, which offers full-scale incubation services (from pre- to post-incubation), UDICTI offers pre-incubation services to students over a period of one academic year.

HEIs do not work in isolation but collaborate with practitioners and other stakeholders to minimize the gap between what they teach and what is required in the marketplace.

Community Entrepreneurship Programs

UDSM is involved in several outreach initiatives that serve the community and not just UDSM students. The initiatives, which are related to entrepreneurship is the provision of the Nation-Wide Training on Entrepreneurship for Higher Learning Graduates. This was officially launched in 2019 by the minister of state, Prime Minister's Office (Policy, Parliamentary Affairs, Labour, Employment, Youth, and the Disabled) and the vice chancellor of the UDSM. More than 1,500 youths who had graduated from various HEIs in the country were offered entrepreneurship and business start-up training at 10 different regions in Tanzania. Another successful community entrepreneurship program is the entrepreneurship training provided to the ward councilors, as local government authorities (LGAs). This program has revealed to play a major role in local economic development (LED). It is worth noting that there is a National Youth Development Fund (YDF), whereby 4% of funds from internal revenues of the district and municipal councils is allocated to youth groups as loans for their business. Therefore, UDSM training aims to equip the councilors so that they can empower and coordinate the youths with start-ups/businesses who are loan recipients of YDF and residing within their respective councils.

Entrepreneurship Competitions

University of Dar es Salaam has been involved in initiatives that aim at developing an entrepreneurial mindset in students as well as motivating them to start their own businesses after graduation. As an attempt to motivate and develop youth champions who can engage in solving community socioeconomic challenges and create their own employment opportunities, UDSM launched the University of Dar es Salaam Annual Innovation and Entrepreneurship Challenge (UD-AIEC) in 2019. Through the competition the students benefit not only from the monetary prizes but as well as entrepreneurship awareness seminar, pitching skills training, networking, and for the winners being incubated to continue working on their innovative business ideas in the UDSM incubator which is hosted under UDIEC.

Challenges Reported by the HEIs

Regardless, the efforts done by HEIs in Tanzania to promote entrepreneurship are faced with several challenges. Among the major challenges that were highlighted by the HEI respondents included:

1. Inadequate number of human resources or trainers for conducting entrepreneurship education and training compared to a large number of students. This has limited the chances for one-to-one or small group delivery of the training.
2. Inadequate hands-on teaching and learning infrastructure. There are inadequate facilities suitable for incorporating hands-on entrepreneurship teaching and learning. The lack of a conducive environment for carrying out experiential, problem-based learning leads to most of the entrepreneurship training being conducted more theoretically than learning by doing. This limits students from acquiring entrepreneurial experience and skill sets for entrepreneurship.
3. Reluctance in mindset change. Most of the students are hesitant to embrace the entrepreneurship mindset: they still prefer to rely on being employed and they underestimate the importance of soft-skills related courses compared to conventional core courses. This limits the students' commitment and enthusiasm in pursuing entrepreneurship trainings.
4. Curriculum challenges, in particular in terms of flexibility to content reviews and time allocation. It is not easy to make curriculum changes in HEIs, which limits the ability to cope with the fast pace and global dynamics within entrepreneurship. Teaching case studies mainly used are from developed countries compared to local context business cases. Thus, the curriculum is less practical oriented, and time allocation is mostly in classroom lecture sessions and is more theoretical. For example, in a topic of market research, instead of just being an in-classroom lecture session, it could be complemented with students conducting a real field mini-market survey.
5. Inadequate support mechanism after completion of the entrepreneurship trainings. There is a "leakage in the pipeline" on the continuity of facilitating students after completing training and leaving the HEI. This may limit our ability to see the impact of training beyond the completion phase.

There is a "leakage in the pipeline" on the continuity of facilitating students after completing training and leaving the HEI.

13.4 YOUTH ENTREPRENEURS

Youth entrepreneurs in Tanzania conduct businesses in a variety of sectors such as agriculture, ICT, energy, creative arts, and education. These youth entrepreneurs do not work in isolation. There are key actors of the entrepreneurial ecosystem that interact with youth entrepreneurs, and they include the government through its ministries and agencies, the private sector, academic institutions, incubators, accelerators, innovation spaces, financial institutions, development partners, NGOs, and the community. The engagement with key ecosystem actors provides youth entrepreneurs with a range of opportunities such as access to financial resources, coaching, mentorship, linkages to customers and investors, platforms for exhibitions and competitions/contests, training, legal and regulatory services, and access to R&D infrastructure. Youth entrepreneurs select actors to engage with mostly based on trust, stage of business, and resources.

It is worth noting that the effectiveness of the engagement of youth entrepreneurs and other ecosystem actors should neither be judged just from the number of actors that the youth entrepreneurs engage with nor the frequency of engagement but rather on the quality of the engagement, i.e., strategic and well-coordinated engagement.

Youth entrepreneurs acknowledge the contribution of the entrepreneurial training they acquired while studying at HEIs. Nonetheless, they urged for improving trainings so that they become more practical rather than theoretical. This can be enhanced through engagement with other ecosystem actors during the design and delivery of the training. One participant suggested that:

Universities should make use of people from outside the campus like from hubs and accelerators to come and teach with real life experience, you know lecturers are fully engaged and overloaded with teaching at the university, they lack actual experience of entrepreneurship.

Success Stories Reported by Youth Entrepreneurs

Youth entrepreneurs are successful when they are able to launch new businesses whereby they are not only self-employed but also contribute to the creation of direct and indirect employment for other youths. This is a feature not only of traditional business sectors but also emerging technologies, as elaborated by a 29-year-old female entrepreneur in the agriculture sector:

... success to me was being able to take a risk of quitting hired-employment and pursue self-employment, I have 40 cows and supply milk to a dairy company, I also have a farm where I cultivate vegetables in a greenhouse, and I'm capable and have a passion in value addition so I started to add value in maize to produce flour, pack and sale and I'm in the process of fortification and adhering to food quality controls, I have managed to hire 17 employees and there are many indirect laborers as well.

In addition to contributing to employment creation, the businesses of these youth entrepreneurs are all formally registered, and they pay taxes to the government and thus contribute to the economy of the country.

Other youth entrepreneurs expressed their success by being able to inspire and motivate other youths to start their own businesses or contributing to transforming youths into entrepreneurial-minded individuals. This mainly occurs when invited as speakers to various events when they are presented as role models for other youths; however, this approach should be based on sharing knowledge and experience by narrating not only successful scenarios but also failures.

Another success of the youth entrepreneurs is their provision of mentorship to other youths—despite running their core businesses, they have set up special facilities at their business such as innovation working spaces to support other youths. A youth entrepreneur whose core businesses are production of lactose-free probiotics drinks and biofeed for animals established an innovation hub that serves to create and nurture bioscience-based business ventures.

Another youth entrepreneur has a “silicon wing” at their main office:

... we have an innovation development facility, basically a techlab which we started through our own efforts not a single penny from a donor, we support start-ups and SMEs through product development, commercialization, deployment, training on specific skills in ICT, product management and entrepreneurship. . .

The impact on society, in particular to marginalized groups, has been elaborated as a success story by youth entrepreneurs. They expressed their success not only in monetary terms but also in terms of being able to contribute to the transformation of a marginalized community. A youth entrepreneur in the entertainment sector who created an open space for youths in fields of music, drawings, drama, and dancing:

... based on our capability and strength in arts and because we have a space, we invite street children they come here and we teach them different arts' fields and those which they are already familiar with we improve them, we teach them traditional dances, contemporary music, circus, and for those who perform well we give them the opportunity to get into our studio to record.

Other success stories include the recognition of youth entrepreneurs in national, regional, and international entrepreneurship contests and competitions. Such competitions that youth entrepreneurs have won include Young Africa Entrepreneur Award, Start-Up World Africa+, Forbes Africa's 30 Under 30, African Entrepreneurship Award, Global Student Entrepreneur Award, and Global Recognition of Excellence. These competitions play a role in the promotion of entrepreneurship to youths, they assist the youth in acquiring capital (from monetary prizes), they increase the visibility/publicity of youths, and make available access to collaborators and future partners. In addition to offering monetary prizes to the winners, some of the competitions were blended with entrepreneurship training, mentorship programs, exhibitions, and even recruitment at a business incubator. The competitions that offered entrepreneurship training, in particular boot camps, were found to have added value by youth entrepreneurs.

Challenges Reported by Youth Entrepreneurs

Regardless of the success and efforts of youth entrepreneurs, they are faced with several challenges. Among the challenges highlighted by youth entrepreneurs included those they often encounter in their entrepreneurial activities and those related to youth entrepreneurial training.

- *Inadequate financial support.* The challenge is not only observed during the start-up phase where the youth entrepreneurs recalled of the challenge of accessing seed capital but also inadequate funding for research and development.

- *Lack of investor readiness.* One youth entrepreneur stated that,

... investor readiness is about how ready are you to be funded, to be invested-in but many youth entrepreneurs fail to access investors' funds, they have nothing substantial on ground, lots of mere words and business in papers nothing actual, their companies are not ready to be invested. . . On the other hand, another youth entrepreneur explained that, many investors prefer to support big and already well established companies so that they can get profit soon after supporting, when you are unstable they can even buy your company. . .
- *Taxes and price fluctuations.* Inadequate awareness and compliance with business formalities has been problematic for some youth entrepreneurs, leading them to pay tax fines.
- *Slow progress; not being visionary, growth-oriented businesses.*
- *Human-resource-related challenges.* To get employees who have a work ethic, and are competent, have integrity, and are reliable, committed and efficient has been a challenge for youth entrepreneurs. One youth entrepreneur spoke about two fellow business founders, who were not fully committed to self-employment. On the journey of entrepreneurship one quit in pursuit of a job at a big established company whereas the other one quit to do postgraduate studies abroad.
- *Sustainability challenges.* Many youth entrepreneurs talked about the negative effect on their business due to the COVID-19 pandemic. Although it was an unforeseeable event, it also sheds light on youth entrepreneurs' risk management and exit strategy. Moreover, it highlights their preparedness in facing future unanticipated events and their post-pandemic plans so that they will be able to limit business losses.
- *Context mismatch in youth entrepreneurial training.* Syllabi need to be up-to-date but should also be customized to the local context, for example, using Tanzanian cases.
- *Entrepreneurial training goals.* The main goal of entrepreneurial training should be to first focus on changing the mindset among youths and then focus on business start-ups.
- *Method of delivery of entrepreneurial training.* Entrepreneurial training, in particular that offered at HEIs, needs to be delivered in a more practice-oriented manner, and it should be interactive and not too theoretical. The engagement of entrepreneurial ecosystem actors from outside the university in

the delivery of the training has added value for the students. Moreover, the delivery of the training can make use of a blended mode approach by taking the advantage of online learning in addition to face-to-face learning. Youth entrepreneurs can also play a part in the delivery of training; this was evident with one youth entrepreneur who developed an offline and online digital learning platform that provides different entrepreneurship learning modules and quizzes.

- *Sustainability of the entrepreneurial training.* For the training to be impactful it requires post-training measures. Students' business start-ups and the entrepreneurial mindset inculcated to students during the training require support mechanisms beyond the training period. It is important to put in place smooth transition measures following training. HEIs can pursue such measures as providing business incubation services, mentoring, and linkages to entrepreneurial ecosystem actors.

Entrepreneurial Ecosystem Actors

Entrepreneurial ecosystem actors in Tanzania who are engaged in programs on youth entrepreneurship include private organizations, financial institutions, NGOs, policymakers, the Department of Small Business/Trade, support structures (e.g., legal, technical experts, account), and mentors/community leaders. Although these actors offer services to various user groups, their most common focus is on youth. The support activities or strategies dedicated to youth entrepreneurs by these actors involve entrepreneurship training, financial support, mentorship, linkages to other entrepreneurial ecosystem actors outside their organizations, legal advice, accounting, and technical services. In offering the programs on youth entrepreneurship, entrepreneurial ecosystem actors use a range of criteria in selecting the entrepreneurs to participate in the activities. Selection criteria include age, sex, education level, geographical location, entrepreneurial intention of the participant, stage of business, and the economic sector.

It should be noted that entrepreneurial ecosystem actors require strong collaboration with the government for effective delivery of their support. This is also evident from an NGO respondent, who said that:

... since we started our operations in 2013 our main partner is the government through the municipalities, you know in our local government authority in regions where we go the municipalities have vast information of youth in their localities and their challenges because they know the youth at their municipalities much better than us from

town, and now we have even moved down from municipality level to ward level as we came to know that ward is very closer to the community so it is a better administrative structure a better place to get access and information of youth. . . [A]nother partner is the government parastatal organization for small and medium enterprises development we have been collaborating with this organization to assist us in coordination of our youth entrepreneurship and life skills training at regional level since it has offices at every region in the country, also we are collaborating with the government agency which is a chamber of commerce, industry and agriculture, it serve as our partner by giving us experts and mentors for youths who have completed our entrepreneurship training. . .

Moreover, entrepreneurial ecosystem actors collaborate among themselves to complement each other's competencies and resources in order to enable stronger peer support mechanisms for promotion of youth entrepreneurship. A respondent from private sector said that:

... very often they miss something which in our case we have it, so it gives them a reason to collaborate with us, for example they are good at offering vocational training but they are not competent in entrepreneurship and life skills training, so we give them what we have. . .

In addition, another private sector respondent noted that, ". . . we are collaborating with many people including the government, also donors and different embassies, plus trade associations so as to get market access for export. . ."

Whereas an NGO respondent commented that:

... our major stakeholder in the government, we also collaborate with civil society organization which deals with youth, women and school dropout youths, we are also cooperating with financial institutions who complement us in issues regarding loans, opening accounts, financial literacy training, here we have partnered with two banks, one is a fully owned government commercial bank and another one is a private bank. . .

Furthermore, a financial institution respondent from a village community bank reported that:

... we provide our services by collaborating with different stakeholders, there is a government agency that gives us directives from the government, also we are cooperating with banks for opening group accounts and to coordinate trainings, there

is also a small industries organization which they supplement us by offering specialized trainings such as food processing for our group members, and other private organizations support us by sponsoring our groups meetings, participation at trade exhibitions. . .

In addition, entrepreneurial ecosystem actors collaborate with other stakeholders to minimize the gap between what universities teach and what is required in the marketplace. Examples of the gaps between what universities teach and what the market requires include soft skills, business formalization, life skills, ICT in business, branding and packaging, financial literacy, business valuation, business ethics, strategic collaboration, and personal development. Entrepreneurial ecosystem actors noted that majority of the entrepreneurship training programs in universities have inadequate practical knowledge of industry, so they engage with other stakeholders to bridge those gaps. There is room for more learning and sharing among ecosystem actors and other stakeholders, however, there is a call for clear understanding of their roles and responsibilities.

13.5 ENTREPRENEURIAL ECOSYSTEM

Success Stories Reported by Entrepreneurial Ecosystem Players

There are several success stories of entrepreneurial ecosystem actors promoting youth entrepreneurship. This can be demonstrated from the outcomes of existing youth entrepreneurial activities that they have supported. The actors have been able to contribute to changing mindsets of youths through various seminars and entrepreneurial training programs. As one of the actors said:

... many youths have started their own businesses and which are now already registered and are growing, their businesses are contributing by paying taxes, and also the life skills have helped them very much in making proper decisions and deciding to move forward and to change their mindset quickly. . .

Training has been conducted with youths with different education backgrounds and in the urban and rural areas. Moreover, the training programs were conducted not only by entrepreneurial ecosystem actors independently but also in collaboration with other stakeholders nationally and internationally. For example, one entrepreneurial ecosystem actor commented that their organization successfully delivered entrepreneurship programs to more than

1,000 youth between the ages of 18 and 24 at four regions of the country by partnering with the International Youth Foundation (IYF). The program was financially supported by the Mastercard Foundation. Moreover, the organization also partnered with the Youth Business International (YBI) and national stakeholders managed to deliver pilot and scale-up projects intended to expand and enhance support for underserved young Tanzanians (age 18–35) to start businesses, fulfill themselves, and create jobs and stronger communities. These projects were financially supported by government, the private sector, and a bank, and through the pilot project the organization received full accreditation in the YBI Global Network.

Other successes can be observed among youth businesses that have been established through the initiatives of entrepreneurial ecosystem actors. Moreover, some youth are selling their products in the local market as well as exporting outside the borders of Tanzania. As one actor remarked,

... a big impact is the change that we see in the community, for example the youth have started business or others with existing businesses have shown growth, and those who did not have investors have now been matched with them, for instance in 2019 we had one youth who had undergone our entrepreneurship training, we taught him business skills, investor pitching skills and so forth, by 2021 he achieved to attract a very big investor, he is in dairy business and he sales within the country and beyond, even to Comoros Islands...

Another success can be seen through the achievement of reaching marginalized youth groups. The element of inclusivity in entrepreneurship programs is important. This means taking all youth on board, regardless of their personal characteristics and background, so they all have an opportunity to start and run their own businesses. There are entrepreneurial ecosystem actors who recruited youth with disabilities in their programs, others encouraged and prioritized

enrollment of more female training participants, youth who had no formal education, and school dropouts. In addition, there are actors who are engaged in programs on youth entrepreneurship for those who abuse drugs and those involved in prostitution. Success is seen in the transformation from the negative behavior and lifestyle to responsible self-aware youth: “. . . we take into account not only gender but also disability, we instruct our training coordinator that it is a must to consider gender and youth with disabilities when selecting the participants for the training. . .”

There are success stories among the training and business models that have been developed and implemented by entrepreneurial ecosystem actors for the youth in urban and rural areas. The models include training programs as well as a package of mentorship and incubation programs, which are useful for teaching sustainability. For example, one of the entrepreneurial ecosystem actors explained that their methodology is an integration of three main components: training on entrepreneurship, life skills, and business management; mentoring; and access to loans and networks. This organization has been willing to share best practices on youth entrepreneurship with other stakeholders inside and outside the country, as well as in assisting them in designing and delivering mentorship programs. Another entrepreneurial ecosystem actor described their model, the entrepreneurship value chain development model, which aims to transform the minds of youth to become more creative, innovative, and entrepreneurial in order to stimulate agribusiness development and create employment. The model goes through five phases (see **Figure 13-2**).

Another entrepreneurial ecosystem actor suggested the possibility of using other entrepreneurship training models that have been used as best practices outside of Tanzania:

... entrepreneurship training at universities is mostly theory which to me is fine for giving basic foundation but then again it is attached to GPA assessment, so many students are studying it

Figure 13-2 Entrepreneurship Value Chain Development Model (Sugeco, n.d.)



to get pass mark, pursue it as a formality and spending more time to study so as to earn good grades but then they do not have enough time to interact into doing real business projects to apply the theory into practice. Let them be trained on theory but also should be given assignments on real life entrepreneurship to apply the theory. . . . [T]here is a nice model of Empretec by UNCTAD that we can learn from.

Challenges Reported by Entrepreneurial Ecosystem Players

Apart from the success and efforts by entrepreneurial ecosystem actors, they are faced with several challenges. The challenges related to participating in youth entrepreneurial ecosystems include:

- *Poor coordination between entrepreneurial ecosystem actors and stakeholders.* Although the actors and stakeholders are carrying out various youth entrepreneurship programs, there is no clear-cut, systematic coordination or a formal coordinator to harmonize the support of youth entrepreneurial activities: “. . . there is a need for more organized way of involvement amongst ecosystem actors and stakeholders so as to improve the business environment, there are duplication and overlaps of their activities and resources, they also need to market themselves, actually youth have limited awareness of the existing stakeholders, what they offer and other relevant information although youth themselves need to be aggressive in information search. . . .”
- *Inadequate resources.* “. . . it is challenging for us to reach more youth because of financial constraints and also it is difficult to make follow-up or tracker study on the ones who have already passed through our trainings, the demand is high we get several phone calls asking for slots to attend in the training others call and ask when will be the next training. . . .”
- *Inadequate infrastructure.* “. . . self-employment sector requires preparations it needs enough investment and commitment not just mere words, entails to set-up infrastructure like incubation not technology even social incubation, business is not just to sell product even services, so social entrepreneurship, also support structures for sources of finance, soft skills and practical skills. . . .” “. . . there is a challenge of sufficient enabling infrastructure for conducting youth entrepreneurship outreach, to network and invite stakeholders, to organize festivals, to build an environment within programs inside university such as organize forums, competitions, conferences, students’ business clubs and association. . . .”

- *Youth’s high expectations and dropouts in the training.* Youths have attitude issues and in some instances these issues have affected the effectiveness of the training provided by the actors. As one actor elaborated, “. . . when you do a project with youths usually you must have a lot of patience, they are very dynamic you know youths have a habit of changing almost every day even within one day he might be thinking of wanting to have more than three businesses. Others attend the training but they do not have personal motivation or full commitment, they want to know earlier-on if there is any incentive or anything tangible.”

13.6 DISCUSSION

HEIs are at the forefront in designing and implementing entrepreneurship training programs. This contributes to addressing the unemployment challenge that youths face. The training serves to encourage and instill an entrepreneurial mindset and the skills that will aid them in starting-up their own businesses. Nonetheless, prior to the implementation of entrepreneurship training, proper needs assessment should be considered to tailor the training to meet the needs of different youth groups and address market requirements. Moreover, implementing entrepreneurship training programs at HEIs calls for a more hands-on or practice-oriented approach. This can be enhanced through institutional integration with other members within the entrepreneurial ecosystem.

On the other hand, not all youth entrepreneurs can receive entrepreneurial training at HEIs, but they can receive training from other entrepreneurial ecosystem actors and stakeholders. In line with that, not everything needed by youth entrepreneurs and the market can be taught at HEIs. For example, there are youth entrepreneurs who received entrepreneurship training from ecosystem actors. They were taught aspects of business valuation, project management, financial management, entrepreneurial skills-based training, human resources, and organizational management. Moreover, youth need to engage strategically with actors in the ecosystem for training and business, technical, legal, financial services, and other support that will improve their entrepreneurial activities.

In addition, entrepreneurial ecosystem actors can provide support mechanisms to youth entrepreneurial activities. This can be enriched through collaboration with the government and other entrepreneurial actors within and outside their organizations. The collaborations can help to shrink the gap between what universities teach and what is required in the marketplace through various strategies such as

involvement of the collaborators in the design and implementation of HEIs' entrepreneurship training, and support for the transition from the university to the field with mechanisms such as incubation and mentoring programs. Nonetheless, for entrepreneurial ecosystem actors to effectively support youth entrepreneurial activities and contribute to sustainable youth entrepreneurship, proper coordination is needed. This will aid with mutual respect, shared vision and values, effective communication, organization, leadership, and joint lobbying efforts. Thus, their network will be sustainable and realize its full potential in promoting youth entrepreneurship.

13.7 PRACTICAL RECOMMENDATIONS AND ACADEMIC IMPLICATIONS

Higher Learning Institutions

Design and implementation of entrepreneurship training program.

- The entrepreneurship training programs offered at HEIs need to be improved by being designed in collaboration with youth entrepreneurial ecosystem actors and stakeholders. In line with that, the curriculum calls for a need to referencing local cases rather than those from developed countries, which entails teaching cases that are more relevant to the local context. Moreover, a practical orientation and the use of participatory techniques such as games, exercises, brainstorming, Q&A, presentation, or pitching are recommended over too theoretical training. On the other hand, the delivery of those training should consider other approaches besides face to face lectures and make use of online or blended learning, which has been found to be useful during the COVID-19 pandemic.
- Due to the importance of entrepreneurship to youth, it is recommended that entrepreneurship training programs be offered across all disciplines/degree specializations and not just taught to business school students. Possibly such training programs could be conducted from first year of the degree program so as to lay a foundation for an entrepreneurial mindset. However, this means there will be a scale-up to take more students, hence HEIs must take into account the implications of human resources/facilitators, physical infrastructure, and other resources required for the implementation of the training programs. Furthermore, it is recommended that HEIs create an enabling environment that will encourage students

who have viable business ideas and those who have dared to start-up businesses while studying. This could be done through mentorship and coaching, seed money, networking, business and technical assistance, IP and other legal services, and incubation.

- Collaboration with youth entrepreneurial ecosystem actors and stakeholders. It is recommended that HEIs engage among themselves to learn and share experiences and resources in youth entrepreneurship programs. Moreover, HEIs have the opportunity to reap benefits from collaborating with youth entrepreneurial ecosystem actors and stakeholders. Areas suggested for collaboration include guest speakers sharing industry/market experience, voluntary mentorship, field attachment, internship, sponsoring events such as youth business competitions and exhibitions, information sources and training materials, and shared infrastructure.

Youth Entrepreneurs

- The youth entrepreneurs, in particular graduates, are likely to have gone through entrepreneurship training programs while at HEIs. However, in order to cope with dynamic market requirements and to supplement what was not taught, it is recommended that youth entrepreneurs acquire post-training experience and focus on personal development. This can be achieved through participating in short training sessions offered by HEIs or entrepreneurial ecosystem actors and stakeholders inside and outside the country.
- It is recommended that youth entrepreneurs give back to the community, in particular as alumni to their HEIs, by volunteering to share their experiences when invited as a guest speaker or a role model in entrepreneurship programs at HEIs. It is suggested that they share not only their successes but also the lessons learnt from failures. Moreover, they can play the role of mentors and/or coaches to students.
- Youth entrepreneurs are faced with the liability of newness and smallness, the need of a growth orientation. In addition to the other challenges that they face in their entrepreneurial activities, it is recommended that they utilize the power of networking with entrepreneurial ecosystem actors and stakeholders.

Entrepreneurial Ecosystem Actors

- The efforts by the entrepreneurial ecosystem actors to support youth entrepreneurial activities are valued. Nonetheless, for support mechanisms to be effective it is recommended to have coordinated efforts among the entrepreneurial ecosystem actors.
- There are entrepreneurial ecosystem actors who provide entrepreneurship training; however, in addition to offering this soft support it is recommended that they offer tangible support such as working tools and equipment, farm inputs/ implements, internet, and so forth.
- It is recommended that entrepreneurial ecosystem actors improve their support mechanisms, in particular for graduate youth entrepreneurs, such as through mentorship programs at HEIs and incubation in order to bridge the transition from HEIs to the “real world” upon graduation. However, the majority of the existing incubators, hubs/ innovation spaces view entrepreneurship as a business in ICT, manufacturing, or agriculture, thus it is recommended that social entrepreneurship be incorporated.

Government

- It is recommended that government continue its efforts towards providing an enabling environment for youth entrepreneurial activities. This can be done through the provision of an entrepreneurship fund for young graduates, consideration of youth to execute government contracts or tenders, increasing the ease of doing business for youth with special loan packages for youth entrepreneurs, financial and nonfinancial support to HEIs offering youth entrepreneurship training programs as well as to youth entrepreneurial ecosystem actors and stakeholders.
- Local government institutions are allocated funds to disburse and coordinate youth empowerment activities at the grassroots level; thus, they (i.e., the local government personnel) require capacity building, for example, mentorship, to effectively facilitate those roles of youth entrepreneurship promotion.
- Several policies support the promotion of youth entrepreneurship in the country, however, for their effective implementation, it is recommended that these policies be coordinated and that there is consistent allocation of sufficient resources.

13.8 CONCLUSION

The problem of youth unemployment needs to be addressed holistically with all stakeholders in the entrepreneurial ecosystem. Each stakeholder in the ecosystem has a role to play, HEIs have to realize their full potential through the effective design and implementation of entrepreneurship training programs, and well-coordinated efforts among entrepreneurial ecosystem actors are essential for the effective provision of support mechanisms for youth entrepreneurial activities.

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14

YOUTH ENTREPRENEURIAL ECOSYSTEM: THE CASE OF UGANDA

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Road to parliament house in Kampala, Uganda
Photo: Adobe Stock

Abstract

In view of the important role entrepreneurship ecosystems universally play in developing a robust entrepreneurship policy framework, this study intended to find out how the existing entrepreneurial actors support the development of youth entrepreneurial activities in sub-Saharan Africa, and Uganda in particular. This would result in developing a strategic policy framework for enhancing youth entrepreneurship in Uganda. This study integrates previous findings and theories on entrepreneurship ecosystems globally. The study utilized a qualitative design with a multicase-based approach, employing 34 cases; 16 from Uganda's entrepreneurial ecosystem actors, 6 from institutions of higher learning and 12 youth entrepreneurs. Data from each participant category was gathered through face-to-face and telephone interviews using a predesigned interview guide. Judgmental sampling technique was used to select the 34 key informants who finally participated in this study. Data were manually transcribed and the Atlas-ti version 8 qualitative analysis software was then used to synthesize the 34 cases utilizing the resulting themes successively. The results of this study revealed success stories such as job creation, self-employment, and establishment of sustainable enterprises, mindset and attitudinal change, and adaption of digital technology. Findings also revealed challenges such as mindset change, access to credit, high taxes, business registration, start-up capital, lack of practical and soft skills, and the high cost of doing business in Uganda. It is highly recommended that the key entrepreneurship stakeholders and ecosystem actors in Uganda create an enabling environment and a policy framework to uphold achievements and address the current and future youth entrepreneurial development challenges. The government should set up an Entrepreneurship Ecosystem Coordination Body to monitor and harmonize pertinent entrepreneurship policies to foster entrepreneurial economic growth in the country.

14.1 INTRODUCTION

The notion of entrepreneurship ecosystems continues to attract the attention of scholars, practitioners, policymakers, and leaders across the globe. These ecosystems are a useful roadmap for developing a robust entrepreneurship policy framework needed in African countries to catalyze economic growth (Xu & Dobson, 2019; Sheriff & Muffatto, 2015). Uganda's entrepreneurial ecosystem is mainly comprised of different key players, their interconnectedness, and interactions with the entrepreneurship environment (Voelker, 2012). Understanding such systems could form a firm base for realizing sustainable growth of entrepreneurship in Uganda (Sheriff & Muffatto, 2015).

Entrepreneurship has remained the engine of economic growth in Uganda, ranking as one of the top entrepreneurial countries in the world with an entrepreneurship rate of 28% (Alinda et al., 2018). The country also ranks highest in terms of women entrepreneurship in the world (Guloba et al., 2017; Monteith & Camfield, 2019). As such, entrepreneurship and small and medium enterprises (SMEs) in Uganda account for 90% of the entire private sector, employ over 2.5 million people, and generate over 80% of manufactured outputs, which account for 20% of the

gross domestic product (GDP; Ministry of Trade, Industry & Cooperatives, 2015; Namagembe et al., 2019).

Accordingly, several entrepreneurial ecosystem actors, in particular the Government of Uganda, support the growth of youth entrepreneurship through the Youth Venture Capital Fund, Skilling Uganda, women entrepreneurship programs, and the formation of saving and credit cooperative societies (Ahaiabwe & Kasirye, 2015; Orobia et al., 2020; Kusemererwa et al., 2020). These programs aim to provide young people with access to start-up capital, tools, equipment, and entrepreneurial and business management skills critical to entrepreneurship success. In addition, other entrepreneurial ecosystem actors, such as financial institutions, nongovernment organizations (NGOs), private organizations, and institutions of higher learning (HEIs), are also supporting youth entrepreneurial-based programs to empower youths to become economically independent (Orobia et al., 2020).

Despite these interventions, Uganda is still facing the challenge of youth unemployment, which stands at 16.5% (Uganda Bureau of Statistics [UBOS], 2016b). Likewise, youths that have thrived and established

Entrepreneurship has remained the engine of economic growth in Uganda, ranking as one of the top entrepreneurial countries in the world.

businesses to foster self-employment and economic growth are also reported to have high failure rates. As a result, it is recurrently reported that about 64% of SMEs, including youth-owned enterprises in Uganda, collapse in the year of birth, and 30% fail by the 3rd year of their operation (Afunadula, 2018). Other youths significantly demonstrate declining growth and performance of their businesses (Tibaingana, 2020; Nangoli et al., 2013). Thus, failure to build a significant and successful body of entrepreneurs is a deterrent to Uganda's potential for attaining wealth creation and inclusive development (Bakashaba, 2018).

To that end, the growing number of youth entrepreneurial challenges is a national concern, and it is likely to stymie Uganda's plan to achieve upper-middle-income status by 2040, with a GDP per capita of US\$9,000 (National Development Plan III, 2020; Uganda Investment Authority [UIA], 2016). Therefore, it is vital to assess the current state of Uganda's entrepreneurial ecosystem to discover the role of the different actors in stimulating youth entrepreneurship, identify gaps in their interventions, and develop a framework for enhancing youth entrepreneurship in Uganda. The objective of this research was to find out how the existing entrepreneurial actors support the development of youth entrepreneurial activities in sub-Saharan Africa, and Uganda in particular.

14.2 DEMOGRAPHIC DATA OF UGANDA

Uganda is a democratic country located in East Africa, across the equator from the Indian Ocean, approximately 800 km inland. It has a mixed economy. According to the Constitution of Uganda, the country is a presidential republic and the president is both the head of government and head of state and wields executive power. Uganda has three arms of government, namely, the executive, legislature, and judiciary. The country has a multiparty system of politics and practices a democratic parliamentary system where members of the legislature are democratically elected to serve five-year terms.

Uganda's population growth rate is currently 3.32%. The growth rate has remained around 3% for the past several decades in Uganda (UBOS, 2020a). This is influenced heavily by the country's fertility rate of 4.78 births per woman. At this growth, over 1 million people are added to the population each year. According to Uganda Demographic and Health Survey (UDHS) 2016 results;

- The total population of Uganda was 40.8 million.
- 55% of the population was below 18 years in 2014.
- The total fertility rate (TFR) was 5.4 children.

Per capita GDP in Uganda was US\$912.00 in 2020, according to trading economics global macro models and analysts (UBOS, 2020). In the long-term, the per capita Uganda GDP is projected to trend around US\$935.00 in 2021 and US\$970.00 in 2022, according to our econometric models. Uganda's economy is divided into three major sectors: agriculture, industry, and service. Contributing 42% of the country's GDP, the service sector continues to see the highest growth among the three main sectors.

Regarding the Global Competitiveness Index, Uganda is the 115th most competitive nation in the world out of 140 countries ranked in the 2019 edition of the Global Competitiveness Report published by the World Economic Forum. Ease of Doing Business in Uganda was expected to reach 124.00 by the end of 2020, according to trading economics global macro models and analysts' expectations. In the long-term, Ease of Doing Business in Uganda is projected to trend around 123.00 in 2021, according to our econometric models. World Bank's Doing Business Ranking 2020 puts Uganda in position 12 in sub-Saharan Africa behind top performers Mauritius, Rwanda, Kenya, South Africa, and Zambia, respectively. Uganda is ranked 116th globally, way below its neighbors Rwanda and Kenya ranked 38 and 56 respectively. In East Africa, Rwanda and Kenya are the best performers, followed by Uganda.

14.3 ENTREPRENEURSHIP IN UGANDA

According to the analysis of Uganda's entrepreneurship profile, the country is one of the top entrepreneurial nations in the world (Global Entrepreneurship Monitor [GEM], 2014), with the highest rate of youth entrepreneurial propensity (55.4%). This suggests that over 55% of the youths in Uganda establish business enterprises annually (GEM, 2014).

This impressive trend is attributed to the fact that most youths in Uganda engage in entrepreneurial activities to survive, compared to being opportunity-driven. Accordingly, 16% of the youth are necessity entrepreneurs (GEM, 2014) who start businesses because they fail to get other jobs. Thus, the lack of employment, social challenges, and increased responsibilities explain why most youths become entrepreneurs (GEM, 2012). As a result, 30% of such businesses have registered discontinuance in Uganda (Afunadula, 2018; Tibaingana, 2020; Nangoli et al., 2013). This indicates the need to create a conducive entrepreneurial environment with supportive structures, policies, and programs to enable Ugandan youths to start and operate successful business ventures.

14.4 RESEARCH DESIGN AND METHODOLOGY

The study used a qualitative design with a multicase-based approach, employing 34 cases, 16 from Uganda's entrepreneurial ecosystem actors, 6 from HEIs, and 12 youth entrepreneurs. Organizations in each category were contacted and formally requested to nominate participants to represent them in the study. This method was used to help the researchers gain a better understanding of the study phenomenon and address the research questions more effectively (Patten & Newhart, 2017; Grösser, 2013). Data from each category of the participants was gathered through conducting face-to-face and telephone interviews using a predesigned interview guide. Interviews were conducted in English and the views of the participants were stored using recorders, notebooks, and telephones. Transcribing was then done using Creswell and Creswell's (2018) criteria for qualitative data collection and analysis.

Judgmental sampling was used to select the 34 key informants who finally participated in this study. As such, the selection of the units investigated was based on the discretion of the researchers (Robinson, 2014; Etikan, 2016). Using this technique helped us obtain the appropriate participants who eventually shared their views regarding the study phenomena in real time (Sharma, 2017).

Demographic Characteristics of Participants from Entrepreneurial Ecosystem Actors

This section presents the demographic characteristics of the participants from Uganda's entrepreneurial ecosystem actors, HEIs, and youth entrepreneurs who participated in this study as key informants. Seven of the entrepreneurial ecosystem actors that participated in the study are government organizations, institutions and ministries running different programs that are geared towards supporting youth entrepreneurial activities in the country (see **Table 14-1**). These are followed by five private organizations, some of which are affiliated with academic institutions providing incubation, training, mentorship, and coaching services. There are two financial institutions and two NGOs with varied products and services that support youth-based entrepreneurial ventures in Uganda. Our results also indicate that most of the participants are in administrative positions with access to information on the different programs and projects undertaken by their institutions to support youth in their entrepreneurial journey, and above all, most of the key informants are aged with enough experience in youth-based entrepreneurial support systems.

Demographic Characteristics of Participants from Institutions of Higher Learning

The majority of participants are entrepreneurship facilitators from HEIs who also hold administrative positions as directors of entrepreneurship centers in their respective institutions. Two key informants are full administrators serving as departmental head and executive director for the institutions that participated in this study. This shows that the participants are on the ground and have a clear understanding of the entrepreneurial activities undertaken in their institutions. Half of the participants have PhDs, and the rest have a master's degree, implying that they had enough knowledge to provide the information needed to answer our research questions. Concerning the age of the participants, four out of the six participants are still youthful. This suggests that they have enough energy to support programs geared towards promoting youth entrepreneurial activities in their institutions (see **Table 14-2**).

Demographic Characteristics of Youth Entrepreneurs

Study results indicate that youth entrepreneurs who participated in this study operate varied businesses including a car garage, technological business service provider, incubation and innovation hub centers, business training and consultancy, dealing

Table 14-1 Participants Characteristics from Entrepreneurial Ecosystem Actors

Participant	Nature of the organization	Main function	Position of the participant	Age of the respondent
1	NGO	Training and coaching youth entrepreneurs.	CEO	42
2	Financial institution	Offering financial services to the youths.	Branch Manager	35
3	Government organization	Instilling skills for business and enterprise management.	Executive Director	58
4	Private organization	Creates an environment where start-ups grow in confidence and capability scaling from promising tech into fully established sustainable businesses.	Senior program manager	43
5	NGO	Equip young people with entrepreneurship skills, financial literacy and work readiness skills to enable them to become a global force for good.	Senior program manager	44
6	Private organization	Center for training and research in food sciences, food technology, and human nutrition.	Senior administrator	45
7	Private organization	Preparing and launching ideas in the market.	Start-up manager	30
8	Ministry	Mobilizes and empowers communities to harness their potential while protecting the rights of vulnerable population groups.	Skills development specialist	53
9	Ministry	Support private sector development in the country. Monitoring private sector performance within the context of different perspectives like competitiveness and business involvement.	Director, Private Sector Development Unit of MPFED	66
10	Ministry	Develops and promotes a competitive and export-led private sector through accelerating industrial development for economic growth.	Principal officer in charge of marketing and promotion	54
11	Government organization	Initiates processes for curricula research, review, updating, testing, and coordinating the implementation of educational curricula at all levels of learning.	Curriculum specialist for business education	50
12	Financial institution	Provides banking services.	Branch manager	45
13	Government authority	Attracting and enhancing investments in Uganda	Senior investment executive	42
14	Government institution	Capacity-building institution for practicing entrepreneurs.	Public Relations Officer	50
15	Private organization	An association of private sector companies, mainly manufacturing.	Head of projects and training	52
16	Private organization	Focus on finding solutions to the youth employment challenge and reducing poverty in Africa	Project Director	45

Source: Primary data

Table 14-2 Participants' Characteristics from Institutions of Higher Learning

Case	Position	Level of Education	Age of the participants
1	Entrepreneurship facilitator	Master's degree	34
2	Director Entrepreneurship and Innovation Centre, Entrepreneurship Lecturer	PhD	42
3	Head of department	PhD	45
4	Manager, Dawa Entrepreneurship Clubs (DEC)	Master's degree	35
5	Acting Executive Director	PhD	35
6	Assistant Lecturer of Entrepreneurship and Director Investment Clubs	Master's degree	35

Source: Primary data

in agricultural farm inputs, making reusable sanitary pads, educational services, baking and high tech businesses (see **Table 14-3**). This suggests that youth entrepreneurs are spread in almost all sectors of the economy trying to exploit their entrepreneurial potential for sustainable development. The study also indicates that 11 participants are business owners with one co-founder, suggesting that they had a deeper understanding of their businesses and shared real information we needed to answer the research questions. It is further noted that all the entrepreneurs have a bachelors' degree, which is relevant in enabling them to successfully run their ventures. For their age, all the participants are youthful and seem to have the energy needed to make their businesses grow and contribute to the sustainable development of the Ugandan economy.

Data Analysis Process

A step-by-step technique was used to analyze the collected data (Richards & Hemphill, 2018; Elliott, 2018). This began with the researchers transcribing the stories provided by the respondents during the in-depth

interviews conducted. A third party thoroughly vetted the transcripts to ensure that there were no grammatical problems. Following that, we generated themes from the transcribed material based on our objectives and interview guide. As a result, four (04) themes for analysis were collected, including participant profiles, success stories, problems, and recommendations. The Atlas-ti version 8 qualitative analysis software was then used to synthesize the 34 cases utilizing the resulting themes successively. Following that, from all of the transcripts, sequenced quotes against the four (04) themes were generated. This was then used to create the qualitative analytical report. Outstanding quotes discovered during the analysis informed the presentation of the study findings.

Data Quality

We achieved the quality of the collected data by ensuring that the study findings are representative of the views of the key informants (Aguilar Solano, 2020). This was accomplished by having these interviews transcribed verbatim in English by a third party. Before data analysis, transcripts were proofread to ensure the correctness of the participants' views. Data sources and investigator triangulation were also employed to achieve data quality (Denzin, 1984). As a result, 34 cases were used, and two researchers assisted in data collection.

14.5 HIGHER EDUCATION INSTITUTIONS

In this section, success stories of entrepreneurial initiative from institutions of higher learning, challenges, and recommendations to foster youth entrepreneurship in the country are presented.

Success Stories Reported by HEIs

In our interviews, key informants shared success stories registered from programmes undertaken in their respective institutions to promote youth entrepreneurs. This success is evident in areas of self-employment and creation of job opportunities by the young graduates; skills development among the youths; establishment of different business enterprises; production of business and management facilitators; and mindset and attitudinal changes among the young graduates. The success stories shared are presented in the following subthemes.

Table 14-3 Youth Entrepreneurs' Characteristics

Case	Nature of business	Position	Level of Education	Age
1	Car garage	Owner	Bachelor's degree	32
2	Technological business service provider	Owner	Bachelor's degree	26
3	Business incubation and innovation hub	Owner	Bachelor's degree	28
4	Business training and consultancy	Owner	Bachelor's degree	31
5	Dealing in agricultural farm inputs	Cofounder	Clinician by profession and a clinical officer	30
6	Making reusable sanitary pads	Owner	Postgraduate with a degree in Entrepreneurship	31
7	Providing educational services	Owner	Master's degree	31
8	Baking business	Owner	Bachelor's degree	24
9	Engineering business	Owner	Bachelor's degree	31
10	Bakery business	Owner	Bachelor's degree	27
11	Online bus ticketing business	Owner	Bachelor's degree	30
12	Education services	Owner	Bachelor's degree	31

Source: Primary data

Self-Employment

The interviews conducted with entrepreneurship facilitators and administrators revealed that a significant number of their graduates have utilized their knowledge and skills acquired to create employment for them and ultimately employing other youths. This is evidenced in the following quotes:

...We have also had good feedback from some key stakeholders where they have gone to research, they are employing people in their small businesses and some are actually leaders in those different economies, while very many people have gone into self-employment ... Case 1

Mindset and Attitudinal Changes

Additionally, interaction with the key informants disclosed that their programmes especially entrepreneurship and guest lecturers as well

as exhibitions have changed the attitude of the graduates from different disciplines to realize that entrepreneurship success is possible regardless of one's area of specialization and start-up capital. Accordingly, graduates from various disciplines were noted to have established ventures to foster economic growth with minimal start-up capital. Moreover, institutional programmes have instilled confidence among graduates that entrepreneurship is the way to go as evidenced in the assertions. "...Like I said, these programs change the mindset and build confidence in the learners so that when they finish school, they can start their own business with little capital..." Case 2.

New Venture Creation

Further engagement with the study participants revealed that a number of their products have established successful business enterprises. This has been achieved from the practical sessions embedded

in the programmes and courses undertaken. Entrepreneurship facilitators and administrators shared that students are encouraged to develop business ideas that are turned to prototypes. These are showcased during entrepreneurship expos conducted by the participating institutions. After this experience, participants indicated that students turn the showcased business prototypes into successful ventures that have contributed greatly in reducing youth unemployment as indicated in the following excerpt.

"...It's very easy to create small ventures or businesses especially food ventures. For example, one can take a month without falling sick, or build a house once unlike food; people want it probably to eat. Almost all our good students who are interested in self-employment, they have small business all over the country..." Case 3

Skills Development Among the Youth

Participants also indicated that learners have acquired a wide range of skills that are relevant in starting and operating a successful entrepreneurial venture. These include; technical, practical and soft skills and soft skills as presented below.

"...Of course, students learn a number of entrepreneurial skills. For example, communication skills; how they communicate with the customers when they are selling their products. Students are also equipped with computer which helps them in doing business online, marketing their businesses online. Entrepreneurship learners are exposed to computer skills, business management skills and all other skills..." Case 6

Entrepreneurship Facilitators

It is also important to note from our interviews that some of the entrepreneurship graduates have been inspired by their mentors to become facilitators, teachers, coaches, trainers and mentors of young entrepreneurs throughout the country. This has created impact in their respective communities in terms of mindset change, venture creation and job creation.

... Some of the people who were trained become trainers and teachers of entrepreneurship. And with employment, they are creating jobs, they are social leaders and have started up social projects in their communities and other sectors like agricultural, ICT or even the service industry. ... (Case 1)

Entrepreneurship Challenges Reported by HEIs

We interrogated key challenges that HEIs experience while undertaking different entrepreneurship programs and activities. These were categorized as training and youth entrepreneur-oriented challenges that are translated into the following subthemes.

Training-Related Challenges

In terms of constraints that occurred in training, the respondents revealed mindset, attitudinal aspects, and career guidance; financial resources and start-up tools; number and quality of facilitators and training facilities; partnerships and family background; the theoretical nature of the program and course content delivered to students; monitoring and evaluation of the impact of the programs on the economy and society; and the capacity to handle a large number of learners were reported as key training related challenges affecting entrepreneurship training in HEIs. These challenges constrained entrepreneurship facilitators' ability to achieve the intended training goals and objects.

... First of all, attitude where students were told from childhood that they will be lawyers and the hands cannot be dirty. You cannot be in a sewing machine and be a lawyer ... the attitudes of the parents, as some parents discourage their children from enrolling on the programs. ... (Case 4)

Entrepreneurs' Challenges

Participants shared challenges that their graduates experience as they operate their business start-ups. Prominent among them is business failure, which could be attributed to lack of role models; bureaucratic business registration processes coupled with unfavorable tax regimes; financial and market constraints; cost of raw materials used in practical training sessions; and the competitive business environment. It was noted that a significant number of ventures fail in the first year. This has discouraged a number of youth entrepreneurs in their attempts to start and grow a business. Although graduates who are risk takers usually bounce back and rejuvenate their businesses, few of them succeed. In addition, key informants reported that some of their graduates are not competent enough to establish and operate viable businesses. In their view, such graduates lack the appropriate and relevant skills needed to sustainably operate their ventures.

... the youth lack the relevant skill to make them experts; they are not exposed and there is too much within the environment whether urban or rural, there is too much cloud around what is going in and end up getting lost. ... (Case 1)

HEIs also reported that machinery affects their training programs. This is evident in training that is practical in nature because learners demand tools and equipment that are up to date. Yet HEIs have limited resources for providing students with current technology.

From the policy point of view, entrepreneurship facilitators and administrators highlighted unfavorable policy regimes that frustrate youth entrepreneurs in their effort to run sustainable ventures. In particular, the business registration process was noted as bureaucratic and time consuming. This has discouraged many youths from formalizing their enterprises. In addition, youth who maneuver through the process are challenged by unfavorable tax regimes. As such, participants revealed that youth business start-ups are taxed without any basis. This is unfavorable because foreign investors are given tax incentives whereas local youth entrepreneurs with potential to transform the economy are not considered.

... Then also the regulations in registering business. For instance, when a student starts a project in school, they don't go through registration process but when they come in the field, they are supposed to register their business before it's taken as a business. Some of them give up because of the bureaucracy procedures make them lose hope. Youth entrepreneurs are also taxed highly yet most of them are starting for instance When KCCA comes in asking for trading licenses and most of them close up. . . . (Case 2)

The successful youth entrepreneurs were reported to be constrained by the competitive business environment in Uganda. This compromises their business because they feel forced to adopt business practices that are unethical such as operating informally and dealing in substandard products.

. . . Competition is healthy but the perception am looking at it is not ideal that is unhealthy competition which comes from the government where the food industry is not very well regulated for example starting a hotel requires a license but to the informal sub sector in the restaurant business most of them don't have accommodation and survive informally as its not regulated therefore the poor regulation in the sector is a big challenge and you would like to capture it. . . . (Case 3)

Facilitators and administrators from HEIs highlighted that the raw materials used in practical training sessions are very expensive. Moreover, some of these raw materials, especially those used in the food industry, are imported from other countries such as Kenya.

Recommendations by HEIs

In-depth interaction with key informants from HEIs revealed several strategies that can be adopted to catalyze youth entrepreneurship in sub-Saharan Africa, in particular Uganda. Their suggestions revolved around reviewing the current curriculum in HEIs; government intervention by creating an enabling entrepreneurship training environment; and creation of more innovation and incubation centers to nurture youth entrepreneurs. These subthemes are further analyzed below.

Reviewing the Curriculum

Results from the interviews conducted with facilitators and administrators from HEIs indicated the need to continuously review the curriculum to meet changing market needs. As such, participants demonstrated the need to have a holistic training package that addresses issues of marketing, human resources, conflict management, and finance among other core areas in business management and operation. This will enable HEIs to produce graduates who are highly knowledgeable and skilled, which will in turn foster youth entrepreneurship in Uganda.

Government Intervention by Providing Enabling Business Environment

To enhance youth entrepreneurship development in Uganda, participants suggested the need for the government to intervene and support youth initiatives using HEIs as ecosystem actors to implement, monitor, and evaluate these programs. In addition, the government needs to review the policy prioritizing youth entrepreneurship. Further engagement with the participants revealed the need for the government to subsidize private institutions. This will strengthen their capacity to offer practical training that is essential in promoting youth entrepreneurs.

Creation of More Innovation and Incubation Centers

Related to this, participants from academic institutions indicated that establishing and facilitating specialized incubation centers will be of great importance in enhancing youth entrepreneurship in the country. In particular, these centers will nurture youth in their areas of interest, link them to mentors and coaches as well as different service providers needed by the youths to establish sustainable entrepreneurial ventures. Further interaction with the facilitators and administrators indicated loopholes in the existing government interventions. They ignore core beneficiaries, in particular the youths. The criteria used in providing the funds to the youth entrepreneurs are not clearly defined and this makes it difficult for the intended beneficiaries to access the funds.

Promoting Local Industries and Vocational Training

Participants emphasized the need to promote local industries as a way of encouraging youths to engage in meaningful business activities. This can be achieved if the government puts more restrictions on imported products to create a wider market for the local products. Further engagement with the entrepreneurship and business facilitators as well as administrators revealed the need to add vocational training component to provide learners with skills required for particular jobs that are outside of their specific careers. This will make them more competitive and versatile.

Sensitizing the Youths

In changing the mindset of the youth, participants indicated the need to create awareness among youth entrepreneurs to be patient as they establish their businesses. In addition, awareness will enable youths to consider entrepreneurship as an important aspect regardless of their professional careers.

14.6 YOUTH ENTREPRENEURS

In this section, success stories of youth entrepreneurs, challenges faced, and recommendations to foster entrepreneurship in Uganda are presented.

Youth Entrepreneurs' Success Stories

In our interviews, key informants shared success stories registered from programs undertaken in their respective institutions to promote youth entrepreneurs. This success is evident in areas of increasing business sales, market expansion, upgrading their mobile applications (Apps), teaching other new skills, accessing financing, product quality improvement, business recognition, and increased school attendance by female children.

Market Expansion and Increased Business Sales

In-depth interviews conducted with the participants indicated that they have been able to expand their markets across regions in Uganda. This success is attributed to the network they established and their ability to conduct market research for different products.

... I have been able to get to big marketplaces with even small budget because I know people. It's not hard for me to have my products advertised in any of the big two newspaper, i.e., New Vision and Daily Monitor because of networking. ... (Case 3)

... We have reached to over 2 million girls in Uganda with our Eco-pads. Our satisfaction is a girl coming to you and say, "madam the sanitary pads I got, helped me and I can go to class and answer questions. I will not be ashamed because my dress will not be stained like I used to be. ..." (Case 6)

Related to this, youth entrepreneurs revealed that some have registered success in increasing sales for their businesses. In particular, entrepreneurs who are dealing with digital applications realized this boom during the lockdown when most businesses were not operating physically.

Upgrading Technology: The Application

In one of the interviews, a participant reported that he has been able to upgrade his application targeting famers. The entrepreneur revealed that as of now, the application can be used by clients with an iPhone in addition to those with Android phones. "... On our side, our biggest success is upgrading the application to IOS, bringing more customers. ..." (Case 5).

Teaching Others New Skills

Further engagement with youth entrepreneurs revealed success for those in the skilling fraternity. Due to their impact, over 25 youths have learned skills so that they can establish a sustainable business venture. "... I have over 25 individuals that I have been able to impact skill wise. ..." (Case 1).

Access to Financing

The interaction with some youth entrepreneurs in Uganda revealed that they have been privileged to access financing from some entrepreneurial ecosystem actors, especially the government of Uganda.

... Yes, I do have. One is that I was able to get that grant. ... (Case 1)

... I went on 21st December to the bank because I never had money to pay teachers in the month of December and they were going for Christmas. But within 2 days, they gave me money quickly and I sent it to my teachers so I can't forget that because it was urgent and I was on pressure. I would have been in [a] dilemma if at that time I had not received this support from the bank. ... (Case 7)

However, a significant number of youth entrepreneurs voiced their dissatisfaction with a government initiative aimed at providing them with start-up capital. In their view, the potential beneficiaries have always been left out due to unclear policies, procedures, and requirements involved in the interventions.

. . . Also, the government support towards Entrepreneurship still has issues especially when it comes to access to credit. It's not favorable for small hold Entrepreneurs because the access procedures are more favorable to big corporations, which in most cases, are owned by foreigners. . . . (Case 3)

Increased School Attendance by Female Children

In some of the interviews, participants reported that girls who were not consistently attending school activities such as classes and other cocurricular activities registered improvement when becoming actively involved in school programs. This success has been attributed to the accessing ecopads: products locally made and affordable to people from different backgrounds.

. . . We also do school follow-ups where the product has gone and the senior women teachers reporting and head teachers reporting and saying, "There has been an increase in attendance for girls in attending classes." That alone gives us a satisfaction that this contributes to a child's daily attendance in school. And we go ahead on the attendance registers to see previously how many girls were getting absent and now how many are not in schools because of sanitary towels. . . . (Case 6)

Improved Product Quality

Participants shared success stories regarding the quality of their products by adding new designs and features that make them unique compared to other entrepreneurs in the industry. This is evident in the food subsector of the manufacturing sector, which is currently experiencing intense competition. The only way to remain relevant, according to the key informants, is offering high-quality products.

Business Recognition

In-depth interaction with the key informants demonstrated that their businesses have been recognized by customers from varied backgrounds, ranging from individual clients to large corporations. This success is attributed to the fact that these entrepreneurs have been able to register their businesses with the government and this has enabled the public to develop trust in them.

. . . Yes, not so big but I think with registering my business that's I think government it has enabled my business to be recognized in the public. This is because it has a secure name so I can easily stand in public and say this is my business which gives security to anyone who is ordering with

me. So, it has enabled me to get orders even with bigger organizations because they recognize the business. My clients have really grown because of these people. . . . (Case 10)

Youth Entrepreneurship Challenges

In our conversations, participants described a number of challenges, including failure in the early stages; access to affordable capital and costs of operating a business; limited space for expansion; demand and price fluctuations; digital technologies and their utilization; the educational system, training, and mindset; government support and inconsistent taxation; unhealthy competition; and lack of creativity, innovation, and soft skills. These challenges have adversely affected their business operations and sustainability.

. . . the biggest problem overrated is financing but I think the biggest problem is the skills gap. Even if I gave you money to run a business, still it will not last a year. Even if statistics say that very few businesses make it to a year and if they do they don't make it to the third year, so it's not really about the money as it's overrated than the skills gap. . . . (Case 1)

The other challenge is the cost of doing business especially the cost of starting up business in Uganda is a bit huge. Leave alone registering but the tax regime is not favorable to young start-ups especially those that start with little capital. . . . (Case 3)

Recommendations from Youth Entrepreneurs

Youth entrepreneurs made recommendations related to training and other areas, which could be undertaken to improve youth entrepreneurial activities in Uganda.

Training-Related Recommendations

Regarding the training-related recommendations, participants suggested the need to address issues of mindset change through training and mentorship; establishing and facilitating incubation and innovation centers in entrepreneurship training institutions; reviewing existing business and entrepreneurship programs and courses in HEIs to meet changing market needs; and equipping youth with relevant skills—technical, practical, and soft skills.

Other Recommendations

In addition to training-related recommendations, the participants suggested the need for improvements in technology, in particular digital technology in order to reach as many customers as possible;

more government support by providing an enabling environment, and reviewing its policies and enabling young entrepreneurs access to vital services; formation of business associations and partnerships that can share information and success stories; and collaborations between educators and employers to ensure that graduates have skills that meet market and industry needs. There is need to know how to access vital services such as credit focusing on a particular business portfolio rather than being everywhere. There should also be an improved process of certifying a business and subsidizing inputs.

14.7 ENTREPRENEURIAL ECOSYSTEM ACTORS

In this section, success stories of the different entrepreneurial ecosystem actors, challenges faced, and recommendations to foster entrepreneurship in Uganda are presented.

Success Stories Reported by Ecosystem Actors

Nongovernmental Organizations

Capital Solutions and Junior Achievers Uganda are the NGOs that participated in the study. Key informants from these organizations shared success stories, and these revolve around resilience in operating a business, mentoring youth entrepreneurs, employment opportunities, and venture creation.

... We have actually reached out to almost 5,000 youth-led businesses and indirectly in terms of job creation; we have reached to over 20,000 jobs created through our program. We focus on the manager or the person who founded the enterprise so that we strengthen them and they are able to see their businesses scale up and employ many other people to support in the business. . . (Case 1)

Private Organizations

Under this category, Innovation Village, Uganda Manufacturers Association (UMA), Uganda Small Scale Industries Association (USSIA), and Focus Youth Forum participated in the interviews. These organizations revealed youth entrepreneurial success in terms of job creation for young people, the establishment of profitable enterprises, and the training of trainers. "Firstly, we train them in technical, life and entrepreneurship skills; we take them for internship, through mentorship and coaching and then they are assessed for Workers pass. We have had different youth actually now who are producing masks. . ." (Case 3).

Financial Institutions

Success stories were gathered from Centenary and Stanbic banks, which are among the largest financial institutions in the country. Key informants from these banks indicated that a number of programs, services, and products are dedicated to the youths, which have had a significant impact in terms of providing affordable loans that enable many youths to start, grow, and sustain their own businesses; linking young entrepreneurs to reliable suppliers; and equipping youth with unique and relevant skills.

There is an institution called Kampala Metropolitan Boda Boda [motorcycles] Entrepreneurs' Associations with around 40,000 youth and basically dealing with Boda Boda business. In the middle of 2018, we were able to give them 100 motorcycles and 15 people did not pay well but 85 people paid well. Around 40% of the whole group were able to borrow money for two Boda motorcycles at once and this means that they used well the first loan. . . (Case 1)

Some of the youth that we employ in our bank have been able to able to secure jobs elsewhere. So we have at least empowered them to get employment opportunities in other places. In addition, people have learnt to save as everyone wants to have an account since there is no charge. Therefore, in doing so, the savings culture is promoted. . . (Case 2)

Policy Institutions

The Ministry of Finance, Planning, and Economic Development (MFPED) and the Ministry of Gender, Labour and Social Development (MGLSD) participated in the study and key informants shared success stories about providing financial support to youths; enabling youth to create employment opportunities for themselves and others; increased productivity through training and mentorship programs; and improved livelihoods for youth.

Support Structures

Under this category, key informants from the Uganda Industrial Research institute (UIRI), National Curriculum Development Centre (NCDC), and Private Sector Foundation reported that they have enabled youths to establish self-sustaining enterprises; influenced behavioral and attitudinal change; enabled new product development and value addition; contributed to job creation; and facilitated the establishment of innovation and incubation centers.

Department of Small Business/Trade

Officials from the Ministry of Trade, Industries and Cooperatives (MTIC)-Directorate of Small and Medium Enterprises (SMEs) revealed success in cleaner production and value addition as well as mindset change of youth entrepreneurs in Uganda.

The project that is dealing with cleaner production. If you go to Kazaire in Mbarara, he started while using a lot of firewood but he is using less now. There is Kayonza Tea Factory. If they can also tell you they were using too much firewood but now, they are using less, We usually assist and prepare the youth for National Bureau of Standards to do the audit and we give them a true mark. . . (Case 1)

Mentors/Leadership/Community Leaders

Four key informants from Makerere University Department of Food and Technology and Business Innovation Centre, Enterprise Uganda, Makerere University Innovation and Incubation Centre, and Uganda Investment Authority (UIA) revealed establishment of incubation centers in public universities to enable students to incubate ideas, develop their prototypes, and launch new products on the market; influencing the government to support entrepreneurship activities; the creation of diverse networks of investors who invest in youths within the country; and teaching skills to the youth in digital technology.

We have had a chance to create diverse networks of investors who come in to invest in the youths within the country. The setups are within Uganda and also in Makerere University. . . . (Case 3)

When you go to The Innovation Village in Ntinda, there are also good boys who have done ICT Apps and have tried to catch up. Then in printing, I think they are doing well, if you go to Tie and Dye processing center, we have about three girls and we hope they are selling. If you get like a backup, I can call them and they send us their profiles we shall share them with you. . . (Case 4)

Challenges Reported by Ecosystem Actors

Nongovernmental Organizations

During interviews, key informants from Capital Solutions and Junior Achievers Uganda indicated mindset and attitudinal change; only a few partners to support youth entrepreneurs; and limited access to financing as key challenges to youth entrepreneurial development.

The dynamics in young people's businesses. The youths keep shifting the mindset and before their businesses stabilize, they want to start up another one. There is no patience in terms of them waiting for a number of years until the business matures. That is why we had to start up an accelerator program to support their minds to start thinking that business needs nurturing until it grows. . . (Case 1)

Private Organizations

From the private organizations, participants from Innovation Village, the Uganda Small Scale Industries Association (USSIA), and Focus Youth Forum reported that there is a gap between what is offered by HEIs and what is needed in the job market; ignorance of required market skills such as soft and practical skills; lack of standard training methods in training institutions; commitment of young entrepreneurs to career development; and limited business support and mobility.

There is a very big gap between the skills that the institutions are providing against the demand of employment of those skills. The institutions are running traditional courses and do not blend in the dynamics of local market demand. So you find someone channeling out tailors yet there are so many tailors out there in the community so the supply side doesn't address the gap in the demand world. . . (Case 1)

Financial Institutions

Participants from Centenary and Stanbic banks discussed mindset and attitudinal change; business knowledge and judgment; possession of collateral security; and knowledge of banking risks and utilization of funds as the main challenges faced in participating in youth entrepreneurial ecosystem.

Lack of the ability to judgement and business knowledge. Some of them are given money say if you give them 5 million to increase on their working capital for the shop or any other business they are doing. Most of them use half of the money for business and divert the other half into luxury, probably do introduction or wedding parties that don't add value to the business. . . (Case 1)

Policy Institutions

In Uganda, the Ministry of Finance, Planning and Economic Development (MFPED) and Ministry of Gender, Labour and Social Development (MGLSD) are the main policymakers that participated in this study. In our interaction, informants indicated COVID-19

pandemic, mindset and attitudinal change, resource mobilization and management, group dynamics and politics, and relevant business skills as the main challenges constraining youth entrepreneurial development in Uganda.

The other big challenge is politics. We give them loans expecting them to pay back but they tell you this is our money and we vote. When we try to press them, you see this Member of Parliament trying to intervene so that they can look good. This makes recovery of these loans very difficult; it would make a very big revolving fund so that everybody gets the money. Even some of this money is also lost. . . (Case 2)

Support Structures

The Uganda Industrial Research Institute (UIRI), National Curriculum Development Centre (NCDC), PrivateSectorFoundation, and the Uganda Registration Services Bureau (URSB) are the key support structures that participated in the study. Interviews with officials from these institutions revealed various challenges that constrain youth entrepreneurial development in Uganda. These include financial resources, teaching methods in entrepreneurship training institutions, inadequate government support, and the government doubling as a tax collector.

Department of Small Business

The Ministry of Trade, Industries and Cooperatives-MSME directorate was engaged as the largest department in charge of MSME in Uganda. The official from the directorate revealed mindset as the main challenge impending youth entrepreneurial activities in Uganda.

Mentors/Leadership/Community Leaders

Makerere University Department of Food and Technology and Business Innovation Centre, Enterprise Uganda, Makerere Innovation and Incubation Centre and Uganda Investment Authority (UIA) participated in the study. The key informant revealed that the capacity to handle the numbers coupled with physical infrastructure, and start-up capital and inadequate resources as main challenges that hinder youth entrepreneurial activities in Uganda.

Recommendations by Entrepreneurial Ecosystem Actors

- **Nongovernmental Organizations:** Capital Solutions and Junior Achievers Uganda participated in the study; and key informants' recommendations to improve youth entrepreneurship in Uganda include exposure to practical training; partnership with key stakeholders; and increased media publicity.

- **Private Organizations:** Key informants from Innovation Village and Focus Youth Forum suggested streamlining the methodology for youth entrepreneurship support; establishing more mentoring programs; inspiring networking and social capital among various entrepreneurial ecosystem actors; influencing mindset and attitudinal change; and enhancing government trust to the youth entrepreneurs.
- **Financial Institutions:** Key informants from Centenary Bank and Stanbic Bank recommended mindset and attitudinal change; entrepreneurial and financial literacy/management trainings; organizing youth in groups to have a bigger bargaining power; mentoring on self-employment to avoid a white-collar mentality; and interest rate reductions.
- **Policy Institutions:** Key informants from policy institutions (see above) recommended early building of mindsets; establishment of more innovation and incubation centers; government creating a conducive business environment; introducing entrepreneurship at all levels of education; providing incentives/grants to young entrepreneurs; and streamlining government entrepreneurship programs.
- **Support Structures.** Uganda Industrial Research Institute (UIRI), National Curriculum Development Centre (NCDC), Private Sector Foundation Uganda (PSFU), and Uganda Registration Services Bureau (URSB) recommended the creation of a government support fund to young entrepreneurs; mentoring and guidance on profitable and sustainable business ventures; establishing a coordinating body for entrepreneurial ecosystem actors; establishing incubation centers throughout the country; creating internship and mentoring centers; changing the education system to be more responsive to private sector needs; easy and affordable business registration services; and encouraging youth to embrace the government services.
- **Department of Small Business:** The Ministry of Trade, Industries and Cooperatives-MSME directorate recommended training young entrepreneurs in all aspects of business; encouraging networking among ecosystem actors and key stakeholders; and reviewing the curriculum in educational institutions.
- **Mentors/Leadership/Community Leaders.** The Makerere University Department of Food and Technology and Business Innovation Centre, Enterprise Uganda, Makerere Innovation and Incubation Centre and Uganda Investment Authority (UIA) recommended that the government embrace

entrepreneurship as a key to economic growth; discouraging youth from starting businesses based on government handouts; discouraging overdiversification of businesses; discouraging borrowing start-up capital; encouraging private sector and stakeholder involvement in curriculum development; establishing a supportive policy framework for youth entrepreneurship; establishing regional entrepreneurship centers; and establishing a practical and transparent youth fund.

14.8 DISCUSSION

The study results revealed three major themes, namely, success stories, challenges, and recommendations for improving youth entrepreneurship.

Success Stories

Findings of this study revealed that different entrepreneurial ecosystem actors and HEIs have registered greater successes in the area of youth entrepreneurship. In their view, programs such as entrepreneurship teaching and training, financial support, students' expositions, coaching, mentorship, incubation and innovation services, curriculum development, business development services, and internship placement have transformed the lives of youth to become responsible citizens. The success stories that were shared revealed subthemes including teaching skills to youth, the creation of viable business ventures, access to support services, financial services, and the development of innovative products and services.

Teaching Skills

In-depth interaction with key informants revealed that youths have been equipped with several entrepreneurship and business management skills. Prominent among these skills are business idea development, opportunity identification, conducting feasibility studies, business plan development, resource mobilization, and managing business enterprises. These skills significantly changed the mindset of youth entrepreneurs to appreciate entrepreneurship as a feasible option that has potential to solve youth unemployment in Uganda. In addition, these skills enabled the youth to increase their productivity, which has translated into value addition, new product development, and the creation of employment opportunities for more youths in the country.

Self-Employment of the University Graduate

During our interactions with key informants from HEIs, it was noted that the teaching of entrepreneurship has changed over time. At present, the approach being used integrates both theory and practical activities. In particular, it was reported that at the beginning of the semester students are encouraged to develop unique business ideas to be turned into business prototypes. Towards the end of the semester, entrepreneurship facilitators organize entrepreneurship exhibitions that give students an opportunity to test their ideas before officially launching the business. Most students were reported to have continued with their ideas after graduating in their own businesses. Self-employment of youth is felt to have greatly contributed towards a reduction in criminality and drug abuse because youths are engaged in productive entrepreneurial activities with less or no time for wasteful engagements.

Creation of Viable Business Venture

Participants indicated that their interventions have enabled youths to establish businesses. These businesses are feasible and profitable because they were established after conducting feasibility studies. Through such businesses, youths are encouraged to adopt cleaner production technologies that are friendly to the environment and society.

Access to Support Services

In-depth interaction with entrepreneurship ecosystem actors, in particular government institutions, financial institutions, and HEIs, indicated that they have linked youth entrepreneurs to different service providers. Prominent among these are government organizations that manage government programs such as the Youth Livelihood Fund, the Accelerator Programme, Skilling Uganda, and the MYOGA initiative. Using these networks, youths demonstrated evidence of having accessed financing, in particular from the government, to boost their start-ups. Others have got loans from different financial institutions at low interest rates with longer repayment periods. Related to this, financial institutions offered financial literacy and bookkeeping training to a significant number of youths with a view to fostering proper financial management in their businesses. Moreover, a number of youth stated that they benefited from incubation, mentoring, and coaching services offered by different entrepreneurial ecosystem actors to nurture their businesses before entering a business environment characterized by cutthroat competition.

Training of Trainers

In-depth interaction with entrepreneurship facilitators and administrators from HEIs revealed that some of their entrepreneurship graduates have been inspired by their mentors to become facilitators, teachers, coaches, and trainers of entrepreneurship. Accordingly, these entrepreneurs have used these skills to establish vocational institutions that offer hands-on entrepreneurship training to empower more youths to become entrepreneurs. In the process of producing entrepreneurs, the proprietors coach and mentor their learners to appreciate what it takes to become successful on their entrepreneurial journeys.

Market Expansion Across Uganda

Study results indicate that youth entrepreneurs have greatly expanded the market for their products and services in the country. This success is attributed to the strong network they established with different customers in the central, eastern, western and northern regions of Uganda. Using this network, youth entrepreneurs have conducted market research for their products. This has enabled them to offer exactly what is needed in the market. As such, the youths have increased the sales for their businesses, which has fostered growth and improved business performance. In particular, youth entrepreneurs who are dealing in digitalized services saw their businesses take off during the lockdown when most businesses were not operating physically.

Launching Innovative Products and Services

Interaction with youth entrepreneurs in Uganda revealed a wide range of product and service innovations developed to meet the ever-changing customer needs. In particular, the outbreak of the COVID-19 pandemic resulted in the development of an online application that is used by the market vendors to link with suppliers and customers for their agricultural produce. Youths further shared evidence of upgrading their market vendor application to as well serving clients by iPhone in addition to those with Android phones. Ecopads are another innovation mentioned by the youths who were interrogated in this study. This product was initiated to support female children at both primary and secondary school levels. Using this innovation, school attendance by girls has tremendously increased due to ease access to ecopads, which are locally made and affordable. Product quality was improved by adding new designs and features, which makes them unique compared to other entrepreneurs in the industry.

The findings of this study are supported by Tibaingana (2020), who demonstrated evidence of the existence

of incubation services in Uganda offering coaching, mentoring, marketing, and financial services to catalyze the growth of youths' start-ups. The author further indicates that most of the youths shared evidence of having benefited from services offered to help establish viable businesses. Carvalho et al. (2015) also reported success of the JRC Junior Challenge program. This program promotes entrepreneurship through creating partnerships between different educational levels. Students who participated in this program shared evidence of the program having enhanced their understanding of entrepreneurship, generation of viable business ideas, and promoting teamwork among students from different academic institutions at different levels.

In another study by Tshehla (2019) on mentoring as a strategy for fostering successful youth entrepreneurship, the author reported that successful mentoring enables youths to develop skills and knowledge relevant in starting and operating sustainable businesses enterprises in South Africa. Hulsink and Koek (2014) further reported the success of young entrepreneurs who initially lacked resources needed to start their businesses. However, the support received from entrepreneurial ecosystem actors, in particular their parents, family members, friends, and senior managers of well-established companies provided them with capital and linked them to potential customers.

In the same vein, Williams and Hovorka (2013) documented that 60% of youth entrepreneurs who accessed the Young Farmers' Fund in Botswana indicated that the initiative empowered them by improving their income levels, financial autonomy, and enhanced standards of living. When youths are given access to start-up capital, they are in position to sustainably operate profitable businesses that create employment opportunities and inspire more youths to take on entrepreneurship as a preferred career choice. This is further supported by Bezerra et al. (2017), who reported that the university environment enables students to acquire knowledge that facilitates the creation of junior companies while pursuing their university studies.

Challenges Constraining Youth Entrepreneurship

In-depth interaction with key informants from different entrepreneurial ecosystem actors revealed several challenges that undermine attempts to empower youths to become successful entrepreneurs. Challenges shared by the participants revolve around training, entrepreneurs, government, financing, competition, and the cost of doing business.

Training Related Challenges

In our interaction with the key informants, training of youths was felt to pose serious challenges limiting the ability of youths to establish and operate sustainable entrepreneurial ventures. In particular, the educational system that is known to be theoretical in nature. As such, a big gap between what is offered by HEIs and what is needed to start a business and in the job market is created. In addition, HEIs attract many youths with entrepreneurial intentions. However, participants, in particular entrepreneurship facilitators and administrators, shared evidence of having limited capacity to handle these enrollments. In particular, they noted problems providing financial training, materials, machinery, and the tutors needed to offer meaningful training.

Further interaction with key informants from different entrepreneurial ecosystem actors and HEIs indicated the absence of standard training materials and methods of offering meaningful entrepreneurship training to youths. As a result, different institutions train youths in entrepreneurship differently, which affects the quality of graduates going into the business environment in terms of ethics and operational standards. Moreover, youth entrepreneurship training calls for establishing strong partnerships with different stakeholders such as the employers, financial institutions, private organizations, NGOs, and government departments, ministries, and authorities. This is required if the training is to offer a holistic entrepreneurship training package that will enable youths to establish and sustainably operate business enterprises. However, participants revealed that such partnerships are nonexistent, and negatively impact entrepreneurship training, teaching, and facilitation.

Entrepreneurs' Related Challenges

Study findings indicate that youth entrepreneurs face several challenges that impede their ability to establish feasible and viable entrepreneurial ventures. In particular, a significant number of graduates are not competent to establish and operate successful businesses. As a result, they engage in businesses before conducting feasibility studies to determine whether the business ideas address market needs or not, and operate their ventures without business plans to guide them on what would make their businesses successful. This accounts for the high rate of business failure Uganda is currently experiencing despite being one of the most entrepreneurial countries in the world.

From the point of view of entrepreneurship facilitators and administrators, it is clear that most youths are struggling to strike a balance between their careers and entrepreneurship. As a consequence, youth think

that they have to do business or be employed in areas that are related to their career options. This stereotype is worsened by a family background where parental bias affects the career choices of their children, limiting their potential to explore opportunities that can foster their entrepreneurial abilities. This affects their commitment to the established enterprises, evidenced in cases when the youths access funds from the government or other sources to boost the businesses. Instead, they create new businesses, which undermines their capacity to gain experience that is central to entrepreneurship success.

Government-Related Challenges

Study findings revealed that unfavorable policy regimes that are bureaucratic and time consuming have hindered youth entrepreneurial ventures. In particular, youths are required to register their businesses before launching them officially. However, the process is lengthy and costly. For the youths who thrive and get their businesses registered, they are required to pay high taxes before stabilizing business operations. This was viewed by participants as being unfair because foreign investors are given tax holidays, a benefit not available to indigenous entrepreneurs. Moreover, youth entrepreneurs indicated that they have limited access to valuable information that is needed to enable them benefit from government initiatives.

Financing Challenges

In-depth interviews held with youths operating businesses in Uganda showed financing as another challenge that affects the operation of youth enterprises. Participants opined that they have limited access to financing because getting capital from financial institutions requires them to have collateral securities not in their possession. Related to this, getting capital from the government is yet another issue of concern for youth entrepreneurs. The procedure of benefiting from programs such as the Youth Livelihood Fund or the MYOGA, among others, is not clear to most young entrepreneurs in Uganda and therefore they continue to be financially constrained.

High Competition

Our results show that the competitive business environment in Uganda is another drawback affecting youth entrepreneurs. Competition is mainly from cheap imported products that compete with the indigenous products offered by youth entrepreneurs. This limits the available market for the youth entrepreneurs' product and some businesses eventually close. For some that are resilient, they compromise their professions by adopting business norms such as operating informally and dealing in substandard products.

High Cost of Doing Business

Youth entrepreneurs shared evidence of incurring high costs of operating their businesses. These costs revolve around raw materials, rent, servicing bank loans, utilities, technology maintenance, and wages. Participants further reported price fluctuations for materials, in particular those that are imported from other countries. This has affected the profit margins of most entrepreneurs in the country.

The COVID-19 Pandemic

The outbreak of the COVID-19 pandemic affected most youth entrepreneurial ventures. This is because the purchasing power of consumers is generally low, which translates into reduced sales and demand fluctuations. For customers who continued buying, a significant number of them turned out to be bad debtors, which hindered the financial position of the youths' businesses. Participants shared that the pandemic made it difficult for some youths who had bank loans to service them, resulting in an accumulation of interest.

The study findings are in agreement with Ezeani (2018), who revealed inadequate government policy, investment in education, and graduates' lack of skills and technical proficiency as the main obstacles to youth employment. This also resonates with Olaniran and Mncube (2018), who discovered poor understanding of entrepreneurship and vocational education, the gap between what universities offer and the skills needed in the labor market, and the lack of start-up capital to create business enterprises constrain the self-employment of youths in Nigeria. This indicates that HEIs have a bigger role to play if youth entrepreneurship is to thrive as a feasible solution to youth unemployment, because the way graduates are prepared while at the university affects their ability to start a business.

In the same vein, Obiora and Nwokorie (2018) reported that limited access to financing, insufficient entrepreneurship and business management education and training impede the performance of rural youth entrepreneurial ventures in the hospitality sector of Ihitte-Uboma, Imo State. In their study of the challenges of building entrepreneurial ecosystems, Xu and Dobson (2019) reported finance, sociocultural aspects, talent, access to market, poor infrastructures, and policy as the core challenges of establishing an entrepreneurial ecosystem in rural areas. This is not surprising because most incubation and innovation centers and government intervention are situated in cities and give priority to youths in towns. Chekalyuk (2017) further reported

the poor reputation of entrepreneurship, quality of entrepreneurship education, limited financing, and limited business awareness as the main problems of youth entrepreneurship in South Korea.

Recommendations For Improving Youth Entrepreneurship

In catalyzing youth entrepreneurship in African and Uganda in particular, entrepreneurial ecosystem actors, HEIs, and the youth entrepreneurs suggested the need to improve entrepreneurship training, streamline government entrepreneurship-based programs to benefit the intended people, establish strategic partnerships, creation of entrepreneurial teams, establish innovation and incubation centers, promote local industries, and conduct youth sensitization campaigns.

- *Improving entrepreneurship training.* Study findings indicate the need to improve entrepreneurship training as a strategy to catalyze youth entrepreneurship in Uganda. Participants presented the need to introduce entrepreneurship teaching and training at all levels of education with a view to nurture youth in order to develop an entrepreneurial mindset. It also came out that the current entrepreneurship curriculum offered by HEIs should be reviewed in order to meet the changing market needs. The curriculum should focus on practical aspects needed by the learners rather than being theoretical, and it should integrate mentoring, coaching, career guidance, internship placement, and vocational aspects in order to produce a holistic youth entrepreneur who is cosmopolitan in nature. In coming up with a relevant curriculum, key informants demonstrated a need to involve key stakeholders, in particular the practitioners and employers, to indicate the kind of graduates they need HEIs to produce as well as including case studies of successful indigenous youth entrepreneurs to motivate and inspire more youths to become entrepreneurs.
- *Streamlining government interventions to benefit the intended people.* Interaction with entrepreneurship facilitators and administrators from HEIs indicated the need for the government to intervene and support youth initiatives using HEIs as ecosystem actors to implement, monitor, and evaluate these programs. Participants also suggested the need to establish an independent coordinating body to focus on youth programs instead of incorporating them into government structures. The body would review existing interventions and ensure that the right persons get the support. In addition, it was noted that there is a

need to increase media publicity to enable youths understand available opportunities and benefit accordingly. Likewise, key informants discussed the need to create a conducive investment climate for the youths that is characterized by access to incentives such as tax holidays and subsidies that will enable youth-owned enterprises to take off and make a significant contribution to the Ugandan economy.

- *Establishing strategic partnerships.* Study findings revealed that there is need to establish partnerships with different entrepreneurial ecosystem actors. This is because supporting youth interventions calls for providing different services that can be provided when strategic partnerships are established. HEIs could work with government departments such as the Uganda Registration Services Bureau to ease the business registration process for young entrepreneurs. Participants suggested the need to open up more branches to make their services accessible. Related to this, the academic institutions need to partner with employers to understand what employers need university graduates to have in order to become employable. This will enable HEIs to adjust their curriculum to address market needs and thus fitting the job market and business community.
- *Formation of business associations.* Interaction with the key informants revealed the need for the youths to establish associations that bring them together. In their view, youth entrepreneurs can share relevant information needed if they are to benefit from government and nongovernment programs, increase their bargaining power, develop a saving culture among youths, and promote financial discipline that is central in catalyzing business success.
- *Establishing innovation and incubation centers.* There is need to establish innovation and incubation centers in different parts of the country. Through the centers, youth business ideas could be nurtured, and can link them to mentors and coaches as well as different service providers. These centers could also provide youth with workspace facilities to reduce the cost of rent. Likewise, joint market opportunities for incubators could support sustainable growth and development of youth entrepreneurial ventures.
- *Conducting youth sensitization campaigns.* In the opinion of the participants, more sensitization campaigns need to be organized by different entrepreneurial ecosystem actors. In particular, these campaigns will enable youths to change

their mindset and appreciate the need to consider entrepreneurship as an important option regardless of their professional careers. Moreover, successful youth entrepreneurs need to be recognized with a view to motivating others to copy best practices that can make them successful. Above all, campaigns can facilitate the sharing of vital information concerning government youth programs, market opportunities, and reliable sources of raw materials and technology.

Our findings agree with Baluku et al. (2019), who suggested the need to strengthen mentoring and self-determination of youths as catalysts to their entrepreneurial intentions. This is because mentoring as a form of socialization enables youths to acquire the skills needed to move to the next level of their entrepreneurial career. Likewise, Pigozne et al. (2019) documented that youth entrepreneurs demonstrated the need for HEIs to cooperate with employers in conducting educational activities such as curriculum development, internships, and projects to enable learners get the right skills needed in the job market.

Daniel and Almeida (2020) support our suggestion of encouraging youths to form business associations because they recommend HEIs to encourage learners to participate in curricular activities organized within and outside the institution. This will complement the skill development activities undertaken in entrepreneurship training.

14.9 PRACTICAL AND ACADEMIC IMPLICATIONS

The study was conducted on youth entrepreneurial ecosystem in sub-Saharan Africa and Uganda in particular. The objective was to find out how the existing entrepreneurial actors support the development of youth entrepreneurial activities. Based on the empirical findings of this study, several practical and academic recommendations are made.

- A number of success stories arising from youth entrepreneurial engagements were shared. They include self-employment of the university graduates; creation of employment opportunities; establishment of sustainable enterprises; mindset and attitudinal change through entrepreneurship education to some youth in Uganda; new ventures created by university students using skills gained through entrepreneurship courses; utilization of technology to increase online businesses; improved product quality by adding new designs and features that make them unique; and linking youth entrepreneurs to different service providers

to facilitate access to important resources. Therefore, it is important for key entrepreneurship stakeholders and ecosystem actors in Uganda to create an enabling environment to sustain these achievements.

- The findings further revealed a big gap between the skills provided by training institutions and the demand for employable skills. Training institutions, including universities, need to review their curriculum to include practical entrepreneurial aspects to produce graduates with both practical and theoretical skills that meet the changing market needs.
- There should also be infrastructures in place such as innovation and incubation centers to nurture youth in their areas of interest; link them to mentors and coaches as well as different service providers to establish sustainable entrepreneurial ventures.
- There is also a need to establish platforms for ecosystem actors to enable the exchange of information and provide guidance on the best entrepreneurial and business skills required in the industry. The government should intervene and support youth initiatives using HEIs as ecosystem actors to implement, monitor, and evaluate entrepreneurship programs.
- Entrepreneurship training institutions should establish partnerships and collaborations with business practitioners to provide internship opportunities to students.
- The results of the study revealed mindset change as a major challenge to youth entrepreneurial development. Through continuous mentorship by training institutions and entrepreneurial ecosystem actors, youth mindset change can be appropriately and effectively addressed. Mentoring at the workplaces can also provide youth with the soft skills necessary to run businesses professionally.
- Unfavorable policy regimes, in particular the bureaucratic and time-consuming business registration process remains a bottleneck to youth entrepreneurial development. This is coupled with the procedures for accessing government entrepreneurship initiatives and programs such as Youth Livelihood Funds. Hence, there should be a well-designed and transparent youth entrepreneurship policy framework and models to enable youth to easily register their businesses and benefit from government initiatives.
- Access to financing and the cost of doing business were also revealed as major hindrances to youth entrepreneurial growth and development in

Uganda. The government should reduce the costs of doing business and provide tax incentives to youths doing business in Uganda.

- The study results revealed a lack of entrepreneurship ecosystems leadership in Uganda. As such, it is difficult to obtain information regarding the state of entrepreneurial development in the country. Therefore, the government should set up an entrepreneurship ecosystem coordination body to monitor and harmonize pertinent entrepreneurship policies to foster entrepreneurial economic growth in the country.

14.10 CONCLUSIONS

That the role and potential contributions of entrepreneurship ecosystems is attracting the attention of scholars, practitioners, policymakers, and leaders across the globe have been widely accepted, documented, and supported by theoretical and empirical evidence. This study involved key entrepreneurial ecosystem actors, HEIs, and youth entrepreneurs in Uganda. All participants shared success stories, challenges, and recommendations to improve entrepreneurship development locally and globally. Strategic adaptation and implementation of these recommendations can support the development of youth entrepreneurial activities in sub-Saharan Africa, and Uganda in particular.

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Tanzanian agribusiness professionals gather at Sokoine University of Agriculture (from left to right: Judith Karia, Jacqueline Makonde, Tabitha Gityamwi, Beatha Mkojera, Nangasu Simon, Theresia Bruno)

Photo: Amy Jamison



Our hopes are raised by knowing that there is an emerging consensus and a sense of urgency to address the “youth question” in Africa. Young people are keen to build youth-owned sustainable and scalable businesses across various industries to create jobs, improve their communities, and achieve other societal goals.

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