

Youth Entrepreneurship as an Engine of Social Economic Development: A Case of Rubavu District in Rwanda

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Abstract: *Youth entrepreneurship is an important aspect of social economic development of any country. When carefully adopted and implemented, it can positively impact on social economic performance of communities. This study therefore investigated youth entrepreneurship as an engine of social economic development in Rubavu District in Rwanda. A sample of 313 respondents participated in the study through questionnaires and interview. Validity was observed and a test–retest reliability was done. Cronbach’s Alpha of 0.67 was obtained implying that all instruments were reliable. Data analysis were done using SPSS. In order to measure youth entrepreneurship, the study used youth livelihood indicators, community standards and improvements, innovations and creative ideas in communities, and availability of goods and services, which local people can purchase from. The study used an ordinal scale (a 5-point scale) to get answers from participants. The findings revealed the enablers of youth entrepreneurship as being: youth policies, education and training, family mentorship, access to startup capital and business mentorship, among others. The study stressed youth willingness to enter into entrepreneurship ventures in Rubavu district but most of them fear to start new businesses stating that it is very expensive. Basing on the conclusion, the study recommended a policy change to stimulate and empower the youth to start small businesses given the enormous benefits to the communities where they live.*

Keywords: Youth, entrepreneurship, engine, unemployment, development.

1. Introduction

For any country to realise its socioeconomic development, it vividly needs youth contribution as they are the majority in the local communities. One way the youth can participate in the development of their country is through entrepreneurship. This is in agreement with the recent global population report which recorded approximately 7,632,819,325 billion people and that about 50 percent of the world population falls under the youth category (United Nations, 2017).

The current global youth population is estimated to be at 1.5 billion of which 620 million are employable and ninety percent of this population live in developing countries (International Labour Organisation, 2006). The United Nations defines a youth as being aged between (15-24 years). According to other organizations, such as International Labor Organization (ILO) and the Global

Entrepreneurship Monitor (GEM), youth are individuals between 15-24 years and 18-34 years respectively. Meanwhile, the World Bank refers to individuals between 12-24 years as youth (Lucio et al, 2014). Rwanda alone has a total population of 12,501,156 people as per the (United Nations, 2018). However, Rwanda, where the study was undertaken, to defines a youth as any person aged 14 to 35 years until the new national youth policy of November 2015 that officially revised youth age groups and defined it as people aged 16 to 30 years (NISR, Integrated Household Living Conditions Survey, 2013/2014).

The total youth in Rwanda (aged between 14 and 35 as per the old definition of youth) is 4,474,000 people (Thematic Report for youth, 2016). Statistics in Rwanda revealed that youth constitute 40% of the resident population which means that Rwanda's population as a whole is quite young. Over 50% of the Rwandan

population is under 20 years old and the median age of the population is 22.7 years old. Urban areas of Rwanda have a higher percentage of youth than rural areas, though 80% of young people in Rwanda live in rural areas. It is also clear that 63% of Rwandan youth are younger than 25 years and majority have either never been to school or have not yet completed primary; 64% of the age group 16-29 (still within youth bracket) are underemployed and the highest levels of inactivity are amongst those with some primary or secondary education (ILO, 2017; Integrated Labor Force Survey, 2014 and the National Institute of statistics of Rwanda, 2012).

However, what is surprising is that majority of the youth are experiencing high unemployment rate, especially those ranging from between 15 and 24 years compared with adults; and that there is a rising level of urban youth unemployment than in rural areas. Joblessness among the younger generation is currently at very high levels, in both developed and developing world (International Labour Organisation, 2006). The UK economy for instance experienced dramatic, and 'scarring' effects of joblessness. In 2017, the number of unemployed youth 16 to 24 years old increased by 1.9 million to 20.9 million, in the U.S. In the EU-28 in 2012 there were 57.5 million persons aged 15-24, of whom 5.6 million were unemployed (Labour Force Survey, 2010; ILO, 2017, 2016; US Bureau of Labor Statistics, 2017). On the African continent, South Africa has the highest youth unemployment rate with estimates being 52.6% where more than half of 15 to 24-year-olds are jobless according to good governance Africa report (GGA, 2014; International Labour Organization, 2015). It is followed by Libya with 48.9% and Mauritania with 46.6%. Countries with the largest drops of youth unemployment were Ghana, Algeria and Tanzania, with decreases of 80%, 61% and 38% respectively.

The study by (Action Aid International Uganda, 2015; Uganda National NGO Forum, 2015 and Development Research and Training, 2016) stressed that the unemployed youth are likely to become a source of instability to the country's security. The above challenge has put many national planners at crossroads and thus left without workable options other than that supporting the youth to have or start enterprises as proposed by Keynesian models. This is a sustainable avenue to curb youth unemployment as it creates jobs for the youth, enhances livelihoods and leads to economic independence (European commission, 2009a European Commission, 2009b; Martínez, 2010; OECD, 2010a). There is plenty of opportunities from which the youth can select and engage from such as metal fabricators, caterers, tour guides, consultants, farmers, leaders, industrialists, teachers, investors, carpenters, mechanics among others as stated by (Nuwagaba, 2015). This was supported by United Nations, World Bank and ILO when they formed a

partnership that saw the creation of Youth Employment Network (YEN) in 2001 (Prachi, 2000) aimed at exposing youth to various business ideas, plans and framework through a network of developmental agencies, governments, business and economic communities as well as Youth groups and NGOs (International Labour Organisation, 2006; and Ruth, 2008).

Unemployment is an economic condition marked by the fact that individuals actively seeking jobs remain idle and unhired or the condition where there are no enough jobs for the people who want to work (Damstrup, 2016; Martínez, 2010; and Schoof, 2006). It is estimated that one year of unemployment during youth can have a greater impact on the economic, health, mental and social being of youth; which if left un worked on, will even affect their adulthood even up to their offsprings (Gregg and Tominey, 2005). The causes of youth unemployment emanate from education, family background, inadequate investment/supply side of jobs, lack of exposure, as well as possession of insufficient employable skills (i.e., youth possess skills that are not compatible with available jobs)- (GGA, 2014).

The study titled; "Lost Opportunity?" notes that, "*the high unemployment rate among the youth poses a serious threat to the well-being of society. Majority of the youth out of school have no regular work or income*" (Nuwagaba, 2015).

According to Greene, (2012) and Bridge et al (2017), entrepreneurship is defined as the ability to create something from practically nothing by devoting the necessary time and effort and assuming the accompanying financial, psychic, and social risks, as well as receiving rewards of monetary and personal satisfaction and independence. It involves sensing opportunities where others see chaos, contradiction and confusion. It is the ability to build a founding team to complement one's skills and talents.

Entrepreneurship is the development of a business from the ground up coming up with an idea and turning it into a profitable business. It entails recognizing the right opportunity, finding resources such as funding and tools to pursue the opportunity and creating the right team to do so. However, in both, developed countries and Least developed countries, including the transition countries, Youth Run Enterprises (YRE) and adult run enterprises (AREs) face many constraints, which impede their growth. These constraints include lack of business networks, mentoring and coaching programs; limited access to training and technical Assistance; access to Capital for enterprise development, little or no supportive environment; small lucrative markets; lack of access to suitable working space-land; lack of business

management skills and abilities; and lack of on-going business support (GEM, 2015; White and Kenyon, 2014).

The Rwandan employment policy involving private sector and self-employment states that, “ the private sector entrepreneurs and other potential job creators, particularly small and medium enterprises (SMEs) shall be facilitated and enhanced to access financial, technical expertise and other business development services needed for investments (MINECOFIN, 2015).” This means that Rwanda government have clear policy on supporting entrepreneurs to build their potentials through different institutions like BDF. However, despite Rwanda increasingly recognizing entrepreneurship as a source of job creation, empowerment and economic changer, little attention has been attached to the youth as regards business startups yet they are the majority of the population. This alone aroused interest of the researchers to investigate how youth entrepreneurship can be a driver of social and economic driver of national development of a country. The study was guided by three research questions as follows: i) What is the perception of the youth towards entrepreneurship in Rwanda? ii) What enabling and supportive environment is available for youth entrepreneurs in Rwanda? iii) What factors deter youth entrepreneurship in Rwanda?

2. Literature Review and Other Studies

This section presents review of related literature and the various studies in relation to the problem under investigation.

2.1 Youth entrepreneurship

Youth entrepreneurship is a fairly new yet growing field in the world of development programs. Entrepreneurship has many definitions; however, Schoof (2006) described entrepreneurship as the concept that relates simply to the issue of starting of a small business. From Schoof description, entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity, until there is formation of a new entity. As for this study, youth entrepreneurship involves the application of skills (both soft and hard skills) to come up with ideas that result into business start-up and it is one of the ways that can be an answer to problems of youth unemployment and underemployment. It also refers to self-employment of the youth who are younger than 30 years as defined by various studies (NISR, 2013/2014; Auken, 2006; (World Bank, March, 2000; World Bank, 2014; ILO, 2016; and the Global Entrepreneurship Monitor, 2015). Schnurr and Newing, (2016) states that, the application of these qualities, a process known as entrepreneurship leads to ventures in the social, political or business spheres. Entrepreneurship is one of the sources

of national wealth (GGA, 2014; Martínez, 2010) and (Hindle and Yenchen, 2004). It promotes and stimulates economic development and employment generation (Auken, 2006; Liñán et al., 2011) via business expansion, technology advancement, and wealth creation (OECD, 2010a). It also serves as a development tool for a country (Ismail et al., 2009). Hence, there remains much work to be done (Wu, 2009), especially now that it receives more attention than before due to its importance to the national economy (Greene, 2012).

Schoof contributes further to the discussion of youth entrepreneurship by defining the age category and level of maturity common among youth programs. The ages of fifteen to nineteen as being in the formative stages and thus labels them as ‘pre-entrepreneurs.’ The next stage, growth, includes those aged twenty to twenty-five and are labeled ‘budding entrepreneurs.’ Finally, those aged twenty-six to thirty nine are in their prime stage and labeled ‘emergent’ (Schoof, 2006). When developing a youth program, it is important to understand the age group you are targeting as each level has different capabilities and needs. This is in agreement with, Chigunta (2016) and Jacek, (2015), as they divided young entrepreneurs in 3 transitional phases of (i) Pre-entrepreneurs (aged between 15-19 years) have low level of proprietary participation in small business, and are typically in a transitional phase from the security of home or education to job market; (ii) budding entrepreneurs (aged between 20-25 years) represent the growth stage. They have generally gained some experience, skills and capital to run their own enterprises, and face three evolution options: remaining stuck in marginal activities; going out of business; running successful enterprises and lastly (iii) emergent entrepreneurs (aged between 26-29 years) are in their major stream, have a higher level of maturity, enough to run viable enterprises. However, this kind of categorization can only serve as a broad suggestion, as transitions in the process of youth enterprise development will differ from country to country and from business sector to business sector (Chigunta 2016; Schoof 2014).

However, other scholars classify youth entrepreneurship to include; economic entrepreneurship, which entails creation of enterprise for the private sector characterized by wealth creation and the generation of profits as well as the social entrepreneurship, which is increasingly common in the world of business (Martínez, 2010).The youth must be motivated through mentoring, supportive structures and financial provisions to develop to their fullest potential, mind, heart, hands, and body if they are to engage in entrepreneurship. According to Youth Business International (YBI) and The Princes Scottish Youth Business Trust by MORI (1993), both found that 20 percent of youth (16-30 and 18-30 respectively) have the potential to become entrepreneurs (Stackhouse, 2002) and (EU, 2009). To provide for the needs of youth, caring

adults will have to invest time, energy, and capital into young entrepreneurs. Gobeli, (2006) goes on to state the importance of mentoring young adults to become responsible citizens with ethical competence and participation, contributing positively to their communities. There are many barriers to youth entrepreneurship such as lack of entrepreneurial education, business support, regulatory framework conditions, social acceptance, and access to financing.

2.2 The perception of the youth towards entrepreneurship

Entrepreneurship is one of the options for encouraging growth and development in the continent. Thus, it is important to have a good understanding of the attitude of youth towards entrepreneurship. The World Bank (March, 2000) confirmed that Africa had a high potential to be successful in 21st century if they decided to develop by investing in knowledge, infrastructure, and entrepreneurship. It was also mentioned by the organization that if Africa could invest in those areas, the poverty level could be reduced by half (Gobeli, 2006). Additionally, one of the Editor's notes from Forbes.com stated that Africa is a large continent with enormous resources but surprisingly, it continues to be poor.

“Dr Mo Ibrahim, the writer of the note, asked “Why are we poor?”, and in his answer, he argued that it is because of the attitude of Africans. He also argued that it is the responsibility of every African to build his/her nation. He urged them to wake up from their slumber and he slammed the African governance systems (Nagarajan, 1999). He also stressed that unemployment, with increases in the number of youth these days, possesses a threat to the continent, and he concluded that it is the right time for Africa to encourage entrepreneurship and uplift its businesses (Forbes.com, July 15th, 2013).”

Besides, a country's attitudes toward entrepreneurship may affect the tendency of individuals to become entrepreneurs, their ability to rebound from business setbacks and the support that entrepreneurs receive when setting up a new enterprise (Nagarajan, 1999). Although the effects of these attitudes are difficult to measure, but positive attitudes toward entrepreneurship are found to correlate with high levels of entrepreneurship (O'Connor, 2006). The evidence also points to substantial differences in attitude across countries. Attitudes toward entrepreneurship may be affected by the level of business, entrepreneurship skills and experience in a country, an economy's administrative framework for entry and growth, and bankruptcy regulations, as they shape perceived barriers and risks to business start-ups. It is therefore recommended that, Public policy can encourage positive attitudes toward entrepreneurs by ensuring that all

high school students are exposed to the concept of entrepreneurship through global and local events on entrepreneurship, using advertising, TV and radio programmes, social media (Martinez et.al,2010).

Furthermore, statistics provided by the Global Entrepreneurship Monitor as reported in OECD (2012a) indicated a wide range of perceptions and attitudes related to entrepreneurship in different OECD countries. With the exception of Japan, the perception that individuals have entrepreneurial opportunities and the capability of starting up a business appear largely distinct from their attitudes toward entrepreneurship not necessary.

Although entrepreneurship is not a new concept in Rwanda, the social and economic conditions of the youth may not be conducive enough for the business start-ups (NISR, 2013/2014 2015). With societal and cultural norms dictating the lives of the Rwandans, educational institutions were found to produce employees instead of employers which means policy makers and educationists should inculcate the values of entrepreneurship in schools. The study in Bhutan by the European commission (2009a) asserted that most graduates believe that starting a business is an expensive affair which is in agreement with the ILO. This is not different from Rwandan youth who possess the same attitudes and perception. Even though entrepreneurs are hailed as agents of change because their innovations create jobs and boost economic development. The perception of most youth towards entrepreneurship remains shaky, especially when funding and mentorship is scarce (James, 2008).

Attitudes toward entrepreneurship are affected by a variety of factors such as actions and the values attached to them (Ashmore, 2008; and Ruhland, 2010). However, there is some difficulty in determining whether this is a causative relation. That is to say, positive attitudes toward entrepreneurship create higher levels of entrepreneurship or rather that higher levels of entrepreneurship create better attitudes, or that both are symptoms of some other factor. Such attitudes and perceptions include the society's views and attitude toward entrepreneurs i.e. how many people have started businesses in the society and succeeded? What benefits do entrepreneurs get in society? What is the attitude about business failure? Therefore, the development of entrepreneurship and business skills through education can play an essential role in shaping attitudes towards entrepreneurship in a positive way (Donna, 2010).

2.3 Promotion of Youth Entrepreneurship

Entrepreneurship can play a role in supporting employment creation and attachment to the labor market, however, there are no quick fixes to ensure that all youth

are integrated into the labor market. While some countries do a better job than others, all countries face pressures and challenges in helping their youth. Recognizing that entrepreneurs face barriers, a number of challenges, the European Commission developed and adopted the Small Business Act to help small businesses prosper and grow (EU, 2009a;Ruhland, 2010). The Act outlines 10 principles that guide the design and implementation of policies both at EU and national levels which can go a long way to helping start-ups for both young and adult entrepreneurs. Many local and national governments in EU Member States have already taken measures to improve the business environment for start-ups by simplifying administrative procedures and regulations, particularly regarding business start-up and registration. Measures such as these are positive step forward and governments should continue its efforts to reduce the administrative burden for all start-ups business.

2.4 Requirements to Developing Entrepreneurship Skills for the Youth

Small Ideology: Whereas many people view success coming with large resources, literature shows that starting small is a viable source of self-employment across the world and that it encourages the youth to work hard which eventually lead to business growth (GGA, 2014; Gobeli, 2006; OECD, 2001).

Institutional support: Provision of information, advice, coaching and mentoring to the youth will help them gain important skills for business because it complements what students have learned about entrepreneurship in school and helps fill the gaps that have been left unaddressed by the school system (Greene, 2012). For instance, the European Commission's 'Erasmus for Young Entrepreneurs' programme, provides on-the-job training and mentorship to young entrepreneurs through an exchange programme where young entrepreneurs who are starting or running new businesses can travel abroad for up to six months to learn from a more experienced entrepreneur. The programme not only provides a hands-on learning experience, but also improves the young entrepreneurs' business network (EU, 2009a; (OECD, 2010a).

2.5 Promote entrepreneurial education and skills

Through this, the youth are equipped with skills and competences such as opportunity recognition, business planning and running pilot businesses (Gobeli, 2006). These skills and competences will be beneficial for their own (future) business or for working as an employee, while also helping young people become more aware of

self-employment as a career option (Auken, 2006; Ashmore, 2008; Martinez, 2010; and O'Connor, 2006). Entrepreneurship skills can be developed from within and outside the education system. Governments can partner with community and business organizations to bring students out of schools and into business. These programmes typically provide students with a first-hand look at the day-to-day operation of small firms (Oosterbeek et al., 2010; Danish Foundation for Entrepreneurship, 2010; ILO, 2006; Lepoutre et al., 2010).

2.6 Provide financial support

The lack of initial capital and difficulty in obtaining finance from private lenders is often identified as the most significant barrier to business start-up for entrepreneurs, and one that is especially severe for youth (USAID,2016) yet they need capital for working capital, to invest in plant and equipment. Attracting equity capital is next to impossible for a small start-up. As regards to loans, young entrepreneurs from disadvantaged backgrounds often find it difficult to borrow from banks, as they can offer neither collateral nor a track record of successful repayments.

2.7 Develop infrastructure for entrepreneurship

Governments can also support young entrepreneurs by securing supportive infrastructure that can help overcome barriers associated with lack of networks, skills, finance for premises and access to associated start-up support. These may include repair or construction of roads, sewerage system, rural food stores, water reserves, ICT among others. The finding agrees with that of Beda (2013) who reveals that poor infrastructure inflate cost of production which leads to increased prices of agricultural products. When the key public infrastructures are weak, it becomes a road block to many would be businesses for youth (Gobeli, 2006).

Therefore, there is evidence that young people are enthusiastic about starting businesses although few of them actually start businesses relative to those who express an interest. This reflects a number of barriers affecting youth entrepreneurship in areas including skills, networks and financing; barriers that are often particular to youth or more severe for youth than for adults. Youth entrepreneurship is not a panacea for solving the youth unemployment problem but it does have a role to play in facilitating a route into the labour market for a limited group of young people with the ambition and wherewithal to become entrepreneurs (EU and Beyond, 2009).The impact of youth entrepreneurship will result to social economic development of society as there will be Services to society and economic opportunities in forms of valuable goods and services to society, especially the local

community (OECD, 2013). This results in the revitalization of the local community. It has also been observed that new small firms tend to raise the degree of competition in the product market, thereby bringing gains to consumers (Curtain, 2014). In addition, the enterprises may create linkages between youth entrepreneurs and other economic actors, such as through sub-contracting, franchising, and so on (White and Kenyon, 2014).

2.8 Deterrents to youth entrepreneurship

The challenges facing global youth enterprise development are remarkably similar; they stem from the financial to non-financial. Furthermore Greene, (2012) includes five key constraints like social and cultural attitude towards youth entrepreneurship, entrepreneurship education, access to finance/start-up financing, administrative and regulatory framework, and business assistance and support as key challenges. Schoof,(2006); Stackhouse, (2002) and>Listerri et al (2006) also note that lack of both experience and resources causes early failure of business. There is also limited business networks and business-related social capital. They lack the skills needed to set up or run their business. Young people are also in a disadvantaged position because not only will they have low personal savings, but they will also find it more difficult than adults to obtain external finance, including debt finance. Banks apply a set of parameters in the assessment of loan proposals, which include credit history, past business performance and collateral, which are all likely to be lower in youth-owned firms (International Labour Organisation, 2006;Gobeli, 2006).

The impact of market failure and limited capital may also have differential impacts on different groups of young people. Marlow (2006) argues that single mothers are less likely to set up business because they lack human capital, social and finance capital necessary to set up in business. This under capitalization also makes it more difficult for these businesses to be sustainable. OECD, (2010a) also documents that young self-employed mothers face complex problems in trying to run their business and cope with wider difficulties in the business environment. The youth are affected by their family background, and the type of society they live in (Eurostat, 2006) and that youth-owned businesses may also face “discrimination” in product markets, with customers who can be sceptics about the reliability of their products or services. Similarly, due to limited resources, youth-owned firms are more likely to enter industries with low entry barriers where competition is fierce (Auken, 2006).

3. Methodology

3.1 Design

The research made use of primary data as well as secondary data, especially inclined towards qualitative research though persuasive evidence comes through a triangulation of measurement processes and this was utilized to merge quantitative and qualitative research methods (Aliaga and Gunderson, 2002). The study used survey techniques and data collection included observation and structured questionnaires developed to find out the enablers of youth entrepreneurship, attitudes and perception of youth towards entrepreneurs and entrepreneurship as well as the deterrents of youth business start-ups. Additional data was also collected through interviews especially to key youth leaders and local authorities in western province of Rwanda, Business Development Fund (BDF), Rwanda Development Board (RDB) and Academic leaders in the district and responses were analysed using descriptive statistics. A 5-point Likert scale was used to measure the level of agreement. It was administered to 313 youth volunteers in Rubavu district. However, the data gathering faced hardships such as the spread of the youth in the district as well as language of communication made the data collection hard and communicating with the youth was not easy due to the fact that they did not understand English hence creating a language bottleneck. Despite the above limitations, the research team utilized the available means to achieve the goals by getting interpreters, permission from authority. The modified questionnaire was pilot tested on 80 youth in Universities where most potential and would be future entrepreneurs the country are situated. This was also more practical as students in colleges are more accessible and with the help of colleagues in other colleges similar testing environment could be assured (Ashmore, 2008).

4. Results and Discussions

This chapter illustrates the general information regarding the findings obtained from the study about factors to consider in enabling youth entrepreneurship in Rubavu district in Rwanda. The study was undertaken to achieve and to answer a variety of questions which concerned youth entrepreneurship as an engine to social economic development. It specifically answered questions like i) what is the perception level of the youth towards entrepreneurship in Rubavu? ii) What enabling and supportive environment is available for youth entrepreneurs in Rubavu? iii) what factors deter youth entrepreneurship in Rubavu? Literature was reviewed, data was collected and analyzed and eventually presented in tables, figures and narrative.

4.1 Demographic findings

The study revealed that majority of the youths in Rubavu, were female, which is in agreement with the recent World Bank report about distribution of gender. Most of the youth live in rural areas of the district and that majority of them had attained education though not adequate. These findings are not new as they are supported by other studies that most people do not enter into entrepreneurship probably because of lack of adequate formal education (Ashmore, 2008; Rashid and Wilhelm, 2016; Auken, 2006). However, what is surprising is that few of the Rwandan youth are married and the reasons for being unmarried were attributed to being incapable of sustaining families financially and materially. The form of employment most common and engaged in by the youth is agriculture and the related occupations.

4.2 Youth perception on entrepreneurship

The study found out that engaging in entrepreneurship would lead to wealth creation, improved standards of living among the youth, result also lead to invention of new products and services, an avenue for societal problems, especially scarcity of goods and services as well as instilling the spirit of hard work among the youth. These findings are also similar to recommendations by Karen and Caroline (2014) that, there is increasing recognition that there are substantial benefits from entrepreneurial activities.

Therefore, given the benefits of entrepreneurship, perception, which was the first objective of the study was measured through three aspects, namely attitude and general understanding about entrepreneurship, experience on entrepreneurship and the focus on entrepreneurial benefits/significance. The research found out that majority of the youth have spent more than 2 years without recognizable employment. The ones with no jobs fall under the moderately educated category (i.e. from college and above). This finding is in same line with the

entrepreneurship literature by Michael and Alina (2014) that has emphasized that, the most educated youth are the majority when it comes to youth unemployment. However, Lucas (1978) differs in his model, for example, a higher level of formal education and experience determines an individual's managerial ability and, hence, increases the probability to become self-employed.

Most youth perceive starting an enterprise as being very costly, very hard venture/activity and that it requires a lot of experience, capital and available customers. Attitudes toward entrepreneurship are affected by a variety of factors, as put forward by (O'Connor, 2006; Ruhland, 2010) such as cultural, educational, family and national policies. This is in agreement with many scholars like (*International Labor Organization, 2015; Action Aid International Uganda, 2016; and Development Research and Training, 2016*) stresses that attitude and perception affect entrepreneurship globally. Also, Forbes.com stated that African youth continue to be poor because of the attitude and that a country's attitudes toward entrepreneurship affect the tendency of individuals to become entrepreneurs, their ability to rebound from business setbacks and the support that entrepreneurs receive (e.g. from family and relatives) when setting up a new enterprise (Forbes.com, July 15th, 2013).

4.3 The enabling environment for youth entrepreneurs

When most youth were asked about the enablers of entrepreneurship in Rwanda, majority mentioned; strengthening the education system by making it more vocational and practical, mentorship programs to enrich and change youth attitudes towards business operations. It further revealed that promoting personal savings; creation of youth banks; exposing the youth to business networks, continued training in business start-ups; review of existing youth policies; availing vital information and technology to the youth; strengthening family leadership and parental guidance among others will propel youth entrepreneurship as seen in figure below.

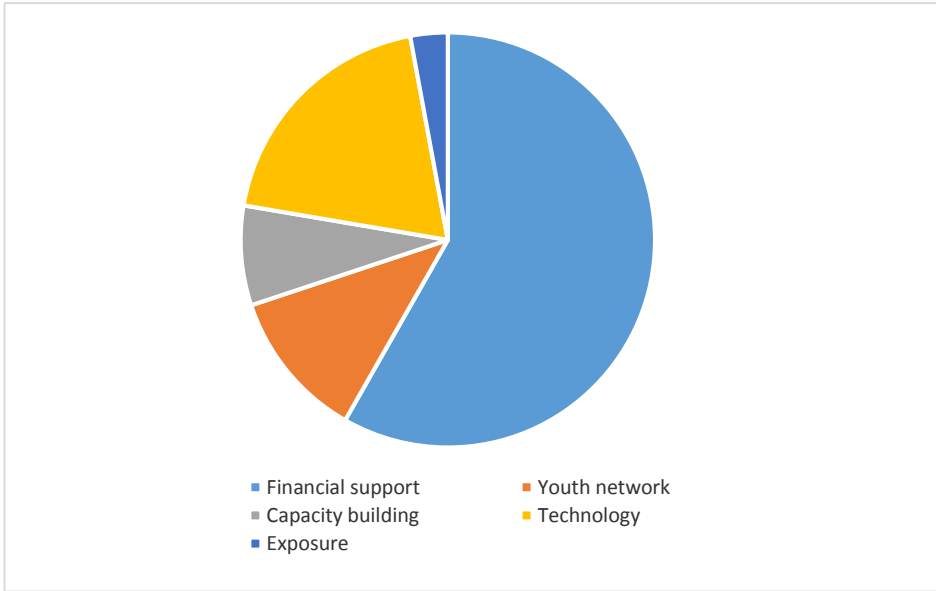


Figure 1
Enabling environment for Youth Entrepreneurs

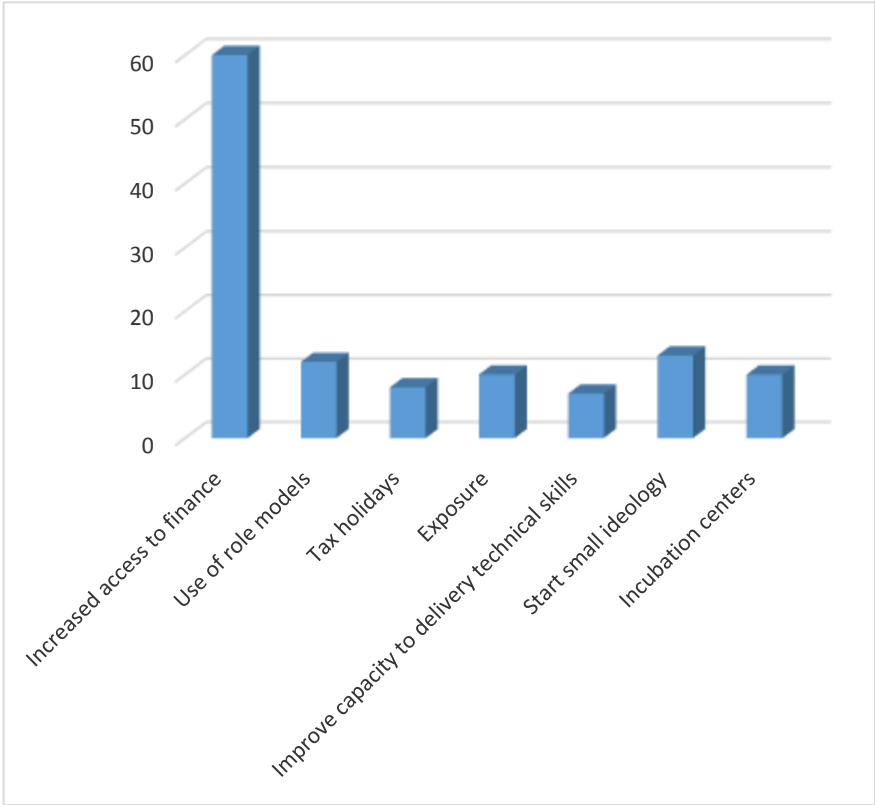


Figure 2
Appropriate strategies for youth entrepreneurship promotion

Based on the findings above, the study proposed that for youth entrepreneurship to take place, there should be increased access to finance, introduction of guest lectures and role models in schools and universities, business education based on need, introduction of incubation centers and youth sharing centers in Rubavu district, strengthen technical education as well as government incentives like tax holidays and free land for the first years as observed in figure 2.

4. 4 Challenges facing youth entrepreneurship

This was the third objective of the study; it describes the general factors affecting youth entrepreneurship. The factors are grouped and illustrated in three major categories based on who should act upon (the government, the nongovernment organizations and the family/community). The challenges were classified into; National based factors (employment policy, government support, infrastructures wellbeing), education and training based factors (incomplete and non-compatible youth education and training); family/community based factors (providing startup capital, opportunities, perception and thinking capacity); and the last one was exposure based factors (network, travel, mentorship, information gathering). This is in agreement with Kudzai (2013) who pointed out five key constraints like social and cultural attitude towards youth entrepreneurship, entrepreneurship education, access to finance/start-up financing, administrative and regulatory framework, and business assistance and support.

5. Conclusion and Recommendations

After data analysis and interpretation, the study came up with the following conclusions:

First: First and foremost, there would be major economic and social changes in communities if the youth engaged in entrepreneurship in the country. In addition, local communities would be experiencing new inventions in form of products and services, sustained youth livelihoods, more jobs, wealth creation, and more still tax to the government thus solving community problems like poverty. This would work better and more practical if the moderately educated youth became enterprise driven. This assertion would disprove Michael and Alina (2014) findings that people who have moderate education fear to engage in entrepreneurship and agree with Lucas (1978) who stated that a higher level of formal education and experience should direct one to become self-employed.

Secondly, when most youth were asked what and how to promote entrepreneurship in the country, majority mentioned the following as most urgent and most

important; education curriculum review to provide practical education and training that can change attitudes towards business operations, promoting personal savings to enable one start small business, financial support through creation of youth banks and relaxed loan restrictions, exposing youth to business networks and better business opportunities in the country and outside the country, capacity building, providing updated business information, technology and employment policy review to the youth, educating family heads especially the mother and father as their daily behaviours influence children and finally there should be introduction of mentorship programs and incubation centres in the country.

Third, the study found out that the challenges facing youth entrepreneurship were classified into; National based factors (employment policy, government support, infrastructures wellbeing), education and training based factors (incomplete and non-compatible youth education and training); family/community based factors (providing startup capital, opportunities, perception and thinking capacity); and the last one was exposure based factors (network, travel, mentorship, information gathering). This is in agreement with (Auken, 2006) who pointed out five key constraints like social and cultural attitude towards youth entrepreneurship, entrepreneurship education, access to finance/start-up financing, administrative and regulatory framework, and business assistance and support.

5.1 Recommendations

Based on the above discussions and conclusions, and after coming to the end of the study, we propose the following as appropriate recommendations to enable the youth engage in enterprise development in Rubavu district;

- a) There is a need to properly and robustly evaluate the youth development programmes like youth employment network, Business Development Fund initiatives to fit the youth in Rubavu. Most youth complained that they receive less support from these agencies. As with youth employment network, there is value in running a demonstration project to identify if a programme works before it is adopted more widely with aims and objectives of the programme being clear.
- b) One reason why young people struggle to sustain their business is that their business model is often focused on low entry barrier and low value added sectors. This exposes them to very competitive marketplaces. There is potential value, therefore, in actively targeting assistance to young people who can identify particular niches or innovative sectors like tourism.

- c) More needs to be known about the efficacy of different types of finance to address the undercapitalization of businesses set up by young people. This is important because undercapitalized businesses are more likely to fail. This paper recommends a demonstration pilot project which tests which forms of finance are best able to support young entrepreneurs. It should also consider what amount of finance young people need to startup businesses. What is clear from the evidence is that, even with support, young people's businesses remain significantly undercapitalized.

Areas for further study

- a) A comparative study be done to ascertain the perception of youth in other countries outside Rwanda
- b) A study be undertaken to investigate the role of tertiary institutions in mind-set change of the youth towards business start-up.

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