

THE INFLUENCE OF ENTERPRENUERSHIP SKILLS ON YOUTH EMPLOYMENT IN  
UGANDA

A CASE STUDY OF KAMPALA CENTRAL DIVISION

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The logo of Martyrs University is a circular emblem with a shield in the center. The shield is divided into four quadrants: top-left (yellow), top-right (red), bottom-left (blue), and bottom-right (green). In the center of the shield is a white figure holding a staff. Above the shield, the Latin motto 'Virtute et Sapientia' is written in a semi-circle. Below the shield, the name 'MARTYRS UNIVERSITY' is written in a semi-circle. The entire logo is rendered in a light, semi-transparent yellow color.

A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRATION  
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UGANDA MARTYRS UNIVERSITY

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## **DEDICATION**

I dedicate this book to my parents, Dr. Sendikadiwa Bwogi and Nankabirwa Sanyu Juliet, and to all my brothers and sisters.

## **ACKNOWLEDGEMENT**

I take this opportunity to thank all people who made a contribution in my academic life, especially my parents, Dr. Sendikadiwa Bwogi and Sanyu Juliet, and the lecturers of Uganda Martyrs University, and I would also like to take this opportunity to thank my entire family for their love, care and encouragement to me.

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## **ABBREVIATIONS AND ACRONYMS**

BYST	: Bharatiya yuva shakti trust
UBOS	: Uganda Bureau of Statistics
JCC	: Junior Chambers of Commerce
NGOs	: Non Government Organizations
IDB	: International Development Bank
DED	: Dynamic Enterprise Databank
GEB	: GLOBAL ENTERPRISE BANK
SIYB	: Start and Improve Your Business
OECD	: Organization for Economic Corporation and Development
DCCYIT	: DC Children and Youth Investment Trust Corporation
LDCs	: Less Developed Countries
EDGE	: Education Designs and Generate Excellence
ILO	: International Labour Organization
PTB	: Prince`s Trust Business Start Up
CEED	: Center for Entrepreneurship and Development
KAYEC	: Katura Youth Enterprise Centre
YES	: Youth Enterprise Societies

## **ABSTRACT**

This study looked at the influence of entrepreneurship development skills on youth employment a case study of Kampala Central Division. Levels of entrepreneurship development; entrepreneurship programmes available in Kampala, the challenges that are faced in youth entrepreneurship, and the relationship between youth entrepreneurship and employment were specifically examined. The hypothesis of this study was that the level of youth entrepreneurship development has a significant relationship with the level of youth employment.

Empirical data was collected from the youth in Kampala Central; the study had a population of 587,603 from which a sample size of 234 was determined. The empirical data was analyzed both quantitatively and qualitatively to examine the relationship between the level of youth entrepreneurship development skills and that of employment in relation to the intervening factors.

The key findings of this study indicate that although there was youth entrepreneurship development programs in Kampala Central Division, they were not effectively and efficiently implemented. Further findings of this study were that there was a significant relationship between the level of youth entrepreneurship development and the level of employment among the youth and it was recommended that the existing entrepreneurship development programs need to be strengthened efficiently and effectively implemented, the is need for the central government to further support the youth in Kampala in facilitating the entrepreneurship development programmes.

## **CHAPTER ONE**

### **GENERAL INTRODUCTION**

#### **1.0 Introduction**

This chapter presents the background to the study, statement of the problem, purpose of the study, objective of the study, research questions, scope of the study, significance of the study, justification of the study and conceptual framework.

#### **1.1 Background of the study**

Kampala is the capital city of Uganda and it is divided into five divisions that oversee local planning; Kampala Central Division, Kawempe Division, Makindye Division, Nakawa Division and Rubaga Division. The unemployment rate for young people in the age group of 15-24 is 83% (UBOS, 2014). This rate is higher to those who have formal degrees. This is due to the disconnect in between the education degree achieved and the vocational skills needed for the jobs that are available.

More so, those without degree are unable to get jobs because they lack the skills needed for the position or they do not have the resources such as land and capital. Some youth have negative views on certain jobs so they are unwilling to take them if offered a position. Youth unemployment poses a serious political, economic and social challenge to the city and its leadership. The cycle is making it increasingly difficult for the youth in Kampala to break out of poverty. Young women more often have to stay at home in a role that limits them from formal employment. Informal sector work accounts for the majority of young workers in Kampala central to 3.2% of youth work for waged employment, 90.9% work for informal employment, and 5.8% of the Kampala youth are self-employed (UBOS, 2014).

According to a study dubbed “lost opportunity” by Action Aid Uganda, NGO forum and development research and training in January 2013, 62% of the youths in Kampala were unemployed.

From the above context, youth entrepreneurship lies as the only way through which the youth in Kampala central can change on their welfare and standards of living. Entrepreneurs are often thought of as special people with exceptional personal characteristics.

It is now widely accepted that there are many good reasons to promote entrepreneurship among young people in Kampala central. While caution should be exercised so that entrepreneurship is not seen as a `mass` or wide-ranging solution which can cure all society`s social skills, as many experts such as Curtain (2000) warn, it has a number of potential benefits. An obvious and perhaps significant one, is that it creates employment for the young person who owns the business.

This is especially the case in an economy subject to rationalization; change and restructuring many experts believe that this could bring back the alienated and marginalized youth into the economic mainstream curtain (2000) and, white and Kenyon, (2000). In some circumstances, young entrepreneurs may be particularly responsive to new economic opportunities and trends. This is especially important given the ongoing globalization process., it is increasingly accepted that youth entrepreneurs can present alternatives to the organization of work, the transfer of technology, and a new perspective to the market, white and Kenyon, (2000).

Therefore with this background the researcher investigated the influence of youth entrepreneurship skills on employment in Kampala Central Division.

## **1.2 Statement of the Problem**

Amidst skills development, youth have “the qualities of resource fullness, imitative, drive, imagination, enthusiasm, zest, dash, ambition, energy, boldness, audacity, and courage ” Schnurr and Newing,(1997), within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihood and economic independence of young people.

However, there is a problem of unemployment as experienced by educated youth and even the uneducated. This is a result of lack of skills to start up businesses. (World Bank Report “Youth and Unemployment in Africa” 2014)

Therefore, the researcher was prompted to examine the influence of entrepreneurship skills on youth employment that impend young people in search of non existing jobs and the urgent need to orient people of these affected economies.

## **1.3 purpose of the study**

The purpose of the study is to establish the relationship between entrepreneurship development skills and youth employment taking place in Kampala Central Division.

## **1.4 objectives of the study**

- (i) To establish the levels of entrepreneurship skills on youth employment in Kampala Central Division.
- (ii) To establish the effect of entrepreneurship skills on youth employment in Kampala Central Division.
- (iii)To assess the major challenges faced by the youth in as far as entrepreneurship skills development.

## **1.5 research questions**

- i. What are the levels of entrepreneurship development skills on youth employment existing in Kampala Central Division?
- ii. What is the effect of entrepreneurship skills on youth employment in Kampala Central Division?
- iii. What challenges are faced by youth entrepreneurs in as far as entrepreneurship development is concerned?

## **1.6 scope of the study**

### **1.6.1 subject scope**

This study covered the influence of youth entrepreneurship development skills and youth employment in Kampala Central Division.

### **1.6.2 area scope**

The study covered the youth in Kampala Central Division because it has been established that there exists a high level of un-employment.

### **1.6.3 time scope**

The study covered a period of one year.

## **1.7 significance of the study**

- (i) Researchers and academicians will use the findings of this study for imparting knowledge and conducting further research.
- (ii) The study is expected to help Kampala Central Division to fill up the gaps in entrepreneurship development programmes.
- (iii) There is a learning process about whether the studies unearth to ensure improved youth development programmes.

(iv) The researcher will gain deeper understanding of what the role of entrepreneurship is on unemployment and improving economic empowerment among the youths.

(v) Government and leaders will realize the need to provide a conducive and friendly environment to enable youths to acquire skills of entrepreneurship and solve the problem of unemployment.

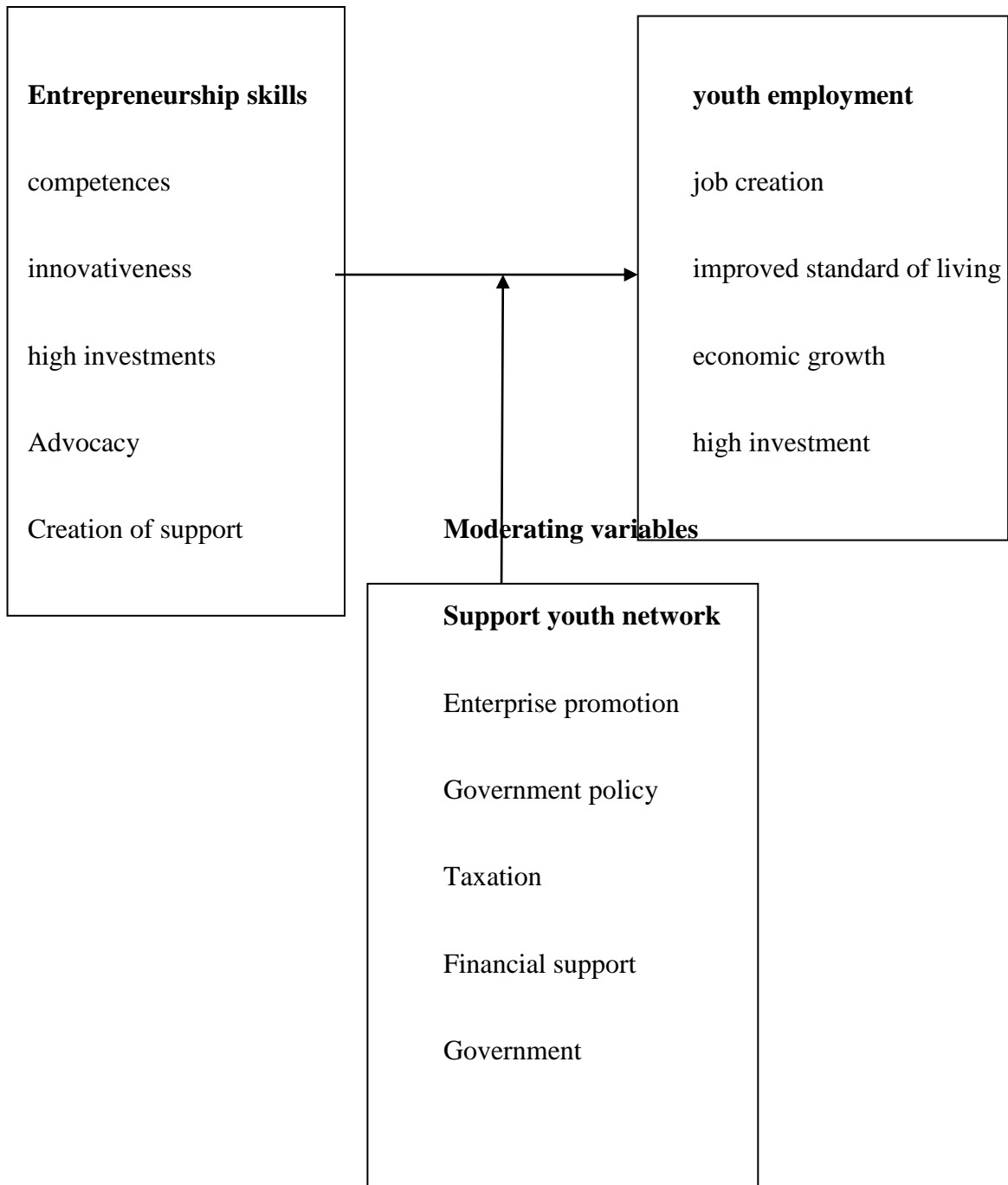
### **1.8 Justification of the study**

(i) Various researchers and academicians have studied the influence of entrepreneurship skills on youth employment, but there has been an increase in unemployment despite the fact that many people have attempted to improve their business management practices and especially entrepreneurship skills, thus the need to further investigations.

## 1.9 conceptual framework

**Independent variable**

**dependent variable**



Source: adapted from (Ball,(2006); Sanjiva Prasad et. Al (2001); La Porta et. Al( 1999), and IASB, 2009)



The independent variable plays the role of imitating the policy and plans for youth entrepreneurship development. For the youth entrepreneurship development to attain its objectives as laid down in the youth entrepreneurship development plan, given interventions have to come into play and these form the intervening variable which comprised of capacity building, trainers, education, advocacy, and creation of support, the intervening variable is the government which comprises of support to youth networking, enterprise promotion, laying down government policy, putting in place the taxation policy, and giving financial support. The outcome presents the dependent variable which includes youth innovation, job creation, economic development, and resultant high level of investment.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

This section gives a view of the selected existing knowledge from the literature on levels of entrepreneurship development programmes, effect of entrepreneurship development programmes, challenges to entrepreneurship development skills, and the relationship between youth entrepreneurship and employment.

#### **2.1 ENTREPRENEURSHIP DEVELOPMENT SKILLS**

According to Census Bureau's current population survey data, (2010) unemployment rates for youth are much higher than rates for other age groups. 14%-20% of youth aged 15-19 are currently unemployed. Low income youth as well as Black and Hispanic youth also tend to have higher unemployment rates which DCCYIT youth entrepreneurship programmes address. This unemployment and work-readiness of issues aim at attaining and preparing youth for work, National Research Council,(1998).

According to Washington National Academy Press, Fourilsky & Esfandiari (1997) and Panel on High-Risk Youth (1993) the National Research Council Act was passed in 1994 with the goal of reinvigorating entrepreneurship and vocational education programmes which include coops, youth apprenticeships, and mentoring programs in which students participate in paid employment, Lowry, (1990).

The nine youth entrepreneurship programs of the DCCYIT have varying degrees of entrepreneurship activities, but all of them provide career, vocational and personal development experiences for youth between the age 12 and 21. Although many of the programmes target specific demographic groups e.g. these programmes share at their core the desire to prepare

adolescents for productive adulthood. These programmes provide opportunities and support that helps participants gain the competences and knowledge needed to make a successful transition from school to employment or self employment. These experiences form a basis of knowledge about the function and operation of business, Lowry, (2009). Helping young people develop new attitudes towards business and some level of familiarity and comfort with the business environment. In addition to providing youth with the tools and skills needed to start their own business or to find gainful employment, many of the programmes have the goal of empowering youth by enabling them to provide needed goods and services to the distressed, undeserved neighborhoods in which they live. Entrepreneurship programs provide a combination of training and employment opportunities for the youth, such as business start up training and apprenticeships. They offer youth opportunities to work and interact with caring adults in professional setting.

## **2.2 LEVELS OF ENTREPRENEURSHIP DEVELOPMENT**

### **2.2.1 The Self Employed Mindset**

The emotional driving force behind the self employed person is not security but a desire for greater control over his or her life, career and destiny. Relinquishing that control to a boss everyday from nine to five is not their idea of happiness, and they believe that they could do their job just as well without an employer and perhaps without the need of other employees. They want more autonomy. They want to do things their own way. And they usually begin by creating a situation where they do the same type of work they did while an employee, but they figure out how to do it by themselves and for themselves.

### **2.2.2 The Managerial Perspective**

Those with a managerial outlook are often in greater position to succeed as entrepreneurs, managers who become leaders succeed because they accept the challenge and responsibility of ensuring that others under their wings also succeed and flourish.

By getting the most out of employees, managers themselves are able to delegate aspects of their business to others and set higher goals. Those who say they can't find good employees usually mean they lack what it takes to attract or create good employees and as a consequence they also lack what it takes to succeed as an entrepreneur. But also those who not only manage but also lead can rise to the next level and become owner/leaders one step closer to the real definition of an entrepreneur.

### **2.2.3 The Attitude of Owner/leader**

The entrepreneur who attains the level of owner/leader enjoys remarkable benefits by knowing how to knowing how to step aside and let the business and those employees working in it operate as a profit centre not reliant upon the owner`s constant hands-on participation.. This kind of entrepreneur has created an organization that is more self sufficient and self-sustaining, and by doing so has created more wealth, personal freedom, and free time.

Rather than being the only person who could get the job done the best, this leader has passed that torch of responsibility and expertise along to others who now enjoy for themselves a greater level of career achievement. The owner/leader can therefore focus not so much on sales and revenues, but on net profits. While the business continues to run smoothly and generate more transactions; the owner/leader concentrates on fine tuning it for increased profitability while letting others handle the day to day operation details.

## **2.4 The Entrepreneurial Investor**

With a business that generates profits, the entrepreneur who has succeeded this far can begin to accept another exciting challenge, that of managing money so that it works to produce more money. Investing for maximum returns involves smart leverage of assets, and the entrepreneurial investor will often leverage the success of the first business to create a second or third company based on the same model or system.

By franchising the original venture or buying other healthy businesses, the investor can get into the career of not just selling basic products and services, but of selling entire business. The goal, of course, is still to turn a profit. So rather than remaining at the helm of these companies the investor will buy them, ensure that they have valuable equity or attractive allure and potential, and then sale them to other entrepreneurs or would be entrepreneurs. The focus becomes finding, buying (and perhaps refurbishing) businesses, in the same way that a real estate investor locates homes, rehabs them, and then flips them for a profit. This all becomes possible because the entrepreneur has not just created a business but has also designed excellent systems for keeping it going. Rather than dealing on the level of isolated actions and reactionary tactics, in other words, the entrepreneurial investor has risen to the level of broad and comprehensive strategies that work across all sorts of products, services and economic cycles. Working smart replaces hard work, and the rewards both financial and personal are abundant.

## **2.2.5 The True Entrepreneur**

Having learned new things every step of the way and evolved through various stages of entrepreneurial accomplishment and insight, it is possible to reach the ultimate goal and realize

one's dreams in a really life changing way. The true entrepreneur experiences a paradigm shift that involves a four step process of changed thinking.

**Idealization**- imagines gigantic, all-encompassing dreams for creating ideal world.

**Visualization**- picture the ideal world as a reality and begin to clarify this vision on a daily basis, filling in more details each day.

**Verbalization** – Begin to put words to the dream and talk of it as if it was already happening. Talk about it to others as if it was real and continue to have a personal dialogue enterprise of with the idea to make it come true.

**Materialization** – Because the effort and intention of designing and believing in the ideal and the dream, things begin to fall into place and happen in a natural and automatic way. The idea becomes a real and tangible fact that materializes in the world and influences others while opening new doors to fresh opportunities and the birth of more dreams.

The true entrepreneur is a dreamer whose dreams come true, and an income earner whose income is passive.

It should however be stressed that the transitions in the process of youth enterprise development is neither mutually exclusive nor a linear process as some young people from different age groups may find themselves at different position along the enterprise continuum. Secondly, it is not clear whether this process occurs in a similar manner in various sub-sectors of the economy, especially the informal economy in LDCs. Nonetheless, the general tendency is for youth proprietors to follow the stages described above.

The transitions in the process of youth entrepreneurship development have policy implications for the promotion of youth enterprise. They suggest the need to carefully recognize the capabilities of various youth age groups and the need to come up with carefully targeted youth entrepreneurship promotion programs. It is also important to consider the reasons that motivate young people to start their own businesses.

## **2.3 YOUTH ENTREPRISE PROMOTION PROGRAMES**

There is no single policy model for the encouragement and promotion of entrepreneurial activity among youth. As the OECD report (2001) notes, as new programs develop in various national and cultural settings, they tend to show more, rather than less variety in their content and delivery mechanism. Enterprise promotion projects have different goals and objectives, in terms of clients, aspirations and types of interventions. Broadly speaking, however, programmes aimed at promoting enterprise among youth can be divided into two categories; those aimed at in school youth and those designed to meet the needs of non school youth. This section does not attempt a detailed discussion of these programmes, but rather highlights those that have emerged as examples of ‘best practices’ refers to approaches that deliver the most beneficial outcomes, Gibson, (1997).

### **2.3.1 In- school Youth Enterprise Promotion Program**

The enterprise promotions aimed at in-school youth seek both to raise awareness about the importance of entrepreneurship and to promote an entrepreneurial culture among young people.

In general these programs can be divided into two categories:

### **2.3.2 Entrepreneurship Education**

This is in the form of a transition of codified knowledge and entrepreneurial skills through formal and informal education. If entrepreneurial and enterprising behavior among young people

is to emerge, more focus must be put on entrepreneurship education, Blokker, (2008) and methodologies that encourage learning and methodologies that encourage” learning by doing” and “just in time learning,” Gibb,(2006). Thus entrepreneurship education is not only a means to foster youth entrepreneurship but at the same time to equip young people with entrepreneurship attitude and skills, Schoof, (2006). Nafukho,(1998) ,highlighted the need for entrepreneurship education in many African countries.

### **2.3.3 Enabling environments for youth entrepreneurship**

Enabling environments for youth entrepreneurs mentioned repeatedly by many authors around the world (Llisterri et al, (2006),Capaldo, (1997), Nafukho, (1998), Owualah, (1999) ) , who suggest that a more conducive environment to entrepreneurship fosters the creation of young business people.

Similarly, another bulk of authors assessed the impact of administrative and regulatory burdens on youth entrepreneurship. For example, Nasser, (2003), points out that South Africa`s institutional and regulatory framework prevent entrepreneurial creativity among young people.

### **2.3.4 Training the Trainers**

Some enterprise promotion programme for in-school youth seek to train teachers in entrepreneurship. In USA, for instance, Educational Designs that Generate Excellence (EDGE) trains teachers almost exclusively. In Canada, CEED has developed more than 30 entrepreneurial programs and projects targeted not only at youth, but also educators and economic development professionals. In South Africa, YES programmes offer a one year training course to teachers who in turn become facilitators.

Many experts in this field believe that entrepreneurial education and training should begin as early as possible, for two main reasons ( OECD, 2001 ). First, education and training form an



essential component of the preparation of potential young entrepreneurs to go into business for themselves. Secondly, they also instill entrepreneurial habits of mind and work skills that can serve just as well for successful employees in the new, globalised, post-industrial economy as for those who actually choose to establish their own enterprises.

However, the programmes that promote processes of acculturation and imparting flexible capabilities, important as they are, take time, and concern long term as well as short term policy. Thus, their effects often reveal themselves slowly rather than immediately. Countries seeking seriously to boost youth entrepreneurship in short term to reduce unemployment and adapt to the emerging economy, need and want quicker results. They tend, therefore, to put more immediate policy emphasis on programmes for business start up- development support, often including special training outside the education system to fill skill gaps ignored by traditional education.

#### **2.3.4 Enterprise Development Programs for non-School youth**

The enterprise development programs aimed at non-school youth are more practically oriented, provide concrete support to business start-ups. A review of the literature shows that these programs address a range of issues, Bennell, (2000) Curtain, (2000), ILO, (1999), White and Kenyon, (2000), Valla, (1999).

Examples of enterprise promotion programmes aimed at non school youth in the OECD included the (IG) S.P.A in Italy which is the main institution setup to promote youth entrepreneurship. In the UK, several initiatives exist to promote youth entrepreneurship; the Prince's Trust Business Start-up (PTB) and Livewire. In Australia, such initiatives include; Young Aussie Enterprises and Nescafe Big Breakfast.

In Canada, youth business provides loans and other services to youth enterprises without the requirement of collateral. Another program called the Centre for Entrepreneurship and Development (CEED) in Nova Scotia has since 1995 worked to promote an entrepreneurial culture among young people. In Portugal, the System de Apoio Jovens Empresários provided grants to new business, covering 50% of capital needs and helps youth entrepreneurs to establish businesses and to identify business opportunities through better access to world markets.

Other relatively successful programmes include the program in Spain, which started in 1994 and is financed mainly by the Spanish national Labor Institute and the European Social Fund. The program tries to reach the young unemployed (18-25 years old) with limited professional skills.

Another program called the Spanish Confederation for Entrepreneurs (CEOE) promotes business transfers for young people. It targets mainly sons and daughters of entrepreneurs, but also other young people who have finished secondary school and give aspirations towards starting their own businesses.

Very few of such programmes exist in developing countries. The few ones include the Katura Youth Enterprise Center (KAYEC), a community based organization in Namibia which provides training, information, work space and support to young people who aspire to start their own business. In South Africa, an initiative called Education with Enterprise Trust (EWET) runs two schemes; the Youth Enterprises Society (YES) for secondary schools and business now for out-of-school youth. Another initiative called Center for Opportunity Development provides a structured training and experiential development programme for youth with aspirations towards starting their own business. In India, the Bharatiya Yuva Shakti Trust (BYST), a public, non-

profit making organization, helps young people establish their own businesses by providing low interest loans, training and mentor support. In some Latin American countries, including Barbados, Youth Business Centers have been set up to provide business development services (BDS) or non financial services to youth. In Bangladesh, the National Federation of Youth Organizations has helped many young women and men to set up viable business ventures.

### **2.3.6 Creation of Youth Networks**

There are also a number of networks established to address the problems of isolation and lack of mutual support facing many youth businesses. Many of these networks operate at various levels: international, national, regional and local. An example of a youth organization operating at an international level is the Junior Chambers of commerce international (JCI) or “Jaycees,” with some 300000 members from 88 national organizations.

These networks address a range of roles. White and Kenyon (2000), identify the following as some of the key: promoting entrepreneurship and a culture of enterprise amongst young women and men; promoting linkages between the formal and informal sectors; representing youth business interests to the government, commercial banks and other agencies affecting the livelihood of small business; facilitating access to new learning experiences, such as internships with established businesses or scholarships; identifying and addressing the problems or barriers experienced by young people in business, promoting and marketing business that are owned and managed by young women and men; assisting in the identification of new products, services and markets; and facilitating access to business training and skills development.

Given these roles, the challenge for youth policies and enterprise support programmes is to build upon existing youth enterprise and other social networks as a basis of reaching out to young people and involving them in programs design and implementation. The state, non government

organizations (NGOs) and other institutions should consciously identify these grass- root structures, and through participatory research and training, explore how they could be assisted to improve their livelihood circumstances. In addition, the existing youth networks need representation at higher levels.

### **2.3.7 Promotion of Value Addition and access to higher Value Markets**

As discussed above, one of the key problems facing YREs relates to limited prospects for value addition. Secondly, local markets are no longer insulated from wider competitive pressures, and survival under conditions of intensifying competition demands higher levels of business, analytical and innovation competence.

In spite of this situation, few youth entrepreneur development and start up programs, as noted above, are sensitive to such trends and larger strategic issues. To address these problems, youth enterprise support programmes should be based on strategies that enable young micro-entrepreneurs to move up the value chain. These include: inter-firm cooperation, sub-contracting, Networking, Franchising, E-commerce and exploring opportunities for youth from such global trade initiatives as the African Growth and Opportunities Act (AGOA) passed by the US Congress.

## **2. 4 THE EFFECT OF ENTREPRENEURSHIP ON YOUTH EMPLOYMENT**

There is mounting evidence in the academic literature that entrepreneurship and entrepreneurs contribute significantly to economic development and employment creation. Global employment trends for youth, (2008). Entrepreneurship is regarded as a relatively young area of research and has become one of the fastest growing areas in management. Much of the research on the impact of entrepreneurship stems from GEM annual assessment of entrepreneurial activity in more than 60 countries. A robust finding throughout recent studies on the impact of entrepreneurship shows

that entrepreneurs have a positive impact on employment creation. A most recent and significant study entitled, “what is the value of entrepreneurship? A review of recent research, ” Van Praag et al. (2007). This study concludes that entrepreneurs have a very important function in the economy. Entrepreneurs engender much employment creation, productive growth and commercialize high quality innovations.

In addition, the pioneering work of David Audretsch in entrepreneurship has shown remarkably robust relationship between entrepreneurship, economic performance and employment creation, and the importance of small firm innovations and growth, Audretsch, (2006). However cross country studies by Wennekers et al, ( 2005 ), and Acs, ( 2006 ) based on GEM data show that countries with low levels of economic growth as opposed to countries with high levels of economic development. In countries with low levels of economic development (low per capital income) self employment is high due to lack of sufficient wage –employment and many become entrepreneurs out of necessity rather than seizing opportunities in the market.

Entrepreneurship in countries with high level of “necessity entrepreneurship,” and thus have a lower impact on economic development than in countries where “ opportunity entrepreneurship” is more prevalent, Acs, ( 2006 ) and Acs et al, (2008). An important argument for investment in youth entrepreneurship is to turn necessity entrepreneurship into opportunity entrepreneurship by instilling an entrepreneurship mind set in young women and men thus overtime creating enterprising culture where entrepreneurs are so by choice.

## **2.5 MAGOR CHALLENGES FACED IN ENTREPRENEURSHIP SKILLS**

### **DEVELOPMENT**

#### **2.5.1 Keeping up with innovation**

Innovation happens in the blink of an eye. One of the biggest challenges facing entrepreneurship today is new technology that could make the business or strategy obsolete. With rapid pace of innovation, it is important to identify trends that will affect your business and stay ahead of the curve. Shifting a business model or updating technology requires excellent management and an agile team. Fehzan Ali, co founder and CEO, Adscend Media LLC.

#### **2.5.2 Managing cash flow**

Managing cash flow when starting a business can be really tricky. It takes money to make money, which can be a huge challenge for a budding business that has not yet established a consistent cash flow. And as a result such entrepreneurship business do not want to employ outside personnel with fears of worsening the flow of cash hence low employment opportunity creation, Allie Siarto, Co-founder, Director of Insights, Loudpixel.

#### **2.5.3 Getting Funding**

The biggest challenge facing entrepreneurship funding today is getting funding to create their own business. Many banks and investors are hesitant to give out loans or buy shares. Getting the financing needed often requires a phenomenal sales pitch and business plan. Jay Wu, creator, A Forever Recovery.

#### **2.5.4 Standing out**

With it becoming easier and easier to develop entrepreneurship, especially in the online space, it is becoming increasingly difficult to filter out the noise. It is critical to not only hire quality

talent, but to also build quality partnerships in a fledgling start up. The question is how do you get noticed in the crowd? James Simpson, CEO & Founder, Goldfire studios.

There is lack of critical skills amongst the Youth in Kampala Central Division

## **2.6 RELATIONSHIP BETWEEN ENTREPRENEURSHIP DEVELOPMENT SKILLS AND YOUTH EMPLOYMENT**

There is mounting evidence in the academic literature that entrepreneurship and entrepreneurs contribute significantly to economic development and employment creation. Global Employment Trends for youth, (2008). Entrepreneurship is regarded as a relatively young area of research and has become one of the fastest growing areas in management. Much of the research on the impact of entrepreneurship stems from GEM annual assessments of entrepreneurship activity in more than 60 countries. A robust finding through recent studies of the impact of entrepreneurship shows that entrepreneurs have a positive impact on employment creation. A most recent and significant study entitled, “what is the value of entrepreneurship? A review of recent research,” Van Praag et al, (2007). This study concluded that entrepreneurs have a very important function in the economy. Entrepreneurs engender much employment creation, productivity growth and commercialize high quality innovations.

In addition the pioneering work of David Audretsch in measuring entrepreneurship has shown remarkably robust relationship between entrepreneurship, economic performance and employment creation and the importance of small firm innovation and growth, Audretsch, (2006). However cross country studies by Wennkersetal, (2005) and Acts, (2006) based on GEM data also show that in countries with low levels of economic development where there is normally high rate of nascent entrepreneurship there is less impact on economic growth as

opposed to countries with high level of economic development. In countries with low levels of development (low per capital income) self employment is high due to lack of sufficient wage-employment and become entrepreneurs out of necessity rather than by seizing opportunities in the market.

Entrepreneurship in countries with high level of “necessity entrepreneurship” thus has a lower impact on economic development than in countries where “opportunity entrepreneurship” is more prevalent, ACS, (2006), Acs et al , (2008). An important argument for investment in youth entrepreneurship is to turn necessity entrepreneurship into opportunity entrepreneurship by instilling an entrepreneurial mindset in young women and men thus over time creating enterprising cultures where entrepreneurs are so by choice.

However, the research study “Is youth entrepreneurship a necessity or an opportunity” by Llisterri et al, (2006) mentioned above and based on cross-country data from the Inter-American development bank`s (IDB) Dynamic Entrepreneurship data base (IDB-DED) does show magnitude of youth entrepreneurs who choose to become entrepreneurs create dynamic and high growth enterprises that create employment for others.

GEM data sets do also provide figures on nascent, new and established entrepreneurs expectations with regards to employment creation by age ( 18-24). These data sets show that young people (18-24) who are starting up intend to create more employment opportunities than other age groups in the research, in middle to low- income countries. Also more than half of the high expectations new entrepreneurs (those who aim to create at least 20 new jobs in the next 5 years) are under 34 years old.



GEM recognizes that while not all expectations are materialized growth inspirations have shown to be a good predictor of eventual growth, GEM, (2005). The experience gained by International Labor Organizations with regards to the impact of its entrepreneurship development programmes (Primarily of the start and improve your business (SIYB) programs over the past decade in developing economies) similarly shows the important contribution that entrepreneurship development makes to employment creation. The global estimate of job created, based on the research findings from the mentioned studies, is that 1.2 million jobs that have been created through national SIYB programmes. Unfortunately, most of these assessments suffer from the same as the academic literature on entrepreneurship, i.e. lack of disaggregated data by age. Young women and men were a target group among others in many SIYB programs. Specific measures to reach the youth and research were solemnly taken.

The (2005) study showed an overall business start-up rate at 34.6% and 2007 study a start up rate at 27.5% with another 14.5% starting income generating activities (as opposed to a proper business) and yet another 31% who had already had a business prior to the training were able to retain it and make more money. Whereas entrepreneurship can be seen to contribute significantly to economic growth and employment creation the evidence with regards to youth entrepreneurship is anecdotal largely because the field of youth entrepreneurship is so novel that little research and analysis has been carried out to date. This is a research gap that will surely be filled over the coming years as the focus on youth entrepreneurship is likely to increase in both academic research and international development cooperation given that youth entrepreneurship is increasingly seen as an important means of tackling the global youth unemployment challenge. The is of positive advantages to stimulating youth entrepreneurship, youth entrepreneurs are more likely to higher fellow youths, Meager, (2003), Young entrepreneurs may be particularly

responsive to new economic opportunities and trends, young entrepreneurs have generally better computer skills, young people are more present in high growth sectors, young people with more entrepreneurial skills are better employees, Meager, (2003).

An OECD study showed that while young people were more likely to have positive attitudes to self employment, they were less likely to be self employed in practice. Further, the same study found that those who became self employed had higher “life satisfaction ” than the youth in the same age group, and young men were more likely to be self employed than young women, flower & Oswald, (1999).

Technological entrepreneurship, unemployment and growth, influence each other in numerous ways, forming a trio of intre- related components, and the literature has traditionally emphasized the endogenous determination of one or two components of this trio, and the exogenous impact of one component on the other, without taking into account the third. Consider the impact of entrepreneurship on growth. Endogenous growth theory suggests that entrepreneurship is an important determinant of growth. Such models predict or assume that an increase in the resources devoted to wards innovation, research and development mechanically lead tp higher growth, implying positive correlation between entrepreneurship and employment, Aghion & Howitt, (1992) , and Grossman and Helpman, (1991).

Segerstrom,(1998); Romer, (1990); Jones, (1995) ,entrepreneurship is the means by which to launch, but not sustain, the economy, such that eventually it ceases altogether (Peretto, 1999); and the growth rate and rate of entry may be positively or negatively correlated as the economy evolves overtime, (Peretto, 1999). Next consider the impact of growth on unemployment. An increase in economic growth leads to a decrease in unemployment when technological change is

disembodied, Pissarides, (1990); or an increase in unemployment when technological change is embodied, Aghion & Howitt, (1994)

## **2.7 Conclusion**

The youth unemployment rate in Kampala Central Division is at an increasing rate almost to 83% (UBOS). This rate is even higher for those who have formal degrees. But the only solution to this can be by initiating strong government policies that can help young people develop new attitudes towards business and some level of familiarity and comfort with the business environment.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 INTRODUCTION**

This chapter describes the research design, study population, sample size, sampling techniques and research instruments, data analysis and presentation.

#### **3.1 RESEARCH DESIGN**

This study used a case study research design; the case study research design was used because it gives an in depth understanding of the situation under study. Mugenda, (1999). Data was collected using interviews and questioners and was often analyzed using descriptive analysis in survey research. Both open and closed form questioners (interviews) were used to generate responses and data for analysis of the relationship between the factors were investigated. Both qualitative and quantitative approaches were used.

#### **3.2 STUDY POPULATION**

The study population comprised of 587603 youth, UBOS, (2014) in Kampala Central Division. This included various youth, that is; employed youth, traders, entrepreneurs and unemployed youth.

#### **3.3 SAMPLE SIZE AND SELECTION**

##### **3.3.1 Sample size**

The sample size consisted of a total number of 382 youth, (Krejcie & Morgan), (1970). Who were determined from the entire population of Kampala Central youth and out of the sample size 234 questionnaires were answered and returned reflecting a 61.2% of sample size that responded.

### **3.3.2 Sample selection**

The researcher used purposeful sampling technique to choose specific respondents basing on their familiarity with the subject and their ability to give information readily since the study required specific information. The researcher selected youth from various places with in Kampala central that constituted the respondents. The sampling technique helped the researcher to economize the little time he had to carry out the research.

### **3.4 data sources**

Data sources were both primary and secondary.

#### **3.4.1 Primary Data**

Primary data was collected through carrying out field study and giving out questioners to various youths. It I first hand information.

#### **3.4.2 Secondary Data**

This data was collected by extracting information regarding the influence of youth entrepreneurship development skills and youth employment in Kampala Central Division thought consulting past relevant research projects, text books, print media relevant documents and reports. This is the already existing literature.

### **3.5 DATA COLLECTION METHORDS AND RESEARCH INSTRUMENTS**

#### **3.5.1 Interview guide**

This involved face to face interaction between the researcher and the participant through discussion. The interviews mainly included: Structured interviews, in which the responses by the participants were brief and specific; and unstructured interviews, where the responses were long, elaborated and not specific. The interviews were conducted in group and individual in order to get first hand information from the key informants.

### **3.5.2 Questionnaire**

Closed ended questions were used to collect data questioners, in which responses were provided by the researcher and the participants were left to choose one of them accordingly. The respondents mainly included the youth. The researcher allowed some four days respondents to study and fill the questionnaires.

### **3.6 procedures for data collection**

The researcher took the questionnaires to the respondents and proceeded to brief them about the purpose of the study and why they were to complete the questionnaires. The researcher agreed with the respondents to have the questionnaires answered and ready for collection by the researcher in 20 days time. Later the researcher made a follow up and collected the filled in questionnaires. Careful observation of the respondents from the area of study was carried out by the researcher.

## **3.7 RELIABILITY AND VALIDITY MEASURES**

### **3.7.1 Reliability measures**

The reliability of the questionnaire and the observation checklists were pretested by administering them to peer groups. Corrections to avoid vagueness and ensuring face validity and consistence with research questions were carried out.

### **3.7.2 Validity measures**

Validity is the appropriateness of the data generated in terms of being able to relate to population true options. The interview instruments were judged according to positivist criteria of credibility, transferability, dependability and conformability, Denzin & Lincoln, (1994).

The data collected was further aggregated, strengthened and supported through near similar criteria suggested by Lincoln & Guba, (1985) as: credibility; triangulation, through the use of

different data sources and various methods of data collection to confirm similarities and differences in data. Finally the study colleagues checked noting observations and inferences with respondents. Data confirmation and collection was done including reference to counter examples, alternative views and dominant positions were used to ensure content validity. These criteria were adhered to in the conduct of the research.

### **3.8 DATA ANALYSIS AND PRESENTATION**

#### **3.8.1 Editing and spot checking**

The researcher edited and checked the responses during and after each interview with the respondents. This was done in order to ensure that information given was logical, accurate and consistent. Obvious errors and omissions corrected to ensure accuracy, uniformity and completeness to facilitate coding. Coding was done to ensure that all answers obtained from various respondents were given codes and classified into meaningful forms for better analysis, as they were entered in the computer for analysis.

#### **3.8.2 Procedures**

The data filled in the questionnaires was copied and analyzed by tally using SPSS 16.0 software version and tabulating it in frequency tables identifying how often certain responses might occur and later evaluation was done. This information was recorded in terms of percentages. The recorded data was edited and interpreted which ensured uniformity, legibility and consistence. In addition, interview results coded on frequency tables and the percentages calculated from the data and analysis of the data proceeded.

Data presentation; the information was presented inform of percentages and frequency tables. This involved transferring the numerical research findings to coding frames using tallies and

SPSS to come up with frequency and other statistical tables. This enabled the researcher to easily interpret and analyze data in relation to the study problem and objectives.

### **3.9 Limitations of the study**

In the process of carrying out this investigation, there were a number of limitations. These included:

- (i) Some target respondents were not willing to set aside time to respond to the investigators questions. The researcher made the questions simple and easy to understand by avoiding vagueness so as to create a good environment.
- (ii) There were little finances for printing, moving, typing and this made it difficult for the research to be completed in time.
- (iii) Research methods used were adopted from those done in other countries thus hard to get accurate data.



## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION AND PRESENTATION OF THE FINDINGS.

#### 4.0 INTRODUCTION

This chapter presents the findings of the study which were discussed in line with the themes which are provided in the specific objectives of the study. The objectives of the study included; to find out the effect of entrepreneurship development skills on youth employment with a case study of Kampala Central Division, to establish the levels of entrepreneurship development existing in, to find out the challenges faced in entrepreneurship development in, and to establish the relationship between entrepreneurship development skills and youth employment.

The response rate was 61.2% of the respondents and 38.8% of the respondents did not return the questionnaires because of much commitments of work and some did not have addresses where to tress them.

#### 4.1 THE DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

##### 4.1.1 Gender of the respondents

**Table4.1.1: Gender of the respondents**

Gender	Frequency	Valid Percentage
Male	140	60
Female	94	40
Total	234	100

*Source: primary data (2016)*

The findings of the study as presented in table 4.1.1 show that 60% of the respondents were males and 40% were females. This implies that male youth tend to leave their homes for work at

a lower age than the female youth and based on the cultural norms of Uganda, men have greater responsibility towards work than women. On top of that, in every area of the study, the ratio of males to females are high.

#### 4.1.2 Age of the respondents

**Table 4.1.2: age of the respondents**

Factor (age)	frequency	Valid percentage
18-25 years	187	80
26-35 years	244	10
36-40 years	9	4
Above 40years	14	6
Total	234	100

*Source: primary data (2016)*

As presented in table 4.1.2 above, the majority of the respondents were in the age bracket of 18-25 years (80%), 10% was in the age group of 26-35 years, 4% was in the age group of 36-40 years, while 6% of the respondents were above 40 years of age. This distribution shows that Kampala Central Division is filled with youth who are in the age bracket of 18-25, this implied that they are seen as freshers in search of jobs, hunt for survival needs, school drop outs and the study was about the youth.

### 4.1.3 Marital status of the respondents

**Table 4.1.3: Marital status of the respondents**

Marital status	Frequency	Valid Percentage
Single	131	56
Married	89	38
Divorced	4	2
Widowed	10	4
Total	234	100

*Source: primary data (2016)*

Study findings showed that majority of the respondents were single representing 56%, 38% of the respondents were married, 2% were divorced and 4% were widowed as presented in table 4.1.3 above. This shows that Kampala Central is occupied by many single youth because most of them are in search of what to do, many are unemployed, have less responsibility and enough time to give out information. The divorced are less because they are looked at to be unstable and the widowed are very hard to find amongst the youth.

#### 4.1.4 Education level of the respondents

**Table 4.1.4: showing education level of the respondents**

Education Level	Frequency	Valid Percentage
Certificate	150	64
diploma	56	24
Degree	19	8
Masters	9	4
Total	234	100

*Source: primary data 2016*

In the Table 4.1.4 above, the majority of the respondents were certificate holders (64%), 24% were diploma holders, 8% were degree holders and 4% were master's degree holders. The findings reveal that the respondents had the necessary education level to answer the questions in the questionnaire and this can help them to look for alternative measures as far as entrepreneurship is concerned. More so most of the respondents had certificate qualifications of 'O' and 'A' level. It was then of interest to find out the occupations of the respondents which the researcher inquired about and the findings are given in Table 4.1.5 below:

#### 4.2.5 Distribution of the respondents by occupation

**Table 4.2.5 distribution of the respondents by occupation**

Occupation	Frequency	Valid Percentage
Masons	24	10
Carpenters	42	18
Traders	28	12
Civil/Public servants	47	20
Security Guards	23	10
Unemployed	70	30
Total	234	100

*Source: primary data (2016)*

In the table 4.1.5 above it is shown that; 10% of the respondents were masons, 18% of the respondents were carpenters, 12% of the respondents were traders, 20% of the respondents were civil servants, 10% were security guards, and 30% were unemployed. This implies the poor government programs on youth employment in Kampala central, high demand of white collar jobs amongst the youth and a negative attitude towards work.

#### 4.3 Levels of entrepreneurship development

The researcher then wanted to know the levels of entrepreneurship development in Kampala Central division and the findings are;

#### 4.2.1 self employed persons contribute to creation of jobs

**Table 4.2.1: self employed persons contribute to creation of jobs**

	Frequency	Percent
Valid Strongly Agree	164	70.0
Agree	37	16.0
Not Sure	19	8.0
Disagree	9	4.0
Strongly Disagree	5	2.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.2.1 above, 70% of the respondents indicated that they strongly agree that self employed persons contribute to creation of jobs, 16% agreed that self employed persons contribute to creation of jobs, 8% of the respondents were not sure, 4% of the respondents disagreed and, 2% strongly disagreed. The 70% of the respondents strongly agreed that self employed persons contribute to creation of jobs hence meaning that the larger category of entrepreneurs were those who own and control businesses by themselves.

### 4.2.3 Managerial skills contribute to the creation of jobs

**Table 4.2.2: Managerial skills contribute to the creation of jobs**

	Frequency	Percent
Valid Strongly Agree	37	16.0
Agree	42	18.0
Not Sure	62	26.0
Disagree	56	24.0
Strongly Disagree	37	16.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.2.2 above, 16% of the respondents strongly agreed that managerial skills contribute to the creation of jobs , 18% Of the respondents agreed, 26% of the respondents were not sure, 24% of the respondents disagreed and 16% strongly disagreed. The findings revealed that many respondents were not sure and others disagreed indicating that managerial sills do not necessarily contribute to job creation.

### 4.2.3 Owners of businesses step aside and let other people manage their businesses

**Table 4.2.3: Owners of businesses step aside and let other people manage their businesses**

	Frequency	Percent
Valid Agree	14	6.0
Not Sure	23	10.0
Disagree	150	64.0
Strongly Disagree	47	20.0
Total	234	100

*Source: Primary Data (2016)*

As shown in table 4.2.3 above, none of the respondents strongly agreed that owners of businesses step aside and let other people manage their businesses, 6% of the respondents agreed, 10% of the respondents were not sure, 64% of the respondents disagreed, and 20% of the respondents strongly disagreed. The findings of the study reveal that 84% of the respondents disagreed that owners of businesses step aside and let other people manage their businesses and this was because business owners do not want to step aside and let their businesses to be operated by their employees. The owners of businesses manage the businesses themselves.



#### 4.2.4 Entrepreneurs create job opportunities

Table 4.2.4: *Entrepreneurs create job opportunities*

	Frequency	Percent
Valid Strongly Agree	94	40.0
Agree	42	18.0
Not Sure	23	10.0
Disagree	56	24.0
StronglyDisagree	19	8.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.2.4 above, 40% of the respondents strongly agreed that entrepreneurs create job opportunities, 18% 40% of the respondents agreed, 10% of the respondents were not sure, 24% of the respondents disagreed, and 8% of the respondents strongly disagreed. The findings reveal that entrepreneurs create job opportunities.

#### 4.2.5 Training of young entrepreneurs has created more job opportunities

Table 4.2.5 *Training of young entrepreneurs has created more job opportunities*

	Frequency	Percent
Valid Strongly Agree	28	12.0
Agree	19	8.0
Not Sure	32	14.0
Disagree	80	34.0
Strongly Disagree	75	32.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.2.5 above, 12% of the respondents strongly agreed that training of young entrepreneurs has created more job opportunities, 8% of the respondents agreed, 14% of the respondents were not sure, 34% of the respondents disagreed, 32% of the respondents strongly disagreed. According to the findings, 66% of the respondent disagreed hence revealing that training of young entrepreneurs only has not created more job opportunities, but more aspects have to be looked at especially youth fund and access to financial services.

### 4.3 The influence of entrepreneurship skills on youth employment

**Table 4.3.1: *The influence of entrepreneurship skills on youth employment***

	Frequency	Percent
Valid Strongly Agree	104	44.0
Agree	70	30.0
Not Sure	23	10.0
Disagree	23	10.0
Strongly Disagree	14	6.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.3.1.above, 44% of the respondents strongly agreed that entrepreneurship skills have led to increase in youth employment in Kampala Central Division, 30% of the respondents agreed, 10% of the respondents were not sure whether, 10% of the respondents disagreed, 6%of the respondents strongly disagreed that entrepreneurship skills have led to increase in youth employment. The findings reveal that entrepreneurship skills have led to increase in youth employment.

### 4.3.2 Entrepreneurship has natured innovative skills among the youth

**Table 4.3.2: *Entrepreneurship has natured innovative skills among the youth***

	Frequency	Percent
Valid Strongly Agree	84	36.0
Agree	66	28.0
Not Sure	51	22.0
Disagree	19	8.0
Strongly Disagree	14	6.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table above, 36% of the respondents strongly agreed that entrepreneurship has natured innovative skills amongst youth in Kampala Central Division, 28% of the respondents agreed, 22% of the respondents were not sure, 8% of the respondents disagreed that entrepreneurship has natured innovative skills amongst youth while 6% strongly disagreed. The findings revealed that entrepreneurship has natured innovative skills amongst youth.

### 4.3.3 Entrepreneurship has led to improved welfare amongst the youth

**Table 4.3.3: *Entrepreneurship has led to improved welfare amongst the youth***

	Frequency	Percent
Valid Strongly Agree	19	8.0
Agree	37	16.0
Not Sure	23	10.0
Disagree	80	34.0
Strongly Disagree	75	32.0
Total	234	100

*Source: Primary Data (2016)*

As shown in table 4.3.3 above, 8% of the respondents strongly agreed that entrepreneurship has a led to improved welfare amongst the youth in Kampala Central Division, 16% of the respondents agreed, 10% of the respondents were not sure, 34% of the respondents disagreed, and 32% of the respondents strongly disagreed that entrepreneurship has a led to improved welfare amongst the youth. The finding reveals that the entrepreneurship has led to improved welfare amongst the youth in Kampala Central Division and this means that youth entrepreneurs have an improved welfare as compared to other youth who are unemployed.

#### 4.3.4 Entrepreneurship has led to reduced laziness and idleness among the youth

**Table 4.3.4: *Entrepreneurship has led to reduced laziness and idleness among the youth***

	Frequency	Percent
Valid Strongly Agree	89	38.0
Agree	71	30.0
Not Sure	9	4.0
Disagree	37	16.0
Strongly Disagree	28	12.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table above, 38% of the respondents strongly agreed that entrepreneurship has led to reduced laziness and idleness among the youth in Kampala Central Division, 30% of the respondents agreed, 4% of the respondents were not sure, 16% of the respondents disagreed, and 12 % of the respondents strongly disagreed. The findings revealed that most of the youth participate actively in productive activities as a way of earning something for survival and thus entrepreneurship has led to reduced laziness and idleness among the youth.

### 4.3.5 Entrepreneurship skills have led to increase in population

**Table 4.3.5** *Entrepreneurship skills have led to increase in population*

	Frequency	Percent
Valid Strongly Agree	117	50.0
Agree	61	26.0
Disagree	33	14.0
Strongly Disagree	23	10.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.3.5 above, 50% of the respondents strongly agree that entrepreneurship skills have led to increase in population in Kampala Central Division, 26% of the respondents agree, 14% of the respondents disagree, and 23% of the respondents strongly disagree. Many youths move from their homelands to Kampala in search for employment and as a desire to get what to do or to create their own business.

**4.3.6 Entrepreneurship skills have led to increase in economically productive activities by the youth**

**Table 4.3.6: *Entrepreneurship skills have led to increase in economically productive activities by the youth***

	Frequency	Percent
Valid Strongly Agree	56	24.0
Agree	80	34.0
Not Sure	33	14.0
Disagree	42	18.0
Strongly Disagree	23	10.0
Total	234	100

**Source: *Primary Data (2016)***

As shown in the table 4.3.6 above, 24% of the respondents strongly agreed that entrepreneurship skills have led to increase in economically productive activities by the youth in Kampala central division, 34% of the respondents agreed, 14% of the respondents were not sure, 18% of the respondents disagreed, 10% of the respondents strongly disagreed that entrepreneurship has involved many youth in economically productive activities. The findings reveal that entrepreneurship has involved many youth in economically productive activities in Kampala.



#### 4.3.6: Entrepreneurship has led to increase in employment opportunities for the youth

Table 4.3.6: *Entrepreneurship has led to increase in employment opportunities for the youth*

	Frequency	Percent
Valid Strongly Agree	37	16.0
Agree	66	28.0
Not Sure	23	10.0
Disagree	47	20.0
Strongly Disagree	61	26.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.3.6 above, 16% of the respondents strongly agreed that entrepreneurship has led to increased employment opportunities in Kampala Central Division, 28% of the respondents agreed, 10% of the respondents were not sure, 20% of the respondents disagreed, and 26% of the respondents strongly disagreed. The results mean that entrepreneurship has led to increased employment opportunities in for the youth Kampala.

#### 4.4 MAJOR CHALLENGES FACED IN YOUTH IN ENTREPRENEURSHIP DEVELOPMENT

There are many challenges faced by youth in adapting and participating in entrepreneurship development programmes as discussed below.

##### 4.4.1 Lack of entrepreneurial skills amongst the youth

**Table 4.4.1 lack of entrepreneurial skills amongst the youth**

	Frequency	Percent
Valid Strongly Agree	112	48.0
Agree	94	.040
Disagree	23	10.0
Strongly Disagree	5	2.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.4.1 above, 48% of the respondents strongly agree that there is lack of entrepreneurial skills among most of the youth in Kampala central division, 40% of the respondents agree, 10% of the respondents disagree, and 2% of the respondents strongly disagree. The results imply that most of the youth in Kampala lack of entrepreneurial skills that are important for starting up and running a business.

#### 4.4.2 Lack of business management skills among the youth

**Table 4.4.2: lack of business management skills among the youth**

	Frequency	Percent
Valid Strongly Agree	61	26.0
Agree	136	58.0
Not Sure	14	6.0
Disagree	14	6.0
Strongly Disagree	9	4.0
Total	234	100

*Source: Primary Data (2016)*

As shown in the table 4.4.2, 26% of the respondents strongly agree that there is lack of management skills among the youth in Kampala Central Division, 58% of the respondents agree, 6% of the respondents were not sure, 6% of the respondents disagree, and 4% of the respondents strongly agree. Therefore, there is lack of management skills among the youth in Kampala Central Division. Some youth are employed or run businesses that are owned by youth that have never gone to school or school dropouts and thus lack practical entrepreneurial and management skills.

#### 4.4.3 Lack of access to productive resources and financial services.

**Table 4.4.3: lack of access to productive resources and financial services.**

	Frequency	Percent
Valid Strongly Agree	136	58.0
Agree	47	20.0
Not Sure	14	6.0
Disagree	28	12.0
Strongly Disagree	9	4.0
Total	234	100

*Source: Primary Data (2016)*

As shown in table 4.4.3 above, 58% of the respondents strongly agreed that there is lack of access to productive and financial resources by the youth in Kampala Central Division., 20% of the respondents agreed,6% of the respondents were not sure, 12% of the respondents disagreed, and 4% of the respondents strongly disagreed that there is lack of access to productive and financial resources by the youth. Therefore, there is lack of or limited access to productive and financial resources by the youth and it is a major challenge to youth participating in entrepreneurship programmes.

#### 4.5 Relationships between financial management skills and youth employment

Table 4.5.1 *Relationships between financial management skills and youth employment*

	Frequency	Percent
Valid Yes	234	100
No	0	0
Total	234	100

*Source: Primary Data (2015)*

As shown in the table 4.5.1.above, 100% of the respondents agreed that there is a relationship between financial management skills and youth employment, and none of the respondents indicated the contrary. The study therefore revealed that there is a significant relationship between financial management skills and youth employment, In depth interviews were held by the researcher on whether there is a relationships between financial management skills and youth employment, One respondent, a youth in the early twenties said, “One who have a huge limiting factor if such a person has not trained to improve on entrepreneurship skills that he attempts to employ”

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 INTRODUCTION**

This chapter shows the summary, conclusion and recommendations based on the levels of entrepreneurship development existing in Kampala Central Division, the effect of entrepreneurship skills on youth employment, the challenges faced in youth entrepreneurship skills development, and the relationship between entrepreneurship skills and youth employment.

#### **5.1 SUMMARIES OF THE FINDINGS**

##### **5.1.1 Level of entrepreneurship development**

Youth entrepreneurship development programmes implementation in Kampala Central Division is ongoing but the study findings at 70% of the respondents revealed that youth entrepreneurship development is only at self employed mindset level. According to the study, 66% of the respondents disagreed that entrepreneurship in Uganda is not at true entrepreneurship level reveal that entrepreneurship development has not set a foundation to make any significant impact.

##### **5.1.2 Effect of youth entrepreneurship development**

The entrepreneurship development programmes in Kampala Central Division have led to youth employment, as revealed in the study. Entrepreneurship skills have led to increased economic growth, nurtured innovative skills among the youth, and has led to reduced laziness among the youth, most of the respondent`s comments were on reduced idleness among the youth.

### **5.1.3 Challenges faced in entrepreneurship skills development**

Transparency in access to the youths credit funds is a major challenge facing the youth in participating in entrepreneurship development programs as revealed in the study, there were also insufficient funds.

The results of the study were that 84% of the respondents agreed that lack of entrepreneurship skills among the youth is another challenge that is faced.

The results of the study were that 50%% of the respondents agreed that there is a negative attitude towards indigenous (locally made) products in Uganda and this is a great challenge to entrepreneurship development in Kampala Central Development

### **5.1.4 Relationship between entrepreneurship and youth employment**

The study findings reveal that entrepreneurship development skills have a significant effect on youth employment especially in terms of job learning experience and innovative skills. There is a significant relationship between entrepreneurship and development of innovative skills, there was a significant impact of entrepreneurship development on economic growth, and there was a significant impact of entrepreneurship development on job creation, the study revealed that there is a relationship between entrepreneurship and youth employment.

## **5.2 CONCLUSIONS**

### **5.2.1 Level of entrepreneurship development in Kampala**

The study findings reveal that entrepreneurship development levels of youth in Kampala central division were at a self employed mind set. The study findings revealed that implementation of different entrepreneurship programmes would increase the level of entrepreneurship development.

### **5.2.2 Effect of youth entrepreneurship development**

Entrepreneurship development programs in Kampala have influenced youth in terms of job creation, reduced laziness, nurtured innovative skills, and have led to increase in economic growth.

### **5.2.3 Challenges faced in entrepreneurship skills development**

Lack of resources and access to capital and insufficient skills are the challenges faced by entrepreneurship skills development. Limited employment opportunities were also among the challenges that were faced. There is limited access to finances especially in terms of micro credit for financing business start up and continuity of businesses.

### **5.2.4 Relationship between entrepreneurship and youth employment**

The findings reveal that entrepreneurship development skills have had a significant impact on youth employment in terms of job-learning experience, that is, innovative skills, that there is a relationship between entrepreneurship and youth employment.

## **5.3 RECOMMENDATIONS**

Entrepreneurship development programmes are advocated in Kampala Central Division, but strong programs should be put in place to increase the entrepreneurship levels, and overcome the challenges faced by youth in entrepreneurship development. These strategies will significantly create employment and strong foundations for entrepreneurship development. The approach can be through youth entrepreneurship development programme components such as developing professional capability and technical competence which is critical to the success of youth enterprise support programmes, adequate funding is necessary to allow effective and successful implementation of the youth enterprise development programmes so as to attain significant outcomes on the target groups, technically competent staff or staff that have entrepreneurial



experience should train the youth has this is among the major factors that can lead to success of entrepreneurship development, and enterprise advisory support programmes, ethical conduct in business is very important and this should be imparted into the youth through mentors to provide young people with professional advice and guidance on how to effectively manage their businesses. This enables youth entrepreneurs to overcome constraints of limited business experience, contacts and skills; in the youth entrepreneurship development programmes, there should be a component to sensitize communities to transfer information to youth to enable them get skills and experience in business management. The youth should be encouraged to get good mentors and to get business support services, the youth should be encouraged to deal with the challenges in youth entrepreneurship development and they should undertake measures to overcome these challenges. The youth should be encouraged to participate in youth entrepreneurship development programmes. Government funding and support to the youth should be increased, the government plays key role in financing youth entrepreneurship programmes and also in creating a conducive environment for entrepreneurship development. Various sources of funding should be encouraged, that is, both local and international sources of funding should be encouraged. Entrepreneurship deployment programs that have been used in developed countries should be employed to the youth in Kampala district.

#### **5.4 AREAS FOR FURTHER RESEARCH**

The areas for further research include;

- (i) To find out the underlying causes of ineffective implementation of the objectives of youth entrepreneurship development programs.
- (ii) To find out failures in the attainment of the objectives of youth entrepreneurship development programmes.

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**RESEARCH INSTRUMENT**

Dear respondents, I am a student of Uganda Martyrs University undertaking a research study on The Role of Entrepreneurship Skills on Youth Employment in Kampala Central Division. You are kindly requested to give your views and observations as genuinely as possible by either writing in the space provided or by putting a tick in the box of your appropriate choice. The aim of this tool is to increase the understanding of the role of entrepreneurship skills on youth employment and not to examine or penalize the respondent. The questions provided below are for academic purposes and the findings of the study will be highly treated with confidentiality and can be availed on request. Thank you for your cooperation

**Signature..... LUYOMBYA JOSEPH, Researcher.**

**Section A: Personal Data**

(Tick in the Appropriate box provided)

1. Gender

(a) Male  (b) Female

2. Age of respondent

(a) 18-25 yrs.  (b) 26-35yrs  (c) 36-40yrs  (d) 40yrs and above

3. Highest Level of education

(a) Certificate  (b) Diploma  (c) Degree  (d) Masters

4. Marital status

(a) Single  (b) Married  (c) Divorced  (d) Widowed

**SECTION B**

Please tick in the space provided in the scale of 1-5.

Key

1= Strongly agree (SA)      2 = Agree (A)      3 = Not Sure (NS)

4= Disagree (D)      5= Strongly Disagree (SD)

**Which of the following levels of entrepreneurship contribution on youth employment in Kampala Central Division?**

		SA	A	NS	D	SD
		1	2	3	4	5
1	The self employed persons contribute to creation of jobs					
	Those with a managerial skills contribute to the creation of jobs					
	Owners of businesses step aside and let other people manage there business					

1.	The entrepreneurs create job opportunities					
2.	training young entrepreneurs creates employment opportunities					
3.						
4.	<b>SECTION C</b>					
5.	Effect of entrepreneurship skills on youth employment					
6.	entrepreneurship skills haven led to increased youth employment					
7.	entrepreneurship skills have natured innovative skills among the youth					
8.	entrepreneurship skills have led to improved welfare amongst the youth					
9	entrepreneurship skills have led to reduced laziness and idleness among the youth					
	entrepreneurship skills have to increase in population in Kampala					
	entrepreneurship skills have made youth participate in economically productive activities					

	entrepreneurship skills have led to increased youth employment opportunities					
10	SECTION D					
11	What are the major challenges faced in entrepreneurship development on youth employment					
12	There is lack of entrepreneurship skills among the youth					
13	There is lack of business management skills among the youth					
14	There is limited access to financial management among the youth					
15						

**Thank you**



