

**EFFECTS OF ENTREPRENEURSHIP TRAINING, EDUCATION AND LOANS ON
PERFORMANCE OF YOUTH OWNED ENTERPRISES IN MALAWI THE CASE OF
DOWA DISTRICT**

MASTER OF BUSINESS ADMINISTRATION DISSERTATION

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B.Ed. (Arts, MZUNI)

UNIVERSITY OF MALAWI

THE POLYTECHNIC

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By

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B.Ed. (Arts, MZUNI)

**A Dissertation Submitted to Management Studies Department, Faculty of Commerce, in
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Administration**

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The Polytechnic

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DECLARATION

I, Naomi Kaonga, declare that this MBA Dissertation, submitted for the award of Master of Business Administration at Malawi University of Business and Applied Sciences, is wholly my work unless otherwise referenced or acknowledged. Further, no part of this dissertation has been submitted anywhere for an award of any other degree or examination to any other university or college.

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CERTIFICATE OF APPROVAL

We, the undersigned, hereby certify that we have read and approve for examination by The Malawi University of Business and Applied Sciences this dissertation entitled “*Effects of Entrepreneurship Training, Education and Loans on performance of Youth Owned Enterprises in Malawi the Case of Dowa District*”.

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May God the Almighty bless each one of you plentifully

ABSTRACT

Youth entrepreneurship is one of the key ingredients in job creation in Malawi. It is the gateway from being an employee to self-employed. However, there are several factors that affect youth entrepreneurship. These are entrepreneurship social cultural, training, education, and business loans among others. This study, therefore, investigated the effects of entrepreneurship training, education, and loans on the performance of youth owned enterprises in Dowa. Specifically, the study analysed the training programmes and education for youth entrepreneurship, assessed the impact of loans accessed by youth entrepreneurs as well as the relationship between entrepreneurship training and performance of youth-owned enterprises. A survey of 80 youth-owned enterprises was undertaken using self-administered questionnaires to collect data. The results showed that youth entrepreneurs have adequate technical skills because of the vocation training provided but the training did not have much emphasis on entrepreneurship. The study further showed that few youths had access to loans and those that accessed the loans, used the loans to make initial capital expenditures of the business, which in-turn did not boost their businesses. It was also revealed that poor financial management skills and family background hampered the performance of their enterprises at large. The findings demonstrate that it is imperative for finance lending institutions to develop deliberate policies to provide substantial capital to youth-owned enterprises which can cater for initial business set-up and subsequent trading. To enhance the performance of youth owned enterprises, the study recommends the provision of financial management and entrepreneurship training, as well as financial support to youth entrepreneurs.

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ABBREVIATIONS AND ACRONYMS

BEP	Business Enabling Programme
COVID-19	Corona Virus Disease of 2019
EDC	Enterprise Development Centre
ILO	International Labour Organization
MSMEs	Micro, Small and Medium Enterprises
NEPAD	New Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
SMEDI	Small and Medium Enterprise Development Institute
SMEs	Small and Medium Enterprises
TEVETA	Technical and Entrepreneurial Vocational Education and Training Authority
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
YEDF	Youth Enterprises Development Fund
YEN	Youth Entrepreneurship Network

CHAPTER ONE: INTRODUCTION

1.1 Background

Youths in developing countries face numerous challenges to earn a living upon completing their tertiary education because of the high unemployment rate in the formal job sectors. In this regard, entrepreneurship is an alternative career option for young people. It plays a crucial role in driving economic development in a country. According to (Kirby, 2004), entrepreneurs make significant contributions to the development process of the third world. Entrepreneurship is not about making money or acquiring wealth but is also a unique opportunity to uplift the nation and communities from a grassroot level.

Dunn and Holtz-Eakin (2000) adds on to say that entrepreneurship is a driving force for economic growth in countries around the world. As an entrepreneur can spot opportunities where some people will see problems. This is a necessary tool to move the country out of the subsistence economy and into a more diversified commercially focused economy. Youth entrepreneurship empowers young people to be economically independent and self-reliant. It creates decent work for young people through self-employment and new jobs creation. This is what Malawi needs as a developing country to change its economy. Malawi needs entrepreneurs to drive its economic development. It is one of the most interesting places where an untapped potential of entrepreneurial spirit exists as it is blessed with an untamed nature and abundant natural resources.

Currently, the world is concerned about the future which is uncertain due to the long-term economic depression from the global economic crisis of 2008 and the Corona virus disease of 2019 (Covid-19) pandemic. According to the International Labour Organization (2017), it estimated that global youth unemployment rate was 7.82 percent in 2011. Therefore, the concerns regarding the increase of youth unemployment are outpouring and the downsizing of industries is something nations cannot afford to disregard.

Several countries agree that business start-ups are the solution for youth unemployment. Most countries have state-supported institutions that champion skills development for the youths. In line with this, the Technical and Entrepreneurial Vocational Education and Training Authority (TEVETA) in Malawi is working with technical colleges to impart technical skills to youths to enhance youths' start-ups. In addition to TEVETA, Malawi is training numerous entrepreneurs

through other agencies such as Small and Medium Enterprise Development Institute (SMEDI) to come out and take initiatives in discovering the various markets of commodities and services.

According to Mkandawire (1998), the Government of Malawi, through its broad Business Enabling Programme (BEP) aims to create an environment where businesses big and small can flourish. As such, there are technical colleges as well as other institutions across Malawi tasked with the development of entrepreneurship skills. SMEDI is one example of such an institution in Malawi. It was created through the BEP to promote the development of Micro, Small and Medium Enterprises (MSMEs) in the country. Enterprise Development Centre (EDC), which is the training division of SMEDI aims to promote the development and growth of sustainable MSMEs in Malawi. It is partnering with the Government of Malawi and other stakeholders to create an enabling environment to facilitate access to finance, information, and markets for MSMEs. This is promoted to provide relevant need-based business development services, entrepreneurship, business training, coaching, and mentoring of youths on entrepreneurship.

Since Entrepreneurship on its own promotes national development, the growth of youth entrepreneurship is one of the government's agenda to achieve rapid and sustained economic growth that would lead to poverty reduction and the creation of job opportunities. Dowa district on which this paper is based amazes the author through the incredible energy, determination and perseverance coming from young people when talking about entrepreneurship. The best way to make use of these resources is through entrepreneurial education, especially to our youths who are regarded as the leaders of tomorrow. Dowa district is one of the privileged districts in the country with three technical colleges which train youth entrepreneurs. Most of the enterprise developments taking place in the district are undertaken by individuals who come from other districts to invest in Dowa, while other enterprises are owned by individuals originally from Dowa who did not attend entrepreneurial training at all, and very few are owned by those who graduated from training schools in Dowa. However, Entrepreneurship in the district has been given special attention through the provision of training programmes and loans as well as grants in training schools of SMEDI and Mponela Community Technical Colleges. SMEDI has been in operation for over ten years in Dowa and to date, it has trained over 5000 youths into entrepreneurship country wide.

The institution has three departments; Business Information and Training Department, which has Business Training Section responsible for business training coordination services,

Entrepreneurship, and behavioural change programmes. The third section is Enterprise Development Centre (EDC) which is the hub for SMEDI projects thus Business Incubation Project as well as New Partnership for Africa's Development (NEPAD) Project. This aims at promoting decent rural youth employment and entrepreneurship in Agriculture and Agribusiness.

Through NEPAD the training programmes offered are entrepreneurship, customer relations management, project management as well as value addition in food processing, gemstone curving, cassava processing and manure making. SMEDI works hand in hand with The Deutsche Gesellschaft für Internationale Zusammenarbeit (*GIZ*) and NEPAD which started offering support to the youths in 2017. So far over 150 youths have been trained in entrepreneurial skills and business planning with hands-on activities through attachments to various organizations. *GIZ* offer youths with soft loans and grants, such that to receive loan young entrepreneurs need to present a solid business plan. *GIZ* has so far enrolled 150 youths in a two-year programme since it started, where the programme grants 50 per cent loans to youth entrepreneurs for business start-ups.

Entrepreneurs feel that there is often a significant gap between the perceptions of the training providers and those of the entrepreneurs in terms of training needs. Sometimes what appears as key problem areas to the trainer may have little importance for the entrepreneur. Jennings and Hawley (1996) suggest that most entrepreneurship training programs do not address the real problems of entrepreneurs. This may be because many training providers have limited managerial or vocational experience in small firms and fail to understand the practical problems facing entrepreneurs.

Timmons and Spinelli (2004) mention that there is a limit to what can be taught in entrepreneurship training programmes and that the only way to learn is through one's own personal experience. Entrepreneurs see the quality of the resulting business plan as a key measure

of effective experiential learning. In the various surveys done by Henry, Hill and Leitch (2005), various training programmes in different places including South Africa, USA, Europe and Asia were examined. A content analysis was done on various entrepreneurship programmes to investigate the main areas of training which trainers and facilitators need to focus on. In their study, financial management and marketing have been highlighted as critical areas in which entrepreneurs require assistance. Therefore, increased participation of youths in entrepreneurship programmes,

as well as training, have little or no impact on the change of attitude and acquisition of entrepreneurial skills on the target individuals if critical areas are left out.

Dowa is one of the districts in Malawi situated in the central region. It borders Lilongwe the capital city of Malawi, Ntchisi, Salima and Kasungu. It has two technical colleges, SMEDI and Mponela Rural Community College. The uniqueness of Dowa as a location of the study is that most of the enterprises are involved in the informal sector and are owned by youths with no training at all but not many studies on the determinants of the youth enterprises have been conducted in the district. It is therefore the aim of this study to focus on the role of training and education in the growth of youth owned enterprises in the district.

1.2 Research problem

With an increasing number of unemployment among the youth resulting in a high crime rate, countries have introduced policy measures to support the growth of an enterprise culture and entrepreneurship to boost employment and job creation among young people. Ngugi and Bwisa (2010) noted that the failure to engage the youth decently and productively has systematically driven them into crime. The youth-owned enterprises' sector in Malawi provided approximately 50 per cent of the total employment and contributed over 72 per cent of the new jobs created in 2017 (Malawi Economic Survey, 2018).

Despite this significant effort, statistics however show that three out of five small enterprises of the youth fail within the first three years of operations (TEVETA, 2013) and those that continue 80 per cent fail before the fifth year. The youth-owned enterprises' sector is notoriously volatile and experiences a high degree of business closures and shrinkage as Eriksson and Kuhn (2004) puts it. Even though the factors influencing the performance of youth owned enterprises have been studied, most of them have concentrated on general factors like access to finance, markets and competition but the concentration on entrepreneurial factors such as training effectiveness has been ignored (Chingunta et al., 2005). Therefore, it is against this background that the study aims to examine the extent of the effectiveness of the entrepreneurial training on the youth owned enterprises and loan grants in influencing youth's behaviours and actions in running a successful business enterprise. Hence the quests to find out how effective are the training programmes and loans on youth owned enterprises in Dowa.

1.3 Research objectives

The main objective of the study was to examine the effects of entrepreneurship education, training, and access to loans on the performance of youth owned enterprises in Dowa. Specific objectives of the study included:

1. To analyse the training programmes and education provided to youths and their core focus on youth entrepreneurship
2. To assess the impact and usage of loans accessed by youths on the performance of youth-owned enterprises
3. To analyse the relationships of entrepreneurship training, education, and access to loans on the performance of youth enterprises.

1.4 Research questions

The study was aimed to respond to the following questions:

1. What is the main content focus of entrepreneurship training programmes provided to youths in Dowa?
2. How do youths use the loan they access in their businesses and its impact on their business growth?
3. How does the training, education and access to loans relate to youth enterprises performance?

1.5 Significance of the study

The study intended to inform or enlighten business trainers to focus on aspects of trainings that are useful to the youths or will close the knowledge gap in the youths in running youth owned enterprises. The other reason was to inform areas where the participation of youths in informal entrepreneurship can be facilitated.

1.6 Definition of Significant terms

Financial Management Skills: Ability to keep records of accounting, inventory control and operation of a bank account

Credit facilities: Access to start-up capital or expansion capital from commercial institutions.

Innovation: Change of business model or adapting to changes in the environment to deliver better products or services

Market: The purchaser of consumer of a given service or goods

Enterprise: Entrepreneurial activity especially when accompanied by initiative and resourcefulness.

Entrepreneurship: Stevenson (1989) defines entrepreneurship as the process whereby individuals become aware of business ownership as an option or viable alternative, develop ideas for business, learn the process of becoming an entrepreneur and undertake the initiation and development of business.

Entrepreneurial training: This is training carried out by the STRYDE project to pass on the necessary entrepreneurship skills for business start-ups.

Youth: Youth refers to young males and females aged from 18 to 35 years of age experiencing dramatic changes in their life circumstances as they move from childhood National Youth Commission (NYC), (1997).

Entrepreneur: This refers to a person who relentlessly focuses on an opportunity, either in a new or existing enterprise, to create value, while assuming both the risk and reward for his or her efforts Moore et al. (2008). An entrepreneur is a person who undertakes a wealth-creating and value-adding process, through developing ideas, assembling resources, and making things happen. Strydom (2012).

1.7 Chapter summary

This chapter has given the background to the study on effects of entrepreneurship training and loans on youth owned enterprises in Dowa, stated the problem statement of the study, highlighted the aim of the study, stated research objectives and questions, and finally the significance of the study. Chapter two covers the literature review according to the research objectives and chapter three presents the research methodology of the study. Chapter four presents research findings and discussions. Chapter five gives a summary of the major findings, conclusions, recommendations, and areas for further study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The literature review highlights the relationships between entrepreneurship education, training, and access to start-up finance and the performance of enterprises. What is taught and how it is delivered depends on the target audience and what prior inputs they might have. Its focus may be on building awareness of entrepreneurship in communities, with more targeted training for individual entrepreneurs needed in other events. Youth entrepreneurs need basic business education, on aspects such as social media marketing, accounting, human resource management, and forecasting market trends. Many may lack the employment experience necessary and may have had little opportunity to gain real-world work experience. The main objective of the study was to examine the effects of entrepreneurship education, training, and access to loans on the performance of youth owned enterprises in Dowa. The first section describes youth entrepreneurship and then reviews the literature on training programmes. The second section presents literature on the impact of loans accessed by youths on the performance of youth enterprises. The last part discusses the relationships of entrepreneurship training, education, and access to loans on the performance of youth enterprises.

2.2 Youth entrepreneurship

Entrepreneurship as a subject for conversation and examination was introduced by the economists of the 18th century, and it sustained to attract the curiosity of economists in the 19th century. In the 20th century, the word became identical or at least intimately linked with complimentary venture and private enterprise (Gaurav, 2019).

But Entrepreneurship on in formation of a new entity (Cieslik et al., 2021). It is also defined as its own is defined as the process that causes changes in the economic system through innovations of individuals who respond to opportunities in the market (Nieman, 2014). Entrepreneurship is the identification of an opportunity in value creation, and an act on an opportunity, resulting individual motivation and willingness to take risks, create, and sustain a growth-oriented and profit-making enterprise (Mokaya et al., 2012). Whilst youth refer to young males and females aged 18-35 years of age experiencing dramatic changes in their life circumstances as they move from childhood to adulthood (National Youth Commission, 1997).

The attitudes of young learners towards new venture creation will have a significant impact on their future inclination towards self-employment. These attitudes need to be influenced through exposure to entrepreneurial experiences as Shapero's Model of entrepreneurial intentions (Peterman & Kennedy, 2003). Kruger (2005) proposes that the breadth and positivity of entrepreneurial experiences influence the perceived desirability and feasibility of entrepreneurship career choice. This is combined with the propensity to act on the opportunity, which provides the intention to engage in entrepreneurial behaviour. Therefore, this defines entrepreneurship borrowed from the French verb *entreprendre* meaning to 'set about' or 'to undertake'. Kirby (2004) depicts entrepreneurs as undertakers who make things happen, and as a consequence, they disturb the status quo as change agents working as self-employed individuals in small businesses or as employees in large enterprises. Gaurav (2019) came up with three categories of entrepreneurs thus: pre-entrepreneurs, budding entrepreneurs, and emergent entrepreneurs. The first category which is pre-entrepreneurs is in the age group 15-19 years. They are usually the formative stage which appears to serve as a probationary period. The great majority of youth in this group are 'pre-entrepreneurs' who have a very low level of proprietary participation in the small enterprise sector. These younger youth are often in transition from the security of the home or education to the workplace.

On the other hand, Jaithen (2018) observes that, transition from education to work is not a single step of leaving the educational system and entering the world of work for many young people. As in the second category is budding entrepreneurs, this comprises young people in the age group 20-25 years. These youth are likely to have gained some experience, skills, and capital to enable them to run their enterprises. They often face three enterprise pathways, thus remaining stuck in marginal activities or going out of business and running successful enterprises.

The third category is emergent entrepreneurs; they are in the age group 26-29 years and are in their prime. This means that emergent entrepreneurs have a higher level of maturity than youth in the other two lower age groups. They are also likely to have accumulated vital experience in business or other areas of life. Hence, they are more likely to run more viable enterprises than younger youth. Evidence from South Africa suggests that the majority of successful youth are in their middle twenties or older(Chigunta et al., 2005).

It is now widely accepted that there are many good reasons to promote entrepreneurship among young people. This is because it creates employment for the young person who owns the business. In a broader sense, ‘entrepreneurship’, when treated as ‘enterprise’, helps young women and men develop new skills and experiences that can be applied to many other challenges in life. Young people in both developed and developing countries increasingly view entrepreneurship as a viable career option Gaurav (2019). The importance of promoting entrepreneurship is also reflected in the increasing role that self–employment through entrepreneurship plays in job creation across the world. Entrepreneurship is also emerging as an important source of employment, livelihoods, and economic dynamism. Entrepreneurship and self-employment can be a source of new jobs and economic dynamism in developed countries, which in turn improves youth livelihoods and economic independence in developing countries. Chigunta et al. (2005) further add that for young people in the informal economy, micro-entrepreneurship is a bottom-up method for generating an income, self-reliance, and a new innovative path to earning a living and caring for oneself. Given the growing importance of entrepreneurship and self-employment as a source of new jobs and economic dynamism in developed countries and livelihoods in developing countries, there is a need to promote youth entrepreneurship for improved youth livelihoods and economic independence.

2.3 Factors influencing entrepreneurial engagement and performance among youths

2.3.1 Social-cultural attitudes

Young people’s perceptions about entrepreneurship are shaped by the environment in which they live, how youth are perceived, and their role in the labour market, among others. According to a recent survey undertaken by Youth Business International, young people aged 18–34 across all geographical regions perceive entrepreneurship as a good career choice, with over 70 percent of youth in Latin America, the Middle East and North America and Sub-Saharan Africa; 65 percent in the European Union and 62 percent in Asia Pacific and South Asia having positive views of entrepreneurship as a career option. Societal attitudes towards entrepreneurship, fear of failure, insufficient promotion of entrepreneurship opportunities, lack of platforms to foster young entrepreneurs’ engagement and lack of access to markets are barriers that undermine efforts to create a culture of entrepreneurship; just as cultural and social backgrounds influence an individuals’ approach to life, they similarly influence entrepreneurial activity and enterprise culture.

Enterprise culture is defined as, set of attitudes, values and beliefs operating within a particular community or environment that led to both enterprising behaviour and aspiration towards self-employment Nazdar (2020). Deeply embedded unconscious and even irrational shared values, shape political institutions as well as social and technical systems, which eventually reflect and reinforce values and beliefs.

Cultures that value and reward such behaviour promotes a propensity to develop and introduce radical innovation, whereas cultures that reinforce conformity, group interests and control over the future are not likely to show risk-taking and entrepreneurial behaviour Herbig (1994), Herbig and Miller (1993) as well as Hofstede (1980). Such being the case, cultural differences between nations are increasingly understood as an important determinant of a nation's level of economic and entrepreneurial development.

Experience has shown that a cultural environment in which entrepreneurship is respected and valued and in which business failure is treated as a useful learning experience rather than a source of stigma is generally more conducive to entrepreneurship. Cultural values indicate the extent to which a society considers entrepreneurial behaviours, such as risk-taking and independent thinking to be desirable. Cultural values are considered to have an important influence on entrepreneurial behaviour. However, that does not imply that they are enough to cause or inhibit the rise of entrepreneurial activity in society. Social perceptions and perceived legitimacy of entrepreneurship are also important factors in hindering entrepreneurial behaviour. Business activity acceptance influences entrepreneurship emergence thus according to Cito and Aganze (2017), and different characteristics are being noted by those environments in which entrepreneurs enjoy greater legitimacy.

2.3.2 Entrepreneurship training

In developing economies like Malawi, the concept of an entrepreneur is understood differently. An entrepreneur in a developing economy is one who starts an industry (old or new), undertakes risks, bares uncertainties, and performs the managerial functions of decision-making and co-ordinating. He also puts new processes based on technological research into operation. He is called an entrepreneur even if he imitates any techniques of production from a developed economy (Ngoru, 2017).

As such lot of scholars have tried to define entrepreneurship training. Entrepreneurship training is a process that is aimed at leading to employment in an existing enterprise, self-employment (in either the formal or informal economy), or further education (Wiseman, 2014). Further to that Entrepreneurship training is a form of training that is aimed at leading to employment in an existing enterprise, self-employment thus either formal or informal economy or further education Wiseman (2014). Training in entrepreneurship acts as a facilitator for entrepreneurial activities with the focus being to stimulate entrepreneurial activity and performance (Antonites, 2005).

Ladzani and Vuuren (2002) studied SME service providers in the Northern Province (Limpopo) in Republic of South Africa and pointed out that entrepreneurship training needs to be seen as one of the basic requirements of starting and running a business. Herrington and Kew (2010) report that training efforts need to focus on inculcating an entrepreneurial mind-set and providing youth with the right knowledge and skills. Integrating entrepreneurship in formal and informal training systems is a necessary step in ensuring that young people acquire the appropriate competencies and skills to enable them to become entrepreneurs (ILO, 2005). United Nations Conference on Trade and Development (UNCTAD) policy guide on youth entrepreneurship states that, for entrepreneurship training to be effective, it needs to be an integral part of a student's experience and not an add-on and should focus on inculcating an entrepreneurial mind-set and promoting self-employment as a viable career option, thus it should encourage innovation and ensure that students develop confidence, flexibility, enterprise awareness, resilience, and risk-orientation from the outset. It further adds on to say that; to ensure that entrepreneurship is effectively integrated in training schools, different stakeholders, including the Ministry of Education and other ministries, such as Youth, Science, Export/Trade, Technology and Labour, as well as entities in the public and private sector, schools, academic institutions, business development services and NGOs that support young people, among others, need to be engaged in entrepreneurship education.

Training entrepreneurs should start at an early age, with the curriculum adapted at different levels of the education system – primary, secondary, and tertiary levels as per UNCTAD guide. At the primary school level, entrepreneurship should focus on soft skills, informed risk-taking, and teamwork. Students should also be encouraged to be creative and engage in hands-on, practical activities. At the secondary school level, entrepreneurship training skills should focus on informing

students about self-employment as a career option. Students should also develop non-cognitive skills, entrepreneurial knowledge, skills, and attitudes and gain experiences in starting a business.

In addition, they need to engage in real-life projects that provide them with an opportunity to exercise problem-solving and leadership skills as well as an understanding of risk and reward. Enterprise skills as well need to be embedded in all lessons, not just in business classes. At the tertiary level in both university and vocational training environments, entrepreneurship should focus on providing training to students in a broad range of disciplines, including science and technology. Like secondary school students, university students need to be taught non-cognitive skills that entrepreneurs need to create successful businesses such as resourcefulness, creativity, flexibility, determination, critical thinking, decision-making, leadership, and focus, as well as how to function in a fast-changing workplace UNCTAD Policy Guide on Youth Entrepreneurship (2014).

Fostering entrepreneurship trainings in any economy is critical as it leads to creative manpower and a successful workforce with better skill to meet the demand of the economy. It is in argument of the author that the major obstacle for growth in developing economies such as Malawi is lack of educated entrepreneurs who can mobilise and coordinate production inputs. Experience has also shown that promoting entrepreneurship in vocational training can ensure that young people acquire essential business skills as part of their training. Entrepreneurship has been integrated into several countries' technical and vocational education training (TVET) systems. Formal TVET systems provide formal education, training and assessment of skills required in the workplace through schools, colleges, institutes, polytechnics and workplaces and other registered training organizations and offer some form of certification or qualification. On another note, Timmons and Spinelli (2004) mention that there is a limit to what can be taught in entrepreneurship training programmes and that the only way to learn is through one's own personal experience. Entrepreneurs see the quality of the resulting business plan as a key measure of effective experiential learning.

In the various surveys reported by Henry et al. (2005), various training programmes in different countries including South Africa, USA, Europe and Asia countries were examined. Content analysis was done on various entrepreneurship programmes to investigate the main areas of training

that trainers and facilitators need to focus on and their impact on entrepreneurship performance. It was observed that youths have the technical skills and academic qualifications but lack the business acumen to operate commercially viable business ventures; hence require mentoring, incubation facilities and training to improve their business skills.

The challenge in most countries is that entrepreneurship as a subject is not taught or available through the school curriculum before tertiary studies, hence most youths regard it as a relatively new area that is pursued further during tertiary studies ILO (2017). In addition to this insufficient background, many entrepreneurs fail, not because of their business model nor lack knowledge and creativity skill, but because they had problems with aspects such as cash flow, managing staff, reaching markets, and responding to fluctuations in the business environment ILO (2017). As such, Entrepreneurship training and courses delivered through universities, colleges, NGOs, non-profits, development agencies, incubators, community organizations, government programmes, and social enterprises should aim at increasing awareness of entrepreneurship as a career option. This would help individuals brainstorm and focus on a viable business idea, provide inputs into the development of business plans and subsequent enterprises and provide a range of skills needed to be a successful entrepreneur ILO (2005). Further to this youth entrepreneurs also need basic business education, on aspects such as social media marketing, accounting, human resource management, and forecasting market trends. Many may lack the employment experience necessary and may have had little opportunity to gain real-world work experience ILO (2017). Haniel et al. (2019) also agrees that technical skills alone do not ensure success, they must be combined with business management skills which include human relations, decision making and negotiation among others as part of the entrepreneurial journey. McClelland (1961) adds that communication should also be included in the entrepreneurship training course as it's another way of boosting business in entrepreneurship the other way to achieve this is through social interactions, which include friendship, meetings, association activities and discussions. Since business is a social interaction between people, it could be a good foundation for building good customer relations.

The other crucial lessons which are tackled in entrepreneurial courses are management courses which include skills such as discipline, risk-taking, innovativeness, persistence, visionary leadership and being chance-oriented (Hisrich & Peters, 2002) and McClelland (1961). As such it is through innovativeness that every youth would want to do things differently from what has been

established as an indication of entrepreneurial qualities Benjamin-Schonberger (2010). And finally, integrating entrepreneurship in formal and informal trainings are necessary steps in ensuring that young people are equipped with appropriate competencies and skills to enable them to become entrepreneurs Haniel et al. (2019).

2.4 Entrepreneurship education

The entrepreneurship education is a reality in constant progress. It contributes to the construction of a culture (starting with the youngest people and children). Society is benefited by fostering these entrepreneurial attitudes and capacities, even beyond the application of them in new entrepreneurial initiatives Ngoru (2017). On another note, Schoof (2006) states that enterprise education is the process or series of activities that aims to enable an individual to assimilate and develop knowledge, skills, values and understanding which allow a broad range of individual problems to be defined, analysed and solved. On the other hand, enterprise training is a more planned and systematic effort to modify or develop knowledge and skills through learning experiences to achieve effective performance in a range of activities.

Fayolle and Klandt (2006) argue that entrepreneurship concepts are difficult to define and that there seems to be no strong agreement on what entrepreneurship education is and how it could be taught. Fayolle and Klandt (2006) further define entrepreneurship education in a wide sense as “any pedagogical programme or process of education for entrepreneurial attitudes and skills, which involves developing certain personal qualities”. However, entrepreneurship education is not only a means to create youth entrepreneurs but also to equip young people with entrepreneurial attitude and skills which will benefit them in other areas of life, their communities and society as a whole (Clemensson & Christensen, 2010).

Globally, self-employment is an important source of employment, livelihoods, and economic dynamism (Chigunta, 2002). Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurial thinkers and contribute to economic development and sustainable communities (Chigunta, 2002). One important thing is that young entrepreneurs gain a sense of accomplishment that comes from knowing that they did something useful with little or no supervision (Benjamin-Schonberger, 2010), and thus the greatest reason to raise a young entrepreneur.

Charney and Libecap (2000) evaluated the Berger Entrepreneurship program in the US, comparing business school graduates who completed the program to other graduates. They found out that entrepreneurship education contributes to risk-taking and the formation of new ventures. On average, entrepreneurship graduates are three times more likely than non-entrepreneurship graduates to start new business ventures. Controlling for the personal characteristics of graduates and other environmental factors, entrepreneurship education increased the probability of an individual being self-employed. Similarly, there is clear evidence that entrepreneurship education increases the propensity of graduates to be self-employed.

According to UNCTAD policy guide on youth entrepreneurship (2015), developing effective curricula and teaching tools is an essential step in enhancing entrepreneurship education and skills for young people. An effective curriculum should build an individual's competencies and skills as well as build an entrepreneurial mind-set and enhance their ability to recognize an opportunity. In the United Kingdom, for example, the Quality Assurance Agency for Higher Education (QAA) supports educators in the development of entrepreneurship curricula so that they can help students develop enterprising behaviours, attributes, and skills as well as an entrepreneurial mind-set. Ireland's National Foundation for Teaching Entrepreneurship's Youth Entrepreneurship Curriculum uses an innovative and creative approach to teaching entrepreneurship. It provides young people with entrepreneurship and business skills and encourages them to think creatively and to use their initiative when developing and implementing their business ideas.

Schoof (2006) adds on to say that entrepreneurship education is crucial in assisting young people to develop pertinent entrepreneurial skills, attributes and behaviours as well as to develop enterprise awareness, to understand and to realize entrepreneurship as a career option. It is not only a means to foster youth entrepreneurship and self-employment but at the same time to equip young people with the attitudes, for instance, more personal responsibility and skills, flexibility and creativity necessary to cope with the uncertain employment paths of today's societies (Schoof, 2006).

Sahay and Rai (2004) contended that a high level of education would enable entrepreneurs to exercise their entrepreneurial talent more efficiently and effectively. Entrepreneurship education is essential in assisting young people to develop entrepreneurial skills, attributes and behaviours as well as to develop business awareness to understand and realise entrepreneurship as a career option (Schoof, 2006)

In most developing and transition countries, enterprise education does not simply exist or has not been sufficiently adopted among in and out-of-school youth and where offered it is not applied on all different levels of education that are; primary, secondary, technical and vocational and higher education (Schoof, 2006). Literature from developing countries on entrepreneurship education remains patchy. A study in Kenya, Botswana and Uganda by World Bank (2009) revealed that entrepreneurship education is essentially provided through technical and vocational education and training (TVET) and the pedagogy essentially remains limited to traditional classroom teaching even though the learning outcome is to teach students on how to start and run a business.

In Nigeria, entrepreneurship is part of the secondary school curriculum and entrepreneurship studies are compulsory subject for all university undergraduates, while in Rwanda entrepreneurship is offered at both the Ordinary (O-Level) and Advanced Level (A-Level) in secondary school to ensure that educational outcomes are aligned with the labour markets' needs ILO (2017).

However, it is highly recommended that entrepreneurship education should start at an early age, with the curriculum adapted at different levels of the education system that is primary, secondary and tertiary levels ILO (2005). At the primary school level, entrepreneurship should focus on soft skills, informed risk-taking and teamwork. Students should also be encouraged to be creative and engage in hands-on and practical activities. At the secondary school level, entrepreneurship education should focus on informing students about self-employment as a career option. Students should also develop non-cognitive skills, entrepreneurial knowledge, skills and attitudes and gain experiences in starting a business ILO (2005). In addition, International Labour Organization ILO (2017) states that students need to engage in real-life projects that provide them with an opportunity to exercise problem-solving and leadership skills as well as an understanding of risk and reward. Furthermore, enterprise skills need to be embedded in all lessons, not just in business classes.

At the tertiary level in both university and vocational training environments, entrepreneurship education should focus on providing training to students in a broad range of disciplines, including science and technology. Like secondary school students, university students need to be taught non-cognitive skills such as resourcefulness, creativity, flexibility, determination, critical thinking, decision-making, leadership, and focus, as well as how to function in a fast-changing workplace ILO (2017). This will enable entrepreneurs to create successful businesses.

On another note, experience has shown that most education systems do not offer opportunities for practical and experiential learning as well as teamwork learning. The reason could be because relationships between educational institutions and the business community (school industry partnerships, combination of classroom learning and structured on-the-job experience) are not well-developed or are lacking altogether. At the same time, support structures such as business development services and networking opportunities aimed at linking young entrepreneurs to practical skills are often lacking in many countries or poorly developed in others.

All in all, for entrepreneurship education to be effective it needs to be an integral part of a student's experience and not an add-on. Effective entrepreneurship education is key to ensuring that young people acquire the competencies and skills they need to pursue entrepreneurship and to lay the groundwork for developing a culture of entrepreneurship. Concerted efforts are being made to integrate entrepreneurship education within and across regions. UNCTAD's programme introduces entrepreneurship to young people, as do other UN programmes such as the International Labour Organization's (ILO) Know Your Business. Building the capacity of teachers to inculcate entrepreneurship skills among students is critical in ensuring that entrepreneurship is integrated within the education system. In addition, there is need for strengthening the capacity of vocational training and apprenticeship systems to equip young people with the skills to pursue entrepreneurship and self-employment. Entrepreneurship education should also focus on inculcating an entrepreneurial mind-set and promoting self-employment as a viable career option that should encourage innovation and ensure that students develop confidence, flexibility, enterprise awareness, resilience, and risk orientation from the outset. To ensure that entrepreneurship is effectively integrated into education, different stakeholders, including the Ministry of Education and other ministries, such as Youth, Science, Export/Trade, Technology and Labour, as well as entities in the public and private sector, schools, academic institutions, business development services and NGOs that support young people, among others, needs to be engaged in entrepreneurship education. Even financial institutions cannot afford to lend money to uneducated or uninformed entrepreneurs as it will seem as if they are making negative investments as per the UNCTAD Policy Guide on Youth Entrepreneurship (2015).

2.5 Access to start-up finance

Access to finance is a binding constraint for young people that want to start or grow a business. Collateral requirements, high banking fees, inadequate youth-friendly products and lack of financial literacy are key bottlenecks for young people. Similarly Access to finance stands as a key constraint for an entrepreneur and for an aspiring young entrepreneur interested in starting a business. Lenders often view young people as risky investments because they typically lack bank accounts; have no credit history or work history, and generally have insufficient collateral or guarantees to secure loans or lines of credit. Aspiring young entrepreneurs carrying student debts tend to face greater difficulties when trying to secure financing (UNCTAD, 2012).

Experience has shown that youth entrepreneurs face difficulties in obtaining commercial loans from financial institutions due to lack of collateral, the growing level of youth unemployment in different countries has been the major motivation for the setup of youth funds. In an environment where economic growth has not greatly reduced unemployment levels, the governments have resorted to the use of targeted short-term job creation interventions. Globally, enterprise support and promotion has been identified as a strong component under the Youth Employment Network (YEN) of the United Nations, ILO, and World Bank as per the World Youth Report of 2003. Through their partnership under the Youth Employment Network, the above institutions identified entrepreneurship as a key priority in the promotion of youth livelihoods and employment (Schoof, 2006). This dialogue has led to the introduction of entrepreneurial skills development programmes and entrepreneurship development funds in many African countries.

Several studies carried out by different researchers have come up with observations on the influence of start-up capital, of which Chigunta et al. (2005) in Zambia, suggested that the majority of potential youth entrepreneurs cited a lack of capital as the major reason as to why they were not self-employed. Ayodele (2006) also identified inadequate capital as one of the principal factors hindering entrepreneurship in Nigeria. In the same vein, Schoof (2006), contends that access to business support services such as mentoring, support networks, business clubs and incubators by young people, increases the chances of sustaining the business. Barriers to new business creation apart from lack of start-up capital are competition excessive regulation, and market saturation. But about obstacles, the authors find mainly financial and operational problems.

Dunn and Holtz-Eakin (2000) also found that personal income would be the most important factor motivating students to become entrepreneurs. Lack of information on starting a business, the reduced possibilities of getting a loan, the high cost of the loan, and the lack of entrepreneurial skills are the most important barriers to starting a business by academic youth. However main obstacles faced by young entrepreneurs in business start-ups still stands on limited access to finance and capital. In developing countries, youths rely on personal savings, friends and family for start-up capital and business expansion, such that without such financial support they have limited chances of starting and maintaining their businesses (Abraham & Schmukler, 2017).

It is therefore observed that lack of adequate start-up finance is one of the most talked-about impediments to young people seeking to create their own business. According to the European Commission (2004), in its Flash Euro barometer Survey, young people (aged 15-24) seem to be the strongest supporters of the perception that the lack of available financial support is an obstacle to setting up a business. The lack of finance was a more severe barrier than administrative procedures/burdens or an unfavourable economic and cultural condition.

While Chigunta (2001) has suggested that youth enterprise support programs in developing countries should consider socio-cultural constraints that limit the participation of youth in particular young women who want to engage in entrepreneurship and self-employment. The problem of credit access to youth-run enterprises seems to be more pronounced in developing nations. Developing countries have very few microcredit schemes targeting the youth. According to Curtain (2000), a review of 902 organizations in 96 countries listed under the Microcredit Summit's Council of practitioners revealed that only 21 organizations had the term 'youth' in their title. A study carried out by Chigunta et al. (2005) in Zambia, suggested that the majority of potential youth entrepreneurs cited lack of capital as the major reason why they were not self-employed. Dunn and Holtz-Eakin (2000) further emphasize that access to finance is one of the most important obstacles to the start-up of new businesses, especially in developing economies with weak credit and venture capital institutions

According to the United Nations (2003), many youths in developing countries relied on personal savings or turned to family and friends for start-up funding and expansion. Without such finances, they had minimal chances of starting their businesses. However, of late different African countries

have set up special credit programs to promote credit access among the youth. Malawi is not exceptional in this case, for instance in Dowa District, SMEDI through NEPAD provide loans in form of grants to good performing youths depending on their presented business plans as per National Youth report.

Further to this, National youth, a fund that is mostly deployed in developing countries can generally be defined as financial resources contributed by governments through annual budgets. In some cases, through public-private partnerships, with the private sector and NGOs, supports the growth of MSMEs. The youth funds may be in form of loans or grants depending on the objectives for which they were set up in different countries. However, most youth funds are geared towards employment creation through support to MSMEs development, by using financial instruments and business support services among other tools (ILO, 2017) Access to loans by youths enables them to enter the job market or create their enterprises. The Fund, therefore, is aimed at supporting the growth of viable and sustainable SMEs in youth entrepreneurship (ILO, 2017). However, when trying to access financial services, youths from across the world face several common challenges like restrictions in the legal and regulatory environment, lack of specifically tailored financial products, limited financial capabilities, the reluctance of financial institutions to work with clients who have limited trading records and security, this is often the case for rural youth (Schoof, 2006). Schoof (2006) further adds that young entrepreneurs encounter significant obstacles in trying to obtain the necessary financial resources because they do not have a market history or sufficient guarantees.

It should be noted that the provision of financial services allows youths to improve their livelihoods and accumulate assets in the long term. Appropriate and inclusive financial services can equip youths with the resources and support to become productive and economically active members of their households and communities thereby making a smooth transition from childhood to adulthood. Non-refundable grants, incentives and start-up capital for promoting rural youth entrepreneurship are instruments of critical importance (Schoof, 2006).

Access to financing resources is very important for the individuals that decide to enter entrepreneurship. For example, Dunn and Holtz-Eakin (2000) analysed the impact of parental wealth and human capital on the likelihood of a person switching from employee to self-

employment. The results of the analysis show that young men who own financial assets have a modest quantitative effect on the transition to self-employment, while the capital of parents exercises great influence.

Yoshimoto (2002) states that the availability of market and capital can allow youths to gainfully employ themselves through starting and operating their businesses. According to the World Bank (2012), financial services play a critical role in development by facilitating economic growth, enterprise creation; reduce income inequality as well as poverty levels and employment creation. Inclusive financial systems allow poor people and disadvantaged groups such as youth, persons with disabilities and women to save, borrow and enable them to build their assets, invest in education, venture into entrepreneurial activities, and improve their livelihoods. Access to finance is a significant business environment and an issue for SMEs (Abraham & Schmukler, 2017). Agnew (2003) argues that finance is the life blood of any firm and no matter how well managed, it cannot survive without enough funds for working capital fixed assets, investment and employment of skilled labour force

Governmental decision-makers should promote policies that allow young entrepreneurs greater access to finance and should facilitate access to funding by providing guarantees for credits requested by young people, as well as providing incentives to financial institutions that credit young people who want to start a business or have their own business. The decision-makers should increase the facilities granted to newly established firms and young entrepreneurs, by creating new programmes. Also, they should facilitate the dissemination of information regarding the procedures for starting new businesses and regarding the access to funding sources, by promoting the funding programs provided by adding to the target audience also university students, seeing them as potential entrepreneurs especially aligning training courses into entrepreneurship programmes.

In addition to this according to UNCTAD (2012), Access to finance is widely indicated as the most binding constraints by young entrepreneurs. It therefore deserves special attention and best priority by policy makers in trying to tackle those bottlenecks that keep young people on the disadvantage side from the financial support for the start-up in their businesses. The most crucial areas of intervention have been identified, which act on both sides of financial products and services market: programmes that can increase financial literacy in terms of training programs as well as practical among young people (on the demand side) and initiatives to enhance the capacity of the

financial sector in terms of bank loans as well as grants from various stake holders to serve young entrepreneurs (on the supply side), thus meeting the crucial need of this niche of entrepreneurs and start-uppers. Young people need to be involved as partners as well as collaborators in youth entrepreneurship. To take on this role, concerted effort on the part of governments, NGOs and the private sector is required to develop platforms which would enable and engage young people as well as to promote the development of youth entrepreneurship networks and associations that advocate on behalf of young entrepreneurs.

Similarly, international organizations such as the ILO, the World Bank, and UNCTAD as well as inter-governmental organizations such as the Commonwealth which promote economic activities for young people need to engage young people as partners and collaborators in youth entrepreneurship. In the recent years, there has been a proliferation of awareness-raising events on entrepreneurship worldwide. Successful global events, often replicated at the national level, catalyse the media attention on specific times of the year. Contests, competitions, and awards for young entrepreneurs recognizing the achievements of successful business ideas, can be one of the most gateways towards winning entrepreneurial behaviour. This would surely contribute to highlight the value of entrepreneurship to society and to stimulate other young people to think about an entrepreneurial career. Whilst in the long run, creating an enabling entrepreneurial ecosystem for young people and eventually yield tremendous benefits by creating jobs and alleviating poverty, and by reducing social unrest and instability that is fostered by economic disenfranchisement.

2.6. The role of entrepreneurship education, training, and finance on performance of youth enterprises

Survival and growth of business ventures is a key concern for youth entrepreneurs which is determined by so many factors. Entrepreneurship education, training and finance have been identified as some of the factors that can play an important role in the growth of such business enterprises. This section therefore describes key concepts and principles about the role of entrepreneurship education, training, and finance on the performance of youth enterprises.

2.6.1 Role of entrepreneurship education and training on performance of youth enterprises

To promote the growth of youth enterprises, Malawi government has developed strategies and promotion programs aimed at supporting the micro and small enterprise sector. Entrepreneurship training and education have been cited as some of the most important strategies. Rasmussen and Sorheim (2006) define entrepreneurship training as a structured program that aims to equip individuals with necessary skillset and mindset for identifying and launching new businesses. According to Makau (2010), entrepreneurship training entails philosophy of self-reliance such as creating a new cultural and productive environment, promoting new sets of attitudes and culture for the attainment of future challenges.

On the other hand, Cole (1995) defines training as a learning activity, which is directed towards the acquisition of specific knowledge and skills for occupation. As such it focuses on the job task. It should be pointed out that training can be both formal and informal and is usually carried out to assist a person to understand and perform their job better. Armstrong (2003) concurs with Cole (1995) that training is a systematic modification of behaviour through learning, which occurs as a result of education and instruction. Meanwhile, entrepreneurship training is a systematic, structured and objectivist activity that people who have the potential ability would be creatively educated or entrepreneurs would be educated to increase their skills and capabilities. Rasmussen and Sorheim (2006) argue that entrepreneurship training has traditionally focused on teaching individuals, but many initiatives are increasingly becoming more action-oriented, emphasizing learning by doing.

Entrepreneurship Education and Training (EET) is a major determinant in the growth and survival of enterprises. According to the human capital theory, investment in knowledge, skills and abilities enhance the productive capacity of the individual. Entrepreneurial training and education act as a facilitator for entrepreneurial activities with the focus being to stimulate entrepreneurial activity and performance. This fact acts as a base to ensure that the research that is necessary and conducive in this field to ensure economic growth, is conducted. Training within this perspective is supported by the work of Hynes and Richardson (2007), where the training *per se* is defined as an intentional effort to teach specific abilities, which is knowledge bearing, to complete the project better. Education plays an important role both in situations in technological change and the process of applying a new management system. These traits were then translated into business growth with the following results: satisfied customers demonstrated by repeat buying, customer royalty and

increase in sales volume, well-kept business records, satisfied workers, and reduced labour turnover, and finally increase in capital investment and employment creation.

Several studies used competitive advantage in investigating firm performance Ma (2000), Mahmood and Hanafi (2013), Martinette and Obenchain-Leeson (2012), as well as (Tovstiga & Tulugurova, 2009). The results of the studies provide empirical support for the influence of entrepreneurial orientation, social network, human capital competitive advantage and business performance. Specifically, the results show entrepreneurial orientation, human capital competitive advantages are positively related to business performance. From Resource Based-View theory, it is argued that entrepreneurial orientation, the human capital competitive advantage of a manager/owner of the firm can increase the level of their SME performance

According to UNCTAD policy guide on youth entrepreneurship teachers also play an important role in inculcating entrepreneurship knowledge and skills. However, in many instances, teachers that deliver aspects of enterprise education in various settings often are non-specialists with little or no training in enterprise. Consequently, they lack the inclination, confidence, and ability to teach enterprise effectively. To teach entrepreneurship effectively, teachers need to understand key entrepreneurial attitudes and skills and require training in entrepreneurship to promote these skills, focusing on experiential learning and project work, identifying best answers, rather than providing students with solutions.

2.6.2 Role of finance on performance of youth enterprises

Business finance is one of the most important components for the establishment of any business and growth. A business can raise funds from different sources. Each of the sources has unique characteristics which must be properly understood so that the best available sources of raising funds can be identified. However, there is not a single best source of funds for all enterprises.

In case of proprietary and partnership concerns, the funds can be raised from personal sources or borrowing from friends. Apart from borrowing from friends and relatives, some proprietary businesses rely on loans from lending institutions. Start-up grants and loans particularly aim to promote the establishment of new enterprises of students or young unemployed job seekers by securing their livelihood during the time estimated for starting and stabilizing the business. Though increasingly superseded by loan schemes, the use of grant-based schemes is still a quite common

approach to stimulate entrepreneurship and start-up activity among young people in different countries. However, as White and Kenyon (2001) points out the issue of grant finance for self-employment ventures is a vexed one. On one hand, it can be an important aid for people who have been rejected from other conventional forms of finance. On the other hand, many experts believe that programs should help young people deal more directly with the problem of access to finance, rather than providing them with non-refundable funds or free money. However, the grant and loans play an important role in improving youth enterprises through the positive and significant relationship revealed by market linkages and access to credit.

For instance, young people operating small enterprises need access to soft loans, grants, and subsidies, while those operating high-growth businesses require innovation grants, R&D loans, and angel finance.

Also, a recent survey of young entrepreneurs across G-20 countries suggests there are gender differences regarding financing needs, with female entrepreneurs prioritizing grants and access to incubators while their male counterparts are more likely to prioritize tax breaks and education-related initiatives (Ernst & Young, 2013). Traditional sources of financing such as loans ensure that youth have funds to start and operate their businesses. Financial institutions offer a range of loan products to young people, including collateral as well as collateral-free products. Collateral-free loans are ideal for young people who often cannot meet financial institutions' collateral requirements UNCTAD (2015). Further to that, India's Kerala Finance Corporation's collateral-free loan scheme allows young entrepreneurs to borrow interest-free loans repayable in 5 years in 48 months instalments, with repayments exempted in the first year. Base on this several studies have been conducted to understand the influence of start-up capital and youth entrepreneurship performance.

Makau (2010) studied youth and self-employment in developing countries. The study found that, in its attempt to boost youth entrepreneurial performance in Kenya, the YEDF has categorised the youth as those falling within a certain age group. This lumps them together as if they were one solid entity without considering the dynamics that embodies them. Further, YEDF assumption is that any youth who doesn't have a job will go for the credit to enable them to earn an income and actively participate in the country's economy. Such an assumption risks falling into the "unitary

youth” trap which is highly contested as it has been ascertained that youth have different choices and tastes and providing only one option for them may not lead to positive entrepreneurship performance.

Kamau (2014) studied the role of youth enterprise development funds on the growth of micro and small enterprises in Kenya in the case of the Kiharu constituency, Murang’a County. The findings were that the type of enterprise activity that the youth engaged in is petty and most of them are generally like others in the area such as tapestry, weaving, welding, vegetable and grocery shades, fee-toilets, general shops, selling second-hand clothes, clothes making. Basing on these characteristics, the ventures can hardly be described as entrepreneurial if they were to be explained in line with Schumpeter’s idea of innovation.

A study conducted by Malaysian Mohd-Harif et al. (2012) investigated the use of performance measures by 27 SMEs from the agricultural sectors. Their findings revealed that the sampled SMEs preferred using financial measures as opposed to non-financial measures. Specifically, 78% of the sampled SMEs used profitability measures, 74% used cash flows, while 44% used a comparison of a financial budget to the actual financial performance. The researcher established that, although financial performance measurement was the common practice, most SMEs were unknowingly using some Problems and Perspectives in Management. The learning and growth perspective was also implemented through training and development plans and the measurement of employee absenteeism and employee turnover. However, this study was conducted in the Western Cape, its limited sample size prevents the generalization of its findings to the entire construction industry. But the most common method people use to measure business success is financial worth. The more the entrepreneur and business are worth the more successful the entrepreneur is.

Likewise, the more business assistance financially a young entrepreneur obtains in the start-up and new business phases the better his or her chance of creating a successful and sustainable business. Support services, including mentors, support networks, business clubs and incubators can hold the key to transforming one-person youth start-ups into successful small and medium businesses.

White and Kenyon (2001) have suggested that young people have limited business networks and contacts compared to older people, leading to isolation and increased pressure. Entrepreneurial isolation occurs because of not knowing anyone in the business. Business contacts are particularly

crucial for young and inexperienced entrepreneurs. According to Street and Sykes (2003), young people with no business experience have no former customer base or are on an already established supplier network to fall back to. They even do not know where to look for it and what is expected from them by professional purchasers, however financial support can boost their business through advertisements.

Business incubators according to International Labour Organization (2005), have become a powerful tool for supporting the entrepreneurial process and for helping to increase survival rates for young innovative start-up companies. Besides the provision of physical working space, they often provide a huge range of resources and services such as management coaching, business plan preparation, administrative services, technical support, business networking, advice on intellectual property and sources of financing for a limited period usually 3-5 years.

In the last twenty years, many governments have successfully launched systems of public business incubators to encourage and assist young enterprises as a tool for economic development, since they are the only source of new value creation, innovation, new wealth creation and most importantly new jobs generation (ILO, 2017). Business incubators can be found in very different forms and can be private, public, or based on a Public-Private-Partnership (PPP) initiative involving many partners at national, regional, and local levels thus (business angels, banks, regional and national government agencies, etc.). This, therefore, is an encouraging implementation as one way to boost entrepreneurship success.

A key issue for assessing the success of entrepreneurship training programmes is estimating the long-term benefits of the programme. Patel (2014) provides some insight concerning indicators for short-term versus long-term assessments by distinguishing between the intermediate and outcomes of entrepreneurship training programmes. It has been noted that intermediate outcomes had more start-ups, increases in investment, improved business knowledge/skills, improved agency over business decisions, higher formalization, improved business practices and performance, increased market access whilst outcomes growth for enterprises reflected through increases in revenue, profits, and number of employees.

But what should mostly be noted is that SMEs contribute positively to economic growth, employment and poverty alleviation as echoed by Fatoki and Asah (2011). Similarly, Kira (2013),

also adds that financing viable SMEs projects imply their sustainable growth and potential to create jobs and alleviate poverty. Such that Blanchflower and Oswald (2005), observed that effective promotion of youth entrepreneurship requires adequate funding.

Curtain (2000) observed that the success or failure of any micro-credit schemes in terms of financial viability and servicing the poor young people largely depends on the design of the program. Therefore, to promote effective micro credit programs, there is a need to reduce access barriers and design programs that meet the needs of potential youth entrepreneurs and existing youth-run enterprises (Blanchflower & Oswald, 2005). In this regard, youth enterprises can be promoted through the provision of various types of finance and funding that can broadly be divided into three categories: Grants and 'free money', debt financing and equity financing (Blanchflower & Oswald, 2005).

Across countries, lack of financial literacy is a barrier to financial inclusion. In many developing countries, less than half the population has a bank account, which is largely attributed to lower education levels for those at the base of the economic pyramid and geographic remoteness for people living in rural areas. Limited education is not only a barrier to accessing as well as in utilizing formal financial services appropriately, but also limits people's capacity to take advantage of financial opportunities and make informed choices that will improve their financial well-being. Promoting financial literacy can enhance financial inclusion and enable young people to access and appropriately use financial services, however developments are underway cross countries and regions, with efforts being made to promote financial literacy among young people according to the UNCTAD (2012).

2.7 Theoretical framework

Several theories and views have been discussed by various scholars on entrepreneurship. The present study examined the applicability of such theories and adopted some that have been viewed as relevant to the study. According to Akta and Rodradicic (2019), theories that support entrepreneurship include innovation theory by J.A Schumpeter which argues that the entrepreneur is born with a desire to establish his own industry, desires to do something new, takes the pleasure of creativity and earning experiences of skills for doing various tasks. However, the main objective behind the arms is to earn profit by way of search of new raw materials, new sources and production

of new products and providing consumer satisfaction. Since the present study analyses the training which essentially involves acquiring of skills and knowledge, the theory of innovation by Schumpeter is relevant in the study.

The other theory is need for achievement propounded by McClelland who hypothesises that the desire of high achievements, obtaining specific achievements by making the best performance, touching the highest of achievement, developed entrepreneurial tendencies in the individuals are the key issues in the life of an entrepreneur but, for that, the entrepreneur should have adequate capacity of imaginations thinking of and developing new combinations. McClelland has recognised the desire to achieve the major factor in entrepreneurial development he has suggested conducting motivational training programmes for development of entrepreneurs. The theory is relevant in the present study in the sense that it is propagating the element of Training.

On the other hand, the behavioural theory by John Kunkel assumes that the entrepreneurial development of the society depends on its past and existing economical social aspirations he identified certain types of compositions which are essential for entrepreneurial development these compositions include opportunity competition which is decided by various factors like labour and labour market production methods training opportunities skills etc

The behavioural theory is relevant to the study because it dwells on production methods which require knowledge training opportunities and skills which are some of the key variables in the study.

2.8 Conceptual Framework

“Most of what is heard about Entrepreneurship is all wrong for entrepreneurship is not magic, nor it is mysterious and has nothing to do with genes. As such it is a discipline, and it can be learnt.” Peter F. Drucker

Entrepreneurship training has been highlighted as a key necessity to the development and growth of the small enterprise sector in many countries of the world. It has been recognized as an important tool for changing the attitude and transfer of skills to people with entrepreneurial traits.

Therefore, entrepreneurship contribution to economic development can depend on the type of entrepreneurship. Acs et al. (2008) suggest that entrepreneurship should be understood more

broadly. And that besides “opportunity (innovation) entrepreneurship” which focuses on starting a business to exploit a perceived business opportunity, we should not leave without the attention of necessity entrepreneurship thus starting a business after being pushed into it.

The European Commission (2015) states that entrepreneurship is a skill that can be learnt. One does not have to be born an entrepreneur to run a successful business but can become one by developing an entrepreneurial mind-set and skill through learning. As such entrepreneurial education can drive personal development through seeing opportunities and doing something about them, it can strengthen the ability to innovate knowledge and skills concerning what must be done to establish a new enterprise. Entrepreneurial education can make one adapt as well as inability to make efficient use of resources in developing an idea into a practical, goal-oriented enterprise. Finally, contributes to necessary diversity in business life all in all entrepreneurship mind-set and skill can be best promoted through learning.

Grants provisions aim to promote the new enterprises for the young people, the entrepreneurship training with the grants leads to enterprise growth. In actual sense what a business requires is finance, the innovative function of entrepreneurship would remain a dream without adequate funding to bring it into reality. Ideas generated need to be implemented and implementation requires finance hence the need for grants and loans in youth entrepreneurs.

This study was guided by two independent variables: entrepreneurship training/education, and loans/ grants. The dependent variable was the performance of youth enterprises, Figure 1. The absence of entrepreneurial training, entrepreneurial education, loans, and grants will tend to stand in the way of the performance of the enterprises. In other words, the entrepreneurship opportunities will be reduced and diminished when these factors are in low percentages. A positive index on the variables would escalate the performance of the enterprises. It is therefore perceived in this study as Kilonzo (2012) puts it that these variables act through the entrepreneurial process with the players being the youths who were directly involved in the performance of the enterprises.

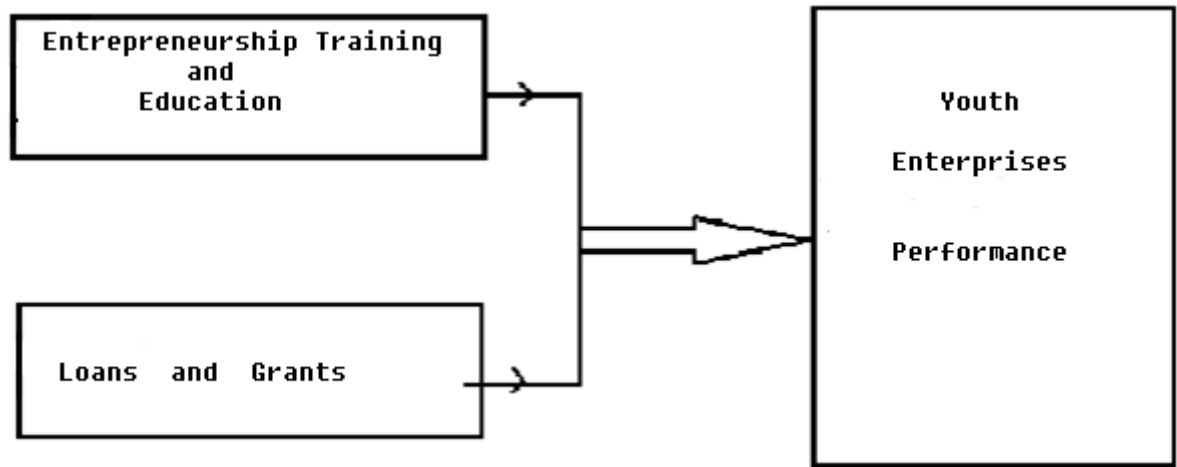


Figure 1: Study's conceptual framework

2.9 Chapter summary

This chapter reviewed literature based on the research objectives of the study, as well as analysis of views of scholars on factors affecting the performance of youth enterprises. It has been observed that entrepreneurship 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 & Kenyon, 2001). There may also be a direct effect on employment if new young entrepreneurs hire fellow youth from the 'dole' queues (Curtain, 2000). In this way, entrepreneurship could help address some of the socio-psychological problems and delinquency that arises from joblessness. The review revealed that there has been little effort to look at the involvement of entrepreneurship from a youth perspective. There were entrepreneurship training programs and enterprise creation for the youths, but it has not received adequate attention to look at the impact of the training programs and their contribution to youth employment.

Therefore, calls for policy actions to address soaring levels of unemployment among young people are becoming increasingly pressing both in developing economies and developed countries. Lack of job opportunities and barriers to self-employment for young generations, irrespective of their educational background, can have potentially serious consequences on a country's capacity to develop in a sustainable way in the years to come. Social exclusion of constantly growing shares of young population may also pose threats to a country's internal stability. Developing an enabling

entrepreneurial ecosystem for young people is the key to unleashing the potential of youth entrepreneurship and the foundation for creating a culture of entrepreneurship among young people. This Policy Guide takes a broader view on how governments can develop policies in key priority areas that will create an enabling environment for young entrepreneurs. Too many and burdensome regulatory hurdles, sometimes coupled with the absence of youth-orientated business development services, may discourage young people to start business, push young entrepreneurs to informality or clip the wings of nascent enterprises. Targeted initiatives, such as reducing initial capital requirements and simplifying the accounting regime for youth-owned start-ups, turned in to a remarkable increase in establishing new businesses.

The public and private sectors as well as other relevant partners can come together to address barriers related to education and skills development, and to determine how to better align the skills acquired by young people with the labour market's demands. Initiatives are mushrooming in many countries to instil an entrepreneurial spirit at an early age and to forge a positive entrepreneurial mind set through integrating entrepreneurship education into formal education systems. Though the impact of changes in the education system can generally be seen in the long term, some early assessments conducted point to noticeable improvements on attitudes, such as self-confidence, and skills, e.g., critical-thinking and problem solving, which are important for further developing entrepreneurial competencies. Policymakers can take a leadership role in supporting technology and innovation by providing incentives that will encourage private sector investment as well as by establishing favourable regulatory frameworks and putting across policies that will support the development of the infrastructure needed for innovation to occur, and by investing in higher education and training, and research and development to spur innovation. Young entrepreneurs are the most common source of innovation and creative use of technology. In addition to undertaking financial reforms, governments, with the support of entities in the financial sector as well as non-governmental organizations (NGOs) could explore how to reduce barriers that have a disproportionate impact on young people and thereby improve financial inclusion.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology which was used in the study. Several scholars attempted to define methodology in the context of research process. Bazeley (2018) defines methodology as “an overall approach to research process from theoretical approach to data collection and analysis”. Furthermore, Sandelowowski et al. (2012) views research methodology as a coherent and logical scheme based on the views, beliefs and values that guide the choices which researchers make. The two definitions clearly emphasize the point that research methodology is a systematic process in which a researcher decides on how to collect data from participants and how such data can be analysed to make conclusions out of what has been found. Teddie and Tashakkori (2010) noted that research methodology comprises theoretical analysis of methods and principles associated with a branch of knowledge such that methodology employed from differing disciplines vary depending on historical developments. The argument put forward by Teddie and Tashakkori (2010) consequently places methodology within the principles of philosophies and approaches. The chapter therefore explains the research philosophies, approaches, research strategies, research design, study population, sample and sampling technique, data collection methods and data analysis.

3.2 Research philosophy

One of the most important aspects in undertaking scientific research according to Hilton and Hilton (2017) is the approach to research because it deals with the philosophy or thinking behind the research. Davies and Hughes (2014) describes the research philosophy as the development of knowledge and nature of knowledge which contains important assumption about the way in which one views the world. According to Hilton and Hilton (2017), methodological approaches come from different schools of thought in relation to undertaking a research. Some of the philosophical traditions that have informed social research in this respect include positivism, interpretivism, realism, objectivism, and constructionism. Sandelowowski et al. (2012) says that positivism thinking adopts the stance in natural science which uses existing theory to develop hypothesis. The hypothesis must be tested and confirmed in whole, part, or refuted leading to further development of theory which can then be tested by further research. Since the present study looked at existing

theories and literature to make conclusions, it was in a way confirmatory in nature and hence the relevance of positivism philosophy. On the other hand, the study acknowledged the fact that it is necessary to understand the differences in humans in their role as social actors which is a principle of interpretivism as observed by Sandelowowski et al. (2012). The study demonstrated this when looking at different demographic characteristics of the participants where some had formal education and training while others did not. Furthermore, the study focused on the relationship between training and loans on the performance of youth-owned enterprises, a situation that necessitated deep understanding and interpretation of the variables. Such kind of effort was achieved by adopting some elements of interpretivism philosophy. However, in adopting interpretivism, the emphasis was on quantitative observations which led to quantitative analysis. The study therefore adopted some elements of positivism and interpretivism philosophies in conducting the research.

The guiding philosophy of the research is both positivism and interpretivism because it has adopted the combination of quantitative and qualitative approaches.

3.3 Research approaches and strategies

There are different approaches that researchers adopt to achieve their goals in areas they are investigating. In this regard, Sandelowowski et al. (2012) proposes two main approaches based on the research onion. These are deductive and inductive approaches. Davies (2014) says that deductive approach involves deducting a testable proposition about the relationship between two or more variables from the theory. In the present study, business loans, training and education were tested among participants to come up with a preposition whether the factors have significant impact on the performance of youth enterprises hence the adoption of deductive approach.

As regards strategies, Bazeley (2018) notes that the choice of a research strategy is guided by research questions and objectives. The research questions in this study required the research to establish how certain variables influence the other in which case survey strategy was applicable. According to Vaske (2019), data collected using survey strategy can be used to suggest possible reasons for relationships between variables. It is for this reason that the study adopted the survey strategy to explain how business loans and training impacted on the performance of youth enterprises. Survey strategy was also opted because as Vaske (2019) observes, it allows collection

of large amounts of data from a sizeable population in a highly economic way which was the case in this study. However, Sandelowowski et al. (2012) advises that research strategies should not be thought of as being mutually exclusive. For instance, it is possible to use survey strategy as part of a case study where there is need to gain rich understanding of research and the process being enacted.

3.4 Research design

The purpose of this section is to explain the choice of research design. A research design is a plan for conducting a study (Ponto, 2015) or a logical framework for data collection and analysis to enable a researcher to answer the research questions (Kothari, 2004). As noted by Aikins (2014), the choice of a research approach is dependent on research problem and research questions of study. In this respect, Sandelowowski et al. (2012) observes that the way research questions are framed would result in either descriptive, explanatory, or exploratory answers. Bazeley (2018) argued that studies that establish relationships between variables may be termed as explanatory studies. In this study, analysing the relationship of entrepreneurship and education on performance of youth enterprises established causal relationships between variables. This was also the case with assessing the impact of business loans on the performance of youth enterprise. However, analysing training programmes provided to the youth resulted in descriptive answers. Against this background, the study can be said to have adopted explanatory and descriptive research designs. Use of descriptive and explanatory research necessitated the use of quantitative method of data collection and analysis.

3.5 Study population and sample size

Bryman (2012) advises that research requires that data is collected from a study population which is a group of individuals with similar characteristics. For this study, data was collected from a study population of youth owned enterprises in Dowa district which comprised two groups; those who underwent training from public colleges of SMEDI and Mponela Technical Colleges and those with no training at all. The study population was determined by obtaining registers from SMEDI, Mponela Technical College and Dowa District Council. According to the registers, there are 55 graduates from SMEDI, 20 from Mponela Technical College and 15 without formal education from the District Council. The age group for the participants was between 18-35 years.

Because it may not be possible to collect and analyse data for every possible case or member in the population Sandelowowski et al. (2012), it was therefore necessary to select a sample. Getting a sample involves selecting some elements of the population and using it to draw conclusions regarding the entire population. Cooper and Schindler (2006), advises that a good sample should be representative of the population According to Bryman (2012 a sample is an unbiased number of observations taken from the population.

Using a sample size formula developed by Taro Yamane (1967), the sample size for the study based on the target population of 100 will be: $n = \frac{N}{1 + N(e)^2}$, where N is population of study, k is constant, n is sample size and e is degree of error expected. Therefore $n = \frac{100}{1 + 100(0.05)^2} = 80$.

3.6 Sampling and sampling technique

Sampling is defined as “the process of selecting a portion of the population to represent the entire population” (Taherdoost, 2016). Sampling provides a valid alternative to a census. In this case, Sandelowowski et al. (2012) said that the sampling techniques available to a researcher can be probability sampling and non-probability sampling. In this study, there was need to group participants into distinct and identical pattern. Participants were grouped into categories of those that attended vocational training, formal education, and those without formal education. Such being the case, stratified sampling which is probability sampling was first applied. Thereafter, a random sampling was used to sample the population. The process of random sampling involved selecting the sample at random from the sampling frame using random numbers. The numbers were written on pieces of paper and put in a pot where an independent person was requested to pick the sample. Random sampling for this population was preferred because the researcher wanted to ensure that the chance of each case being selected from the population is known and equal for all cases (Vaske, 2019). It can be noted from the study that the use of probability sampling was emphasized because the study used the survey strategies. This was in recognition of fact observed in Sandelowowski et al. (2012) where it was said that probability sampling is most associated with survey-based strategies where inferences were made from the sample about the population to answer the research questions and meet the objectives.

3.7 Sources of data

Both primary and secondary data was used in the study. Primary sources are the first occurrence of piece of work (Davies & Hughes, 2014). Primary data was collected through self- administered questionnaires. The advantage of using primary data is that they are more reliable since they come from original sources and are collected specifically for the purpose of the study Sandelowowski et al. (2012). According to Bazeley (2018) secondary sources are subsequent publications of primary literature. The secondary data sources used in the study included journal articles, publications, and the internet. These were used to provide a deeper understanding of the issues to be investigated in the study

3.7.1 Data collection methods

Semi-structured questionnaires were used as the research instruments in this study to solicit quantitative and some qualitative data from respondents. One set of questionnaires was used for both trained and non-trained youth enterprises. Each question in the questionnaire was developed to address a specific objective or research question of the study.

The researcher visited the participants in their business premises and personally administered the questionnaires to ensure a high response rate. The questionnaire was organized into six sections; the first section of the questionnaire dealt with demographic statistics such as name, age, years of service of the employees, or youth entrepreneurs. The other sections included questions from the four objectives. For instance, to analyse the training programmes and education to youth enterprises, participants were asked if they had any experience of business management training before going into business. In addition, participants were asked if the training they underwent had a component of entrepreneurship. In terms of assessing the impact and usage of loans accessed by youth on the performance of their enterprises, participants were asked if they accessed a loan or grant in their start-up capital and if they did, what was the main reason for accessing the loan. In analysing the relationship of training education and access to loans on the performance of youth enterprise, participants were asked the extent to which they thought business training they underwent benefited them

The use of questionnaires was preferred as they ensured confidentiality, saved on time and were easy to administer (Bell, 2005). The questionnaire was considered ideal because the researcher was able to collect data from a larger sample. The questionnaire also gave a greater feeling of anonymity hence encouraged open responses to sensitive questions and was free from bias hence accurate and valid data was gathered.

3.7.2 Validity and reliability of data

Taherdoost (2016) notes that reliability refers to how consistently a method measures something. If same results can be consistently achieved with the same method under same circumstances, the measurement is considered reliable. In this regard, Hilton stressed the need for pretesting the questionnaire. To ensure reliability of data collection tools in this study, pretesting of questionnaires was done to ten participants randomly selected from youth enterprises at Mponela Trading Centre in Dowa District. After pretesting, corrections were made to the questionnaires to ensure that the tool answers the research questions and meet the research objectives before the actual study.

As regards validity, Sandelowowski et al. (2012) observed that validity is concerned with how accurately a method measure what it is intended to measure. In this respect, Taherdoost (2016) suggests that reviewing data collection tools with peers would help to validate research instruments. In this study, data collection instruments were reviewed by peers before embarking on the data collection exercise. Furthermore, sufficient time was dedicated to data collection activities to allow participants express themselves freely.

3.7.3 Data analysis

The analytical procedure concentrated on descriptive data and inferential data. Descriptive data is used to describe variables or characteristics of the sample and inferential data make inferences and predictions of the population based on the sample data, apart from testing the relationship between the independent and dependent variables (Chatfield, 2018).

To analyse the training programs and education provided to youths and their core focus on youth entrepreneurship, frequencies were run on both business and vocational training. Then, cross-tabulations were made between vocational programs and business management training.

To assess the impact and usage of the loans accessed by the youths in their businesses, cross-tabulation statistical model was used, since cross-tabulations help identify patterns, trends, and correlations between parameters the model was therefore used to identify the correlation and relationship between usage of loans accessed by youths and its impact on the business performance. cross-tabulations were done on the question “how did you use the loan you obtained?” And measure the performance of youth enterprises, two analyses were done: first, was an analysis of average annual profits and sales for the years 2017 and 2019 as these are some indicators of business growth, among others (Ladzani et al., 2012). Second, was a test of the significant difference between average profit and average sales for the years 2017 and 2019. Significant growth in the average profit and average sales would imply increase in enterprise performance. As such a paired t-test was used to determine if there was a significant profit and sales growth in the youth enterprises between the two years.

To analyse the relationship of entrepreneurship training, education and access to loans and the performance of youth enterprises, the following analyses were done: The first analysis was a cross-tabulation between variables measuring entrepreneurship training and access to loans, followed by a chi-square test of independence to ascertain if the relationship was significant. Secondly, multiple linear regressions of mean profit growth and mean sales growth on entrepreneurship training and access to loans was used to analyse the relationship between them. The following was the hypothesized analytical models:

Suppose ΔP is the mean profit growth and ΔS is the mean sales growth. Suppose also, ET is the measure for Entrepreneurship Training; and AL is the measure for Access to Loans; and β_i ($i = 0, 1, 2, 3$) are the measures of the relationship (effects). Then,

$$\Delta P = \beta_0 + \beta_1(ET) + \beta_2AL \quad \text{Equation 1}$$

Or.

$$\Delta S = \beta_0 + \beta_1(ET) + \beta_2AL \quad \text{Equation 2}$$

Due to the non-normality of mean profit growth and mean sales growth, the mean profit growth ΔP was log-transformed into another outcome variable $\ln \Delta P$. In addition, the mean sales growth

ΔS was transformed to $\Delta S^{\frac{1}{2}}$ using square root transformation to achieve normality. Apart from AL and ET, participant's sex; age; the highest level of education; nature of business; type of business and years in current business were also assessed in the univariate linear regression to ascertain if they were potential candidates for the regression at a threshold p -value of 0.05. Those that were found to be significant predictors in the univariate analysis were assessed for confounding in the multiple linear regressions. To assess the effect and therefore the relationship of potential categorical variables with business performance (i.e., mean profit growth and mean sales growth), the categories of each categorical variable was converted into dummy variables for easy interpretation; and the stepwise regression method was used to determine this relationship. Tables were then used to present and compare the models.

3.8 Ethical considerations

As a way observing ethical issues, informed consent was obtained from sampled respondents through a form in simple English with an agreement that their identities will not be revealed. The participants were assured of voluntary participation through the consent form and the right to withdraw at any time without facing reprisals. Extreme privacy, anonymity and confidentiality was assured and upheld in the study. Respondents were informed that results of the study would not reflect an individual contribution but will be accessible to the public as overall results.

3.9 Chapter summary

This chapter has provided step by step methods of carrying out the study. It has provided details of the target population, how a sample will be obtained. Moreover, it has provided details of instruments used to collect data and finally, it has provided details on data analysis. Chapter four presents the research findings and results.

CHAPTER FOUR: RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents findings on the analyses of the effects of entrepreneurship training, education and loans on youth owned enterprises and interpretation.

The first section of the chapter presents socio-demographic characteristics of study participants; the second section presents results on the analysis of the training programs provided to youths and their core focus on youth entrepreneurship; the third section presents results on the assessment of the impact in the usage of the loans or grants accessed by the youths in their businesses; the fourth section of the chapter presents results on the measurement of the performance of youth enterprises, and the fifth section provides a detailed analysis of the relationship between the entrepreneurship training and access to loans and the performance of youth enterprises.

4.2 Descriptive statistics of the study sample

Data was collected from the 76 youth enterprises in Dowa district. The targeted sample was 80 respondents. A total of 76 out of 80 questionnaires were filled and returned yielding a response rate of 95%. Mugenda (2008) stated that a response rate of above 70% is acceptable in research. Table 1 presents the socio-demographic characteristics of the study participants. Seventy-six (76) businesspersons participated in the study. Among these, 63% (n = 48) were males and 37% (n = 28) were females. Sixty-two percent (n = 47) of the participants were aged 31 to 35 years while the rest were aged 21 to 30 (n = 29) years. Most of the study participants (41%, n = 31) had completed secondary level of education. In terms of the nature of their business, most of the participants (40%, n = 30) were in the tailoring business. The majority (91%, n = 69) were sole proprietors; and about 9% (n = 7) were in partnership business. The median number of years participants had been in business was found to be 4 (IQR = 1) years.

Table 1: Socio-demographic characteristics of the study participants

Characteristic	Category	Frequency (%)	Percent
<i>Sample size</i>		76	100
Participant sex	Male	48	63.2
	Female	28	36.8
Participant age	21-30	29	38.2
	31-35	47	61.8
Highest Educational Level	None	1(1.3)	
	Primary	21(27.6)	
	Secondary	31(40.8)	
	Technical/Vocational	16(21.1)	
	University/College	7(9.2)	
Nature of business	Carpentry	18(23.7)	
	Plumbing	11(14.5)	
	Tailoring	30(39.5)	
	Bricklaying	6(7.9)	
	Welding/Fabrication	11(14.5)	
Type of business	Sole proprietorship	69(90.8)	
	Partnership	7(9.2)	
Years in current business	<i>Mdn = 4 (IQR = 1)</i>		

4.3. Analysis of training programs provided to youths and their core focus on youth entrepreneurship

4.3.1 Participants with business management training experience

Figure 2 shows the percentage of participants who have business management training experience.

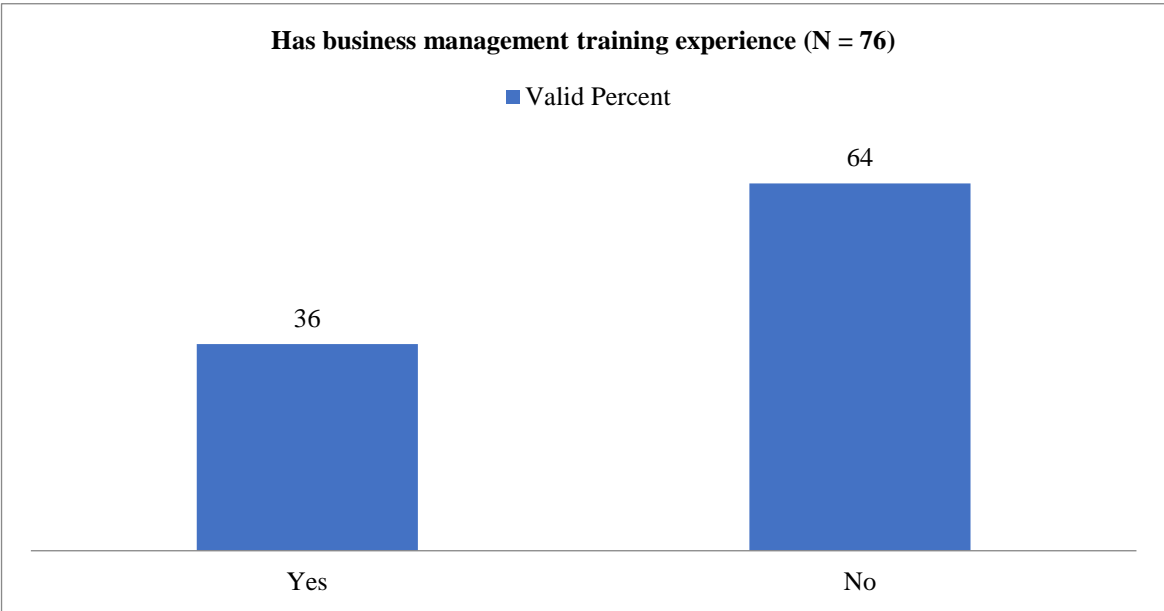


Figure 2: Business management training experience

In the sample of 76 participants who responded to the study, 64% had no business management training experience, while 36% had business training which show that most people who venture into entrepreneurship in Dowa lacked business trainings.

4.3.2 Participants who had a component of "business support and advice" in their business training

Figure 3 presents information about participants who had a component of "business support and advice" in their business training.

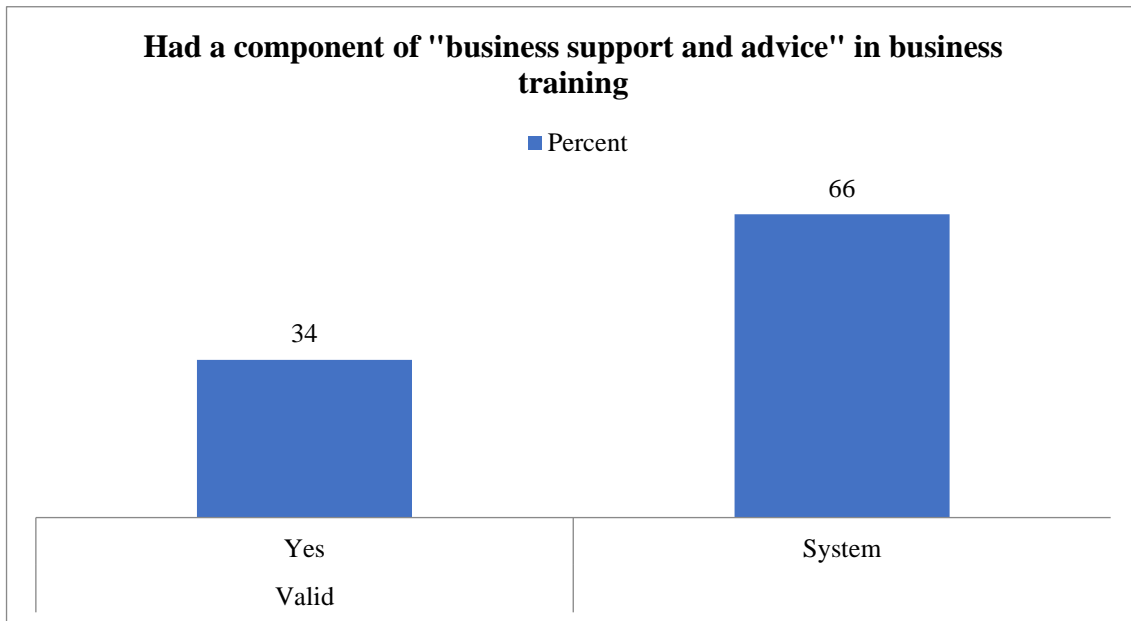


Figure 3: Business support and advice in business training

Note: Sixty-six percent of the participants had their values missing because they had no business management training experience

Among the 76 individuals who participated in the study, 34% had a component of "business support and advice" in their business training, this is complementing to the findings on business training above.

4.3.3 Participant’s rating of the relevance of “business support and advice” component of business training

Figure 4 shows information about participants rating of the relevance of the “business support and advice” component of their business management training.

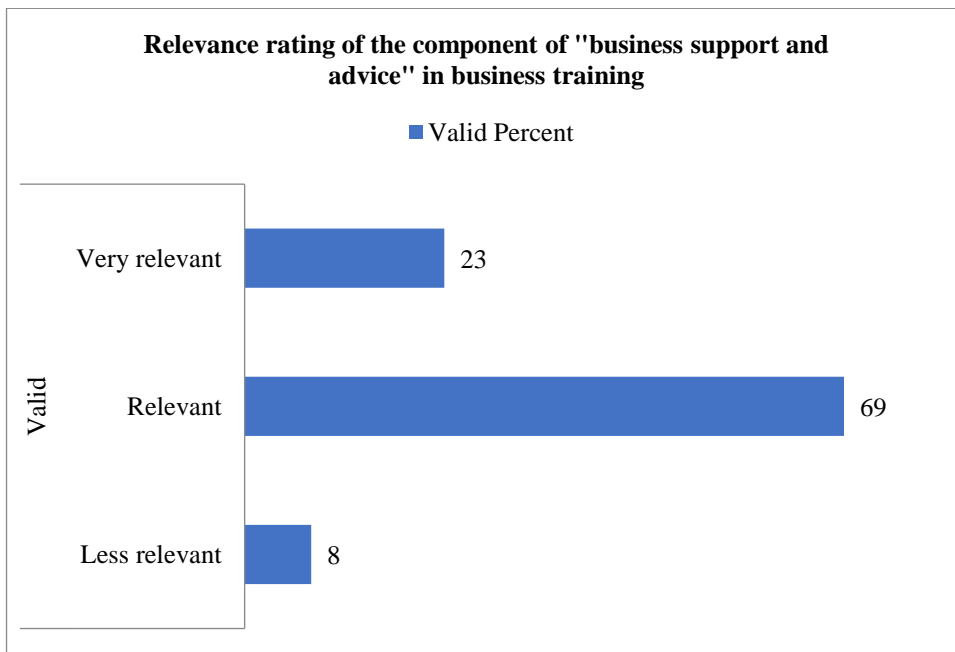


Figure 4: Relevance of “business support and advice” component of business training

Among the participants who rated the relevance of the “business support and advice” component of their business management training, most of them (92%) rated it as “relevant” to “very relevant” meaning Business support is essential.

4.3.4 Institution most helpful in providing information on business support and advice

Figure 5 presents information about the institution that participants mentioned as most helpful in providing information on business support and advice.

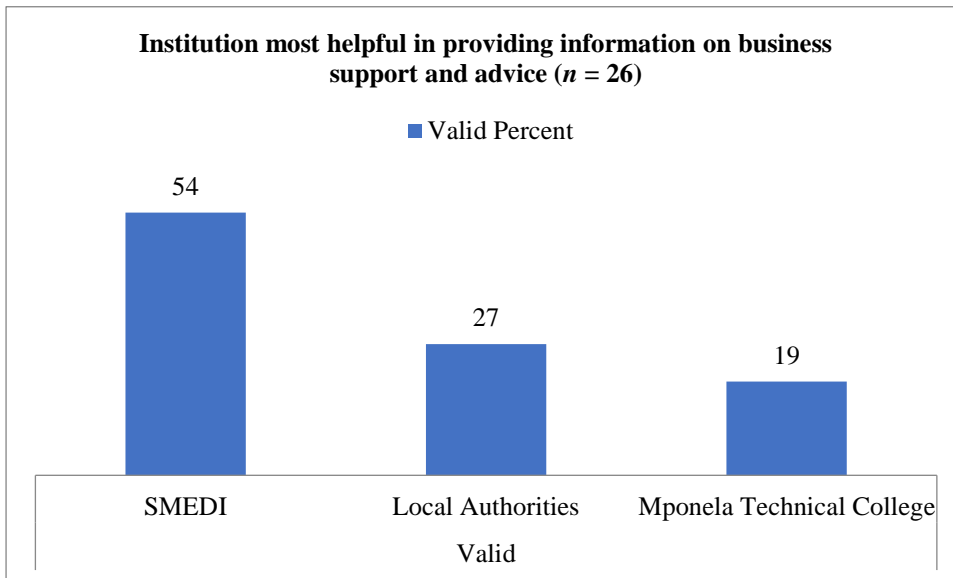


Figure 5: Percentage of Institution most helpful in providing information on business support and advice

Fifty-four (54) percent of the participants who had business support and advice component in their business training mentioned “SMEDI” as most helpful in providing information on business support and advice; 27% mentioned Local Authorities like community civic education, and 19% mentioned Mponela Technical College, this might be because SMEDI is a well-established institution.

4.3.5 Participants' attendance of vocational training

Figure 6. shows the percentage of participants who have ever attended vocational training.

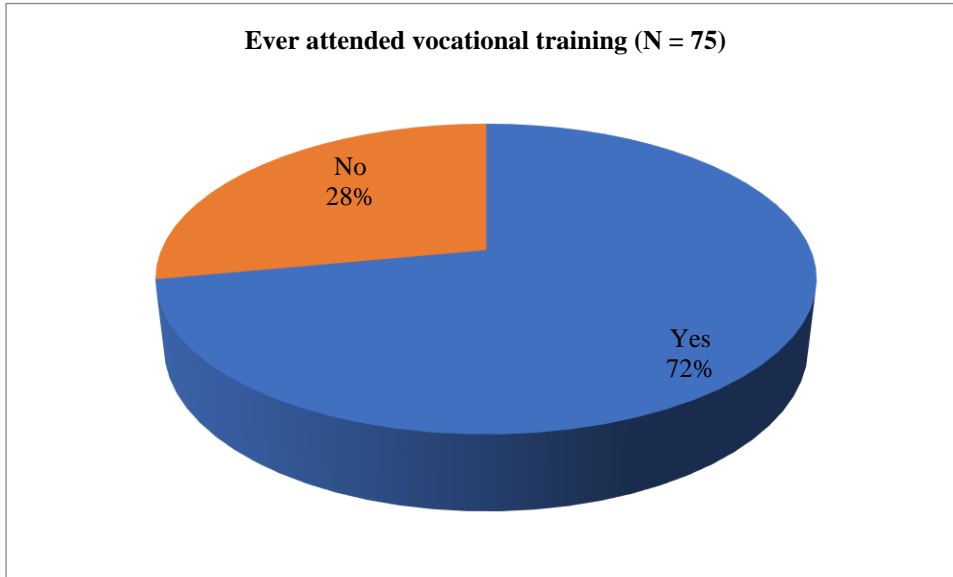


Figure 6: Participants' attendance of vocational training

Among the 76 participants who responded, 72% have ever attended vocational training.

4.3.6 When participants underwent vocational training

When asked when they had attended the vocational training, most of the participants (88%) indicated that they had attended it between 1 to 5 years before the study (Figure 7).

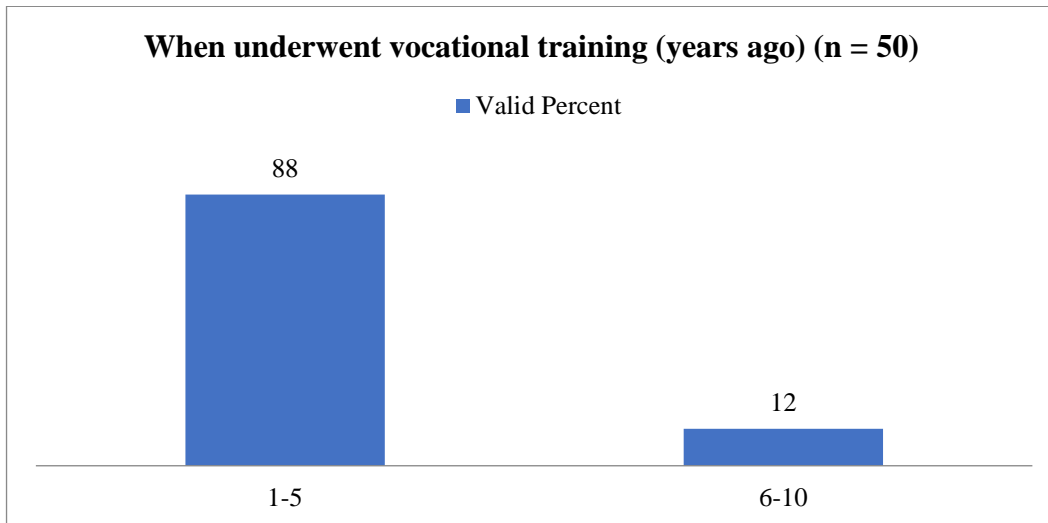


Figure 7: when participants underwent vocational training

4.3.7 Category of vocational training participant underwent

Participants who underwent vocational training were asked about the category of the vocational training they went through. Figure 8 presents the results.

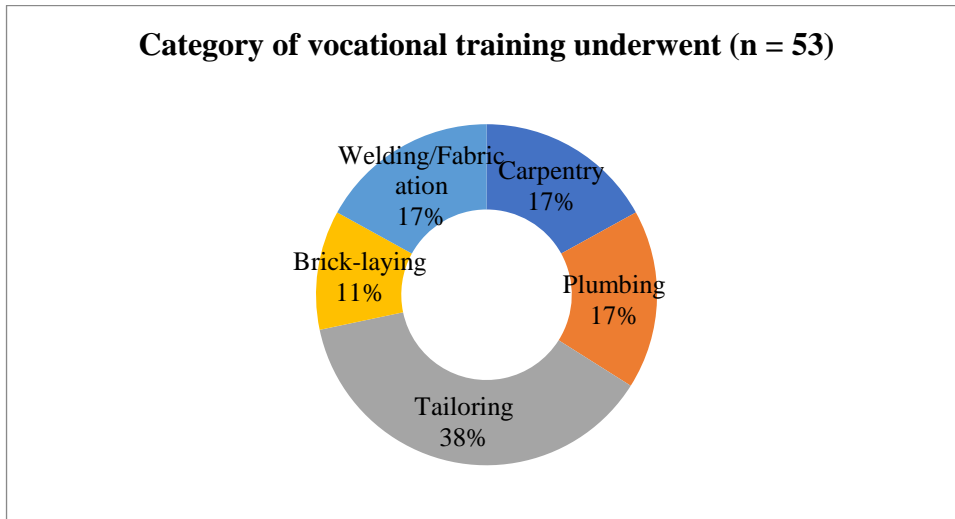


Figure 8: Category of vocational training participant underwent

Based on the results, most of the participants (38%) went through tailoring vocational training; followed by Plumbing (17%); Carpentry (17%); and Welding and fabrication (17%); then by Bricklaying (11%).

Findings from this have shown that vocational training is mostly provided to youth entrepreneurs, such that about 72% of the youths have technical skill which has helped enhance their businesses. However, findings from this study have also shown that the training provided to youths did not have much focus on youth entrepreneurship as 64% of the participants did not have prior business management training experience which affected business performance, and among those who had business management training only 34% had a component of “business support and advice” in their business training, implying that business management training is limited. This was also supported by one of the participants in the study who had this to say “there was no element of entrepreneurship training that we got” #2. These results are consistent with findings by Henry, Hill and Leitch (2005) who found that youths have the technical skills and academic qualifications but lack the business acumen to operate commercially viable business ventures.

Although this study has shown that most of the youths acquired the necessary technical skills, what may not be known could be whether those that received limited entrepreneurship training also underwent their experiential learning as earlier stated, Timmons and Spinelli (2004) indicated that there is a limit to what can be taught in entrepreneurship training programmes and that the only way to learn is through one’s own personal experience. The findings complement Kilonzo (2012) view that entrepreneurship training in most instances is vital to successful entrepreneurs. This implies that entrepreneurial training should be enhanced to incorporate financial and managerial training for individual entrepreneurs.

4.4 Assessment of usage of the loans or grants accessed by the youths in their businesses to derive its impact

4.4.1 Participant’s access to a loan for a start-up capital

Figure 9 shows information about participant’s access to loans or grants for their start-up capital.

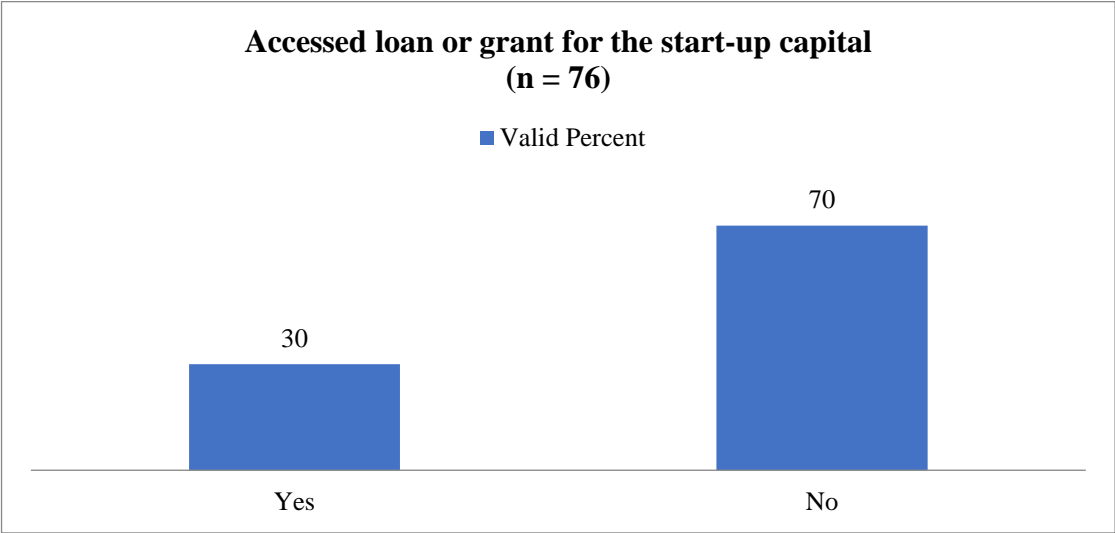


Figure 9: Assessment of Usage of the loans or grants accessed by the youths in their businesses

Only 30% of the participants had access to loans or grants for their start-up capital, this shows how difficult to access finances for start-ups. This was collaborated by one respondent who had this to say “it is a hassle to access a loan from the bank because we are requested to provide surety” #1.

4.4.2 Participant's source of business start-up capital

Among participants who had access to loans or grants for their business start-up capital, 57% accessed their loans through banks, micro-credit institutions, or SACCO; and 43% accessed them through entrepreneurship institutions as shown in Figure 10.

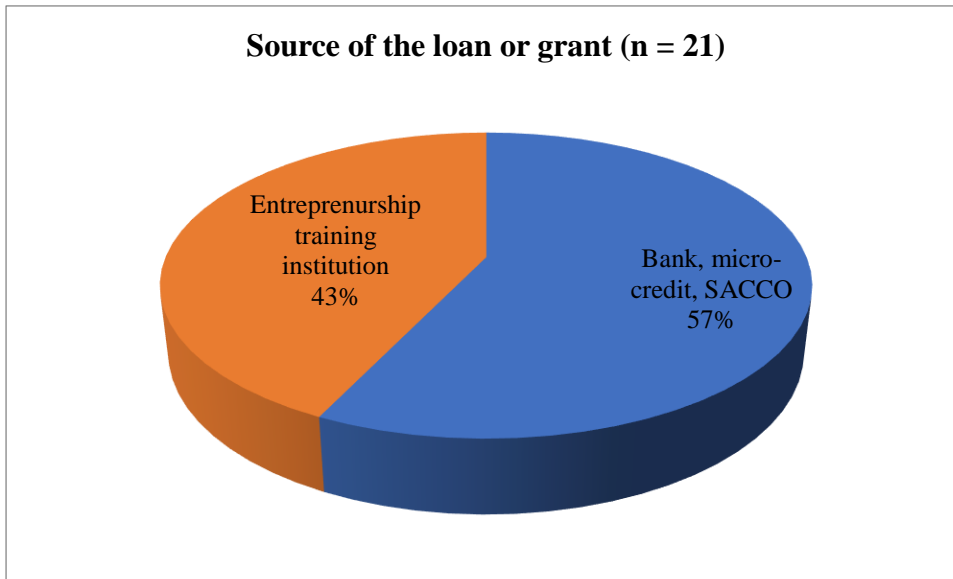


Figure 10: Participant's source of loan or grant.

Among participants who did not have access to loans or grants for their business start-up capital, 72% used their savings as their business start-up capital (Figure 11).

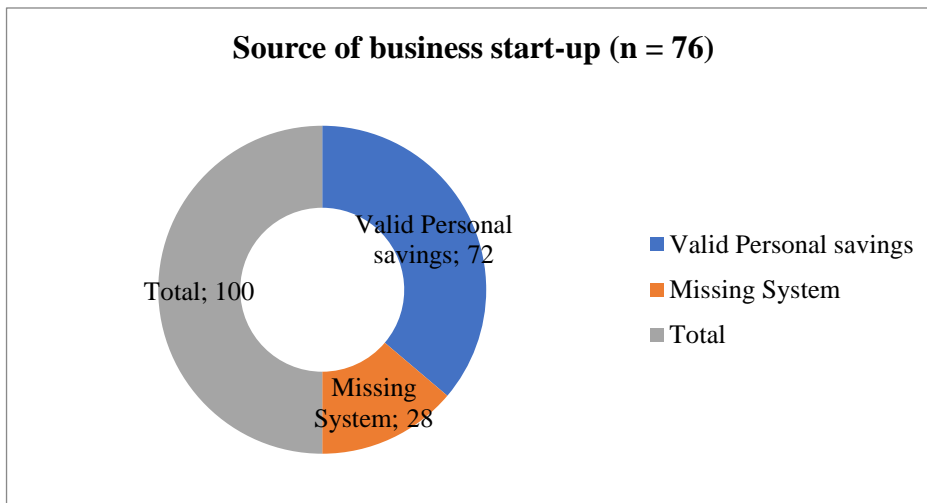


Figure 11: Source of business start up

4.4.3 Reason for accessing loan or grant

Figure 12 presents information about the reason for accessing loans or grants among participants.

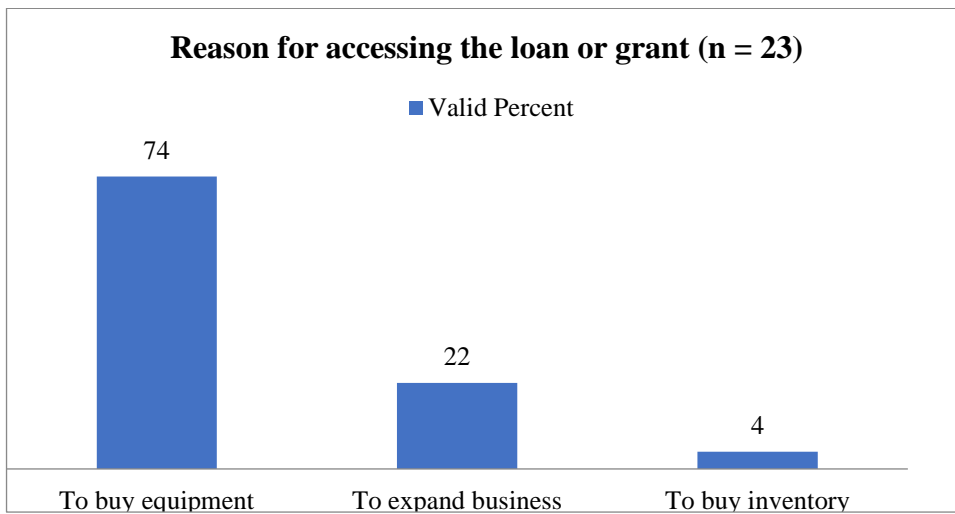


Figure 12: Reason for accessing the loan or grant

Among the participants who accessed the loans or grants, the majority (74%) accessed them to buy equipment; 22% to expand their businesses, and only 4% accessed them to buy inventory.

When access to loans or grants was disaggregated by participant’s nature of business, results showed that the 4% who accessed them to buy inventory were those in welding and fabrication; most of those who wanted to buy equipment were those in the tailoring business (44%); while most of those who accessed them to expand their businesses were also in tailoring business (13%). Generally, most of the participants in all categories (74%) accessed the loans or grants to buy equipment as illustrated in (Figure 13).

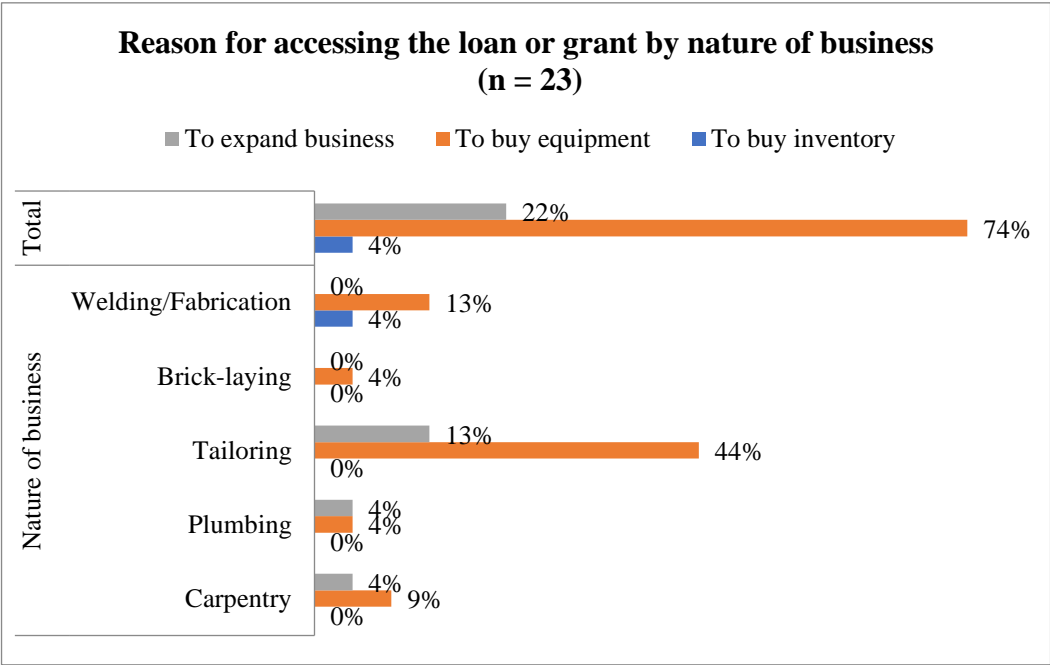


Figure 13: Reason for accessing the loan or grant by nature of business

4.4.4 Challenges encountered in accessing loans or grants

Participants were also asked to mention the challenges they faced in accessing loans or grants.

Figure 14 presents the results.

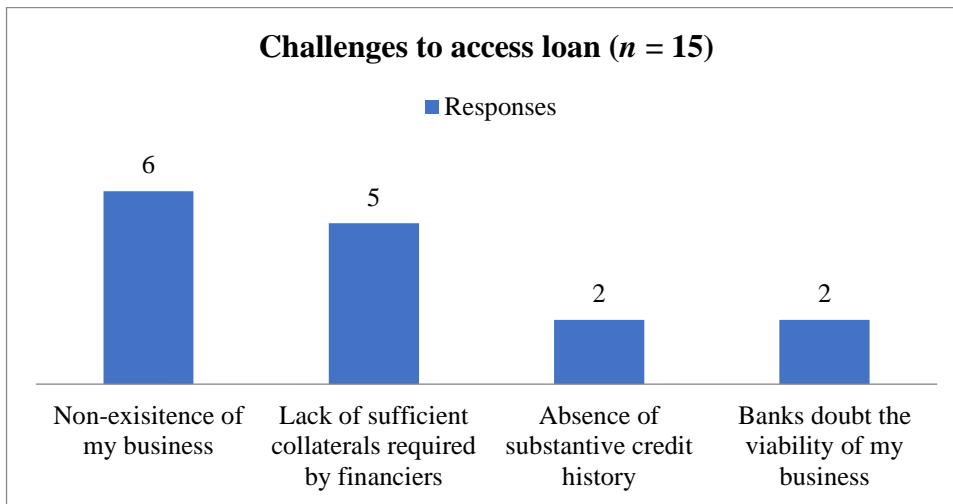


Figure 14: Challenges in accessing loans

Among the 15 responses provided, 6 responses concerned the non-existence of participant's business; 5 concerned lacks sufficient collaterals required by financiers; 2 equally concerning the absence of substantive credit and banks' doubting of the viability of participant's business. The results agree with Ihua (2009) report that one of the serious constraints on small business growth is lack of financial management skills, which results in the poor management actions taken by small business owners. This implies that financial management skills should be inculcated among the youth entrepreneurs especially those in Dowa.

Therefore, in assessing the usage of the loans or grants accessed by the youths in their businesses, Findings have shown that fewer youths (30%) have access to loans or grants to finance their businesses. Most of the youths (74%) who had access to loans or grants used them to buy equipment; 22% to expand their businesses, and only 4% accessed them to buy inventory. These results are in part, consistent with the International Labour Organisation (2017) who found that access to grants and loans by youths enable them to enter the job market or create their enterprises, alongside supporting the growth of viable and sustainable SMEs in youth entrepreneurship. This is also supported by Schoof (2006) who indicated that the provision of financial services allows youth to improve their livelihoods and accumulate assets in the long term.

On the other hand, the study has also found that most of the youths (72%) who did not depend on loans or grants used their savings to finance their businesses. Key among the challenges they faced included the non-existence of participant’s business; lack of sufficient collaterals required by financiers; absence of substantive credit history and banks’ doubting of the viability of participant’s business. These findings support Ondeng (2009) argument that prudent financial decisions are important in the success of entrepreneurs. This implies that for meaningful success in entrepreneurship, youth entrepreneurship must have the requisite financial management skills.

4.5 Measurement of the performance of youth enterprises

4.5.1 Whether profits and sales had increased in the year 2019

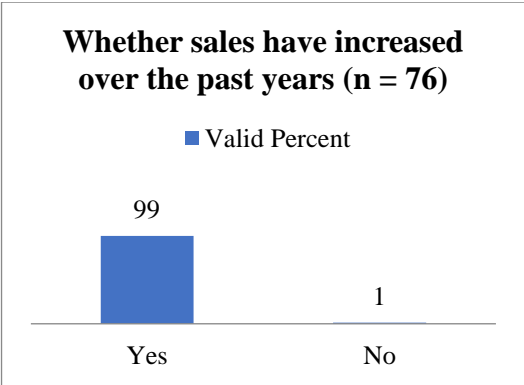
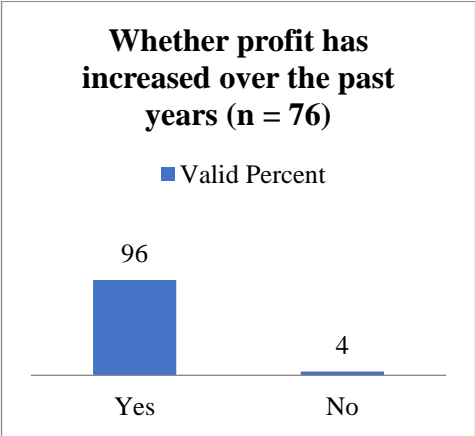


Figure 15: present information on whether profits and sales had increased in 2019

Ninety-six percent (96%) of the study participants indicated that their business profits had increased. Likewise, 99% of the participants indicated that their business sales had also increased.

4.5.2 Descriptive statistics

Table 2 shows descriptive statistics for mean profits and mean sales measured in two years (2017 and 2019).

Table 2: descriptive statistics for mean profits and mean sales measured in two years (2017 and 2019).

	Business performance measure	<i>M (SD)</i>
Pair 1	Total profit in 2017 (MWK)	103,560.00 (86,887.507)
	Total profit in 2019 (MWK)	125,240.00 (71,347.236)
Pair 2	Total sales in 2017 (MWK)	348,826.67 (236,132.199)
	Total sales in 2019 (MWK)	537,653.33 (357,240.607)

Note: N = 76

The mean profits for 2017 and 2019 were MWK103, 560.00 (SD = 86,887.51) and MWK125, 240.00 (SD = 71,347.24), respectively. The mean sales for 2017 and 2019 were MWK348, 826.67 (SD = 236,132.20) and MWK537, 653.33 (SD = 357,240.61), respectively.

4.6 Profit and sales growth

Table 3 presents results of paired-samples *t*-tests for the difference between mean profits for 2017 and 2019 and mean sales for 2017 and 2019.

Table 3: Presenting profit and sales growth
Paired Samples Test

		Paired Differences			95% Confidence Interval of the Difference		<i>T</i>	<i>P</i> - <i>df</i> value
	Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
Pair Total								
1	profit in 2017 (MWK) - Total profit in 2019 (MWK)	-21,680.000	48,703.227	5,623.764	-32,885.595	-10,474.405	-3.855	74 <0.001
Pair Total								
2	sales in 2017 (MWK) - Total sales in 2019 (MWK)	188,826.667	148,849.768	17,187.691	223,073.888	154,579.445	10.986	74 <0.001

A paired-samples *t*-test indicated that profits were significantly higher in 2019 than in 2017 ($t(74) = -3.9, p < 0.001, d = -0.6$). In addition, sales were significantly higher in 2019 than in 2017 ($t(74) = -11.0, p < 0.001, d = -1.8$). This implies that on average, there were significantly higher profit growth (MWK21, 680.00) and sales growth (MWK-188,826.67) between the years 2017 and 2019 among the participants. Therefore, youth enterprises had significantly performed between these years.

In measuring the performance of youth enterprises, findings show that on the performance of youth enterprises paired-samples *t*-test indicated that profits were significantly higher in 2019 than in 2017 ($t(74) = -3.9, p < 0.001, d = -0.6$). In addition, sales were significantly higher in 2019 than in 2017 ($t(74) = -11.0, p < 0.001, d = -1.8$). This implies that on average, there were significantly higher profit growth (MWK21, 680.00) and sales growth (MWK-188,826.67) between the years 2017 and 2019 among the participants. Therefore, youth enterprises had significantly performed better between these years.

And finally, ninety-six percent (96%) of the study participants indicated that their business profits had increased. In addition, 99% of the participants indicated that their business sales had also increased. The findings are in line with Giroux (2007) statement that the trend in profit margins is an indicator of performance of the enterprises. This implies that the growth margin for most youth enterprises in Dowa is insufficient and thus the need for entrepreneurship training.

4.7 Analysis of the relationship between entrepreneurship training and access to Loans or grants and the performance of youth enterprises

4.7.1 Relationship between the entrepreneurship training and access to loans or grants

Figure 16 shows the information on the relationship between the entrepreneurship training participants went through and their access to loans or grants.



Figure 16: Presenting information on the relationship between the entrepreneurship training participants went through and their access to loans or grants

Forty-eight percent (48%) of the participants who had access to loans or grants had business management experience compared to 21% of participants who did not have access to loans or grants for their business start-up capital. Whilst on the other hand youth enterprises without access to loans (52%) had business management experience compared to 79% of participants who had no access to loans did not have business experience.

A Chi-square test of association between access to loans or grants and having business management training experience showed a significant relationship between the two ($\chi^2(1) = 4.847, P = 0.014$). A measure of the strength of this relationship showed that the odd of accessing loans or grants as start-up capital is almost 4 times more among participants who had business management experience compared to those who did not have (OR = 3.5, 95% CI: 1.3, 9.9). The findings support Kariv (2014) assertion that without the requisite entrepreneurial training and access to loans, youth

find it tough to grow their businesses. This implies that for enhanced performance of youth enterprises in Dowa, entrepreneurship training should be mandatory. The aspect of training is also one of the key elements proposed in the innovation theory by Schumpeter as well as behavioural theory by Kunkel. The theories argue that training provides knowledge and skills to develop new products and services for the consumer satisfaction.

4.7.2 Relationship between the entrepreneurship training and access to loans or grants and the performance of youth enterprises

4.7.2.1 Linear regression

Variable selection

Table 4 shows results of univariate analysis of the relationship between natural logarithm of profit growth (*nlogpgrowth*) and square root of sales growth (*salesrt*) and variables measuring entrepreneurship training “*Has business management training experience*” (1 = Yes; 2 = No) and access to loans “*Accessed loan or grant for the start-up capital*” (1 = Yes; 2 = No); including potential confounders such as *Sex* (1 = Male; 2 = Female); age (1 = 21-30; 2 = 31-35); *Highest educational level* (1= None; 2 = Primary; 3 = Secondary; 4 = Technical/Vocational; 5 = University/College); *Nature of business* (1 = Carpentry; 2 = Plumbing; 3 = Tailoring; 4 = Brick-laying; 5 = Welding/Fabrication); *Type of business* (1 = Sole proprietorship; 2 = Partnership); and *Years in current business*, to determine potential confounders at a threshold *p* value of 0.05.

Table 4: Relationship between the entrepreneurship training and access to loans or grants and the performance of youth enterprises

Predictor	<i>Nlogpgrowth</i>		<i>Square root of ΔS</i>	
	T	<i>P</i> value	T	<i>P</i> value
Sex	0.6	0.551	0.83	0.41
Age	1.682	0.098	2.803	0.007*
Highest educational level	1.169	0.247	2.468	0.016*
Nature of business	1.098	0.276	1.146	0.256
Type of business	1.027	0.308	1.364	0.178
Years in current business	2.347	0.022*	0.028	0.978

Note: (*) Significant at $\alpha = 0.05$

Based on the results; years in business is a significant predictor of *nlogpgrowth*, and Age; and the highest level of education are a potential candidate predictor for *salesrt* in the univariate analysis at a 5% significance level. The findings agree with Karugu (2013) who found that only 14% of the youth businesses are experiencing growth. This means that majority of the youth enterprises in Dowa are not performing well, and entrepreneurship training may be the solution. However, successful entrepreneurs are passionate and obsessive about making their business opportunity work with a strong vision. This implies that the youth entrepreneurs need entrepreneurial skills to enhance performance of their enterprises.

4.8 Modelling

Variables: “*Has business management training experience*” and “*Accessed loan or grant for the start-up capital*” were entered into the linear regression using the “ENTER” method for both outcome variables (**Model 1**). Then, the variable “*Years in current business*” was also entered into the regression via the stepwise method (**Model 2**) (Table 5).

Table 5: Relationship between the entrepreneurship training and access to loans or grants and the performance of youth enterprises

Predictor	Model 1	Model 2
(Constant)	11.392 0.496 <0.001	10.926 0.517 <0.001
<i>Has business management training experience (No)</i>	-0.103 0.206 0.618	-0.107 0.199 0.591
<i>Accessed loan or grant for the start-up capital (No)</i>	-0.539 0.230 0.023	-0.517 0.222 0.023
<i>Years in current business</i>		0.085 0.036 0.022
Statistics		
<i>N</i>	62	62
<i>R-squared</i>	0.098	0.177
<i>Adjusted R-squared</i>	0.068	0.135

Note: β / *Se* / *p-value*

Results indicate that holding other factors constant, having business management training experience and access to loans or grant for start-up capital have a significant relationship (effect) with *nlogpgrowth* at 5% significance level in Model 1.

When “Years in current business” (*YEARS*) is entered into the regression, results indicate that having business management training experience; access to loan or grants for start-up capital and years in current business have a significant relationship (effect) with *nlogpgrowth* at 5% significance level in Model 1. Secondly, Adjusted R-squared increases from 6.8% to 13.5%, implying an improvement in the fit of the model. Thirdly, adding “Years in current business” does not inflate the standard errors by at least 10%, implying the model with “Years in current business” (Model 2) has a better fit than Model 1. Thus, business management training experience; access to loans or grants for start-up capital and years in current business explain about 17% of the total variation in *nlogpgrowth* (*R-squared* = 0.17). This implies that a change from no business management training experience to having business management training experience increases *nlogpgrowth* by a factor of 0.11; a changing from no access to loans or grants to having access to loans or grants increases *nlogpgrowth* by a factor of 0.52. In addition, a 1-unit increase in years in current business increases *nlogpgrowth* by a factor of 0.09.

The final model for the relationship between *nlogpgrowth* and business management training experience; access to loan or grant for start-up capital and years in current business is, therefore:

$$\ln \Delta P = 10.9 - 0.11ET - 0.52AL + 0.09YEARS \quad \text{Equation 3}$$

When *salesrt* was regressed on business management training experience; access to loan or grant for start-up capital; Age; and Highest Educational level, using Stepwise method, results in Table 6 were obtained.

Table 6: Relationship between the entrepreneurship training and access to loans or grants and the performance of youth enterprises

Predictor	Model 3	Model 4
(Constant)	749.893	681.747
	62.999	69.901
	<0.001	<0.001
<i>Accessed loan or grant for the start-up capital (No)</i>	-194.732	-176.222
	34.313	34.652
	<0.001	<0.001
<i>Age (31-35)</i>		58.661
		28.756
		0.046
Statistics		
<i>N</i>	63	63
<i>R-squared</i>	0.349	0.392
<i>Adjusted R-squared</i>	0.338	0.372

Note: β / *Se* / *p-value*

Based on the results in Table 5, “Accessed loan or grant for the start-up capital” is a significant predictor for *salesrt* at a 5% significance level in Model 3. In addition, “Accessed loan or grant for the start-up capital” and Age group 31-35 has also been found to be a significant predictor for *stalest* (Model 4).

Furthermore, adjusted R-squared increases from 33.8% in Model 3 to 37.2% in Model 4, signifying an improvement to Model 3. Also, the addition of age groups 31-35 does not inflate the standard errors by at least 10%. This implies that Model 4 is a better fit for the data, compared to Model 3. Therefore, variables such as: “Accessed loan or grant for the start-up capital” and “Age group 31-35” explain about 39% of the total variation in the square root of sales growth (*salesrt*).

In terms of the strength of the relationship (effect), moving from a group that does not access loans or grants to a group that has access to loan or grant for the start-up capital increases the square root of sales growth by a factor of 176.2; and moving from Age group 20-30 to Age group 31 to 35 increases the square root of sales growth by a factor of 58.7. The final model for the relationship between *salesrt* and access to loan or grant for start-up capital and age is, therefore:

$$\Delta S^{\frac{1}{2}} = 681.7 - 176.2AL + 58.7Age(31 - 35) \quad \text{Equation 4}$$

4.8.1 Assessment of Model Fit

A. Normality of residuals of *nlogpgrowth*

A normal P-P plot of the standardized residuals of the natural logarithm of profit growth shows that the fitted points pass along the line of best fit at a 45-degree angle, implying that the residuals are normally distributed (Figure 17).

Normal P-P Plot of Regression Standardized Residual

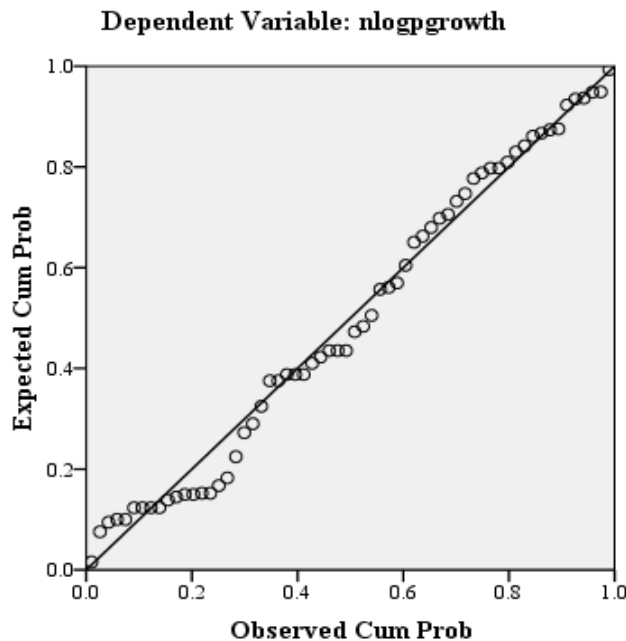


Figure 17: Normality of residual of the natural logarithm

B. Normality of residuals of nlogpgrowth

A plot of the standardized residuals of the natural logarithm of profit growth against standardized predicted values shows a random pattern along a horizontal straight line, implying that the variances are homoscedastic (Figure 18).

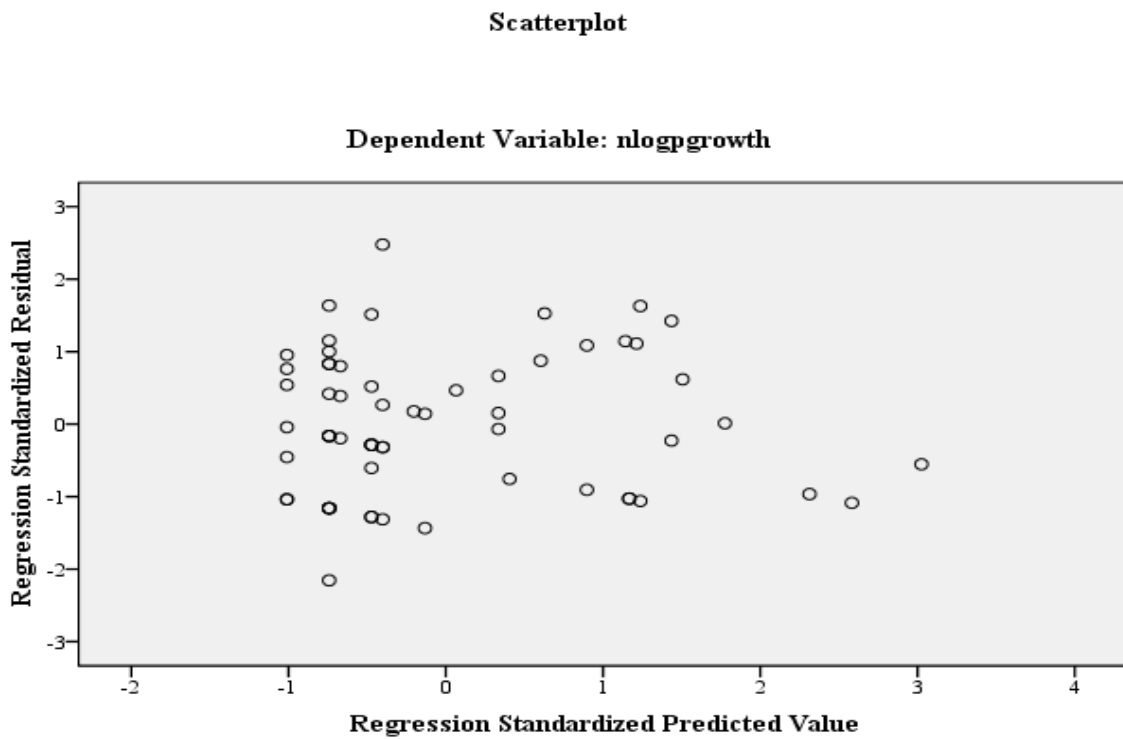


Figure 18: Normality of residuals of nlogpgrowth

C. Normality of residuals of salesrt

A normal P-P plot of the standardized residuals of the square root of sales growth shows that the fitted points pass along the line of best fit at a 45-degree angle, implying that the residuals are normally distributed (Figure 19).

Normal P-P Plot of Regression Standardized Residual

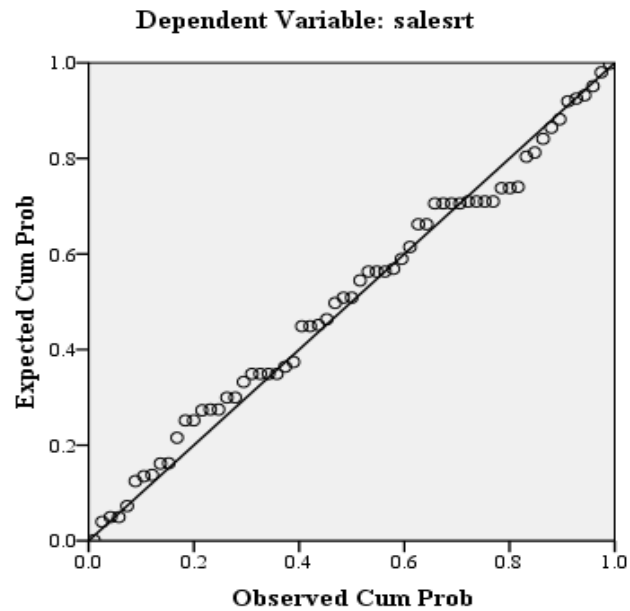
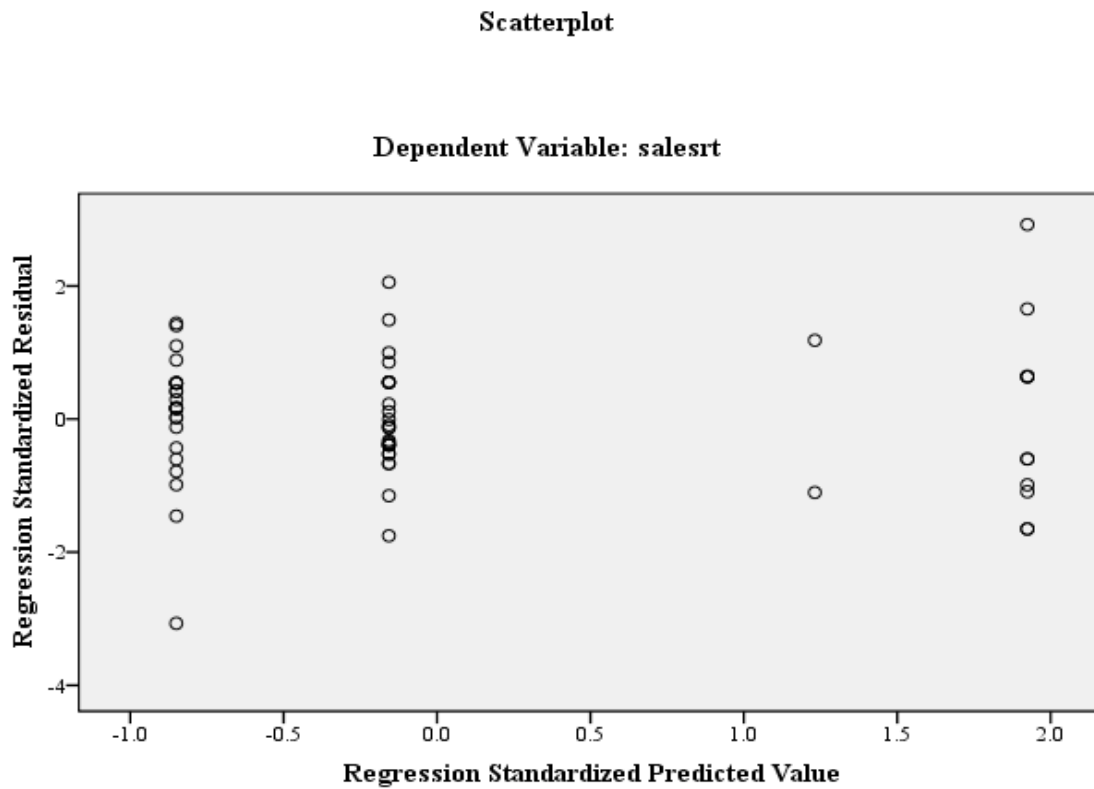


Figure19: Normality of residuals of salesrt

D. Homoscedasticity of variances

A plot of the standardized residuals of the square root of sales growth against standardized predicted values shows a random pattern along a horizontal straight line, implying that the variances are homoscedastic (Figure 20).



4.9 To analyse the relationship between entrepreneurship training and access to loans versus the performance of youth enterprises

All in all, on the relationship between the entrepreneurship training and access to loans on the performance of youth enterprises based on the results; years in business has been found to be a significant predictor of *nlogpgrowth*, and Age; and the highest level of education are potential candidate predictors for *salesrt* in the univariate analysis at 5% significance level.

Results indicate that holding other factors constant, having business management training experience and access to loans or grant for start-up capital have a significant relationship (effect) with *nlogpgrowth* at 5% significance level in Model 1.

In terms of the strength of the relationship (effect), moving from a group that does not access loans or grants to a group that has access to loan or grant for the start-up capital increases the square root of sales growth by a factor of 176.2; and moving from Age group 20-30 to Age group 31 to 35 increases the square root of sales growth by a factor of 58.7. The findings agree with Ondeng (2009) argument that prudent financial decisions are important in the success of entrepreneurs.

CHAPTER FIVE: CONCLUSION, RECOMMENDATIONS, LIMITATIONS OF THE STUDY AND AREAS FOR FURTHER RESEARCH

5.1 Introduction

The study was conducted to measure the effects of entrepreneurship training, education, and loans on performance of youth owned enterprises in Malawi with the case of Dowa district where data was collected from 100 samples. The sample was collected to include youths who underwent training and those without training. The chapter has been presented in order of research questions on conclusion, followed by sections on recommendations and areas for further research.

5.2 Conclusion

Entrepreneurship is perceived positively to increase employment, growth in living standards as well as promote common interests and objectives. It is necessary to use all skills and abilities to create good conditions for young generations for them to orient and prepare for the future. To have a collective support towards this, there is need for shoulders of the teachers who have immediate opportunity to influence young minds as well as influencing the rising generations. Therefore, it was in the purpose of this study to assess the effects of entrepreneurship Training, Education and Loans on the performance of youth owned enterprises in Dowa. The study was guided by three objectives; training programmes and its' core focus, usage and impact of loans accessed, and relationship of entrepreneurship training, education, and access to loans on the performance of youth enterprises.

A survey research design was used, and the population of the study was the youth enterprises located in Dowa. The sampling frame was derived from a list of 100 youth enterprises registered and captured in the statistics of the Youth Development officers in Dowa. The sample size was 80 youth enterprises. A questionnaire was the instrument used in collecting data. The majority 63% of the respondents were male and 37% are operated by male entrepreneurs with the majority having registered their enterprises to conform to the county by-laws. 91% of the youth owned enterprises are sole proprietors and 7 are in partnership. The average number of years these youths' enterprises have been in business is 4 years.

5.3 Recommendations

About the findings and conclusions derived from this study, the researcher makes policy recommendations that could be adopted to address the challenges as well as the obstacles that the youths undergo in their efforts towards successful business operations. The recommendations are therefore as follows:

Based on the findings of this study, it is recommended that training in financial management before and after the disbursement of the funds is necessary. This is because the target group, which is the youth has only basic education, which may not be adequate in managing the funds, received, bearing in mind that these funds are loans that must be repaid. It is recommended that the financial institutions should encourage the use of affordable collaterals that will ensure that youth entrepreneurs are able to access credit. Lack of affordability collateral was noted to be amongst one of the challenges that were highlighted as hindrances to youths accessing credit.

The government to ensure that there is free and compulsory education in both primary and secondary to enable more youths to acquire basic education on reading and numeracy, which is a pre-requisite to understand vocational and entrepreneurial training contents in vocational schools and technical colleges. Government should come up with a fiscal policy to allow the proliferation of lending institutions in rural areas to ensure accessibility to most of the youth residing in remote areas.

On another hand one of the motives to start a business and develop entrepreneurial activities is to use opportunities within the existing environment. If there is support from government and other stakeholders, it can help youths to reduce some risks and have better condition to start businesses.

5.4 Limitations of the study

The study was limited to Dowa a rural district in Malawi with little entrepreneurial business activities, this affected the results such that if the same study was done in an area where there are much entrepreneurial activities results could have been different, therefore this limited the study as the targeted population which turned out to be small.

By nature in Malawi most youths after completion of tertiary education want to get employed and not become the employer themselves this was also the case in Dowa as most youths after their tertiary education did not start their own business but rather seek employment hence this limited the study as well affected the results.

Further to this Dowa district being one of the rural area transportations is a huge challenge as most roads are impassable with no accesses to modern transportation; this also affected the study as some youth's enterprises could not be accessed.

Lastly some respondents were not willing to provide information for free, as they wanted to be paid to be interviewed; this also limited the study as the interviewer could not manage to pay all respondents.

5.5 Areas for further research

Further research is recommended in that since this study focused much on the effectiveness of entrepreneurship training on youth owned enterprises, it, therefore, left out those without training where further study can be taken to focus on those entrepreneurs without training on how they are managing and registering success in their businesses.

Lastly, a similar study could also be carried out covering urban areas as this research only covered micro and small enterprises in rural areas specifically Dowa District.

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APPENDIX

Appendix 1: Research Questionnaire on Youth Entrepreneurship

I am a Master of Business Administration student at the University of Malawi, The Polytechnic Management Centre. I am conducting research on entrepreneurship training of small and medium businesses.

Your name has therefore been randomly selected to provide information for this study. your participation in this study is voluntary and you have the right to withdraw at any time during the interview.

The information collected through this questionnaire will be treated with great confidentiality and will be used only for research purposes of the University of Malawi, The Polytechnic. You are therefore asked not to write your name or any mark of identification on this questionnaire.

You are kindly requested to participate in this study by completing the questionnaire, honestly and give as much information as possible, as the information that you will provide shall be useful in improving small businesses.

Are you ready to participate in the study?

1. Yes 2.

(If No) Please, kindly provide the reason

(If No) Thank you so much for making yourself available for the interview.

Section A: Personal Details

This section seeks to solicit your personal details. Please tick () your most suitable response:

A1. Sex:

1. Male 2. Female

A2. Age:

1. 18-20 2. 21-30 3. 31-35

A3. What is your highest level of education?

1. None

2. Primary

3. Secondary

4. Technical / Vocational Education

5. University/ College

A4. What is the nature of your business?

Please, tick only one most applicable

1. Carpentry

2. Plumbing

3. Tailoring

4. Brick laying

5. Welding/ Fabrication

8. Other (Please, specify)

A5. Type of business

1. Sole proprietorship

2. Partnership

8. Other (Please, specify)

A6. Years in current business _____ years (*if less than 2years*)

END OF INTERVIEW

Section B: Vocational and Entrepreneurship Training

This section seeks to solicit information about your training experience in entrepreneurship. Please tick whichever is applicable

B1. Did you have any experience in business management training before going into business?

1. Yes 2. No

(IF NO GO TO B6)

B2. (*If yes*) Did you have a component of “business support and advice” in your business training?

1. Yes 2. No

GO TO B5

B3. How would you rate the relevance of the business support and advice component you had?

1. Not relevant

2. Less relevant

3. Relevant

4. Very relevant

B4. Through which of the following institutions or groupings in Dowa did you obtain the *most helpful* information on business support and advice? *Please, tick only one.*

1. SMEDI?

2. Monel Technical college []

3. SAFI? []

4. Local authorities? []

B5. To what extent do you think the business training you underwent has benefited you? *Please, circle the number representing the extent on a 4point scale (1= To no extent; 2= To a lesser extent; 3= To some extent; 4=).*

Benefit	Rating			
	<i>To no extent</i>	<i>To a lesser extent</i>	<i>To some extent</i>	<i>To a greater extent</i>
<i>B5.1 Was able to identify a business opportunity in my locality</i>	1	2	3	4
<i>B5.2 Training motivated me to start my own business</i>	1	2	3	4
<i>B5.3 It enhanced my financial management skill</i>	1	2	3	4
<i>B5.4 It enabled me to keep records and book of accounts</i>	1	2	3	4
<i>Other (please specify)</i> _____ _____	1	2	3	4

The following section seeks to solicit information about your experience in vocational training,

please, tick whichever is applicable.

B6. Have you ever attended any vocational training?

1. Yes 2. No

GO TO C1

B7. *(If yes) Please, indicate which category best describes the time you received the vocational training*

1. 1-5 Years ago
2. 6-10 Years ago
3. Over the last 10 years

B8. What type of vocational training did you undergo? *Please tick only one most important type.*

1. Carpentry
2. Plumbing
3. Tailoring
4. Bricklaying
5. Welding/ fabrication
8. Other *(Please specify):*
-

B9. Please rate the following statements on the extent to which you think the vocational training you went through benefited you.

Please, tick your most suitable response on a 4-point scale (1= To no extent; 2= To a lesser extent; 3= To some extent; 4=).

Benefit	Rating			
	<i>To no extent</i>	<i>To a lesser extent</i>	<i>To some extent</i>	<i>To a greater extent</i>
<i>B9.1 We developed the skill of coming up with new ideas or products</i>	1	2	3	4
<i>B9.2 We learnt to see ourselves as valuable to the society</i>	1	2	3	4
<i>B9.3 We learnt to be able to take an initiative</i>	1	2	3	4
<i>B9.4 We acquired knowledge of commercial and legal aspects of business</i>	1	2	3	4
<i>B9.5 We acquired the attitude of wanting to achieve more</i>	1	2	3	4

<i>B9.6 We learnt to take business risk</i>	1	2	3	4
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Section C: Loans and Grants

The following section seeks to solicit information about your access to and usage of loans. Please, be frank in your responses:

C1. How much was your start-up capital in Malawi Kwacha? _____

C2. Did you access a loan or grant for your start-up capital?

1. Yes 2. No

GO TO C7

C3. (*If yes*) What was the source of the loan or grant (*Please, tick only one source*)

1. Bank, micro-credit institutions, SACCO

2. Government agencies

3. non-governmental organisations (NGO)

4. Entrepreneurship training institutions

8. Other (please specify)

C4. What was the main reason for accessing the loan or grant? (*Please, tick one most important reason*)

1. To buy inventory

2. To buy equipment

3. To expand my business

4. To pay my employees

8. Other (*Please specify*)

C5. (*If you accessed the start-up capital from the bank, micro-credit institutions, SACCO, or grants*) What major challenges did you experienced while sourcing the loan? (*Please, tick all that apply*).

Lack of sufficient collaterals required by financiers

The requirement to have operated bank account for some time

Non-existence of my business

Lack of trust by guarantors to guarantee the youth enterprises

The absence of a substantive credit history

Bank doubt the viability of my business

C6. What was the source of your business start-up capital?

1. Personal savings

2. Friends and family members

3. Customers (advance payment)

4. Village Savings Loan Associations (“Bank Mphonde”)

8. Other (*Please specify*)

Section D: Performance of the Enterprise

D1. Has your profit increased over the past years?

1. Yes 2. No

D2. What was the total profit in 2017 in Malawi Kwacha? _____

D3. What was the total profit in 2019 in Malawi Kwacha? _____

D4. Have your sales value increased over the past years?

1. Yes 2. No

D5. What was the total sales value in 2017 in Malawi Kwacha? _____

D6. What was the total sales value in 2019 in Malawi Kwacha? _____

THANK YOU VERY MUCH FOR SPARING YOUR MOST PRECIOUS TIME

Appendix 2: Introductory letter from Polytechnic

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES (MUBAS)

PRINCIPAL
Nancy Chitera PhD, Maths Ed., MSc. Maths., BEd (Science)

Our Ref.:

Your Ref:

Date: 30th July, 2021

Private Bag 303
Chichiri
Blantyre 3, Malawi

Tel: (+265) 1 870 411
e-mail: principal@poly.ac.mw

TO WHOM IT MAY CONCERN

ASSISTANCE TO CARRY OUT AN ACADEMIC RESEARCH FOR MBA DISSERTATION:
NAOMI KAWONGA

I write to certify that Naomi Kawonga is a University of Malawi Postgraduate student who is pursuing a Master of Business Administration Degree course at MUBAS.

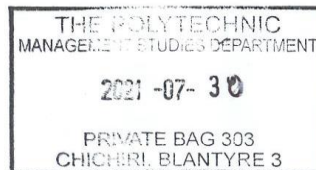
One of the important requirements of this degree programme is that students carry out research project known as dissertation in the final semester. This introduces the student to the methodology of research, the systematic analysis of ideas, the problems of data collection and the presentation of ideas in a clear and coherent way. Naomi is currently working on her MBA dissertation titled **"The effects of entrepreneurship training, education and loans on performance of youth owned enterprises in Dowa."**

I am therefore writing to ask for your kind assistance in allowing Naomi Kawonga access to carry out his research in your organization and help her with any information/literature that your organization may have on the topic of her dissertation.

Your assistance in this matter will be of greatest importance and highly appreciated and any information that may be provided will be treated with utmost confidentiality.

Yours faithfully


E.J. Sankhulani, PhD
MBA COORDINATOR



Appendix 3: Introductory letter from Youth Training Organisation



SMALL AND MEDIUM ENTERPRISES DEVELOPMENT INSTITUTE

MPONELA EDC

PRIVATE BAG 2

MPONELA

Tel.: 01286222

01.11.2019

Dear Naomi,

AUTHORISATION TO COLLECT DATA FROM SMEDI YOUNG GRADUATE ENTREPRENEURS (NEPAD YOUTH ENPOWERMENT PROJECT)

This is written to authorize you to go ahead with data collection on SMEDI young graduate Entrepreneurs around Dowa District, in support of your dissertation paper on finding the Effects of Entrepreneurship Training, Education and Loans on Performance of Youth owned Enterprises in Dowa.

Should you need further support do not hastate to contact us.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Pious Changala', is placed over a grey rectangular background.

Pious Changala

Business Training Specialist

For the Chief Executive Officer