

Determinants of Youth Entrepreneurship in Ethiopia Specific Evidence from Graduated Unemployed Youth in Debre Tabor

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Abstract

The purpose of the study was to examine the determinants of youth entrepreneurship in Ethiopia specific evidence from graduated unemployed youth in Debre Tabor Town. It employed descriptive and causal research designs. 294 youths were taken as a sample and to get them snowball and convenience-sampling techniques were used. To check the correlations that exist among variables person correlation was employed. Furthermore, multiple linear regression analyses with the help of a Statically Package for Social Science used to investigate the determinants of youth entrepreneurship. Pearson correlation analysis results revealed that predictors such as government support, family background, culture influence, entrepreneurial capability, access to finance and business experience have a positive significant relationship with youth entrepreneurship. The regression analysis result discloses that 64.1% of the variation in youth entrepreneurship can be explained by six independent variables in the model. The hypothesis testing result revealed that all six predictors are significant to predict the dependent variable. The study recommended that youth's families and the government bodies better to find out and provide fund for the youth to promote entrepreneurship and encourage the transition of youth from education to the private job market.

Keywords: Determinants, Youth, Entrepreneurship, Debre Tabor

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1. INTRODUCTION

1.1 Background of the Study

Over the past decades, the global economic environment has experienced radical changes (Lugo and Espina, 2014). As per many researchers' findings, entrepreneurship has been a vehicle for the change introduced. Entrepreneurship is unquestionably considered engines of economic growth, innovation, job creation and career opportunity (Omer & Sarra Ben 2014). As shown in the work of Ahmad and Seymour (2008), and Olannye and Ejeokwueze (2016) entrepreneurial activity are those activities, which entrepreneurs engage in with a view to creating value from identified opportunities. It is the enterprising human action in pursuit of the generation of value, by identifying and exploiting new products, processes, and markets. Entrepreneurial activity results in not just self-employment but also include the entry of new markets, new firms, the creation of new products or services and the innovation associated with different businesses.

Fostering entrepreneurship is widely perceived to be a critical policy agenda to expand employment and to reduce poverty. As indicated in the work of Cho and Honorati, (2013) sound macroeconomic conditions and business environment, including infrastructure, regulation, and legal environment have typically been emphasized to increase entrepreneurial activities and create jobs. Employment is the sustenance of any economy. Human development is impaired and slimmed without employment. Under the agenda of different strategies and potential efforts to enhance employment and job creation for young people, studies have recommended that entrepreneurship should be considered as a paramount means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of the younger generation (Dzisi, 2014). As per the global entrepreneurship monitor (2011) global report in many developing economies, there is a tendency toward younger entrepreneurs. In developing countries, increasing attention is being paid to entrepreneurial activities that aim to enhance self-employed and small-scale entrepreneurs. This is predominantly pressing in developing countries where salary and wage employment is limited and very few jobs are created and operated in self-employment (Cho and Honorati, 2013).

Youth entrepreneurship plays a key role in solving economic and social problems via the creation of new jobs and reducing unemployment among young people. Worldwide, the rate of unemployment among young people is a major challenge for economic and social prosperity of the country (Sandybayev, 2017). Africa is one of the poorest continents with the most youthful continent in relations of population. Given a large number of young job seekers that are entering into the labor market over the next decade, we need a better understanding of entrepreneurship, particularly with regard to young unemployed (Nagler and Naudé, 2014). As per the work of Pereiro and Dileo, (2015) the existence of a weak entrepreneurial environment, characterized by low rates of the new venture activities, in most cases operating in traditional sectors, with a low the propensity to export, a lower level of education than other international competitors and with the lowest rate of entrepreneurship skills for the adult population.

Ethiopia is not exceptional. Ethiopia's youthful population is an incredible asset and unexploited resource for positive growth. Of Ethiopia's population, estimated at 104 million, more than 28 percentages 15 to 29 (USAID fact sheet developing Ethiopia's youth, 2017). In recently the Ethiopian government has placed great emphasis on the development of an entrepreneurship culture, which is considered to be crucial for creating economic growth and new job opportunities. However, Ethiopia is still one of the poorest countries in the world and has one of the highest rates of youth unemployment in sub-Saharan Africa, despite its alleged strong economic growth. This study, therefore, seeks to investigate determinants of entrepreneurship, particularly in the case Debre Tabor Town.

1.2 Statement of the Problem

Globally policymakers have an imperative to enable growth and employment. To this end, the importance of entrepreneurship has been recognized by policymakers around the globe, as evidenced by the plethora of recent initiatives focused on start-up competitions, business registration, and programs for business incubation and acceleration (Olafsen and Cook 2016). Nurturing entrepreneurship is widely perceived to be a critical policy agenda to expand employment and to reduce poverty. Entrepreneurship is a major catalyst that drives the economy of most nations and youth employment opportunities. Inclusive macroeconomic conditions and business environment, including infrastructure, legal environment and regulation have typically been emphasized to increase entrepreneurial activities and create jobs (Cho and Honorati, 2013).

In many parts of the world, particularly in developing countries, there exists an increasing interest in entrepreneurship. This is because entrepreneurship is considered as a means of energizing the economy and a way of coping with unemployment problems that characterize most developing economies (Siyanbola, Afolabi, Jesuleye, Egbetokun, Dada, Aderemi, MarufSanni and Rasaan, 2012). As the Global Entrepreneurship Monitor survey (2017/18) unveils that, there is encouraging signs of improvement in the entrepreneurial conditions, which describe particularly important contributions to building a stimulating environment for people with entrepreneurial intentions and activities. However, in spite of the key role played by the youth in economic development, there has been little effort to look at entrepreneurship from the perspective of the youth (Dzisi 2014). According to Anderson and Lai (2017) a number of influential factors, which differ from one country to another, as the level of entrepreneurial activity varies considerably between countries, affect the levels of entrepreneurship in a country.

A study by a Global Entrepreneurship Monitor in (2018) has demonstrated the existence of a weak entrepreneurial environment, characterized by low rates of new venture activities, and a high unemployment rate. Ethiopia is not exceptional; Ethiopian entrepreneurial environment has shown to be inefficient for economic development. Youth joblessness paying a particular challenge to Ethiopia; the country faces growing youth landlessness in rural areas and insignificant rural job creation, potentially leading to an increase in migration to urban areas (Amanuel, 2016). Now a day, graduate youth unemployment is visible common trouble in Ethiopian cities and towns. The unemployment rate in Ethiopia increased to 19.10 percent in 2018 from 16.90 percent in 2016 (Trading Economics, 2019). The rate would be obviously escalated even further than this figure among the youth as compared with other age groups in the working section of the population because thousands of graduates are graduating in each year from higher learning institutions.

This much unemployment rate is registered while the government is struggling to improve employment opportunities through entrepreneurship. A great enhancement for employment, increase could be self-employment. However, young people are not prone to engage in such activities (Franjkovic, Sebalj&Zivkovic 2016). As it is shown in the work of Dzisi (2014), Msigwal and Kipesha (2013), and Ndagijimana, Nzasingizimana&Heshmati (2018) factors such as governmental factors, culture forces, access to financial capital, skills required to gain employment and start businesses, as well as perceptions towards entrepreneurship and economic development, has been used to explain the cause for youth unemployment across countries.

Furthermore, Youth Entrepreneurship and Empowerment Project report (2018) which works on in Uganda, Kenya showed that barriers, including poor access to credit, limited experience of business practices and knowledge negate enormous potential to grow and create jobs for more youth. The work of Dzisi (2014) identified that lack of access to finance, lack of management experience and cultural attitude to entrepreneurship and negative social are the most critical determinants for youth entrepreneurship. Therefore, the study tried to investigate the determinants of youth entrepreneurship by taking graduate unemployed youth in Debre Tabor Town.

Objective of the Study: The objective of this study was to examine the determinants of youth entrepreneurship in Ethiopia specific evidence from graduate unemployed youth in Debre Tabor Town

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Under the conditions of high dynamicity and uncertainty of the environment, the sustainable development of the economic organization is unthinkable without the manifestation of a specific type of behavior defined in the

corporate entrepreneurship research as entrepreneurial activity (Cervený, Pilková and Rehak 2014). Entrepreneurship any endeavor at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual or a team of individuals (Business Global Entrepreneurship Monitor, 2017).

The level of entrepreneurial activity varies greatly from one country to another country and even within the same country from time to time, and is influenced by several types of factors such as economic, institutional, technological and cultural factors (Rusu and Roman, 2017). Recently, national and local governments have placed great emphasis on the development of an entrepreneurship culture, which is considered to be crucial for creating economic growth, innovation, and new job opportunities. Particularly, Nascent Entrepreneurship is an important phenomenon that has received significant attention in the last decade due to the contributions of new venture creation to the global, national and regional economies (Pereiro and Dileo, 2015).

According to the Global Entrepreneurship Monitor Global Report (2018/2019), Entrepreneurs in low-income economies are indeed more likely motivated by necessity than in wealthier economies. Among low-income economies on average of 35% of entrepreneurs' state, they started their businesses because they had no better option for work. Given typically fewer employment opportunities at this stage of economic development, entrepreneurship provides a means for people to generate income.

As it was presented in, the work of Ahmad and Seymour (2008) is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by detecting and exploiting new products, processes or market. Entrepreneurship is about recognizing and acting upon (enterprising human activity) opportunities that create value (be that economic, or social-cultural). Obviously, entrepreneurial actions require the leveraging of resources and capabilities through innovation, but the opportunities themselves always relate to the identification of new products, processes or markets (Global Entrepreneurship Monitor, 2017/2018)

Access to finance

H1: Access to finance has a positive and significant impact on youth entrepreneurship. As shown in the work of Ojonugwa and Alewo (2016) and the report of global entrepreneurship index (2018) most entrepreneurs are unable to grow significantly due to lack of credit. A study conducted by Ojonugwa and Alewo (2016) on 225 SMEs producing garments in Nairobi, Kenya, shown that there is a direct link between access to finance and firm growth. Access to finance is a key feature of an entrepreneurial environment and one that is often lacking for small and new firms in developing countries. A wide body of research work for instance, Cala, Carod and Antolín (2015), and Morris and Lewis (2015) suggests that small firms have more difficulty accessing finance than larger firms.

The global entrepreneurship index report (2018) indicated that access to finance is a basic necessity for small firm growth. Especially, nascent entrepreneurs are getting difficult to access funds even commercial banks are often more comfortable with giant business. Because banks needed collateral to avail funds to entrepreneurs either as individuals or cooperatives. Moreover, potential entrepreneurs are not getting adequate support from the government to pursue their entrepreneurial activity (Grilo and Thurik, 2004).

Entrepreneurial Capability

H2: Entrepreneurial capabilities have a positive and significant impact on youth entrepreneurship. According to Shabbir, Shariff and Shahzad (2016), there was a common belief that entrepreneurship is just a trait, which initiates the persons who own it towards specific actions. This conviction about entrepreneurship was challenged by researchers with the argument of entrepreneurs are not inborn but made. Afzal, Siddiqui, and Dutta (2018) research result suggests that fear of failure rate has a negative impact on entrepreneurial capability. Moreover, they founded intellectual property rights; university education and knowledge transfer rate have a positive stimulus to the entrepreneurial capability environment in these economies.

Cultural Factors

H3: Cultural has a significant impact on youth entrepreneurship. There are many studies supporting the impact of cultural values on entrepreneurial activity (Freytag and Thurik 2006, Bamfo, Appiah and Dogbe, 2017, Cervený, Pilková and Rehak, 2016). As indicated in the Global Entrepreneurship Monitor reports (2018/19), Cultural and social norms show whether and how society exhibits an entrepreneurship focus within the culture through behavior, beliefs, language, and customs. This can encourage entrepreneurs by demonstrating acceptance, support and high regard for their activity. Moreover, the series of Global Entrepreneurship Monitor reports depicted that cultural and social norms are found to be a critical talent of entrepreneurial thinking and seen as the distinguishing variable for high levels of entrepreneurship in different countries.

Culture shapes the development of personality traits and may motivate individuals in a society to engage, or not engage, in certain behaviors. Thus, a culture that inspires entrepreneurial action through its selection of values is a feature of the entrepreneurial ecosystem. A cross-country study using 1,800 survey responses in nine

countries founded that entrepreneurial orientation (an internal locus of control combined with a propensity toward innovation) is more likely to appear in individualistic, low-uncertainty avoidance cultures than in collectivistic, high-uncertainty avoidance cultures (Olafsen and Cook, 2016).

Business Experience

H₄: Business experience has a positive and significant impact youth entrepreneurship. The work of Olafsen and Cook (2016) indicated that individual with more years of experience in business incline to have success in entrepreneurial activity. Business experience tends to help a person both directly and indirectly through improving knowledge, capabilities, networks, and contacts. A study conducted by Parker (1995) in Kenya found that entrepreneurs with a greater business experience enormously exceeded those who had less experience. In developing countries, growth entrepreneurs tend to come from having been previously employed in the same or similar sector. An individual's work experience is related to his or her age. Most of the entrepreneurial activities were learned from the formal employment sector, locally or internationally. It may be that the experience they have acquired may be facilitating more apt to become entrepreneurs. Kamitewoko (2013) found that individual with previous business experience had a chance of being an entrepreneur and a significantly higher rate of success than those without experience rate in business rate.

Family Background

H₅: the Family background has a positive and significant impact on youth entrepreneurship. As it is indicated in the work of Peng, Lu, and Kang (2012) family background factors have a significant impact on an individual's entrepreneurial activity. The study explains that families' background affects an individual's entrepreneurial activity mainly from the role-molding viewpoint and believe parents play an important role in children's entrepreneurial career.

As stated in the work of Siyanbola, et al, (2012) there seems to be a consensus on the idea that the family is the principal agent of socialization. Families are seen as role models exercising both overt and covert technical influences on their wards as they set norms, values and orient behaviors in the course of daily life. Consequently, the children on a daily basis observe and take certain latent values passed on to them by their parents, all of which shape their future personality and career. This signals the likely significant influence of family entrepreneurial history on student's business interest

As per the study of Morris and Lewis (2015), aspects of family background, which seem to affect entrepreneurial behavior, are including parental relationships, the order of birth, and family income. Parents teach an early sense of independence and desire for control in the future entrepreneur. Entrepreneurs are often experienced turbulent and disruptive childhoods. A predominantly important feature of entrepreneurs' familial experience is their relationship with their fathers. Several researchers have found that many entrepreneurs experience relatively negative relationships with their fathers ranging perhaps from neglect because of career demands to actual physical and/or emotional abuse or abandonment. In an attempt to compensate for paternal deficiencies, the entrepreneur's mother devotes herself to helping her child succeed by instilling in him or her need to excel. Having been raised with a

distant and/or uninvolved father figure, the entrepreneur develops a need for independence, self-reliance, and control. Consequently, in an effort to avoid authoritarian relationships, loss of control, and to fulfill his or her need for success and achievement, the individual turns towards developing entrepreneurial ventures.

Government Role

H₆: Government support has a positive and significant impact on youth entrepreneurship. Espina et al, (2014) work show that government plays two type role such as directive and facilitative. The government through its administration role outlines the growth and development of the entrepreneurship. It aims to realize results with its deliberate interference in the markets by applying incentives and controls, detects opportunities and suggests the direction to be followed by entrepreneurs. Moreover, the government formulates policy, rule, and regulation; establish public infrastructure, maintain social stability to create conducive environments for entrepreneurs to utilize their opportunities.

Government rules, regulation, taxes determine entrepreneurial activity. The work of Kamitewoko (2013) had shown that high tax necessarily leads to lower entrepreneurial activity and smaller firm size, as common sense would suggest. When the tax rate on income increases, it causes investors to be less risk -taker. As a result, if taxes increase on income, more persons will not choose to become entrepreneurs.

3. RESEARCH METHOD

3.1 Target population

The target population of this study was graduated unemployed youth who are registered as a jobless and living in Debre Tabor Town. There are different typologies of youth since the definition varies from country to country. Therefore, particularly for this study youth is defined as the population aged from 15 to 29 (USAID fact sheet

developing Ethiopia's youth 2017).

3.2 Research Design, Simple size, and sampling technique

This study employed both a descriptive survey and causal research design. Based on the information obtained from Debre Tabor. Administration Enterprise Development Office (2019), 1613-certificate, diploma and degree holder unemployed youth were registered in July 2019. Accordingly, 321 participants were selected by using Yamane's (1967) formula. Out of 321 distributed questionnaires, 294 were collected.

$$n = \frac{1613}{1 + \frac{(1613)(0.05)^2}{321}} = 321$$

Where, N = is the total population; n = is the sample from the population; e = is the error term which is 5% (i.e. Confident level). In order to get individual respondent a non-probability sampling method, called snowball-sampling and convenience technique was employed to reach the individual respondent.

Data source and Data collection instrument: The necessary data were collected from graduated unemployed youth in Debre Tabor. Respondents were given the questionnaires and were asked to put their level of agreement using five- Likert point scale ranging from scale 1-5, where (5) = Strongly Disagree = (4) Disagree = (3) Neutral = (2) = Agree = (1) strongly Agree.

Methods of data analysis: The collected data were analyzed using descriptive data analysis tools such as percentage and frequency and Pearson correlation was used to see the correlation that exists between dependent and independent variables. Furthermore, multiple regressions were employed to investigate the causation between dependent variable independent variables. Statistical Package for Social Science (SPSS) version 20 was used for data analysis.

3.3 Mathematical model

Based on the variables discussed in the literature the following mathematical model was developed. . Where, Y- =dependent variable (Youth Entrepreneurship)

X1, X2...X6 = independent (determines of Youth Entrepreneurship)

a= Constant

B1, B2.....B6=coefficients

X1: Access to Finance

X2: Entrepreneurial Capabilities

X3: Cultural Factor

X4: Business Experience

X5: Family Background

X6: Government Support

= Random Error

4. DATA ANALYSIS AND DISCUSSION

Table 1 Gender distribution of the respondents

Gender	Frequency	Percent
Male	184	62.6
Female	110	37.4
Total	294	100.0

Source: Own Survey, 2019

As it is depicted in Table 1, 184 (62.6%) of the respondents are male and 110 (37.4%) are females. From this, it can be understood that the majority of the targeted unemployed youth were males.

Table 2 Age distribution of the respondents

Age group	Frequency	Percent
18-22	159	54.1
23-27	126	42.9
Above 27	9	3.1
Total	294	100.0

Source: Own Survey, 2019

As far as the composition of age is concerned 159 (54.1%) of the respondents are in the range of 18-22 years, 126 (42.9%) are in the range of 23-37 years, 9 (3.1%) is in the range of above 27 years as revealed in table 2. From this, it can be understood that the sampled unemployed youth consists of all age groups with a majority of 18-22 years.

Table 3 Educational Qualification Distribution of the Respondents

Educational Qualification		
Education Level	Frequency	Percent
Certificate	5	1.7
Diploma	165	56.1
Degree	124	42.2
Total	294	100.0

Source: Own Survey, 2019

As shown in table 3, 5 (1.7%) of respondents have to certificate, 165 (56.1 %) is diploma holders and 124 (42.2 %) are degree holders. This implies that the majority of the respondents are diploma holders.

Normality Test

Normality test of data is applied to determine whether a data is well modeled by a normal distribution or not and to compute how likely an underlying random variable is to be normally distributed. Skewness and Kurtosis were used to measure the normality of data for this study. Chris (2008) stated that the acceptable range for skewness and kurtosis is ± 3 . Therefore, as it is depicted table 4 the Skewness and Kurtosis of each variable fall within the gap of ± 3 . Hence, the data collected is considered normally distributed.

Table 4: Descriptive Statistics

Descriptive Statistics							
	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std.Error	Statistic	Std.Error
Youth Entrepreneurship	294	10.7823	2.29859	-.473	.142	-.235	.283
Family Background	294	10.5884	2.21475	-.387	.142	.514	.283
Access to Finance	294	10.0748	2.60241	-.285	.142	-.986	.283
Business Experience	294	15.9524	3.56669	.198	.142	-.596	.283
Entrepreneurial Capability	294	13.9320	2.58945	-.276	.142	1.439	.283
Culture Influence	294	10.7007	1.96180	-.010	.142	.063	.283
Government support	294	17.7857	3.90130	-.316	.142	-.217	.283
Valid N (listwise)	294						

Source: Own Survey result, 2019

As shown in Table 5 below family background factor has the significant correlation with individual's entrepreneurial activity. This finding is consistent with the finding of Peng, Lu, and Kang (2012) and Siyanbola, et al, (2012) founded that family entrepreneurial history has a significant association with student's business interest

Moreover, the predictor access to finance is positively related youth entrepreneurship to with a Pearson correlation coefficient of $r=0.770$ and Sig. (2-tailed) is 0.00, which is < 0.01 . This indicates that there is a strong and significant relationship between youth entrepreneurship and access to finance. This finding is also consistent with the work of Dzisi (2014) who founded that lack of access to finance, as the most critical determinants for entrepreneurship

According to Kamitewoko (2013), a person who had a business, the experience had a chance of being an entrepreneur. To this end, as it is presented in Table 5 there is a moderately significant relationship between youth entrepreneurship and business experience. Moreover, there is a positive relationship between these variables with a Pearson correlation coefficient of $r= 0.424$ and Sig. (2-tailed) is 0.00 which is <0.01 . As disclosed in the same table the predictor entrepreneurial capability is positively related to youth entrepreneurship with a Pearson correlation coefficient of $r= 0.243$ and Sig. (2-tailed) is 0.00 which is <0.01 so that, there is a little significant relationship between youth entrepreneurship and entrepreneurial capability.

Youth entrepreneurship is positively related to the predictor culture influence with a Pearson correlation coefficient of $r= 0.213$ and Sig. (2-tailed) is 0.00 which is <0.01 so that, there is a little significant relationship between youth entrepreneurship and cultural influence. The Predictor government support is positively related to youth entrepreneurship with a Pearson correlation coefficient of $r= 0.172$ and Sig. (2-tailed) is 0.00 which is <0.01 . This implies that there is a little significant relationship between youth entrepreneurship and government support.

Table 5 Correlations of dependent variable and independent variables

		Correlations						
		Youth Entrepreneurship	Family Background	Access to Finance	Business Experience	Entrepreneurial Capability	Culture Influence	Government support
Youth Entrepreneurship	Pearson Correlation	1	.153**	.770**	.424**	.243**	.213**	.172**
	Sig. (2-tailed)		.009	.000	.000	.000	.000	.003
	N	294	294	294	294	294	294	294
Family Background	Pearson Correlation	.153**	1	.133*	-.124*	-.024	.139*	.024
	Sig. (2-tailed)	.009		.023	.033	.683	.017	.685
	N	294	294	294	294	294	294	294
Access to Finance	Pearson Correlation	.770**	.133*	1	.436**	.097	.383**	.250**
	Sig. (2-tailed)	.000	.023		.000	.095	.000	.000
	N	294	294	294	294	294	294	294
Business Experience	Pearson Correlation	.424**	-.124*	.436**	1	.315**	.148*	.367**
	Sig. (2-tailed)	.000	.033	.000		.000	.011	.000
	N	294	294	294	294	294	294	294
Entrepreneurial Capability	Pearson Correlation	.243**	-.024	.097	.315**	1	-.099	.268**
	Sig. (2-tailed)	.000	.683	.095	.000		.089	.000
	N	294	294	294	294	294	294	294
Culture Influence	Pearson Correlation	.213**	.139*	.383**	.148*	-.099	1	.041
	Sig. (2-tailed)	.000	.017	.000	.011	.089		.488
	N	294	294	294	294	294	294	294
Government support	Pearson Correlation	.172**	.024	.250**	.367**	.268**	.041	1
	Sig. (2-tailed)	.003	.685	.000	.000	.000	.488	
	N	294	294	294	294	294	294	294

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Own Survey result, 2019

Table 6: Model Summary

Model Summary ^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.801 ^a	.641	.633	1.39192	.641	85.338	6	287	.000

a. Predictors: (Constant), Government support, Family Background, Culture Influence, Entrepreneurial Capability, Access to Finance, Business Experience

b. Dependent Variable: Youth Entrepreneurship

Source: Own Survey, 2019

Table 7 shows the model summary of the regression analysis, which includes government support, culture influence, family background, entrepreneurial capability, access to finance, business experience as independent variables and youth entrepreneurship as the dependent variable. In the Model Summary, R square shows that the value of the multiple correlation coefficients between the dependent and the independent variables (R = .801) which represents a strong correlation. The next column shows the coefficient of determination or correlation coefficient (R²) which is the proportion of variation in the dependent variable that is explained by the six independent variables. So 64.1% of the variation in youth entrepreneurship can be explained by six independent variables in the model. Thus, it can be concluded that the above-mentioned independent variables share 64.1% of the influence on youth entrepreneurship. This means that 35.9% of the influencing factors of youth

entrepreneurship cannot be explained by this study variable, which may require further investigations in other researches.

The adjusted coefficient of determination or correlation coefficient squared is found to be 63.3. This value indicates the loss of predictive power or shrinkage and tells us how much variation in the dependent variable would be accounted for if the model had been derived from the population. The adjusted R^2 gives some idea about how well our model generalizes and ideally, its value becomes the same or very close to the value of R^2 . The difference in the model is small ($0.641-0.633=0.008$) which is 0.8%. This shrinkage means that if the model were derived from the population rather than a sample, it would account for approximately 0.8 % less variance in the outcome. Therefore, the researcher concludes that this regression model has resulted in a significant prediction of the influencing factors of the youth entrepreneurship.

Table 7: The ANOVA output of the regression

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	992.022	6	165.337	85.338	.000 ^b
	Residual	556.046	287	1.937		
	Total	1548.068	293			

a. Dependent Variable: Youth Entrepreneurship

b. Predictors: (Constant), Government support, Family Background, Culture Influence, Entrepreneurial Capability, Access to Finance, Business Experience

Source: Own Survey, 2019

The multiple linear regression ANOVA Table 8 result had summarized the overall significance of the multiple linear regression model, the fitted multiple linear regression model was found to be significant at $\alpha = 0.05$. Therefore, the overall model is significant.

Table 8: Regression Coefficients^a

coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.201	.788		2.793	.006		
Family Background	.086	.038	.083	2.266	.024	.929	1.076
Access to Finance	.666	.038	.754	17.552	.000	.679	1.473
Business Experience	.067	.028	.104	2.394	.017	.662	1.512
Entrepreneurial Capability	.139	.034	.156	4.080	.000	.852	1.174
Culture Influence	.098	.046	-.083	-2.142	.033	.825	1.212
Government support	-.056	.023	-.095	-2.445	.015	.825	1.213

a. Dependent Variable: Youth Entrepreneurship

Source: Own Survey, 2019

A situation in which there is a high degree of association between independent variables is said to be the problem of multicollinearity, which results in large standard errors of the coefficients associated with the affected variables. According to Gujarati (2004), if the variance-inflating factor (VIF) of a variable exceeds 10, the variable is said to be highly collinear. Moreover, the closer tolerance is to 1, the greater the evidence that predictor is not collinear with the other predictor. To this end, as depicted in table 8 the output of multicollinearity test, which shows that there is no multicollinearity among independent variables as all VIF values are under 10.

As it is indicated in, Table 9, the p-value or significant level is less than 0.05 for all the variables. Hence, it indicates that the six independent variables (government support, culture influence, family background, entrepreneurial capability, access to finance, and business experience) are significant to predict youth entrepreneurship (dependent variable).

The Hypothesis about family background is accepted since the significant level is less than 0.05. The Hypothesis about access to finance is accepted because the p-value is less than 0.05. This implies that access to finance has a positive and significant impact on youth entrepreneurship. Business experience has a significant impact on youth entrepreneurship with 0.017 significant level that is less than 0.05. In this study, the entrepreneurial capability has significant impact on youth entrepreneurship since the significance level is less

than 0.05. In this study, a Hypothesis about a cultural obstacle is accepted. This indicates that cultural obstacle has significant impact on youth entrepreneurship. The government support has also a significant impact on youth entrepreneurship since the significant level is less than 0.05

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

The aim of the study was to examine determinants of youth entrepreneurship in Debre Tabor Town and suggest recommendation towards the reduction of youth unemployment. Accordingly, based on the analysis and discussion made in above, the following conclusions are made and recommendations are forwarded

As the Pearson correlation analysis result relived that all predictors such as government support, family background, culture influence, entrepreneurial capability, access to finance and business experience have a significant relation with youth entrepreneurship and also they are also positively related to the dependent variables. The result shows that out of the six independent variables access to finance has a strong correlation with youth entrepreneurship by Pearson correlation is $r = 0.770$ at Sig. (2-tailed) .000 followed by business experience $r = 0.424$ at Sig. (2-tailed). This implies that access to finance has high association with entrepreneurship.

The regression analysis the result reveals that 64.1% of the variation in youth entrepreneurship can be explained by six independent variables in the model. In other words, the independent variables such as government support, family background, culture influence, entrepreneurial capability, access to finance and business experience share 64.1% of the influence on youth entrepreneurship. This implies that 35.9% of the influencing factors of youth entrepreneurship cannot be explained by this study variable. From the hypothesis, testing results, it can be concluded that all the six predictors are significant to predict dependent variable youth entrepreneurship.

From the findings of the study, the following recommendations are forwarded:

The findings of the study show that access to finance is strongly associated with entrepreneurship, therefore, youth's families and the government bodies better to find out and provide fund for graduated unemployed youth in order to promote entrepreneurship and encourage the transition of youth from education to private job market since the government's job opportunities are limited. Business experience and entrepreneurial capability are predictors for youth entrepreneurship thus it shall be better if colleges and universities provide training for graduates on how to be an entrepreneur and start their own business instead of waiting for employment. Youth's families are also recommended to encourage their graduate youth to create their own job. Moreover, it is recommended for the families to mold their children with an entrepreneurial mindset. It is also suggested for the government to have interventions, especially in the creation of entrepreneurial culture and strengthening its support in the creation of job opportunities for youths.

Limitation

This study has a limitation that has been emanated from the scope of the study. For the study, the data were collected from Debre Tabor only, therefore, it is suggested that the other researchers undertake a study be considering all Ethiopian Towns and Cities

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