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Factors which Militate against the Youth Entrepreneurship in N'Djamena

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ABSTRACT

Although the country is endowed with plenty of natural resources, youth unemployment is still alarmingly high.

Aim: To determine the factors which militate against the youth engaging in entrepreneurial activities in N'Djamena, the capital city of Chad.

Method: A random sample 150 young Chadian entrepreneurs was selected from a research population which comprised all of the young entrepreneurs in N'Djamena who were registered on the databases of the FONAJ, a national fund which provides financial support to young entrepreneurs in Chad, and the Trade and Personal Property Credit Register (TPPCR) of Chad.

Results: the paper revealed that young entrepreneurs in Chad were faced with obstacles such as a lack of funding, a lack of support from the government for SMEs, and lack of encouragement and financial support from their families. Although there are programmes to assist young entrepreneurs, it was evident from the findings that many experience great difficulty in ensuring their businesses' success and sustainability. Consequently, they still require additional support concerning funding, equipment, and assistance and encouragement from their families, financial institutions, and the government, in order to achieve success in their businesses. The paper concludes with appropriate recommendations for both the government and the young entrepreneurs of N'Djamena to provide relevant insights into how the youth can best be integrated into the entrepreneurial sector in the interests of combating unemployment and enabling them to make a meaningful contribution to the growth of the national economy.

Uniqueness: the paper validates the extent to which the current support systems mitigate the problems faced by youth entrepreneurs.

Keywords: Entrepreneurship; youth entrepreneurship; Chad; entrepreneurship support.

11.1 INTRODUCTION AND BACKGROUND

Touted as Africa's greatest asset by many, it is regrettable the vast majority of youth in Africa are unemployed, discouraged or vulnerably employed (World Bank, 2012; African Development Bank, 2016). According to the African Development Bank (2016), 10 to 12 million youth compete for the only 3.1 million jobs are created each year, leaving a significant number of them are unemployed. The psychological impact of employment is immense in that it impacts the individual's self-confidence and relates to others. On the positive side, having a job empowers the individual while the reverse is true in the absence of a job. In extreme cases, unemployment contributes to social unrest and violence amongst the youth (World Bank, 2012; African Development Bank, 2016).

An estimated 47 percent of Chadians live below the breadline at present, and it is predicted that the financial and economic crisis could further aggravate levels of poverty by 2021. According to the World Bank, 10.17 percent of the world's active youth were unemployed in 2017. Chad's youth are effectively marginalised concerning state policies and are not allocated a role to play in

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their socioeconomic development. Although the government has endeavoured to promote entrepreneurship among young people by generating funds, its commitment remains very low by comparison with other countries in Africa. While the industrial sector in Chad contributes significantly to the GDP, young Chadians' benefits are not felt due to their effective exclusion from economic activity. Consequently, enabling them to assume entrepreneurial roles in the country's economic development could provide the youth with meaningful opportunities to enter the labour market and play a correspondingly influential role in combating the economic crisis that has ravaged the country in recent years.

At present, insufficient governmental support for entrepreneurship has hindered the emergence of entrepreneurship among the youth and has perpetuated high levels of unemployment, social unrest, and poverty. A few determined young Chadian entrepreneurs take the initiative to start their own business, but they face many challenges along the way. Consequently, some young people leave their home country to settle in another, in the hope of finding a better life. In contrast, others join the opposition political parties to express their discontent and fight for their rights. At present, entrepreneurship's potential to create jobs and reduce poverty, violence, and crime remains untapped. The research problem that guides the conducting of this study concerns the barriers that Chad's youth encounter in launching entrepreneurial enterprises and prevents a culture of entrepreneurship from fulfilling its potential to contribute to socioeconomic development. In the absence of adequate infrastructure, it is a foregone conclusion that attempts to alleviate poverty and strategies to combat unemployment among the youth are unlikely to yield desirable results.

11.2 LITERATURE

The study drew upon a wide range of relevant sources, such as books, articles, magazines, government publications, and published and unpublished papers, to obtain a comprehensive overview of the research topic.

11.2.1 Entrepreneurship and Its Role in the Society

There is a reasonable consensus among writers and economists that there is no single universally applicable definition for the term entrepreneur because it can be used appropriately in many different contexts. Philomena and Philomena (2014) argue that entrepreneurship is a process of enhancing and creating new products, new market segments and new economic sectors. They believe entrepreneurship creates jobs, produces beneficial products and advances society. Onuoha (2007) believes that entrepreneurship is either the creation of new businesses or the continuation of existing enterprises when the opportunities are presented.

Definitions considered tend to converge on the notion that entrepreneurship entails exploring available resources and taking risks by turning them into opportunities. All of the cited writers have stressed that it must create value for an organisation to succeed while seeking to be the best in its field. According to Schumpeter (1934), entrepreneurship is the driver that enables economic growth and innovation. The author discusses the crucial role innovation plays in ensuring a company's success and how it maintains its edge through innovative products. The successes of companies whose products are technologically innovative such as Apple and Samsung demonstrate the importance of entrepreneurship.

Although people throughout the world have become increasingly aware of the potential of entrepreneurship to improve their living standards in recent years, relatively few understand the role it has to play in ensuring and maintaining the well-being of individual countries' populations. By contrast, many writers and researchers have cited the principal benefits of promoting entrepreneurship as including the creation of wealth, the introduction of innovative products, and the stimulation of economic growth. In recent years, researchers have ranked entrepreneurship high among the drivers of the overall economic growth of countries, its contribution to a new and original practice of making things for the advantage of people and at the same time creating revenue

(Mellor, Coulton, Chick, Bifulco, Mellor & Fisher 2009). Both Marais (2005) and Petrakis (2005) emphasise that the creation and sustainability of small companies are essential for the growth of the economies of countries and alleviating poverty. Besides, a report published by the FinMark Trust (2006) concludes that one of the most productive and sustainable approaches to reducing unemployment entails increasing the potential of small businesses to create employment and promote small businesses' development.

The gains which entrepreneurship can facilitate for countries, societies, and communities can be summarised as follows: the introduction of innovative practices; the creation of employment opportunities; economic growth; encouraging socioeconomic development; raising standards of living; encouraging economic cooperation between states; the creation of new markets and opportunities and increasing the economic competitiveness of countries.

11.2.2 Youth Entrepreneurship

Although age ranges tend to vary with respect to definitions of youth, in the report of the Global Entrepreneurship Monitor (GEM, 2015), youth refer to people from 18 to 34 years of age. This age range accords reasonably closely with that of from 15 to 35 years which the African Youth Charter (2006) stipulates for the youth of Africa, to which Chad is a signatory. Africa has the youngest population of all of the continents globally, and 200 million of its inhabitants are from 15 to 24 years of age (African Economic Outlook, 2012), while 60 percent of young Africans are unemployed (World Bank, 2008). According to the Global Risks Report of 2014, the unemployment rate among young people from 15 to 24 years of age was estimated to be more than 50 percent.

Although Schoof (2006) contends that there is no single all-embracing definition of youth entrepreneurship, Chigunta (2002) defines it as a combination of creativity, original initiative, and willingness to take risks in a business environment by making use of appropriate and useful skills to succeed in a particular cultural setting. Cornell (2001) places a different emphasis by stressing that youth entrepreneurship entails the seizing of opportunities as a consequence of the instinct of young people for novelty and innovation, which can change the nature of markets.

Firstly, apart from contributing to economic development by creating new markets, youth entrepreneurship reduces unemployment by enabling young people to become economically active in circumstances where there have been very few formal employment opportunities. Secondly, youth entrepreneurship can play a crucial role in the diversification of economies, as the emergence of new and innovative products and new markets increase the range of economic opportunities which are available to young people. Thirdly, the proliferation of SMEs make a significant contribution to the national economies of countries, while increasing financial independence among young people could be expected to contribute to the overall socioeconomic stability of societies.

Murithi (2013) emphasises that appropriate policies on youth entrepreneurship are imperative for integrating the youth of nations into labour markets. Although healthy economic growth depends on future young leaders who possess well-developed managerial skills and entrepreneurial aptitude, most young Chadians are not sufficiently aware of the dire need to relieve unemployment by becoming self-employed. While a great many factors militate against the growth of youth entrepreneurship, at present in N'Djamena there are too few young entrepreneurs to exert any significant influence upon the economy. Accordingly, Chad's economy needs to be appropriately diversified to promote socioeconomic development through the promotion of young entrepreneurs in several different sectors.

11.2.3 The Three Developmental Phases of Young Entrepreneurs

The findings of several recent studies suggest that young entrepreneurs' emergence occurs through a process that entails negotiating specific developmental steps. Chigunta (2002) propounds three developmental phases for youth entrepreneurship:

- Pre-entrepreneurs (from the ages of 15 to 19 years): During this phase, future entrepreneurs endeavour to become independent of the security which their families provide, to leave school, and begin their working careers. According to Curtain (2000), the transition from school to work is a crucial one and only young people in whom an intense interest in entrepreneurship has been aroused are likely to proceed from this phase to the next one.
- Budding entrepreneurs (from the ages of 20 to 25 years): During this phase, young entrepreneurs learn to make optimal use of their experience and the skills and capital which they have accumulated during the previous stage, including their working experience, which equip them to start their businesses. Those who have not developed sufficient entrepreneurial insight are likely to close their businesses and return to formal employment.
- Emerging entrepreneurs (from the ages of 26 to 29 years): By this phase, young entrepreneurs would have acquired a significant business experience and a higher level of maturity than their counterparts who are negotiating the two previous stages. Consequently, they are more likely to be equipped to run sustainable businesses than young entrepreneurs who have not successfully emerged from the two earlier phases.

11.2.4 Barriers and Obstacles which Impede the Emergence of Young Entrepreneurs

Although high rates of unemployment are of grave concern to governments throughout the African continent, as Rae (2007) explains in his discussion of entrepreneurship's role in society, many governments have become aware of the value of entrepreneurship as a means of achieving economic growth and creating employment. The potential of youth entrepreneurship as a strategy to promote socioeconomic development in developing countries has received impetus from a general recognition that high rates of unemployment need to be drastically reduced. According to the Global Risks Report (2014) of the World Economic Forum, unemployment rates in many African countries, including South Africa, exceed 50 percent. Although unemployment has risen unabatedly in Chad, the government has not been committed to using youth entrepreneurship to stimulate the country's economy.

The report of 2013 of the GEM (Global Entrepreneurship Monitor) and YBI (Youth Business International) confirmed that the main barriers for young aspiring entrepreneurs in sub-Saharan Africa were a lack of wealth, financial resources, skills, infrastructure, assistance, and opportunities in the markets of their countries. Consequently, entrepreneurship education should be promoted by establishing appropriate institutions to assist young people who possess the vision and creativity to develop innovative businesses. In developing countries such as Chad, whose economies are plagued by a lack of infrastructure, high rates of unemployment, and pervasive poverty, it is imperative to provide young people with education and funding to enable them to participate in the economy, in order to stimulate it by making it more inclusive than it is at present. Although associations have been formed to motivate the youth to participate in business, to date the majority of the youth have not benefited from the assistance which the associations have provided. By contrast, funds need to be generated to motivate young people to participate in entrepreneurship to achieve growth by diversifying the economy. Still, the youth also need assistance to develop and acquire entrepreneurial skills through education and practice. In 2012 the Coordination of Youth Chad Networks convened a forum themed 'Implication of Youth in Chad's Development Policies and Programmes'. Its purpose was to facilitate the participation of the youth in the country's economy and the planning of a national policy to do so in a practicable and sustainable manner.

In South Africa, the government has recognised young entrepreneurs' potential to contribute to economic growth and socioeconomic development. Consequently, it has prioritised reducing unemployment levels among the youth by generating funds to increase the ambit of entrepreneurship in South Africa and participation by young people in the entrepreneurial sector by encouraging young people to become entrepreneurs (Nieman & Nieuwenhuizen, 2014). It needs to be emphasised that the funds that the government contributes are not sufficient to combat the high rates of unemployment among the youth of the country. Several commentators have maintained that the education which many South Africans receive is not conducive to entrepreneurial careers, as it tends to prepare them for employment in later life, as opposed to developing their sense of personal autonomy sufficiently to enable them to become entrepreneurs.

According to the Global Entrepreneurship Monitor/Youth Business International (GEM and YBI), 77.7 percent of young African entrepreneurs obtain finance to start their businesses from family members, friends, or personal savings (Kew, Herrington, Litovsky & Gale, 2013; Mukwarami & Tengeh, 2017). The report of the ILO (International Labour Organisation) of 2014 revealed that more than 50 percent of young entrepreneurs in many African countries encountered great difficulty in establishing their businesses owing to a lack of finance (Kew et al. 2013). Fatoki (2011) also emphasises that a lack of capital and access to markets constitute the principal obstacles for young entrepreneurs. Both Pretorius and Shaw (2004) and Atieno (2009) share this assessment by maintaining that a lack of funding represents one of the main limitations to establishing new firms. The barriers which they identified in their case study are borne out, in no small extent, by the findings of a study which Robertson, Collins, Medeira, and Slatter (2003) conducted, from which they concluded that the principal obstacles to entrepreneurial success stemmed from problems in obtaining finance and concerning taxation. They also concluded that a lack of marketing and managerial skills and financial expertise severely impeded the performance of many businesses. Both Lefebvre and Lefebvre (2002) and Peterman and Kennedy (2003) emphasise that managerial competency and related skills are essential to running new businesses efficiently and sustainably.

To turn specifically to South Africa, Herrington, Kew, and Kew (2009) concluded from the findings of a study which they conducted that one of the most significant factors which served to impede the growth of entrepreneurship in South Africa concerned a lack of education and appropriate training, as it emerged that most high school pupils failed to complete their schooling. Ferreira, Do Paco, Raposo, and Rodrigues (2007) maintain that education is the most significant factor concerning young people's intentions to pursue entrepreneurial careers. Bhandari (2006), writing about students' entrepreneurial intentions in India, also found that education in entrepreneurship played a decisive role. Burger, O'Neill, and Mahadea (2004) point out that although South Africa does not suffer from a lack of creative spirit, it is only through education and training that young people acquire entrepreneurial skills to become sufficiently empowered in an enabling environment. The same holds for young people of Chad and other African countries. Isaacs, Visser, Friedrich and Brijlal (2007) emphasise that education and training in entrepreneurship are essential to preparing young South Africans to contribute to economic growth. Consequently, Burger et al. (2004) maintain that schools have a crucial role to play in the lives of learners by encouraging them to acquire relevant academic, business, and life skills.

According to the Global Entrepreneurship Monitor (GEM), at present in South Africa, the general education and training levels are too low to enable the youth to make a meaningful contribution to economic growth and socioeconomic development. This sombre assessment should provide the necessary incentive for relevant authorities to make the youth aware of entrepreneurship's potential to enable them to lead fruitful and prosperous lives. Accordingly, the government needs to prioritise the establishment of structures which are accessible to young people and allow them to develop the skills which they need to make them financially self-sufficient and able to contribute to the development of vibrant new sectors of the economy. The findings of many studies have confirmed that as most young people lack essential skills, they are effectively excluded from participating in the economy at levels beyond basic subsistence (Nieman & Nieuwenhuizen, 2014). As such, the establishment of appropriate institutions for training would enable young people to learn to develop their entrepreneurial visions and realign their thinking to grasping and exploiting opportunities which their lack of imagination conceals from them at present. As Nieman and Nieuwenhuizen (2014) explain, some South African schools have already introduced entrepreneurship as a subject in their curricula. De Gobbi (2014) maintains that to ensure the effectiveness of young entrepreneurs' contributions in any country, it is crucial to nurture an entrepreneurial culture that promotes the development of new ventures, through the implementation of relevant government programmes, campaigns, educational programmes, and training activities.

In recognition of the crucial role which the youth has to play in the economies of all of the countries of the world, organisations such as the ILO (International Labour Organisation), the UN (United Nations), the World Bank, and YBI (Youth Business International) have all made commitments to promoting entrepreneurship among the youth. They characterise entrepreneurship as a strategy for creating employment for the youth, a means of enabling young people to express their naturally innovative and

creative qualities in ways which contribute to sustainable economic growth, and as an initiative to diversify the economies of countries by enabling the youth to participate actively and productively in many different sectors.

In Chad, The National Office for the Promotion of Employment has prioritised reducing unemployment among the youth by developing initiatives such as the PADE internship scheme, a support programme for graduates who lack working experience. The objective of the programme is to help new graduates to complement their theoretical knowledge with practical experience. Besides, the National Development Plan (2013-2015) prioritised the youth as follows:

- By establishing the Ministry of Micro, Small, and Medium Enterprises in 2011, to promote entrepreneurship among the youth.
- By recognising the marginalisation of the youth and women, particularly in rural areas.
- By recognising the necessity of creating employment by enabling increased numbers of young people to work in fields other than unskilled agricultural work.
- By integrating national cultural traditions into development programmes, to permit the youth to benefit from economic growth and socioeconomic development without losing their cultural identity.

11.2.4.1 Startup and expansion capital

As Pretorius and Shaw (2004) explain, for many aspiring entrepreneurs, obtaining access to finance can represent an almost insurmountable stumbling block. As they often experience great difficulty in convincing financiers to extend financial assistance to them (Birley & Muzyka, 2000), they frequently resort to drawing upon their savings or borrowing from members of their families or relatives to establish their businesses. It is widely acknowledged that limited access to financial resources represents one of the principal constraints which impede the establishment of SMEs in Chad. Young entrepreneurs are often particularly adversely affected in this respect and many instances, their creative ideas remain stillborn, as they are unable to develop them into sustainable businesses (Nieman & Nieuwenhuizen, 2014).

11.2.4.2 A lack of interest among the youth in careers in entrepreneurship

For many years in Chad, entrepreneurship has not generally been perceived as a field of endeavour which has potential to generate incomes and stimulate the national economy. Sandrock (2011) emphasises that young graduates should pursue careers in entrepreneurship and become self-employed, rather than confine their aspirations to finding employment. From this standpoint, equipping students to contemplate entrepreneurial careers while completing their studies could be beneficial not only to their future careers but also to their respective countries' economic growth.

11.2.4.3 Awareness of initiatives which support the launching of entrepreneurial ventures

According to Fatoki and Chindoga (2011), relatively few young people in countries worldwide are aware that support is often accessible and available to people who desire to establish and run sustainable businesses. Consequently, it is likely that a lack of relevant information effectively precludes many young people who could become successful entrepreneurs from availing themselves of whatever assistance is provided to young entrepreneurs in their countries. It could also account for the generally low levels of interest in entrepreneurship that appear to prevail among Chad's young people.

11.2.5 The Development of Entrepreneurship in Developing Countries

Audretsch, Keilbach, and Lehmann (2006) maintain that entrepreneurship is a fundamental driver of economic growth in advanced and underdeveloped countries. Although entrepreneurship plays a decisive role in entrepreneurial finance markets in developing countries, the types of obstacles which entrepreneurs in unindustrialised countries encounter tend to be significantly different from those which their counterparts who operate in developed economies are required to overcome. Some

researchers have emphasised that one of the critical functions of entrepreneurship in advanced economies is to promote economic growth through investment. The report of 2004 of the Economic Commission for Africa, concerning low levels of international trade, revealed that the general lack of an adequate electricity supply limited the ability of many countries to do business with African countries. Chigunta (2002) explains that gender plays a significant role in the contributions which young people make to the economies of developing countries, as males usually have more opportunity to become independent than females. According to Tesfayohannes (2005), cultural barriers also discourage people in particular demographic segments of societies from starting their businesses. He explains by providing as an example of the efforts of the government of Botswana to minimise the effects of prejudices, in order to provide all citizens with opportunities to engage in entrepreneurial ventures. Besides, as it has been explained, one of the main problems concerning encouraging entrepreneurship in developing countries is a general lack of awareness of the programmes that individual governments implement to provide financial support to aspiring entrepreneurs. As Maas and Herrington (2006) explain, as many young people are not informed of the support programmes which are available to them, as a consequence, they believe that no support is available from the governments of their countries.

The findings of a study conducted by the World Bank (2003) revealed that efforts to promote entrepreneurship in developing countries have concerned mainly the establishment of SMEs and informal sectors' development. At present, it is estimated that SMEs and the informal sectors of developing countries contribute in the order of 65 to 70 percent to the GDPs of developing countries. However, in some countries, the contribution of the informal sector is higher still. As the crucial contribution which SMEs could potentially make to the expansion of the economy of South Africa is widely acknowledged, Herrington et al. (2009) emphasise that without a significant increase concerning the creation of new small and medium-sized enterprises, it is likely that economic growth in South Africa could suffer as a direct consequence. Consequently, it is possible to contend that the development of the SME sector is crucial to economic growth in South Africa and other developing countries in Africa such as Chad, where the study upon which this thesis is based was conducted.

Despite the enormous potential of SMEs to promote economic growth, many obstacles can impede the emergence of vibrant SME sectors in some developing countries. Anheier and Seibel (1987) concluded that the factors that hamper the emergence of a thriving SME sector in Ghana included a lack of finance, shortages of managerial skills, resources, technology, inadequate administration experience, and a lack of access to transnational markets.

11.3 RESEARCH DESIGN, POPULATION AND SAMPLE SIZE

Scott and Garner (2013) explain that a research design details all of the procedures which are to be followed to collect and analyse relevant data to achieve the objectives of a research study. While quantitative research methods entail the collecting and analysis of purely numerical data, qualitative methods concern the gathering and analysing of data which is derived from personal accounts of participants of their subjective perceptions, beliefs, or opinions concerning particular events, occurrences, or phenomena in which specific researchers may be interested (Brynard, Hanekom & Brynard, 2014). In the case of this study, the researcher determined that the quantitative approach would provide an optimal means of achieving the study's objective.

Burns and Grove (2003) describe a research population as comprising all of the members of a specific population whose characteristics or attributes enable them to meet the criteria which researchers require of participants for their research studies. The participants in this study were required to be members of one of two specific groups within the general population of N'Djamena:

- Young Chadians registered with the FONAJ (a national fund that provides financial support to young entrepreneurs in Chad).
- Young Chadian entrepreneurs ran businesses in the formal sector of N'Djamena, who had registered their companies with the Trade and Personal Property Credit Register (TPPCR) of Chad.

The present study's sample was drawn from large databases of the FONAJ and the TPPCR. The study used simple random sampling to select a total of 150 participants to respond to the survey questionnaire. Random sampling has advantages and disadvantages, but its popularity in quantitative research emphasises that many quantitative researchers believe that its benefits outweigh any potential disadvantages. It reduces the possibility of bias as far as possible, as each member of a research population has an equal likelihood of being selected.

Both Collis and Hussey (2014) and Saunders et al. (2009) maintain that the size of a research sample needs to be sufficiently large to represent an entire research population. From the two databases from which the sample was drawn, the researcher calculated a sample size of 150, with 110 respondents drawn from the FONAJ database and 40 from that of the Trade and Personal Property Credit Register (TPPCR) of Chad.

11.3.1 The Process of Collecting the Data

The data was gathered over 32 days, from 29 October to 30 November of 2017. Although the researcher had initially intended to distribute the questionnaires to most of the respondents in the form of e-mail messages, she subsequently elected to meet the respondents in person, as most did not have e-mail accounts. The researcher used the drop-off and pick-up method, which Allred and Ross-Davis (2010) suggest, in order to maximise the response rate. As they explain, the method permits both face-to-face contact and direct verbal communication, which enables researchers to clarify any questions which individual respondents are unable to understand. The researcher met groups of respondents in public spaces, following their preferences. Of the 150 questionnaires which the researcher distributed, 85 were completed and deemed to be usable.

11.3.2 Analysis of the Data

According to Cooper and Schindler (2008), analysing data entails reducing data which has been collected to more manageable and convenient forms, from which researchers can start to identify trends or patterns, apply statistical techniques, and summarise the data. Besides, Blaikie (2003) explains that analysing the data constitutes a crucial step in the research process, as it enables researchers to answer the research questions which they have formulated to guide their studies by interpreting their findings. The researcher elected to analyse the data by using the Microsoft Excel Data Analysis and Business Modelling software programme, a software package whose versatility Meyer and Avery (2009) maintain is often overlooked. The discussions of the findings presented in the form of descriptive statistics are illustrated in tables and bar graphs.

11.4 RESULTS AND DISCUSSION

11.4.1 Overview of Obstacles Encountered

Fig. 11.1 notes that 65 percent reported that they had encountered obstacles in running their businesses, despite the support which they received from the FONAJ, a relatively small minority of 26 percent of this group responded negatively to the question. In comparison, 9 percent did not respond at all. A similar proportion of 68 percent of the research sample, which comprised young entrepreneurs who had registered their businesses with the TPPCR, responded that they did encounter obstacles. In comparison, 32 percent responded that they did not. The principal conclusion drawn from this finding is that a significant majority of the participants experienced difficulty running their businesses effectively. Table 11.1 summarises the most common obstacles that the participants who received support from the FONAJ and businesses on the TPPCR database.

11.4.2 Obstacles Encountered by the Participants

The challenges reported by both the respondents that benefited from the support provided by FONAJ and those that simply registered their businesses with the TPPCR are summarised in Table 11.1 but discussed separately.

Table 11.1. Obstacles encountered by the participants who had registered their businesses with the TPPCR and those that benefited from the support provided by FONAJ

TPPCR				FONAJ			
Category of obstacle	Frequency	Percentage	Category of obstacle	Frequency	Percentage		
A lack of financial resources	16	57%	A lack of adequate financial support	25	44%		
A lack of support by the government for SMEs	19	67%	A lack of following up by the FONAJ	37	65%		
A lack of support from the families of young entrepreneurs	18	64%	A lack of electricity and access to the internet	22	39%		
A lack of skills in business management	14	50%	A lack of sustainable markets	15	26%		
High interest rates and the difficulty which obtaining bank loans entails	17	61%	A lack of skills in business management	12	21%		
A lack of sustainable markets	10	36%	A lack of support from the families of young entrepreneurs	25	44%		
A lack of electricity and access to the internet	18	64%	A lack of support for SMEs by the government	35	61%		
A lack of information	17	61%	Fear of failure discourages many young people from attempting to start and run their own businesses		82%		

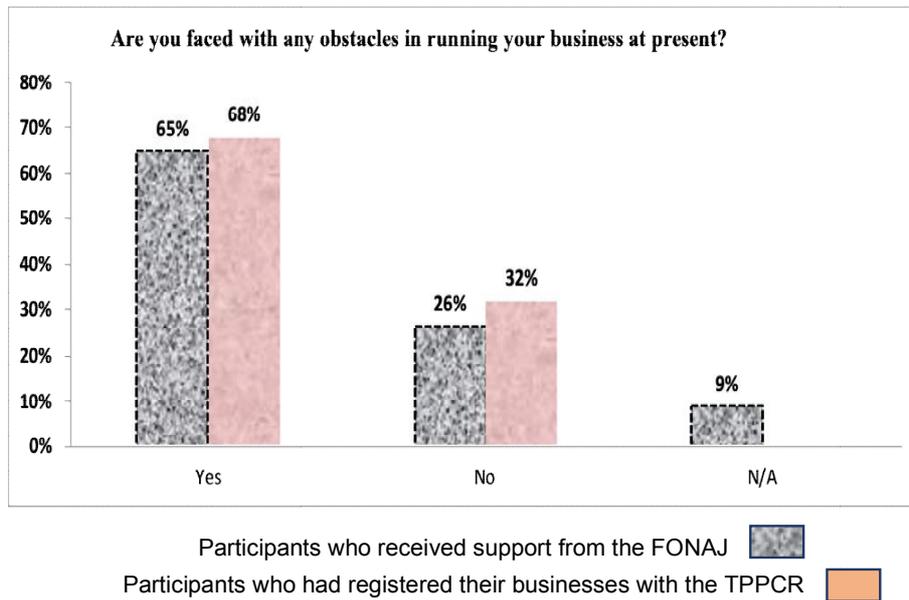


Fig.11.1. Perceptions of the participants concerning whether they were faced with obstacles in the running of their businesses

11.4.2.1 Participants who received support from the FONAJ

This section relays the challenges that the participants who were recipients of the FONAJ faced thereafter.

11.4.2.1.1 A lack of adequate financial support

A significantly large group which comprised 44 percent of the participants who received support from the FONAJ maintained that the FONAJ did not provide them with sufficient support in the form of financial resources which matched their needs. The finding suggests that as some young entrepreneurs find it challenging to run their businesses successfully even if they receive a measure of financial support, some young entrepreneurs may be able to make more effective use of the financial support which they receive than others. The finding also corroborates the assessment of Pretorius and Shaw (2004), in the literature review that a lack of financial assistance constitutes one of the principal limitations concerning the launching of new ventures and enterprises and those of other researchers who were cited, that many potentially promising enterprises are virtually stillborn owing to insufficient resources.

11.4.2.1.2 A lack of following up by the FONAJ

A large majority of 65 percent of the participants contended that the FONAJ failed to monitor the progress of their businesses. This allegation has adverse implications for both the young entrepreneurs who receive assistance from the organisation and for the sustainability of the support which the organisation provides. In many instances, a lack of adequate monitoring could prevent deserving cases receiving assistance when they need it most and the apparent lack of accountability with respect to the results which entrepreneurs achieve with the financial support which they receive could result in a great deal of the assistance which is available being fruitlessly squandered.

11.4.2.1.3 A lack of sustainable markets

Nearly half (36%) of the participants who had registered their businesses with the TPPCR and 26.32 percent of the participants who received support from the FONAJ believed that a lack of sustainable

markets hindered the growth of their companies. This finding accords with the assessment of Nieman and Nieuwenhuizen (2014) that a lack of sustainable markets for the goods and services which entrepreneurs offer can result in the failure of their businesses.

11.4.2.1.4 A lack of support from the families of young entrepreneurs

A significantly large portion of 44 percent of the participants who received financial support from the FONAJ and a large majority of 65 percent of those who had registered their businesses with the TPPCR maintained that they did not receive adequate support from their families in the forms of encouragement and financial assistance to enable them to run their businesses successfully. These findings tend to be significantly at variance with the trends which Tengeh, Ballard, and Slabbert (2012) identified with respect to businesses which were started and run by immigrants in the Cape Town metropolitan area in South Africa. In the literature review, the researcher referred to the contention of Lall and Sahai, (2008) that people are particularly likely to follow entrepreneurial careers and to be supported by their families in their endeavours if their parents are entrepreneurs. From this standpoint, it would be possible to conclude that many young entrepreneurs in N'Djamena do not receive adequate support from their families owing to a general lack of an enduring entrepreneurial culture which spans generations.

11.4.2.1.5 A lack of support for SMEs by the government

Large majorities of 61 percent of the participants who received support from the FONAJ and 68 percent of those who had registered their businesses with the TPPCR maintained that a lack of support from the government for SMEs deprives young from starting their businesses. This finding suggests that many young aspiring entrepreneurs in N'Djamena are effectively precluded from contributing to the growth of a young and vibrant SME sector because they do not have access to appropriate support from the government. By contrast, the literature review revealed that the governments of many countries throughout the world have adopted proactive strategies to promote the growth of their SME sectors in the interests of promoting economic growth. As Lall and Sahai (2008) explain, many governments actively implement programmes and policies in order to encourage entrepreneurship in many sectors of the economies of their countries.

11.4.2.2 Participants who had registered their companies with the TPPCR

This section of the findings is devoted to the responses of the participants who had registered their businesses with the TPPCR with respect to the types of obstacles which they encountered in the running of their businesses.

11.4.2.2.1 A lack of skills in business management

A significant portion of 50 percent of those who had registered their businesses with the TPPCR and 21% percent of the participants who received support from the FONAJ believed that a lack of business management skills impeded the development of entrepreneurship in N'Djamena. Essential managerial skills include skills concerning attributes and capacities such as leadership, management, marketing, and managing finances. In the literature review, Ferreira et al. (2007) emphasise that education represents the most significant factor in enabling young people to acquire the knowledge and skills which are needed to run a business successfully, while Robertson et al. (2003) maintain that a lack of marketing and managerial skills and financial expertise constitute some of the principal factors which impede entrepreneurial performance. Both Lefebvre and Lefebvre (2002) and Peterman and Kennedy maintain that competence in management and the skills which competent management requires are essential prerequisites for starting new businesses. Bhandari (2006) and Iwu et al. (2019) also found that education with a specific entrepreneurial orientation exerted a significant influence upon students' entrepreneurial intentions in India.

11.4.2.2.2 High interest rates and the difficulty which obtaining bank loans entails

An even larger majority of 61percent of the participants maintained that the interest rates on bank loans were excessively high and that banks were unwilling to provide loans without rigorous

conditions concerning guarantees. This finding tends to be borne out by the literature review, as Robertson et al. (2003) concluded from their findings that among the principal obstacles to entrepreneurial success were the difficulties inherent in obtaining finance and high taxation rates.

11.4.2.2.3 A lack of electricity and access to the internet

A significantly large majority of 64 percent of the participants and 38.60 percent of the participants who received support from the FONAJ maintained that a lack of electricity and access to the internet represented two of the most significant obstacles for young entrepreneurs in N'Djamena. As the cost of access to the internet in Chad is one of the highest globally, it is a luxury for most citizens. Also, the majority of the population does not have electricity.

11.4.2.2.4 A lack of information

Nearly all (61%) of the participants maintained that they were not aware of the availability of information concerning government programmes that support young entrepreneurs. This finding suggests that most young Chadians may believe that the government does not implement any strategies or programmes to promote entrepreneurship among the country's youth. Consequently, it is possible to conclude that a lack of effective communication on entrepreneurial opportunities available to the youth serves to preclude many young people from endeavouring to engage in entrepreneurial activities. Some of the literature which was reviewed also suggested that in many developing countries, relatively few young people are aware of the entrepreneurial support which is accessible and available to anyone who desires to run a sustainable business (Fatoki & Chindoga, 2011; Tengeh et al., 2012). Although some developing countries' governments provide funds through initiatives to support young entrepreneurs, not all potential young entrepreneurs can avail themselves of the financial support as a consequence of being unaware of the opportunities available to them.

11.4.2.2.5 A lack of financial resources

A significant majority of 57 percent of the participants who had registered their businesses with the TPPCR maintained that a lack of financial resources hamstrung their efforts to expand their businesses. The finding accords with the conclusion of Volery et al. (1997), which was cited in the literature review that a lack of resources represented one of the principal barriers to enabling businesses to become appropriately established in Western Australia.

11.5 CONCLUSION, LIMITATION AND SCOPE FOR FUTURE STUDIES

The study found that many youth lacked both sufficient financial capital and business skills. The lack of an adequate, reliable supply of and access to the internet cripples small businesses and prevents them from achieving a level of self-sufficiency. Many of the youth in N'Djamena appear to be reluctant to try working independently, presumably out of fear of failure. The fears and apprehensions expressed are not entirely unjustified, as young and inexperienced individuals and those lacking adequate support from their families or the government have no choice but to work as an entrepreneur.

Entrepreneurship can play a decisive role in the social and economic development of developed and developing countries and contribute to the development of many sectors within individual countries' economies. At present, a lack of appropriate infrastructure to support SMEs' starting and to inspire an entrepreneurial spirit among the sizeable youthful population of Chad effectively marginalises most of the youth with respect to playing an active role in the socioeconomic development of their country. As most young Chadians are not aware of government programmes available to assist them in launching entrepreneurial enterprises, relatively few benefits. Accordingly, an in-depth understanding of the barriers which preclude large swathes of the youthful population from participating in the economy could make a meaningful contribution not only to raising standards of living for young Chadians, but also to combating the social ills which erode the fabric of Chadian society, such as unemployment,

violence, and crime. Individual entrepreneurs are usually motivated by personal gain, but their aims and objectives can also have beneficial effects for their societies and the socioeconomic development of their countries. Consequently, this research study's findings could contribute to overcoming the obstacles associated with the youth gaining access to the formal sector of the economy through entrepreneurial initiatives in Chad and other countries, particularly those on the African continent.

This paper's most prominent weakness is its simplistic approach to data analysis that focuses on elementary descriptive statistics. Future studies may apply more complex techniques and a comparative analysis of those participants' responses that received support and those that did not may provide vital information for policy directives.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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