

THE PROSPECTS AND CHALLENGES OF YOUTH ENTREPRENEURSHIP IN ZANZIBAR, TANZANIA: ADMINISTRATORS' PERSPECTIVES

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Abstract

Youth entrepreneurship is an emerging enquiry, which is critical in addressing unemployment crisis among young people. This paper explored prospects and challenges of youth entrepreneurship in developing economy, Zanzibar in Tanzania. The paper adopted qualitative methods using thematic analysis techniques to derive prospects and challenges from recorded transcripts according to administrator's perspective from public and private institutions responsible for entrepreneurship in the country. The study found that youth entrepreneurship is strategic initiative of transforming necessity entrepreneurship into opportunity entrepreneurship, stimulating innovation initiatives for solving challenges facing society, promoting sectoral linkage, job creation and building entrepreneurial culture. However, youth entrepreneurship is constrained internally by lack of funds, poor growth and sustainability of youth enterprises, lack of entrepreneurial mindset and alertness to opportunities, while externally by poor coordination of public institution responsible for entrepreneurship development, bureaucracy, and lack of family support. The study becomes empirical evidence on the importance of youth entrepreneurship and thereby recommended for policy intervention would ameliorate the challenges and helps build entrepreneurial culture for the development of entrepreneurship in the country.

Keywords: youth entrepreneurship; entrepreneurship; Zanzibar; mindset; alertness; Administrators

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■ 1.0 INTRODUCTION

This paper addresses an important research topic about youth entrepreneurship which has been a development agenda in the contemporary world. Youth entrepreneurship is regarded as a strategic intervention of solving unemployment crisis among young people in both developed countries and developing countries (Damoah, 2020). This situation is exacerbated by imbalance between an increasing number of youth who enter in the labour market and low capacity of public and private establishments to provide enough jobs for young people (Katundu & Gabagambi, 2016; Schillo, Persaud, & Jin, 2016). It is estimated about around 11 million youth enter in the labour market every year in sub-Saharan Africa without meaningful occupation (Bezu & Holden, 2014; McCowan, 2014).

Researchers are motivated to understand profoundly about youth entrepreneurship, but they focused much on entrepreneurship intention of students from the universities and colleges (Ezeh, Nkamnebe, & Omodafe, 2019; Damoah, 2020; Sharma, 2018), migrant youth and youth entrepreneurship (Afreh, Rodgers, Vershinina, & Williams, 2019), family and youth entrepreneurship (Sharma, 2014). There is little empirical evidence about practices of youth entrepreneurs from administrators' perspectives using qualitative research. This study aims at contributing to understanding of prospects and challenges of youth entrepreneurship in the context of developing economies.

Youth entrepreneurship is a pressing agenda because of increasing self-reliance and wellbeing of youth (Lofstrom, 2013), scaling up invention, innovation, economic competitiveness and regional development (Dash & Kaur, 2012), offering positive learning externalities to others to establish new ventures (Green, 2013), developing entrepreneurial competence (Eren and Sula, 2012) and thereby reducing poverty (Ogamba, 2019). In other side, young people are potential, great human asset, agents of chance and future leaders who can turn necessity entrepreneurship into opportunity entrepreneurship with great impact in the society (Ogamba, 2019).

Since youth entrepreneurship is an evolving phenomenon in Zanzibar, Tanzania, the qualitative research provides an in-depth analysis and understanding of behaviour and practices of youth entrepreneurs. Greenman (2013) argued that entrepreneurship is well understood within real-life context. Therefore, this paper is

significant as it explores youth entrepreneurship from administrators' perspectives who have experience and knowledge about entrepreneurship, they are interacting with youth entrepreneurs getting firsthand insights of their activities.

■ 2.0 LITERATURE REVIEW

2.1 Overview of entrepreneurship in Zanzibar, Tanzania

Zanzibar is very famous and has long history in business and trade in East and Southern Africa because it was a trade gateway prior colonization. However, immediately after the 1964 Revolution, Zanzibar adopted socialist policy which undermined individuals to engage in entrepreneurial activities (Lofchie, 1968). It was the end of 1980s and early 1990s when Tanzania adopted liberalization policy through Structural Adjustment Policies imposed by the World Bank and International Monetary Fund (IMF), renaissance period for entrepreneurship activities to many people in Zanzibar. Entrepreneurs in Zanzibar are mostly dominated in informal sector across several business ventures such agrobusiness, tourism, information and communication technology, and furniture. The government took institutional and policy measures to support the private sector development include the establishment of the Zanzibar Business Council, public-private partnership initiatives, formulation of the Business Environment Strengthening for Tanzania (BEST) program aimed at creating conducive environment for the development of the private sector, establishment of development strategies. However, the private sector continues to face a myriad of challenges including multiple taxes, poor infrastructure, corruption, low access and high costs of finance, cumbersome access to land and weak business development services (Rajeev & Mohamed, 2017).

2.2 Youth entrepreneurship

According to Kew et al., (2015), youth is a critical period where youth start their aspirations, wanting economic independence and place in the society. It is a period for experiencing a variety of physical, cognitive, emotional, economic, and social changes influencing youth's needs, identities, behaviour and opportunities. Gwija, Eresia-Eke, and Iwu, (2014:12) conceptualized youth entrepreneur as "any young person between the ages of 16-35, who can recognize an opportunity when it shows, and uses it to create value and wealth by starting a new or growing an existing business venture, in any sector". Sakala (2017:73) defines youth entrepreneurship as "a process by which a youth or a group of youths knowingly or unknowingly undertake(s) risk and start a business activity to make a profit and improve his/her (or their) welfare and/or the welfare of others". This paper defines youth entrepreneurship as the ability of youth to spot opportunities at their disposal to start and grow entrepreneurial ventures by having competence in resource mobilization and visualizing the growth of their ventures taking into consideration risks.

Youth can join into entrepreneurship during or after completing their studies. Youth entrepreneurs can either be necessity and opportunity entrepreneurs. Necessity entrepreneurs are pushed into entrepreneurship because they have no survival alternative, as a result, they enter entrepreneurship activities with poor preparation and resources. Opportunity entrepreneurs voluntarily choose to be entrepreneurs because of seeing opportunity, independence, job satisfaction and anticipating higher incomes (Dawson & Henley, 2009).

Chigunta (2002) categorized youth entrepreneurs into three development stages namely: -

- (i) Pre-entrepreneurs fall under the first formative stage (15-19 years old): this stage involves the transition from security of home or leaving school to work. This stage become important for those young who have profound interest in entrepreneurship increased are likely to go to the next stage.
- (ii) Budding entrepreneurs fall under the growth stage (20-25 years old): In this stage, youth start gaining some experience, skills and capital that are important to enable them to run their own enterprises. In most cases for those who have not developed necessary entrepreneurial acumen are likely to close business and return to formal employment.
- (iii) Emergent entrepreneurs fall under prime stage (26-29 years old): In this stage, young people have already gained some valuable experiences in business and emergent entrepreneurs have a higher level of maturity than youth in the lower age groups. They are expected to run more viable enterprises than younger people do.

2.3 Prospects of youth entrepreneurship

Youth entrepreneurship addresses youth unemployment and increase financial independence of young people (Diraditsile & Maphula, 2018). Youth unemployment is a critical problem, which forces young into self-employment activities as alternative for survival and few of them engage in it because of seeing opportunities (Olufemi, 2020). Youth entrepreneurship creates jobs and promote private sector not only to the young people but also to the general populace, which is very important for economic growth and prosperity in the country (De Gobbi, 2014). Therefore, youth entrepreneurship is an alternative strategy of addressing poverty by enabling young people establish companies that help realize their dreams, increase incomes and skill development (Bangura, Mansaray-Pearce, & Kanu, 2019).

Youth entrepreneurship provides a basis for innovation and creativity in the country because

entrepreneurship is a necessitates young people to use their innovation and creativity skills to stay in the course of business (Olufemi, 2020; Maritz & Donovan, 2015). It is observed that youth entrepreneurs are sensitive to market which make them continuously innovate and produce new products (Biney, 2019). Youth are source of new ideas which bring achievement through innovation and creativity. Young entrepreneurship helps provides a variety of products and services to the country. Promoting youth entrepreneurship is a strategic intervention of developing innovation and creativity in the society.

Youth entrepreneurship increases enterprising culture in the society which helps people to solve problems at their disposal. Enterprising culture does not mean being more business-like mind but also encouraging innovation and creativity, taking initiative and proactivity, and encouraging sharing and collaboration. Youth entrepreneurs are agents of socio-economic change in the country, which help build capacity of individuals to convert challenges into opportunities. This is important because the world is experiencing constant change, it is through embracing enterprising culture young people would adapt and meet changeable demand of unstable business environment (Antonaras & Dekoulou, 2016). Therefore, youth entrepreneurship helps not only improve entrepreneurial culture but also increase economic competitiveness of the country

2.4 Challenges of youth entrepreneurship

Business continuity is a challenge facing young entrepreneurs because of lack of technical know how to make business succeed, they fail to continue with their business once the support ceased, limited network, they lack proper financial information to keep track the performance of the business (Diraditsile & Maphula, 2018). Potential young entrepreneurs have limited knowledge on entrepreneurship and management skills to start and run business ventures successfully (Olufemi, 2020). As a result, some young people do not have entrepreneurial eye to spot unrecognized needs in the community and thereby exploit them fully as entrepreneurial opportunities for them to start or expand business (Biney, 2019).

Poor products or services is another challenge facing youth entrepreneurship. Youth entrepreneurs produce low quality products which do not meet quality standards, constraining them from market opportunities since some consumers consider quality products or services (Diraditsile & Maphula, 2018). This is also attributed by limited access and use of modern technology that would make product or service quality. Therefore, lack of sustainable market of the products and services produced by youth entrepreneurs provide a challenge to the development of youth entrepreneurship.

Unfriendly business environment undermines youth entrepreneurship because on inconsistent policies, low business development support services and limited access to finance (Olufemi, 2020). Lack of capital is a principal obstacle to the development of youth entrepreneurship in Africa, because you fail to meet collateral as security to get loan from financial institutions. As a results, young people do not have capital for starting and expanding their entrepreneurial ventures. This is due to fact that most of businesses run by young people operate in informal system which also exclude them from mainstream financing (De Gobbi, 2014; Danna & Danna, 2019). There are also challenges related to unsupportive systems for start-ups such as mentoring, counselling and business network, as well as higher procedures and costs for business formalization. However, sometimes young entrepreneurs are not aware about supportive services provided by the government institutions and private institution (Chellappan, 2018). Negative perception towards entrepreneurship particularly young women undermines the development of youth entrepreneurship (Olufemi, 2020) contributed by culture and religion (Chellappan, 2018).

■ 3.0 METHODOLOGY

Youth entrepreneurship is an emerging area of inquiry in the existing literature, whereby much are to be explored for in-depth understanding of the phenomenon since there is not any notable study in this study context. For this reason, this study adopted a qualitative study approach, which is very applicable while seeking to understanding a particular problem in a detail through direct conversation with people (Creswell, 2014).

This study involved seven participants who responsible for youth entrepreneurship training and development through an in- depth interview. The participants were selected based on their experience in coordination and managing youth entrepreneurship programmes. This is critical because they would provide their practical insights about youth entrepreneurship in Zanzibar, Tanzania. To get good interaction with participants, about 40 minutes to 60 minutes semi-structured interview sessions were conducted. Interview sessions were guided by a pre-developed protocol and all interviews were electronically recorded for easier retrieval and transcription. Administrators were selected from seven organizations which are CUBE Zanzibar, Ministry of Youth, Culture, Arts and Sports, Ministry of Trade and Industrial Development, Small and Medium Industrial Development Agency (SMIDA), Zanzibar Technology Business Incubator (ZTBI), Zanzibar Empowerment Fund and Zanzibar Tourism Commission. The rationale for selecting the administrators based on the fact that they have experiences in conducting youth-related entrepreneurship programmes, and thereby they frequently interacting with youth and youth entrepreneurs.

Recorded transcripts were transcribed and before being translated by professional translator as all interviews were conducted using a local Swahili language to enhance more productive conversations with participants. Thematic analysis procedures described by Clarke and Braun, (2013) were opted to come out with themes elaborating youth entrepreneurship, its prospects and challenges. All themes and sub-themes were inductively derived from data collected through the interviews that is, the frequency of certain words, phrase, expressions, and statements were identified to decide the themes or subthemes. For this case, each transcript was

read meticulously, and gave deep attention to each word and sentence to determine essential expressions as early coding was conducted.

■ 4.0 RESULT AND DISCUSSION

During the in-depth- interview with administrators of youth entrepreneurship from both public and private organizations in Zanzibar, the following issues in term of prospects and challenges emerged:-

4.1 Prospects of youth entrepreneurship

In Zanzibar, youth entrepreneurship is gaining a momentum because of increasing challenges of securing employment in the formal establishments. Politicians, researchers, and public now see the reality on the need to motivate youth to engage in entrepreneurship.

It was revealed that youth are untapped frontiers of enterprising energy who can bring transformation in entrepreneurship and economy as whole. The administrators expressed positively that youth entrepreneurship has brought new awareness to some young people to join in business. The administrator from Ministry of Trade and Industrial Development commented:

You know now, youth join into entrepreneurship brings new hope for the transformation of entrepreneurship in the country since most of them are more knowledgeable in business or sometimes they can easily adapt technology. Performance is quite impressive, as now we see products produced by young entrepreneur sold in our country.

Youth entrepreneurship has also brought new hope for increasing innovation initiatives in the country. Young people attempt to come up with new ideas to solve challenges facing society. It was revealed during interview with administrators that, there are many individual youth and start-ups processing seaweed into products such as soaps, shampoo, perfume, juice and alike. Such initiatives are encouraging for promoting youth entrepreneurship, which need more supports and scaling up measures. For instance, Refasha is a start-up which uses seaweed and coconut to process soaps, shampoo, perfume. Other youth entrepreneurs have established enterprises in information communication technology and decoration. For instance, Sahil Deco is a start -up focusing on decoration. The administrator from ZTBI commented:

Youth who got training here in our incubation have managed to establish products of high quality; with good package which help them to get market of their products particularly during trade exhibitions. We are proud that our youth get loans easily because we give them reference letter when they apply for loans, or when they want to formalize their business, applying for barcode, quality and standards.

Youth are prepared to tap opportunities in tourism industry in the country. Zanzibar depends much on tourism industry for socio economic development. Communities around tourism areas depend on it for their income and increased livelihood. Youth have started their enterprises to grasp opportunities in tourism in the country. Youth engage in entrepreneurial activities such as tour guiding, handcraft, and beauty. Zanzibar Tour Guide Association (ZATOGA) is a youth- tourism based association responsible for coordinating and managing youth who engage in tourism activities. There are many youth tourism start-ups; KIRUME and ZANVACAY are good examples of youth tourism-based enterprises in Zanzibar. The administrator from Zanzibar Tourism addressed “the situation now has changed, we see our youth engage in tourism entrepreneurship, they establish their enterprises, and some engage agribusiness because they get market from tourism hotels”.

Youth entrepreneurship has fostered the formation of youth groups aimed at tapping opportunities at their disposal. Through Youth Council, Universities, NGOs, and Vocational Training Centres, youth are mobilized to form groups engaging in entrepreneurial activities, such as processing, agribusiness, welding, and information communication technology. The groups help young women and men develop new skills and experiences that can be applied to many other challenges in life.

Youth entrepreneurship has stimulated job creation among youth which is very important for economic growth and development of the country. Young people get employed in youth led enterprises, which help addressing youth unemployment crisis, the socio-psychological problems and delinquency that arise from joblessness. Youth entrepreneurship is regarded as alternative option of employment. Therefore, youth entrepreneurship helps bring back the alienated and marginalized youth into the economic mainstream of the country. The administrator from Cube Zanzibar addressed,

Youth entrepreneurship is potential in tackling youth unemployment rate which is 21.3 as per Integrated Labour Force Survey of 2014. Through entrepreneurship youth establish their ventures and employ others to earn the income that at least can cover their basic needs”.

Youth entrepreneurship is vital in building entrepreneurial culture and ecosystem in the Zanzibar. With increase of youth in entrepreneurship, children, and community in general, will pay attention entrepreneurship.

Children need to be socialized in entrepreneurial thinking and be ready to engage in entrepreneurship or be entrepreneurial in their undertaking. The administrator from Cube Zanzibar noted,

Youth entrepreneurship is fundamental in building a strong ecosystem. As far as youth entrepreneurship is concerned it brings together different actors to work together towards empowering youth to establish and develop their ventures while advocating and solving various business challenges.

4.2 Challenges facing youth entrepreneurship in Zanzibar

Lack of fund among youth entrepreneurs emerged as a critical challenge undermining both start-ups and existing entrepreneurs. All interviewed administrators were of opinion that lack of fund constraining the development of youth entrepreneurship in Zanzibar Tanzania. The administrator from ZTBI commented, “It is hard for youth to get start-up capital, with exception of those who came from families that are doing business, they easily support their children”. The administrator from Zanzibar Tourism Commission also said.

You know as I speak now, I want to tell you a bottom-line problem facing youth, they have no fund to start and expand business. You may see youth stay idle or just working in the streets because they do not have fund start any business, but those who have tried they want more money to expand their business and be able to employ their fellow youth.

However, an administrator from Zanzibar Empowerment Fund claimed that youth are afraid of applying loans to start business but also other have limited information about loan services in micro financial institutions. The administrator commented

I wonder why youth do not apply for our loan services. I see, there should be a campaign to motivate young people to apply for loan because they probably feel they are not responsible for the loan”. In Zanzibar, young people do not recognize themselves compared to those from mainland Tanzania, they come and read the terms and condition of loans and get them.

Poor growth and sustainability of youth’s entrepreneurial ventures also emerged as a challenge towards development of youth entrepreneurship in Zanzibar, Tanzania. The interviewees associated this phenomenon with lack of entrepreneurship and marketing skills as well as networking skills. The administrator from Zanzibar Tourism Commission addressed:

I have been in this section of issuing certificate for youth start their tour guide or any other tourism business form many years. You may see many of them start tour guide companies but they do not sustain longer because they do not have market skills to connect with international companies to get tourists, when the tourists come here, they have their own tour guiding companies

The administrator from the Department of Youth Development in the Ministry of Youth, Culture, Arts and Sports praised youth for starting business and engaging in entrepreneurship, but the concern was on growth and development of their initiatives. She said, “Let me tell your reality, starting is not a problem, youth attempt to start their own business but sustainability and development still a problem”. The administrator from Ministry of Trade and Industrial development observed that youth’s enterprises do not grow because consumers prefer foreign products than local products. He said:

I see youth working hard in their business, but consumer’s perception on local products is a challenge, consumers in our country prefer more foreign products rather than local products. Sometimes local products have low safety and standards.

Low innovation skills among youth entrepreneurs appeared a challenge towards development of youth entrepreneurship in Zanzibar, Tanzania. The interviewed administrators commented that some young people have low innovation skills that hardly help develop business competitively. They use very low technology in their businesses that heightens operations costs which in turn reduce competitive edge. As a result, youth entrepreneurs are constrained to scale up their production. The administrator from the Department of Youth Development in the Ministry of Youth, Culture, Arts and Sports observed:

Again, let me to tell you something about youth entrepreneurship in Zanzibar. Many of young people fail to translate entrepreneurship up to value chain and realize sustainable production. We see youth sell milk but cannot process and get milk products like cheese and yogurt.

Low entrepreneurial alertness among youth constrained the development of youth entrepreneurship in

Zanzibar, Tanzania. Entrepreneurial alertness allows an individual to be aware with opportunity, which is very important in youth entrepreneurship. The administrators contended that youth are not entrepreneurially alert with opportunities in their area, as a result, they are just coping their friends what they are doing. The administrator from the Department of Youth Development in the Ministry of Youth, Culture, Arts and Sport said:

There are opportunities but some young people do not see the potential for them to start something and participate in economic development. Youth have to be able to translate opportunities at their vicinity, example youth around productive areas to engage agribusiness. They have to seek information and link to market, to see the gap that will allow them start or improve their entrepreneurial ventures.

In addition, the administrator from Zanzibar Empowerment Fund said “sometimes I get chances to train youth about business planning, but it becomes difficult since they are not aware of opportunities around them”. Therefore, he suggested “let us start identifying the opportunities available in our country, let youth know the opportunities in their areas. I tell the participants in training to think at least ten projects they can do and then downsize into one or two they can do”.

Low entrepreneurial mindset among youth also hindered the development of youth entrepreneurship in Zanzibar. Entrepreneurial mindset is a growth-oriented perspective which enables individuals to respond and interpret business environment creatively. The administrators claimed that youth have a problem on entrepreneurial mindset because they want just money without working hard, they depend much on their leaders, members of parliaments to support them for development. The administrator from SMIDA addressed,

Youth want quick money, they do not like working hard instead they are lamenting, they want fund to be channel into youth council. However, the youth council depends much on assistance instead of establishing productive activities. Still there is still mindset problem to our youth, they need money only. At least some graduate we have hope with them compared with those with low education qualifications. Sometimes it is better to engage with adults.

It was also commented that youth mostly like easy business that cannot help the country move forward. The administrator from Ministry of Youth, Culture, Arts and Sports claimed, “Youth want easy business, such as saloon, they should have development thinking, not only undertake petty business-like selling porridge, but they must also now engage in growth-oriented business that allow them to pay tax for our development”. However, the administrator from ZTBI had mixed ideas regarding to mindset of youth particularly those who got entrepreneurship education and training. She said, “There is mindset change particularly to youth who got entrepreneurship training, they are more aware that they are responsible for creating their own job, because the government has failed to provide employment opportunities to them”. Similarly, the administrator from Cube Zanzibar observed “As there is a number public and private institutions that offer entrepreneurship skills training to the youth, it slowly changes their minds on depending the government jobs and starting employing themselves”.

During interview with administrators, it was revealed that some challenges are external, beyond the capacity of youth, they are relating to weak coordination and bureaucracy from government organizations. Weak coordination among government institutions responsible for entrepreneurship and youth entrepreneurship development in particular was a big cry that need urgent remedial measures to redress it. The administrators claimed that they do not have proper meeting and information sharing among them which result to duplication of activities, giving a chance to active youth to access services such training, coaching and grants or loans from the same institutions which deprive others. The administrator from SMIDA claimed, “There is no proper coordination among institutions and lack of information sharing, each sector supports entrepreneurs in respective sector. Sometimes, youth lack of information on the services provided our institutions”. The administrator from Ministry of Youth, Culture, Arts and Sports noted “There is no good coordination on youth issues”. The administrator from ZTBI commented “Our relationship with other institutions is ad hoc and event based. We do not have formal meetings and intersectoral committee for youth entrepreneurship development”. She added “The government has no friendly policy to support youth in entrepreneurship, there is duplication of training to the same youth”. A newly adoption of decentralization by devolution in the local government authorities has also increased a coordination problem with central government institutions. The administrator from SMIDA addressed:

Decentralization by devolution has given power officers at local government to coordinate and organize youth issues, but there is still challenge to them to undertake the responsibility related to youth entrepreneurship. Sometimes they do not know entrepreneurs at their districts. If you need entrepreneurs at one's district, you see entrepreneurs from different districts. The problem become critical because those who are responsible with youth entrepreneurship themselves have low experience and low understanding of entrepreneurship.

Bureaucracy and tight regulation also undermined the youth entrepreneurship in Zanzibar, Tanzania. The existence of many institutions responsible for entrepreneurship creates bureaucracy to entrepreneurs who are obliged to follow services from different institutions with different terms and conditions. The administrator from ZTBIA raised a concern on problem facing youth during formalization of business. She said “formalization of business is still cumbersome to youths’ start-ups. Youth entrepreneurs get problems to get services from different institution because stringent conditions. For instance, to get standards of their products, they must pay for each product”. It was much expanded by the administrator from SMIDA who commented:

There are many authorities regulating entrepreneurship activities, they are more than seven of them, those which are responsible for registration of new business, licensing and taxation, safety, and standards, issuing of barcode. The problem is that each authority has mandate to according to establishment laws. It will depend much on political will to harmonize these institutions.

Lack of family support also emerged as a constraint towards youth entrepreneurship in Zanzibar. During the interview, the administrators also raised concern about lack of family support to youth to engage into entrepreneurship. ZTBI commented “Lack of family support especially female, their families are reluctant to allow them to attend in capacity development programmes such as training and mentoring”.

■ 5.0 ANALYSIS AND DISCUSSION

The finding of study found that youth entrepreneurship is a critical initiative of transforming economy and widen employment opportunities to youth. Entrepreneurship enables youth to participate in developing economic development of the country through payment of tax and providing employment opportunities to others and formation of middle class. Young people have comparative advantage of transforming necessity entrepreneurship into opportunity or growth oriented entrepreneurship (Monitoring Group, 2012). A study by Bangura, Mansaray-Pearce, and Kanu(2019) on youth entrepreneurship as an alternative strategy on poverty alleviation in Sierra Leone found that youth entrepreneurship enables youth to realize their dream by having enterprises that increase incomes. According to

This study revealed that youth entrepreneurship is a steppingstone for creating entrepreneurial culture. According to Palanivelu & Manikandan (2016:1), “entrepreneurship involve life attitude including readiness and courage to act in the social, cultural and economic context. Youth entrepreneurship education prepare young people to be responsible, enterprising individuals ...to contribute to economic development and sustainable communities”.

Finding of this study noticed that lack of capital for starting and expanding business was a major challenge facing youth entrepreneurship in Zanzibar, Tanzania. Youth are unqualified for bank loan because they lack collateral, acting as a security for their applications. In addition, it was found that youth are unaware of loan services from microfinance institutions. Actually, capital is a big problem for many entrepreneurial start-ups in sub-Saharan Africa. Biney (2019) found that youth vendors and hawkers are struggling to get loan from financial institution because of collateral requirements. According to Ndungu & Anyieni (2019), lack of finance was major obstacle hindering young to start and run business profitably in Kenya.

The results of this study showed that growth and sustainability of youth enterprises remain challenge towards development of youth entrepreneurship. The continuity of youth enterprises remains concern, as they die in early years of establishment. It is not surprising to see there is a mushrooming of youth enterprises, but they do not last long. In Botswana, Diraditsile & Maphula (2018) found that youth business tend to die less than two years, or sometimes within three to five years because of technical know- how to succeed, and lack of coping mechanism in the changing business environment.

This study found that lack of entrepreneurial mindset and alertness were still challenges facing youth entrepreneurship. One of the objectives of the entrepreneurship education is to increase entrepreneurial mindset and alertness to help youth spot and exploit opportunities for increasing entrepreneurship as a career option (Oluseye, Adebayo, & Olulanu, 2017). It is much argued that “education that influences an entrepreneurial mindset is best achieved through actual performance of tasks relevant to the learning objectives (Robinson & Gough, 2020:6).(Rajeev & Mohamed, 2017) that since entrepreneurial mindset is still a problem among youth in Zanzibar, the incubator has significant role of addressing this situation. Therefore, the establishment of Zanzibar Technology Business Incubator geared to raising entrepreneurial awareness, skills and mindset for youth that are critical in job creation.

Unfavourable entrepreneurial ecosystem mired with poor coordination and bureaucracy among public institutions undermine youth entrepreneurship. Youth entrepreneurs need support from public institutions such as training and mentoring to start and formalize their business as well as developing them. Government has a great role to create conducive environment for youth enterprises to thrive towards economic growth.

Lack of family support also undermines the development of youth entrepreneurs, particularly to non-business-oriented families. Manolova, Edelman, Shirokova, and Tsukanova, (2019) provided two main reasons for involvement of family in youth entrepreneurship process. First, young entrepreneurs are still connected closely with their family members, sometimes they live with their families. Second, they are more vulnerable because of lack of experience, social connection, limited know how. (Manolova et al., 2019:24)observed “the stronger the family support, the more startup activities undertaken by the nascent entrepreneurs”.

■ 6.0 IMPLICATIONS OF THE STUDY – RECOMMENDATIONS

Findings of this study provide empirical evidence on importance of youth entrepreneurship and a need to streamlining entrepreneurship in education system. The study found youth entrepreneurship is a strategic endeavour of transforming necessity entrepreneurship into opportunity entrepreneurship that would increase livelihood of youth by unlocking their potentials and harnessing entrepreneurial opportunities. It is through proper promotion of entrepreneurship; youth will be a productive asset and not a curse scourging stability of the country. Youth entrepreneurship increased more momentum of innovation in the country, which is essential in the development of the country because it spurs private sector development and industrialization that important for widening employment opportunities. It was found that youth are ready to tap opportunities in the tourism industry, which in turn creates sectoral linkage, for example agriculture, industry, and tourism.

The results of this study are important inputs for policy intervention to address challenges crippling youth entrepreneurship development in Zanzibar, Tanzania. The study found that youth entrepreneurs have limited access to capital, continuity of enterprises, entrepreneurial mindset, and alertness, which are compounded by poor coordination of public institution responsible for entrepreneurship development, bureaucracy, and lack of family support. The policy intervention would ameliorate the challenges and helps build entrepreneurial culture for the development of entrepreneurship in the country.

■ 7.0 CONCLUSION

This study explored the prospects and challenges of youth entrepreneurship in Zanzibar, Tanzania, using qualitative methods. This study showed that youth entrepreneurship has significant role in job creation for youth, stimulating innovative initiatives and sectoral linkage as well as building entrepreneurial culture. However, this study portrayed that youth entrepreneurship is internally constrained by limited access to capital, continuity of enterprises, entrepreneurial mindset, and alertness and externally by poor coordination of public institution responsible for entrepreneurship development, bureaucracy, and lack of family support. By identifying prospects and challenges of youth entrepreneurship, this study contributes to the existing evolving research on youth entrepreneurship and becomes a reference for further studies.

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