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Factors affecting Youth Entrepreneurs development in Nepal

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Abstract

Young generation of Nepal is currently facing major economic challenges. This research is quantative in nature and descriptive research design is used in this research. Since the population is unknown in this research so convenient sampling technique is used in this research with sample size (n= **405).**From descriptive statistics the mean value of unemployment is reported highest as 4.22 so the unemployment has greater impact on Youth entrepreneurship development.Gender has significant effect on Youth entrepreneurship development.Education and Youth Entrepreneurship development has no any significant relationship. It means Education is one important factor that does not effect on the Youth Entrepreneurship development in Nepal.Generally, 31-35 age groups of youth entrepreneurs are found to be more focused in starting the business in Nepal.Likewise Majority of respondent having education qualification of Graduation in Nepal and are interested in starting the business in Nepal.From this research it is found that Education does not affect in starting the business.The result Highlight that there is a significant positive relationship between Education/Training, Entrepreneurial Skills,Access of Finance, and Unemploymentwith Youth entrepreneurship development in Nepal. Since the p value of all variable are less than 0.05 at 5 percent level of significance.

Key words:Education/Training, Entrepreneurial Skills,Access of Finance, Unemploymentand Youth entrepreneurship development

Introduction

Young generation of Nepal is currently face major economic challenges. Research found that unemployment for youth (ages 15-29) is as high as 38% and the time related underemployment rate is around 8 percent. Definition of youth in Nepalis described as any young person between the ages of 16-40 (CBS 2011). As per the study ofGEM report, the youth refers to young people between the ages of 18-34 years and the adults refer to the people between the ages of 35-64 years. Thus, in the context of this study, youth are known as young people.

Youth in Nepal constitute the of the population, comprising about 41 percent (CBS 2011). In recent times, youth has gradually been recognized as priority in the youth empowerment field, especially youth employment. Therefore, youth has now emerged as a separate area of attention and concern in Nepal (Peter De Schepper 2010).As per the research of Ministry of Youth and Sports, about 38 percent of the youth population is currently unemployed and around 75 percent of them are underemployed (CBS 2010).

According to Global entrepreneurship Monitor (GEM) is known to be entrepreneurship as “any attempt at newbusiness or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals or an established business (Kelley, Singer et al. 2012).

This is the background against which this research investigates factors affecting Youth Entrepreneurs development in Nepal .This research helps youth of Nepal in order to start the business as well.

Objectives of the Study

The purpose of this study is to analyze the factors that are affecting Youth Entrepreneurship development in Nepal and the specific objectives of the study are listed

below.

To measure the relationship between Education and Training, Assess of Finance,Entrepreneurial skills, Unemployment and Youth Entrepreneurship development.

 To examine the effect of Education and Training, Assess of Finance, Entrepreneurial skills, Unemployment on Youth Entrepreneurship development.

 To analyze the differences among Gender, Education with regard to different dimensions of Youth Entrepreneurship development.

Research Questions

i. Is there any relationship between Education and Training, Assess of Finance, Entrepreneurial skills, Unemployment and Youth Entrepreneurship Development?

ii. Does Education and Training, Assess of Finance, Entrepreneurial skills, Unemployment and affect Youth Entrepreneurship development?

iii. Is there any difference among Gender, Education with regard to different dimensions Youth Entrepreneurship development?

Hypothesis of the study

H1: There significant relationship between Education/Training and Youth entrepreneurship development.

H2: There significant relationship between Entrepreneurial Skills and Youth entrepreneurship development.

H3: There significant relationship between Access of Finance and Youth entrepreneurship development.

H4: There significant relationship between Unemployment and Youth entrepreneurship development.

H5: Education/Training has significant effect on Youth entrepreneurship development.

H6: Entrepreneurial Skills has significant effect on Youth entrepreneurship development.

H7: Access of Finance has significant effect on Youth entrepreneurship development.

H8: Unemployment has significant effect on Youth entrepreneurship development.

Literature Review

Entrepreneurship

"Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets process and raw material through organizing efforts that previously had not existed" (Venkataraman,1997). "Entrepreneurship is an important process by which new knowledge is converted into products and services" (Shane and Venkataraman 2000). Entrepreneurship is the process where an entrepreneur's forms a venture by seeing the opportunity in the market, undertake the risk by the help of effective innovative idea or process and collect profit from the business. Numerous researchers in the field of entrepreneurship have not come up with single and unanimously acceptable definition for entrepreneurship (Gwija 2014).

Youth Entrepreneurship

Cook (2008) contends in his paper the current test of youth joblessness and explores the job that adolescent business people play in addressing these difficulties. Youth Business International (2009) suggests that business; state run administrations and different partners in the public arena profoundly see that supporting youthful business people would bring about diminishing youth joblessness and empowering development in the economy. Youth business has consequently, acquired significance as of late in numerous nations as a method of encourages joblessness open doors, helping monetary seriousness and advancing provincial turn of events. Mostly, there are two fundamental factors that draw developing consideration of youthful business in non-industrial nations like Nepal. The first is the expanded number of jobless youngsters contrasted with the remainder of the populace; the second is the requirement for more prominent seriousness and the going with pressures for abilities advancement and business as an approach to tending to the tension of globalization and advancement (Dash also, Kaur 2012).

Methodology

Research design: Descriptive research design is used in this research.

Sampling technique: Convenient Sampling Technique is used in this research.

Sample Size: Necessary Sample Size = (Z-score) ^{2} * StdDev*(1-StdDev) / (margin of error)^{2}By taking 95% confidence level, 0.5 standard deviation, and a margin of error (confidence interval) of ±5%.

((1.96)2 x0 .5(0.5)) / (.05)2
= (3.8416 x 0.25) / 0.0025
=0.9604 / 0.0025
=384.14

Nature of Data: Primary data as well as secondary data were collected from journals, websites, book, and magazine and from previous research related to Entrepreneurs Development.

Type of Questionnaire: Structured questionnaire with Likert scaling.

Type of Questions: Closed ended, Ranking questions and multiple-choice questions

.**Statistical tools used:** Reliability, Normality test, Demographic responses, Descriptive statistic, One Way ANOVA, Independent sample t test, Pearson Correlation, Multiple Regression.

Software Used: IBM SPSS Statistics 20 Package

Analysis, Discussion and Conclusion

Distribution of Respondents by Gender

The researcher categorized the total sampled respondents based on gender. The groups are male and female.

Table *4.1* Distribution of Respondents by gender

Gender	Frequency	Percent
Male	324	80.0
Female	81	20.0
Total	405	100.0

Table 4.1 shows the gender of the respondent who participated in this survey. Out of 405 respondents, the majority respondents are male that is 255 respondents and it represents 80 % of

the total respondents. While there are only 20% female participated in the survey which is equal to 150 respondents.

Distribution of Respondents by Age Group

Table 4.2 Distribution of Responses by Age group

Age	Frequency	Percent
21-25	99	24.4
26-30	138	34.1
31-35	168	41.5
Total	405	100.0

Distribution of Response by Education Level

Total respondents are categorized into 5 group based on education level of respondents i.e. See and below, Intermediate level Bachelor, Master and above

Table 4 .3 Distribution of Response by Education Level

Education	Frequency	Percent
Graduation	234	57.8
High school	114	28.1
Literate	57	14.1
Total	405	100.0

Descriptive Statistics

Table 4.4 Descriptive Statistics of all variables

Statements	Mean	Std. Deviation
Finance	4.04	.805
Unemployment	4.22	.614
Youth entrepreneurship development	4.27	.558
Education	4.11	.518
Entrepreneurs skill	4.01	.670

Table 4.4 shows the descriptive statistic of the response of participants towards the factor under study.The mean value of Unemployment and Youth Development skill is near to 5 (labeled strongly agree in measurement scale) by 4.22 and 4.27 respectively. Likewise the means value of Education, Entrepreneurs skill and Finance is near to 4 (labeled agree in measurement scale) by 4.11, 4.04 and 4.01 respectively.

Scale Measurements

Reliability Test

The scale measurement is measured by using reliability test. The Cronbach's Alpha test is used to measure the reliabilities of each other's.

Table *4.5* Reliability Test

Cronbach's Alpha	N of Items
.939	35

Inferential Analysis

4.3.1 Independent t test for Gender

Table *4.5* Independent t test for Gender

Statements	Mean	Df	F	Sig.
Male	16.8000	403	5.821	.016
Female	17.2471	259.073		

According to this table 4.5 independent t tests is used for analyzing the effect of Gender onYouth Entrepreneurship development. Since the (P<0.05) p value of this test is 0.016 at 5% level of significance it means we accept alternative hypothesis. It means we accept alternative hypothesis. So, we came to conclusion that there is significant effect of Gender on Youth Entrepreneurship development.

One-way ANOVA Test for Education

Table *4.6* One-way ANOVA for Education

Statements	Mean	Df	F	Sig.
Graduation	17.2051	2	.893	.410
High School	16.9474	402		
Literate	16.8421	404		

According to Table 4.6 one-way Anova test is used in order to find the effect of Education onYouth Entrepreneurship development. Since the (P>0.05) p value of this test is 0.410 at 5% level of significance it means we accept null hypothesis. From this result we came to conclusion that Education and Youth Entrepreneurship development has no any significant relationship. It means Education is one important factor that does not affect on the Youth Entrepreneurship development in Nepal.

Pearson Correlations Analysis

Table 4.14 Pearson Correlations Analysis

Pearson Correlations Analysis

Table 4.14 Pearson Correlations Analysis

Statements		Education Training	Entrepreneurial Skills	Access of _Finance	Unemployment	Youth Entrepreneurship development
Education Training	Pearson Correlation	1	.670**	.629**	.582**	.558**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	405	405	405	405	405
Entrepreneurial Skills	Pearson Correlation	.670**	1	.613**	.817**	.668**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	405	405	405	405	405
Access of _Finance	Pearson Correlation	.629**	.613**	1	.612**	.549**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	405	405	405	405	405
Unemployment	Pearson Correlation	.582**	.817**	.612**	1	.698**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	405	405	405	405	405
Youth Entrepreneurship development	Pearson Correlation	.558**	.668**	.549**	.698**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	405	405	405	405	405

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

Based on table 4.14, it has shown that the correlation matrix for the five examined variables which are Youth Entrepreneurship development, Education and Training, Entrepreneurial Skills,Access of Finance and Unemployment.

According to the table above, the entire construct did not exceed the value 0.75 except price. Hence the entire construct was different and did not overlap with each other. Besides, there were positive correlations. In this study Youth Entrepreneurship development skills has shown positive relationship with r =1 at 0.05 level of significance. Next it was followed by Education

and Training, Entrepreneurial Skills,Access of Finance and Unemployment which seems to have positive relationship with value of r as 0.558, 0.668, 0.549 and 0.689 respectively at 0.05 level of significance. Thus, the results show that there is significant relationship between independent variables (Education and Training, Entrepreneurial Skills,Access of Finance and Unemployment) and dependent variable (Youth Entrepreneurship development). But from above table P value Education /Training, Entrepreneurial Skills,Access of Finance, Unemploymenthas significant relationship with Youth Entrepreneurship development in order to start the business.

Based on the ANOVA Table 4.16, the F value is proven to be significant at 116.162. The overall regression model with Education/Training, Entrepreneurial Skills,Access of Finance, Unemployment and Youth entrepreneurship development.

Coefficient

Table 4.16 Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	4.882	.656		7.446	.000
Education Training	.143	.053	.133	2.696	.007
Entrepreneurial Skill	.120	.043	.180	2.765	.006
Access of Finance	.097	.044	.105	2.200	.028
Unemployment	.372	.055	.409	6.735	.000

a. Dependent Variable: Youth entrepreneurship development

Youth entrepreneurship development = 4.882+0.143X1+0.120X2+0.097X3+0.372X4

Here,

R- squared= 0.537 F statistic=119.928

Adjusted R-Squared=0.533 P value=0.000

Based on the output in table 4.17, the following equation is formed

Youth entrepreneurship development= 4.882 + 0.143 (Education/Training) + 0.120 (Entrepreneurial Skill) + 0.097(Access of Finance) + 0.372 (Unemployment)

The regression model is fit at 5% level of significance. Also, R square value of 0.537 indicates that 53.7 percent variation in Youth entrepreneurship developmentis explained by Product, price, place and promotion. Results of the regression indicate that the Youth entrepreneurship developmentto a large scale is dependent onEducation/Training, Entrepreneurial Skills,Access of Finance, and Unemployment.

The regression coefficient of Education and Training is 0.143 which means that the Youth entrepreneurship developmentwill increase 0.143 units when Education and Trainingincreased 1 unit while another thing remains same.

Similarly, the regression coefficient of Entrepreneurial Skillis 0.120 which means the Youth entrepreneurship developmentwill increase 0.120 when Entrepreneurial Skill increased 1 unit while other remains same.

Likewise, the regression coefficient of Access of Finance is0.097. It means the Youth entrepreneurship development will increase 0.097when Access of Finance increased 1 unit while other remains same. Furthermore, the regression coefficient of Unemploymentis 0.372. It means the Youth entrepreneurship development will increase 0.372when price increased 1 unit while other remains same.

The result of regression Highlight that there is a significant positive relationship between Education/Training, Entrepreneurial Skills,Access of Finance, and Unemploymentwith Youth entrepreneurship development in Nepal. Since the p value of all variable are less than 0.05 at 5 percent level of significance.

Discussion on Major Finding

Summary of Research Question, Hypothesis and Results

Table 5.1 Summary of Research Question, Hypothesis and Results

Research Question	Hypothesis	Results	Supported
Is there significant relationship between Education/Training and Youth entrepreneurship development?	H1: There significant relationship between Education/Training and Youth entrepreneurship development.	r=0.143	Yes

Is there significant relationship between Entrepreneurial Skills and Youth entrepreneurship development?	H2: There significant relationship between Entrepreneurial Skills and Youth entrepreneurship development.	r= 0.120	Yes
Is there significant relationship between Access of Finance and Youth entrepreneurship development?	H3: There significant relationship between Access of Finance and Youth entrepreneurship development.	r=0.097	Yes
Is there significant relationship between Unemployment and Youth entrepreneurship development?	H4: There significant relationship between Unemployment and Youth entrepreneurship development.	r=0.372	Yes
Is Education/Training has significant effect on Youth entrepreneurship development?	H5: Education/Training has significant effect on Youth entrepreneurship development.	(p<0.05) P=0.007	Yes
Is Entrepreneurial Skills has significant effect on Youth entrepreneurship development?	H6: Entrepreneurial Skills has significant effect on Youth entrepreneurship development.	(p<0.05) P=0.006	Yes
Is Access of Finance has significant effect on Youth entrepreneurship development?	H7: Access of Finance has significant effect on Youth entrepreneurship development.	(p<0.05) P=0.028	Yes
Is Unemployment has significant effect on Youth entrepreneurship development?	H8: Unemployment has significant effect on Youth entrepreneurship development	(p<0.05) P=0.000	Yes

Conclusion

This assessment exhibited that youthful business improvement drives were lacking in Nepal. In like way youth business improvement organizations were furthermore lacking in the city. Energetic business visionaries in Nepal are without business progression organizations for instance, business directing, money, instructing, and incubators.From descriptive statistics the mean value of unemployment is reported highest as 4.22 so the unemployment has greater impact on Youth entrepreneurship development.Gender has significant effect on Youth entrepreneurship development.Education and Youth Entrepreneurship development has no any significant relationship. It means Education is one important factor that does not effect on the Youth Entrepreneurship development in Nepal.Generally, 31-35 age groups of youth entrepreneurs are found to be more focused in starting the business in Nepal.Likewise Majority of respondent having education qualification of Graduation in Nepal and are interested in starting the business in Nepal.

From this research it is found that Education does not affect in starting the business.The result Highlight that there is a significant positive relationship between Education/Training, Entrepreneurial Skills,Access of Finance, and Unemploymentwith Youth entrepreneurship development in Nepal. Since the p value of all variable are less than 0.05 at 5 percent level of significance.

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