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Financial Obstacles and How to Overcome Them: The Case of Young Congolese Graduates with Entrepreneurial Projects.

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Abstract: Objective: *This study was undertaken to study the financial obstacles to youth entrepreneurship as well as the measures to overcome them, particularly among young Congolese graduates.* ***Methodology****: A research approach composed of quantitative techniques, specifically, the survey by questionnaire made it possible to collect the data. The data collected comes from an exploratory study conducted in Kinshasa among 588 young Congolese graduates of higher education and university, all aged 15 to 35.* ***Results****: The results reveal that the difficulties of obtaining funds to finance the entrepreneurial project are enormous for young Congolese graduates. This is the main source of vulnerability, a constraint and an important blocking element during the creation of a business by young Congolese graduates. Indeed, these young people experience difficulties in accessing financing and credit during business creation. Moreover, young graduates lack personal funds to create their own business. Thus, access to financing is important to facilitate the start-up of new businesses by young graduates.* ***Originality/relevance/value****: The originality of this study is based on the field analyzed, namely developing countries, specifically the Democratic Republic of Congo (DRC), a country less studied on the entrepreneurial level, and on its operational aim of development of entrepreneurship and the realization of entrepreneurial projects of young Congolese.* ***Practical implications****: Knowledge of financial barriers and the means to overcome them can have important implications for the creation, development and growth of small, micro and medium enterprises for young entrepreneurs in general and for young graduates in the Democratic Republic of the Congo. The fight against these obstacles can help encourage the realization of entrepreneurial projects through the creation of businesses by young Congolese graduates.*

Keywords—youth entrepreneurship; financial obstacle; barriers in entrepreneurship; young Congolese graduates; business creation; DRC

1. INTRODUCTION

Starting a business requires a certain financial investment. Financial resources are necessary for the development of entrepreneurial projects from start to finish. By the way, the question of financial resources is central for any entrepreneur. Whether it concerns creation, takeover, development, external growth, the search for financing solutions is a recurring challenge for most entrepreneurs.

Most businesses fail, or never start, for lack of funds. The main challenge for any project leader is to find the financial means to start a business. According to Malaj & Dollani (2018), financing new entrepreneurs seems to be one of the biggest problems for young people and often lack of financing can lead to failure in the early stages of entrepreneurship. For Benata (2015), securing access to finance, both in the start-up phase and in later stages of business development, is one of the biggest challenges facing young entrepreneurs.

Lack of access to capital and other resources is a serious impediment to the creation and growth of new businesses. Financial barriers are a constraint for any new and/or small business, but especially in developing economies where financial markets tend to be underdeveloped or dysfunctional (Morewagae et al., 1995; Lindvert, 2017). The financial difficulties are enormous for young Africans when starting their businesses.

It is therefore important to highlight the financial obstacles that young entrepreneurs face in order to solve and overcome them. This research aims to explore this concern by identifying these financial obstacles among young graduates in the Democratic Republic of Congo (DRC) and by proposing measures to overcome them.

The study seeks to answer the question: What are the financial obstacles that hinder the entrepreneurship of young Africans and particularly young Congolese graduates, and how to overcome them? Its objective is to identify the brakes or obstacles influencing business creation by young Africans and the solutions to be implemented to promote youth entrepreneurship in the DRC. This research is part of the desire to improve the business creation process and further promote the entrepreneurial culture among young graduates in the DRC. This is a way to contribute to increasing knowledge in the field of entrepreneurship and to promote the entrepreneurial culture among young people in the DRC.

This article is structured in five sections. The first section presents an introduction. The second section presents a review of the literature on the subject. The third section deals with the research methodology. The fourth section presents the results followed by their discussion. The fifth section gives the conclusion of the study.

2. Literature review

2.1 Definitions and kinds of ' barriers

An obstacle is anything that stands in the way of action, of obtaining a result; each of the difficulties sown in the course of something; any object that interposes itself, that is in the path of something.

In the context of this study, the term “obstacle” designates everything that stands in the way of the action to undertake, to obtaining a result of the entrepreneurial process; each of the difficulties sown in the course of the realization of an entrepreneurial project. This term is interchangeable with "barrier".

Entrepreneurs can face many obstacles during the process of creating and /or applying their creative business ideas (Mehrez, 2019). There are several types of obstacles to entrepreneurship such as personal, family, psychological, social, cultural, institutional, economic, political, financial, regulatory, etc. (Kebaili, Al-Subyae & Al-Qahtani, 2017; Kazmi, 2018).

For this study, the obstacles to entrepreneurship analyzed among young graduates include only financial obstacles. Indeed, financial obstacles designate obstacles or barriers linked to financial resources.

2.2 Financial barriers to Youth Entrepreneurship

Previous research shows that young people face serious difficulties in their search for financial resources. The obstacles most frequently encountered by young entrepreneurs of entrepreneurial projects in Africa are: difficult access to financing, obstacles to obtaining loans (difficult access to credit and access to property), lack of personal funds, etc.

A) Difficulties in accessing financing

The question of financing is central for any entrepreneur. Obtaining the necessary financing is one of the most important functions associated with starting a business. Studies conducted on the influence of access to finance on the success of young start-ups have revealed the existence of a positive relationship between access to finance and the success of youth entrepreneurship (Maina, 2016). Thus, the difficult access to financing constitutes a real difficulty in the creation of a company.

The difficulty of access to financing remains a common obstacle to all cohorts of entrepreneurs. Young people, however, are particularly affected because they have poor or no credit history, which creates problems in accessing financial support, especially in traditional financial institutions. Fatoki & Chindoga (2011) concur that the lack of financing was one of the main constraints to the creation of new businesses. According to Nieman & Nieuwenhuizen (2014), young entrepreneurs are often particularly affected by limited access to financial resources and, in many cases; their creative ideas remain forever born, as they are unable to develop them into sustainable businesses.

Studies from Africa have also supported the claim that lack of finance is a major challenge for potential young entrepreneurs. A study in Zambia found that the majority of young entrepreneurs cited lack of capital as the main reason why they were not self-employed (Chigunta et al., 2005). Studies in South Africa have also shown that access to finance is a major obstacle for young entrepreneurs. Sambo (2015) revealed that lack of access to finance hinders the development of entrepreneurship among young people in South Africa. The majority of young people in this study had to use their personal savings to finance their start-up. A study by Chiloane-Tsoka (2013) confirmed that the lack of financial support is a major barrier to the development of entrepreneurship in South Africa.

It is clear that access to finance for young entrepreneurs is a global challenge and the DRC is no exception. According to World Bank (2019), young Congolese with viable new ideas find it difficult to find start-up capital. The majority of young entrepreneurs cannot use real estate as collateral, and the supply of start-up capital is limited to informal loans from family and social networks and high-interest microfinance institutions.

Many authors (Herrington et al., 2011; Kew et al., 2013; Kojok et al., 2012; Turton & Herrington, 2012), express their point of view according to which the lack of micro-finance institutions, venture capital and business angels in developing countries has compounded the problem of financial support for entrepreneurs. This situation limited opportunities for young people to access business finance in developing countries. In these countries, sources of funding for young entrepreneurs were limited to commercial banks (Kojok et al., 2012). According to Cant & Wiid (2013), commercial banks were often unwilling to extend credit to young entrepreneurs because young people were seen as risky investments due to lack of collateral on the one hand and lack of commercial experience on the other hand. Gheorghe et al. (2012) argue that the distrust of lenders, banks and other financial institutions is at the root of the lack of financing which constitutes a major obstacle for the entrepreneurial activities of young entrepreneurs.

Self-financing and informal savings and credit associations remain the main sources of financing in Africa. But access to formal financing remains poor. The financial system of most African countries is underdeveloped and offers few financing tools (Kauffmann, 2005). Collier (2009) makes two basic observations in terms of finance: (i) Lending to the private sector in Africa is often considered riskier than in the rest of the world; (ii) Financing small businesses is generally riskier than financing large businesses. The financing of small African businesses therefore appears all the more difficult in that it unfortunately combines the two types of risk.

B) Difficulties in accessing credit

Difficult access to credit is one of the fundamental obstacles to business creation among young people. Studies conducted on problems of access to credit show that liquidity constraints influence and thwart many people in their desire to pursue their entrepreneurial project (Blanchflower & Oswald, 1998). Sambo (2015) alluded to the fact that there is a positive association between the expansion of youth entrepreneurship and access to credit. A study by Mwangi & Shem (2012) revealed that access to credit is a huge barrier to the growth and development of small and medium-sized enterprises (SMEs) and also to disadvantaged urban and rural families. Accessing capital to get started is a huge hurdle in one's quest to get into business. Turton & Herrington (2012) found that 79% of entrepreneurs struggle to access finance, while many feel they are slowly failing, in terms of IPOs, angel investors or bank loans. In addition, funds for entrepreneurs are not easily accessible, and much capital is routinely too expensive, limiting the progress of promising businesses.

In addition, banks require the personal guarantee (for example, the land title, etc.) before even processing the file. However, as we can see, young people do not yet have any possessions to give to the banker to have a personal guarantee, hence the blockage. Thus, recourse to bank credit by young entrepreneurs requires the provision of guarantees which can form a significant obstacle for business creation. Such requirements can act as a brake on entrepreneurship and push some people to give up on creating their businesses despite the new ideas they bring (Haddad, 2013). According to Albagli & Hénault (1996), the absence of sufficient guarantees for the banks and the failures of the banking network erected barriers to access to business creation and caused discouragement or extortion.

The study conducted by Botes (2013) also revealed that financial institutions want collateral to finance businesses and for those who have no collateral, it is difficult to obtain finance. The study further revealed that access to finance is a major challenge that hinders business creation.

The study carried out by Onodugo & Onodugo (2015) argues that potential Nigerian entrepreneurs go through many difficulties when trying to access credit for their businesses. Although there is a wide range of financial institutions that offer business loans, they generally charge high interest rates that deter potential entrepreneurs. For example, the big banks have set their lending rates at 28%, which deters potential entrepreneurs who are mostly low income. Other obstacles faced by our entrepreneurs include harsh warranty conditions set by banks and other credit institutions.

Young people face serious difficulties in obtaining finance, particularly from banks, which base themselves on a set of parameters including the applicant's credit history, existing collateral, business performance, etc., before applying grant credits. However, young people have no experience in credit and generally do not have guarantees that they can offer to the bank.

In the Democratic Republic of Congo, as in many other African countries, the majority of young people carrying out entrepreneurial projects have practically no access to financing from the commercial and regulated banking sector. Dzaka-Kikouta et al. (2020a) reveal that banks in the DRC and Congo (Brazzaville) are less motivated to grant loans to entrepreneurs in general, and particularly to young entrepreneurs, due to the high risk of default, poor repayment guarantees in a context of generalized poverty, and the fact that in the event of insolvency, the probability of recovering the credit through legal settlement is almost nil in the DRC and very low in the Republic of the Congo. Given this situation, access to bank credit is almost non-existent for young entrepreneurs due to the vulnerability of their financial resources and inexperience, particularly the lack of credit history.

Business creation experiences many failures in developing countries because of the difficulty of access to credit, the repayment terms of which are often not flexible.

Given the difficulties in accessing finance from banks, young entrepreneurs are limited to their own personal savings, family and friends as sources of finance for their businesses and if they could not obtain finance from these sources, young entrepreneurs would not be able to start and operate a business (Kojok et al., 2012).

C) Lack of personal funds

Creating a business requires a certain financial investment that project leaders are not always able to produce. The lack of personal funds for the start-up is a main difficulty encountered by the creators. Although they may have intentions of starting a business, they can never realize them due to lack of financial means.

Indeed, the most difficult first step in the realization of a business creation project is that of the initial financing. This is a step full of uncertainties. We don't know if the project is viable, if it will find a place on the market and especially if we will have the means to make it happen. Also, this step can be prohibitive for a project leader who does not feel strong enough. To be able to propose the offer on the market, it is necessary to be able to produce it, put it into service. And to do this, we need financial means. The start-up period is a delicate period. It is all the more problematic when it comes to an innovative company. Indeed, as we do not know if the supply will find demand, we fear that the company will not hold up and will quickly collapse. Also, it is difficult to find financing from private investors such as banks who do not consider the project reliable and viable.

The more initial financial resources entrepreneurs have, the more likely they are to succeed. As a result, young people are already disadvantaged for two reasons, first they lack personal funds or initial financial resources, then they experience many difficulties as older people in obtaining external financing, in particular through a borrowing (OECD/European Union, 2012).

A lack of capital can be a real obstacle to business creation. Indeed, project leaders without capital are not able to promote it. And this, even with support organizations for the creation of innovative companies, personal capital is the key that opens the doors to the public aid sector. This notion of heritage is also essential in the banking sector. Indeed, banks only lend to project leaders if they already have assets.

Evans & Jovanic (1989) argue that liquidity constraints can exclude potential creators, because they do not have sufficient funds, they will not complete the entrepreneurial process. Boyer et al. (2008) point out that insufficient initial capital is an obstacle to launching a business.

This obstacle of lack of start-up funds strikes, in most cases, young graduates and other unemployed individuals or simple employees. In fact, unemployment, or underemployment, the young age of graduates… does not allow them to accumulate the capital necessary to start a business. Furthermore, the difficulties and barriers of access to the financial market (bank loans) where entrepreneurs for cultural and religious reasons do not allow themselves or simply they do not want and do not dare to go into debt, and if they dare it is not obvious to have the bank agreement on the pretext of the lack of guarantees generally.

Lack of start-up funds is one of the difficulties most frequently cited by young people who aspire to start their own business. Between the knowledge and skills acquired by the young entrepreneur and the complex world of start-up financing, which requires a great familiarity with finance, the gap is sometimes very wide (UNCTAD, 2014).

Young people do not have sufficient financial resources to engage in entrepreneurial activities. First, they do not have enough personal savings and lack physical capital. Then, they experience great difficulty in obtaining financing, particularly from banks. Furthermore, financial support mechanisms (from the government and certain sometimes private institutions) are almost non-existent in certain developing countries, as is the case in the Republic of Congo and the Democratic Republic of Congo.

3. METHODOLOGY

This section explains the research methodology used in this study.

3.1. Population and sample

The target population of this study is made up of young active Congolese aged 15 to 35, with at least a higher education diploma.

The study sample focused on young graduates of higher education and university found in the city of Kinshasa, of all options, from public and private institutions, men and women, having studied in the capital Kinshasa as in the provinces of the DRC. This sample is made up of 588 young graduates, all aged between 15 and 35. The people to be interviewed during the surveys were chosen by the technique of accidental sampling.

According to several international bodies, such as the United Nations, the OECD, the International Labor Organization and the World Bank, young people are considered to be people between the ages of 16 and 24. However, this definition adopted by other organizations and national governments differs widely from one country to another. In Africa, the word young refers to people between 15 or 18 to 35 years old (Chigunta et al., 2005; Gough et al., 2013). According to the African Union's African Youth Charter of 2006 ratified by the DRC, youth is in the age group between 15 and 35 years. It is this slice that is taken into account in this research.

3.2. Data and data sources

A quantitative methodological approach, based on a field survey was used to conduct this research.

The study only used primary data collected in the field from young Congolese graduates of higher and university education. The collection was carried out using a survey questionnaire addressing the main points on the subject of the study. The administration of the questionnaire was carried out in direct mode, in other words face to face between the researcher and the respondent.

3.3. Data analysis

The data analysis of this study is carried out using descriptive statistics. This method was used to find the frequency and percentage of data for all variables in the study. It allowed us to present the results obtained by means of tables and to interpret them using the calculated frequencies.

3.4. Response rate

Of the 630 questionnaires administered, we received 588 properly completed and therefore a response rate of 93%. The rest (42 questionnaires) were not answered or filled out incorrectly, which forced us to eliminate them from our studies, given their lack of credibility (not usable).

3.5. Study area

The Democratic Republic of Congo (DRC) is a central African state with access to the Atlantic Ocean. It is bordered by the Enclave of Cabinda and the Republic of Congo to the West; Uganda, Burundi, Rwanda and Tanzania in the East; the Central African Republic and Sudan in the North; Zambia and Angola to the south. With an estimated population of 91.994 million and an area of 2 345,000 km2, the Democratic Republic of the Congo is one of the most populous and vast countries in sub-Saharan Africa. It is the fourth largest country in Africa and the eleventh in the world. The country comprises 26 provinces. Its capital is Kinshasa.

The surveys were conducted in Kinshasa, in all 24 municipalities, with young Congolese graduates. It's about capturing the voices of young people firsthand. Basically, Kinshasa was chosen as the study area because most young graduates of different courses of study are based in the region.

4. Results and discussion

This section attempts to present, explain and discuss the findings on financial barriers faced by young graduates in the DRC as well as measures to overcome them.

4.1 Profiles of young graduates surveyed

Table 1 allows us to know the profiles of the individuals interviewed.

Table 1: Profiles of young graduates surveyed

Variable	Values	Number of respondents (N=588)	Percent
Gender	Male	311	52.89
	Female	277	47.11
Age (age groups)	15 -19 years old	12	2.04
	20 -24 years old	108	18.37
	25 -29 years old	188	31.97
	30 -35 years old	280	47.62
Marital status	Married	166	28.23
	Single	380	64.63
	Divorced/separated	26	4.42
	Widower (widow)	10	1.70
	Others	6	1.02
Educational level	Graduat diploma*	215	36.6
	Bachelor's degree	308	52.4
	Master’s degree	12	2.0
	Other university degrees	53	9.0

Note. The "graduat" is an undergraduate university degree in the DRC, which is worth 3 years of study. Source: Field survey, 2021.

The age of the participants varies between 15 and 35 years, and 47% of them are women and 53% men. Regarding the age groups, there is a high concentration of young people aged 30-35 (48%), which is followed by young people aged 25-29 with 32%, and then young people aged 20-24 with 18.37%. Young people aged 15-19 are rare (2%). The majority of young graduates are single with a rate of 64.63% of respondents, followed by married people with 28% of respondents, after come divorced or separated with 4.42%, and finally, widowers and other statuses respectively with 1.7% and 1%.

It appears from the results of the level of education of the respondents that almost half of them have at least a bachelor's degree with 52.4%, while 36.6% have a graduate degree (a first university cycle in the DRC). Other types of university degrees represent 9%. Holders of master's degrees are poorly represented, with 2% respectively.

4.2 Financial obstacles to business creation by young Congolese graduates

The difficulties of obtaining funds to finance the entrepreneurial project are enormous for young graduates. This is the main source of vulnerability, a constraint and an important blocking element during the creation of a business by young graduates in the DRC.

The major financial obstacles to entrepreneurship of young Congolese graduates are recorded in Table 2.

Table 1: Financial barriers to entrepreneurship among young Congolese graduates

Obstacles	Frequency	Percent
Difficult access to financing	580	98.6
Difficult access to credit	543	92.3
Lack of personal funds	522	88.8

Source: Field survey, 2021

The results in Table 1 reveal three of the most critical barriers to youth entrepreneurship in developing countries, specifically in the Democratic Republic of Congo. They are cited by almost all of the young graduates surveyed, varying between 85% and 100%. These barriers are explained in more detail below.

A) Difficult access to funding

The difficulty of access to financing remains the biggest obstacle to starting a business, as mentioned by 98.6% of the young Congolese graduates surveyed.

Indeed, many young graduates are unable to carry out their project due to a lack of financial means. They are generally stuck with sometimes well-developed projects on paper. Young entrepreneurs or future entrepreneurs find it difficult to access financing from the banking system because of the restrictive guarantee procedures put in place by the banks. In fact, financial institutions like banks are very conservative and risk averse. These financial institutions generally avoid young people who are considered risky and who do not have guarantees or a reliable track record.

The results obtained from our study are in line with the work of various authors (Atieno, 2009; Balenghien, 1994; Blanchflower & Oswald, 2007; Chigunta, 2002; Brahmi Halima and Jellali Majida, 2016; Dzaka - Kikouta et al., 2020b; Gorji & Rahimian, 2011; Laghzaoui et al., 2020; Oumou Deffa Kane et al., 2014; Robichaud et al., 2019), who indicated that financial resources remain a more important barrier to starting a business.

With these results, one would be tempted to consider that they join the conclusions of Mayoukou (1996) who underline that financing remains the most important constraint for business creation in Africa, and those of Albagli and Hénault (1996) who show that in sub-Saharan Africa, a considerable number of projects are choked at the embryonic stage. Such a problem stems from the lack of support and means available to would-be entrepreneurs to carry out their project.

B) Difficult access to credit

The vast majority of our respondents (92.3%) say they have difficulty accessing credit during business creation. This is due to lack of financing structures, lack of financial credibility to take out a loan and complications from banks.

In fact, young graduates find it difficult to access liquidity from the banking system because of the restrictive guarantee procedures put in place by the banks. This situation is explained by the fact that the banks do not want to take any risk and often require exorbitant guarantees, in particular: (i) personal guarantees even before processing the file, which constitutes an objective barrier to access to credit (for example, the land title, and without land ownership, it becomes difficult to present collateral to obtain formal credit); (ii) a high cost of credit due to the high risk premiums demanded by banks. However, as we can see, young graduates do not yet have any possessions to give to the banker to have a personal guarantee, hence the blockage. Thus, recourse to bank credit by young entrepreneurs requires the provision of guarantees which can constitute a significant obstacle for young business creators.

The results of this study are consistent with the findings of Rahmawati, Hasyyati & Yusran (2012) that the lack of financial credibility to take out a loan as well as the complications and cost of administrative procedures hinder the development of entrepreneurship among young people.

Along the same lines, the study agrees with Gorji & Rahimian (2011) who argue that financial constraints are the main obstacles to the development of entrepreneurship among young people. Further, Moog (2005) states that young people are mostly seen as risky investments and face difficulty in accessing funds due to adequate security to obtain loans and young people are not likely to acquire business experience or business efficiencies that banks or financial institutions consider essential to assess creditworthiness.

C) Lack of equity

The lack of equity for start-up is one of the obstacles most frequently cited by young people looking to create their own businesses (88.8%).

Overall, the difficulty of the lack of equity of our young graduates can be explained by three things: (i) the lack of remunerative work, because of unemployment, sometimes underemployment, (ii) the poverty of their parents to provide them with the minimum capital for the start-up of entrepreneurial activities, and (iii) insufficient savings.

These results agree with those developed by Boateng et al. (2014) in Ghana who demonstrate that the lack of capital as the main obstacle for youth entrepreneurship in rural areas of Ghana. Moreover, Pretorius & Shaw (2004) observe that a large percentage of the failure of entrepreneurial firms is attributed to insufficient capital or poor resources.

4.3 Findings on Funding Constraints

Access to financing is important to facilitate the start-up of new businesses by young graduates.

In the DRC, traditional markets are underdeveloped and, in this respect, are not considered a viable option for financing new businesses, especially not those of young graduates without professional or entrepreneurial experience. Moreover, the absence of a significant number of seed and start-up funds, venture capital and business angels makes it difficult for young entrepreneurs to start businesses and obtain financing for their projects (Table 3).

Table 3: Findings on Funding Constraints (in percent)

Constraints	1	2	3	4	5
Lack of savings and personal resources	15.31	10.88	13.61	51.53	8.67
Complex credit documentation procedures	3.06	3.74	18.54	22.28	52.38
Lack of micro-credits	0.17	0.34	1.70	65.82	31.97
Lack of knowledge of funding possibilities	5.44	8.84	5.61	53.57	26.53
Lack of seed and start-up funds	0	0	0.17	14.80	85.03
Absence of venture capital and business angels	0	0	1.36	83.67	14.97

Note: Legend: 1= totally disagree; 2= to disagree; 3= I do not know; 4= to agree; 5= totally agree. Source: Field survey, 2021

All participants agreed or strongly agreed with statements that: (i) lack of savings and personal resources, (ii) complex credit documentation procedures, (iii) lack of micro-credits, (iv) the lack of knowledge of financing possibilities, (v) the absence of seed and start-up funds, (vi) the absence of risk capital and business angels in the DRC, represent obstacles for the creation of businesses by young graduates.

These results are consistent with the work of Herrington et al. (2011), Kew et al. (2013), Kojok et al. (2012), and Turton & Herrington (2012), who state that the lack of micro-finance institutions, venture capital and business angels in developing countries has aggravated the problem of financial support for entrepreneurs. This situation limited opportunities for young people to access business finance in developing countries.

Faced with all these financing constraints, the entrepreneur must first rely on himself, and therefore on his own resources, which the majority lacks. Public funding is very limited. The capital market in the DRC in general is not suitable for financing SMEs and start-ups. Banks do not grant loans to young graduates. Micro-finance institutions offer meager financing resources and prohibitive interest rates.

Therefore, the difficult access to financing, the difficult access to credit and the lack of personal financial resources are major obstacles for the creation of businesses by young Congolese graduates.

4.4 Measures to Overcome Financial Barriers to Youth Entrepreneurship

Faced with financial difficulties in business creation among young people, it is necessary to identify the concrete actions that can be deployed in order to overcome them.

A) Measures to overcome the difficulties of access to financing and difficult access to credit.

To address the problems of young graduates such as difficult access to finance, difficult access to credit and property, or their difficulty in obtaining the start-up capital they need, one will have to:

1. *Make the environment conducive to business creation*. The Government should create favorable conditions for business creation also for young entrepreneurs. State support is one of the key factors for promoting youth entrepreneurship. Thus, it should: (a) Make the fiscal environment more favorable to financing in the early stages of business development. It is therefore fundamental to facilitate the access of young graduates to existing financial services while imagining other innovations. (b) Adopt policies of access to finance in the interest of young people in general and young graduates in particular.

2. *Improve access to finance*. Access to finance should provide young graduates, who generally find themselves in situations of poverty and unemployment and lack of personal funds, the financial resources they need to create, maintain and develop their entrepreneurial activities. To do this, we must: (a) Create a fund to support and accompany young entrepreneurs with entrepreneurial projects and those who are already entrepreneurs; (b) Develop financial services for young entrepreneurs. The creation of financing sections that improve the availability of start-up financial capital, i.e. low-interest loans, while regulating access to credit and credits in terms of process and time , as well as the security required by the financial institution and banks; (c) Strengthen the mechanisms for guaranteeing loans and risk capital, by (i) reducing the conditions imposed by micro-finance funds for the benefit of young people; (ii) simplification of procedures for obtaining credit from micro-finance institutions; (iii) provide financial training to young entrepreneurs to make them responsible for lending and borrowing.

3. *Encourage the development of smaller commercial banks or rural banks*, ideally with local capital, in order to reduce the economic, geographical and cultural distance between banks and young graduates or their SMEs.

4. *Inform young graduates about the main sources of funding*. Young graduates as aspiring entrepreneurs need to know about the different financing options available for setting up a business.

5. *Make use of various types of funding mechanisms*. Financing needs can be met through various types of financing mechanisms: self-financing, loans, self-help group, equity financing, grants, etc.

6. *Build relationships with funding sources*. Most young college graduates, especially those enrolled in an entrepreneurship training program should have access to capital to start their business. Many may find it difficult to get loans from traditional sources, such as banks, because they don't have a credit history or start-up guarantee. To help young people identify financing options, entrepreneurship programs should establish relationships with credible lending institutions or other financial institutions willing to work with young people.

7. *Strengthen the financial and managerial capacities of young graduates*. It is sometimes difficult for many young graduates with entrepreneurial projects to obtain and appropriately use the financial aid to which they are entitled, as they are not always aware of the possibilities offered and sometimes lack the financial knowledge and skills required to benefit from it. Therefore, young graduates should be given assistance and training in areas such as finance, marketing, information on legislation and the necessary documentation, but should also be supported and helped in the way they should start a business and the steps needed to be successful.

B) Measures to overcome the lack of personal funds

The Government should offer seed money or waiver or deferment of their student loans to new graduates starting businesses, such as a one-year grace period offered to entrepreneurs, etc.

Private economic actors, private companies, non-profit associations, private educational institutions, foundations and NGOs, micro-finance institutions and others can create microcredits for young graduates. The creation of microcredits for young graduates would be a way of introducing a new method of financing in the DRC. This will circumvent the resistance and refusal of Congolese banks.

Young graduates should resort to personal savings, loans from family and/or friends. In fact, recourse to personal savings or to their own network of relations, with those close to them (family and friends) appears to be the majority mode of financing for young people in Africa. Lindvert (2017) argues that personal savings are important when starting a business. Savings are often associated with capital or other resources from family or friends. Kojok et al. (2012) argued that sources of business finance for young entrepreneurs are often limited to personal savings, family and friends in developing countries.

The different measures to overcome financial barriers are summarized in Table 4 below. Although these actions may involve several types of actors, we have chosen to associate each one with one or two groups of managers who should be interested in them as a priority.

Table 4: Measures to overcome financial difficulties in starting businesses among young people

Obstacles	Measures to overcome the difficulties identified	Responsible
Difficult access to financing & Difficult access to credit	1) Make the environment conducive to business creation.	GOV
	2) Improve access to finance.	GOV
	3) Encourage the development of smaller commercial banks or rural banks, ideally with local capital	GOV
	4) Inform young graduates about the main sources of funding.	IE, SGS
	5) Create links with funding sources.	IE, SGS
	6) Use different funding mechanisms (self-funding, loans, self-help group, equity funding, grants, etc.).	YG
	7) Strengthen the financial and managerial capacities of young graduates	IE, SGS
Lack of personal funds	1) Offer seed money or waiver or deferral of student loan repayments to new grads starting businesses	GOV
	2) Create microcredits for young graduates	GOV, FI
	3) Use personal savings, loans from family and/or friends.	YG.

5. Conclusion

The main objective of this research is to explore the financial difficulties in business creation by young people and more particularly young graduates in the Democratic Republic of Congo, and to propose measures to overcome them.

The results of the survey show that the difficulties of obtaining funds to finance the entrepreneurial project are enormous for young Congolese graduates. This is the main source of vulnerability, a constraint and an important blocking element during the creation of a business by young graduates in the DRC. Indeed, young Congolese graduates experience difficulties in accessing financing and credit during business creation. This is due to the lack of financing structures and the complications of banks, mainly the restrictive guarantee procedures put in place by them. Moreover, the absence of a significant number of seed and start-up funds, venture capital and business angels makes it difficult for entrepreneurs to start businesses and obtain funding for their ideas. Moreover, young graduates do not have sufficient capital to create their own business.

The various measures to overcome these obstacles will make it possible to fight against financial obstacles and help encourage the realization of entrepreneurial projects through the creation of businesses by young Congolese graduates.

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