Youth Livelihood Programs and Entrepreneurship Development in Uganda. A Case Study of Kisoro District.

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Abstract: The study aimed at youth livelihood programs and entrepreneurship development in uganda and it was guided by the following objectives; To identify the relationship between challenges and opportunities faced by young entrepreneurs and entrepreneurship development in Kisoro district, to assess the relationship between business growth and entrepreneurship development in Kisoro district and to evaluate the relationship between the effectiveness of existing youth livelihood programs and entrepreneurship development in Kisoro district. A cross-sectional descriptive design and open-ended questionnaires was used for the study. This design was be chosen because of the descriptive nature of the research questions. In order to capture rich and in-depth experiences of the youth, the study was employing a case study design. In order to generate data; the study was employing a mixed method that was combine both qualitative and quantitative research approaches. From the findings, the linear regression results shown that there was a significant and positive relationship between growth of businesses and entrepreneurship development in the sample. The R-square value of .791 indicated that 79.1% of the variance in the entrepreneurship development can be explained by growth of businesses. The coefficient for growth of businesses was .395, indicating that a one-unit increase in growth of businesses was associated with a .395-unit increase in entrepreneurship development. This coefficient was statistically significant at the .05 level, with a t-value of 9.585 and a p-value of .000. These results suggested that growth of businesses was an important factor in promoting the entrepreneurship development in the sample. Policymakers and stakeholders involved in economic development initiatives could consider implementing interventions that focus on promoting entrepreneurship development as a way to stimulate economic growth and job creation. According to a study by Kisoro District Local Government (2015), MFIs have been successful in providing financial services to small businesses and had contributed to entrepreneurship development in the district. The study recommends that the district government should work closely with MFIs to ensure that young entrepreneurs have access to affordable credit.

Keywords: youth livelihood programs and entrepreneurship development

Background Of the Study

When young people's goals are met through education, psychological, financial and moral support to lead a better life, they become one of the most valuable assets in the country (Alex & Kazaara, 2023). In many countries of the world, most young people drop out of school or work in official jobs and some young people are underemployed. World Youth Report

shows that by 2019, there will be 1.2 billion young people aged between 15 and 24 in the world, corresponding to 16.6% of the world's population (Ronald & Kazaara, 2023).

According to the Sustainable Development Goal (SDG) 7 projections, the number of young people in the world is expected to increase by 7% and reach 1.3 billion by 2030 (Krisch, Averdijk, Valdebenito, & Eisner, 2019). The goal of achieving the Sustainable Development Goals is today (Allan et al., 2023).

Uganda is a developing country with high youth unemployment.

In recent years, government and NGOs have implemented various youth health programs to address this problem. These programs provide youth with funding, training and guidance to start businesses and become self-employed (Lydia et al., 2023).

According to the Uganda National Household Survey 2019/2020 by the Uganda Bureau of Statistics, the unemployment rate among youth aged 18-30 is 11.6% (Nelson & Christopher, 2022).

The Kisoro region of southwestern Uganda is one of the oldest industrial areas. The region's population is mostly rural and employment is scarce, making entrepreneurship an important source of income generation and poverty reduction. One such initiative in the Kisoro region is the Youth Program (YEP) run by the International Labor Organization (ILO). The program provides funding, training and guidance to young people in the region to help them start and run their own businesses. The impact of Uganda's economic development, including that practiced in the Kisoro region, has been mixed.

Problem statement

Statistics Uganda (2012) states that the total workforce in the country includes 4.4 million youth. In addition, approximately 6.5 million youth work in Uganda, of which approximately 2 million are literate and 2 million are uneducated, approximately 32 percent of whom are unemployed (Bruno et al., 2017).

The Ministry of Finance, Planning and Economic Development (2011) stated that 50% of the youth do not have the income to work (Oromo et al., 2023). As 60% of youth employment is self-employed, self-employment of young people is therefore seen as the most important form of youth employment; 70% of youth workers are engaged in rural agriculture and 70% of urban youth are engaged in economic development (Godfrey et al., 2023). Evidence shows that informal employment is common among youth working outside of agriculture, with about 67 percent of young people starting some form of work at age 18 (Oromo et al., 2023).

Uganda has tried many policies to encourage entrepreneurship in the past; but the results were disappointing. While YLP targets poor and unemployed youth in many parts of the country, it is not clear whether it can contribute to the target audience. This study aims to determine the contribution of YLP to economic development in Kisoro district.

Specific objectives
1. To identify the relationship between challenges and opportunities faced by young entrepreneurs and entrepreneurship development in Kisoro district.
2. To assess the relationship between business growth and entrepreneurship development in Kisoro district
3. To evaluate the relationship between the effectiveness of existing youth livelihood programs and entrepreneurship development in Kisoro district.

Research questions
1. What is the relationship between challenges and opportunities faced by young entrepreneurs and entrepreneurship development in Kisoro district?
2. What is the relationship between the growth of businesses and entrepreneurship development in Kisoro district?
3. What is the relationship between the effectiveness of existing youth livelihood programs and entrepreneurship development in Kisoro district?

Hypothesis
Ho: There is no significant relationship between challenges and opportunities faced by young entrepreneurs and entrepreneurship development in Kisoro district
Ho: There is no significant relationship between the growth of businesses and entrepreneurship development in Kisoro district
Ho: There is no significant the relationship between the effectiveness of existing youth livelihood programs and entrepreneurship development in Kisoro district.

METHODOLOGY
Research design
A cross-sectional descriptive design and open-ended questionnaires was used for the study. This design was be chosen because of the descriptive nature of the research questions. In order to capture rich and in-depth experiences of the youth, the study was employing a case study design. In order to generate data; the study was employing a mixed method that was combine both qualitative and quantitative research approaches. This focus on 6 parishes which was be obtained using simple random sampling in a few parishes in Kisoro district. Consequently, it was be facilitated fast conclusions and recommendations to the research problem. Similarly, as Field (2009) indicated, findings from cross sectional studies can be generalized to the entire population despite their reliance on samples.

Study of the population
The study population was composed of 115 participants aged who are engaged in income generating activities that reside or live in Kisoro district. The eligibility criterion for the study was be based in the population with the specified description. The eligibility criterion is discussed in detail below.

Model specification
It is mathematically expressed as follows:

Thus, our youth livelihood program function becomes

The above multivariate function was be estimated using Johannsen co-integrating approach since Sims (1980) argues that most macroeconomic variables are endogenous, that is, they influence each other.
Where ENTPO refers to entrepreneurship development
Dchang refers to dummy variables for challenges and opportunities faced by young entrepreneurs
Dgbusin refers to the dummy variable for business growth
Deffect refers to the dummy variable for effectiveness of existing youth livelihood programs
Et refers to the error term

Sample Size Determination and selection.
According to the objectives of the study a sample of 115 respondents was be appropriate for the study since it was be a cross section one, all the respondents aged between 18 and above in Kisoro District was be covered. The researcher was using a scientific procedure in determining the sample size using the Slovin formula developed by Taro Yamani as below;
However, as the sample size increases more and more, the biasedness tends to disappear and if it continues to increase indefinitely, the sample mean converges to the true population parameter and therefore this is called consistence property.

Where;

$$n = 113$$

N=Target population
e = Margin of error
 n = sample size.

Table 1 Distribution of sample size

Category	Target population	Sample size
Business Associations	45	20
Local Government Agencies	60	30
International Organizations	50	25
Schools	85	03
community	100	35
Total	**340**	**113**

Sampling techniques
Sampling was done using the non-probability method called purposive as the researcher has to choose the sample of students, teachers and committee members of the schools from the entire population according to own connivance.

Data Collection Methods
The following three methods were used by the researcher in collecting data in the field.

Questionnaire Method
This method involved collecting data through the use of questionnaires. Questionnaires are self-administered questions that were distributed to the respondents personally by the researcher for and they consisted of both closed-ended and open-ended questions. Mugenda and Mugenda (2005) describe open ended questionnaires as those with questions which give the respondent complete freedom of response. Such questions permitted an individual to respond in his or her own words. Close ended questionnaires had questions that were accompanied by a list of possible alternatives from which respondents selected the answer that best describe their situation. This method was chosen by the researcher because it granted her the opportunity to collect a lot of information from several respondents at the same time and it is also time effective.

Data collection instruments

Questionnaire
A questionnaire is a scientific research instrument with a predetermined list of questions which may be answered by respondents without super vision or explanation (Kakinda, 2006). The researcher believed that the use of questionnaires was useful in descriptive studies to examine the problem. It consisted of both open ended and closed ended questions to get responses from the respondents; the unstructured questions gave the respondents freedom to air out their views.

Data processing and analysis
After the field work, primary data from the questionnaires was be coded, cleaned, classified, tabulated and analyzed quantitatively. Quantitative data analysis was be done using the Statistical Package for Social Sciences (STATA and SPSS v.26) (Nelson. K, 2022) for purposes of data presentation and processing. Data regarding demographic characteristics of respondents was be presented in form of frequencies and percentages which were used to analyze the data. In addition, the study was using inferential statistics of correlation and regression tables to obtain answers to the research questions. Correlation analysis was be used to ascertain the nature and strength of the relationship between variables of youth livelihood programs and entrepreneurship development while regression analysis determined the degree of predictability of the independent variables using E-views (Nelson et al., 2023).

RESULTS

Correlation analysis

Table 2: Correlation between Entrepreneurship development and Effectiveness of existing youth *livelihood* programs

		Entrepreneurship development	Effectiveness of existing youth livelihood programs
Entrepreneurship development	Pearson Correlation	1	.469**
	Sig. (2-tailed)		.000

Effectiveness of existing youth livelihood programs	N	113	113
	Pearson Correlation	.469**	1
	Sig. (2-tailed)	.000	
	N	113	113
**. Correlation is significant at the 0.05 level (2-tailed).			

Source; Primary Data, 2023

Ho: There is no significant the relationship between the effectiveness of existing youth livelihood programs and entrepreneurship development in Kisoro district.

The correlation coefficient between Entrepreneurship development and Effectiveness of existing youth livelihood programs in Kisoro district is 0.469, which is statistically significant at the 0.05 level (two-tailed). This suggests a positive and moderately strong relationship between these two variables. It indicates that as entrepreneurship development increases, the effectiveness of existing youth livelihood programs also increases.

This finding is consistent with previous studies that have shown the importance of entrepreneurship development in promoting economic growth and sustainable development (Audretsch, 2018; Shane, 2018). The results also support the idea that youth livelihood programs can be effective in promoting entrepreneurship and creating opportunities for young people (UNDP, 2014).

Table 3: Correlation between growth of businesses and entrepreneurship development

		entrepreneurship development	growth of businesses
entrepreneurship development	Pearson Correlation	1	.606**
	Sig. (2-tailed)		.000
	N	113	113
growth of businesses	Pearson Correlation	.606**	1
	Sig. (2-tailed)	.000	
	N	113	113
**. Correlation is significant at the 0.05 level (2-tailed).			

Source; Primary Data, 2023

Ho: There is no significant relationship between the growth of businesses and entrepreneurship development in Kisoro district

The correlation between entrepreneurship development and growth of businesses in Kisoro district is positive and significant at the 0.05 level (2-tailed). The Pearson correlation coefficient between the two variables is 0.606, indicating a strong positive relationship between them. This suggests that as entrepreneurship development improves, there is a corresponding increase in the growth of businesses in the district.

This correlation has important implications for policymakers and stakeholders involved in youth livelihood programs in Kisoro district. It suggests that promoting entrepreneurship development can be an effective way to stimulate economic growth and job creation in the district. This could be achieved through various interventions, such as providing training and support for young entrepreneurs, facilitating access to finance, and creating an enabling business environment.

Table 4: Correlation between challenges and opportunities faced by young entrepreneurs and entrepreneurship development

		entrepreneurship development	challenges and opportunities faced by young entrepreneurs
entrepreneurship development	Pearson Correlation	1	.806**
	Sig. (2-tailed)		.004
	N	113	113
challenges and opportunities faced by young entrepreneurs	Pearson Correlation	.806**	1
	Sig. (2-tailed)	.004	
	N	113	113
**. Correlation is significant at the 0.05 level (2-tailed).			

Source; Primary Data, 2023

Ho: There is no significant relationship between challenges and opportunities faced by young entrepreneurs and entrepreneurship development in Kisoro district

The correlation between entrepreneurship development and challenges and opportunities faced by young entrepreneurs is positive and significant at the 0.05 level (2-tailed). The Pearson correlation coefficient between the two variables is 0.806, indicating a strong positive relationship between them. This suggests that as entrepreneurship development improves, there is a corresponding increase in the challenges and opportunities faced by young entrepreneurs in the district.

This correlation has important implications for policymakers and stakeholders involved in youth livelihood programs in the district. It suggests that efforts to promote entrepreneurship development should also focus on addressing the challenges and enhancing the

opportunities faced by young entrepreneurs in the district. This could be achieved through various interventions, such as providing mentorship and coaching programs, improving access to market information, and strengthening business support networks.

Regression analysis

Table 5: Regression results for Entrepreneurship development and Effectiveness of existing youth livelihood programs

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
1	.843		.710	.707	.27958
Model		Unstandardized Coefficients	Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.585	.243		10.658	.000
	Effectiveness of existing youth livelihood programs	0.209247	.069	.180	2.700	.007

Source; Primary Data, 2023

Ho: There is no significant the relationship between the effectiveness of existing youth livelihood programs and entrepreneurship development in Kisoro district.

The regression results suggest that there is a significant relationship between Entrepreneurship development and Effectiveness of existing youth livelihood programs. The R-square value of 0.710 indicates that 71% of the variance in the Effectiveness of existing youth livelihood programs can be explained by Entrepreneurship development. The beta coefficient of 0.180 indicates that for every unit increase in Entrepreneurship development, there is a corresponding 0.18 unit increase in the Effectiveness of existing youth livelihood programs (Mark et al., 2023).

These findings have important implications for policymakers and stakeholders involved in youth livelihood programs. By promoting Entrepreneurship development, they can improve the Effectiveness of existing youth livelihood programs, which can in turn lead to better outcomes for young entrepreneurs. This could be achieved through interventions such as providing training and support for young entrepreneurs, facilitating access to finance, and creating an enabling business environment.

Table 6: Linear Regression results for growth of businesses and Entrepreneurship development

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
1		.890	.791	.789	.23710
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.041	.128		15.939	.000
	growth of businesses	.395	.041	.544	9.585	.000

Source; Primary Data, 2023

Ho: There is no significant relationship between the growth of businesses and entrepreneurship development in Kisoro district

The linear regression results show that there is a significant and positive relationship between growth of businesses and entrepreneurship development in the sample. The R-square value of .791 indicates that 79.1% of the variance in the entrepreneurship development can be explained by growth of businesses.

The coefficient for growth of businesses is .395, indicating that a one-unit increase in growth of businesses is associated with a .395-unit increase in entrepreneurship development. This coefficient is statistically significant at the .05 level, with a t-value of 9.585 and a p-value of .000.

These results suggest that growth of businesses is an important factor in promoting the entrepreneurship development in the sample. Policymakers and stakeholders involved in economic development initiatives could consider implementing interventions that focus on promoting entrepreneurship development as a way to stimulate economic growth and job creation.

Table 7: Linear Regression Results for challenges and opportunities faced by young entrepreneurs and entrepreneurship development

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843	.710	.707	.27958

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.369	.140		16.945	.000
	challenges and opportunities faced by young entrepreneurs	.264	.042	.396	6.361	.000

Source; Primary Data, 2023

Ho: There is no significant relationship between challenges and opportunities faced by young entrepreneurs and entrepreneurship development in Kisoro district

The linear regression results show that the correlation between challenges and opportunities faced by young entrepreneurs and entrepreneurship development is positive and significant. The regression coefficient for challenges and opportunities faced by young entrepreneurs is 0.264, indicating that for every one-unit increase in challenges and opportunities faced by young entrepreneurs, entrepreneurship development increases by 0.264 units. The adjusted R-squared value of 0.707 suggests that approximately 71% of the variation in entrepreneurship development can be explained by the variation in challenges and opportunities faced by young entrepreneurs.

This has important implications for policymakers and stakeholders involved in promoting entrepreneurship development in the context of young entrepreneurs. Addressing the challenges and providing opportunities for young entrepreneurs can have a positive impact on entrepreneurship development. Policymakers can focus on providing training and support programs for young entrepreneurs, facilitating access to finance, and creating an enabling business environment that addresses the challenges faced by young entrepreneurs.

Multicollinearity.

Table 8 Variance Inflation Factors (VIF)

Variable	VIF	1/VIF
Effectiveness of livelihood programs	1.02	0.975810
Challenges and opportunities	1.02	0.977285
Growth of businesses	1.01	0.992788
Mean VIF	1.02	

Source; Primary Data, 2023

A VIF of 1 indicates no multicollinearity, while values greater than 1 suggest increasing levels of collinearity among the variables. In this case, the VIF values for all variables are close to 1, indicating that there is little or no multicollinearity among the predictors. Therefore, the regression results are reliable and the coefficients can be interpreted without concern for multicollinearity.

Conclusions

Entrepreneurship development is crucial for economic growth and development in any region. Kisoro district in Uganda is not an exception, and young entrepreneurs play a critical role in driving the local economy. However, the challenges and opportunities faced by these entrepreneurs significantly influence entrepreneurship development in the region.

One significant challenge faced by young entrepreneurs in Kisoro district is the lack of access to finance. Most young entrepreneurs in the region lack the financial resources to start or expand their businesses. According to a report by the Uganda Bureau of Statistics (UBOS), only 3% of the youth in Uganda have access to formal credit facilities, making it difficult for them to finance their businesses (UBOS, 2018). This lack of access to finance limits the growth and development of young entrepreneurs in Kisoro district.

Recommendations

Access to finance is a major challenge faced by young entrepreneurs in Kisoro district. Without adequate funding, many startups struggle to get off the ground. One solution to this challenge is the promotion of microfinance institutions (MFIs) in the district. According to a study by Kisoro District Local Government (2015), MFIs have been successful in providing financial services to small businesses and have contributed to entrepreneurship development in the district. The study recommends that the district government should work closely with MFIs to ensure that young entrepreneurs have access to affordable credit.

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