

Entrepreneurial Mindset Development Among Tanzanian Youth: Bridging the Gap Between Education and Practical Skills. A case study of Iringa Urban.

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Abstract - Tanzania's youth unemployment crisis underscores the urgency to align education with entrepreneurial skill development, yet systemic gaps persist between formal curricula and real-world economic demands. This study, titled *Entrepreneurial Mindset Development Among Tanzanian Youth: Bridging the Gap Between Education and Practical Skills*, investigates these challenges through a mixed-methods case study of Iringa Urban, a mid-sized city grappling with high youth unemployment despite its agrarian-informal economic base. Drawing on surveys (n=300 youth), stakeholder interviews (n=15), focus group discussions (n=36), and document analysis, the research reveals critical misalignments: 80% of youth expressed entrepreneurial aspirations, yet only 20% of ventures survived beyond two years due to skill gaps, scarce mentorship, and socio-cultural barriers. Key findings highlight systemic weaknesses: theoretical curricula lacking practical training (30% relevance), limited digital literacy (35% proficiency), and gendered resource disparities (65% female disadvantage). Cultural stigmas against vocational trades (60%) and perceived entrepreneurial risk (70%) further stifled youth potential. Ecosystem support—such as access to seed funding (15%) and market linkages (25%)—remained fragmented, exacerbating vulnerabilities in informal sectors. The study underscores the need for context-specific interventions. It advocates integrating hands-on entrepreneurship modules into education, establishing mentorship networks, and leveraging digital tools to bridge urban-rural divides. Policy reforms must prioritize decentralized funding, gender-inclusive programs, and public-private partnerships to strengthen market access. By addressing Tanzania's education-skills disconnect and cultural barriers, this research contributes actionable strategies to transform youth from job seekers into innovators, fostering inclusive economic resilience. This case study offers a model for secondary cities in Sub-Saharan Africa, emphasizing the role of localized solutions in harnessing demographic dividends. Recommendations urge stakeholders to align national policies with grassroots realities, ensuring education systems empower youth to thrive in dynamic, informal economies.

Keywords: Entrepreneurial Mindset, Practical Skills, Iringa, Digital Literacy, Ecosystem, Youth.

1. INTRODUCTION

Entrepreneurship is increasingly acknowledged as a crucial factor in promoting economic growth, innovation, and job creation, especially in developing nations. In Tanzania, where youth unemployment poses a significant challenge, cultivating an entrepreneurial mindset among the younger population is vital for sustainable development. Nevertheless, there exists a notable disparity between formal education and the practical skills required for success in entrepreneurial endeavors. This study investigated this gap through a case study of Iringa Urban. By analyzing the existing educational systems, youth attitudes, and the influence of local ecosystems on fostering entrepreneurship, this research wanted to determine strategies to prepare Tanzanian youth with the mindset and skills essential for thriving in a changing economic environment. The findings seek to inform policymakers, educators, and stakeholders on how to better align education with real-world entrepreneurial

demands, in the end contributing to youth empowerment and economic resilience in Tanzania.

Entrepreneurship has emerged as a crucial driver of economic development, addressing challenges like unemployment, poverty, and inequality globally [1, 2]. In developed countries, entrepreneurial ecosystems thrive on robust education systems, access to capital, and supportive policies [1]. Innovation in entrepreneurship education, including project-based learning and business simulations, is essential for creating sustainable entrepreneurial ecosystems [3]. Collaboration between educational institutions, industry, and government strengthens these ecosystems by providing resources and networks [3]. In developing countries like Nigeria, refocusing educational policies towards entrepreneurship is seen as a potential solution to unemployment and poverty [2, 4]. Entrepreneurship education can impart skills, values, and attitudes necessary for wealth creation and social-economic empowerment, potentially addressing issues of national insecurity and social unrest [4].

Entrepreneurship education has emerged as a critical driver of sustainable development and economic growth, particularly in developing regions facing socio-economic challenges [5]. The World Economic Forum emphasizes its importance in developing skills, attitudes, and behaviors necessary for job

creation, innovation, and addressing global challenges[6]. Integrating entrepreneurship into curricula at all educational levels is crucial for tackling unemployment and fostering an entrepreneurial mindset[7]. Effective approaches include hands-on learning, business simulations, and creating innovative classroom environments [7]. Government initiatives like Skill India and Startup India aim to impart job-ready skills and support entrepreneurship [5]. However, challenges persist, including limited access to capital and infrastructural deficiencies [5]. To address these issues, collaboration between academic, public, private, and non-profit sectors is essential in supporting entrepreneurship ecosystems[6].

Africa faces a significant youth employment challenge due to its demographic youth bulge, with over 60% of the population under 25[8]. While this presents opportunities for a demographic dividend, it also poses risks of demographic distress [9]. The continent's economic structure has failed to transform from low-productivity agriculture to higher-productivity non-agricultural sectors, resulting in limited formal wage employment [10]. Consequently, many youth turn to informal sectors and entrepreneurship for survival [9]. Key drivers of youth unemployment include the youth bulge, poor economic growth, and inadequate job creation[11]. To address this challenge, policies should focus on regional integration, investment in education and skills training, and support for youth entrepreneurship, particularly in agriculture, IT, and ICT [8, 9]. Additionally, promoting growth in high labor absorption sectors like agriculture and manufacturing is crucial for job creation [11].

Entrepreneurship education is increasingly viewed as a solution to youth unemployment in Africa, particularly in East African countries like Kenya and Uganda[12, 13]. While efforts to promote entrepreneurship have been made, challenges persist, including limited access to funding, business skills training, and high failure rates of youth-led startups [13]. To address these issues, innovative approaches in education are being explored, such as integrating entrepreneurship training into curricula, establishing partnerships with local businesses, and creating mentorship programs [12]. However, critics argue that a capabilities approach is necessary to address the social, material, and institutional conditions that mediate youth livelihood opportunities [14]. Building a sustainable entrepreneurship ecosystem requires collaboration between educational institutions, industry, and government, as well as the implementation of project-based learning and business simulations to enhance entrepreneurial readiness and skills [15].

Tanzania's education system faces challenges in providing practical skills needed for employment. A study in Morogoro Region found that the informal sector, which employs many Tanzanians, demands practical-oriented skills from vocational education and training (VET) graduates [16]. However, secondary school students often have negative

attitudes towards VET, preferring socially prestigious white-collar professions [17]. This mismatch is exacerbated by a lack of soft skills among higher education graduates, attributed to poor curriculum design, ineffective educational policies, incompetent trainers, and inadequate facilities [18]. To address these issues, recommendations include transforming the VET curriculum to align with current business needs[16], incorporating vocational subjects in secondary school curricula[17], and holistically addressing factors contributing to soft skills deficiencies through policy reviews, improved infrastructure, and enhanced teacher training [18].

Urban youth in Tanzania face significant employment challenges, driving many towards informal enterprises and migration. In Iringa, vocational training students show interest in entrepreneurship, motivated by a desire for autonomy, though entrepreneurship courses have limited impact on this inclination [19]. Rural-urban migration is facilitated by social networks, with earlier migrants supporting newcomers in accessing urban opportunities[20]. However, rapid urbanization has increased pressure on resources, with rural population tripling over 50 years [21]. Government policies, including villagization and agricultural marketing reforms, have adversely affected rural areas, while inadequate local government structures hinder urban areas' ability to accommodate migrants[21]. The youth employment crisis in urban areas presents significant obstacles to self-reliance and transition to adulthood, with multifaceted constraints on agency varying by gender and education level [22].

Recent studies highlight the importance of contextualizing entrepreneurship education in African countries. In Tanzania, integrating entrepreneurship into secondary education through extracurricular activities and dedicated subjects is recommended to address youth unemployment [23]. However, the effectiveness of such programs depends on aligning them with local, national, and institutional factors[24]. A study in Tanzania reveals how neoliberal policies have influenced entrepreneurship education, emphasizing market-oriented skills and values [25]. Research in Kenya and Tanzania shows the need for entrepreneurial learning approaches that consider social context, suggesting action learning as a means to explore local realities [26]. These studies collectively show the importance of adapting entrepreneurship education to specific African contexts, considering social and economic structures, and engaging with the informal sector to enhance relevance and effectiveness in addressing unemployment and fostering economic growth.

Entrepreneurship education and skills-based curricula are emerging as crucial strategies to address youth unemployment in Africa [12]. By integrating business management, finance, and marketing skills into education systems, countries can foster innovation and economic growth [12]. In Tanzania,

focusing on entrepreneurship and management skills training could potentially create millions of jobs [22]. However, the manufacturing sector in Tanzania and Ethiopia shows a dichotomy between large, productive firms with limited employment growth and small firms that absorb labor but lack productivity growth [27]. To combat rising unemployment, Tanzania could benefit from integrating entrepreneurship education into secondary schools through extracurricular activities, subject integration, or standalone courses [23]. While challenges persist, the main hurdle for Tanzania in implementing entrepreneurship education and reducing unemployment appears to be political willingness rather than financial capacity [23].

Entrepreneurial ecosystems play a crucial role in fostering entrepreneurship, particularly in developing countries. Isenberg's model identifies six key domains: policy, finance, culture, support, human capital, and markets [28]. In Tanzania, entrepreneurs face challenges such as bureaucracy, limited access to capital, and cultural barriers, but also benefit from traditional practices and changing gender relations [29]. The entrepreneurial process is influenced by environmental conditions, which vary across regions and economies [30]. Supportive elements include professional support, incubators, networking, and R&D investments, while hindrances include lack of funding and unfavorable social norms. During crises like COVID-19, stakeholder engagement and collaboration are vital in improving ecosystem quality and reducing vulnerability [31].

Digital transformation in Tanzania presents both opportunities and challenges, particularly in education and youth empowerment. While mobile money and e-commerce platforms have enabled market entry for youth [32], digital literacy remains low, especially in rural areas [33]. Universities play a crucial role in creating ICT awareness and expertise through policies, collaborations, and infrastructure development [33]. The COVID-19 pandemic has accelerated the need for digital transformation in education, highlighting the potential benefits of embracing technology to address sector challenges [34]. However, implementing education technology in rural areas faces obstacles such as limited electricity, internet connectivity, and insufficient resources [33]. To bridge the digital divide, recommendations include integrating ICT training into education, fostering partnerships with tech companies, and incentivizing affordable data packages for educational purposes [33].

The research papers highlight challenges in equipping Tanzanian youth with entrepreneurial skills. While vocational training centers (VTCs) in Iringa show high interest in entrepreneurship among trainees, formal training in business skills is often lacking [19]. Universities struggle to implement holistic, student-centered approaches for developing entrepreneurial competencies, relying more on theoretical active participation [35]. Integrating entrepreneurship education in vocational training faces obstacles such as

limited time, varying student comprehension levels, and financial constraints [36]. To address the skills mismatch and youth unemployment, there is a need for improved university-industry collaboration (UIC) in higher technical education [37]. These studies emphasize the importance of practical, hands-on entrepreneurship training and stronger connections between educational institutions and industry to better prepare Tanzanian youth for self-employment and the evolving job market.

Research on women entrepreneurs in Tanzania, particularly in Iringa, reveals persistent gender disparities in agricultural and business sectors. Women face challenges including limited access to markets, capital, and resources, as well as unequal social responsibilities [38, 39]. Cultural norms and power imbalances often restrict women's participation in cash crop value chains and larger economic ventures [40, 41]. However, women employ various strategies to overcome these barriers, such as forming economic groups and entrepreneurship clubs [38]. Sunflower commercialization presents opportunities for women's empowerment, though cultural influences still affect resource control [40]. In Mufindi district, women primarily engage in small-scale income-generating activities like selling vegetables, livestock products, and tailoring [41]. Improving gender-responsive programming in seed systems, finance, market access, and value chains could address these disparities [39].

The worldwide conversation surrounding entrepreneurship highlights its potential for transformation, yet implementing it effectively requires strategies that are tailored to specific contexts. In Africa, and specifically in Tanzania, the need to connect education with practical skills is intensified by demographic challenges and economic conditions. Iringa Urban, characterized by its mix of obstacles and opportunities, serves as an important focal point for exploring these dynamics. By integrating global perspectives, African innovations, and factors specific to Tanzania, this study aimed to enhance the larger discussion on youth empowerment and sustainable development.

While many studies look into entrepreneurship education and youth unemployment in Africa, only a few focus on the interaction between formal education, cultural viewpoints, and localized entrepreneurial environments in mid-sized Tanzanian cities. Research typically centers on larger urban areas like Dar es Salaam, often overlooking regions such as Iringa Urban, where agrarian economies and informal sectors primarily operate. Furthermore, previous research rarely explores how Tanzania's theoretical curricula relate to youth ambitions, gender-related obstacles, and gaps in digital literacy that limit entrepreneurial potential.

This study aims to achieve three primary objectives. First, it seeks to evaluate the extent to which Tanzania's formal education system in Iringa Urban equips youth with practical entrepreneurial skills, identifying gaps between theoretical

curricula and real-world demands. Second, it examines the socio-cultural and economic barriers—including gender disparities, risk aversion, and limited access to mentorship—that hinder youth from pursuing entrepreneurial ventures despite their aspirations. Third, the study proposes context-specific strategies to align educational outcomes with local market opportunities, drawing on successful models from comparable regions. By addressing these objectives, the research aims to provide actionable recommendations for fostering an entrepreneurial ecosystem that bridges education, skills, and Tanzania's agrarian-informal economic realities.

This research is significant as it challenges the issue of youth unemployment in Tanzania by exploring how educational systems can more effectively provide young people with the entrepreneurial skills necessary for formal and informal sectors, thus promoting job creation. It offers insights to policymakers and educators regarding curriculum reforms aimed at closing the gap between education and practical skills. Concentrating on Iringa Urban a region that has received little attention it reveals specific local obstacles (such as cultural stigmas, gender inequalities, and a lack of mentorship) that hinder entrepreneurship and proposes customized solutions. The study adds to the global discussion on youth empowerment by highlighting the contextual challenges faced in low-resource environments and stressing the importance of digital literacy and vocational training. By elevating the voices of young people, it advocates for inclusive development, ensuring that marginalized groups, particularly young women, gain advantages.

Next to these sections, this paper presents the methodology section, which details the research design, data collection methods, and analytical approaches employed in this study. Then the results and discussion sections follow. Lastly conclusions with a summary of key findings and recommendations together with areas for future researches are presented.

2.METHODOLOGY

This study adopts a mixed-methods case study design to explore entrepreneurial mindset development among youth in Iringa Urban, Tanzania, integrating qualitative and quantitative approaches for comprehensive insights.

2.1 Research Area.

This study focuses on Iringa Urban, a mid-sized municipality in Tanzania's southern highlands. Iringa Urban was selected due to its unique blend of agrarian economic activities, informal trade sectors, and a growing youth population facing unemployment despite proximity to educational institutions like the University of Iringa. The area exemplifies Tanzania's broader challenges in aligning education with labor market demands, particularly in under-researched secondary cities. Its economy relies heavily on agriculture (e.g., maize and

sunflower production), small-scale trade, and vocational services, making it an ideal locus to investigate gaps between formal education and entrepreneurial skill requirements. The study targets youth aged 18–35, educators, policymakers, and local entrepreneurs to capture multi-stakeholder perspectives.

2.2 Population, Sample and Sampling techniques.

The target population comprises two primary groups which are; Youth, approximately 30,000 young individuals (18–35 years) in Iringa Urban, including students, graduates, and those engaged in informal or agrarian sectors. This group represents the core demographic wrestling with unemployment and entrepreneurial barriers. And stakeholders involving educators (secondary and vocational trainers), policymakers (local government officials), entrepreneurs (successful local business owners), and NGO representatives involved in youth empowerment programs. These stakeholders provide insights into systemic challenges and policy frameworks. Sample Size of 300 youth participated, selected through stratified random sampling to ensure proportional representation across age (18–25 and 26–35), gender (50% male, 50% female), education level (secondary, vocational, tertiary), and economic sectors (agriculture, trade, services). Purposive sampling selects stakeholders for interviews based on expertise. Sampling Frame included Youth registries from local wards, vocational centers, and universities. Random selection within strata minimized bias.

2.3 Data Collection

Structured questionnaires administered to 300 youth (aged 18–35) randomly sampled across educational backgrounds, genders, and vocational sectors to assess their perceptions of education, skills gaps, and entrepreneurial aspirations. Semi-structured interviews with 15 key stakeholders (educators, policymakers, local entrepreneurs, NGO representatives) provided depth on systemic barriers and cultural attitudes. Focus Group Discussions (FGDs), four FGDs (8–10 participants each) with youth explored challenges, aspirations, and contextual influences on entrepreneurship. Review of Tanzania's educational curricula and local reports to evaluate alignment with practical skills.

2.4 Data Analysis

Quantitative data analyzed via SPSS for descriptive statistics while Qualitative data (interviews, FGDs) thematically coded using NVivo to identify barriers, cultural norms, and ecosystem gaps. Triangulation validates findings across methods.

3. RESULTS AND DISCUSSION

In this section the results and discussion of the findings are presented and discussed, begin with education system

alignment, social cultural barrier, entrepreneurial ecosystem support, youth aspirations & skills and digital literacy.

3.1 Education System Alignment

The study revealed critical gaps in Tanzania's education system regarding its alignment with entrepreneurial skill development. Results in figure 1 shows that, curriculum relevance to entrepreneurship was rated at a mere 30%, as determined through document analysis of national curricula, syllabi, and policy frameworks. The reviewed materials emphasized theoretical knowledge in subjects like

mathematics and social studies but lacked modules on business planning, innovation, or market analysis. One policymaker noted,

“Our curricula are decades behind—students memorize concepts but don’t learn how to apply them to real-life businesses.”

This disconnect was particularly evident in agrarian regions like Iringa Urban, where youth expressed frustration over the absence of agriculture-linked entrepreneurship training despite the sector dominating the local economy.

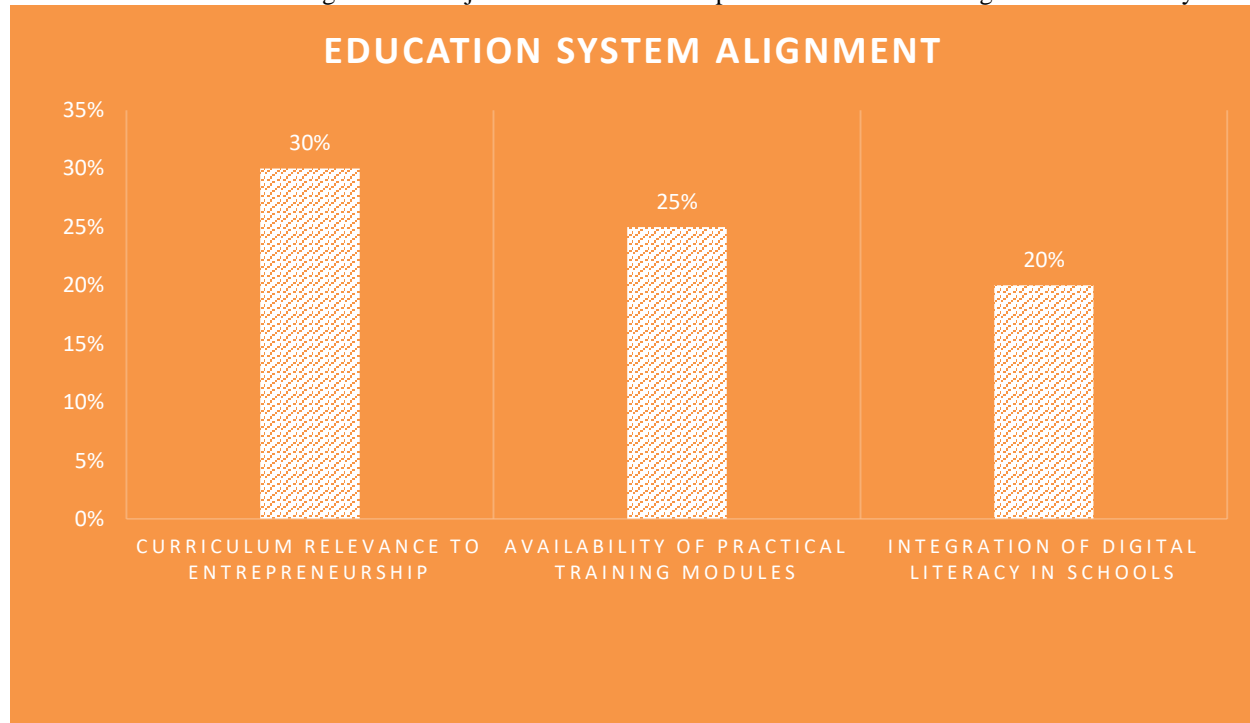


Figure 1: Education System Alignment

The availability of practical training modules was similarly limited, with only 25% of stakeholders confirming their existence in schools. Interviews with educators and vocational trainers highlighted systemic underinvestment in hands-on learning tools. A vocational instructor explained,

“We have textbooks explaining ‘entrepreneurship,’ but no workshops for budgeting or product design. Students graduate without knowing how to start a tomato-selling business.”

Stakeholders attributed this to rigid administrative structures and reliance on donor-funded, short-term programs that rarely integrate into mainstream education.

Integration of digital literacy in schools scored even lower at 20%, as reported by 300 surveyed youth. While a few schools had computer labs, access was irregular, and training focused

on basic software rather than leveraging digital tools for business. A 24-year-old respondent remarked,

“We learned to type in Word, but not how to use social media to sell crops or mobile money to track profits.”

This gap persisted despite national policies advocating for ICT integration, showing a mismatch between policy self-importance and implementation. Youths in Iringa Urban, many of whom relied on informal trade, emphasized that digital skills were critical for accessing e-commerce platforms and financial services but felt ill-prepared by their education.

Together, these findings show systemic weaknesses in Tanzania's education framework, where theoretical dominance and infrastructural deficits muted youth readiness for entrepreneurship. As one educator summarized,

"We're teaching youth to pass exams, not to innovate or adapt to markets."

Addressing these gaps would require reimagining curricula to prioritize experiential learning, digital fluency, and context-specific skills aligned with local economic realities.

3.2 Socio-Cultural Barriers

The study exposed entrenched socio-cultural barriers that significantly hindered youth entrepreneurship. Results in figure 2 illustrates that, gender disparities in resource access emerged as a critical issue, with 65% of female respondents reporting systemic disadvantages. Cultural norms often restricted women's participation in entrepreneurship, particularly in male-dominated sectors like

agribusiness and construction. A young female entrepreneur shared,

"When I applied for a loan to expand my poultry farm, the officer asked if my husband approved. Men don't face such questions."

Limited access to land ownership, financial services, and mentorship further marginalized women, as families traditionally prioritized sons' education and inheritance. Stakeholders noted that even when women launched businesses, societal expectations of domestic roles stressed their capacity to scale enterprises.

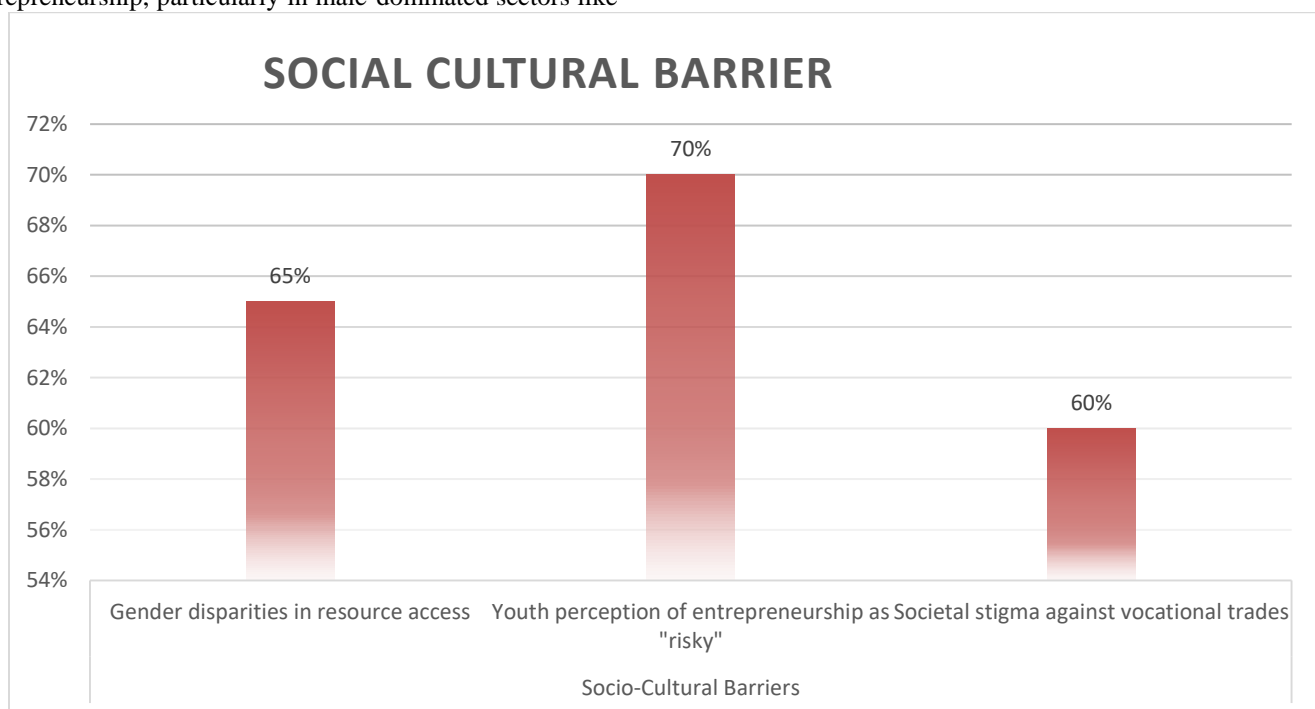


Figure 2: Socio-Cultural Barriers

Youth perception of entrepreneurship as 'risky' was pervasive, with 70% of surveyed youth associating self-employment with financial instability and social judgment. Many attributed this to high failure rates among peers and a lack of safety nets. A 22-year-old respondent explained,

"My cousin's shop collapsed after a change in business environment. Now my family warns me, 'Study hard, don't gamble like him.'"

This risk aversion was compounded by limited exposure to entrepreneurial role models and an education system that valorised formal employment. Educators observed that parental pressure to pursue "secure" careers in teaching or

civil service deterred youth from exploring ventures, perpetuating a cycle of dependency on scarce salaried jobs.

Societal stigma against vocational trades further muted entrepreneurial aspirations, with 60% of interviewees acknowledging biases against skills-based work. Vocational careers, such as carpentry or tailoring, were often dismissed as "uneducated" pursuits. A local carpenter remarked,

"Parents tell their kids, 'If you fail exams, you'll end up like him.' They don't see my workshop employs six people."

This stigma discouraged youth from leveraging vocational training centers, even as demand for skilled artisans grew in

Iringa's informal economy. Policymakers admitted that national campaigns to rebrand vocational education had limited reach, leaving outdated perceptions unchallenged.

These barriers reflected a cultural ecosystem where traditional norms and risk-averse mindsets constrained youth potential. As one NGO worker summarized,

"Changing minds is harder than changing policies. We need communities to see entrepreneurship as a dignity, not a last resort."

Addressing these challenges required dismantling gendered stereotypes, amplifying success stories, and integrating vocational pride into Tanzania's socio-cultural narrative.

3.3 Entrepreneurial Ecosystem Support

The study results in figure 3 identified critical weaknesses in entrepreneurial ecosystem, with access to mentorship programs reported by only 20% of youth. Most young entrepreneurs lacked guidance on business planning, market strategies, or problem-solving, leaving them to cross challenges independently. A 28-year-old agribusiness owner lamented,

"I lost two harvests to pests before I learned about cooperatives—no one taught me."

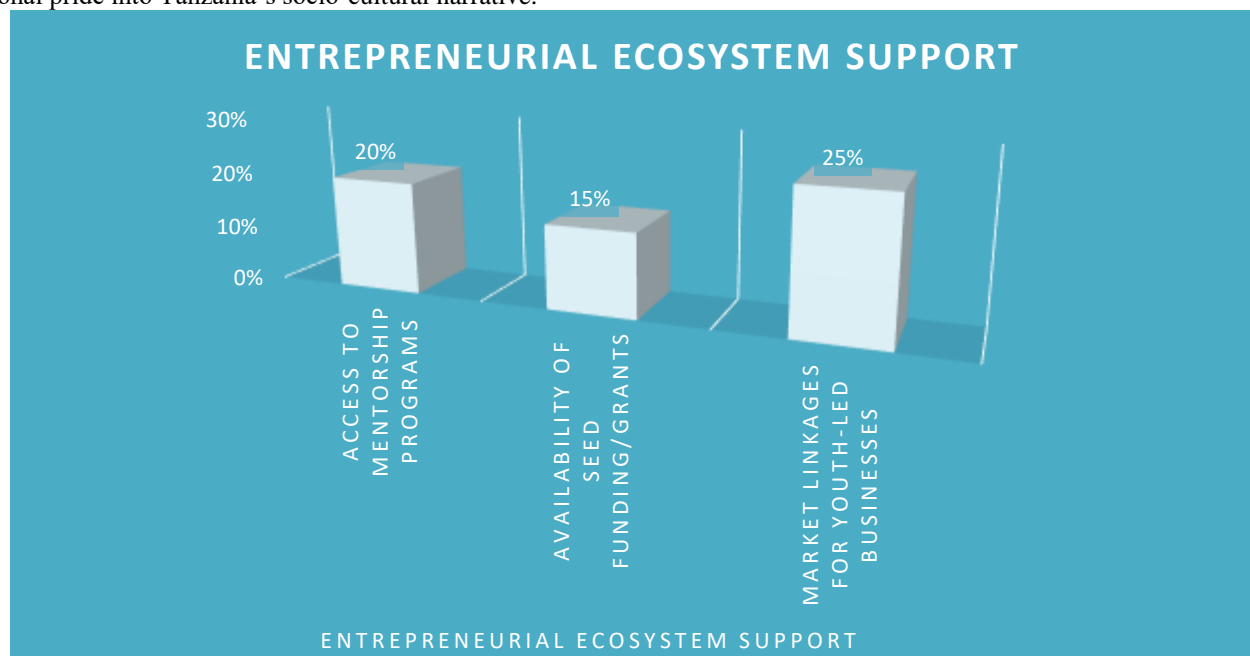


Figure 3: Entrepreneurial Ecosystem Support

Existing mentorship initiatives, often run by NGOs, were described as "sporadic" and "too theoretical" by stakeholders. For instance, a six-month youth entrepreneurship program in 2022 reached just 50 participants, with no follow-up support. Educators highlighted that mentorship was rarely integrated into school curricula, perpetuating knowledge gaps.

Availability of seed funding or grants was even scarcer, cited by only 15% of respondents. Youth emphasized systemic barriers, including complex application processes, collateral requirements, and biases favouring established businesses. A 19-year-old tailoring entrepreneur shared,

"Banks asked for land deeds I don't own. My designs won't grow without capital."

While government grants like the Youth Development Fund existed, beneficiaries criticized delays and politicized allocation. One NGO leader admitted,

"Funds are tied up in bureaucracy, youth give up before approvals."

Informal sources, such as family loans or village savings groups, carried high interest rates (up to 30% monthly), deterring risk-averse youth.

Market linkages for youth-led businesses were marginally better at 25%, though still inadequate. Many entrepreneurs relied on hyper-local customer bases, struggling to access regional or digital markets. A basket weaver explained,

"I sell at the roadside because I don't know how to export. Middlemen take most profits."

Limited exposure to trade fairs, e-commerce platforms, and supply-chain networks restricted growth. While organizations like SIDO (Small Industries Development Organization) provided some market access training, participants noted programs were "too short" and "not tailored to informal sectors."

These gaps revealed an ecosystem ill-equipped to nurture youth ventures. As a local NGO director concluded,

"We have fragments of support, but no bridge connecting them."

Strengthening mentorship networks, simplifying funding mechanisms, and fostering inclusive market partnerships emerged as urgent priorities to transform Iringa's entrepreneurial landscape.

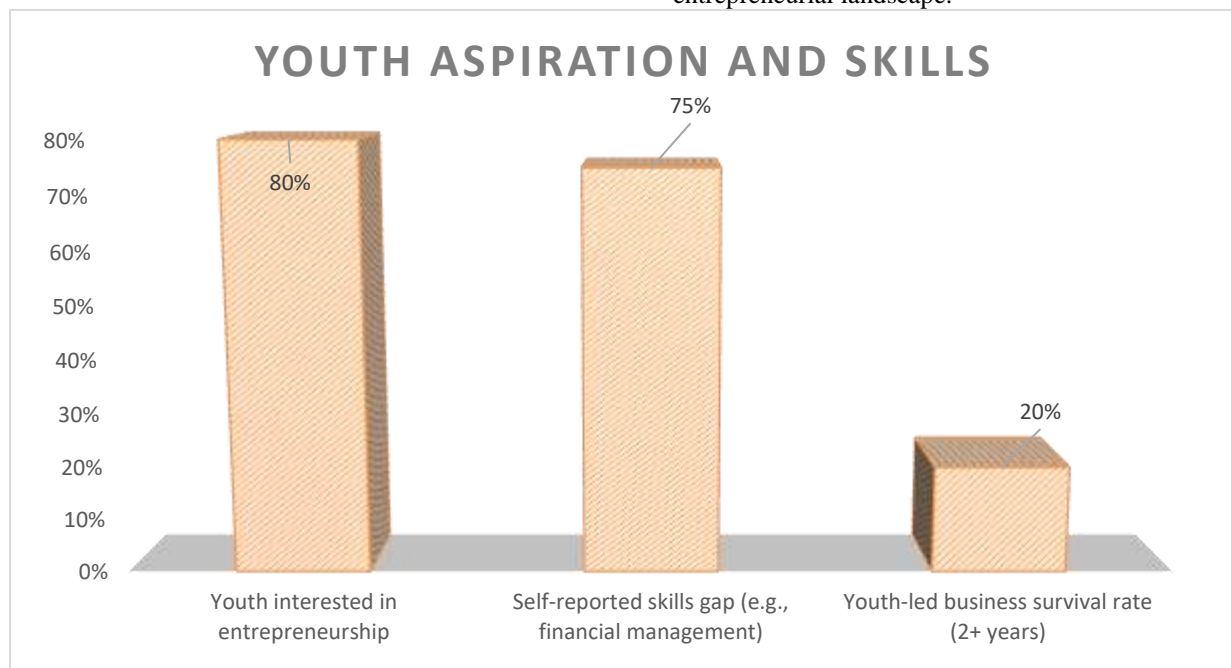


Figure 4: Youth Aspirations and Skills

3.4 Youth Aspirations and Skills

The study revealed a prominent paradox in figure 4: while 80% of youth expressed interest in entrepreneurship, only a fraction possessed the skills or support to sustain ventures. Most viewed entrepreneurship as a pathway to economic independence amid scarce formal jobs. A 23-year-old graduate stated,

"I'd rather sell solar lamps than wait years for a teaching job. But no one taught me how to price products or manage customers."

This enthusiasm was fueled by peer success stories and media narratives celebrating self-employment, yet systemic gaps between aspiration and capability persisted.

A 75% self-reported skills gap in areas like financial management, marketing, and business planning show systemic educational failures. Focus group participants lamented theoretical curricula that ignored practical realities.

"I can calculate interest rates in math class, but I don't know how to save profits or repay loans," admitted a 20-year-old shop owner.

This disconnect left youth ill-prepared to cross cash flow challenges, leading to poor decision-making. For example, many reinvested profits impulsively or overlooked record-keeping, worsening business vulnerabilities. Vocational trainees reported similar frustrations, with one noting,

"We learn carpentry techniques but not how to cost materials or negotiate with clients."

The 20% survival rate of youth-led businesses beyond two years highlighted the consequences of these gaps. High failure rates were attributed to inadequate skills, limited mentorship, and external shocks like crop failures or inflation. A 26-year-old Agripreneurs whose maize venture collapsed shared,

"I didn't know how to diversify crops when prices dropped. Now I'm back to odd jobs."

Municipal records corroborated that most closures occurred within the first 18 months, often due to poor financial planning or market saturation. Even successful entrepreneurs faced scalability challenges, as few understood supplies chain logistics or digital marketing.

These findings illustrated a critical misalignment: high entrepreneurial aspirations were quiet by systemic skill deficits and fragile support systems. As a youth leader observed,

“We’re eager to work, but our dreams hit a wall of ‘how?’”

Bridging this gap required integrating hands-on business training into education, fostering mentorship networks, and creating safety nets to sustain early-stage ventures.

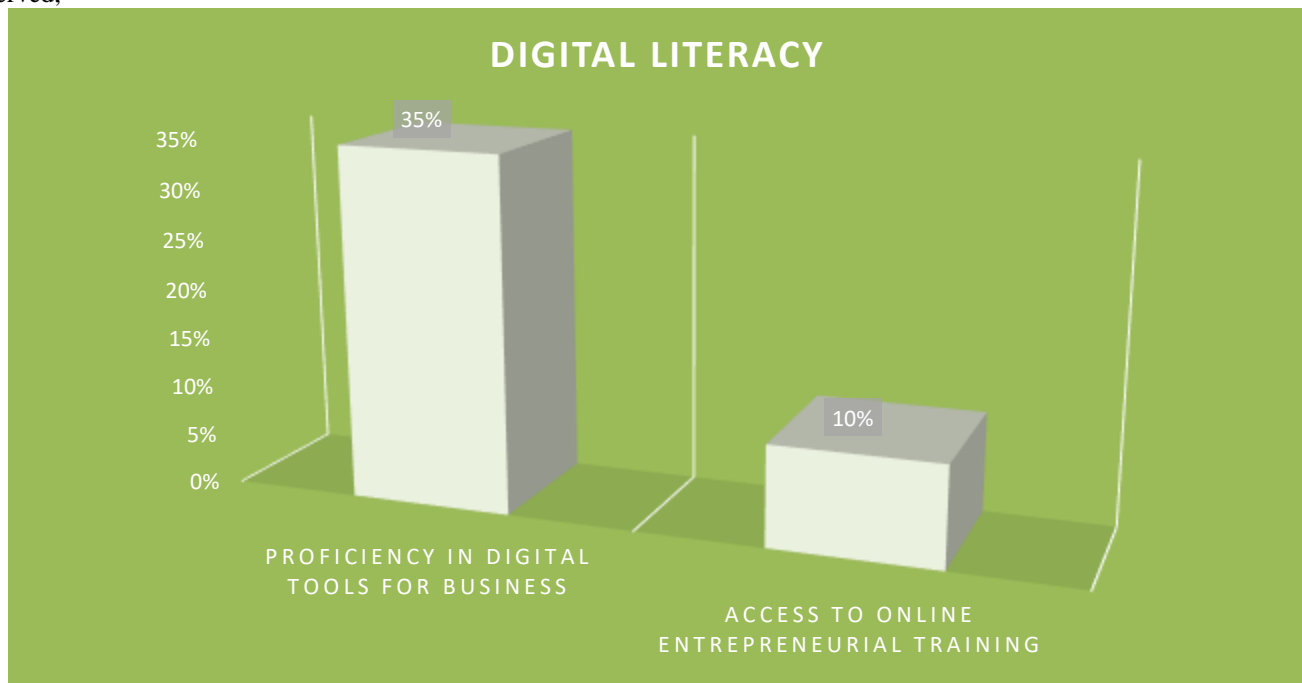


Figure 5: Digital Literacy

3.5 Digital Literacy

The study highlighted significant deficits in digital literacy, figure 5 shows with only 35% of urban youth in Iringa Urban demonstrating proficiency in using digital tools for business. While basic mobile phone usage was widespread, skills like leveraging e-commerce platforms, digital marketing, or financial management apps remained underdeveloped. A 27-year-old vendor noted,

“I use WhatsApp to chat, but I don’t know how to create ads or track sales online.”

Schools and vocational centers offered minimal ICT training, focusing on basic tasks like typing rather than business applications. Even youth with smartphone access struggled to harness technology for enterprise growth, reflecting a gap between digital access and functional literacy.

Access to online entrepreneurial training was alarmingly low at 10%, as reported by surveyed youth. Limited internet

affordability, unreliable connectivity, and a lack of localized content hindered participation. A 21-year-old tailoring entrepreneur explained,

“Online courses are in English or assume we have Wi-Fi. I can’t afford data daily.”

While initiatives like the Tanzania Youth Digital Skills Program existed, reach was confined to major cities, excluding mid-sized hubs like Iringa. Stakeholders criticized training programs as “too generic,” failing to address agrarian or informal sector needs.

These gaps show the untapped potential of digital tools to empower youth entrepreneurs. As one government official admitted,

“We’ve focused on hardware, computers in school, but neglected teaching youth to turn clicks into income.”

Bridging this divide required context-relevant training, affordable data plans, and partnerships with tech firms to democratize digital opportunities.

4. CONCLUSION AND RECOMMENDATIONS

This research highlights the critical necessity to connect Tanzania's educational framework with the practical skills needed to promote entrepreneurial success among the youth in Iringa Urban and related regions. In spite of their high aspirations (with 80% showing interest in entrepreneurship), systemic obstacles including outdated educational programs, socio-cultural stigmas, a fragmented support ecosystem, and deficiencies in digital literacy prevent young people from converting their ambitions into viable businesses. The prevalence of theoretical education, alongside limited access to mentorship, funding, and market connections, leaves young entrepreneurs unprepared to cross Tanzania's agrarian-informal economy. Gender inequalities further disadvantage women, while societal biases against vocational sectors hinder innovation. If focused actions are not taken, youth unemployment will continue, wasting the demographic potential of a population where 67% are aged under 25.

The study recommends the following;

- Integrate practical entrepreneurship modules into secondary and vocational education, emphasizing financial literacy, business planning, and digital skills. Partner with local entrepreneurs to co-design context-specific content (e.g., agribusiness management).
- Pilot experiential learning programs, such as school-based micro-enterprises or farm cooperatives, to apply classroom theory to real-world challenges.
- Establish youth mentorship hubs linking entrepreneurs with industry experts and successful local business owners. Leverage NGOs and universities to provide ongoing coaching.
- Simplify access to seed funding by creating youth-friendly grant schemes with low collateral requirements and streamlined application processes. Prioritize women-led ventures to address gender gaps.
- Expand affordable digital literacy programs tailored to informal sectors (e.g., mobile-based marketing training for farmers). Collaborate with telecom companies to subsidize data costs for entrepreneurial platforms.
- Develop localized online training in Swahili, focusing on e-commerce, mobile money management, and supply-chain digitization.
- Launch public awareness campaigns to rebrand vocational trades and entrepreneurship as dignified, viable careers. Showcase youth success stories through media and community dialogues.
- Engage elders and community leaders to challenge gender norms and advocate for women's access to resources (land, loans, training).
- Foster public-private partnerships to create market linkages, such as trade fairs connecting youth producers with regional buyers or e-commerce platforms.

Areas for Future Research

- Investigate how integrating practical entrepreneurship modules into Tanzania's education system affects youth business outcomes over time
- Explore how factors like rural-urban divides, marital status, or disability intersect with gender to shape women's entrepreneurial access.
- Examine how social media platforms like Instagram or WhatsApp Marketplace can be leveraged for informal trade in low-connectivity regions.
- Analyse the untapped potential of informal mentorship (e.g., family, peer groups) versus formal programs.
- Examine the impact of Tanzanian diaspora investments or knowledge transfers on local youth entrepreneurship.
- Investigate psychosocial challenges faced by youth entrepreneurs, such as fear of failure, financial anxiety, or societal pressure.
- Compare Tanzania's entrepreneurial challenges with those of neighbouring countries (e.g., Kenya, Uganda) to identify transferable solutions.

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