Capacity Assessment of Youth Entrepreneurship Program Implementers in Madagascar

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Abstract: This study sought to assess the capacity of key implementers of Youth Entrepreneurship Programs and their partners in Madagascar. The study specifically sought to assess the technical capacities of Youth Entrepreneurship program implementers in Madagascar and to establish the barriers to youth engagement in entrepreneurship programs. This study was anchored on human capital theory. The study adopted a descriptive research design with a target population of 40 agribusiness program implementers from government, quasi-government and private sector actors drawn from Antananarivo, Toamasina, Antirabe and Manakara regions of Madagascar. The choice of the study area was based on ongoing youth employment initiatives funded by the Government of Madagascar. The study revealed that the most common challenges faced when implementing youth entrepreneurship programs was inadequate capacity among program implementers. It was established that program implementers did not have adequate capacities to be able to drive the proposed youth employment solutions and deploy business models effectively. The study recommends that countries focused on addressing youth entrepreneurship programs should invest significantly in developing the capacity of staff tasked with rolling out the interventions. The strategies employed in different contexts are varied and at times quite dynamic. These calls for continuous skills development and training for staff as well as provision of necessary facilities and infrastructure to ensure continuity and sustainability of initiatives that address youth employment challenges.

Keywords: Capacity, Partners, youth entrepreneurship

1. Introduction

1.1 Background Information

Business Development Services (BDS) present various services used by business operators to work efficiently and grow their firms (Otomi, 2009). The United Nations Development Programme (UNDP), as an entrepreneurship promotion and enterprise performance stakeholder, has continuously played a vital role in promoting BDS and developing capacities of BDS providers across diverse countries. Among the key roles played by UNDP in promoting youth entrepreneurship include the creation of business support centres, local economic development, business incubators and information and communication technology (Gauthier & Gilomen, 2016).

The place of adequate capacity among development and employment program implementers cannot be overemphasized. It has been proven that capacity development is the key driver of sustainable development (SNV 2015). According to Hauck, Young et al (2015) Think tanks are increasingly seen as catalysts to strengthen a developing society’s capacity to build ownership for country-driven processes and steer itself by enhancing the quality of the policymaking process. Sustainability and empowerment have all along been the core ideas behind capacity development thinking and practice (Ibid, 2015). Many implementing organizations have little experience working with youth especially in the context of entrepreneurship and subsequent job creation. Most youth organizations on the other hand may have limited organizational capacity to implement and scale up programmes themselves hence cannot be fully relied upon. Linking youth empowerment programs with existing private sector initiatives aligned to the program objectives often requires building the capacity of implementing teams to deliver services to youth in a youth-focused and non-prejudiced way. Establishing services outside the government or private sectors require significant effort to build management infrastructure and processes, which further require previous knowledge and experience which in many instances appear to be limited. Nico Hjortso et al 2017 noted that even though there were training offered under the UniBRAIN program and these training events were considered an important source of general information and capacity development, some interviewees in his assessment emphasized that it was important that the training conducted was based on actual needs assessment and not just constitute generic courses. This assertion further emphasizes the need for appropriate capacity development of program implementing teams. To inspire youth to engage in entrepreneurship initiatives among them agribusiness, governments and development partners ought to implement various interventions. For example, the Association of Farm worker Opportunity Programs (AFOP National Program in Cameroon demonstrated successful youth projects, thus changing the mindsets of the youth toward agribusiness as a career. The same program addressed the bias of family, friends, and media against agricultural careers, thus bringing about attitudinal change toward agribusiness (Yami, et al. 2019). However, in the program evaluation there was mention of capacity gaps among program implementers, which seems a common trend in many such programs. In Zambia, UniBRAIN Universities, Business and Research in Agricultural Innovation) addressed the gaps in aspiration by matching jobs with the required skills through job needs assessment on what the job market demanded and equipping youth with the required skills (Ameyaw, 2015). However, despite agribusiness incubation being a new concept there was little focus on capacity development of the teams tasked with implementation of the program. According to the final evaluation, report it was documented that UniBRAIN had not managed to create a network of self-financing agribusiness incubators which was linked to the limited technical assistance and training given to the incubator staff (Nico Hjortso et al., 2014). The Songhai center in Benin on the other hand addresses youth’s independence in decision making by enhancing their business management skills, thus...

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inspiring more youth to engage in agribusiness. The Songhai center in Benin also helped youth in addressing economic challenges by helping them develop business plans with due consideration of the demand in the market and quality standards of products and services thus resulting in increased productivity and profitability. This was made possible by ensuring staff at the centre were well equipped with skills and competencies requisite to provide such support.

Similarly, the agribusiness parks in DRC developed the capacity of the youth in using improved technologies, adding value to agricultural products, linking out-grower scheme to agro-processing and agribusiness enterprises and stimulating competitiveness of markets, thus resulting in increased income and improved livelihoods (Ameyaw, 2015). The youth were subsequently engaged as peer mentors to other youth further scaling the success of the program. This underscores the importance of capacity development in creating sustained results. The agribusiness parks in DRC also provided incentives for private sector participation that resulted in increased youth engagement. Such private sector presence ensured that there was adequate human capacity and infrastructure to transfer sufficient skills to the youth. The One Village One Product (OVOP) Program in Malawi allowed the youth to work together, focusing on locally available agricultural products for easier recognition and marketability, thereby inspiring more youth engagement in agribusiness (Yami, Feleke, Abdoulaye, Alene, Bamba & Manyong, 2019). The approach tapped into existing capacities among the youth demonstrating that youth could also manage their programs by pooling their diverse skills and competencies.

Entrepreneurship can be viewed as a set of actions of individuals or groups that focus on creating new economic opportunities outside of established organizations (Carree, & Thurik, 2010). Youth entrepreneurship programs must identify local level platforms for micro-implementation of project deliverables, carrying out training, capacity building and ensuring after-sales services, as the missing link in implementation of grassroots projects. A network of Partner Organizations (POs) that consist of NGOs and other grassroots level developmental agencies exist to bridge this gap. Successful implementation of Youth entrepreneurship programs requires that partners must have the capacity required to meet this demand.

A comprehensive assessment of the existing capacity and the need for knowledge and skill enhancement of agribusiness managers and firms is essential to identifying capacity gaps (Babu, Manvatkar & Kolavalli, 2016). Unlike other traditional fields of AET, the responsibility of building skills and expertise in agribusiness does not lie exclusively in the public domain. Academic institutions are no longer the “sole guardians of knowledge.” In addition to traditional institutions such as universities, colleges, technical colleges, vocational schools and extension agencies, new models are emerging out of entrepreneurship and executive training programmes by NGOs. Both academic institutions and NGOs are presented with the opportunity to go beyond just window-dressing existing programmes to design and implement more effective, successful agribusiness programmes that are relevant not only today but will remain so in the future. The envisaged effect is that institutions produce the kind of graduate that meets agribusiness needs of today and is prepared to tackle challenges in the future (Mabaya, Christy & Banana, 2014).

1.2 Study Objectives

This study sought to address the following objectives.
1) To assess the capacity of partners implementing entrepreneurship youth programs in Madagascar
2) To establish the staffs’ level of understanding of roles assigned to them in the context of youth entrepreneurship needs
3) To determine gaps and possible capacity development solutions required to address identified gaps.

2. Literature Review

2.1 Theoretical Framework

The origin of human capital theory goes back to emergence of classical economics in (1776) and thereafter developed as a scientific theory. Schultz (1961) recognized human capital as one of the important factors of national economic growth in the modern economy. Becker (1964) further developed the human capital theory suggesting that education or training raises the productivity of workers by imparting useful knowledge and skills (Becker & Woessmann, 2009). Human capital theorists believe that education and earning power are correlated and argue that firms should invest significantly to develop unique and non-transferable resources (firm-specific) skills through extensive training initiatives (Hatch & Dyer, 2004). This theory will be used to analyse the relationship between human capacity building and growth of the enterprises. According to this theory it is through learned or acquired competencies that strategies necessary to enhance growth of youth enterprises are developed.

Human resources capacity building has been defined and interpreted in many different ways (Williamson, et al., 2003). It is generally accepted that human resources capacity building as a concept is closely related to education, training and human resource development. Groot and Molen (2000) defined human resources capacity building as the development of knowledge, skills and attitudes in individuals and groups of people relevant in design, development, management and maintenance of institutional and operational infrastructures and processes that are locally meaningful. Human Capital Theory attempts to prove that formal education is highly instrumental in improving the productive capacity of a population. In order words, an educated population is a productive asset for a nation. This means that there is the need to invest in human capital through education and training so that productivity gains can be made. In other words, education and training improves the quality of labour.

The theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers’ future income by increasing their lifetime earnings (Becker, 1975). Mincer (1991) provides an explanation that links investment in training
with workers’ wages. In particular, his theory draws a crucial distinction between general education and firm-specific training. Over the past thirty years, hundreds of studies have been conducted to estimate rates of return to education. Most of such studies show that formal schooling is a crucial factor in explaining variations of salary and wages in well-developed countries (Dennison, 1998).

2.2 Empirical Literature Review

A study conducted by Rivera and Gozun (2019) focused on estimating the effect of government programs on youth entrepreneurship in the Philippines. The findings showed that government-sponsored programs influence a youth’s likelihood to be entrepreneurial. Results suggest a framework for improving program design and policy implementation to support youth entrepreneurial undertakings. It further underscore the need to embed capacity development into the program. Muazu and Ibrahim (2017) also found positive effects of entrepreneurship training as part of the capacity-building program of Kano state enterprise development training institutes. Enhanced capacity was credited with better understanding, implementations as well as outcomes of the program. Awodun and Ajonbadi (2016) findings established that government support provided through financial, technical and policy measures contribute significantly to rural entrepreneurial development.

Entrepreneurship is a complex process that involves high motivation and individual competencies. Recent studies have thus linked the entrepreneurial development to individual capacity and infrastructural network (Awodun & Ajonbadi, 2016). Capacity building therefore means planning for people to acquire knowledge and advanced skills that are critical to a country’s economic growth, its standard of living and individual empowerment (Adebayo, 2016). Fadun (2018) identified capacity building as an important element in any entrepreneurial development. He described, capacity building as the ability to enable the people to make use of their creative potentials, intellectual capacities and leadership abilities for personal as well as national growth and development. Bloomfield, et al. (2018) argues that in order for theSDG targets to be obtainable, diverse stakeholders need the technical, institutional, and organizational capacity to implement the wide variety of initiatives covered under these goals. This throws further light on the importance of capacity building especially at institutional level for execution of assigned roles and responsibilities.

A study conducted by Babu, Manvatkar and Kolavalli(2016) focused on strengthening capacity for agribusiness development and management in Sub-Saharan Africa. This study concluded that, to effectively build the necessary capacities, the skills built by agribusiness education and training must correspond to the needs of the agribusiness sector. Similarly Banson, Bosch and Nguyen, (2015) carried out a study ona systems thinking approach to address the complexity of agribusiness for sustainable development in Africa. The study found that implementing systematic approach led to an increase in youth engagement in entrepreneurship. According to this study, entrepreneurship among the youth should be approached from the ecosystem perspective where all the stakeholder should play there part to ensure that everyone is successful. However, the study did not focus on the capacity of program implementers’ capacity. Another study by Yayé, Ochola, Chakeredza and Aucha (2017) focused on strengthening capacity for agribusiness in agroforestry and natural resources in tertiary agricultural education in Africa. The study findings showed that when institutions capacity is strengthen, they become effective in producing quality entrepreneurs who become successful in there ventures.

3. Research Methodology

The study sought to assess the capacity of partners implementing entrepreneurship youth programs in Madagascar whereby descriptive research design was used. A descriptive research design was used on a target population of 40agribusiness program implements from government quasi government and private sector actors in Antanarivo, Toamasina, Antirabe and Manakara regions of Madagascar. The choice of the study area was because of its on-going youth employment initiatives funded by the Government of Madagascar. The youth account for the largest proportion of the urban population with their needs not well satisfied especially regarding entrepreneurial capacity building despite there being a national youth policy (Diallo, & Phoolchund, 2019). A Self-administered questionnaire with both open-ended and close-ended questions was distributed among the respondents. Mean, percentages and frequencies whereas the main descriptive statistics that were employed to analyze the information gathered. Findings were presented using tables and figures.

4. Results and Discussions

This section entails presentation of the results and discussions, 40 questionnaires were administered to randomly selected program implementers from different institutions in the study area of Madagascar. The respondent background information captured from the respondents included gender, age bracket, and level of academic training and area of academic training. Findings were presented using tables and figures/charts as presented below.

4.1 Gender of the Respondents

The study sought to examine the gender of agribusiness program implementers in Madagascar who were enlisted as the study’s respondents. Figure 1 below shows that male respondents were 45% while female respondents made up 55% of the sample. The findings imply an almost equal representation of both genders in youth program implementation.
4.2 Age of the Respondents

The study also assessed the age of the respondents. As indicated in figure 2 below, majority of the respondents as captured below were aged between 36 to 44 years (17) followed by those who were aged between 45 to 54 years (8) and an equal number who were aged between 26 to 35 years. Only 5 respondents were aged above 55 years. The findings point to the fact that majority of entrepreneurial ventures in Antananarivo are owned by young people.

4.3 Level of Academic Training of Staff

The study further determined the level of academic training of staff and results show that majority of respondents had Bachelor’s Degree (16) with 12 respondent having a master’s degree and higher diploma each. This was an indication that majority of entrepreneurship program implementers in Madagascar were relatively highly educated and could therefore be relied upon to provide correct information regarding the subject matter of this study.

4.4 Staff Training Area

The area of training of respondents was also examined by the study whereby as shown in figure 4, 14 specialized in breeding, 12 specialized in agricultural engineering while a further 5 specialized in agro management with an equal number in Management and accounting. There were also those who specialized in economics, environment as well as financial management. The findings imply that respondents were varied in terms of area of training, skills and competencies.
4.5 Capacity of Partners Implementing Entrepreneurship Youth Programs

The first objective of the study was to assess the capacity of partners implementing entrepreneurship youth programs in Madagascar whereby the questionnaire was framed to capture the current capacity of partners implementing entrepreneurship youth programs in Madagascar. The findings are organized under the following sections.

4.6 Knowledge of Business Incubation

The study sought to find out the level of knowledge on business incubation among the respondents. As shown in figure 5 below, the largest proportion of the sampled respondents had limited knowledge on business incubation (14) while those who had moderate incubation knowledge were 13. A further 9 respondents had considerable incubation knowledge with another 4 having no knowledge at all. This is an indication that 55% of agribusiness program implementers in Madagascar had relatively good knowledge of business incubation as a concept and could therefore be in a position to implement Entrepreneurship Youth Programs and determine areas in which their capacity could be enhanced. However, it was also noted that 45% of the respondents had limited or no knowledge of business incubation concepts and therefore could not be relied upon to implement a youth business incubation program.

4.7 Business Incubation Experience

The study also sought to examine the business incubation experience of the respondents. It was established that majority of the respondents, 70%, indicated that they had not undergone any business incubation programs while 30% had some level of business incubation experience. The findings are presented in figure 6 below. This implies that there was a huge capacity gap among program implementers that needed to be addressed for the business incubation program to be successful.

4.8 Experience in Business Management

The study further sought to determine whether the respondents had any experience in business management. As shown in figure 6, majority (70%) lacked any experience in business management while 30% had business management experience. The results demonstrate that there was a huge capacity gap in business management experience among program implementers even though they were tasked with the responsibility of assisting the youth to establish and manage successful businesses in Madagascar.

4.9 Need for Capacity Building

To further assess the level of capacity gaps among partners implementing entrepreneurship youth programs, the study examined the specific areas where capacity building was most needed. As shown in figure 8, the largest proportion of the sample indicated that they needed capacity building in Management and Accounting field (7) with an equal number identifying entrepreneurial mindset as the key area in need of capacity building. Further, respondents indicated that there was need for capacity building in production technology (6), Marketing (6) while lack of knowledge on Management and Business model canvas had 5 respondents each. The results indicated there were gaps that needed capacity building across various fields.
4.10 Barriers to Youth Engagement in Entrepreneurship Programs

The study sought to establish if program implementers were able to identify the barriers to youth engagement in entrepreneurship programs in Madagascar. The findings presented in this section indicate how the respondents replied to various statement used to establish the barriers to youth engagement in entrepreneurship programs in Madagascar.

4.11 Barriers to Youth Engagement in Agribusiness

The study sought to determine the various barriers that hindered youth from engaging in agribusiness from program implementers’ perspective. Some of the barriers that were identified include mindset, unsteady work, need for personal development, corruption, tax burden, lack of land security and general insecurity in the country. As revealed in figure 9, majority of the respondents indicated that youth were hindered from engaging in agribusiness due to insecurity (10) followed by poor mindset (7) and lack of land (6). Further, respondents identified unfavorable state policies (4) and high tax burden for startups (2) as the other barriers that hindered youth from engaging in agribusiness.

4.12 Experience as an Entrepreneur

The study also sought to determine whether respondents had any experience as entrepreneurs or had managed any businesses in the past. In this regard, majority of the respondents represented by 88% had no entrepreneurial experience of any kind with 12% indicating that they had some experience as entrepreneurs. It is apparent from the results that majority of agribusiness program implementers had no experience as entrepreneurs or in managing businesses. However, they were expected to manage youth programs that were focused on establishment and management of enterprises along the agriculture sector. The results are shown in figure 10 below.
4.13 Development of a Business Plan

The study further sought to determine whether respondents had already developed a business plan. In this regard, only 30% indicated that they had developed a business plan before while majority, 70%, did not have any skills or knowledge to do so. This indicated that even though the program in entrepreneurship/agribusiness required them to support the youth to develop business plans, most of them lacked capacity for such a role. The results are as presented in figure 11.

![Figure 11: Business Plan Development](image1)

**Figure 11: Business Plan Development**

4.14 Business Models Development

The study also sought to find out whether respondents had developed business models for entrepreneurs before or had any skills and knowledge on how to do so and as shown in figure 12, majority represented by 65% had no skills or knowledge of business model development while 35% had some level of knowledge or had developed business models. This finding implies that of all program implementers, only 35% of the respondents were in a position to support youth within their program to develop business models for their businesses.

![Figure 12: Business Model Development](image2)

**Figure 12: Business Model Development**

4.15 Participation in Value Chain Training

Since the program for youth entrepreneurship in Madagascar were agro based, the study sought to establish whether the respondents had undertaken value chain training which was deemed a desirable skills to possess. Results in figure 13 show that majority, 68%, agreed to participating in value chain training while 32% had not. This implies that there was good understanding of value chains among program implementers though further training of the 32% of the respondents who had not gone through such training could enhance it. The results could also mean that the respondents would be able to help the youth identify value chains and their actors.

![Figure 13: Participation in Value Chain Training](image3)

**Figure 13: Participation in Value Chain Training**

4.16 Business Ecosystem Mapping

The study also was keen to find out whether respondents were familiar with any method of mapping business ecosystems. In this regard, 65% demonstrated familiarity with business ecosystem mapping while 35% were not familiar with the concept. This implies that the majority of respondents would be able to support the youth in mapping out their business ecosystems.

![Figure 14: Familiarity with Business Ecosystem Mapping](image4)

**Figure 14: Familiarity with Business Ecosystem Mapping**

4.17 Obstacles to effective Youth Engagement in Entrepreneurship Programs

The study further sought to assess the obstacles that hampered youth from engaging in entrepreneurship programs as determined by program implementers. As demonstrated in figure 15, majority of respondents identified lack of communication and lack of competence of staff at the incubation centers as the key factors that negatively affected their effectiveness in ensuring youth engagement in entrepreneurship programs. Other obstacles that were identified include complicated procedures, inadequate business incubation period, and lack of adequate facilities for business incubation as well as difficulties in finding motivated mentors. This further demonstrated more capacity gaps that impede youth entrepreneurship programs and they all centre on facilities and human capacity. The results are shown in figure 15 below.

![Figure 15: Obstacles to Youth Engagement](image5)

**Figure 15: Obstacles to Youth Engagement**
4.18 Other Challenges to youth entrepreneurship and Solutions

The study also identified other challenges that hindered youth from engaging in entrepreneurship programs and how they could be overcome. Results in figure 16 show that the largest proportion of the sample identified lack of up-to-date knowledge about the players in the agribusiness sector, lack of an agricultural policy, lack of experience sharing with other business incubators, inadequate entrepreneurship training as well as inadequacy in the lines of credit available for youth entrepreneurs as additional challenges that hindered youth from engaging in entrepreneurship programs.

Acquisition of information about the players in the sector, providing training on personal development, sharing of experience with other incubators, improving entrepreneurship training as well as establishment of an agricultural policy were some of the possible solutions strongly advocated by respondents.

4.19 Entrepreneurship Training Good Practices

The study also explored activities respondents felt should be part of entrepreneurial capacity building process. As shown in figure 17, majority of respondents (8) indicated that training in monitoring and evaluation should be set up while a further 4 respondents preferred a longer agribusiness training course. Respondents of the study further proposed entrepreneurship-training programs for staff as well as training on provision of extension, effective recruitment procedures for trainers as well as infusion of motivation activities during training. Other perceived good practices recommended included participation in trade fairs, development of skills to be coaches, skills development in designing clear post incubation paths for youth entrepreneurs. Further, the respondents proposed that the programs should consider ensuring availability of abundant human resources in the business incubation centers, formulation of policies such as a youth agribusiness policy, as well supporting staff with skills to help youth exploit self-financing options.
5. Conclusion

The study established that majority of agribusiness/entrepreneurship program implementers in Madagascar had relatively high business incubation knowledge and were aware of the basics of Youth Entrepreneurship Programs. They were also aware of their capacity gaps and seemed to understand how their capacity could be enhanced. However, it was also evident that most program implementers had very little or business incubation experience. There was also evidence of lack of business management experience among the program implementers despite the fact that their core business was to support youth with skills and other business support such as business plan preparation and business modelling for their agribusiness enterprises. This reflected a huge need for capacity building across various fields. The study also revealed that the most program implementers were conversant with the common barriers that young agribusiness entrepreneurs in Madagascar encounter while setting and subsequently operating their businesses include poor mindset, poor personal development, corruption, tax burden, lack of land security and insecurity. Young agribusiness entrepreneurs are also hindered from engaging in agribusiness due to insecurity, lack of land, unfavorable state policy and high tax burden for startups. However, majority of the team seemed to lack adequate capacity to address these challenges holistically even though youth enthusiasm to engage in entrepreneurial activities was encouraging.

The study further revealed that most of these program implementers had little experience as entrepreneurs neither had they managed any businesses in the past. In addition to these shortcomings, some of the obstacles that hinder youth from engaging in entrepreneurship programs included lack of adequate communication from program staff and lack of competent staff at the incubation centers to support their visions compounded by inadequate facilities for supporting their business ventures as well as difficulties in finding motivated mentors.

The study concluded that there was need to focus on capacities of youth entrepreneurship program implementers in the context of the relevance of their skills in addressing challenges faced by the youth. It is imperative that those tasked with developing the capacity of the youth to partake business ventures have the necessary skills and competencies to handle their roles. It is also important to embed staff capacity development in all such program and further development of a local pool for human resources to ensure sustainability of achieved outcomes.

6. Recommendations

Based on the findings and conclusions drawn, this study makes recommendations for diagnosis of capacity gaps among youth entrepreneurship program implementers and subsequent design of capacity development programs to ensure sound delivery on assigned responsibilities. The
study further recommends that when adopting business incubation as a model for entrepreneurship program implementation, there is need to ensure the designate business incubation centers are equipped with requisite staff, infrastructure and facilities to enable adequate delivery of services. To further enhance the capacity of program implementers this study recommends adoption of diverse capacity development strategies including exposure visits, exchange programs, participation in trade fairs and continuous improvement among other interventions. Finally, the study recommends a capacity development program for local communities and youth organizations as part of the exit strategy to ensure continuity and sustainability of program outcomes.

References


