

**ESTABLISHMENT OF ENTREPRENEURSHIP SKILLS DEVELOPMENT  
CENTRE FOR YOUTH'S ECONOMIC EMPOWERMENT: A CASE OF  
MWISENGE WARD-MUSOMA MUNICIPALITY**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE MASTERS DEGREE IN COMMUNITY  
ECONOMIC DEVELOPMENT OF THE OPEN UNIVERSITY OF TANZANIA**

**2013**

**CERTIFICATION**

This is to certify that this project titled “Establishment of Entrepreneurship Skills Development Centre for Youth’s Economic Empowerment: A case of Mwisenge Ward-Musoma Municipality” is original work of Wilson Johnson and has been done under my supervision.

.....

**Dr. William A. Pallangyo**

**(Supervisor)**

Date .....

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**DECLARATION**

I, Wilson Johnson declare that “Establishment of entrepreneurship skills development centre for youth’s economic development at Mwisenge Ward-Musoma Municipality is my own original work, and that, it has not been presented and will not be presented to any other university/higher learning institution for a similar or any other degree.

.....

Signature

.....

Date

## **DEDICATION**

To my son, Allan Kojo. My this work be an encouragement to you in future.

## **ACKNOWLEDGEMENTS**

Thank to the Almighty God for giving me the strength to deliver this dissertation.

I would like to express my gratitude to my supervisor Dr. William A. Pallangyo for his guidance and support every step of the way. His relentless constructive criticism contributed to the quality of this dissertation. I also acknowledge all our lecturers for their tireless effort of class facilitation GOD bless you all, Community Alive (Host organization) Coordinator Martin M. Sanira for his support throughout the period of project implementation.

I am grateful for the support I have received from my fellow CED-2012 students which directly and indirectly contributed to the completion of this work. To my wife Amisa Okoth for her invariable encouragement love, support and all hours that I spent away from her studying and for being pillar of my strength.

However, it is not possible to mention everybody in this single page but rather I say thank you to all of you who contributed in one way or another to the accomplishment of this work and ready for presentation. Once again thanks you all may Almighty God bless you

**ABSTRACT**

Youth unemployment has become the biggest development challenge in all parts of the world Tanzania inclusive. Although the role of youth in contributing to the growth and development of countries' economies was not recognized and acknowledged by many states. Theoretical background and economic opportunities and evidence for youth participation in economic projects is not only recognized as a solution to unemployment problem but also to cultural and social problems. This project provides youth with needed entrepreneurial skills and information through training counseling, awareness and business advice to start and sustain microenterprises. This study concludes that youth development projects should be viewed as one aspect of the strategy towards youth unemployment and social-cultural problems. However, findings from this study shows that establishment of a youth entrepreneurial skills development centers does not cure for the youth unemployment problem but it is one of the measures to reduce the problem.

**LIST OF ABBREVIATIONS AND ACRONYMS**

AIDS	Acquired Immunodeficiency Syndrome
CAC	Community Alive Club
CNA	Community Needs Assessment
CBO	Community based organization
CED	Community Economic Development
CEDPA	Centre for Development and Population Activities
GYBI	Generate Your Business Idea
HIV	Human Immunodeficiency Virus
ICT	Information and communication technology
ILO	International Labor Organization
IYF	International Youth Foundation
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
OECD	Organization of Economic Corporation and Development
PLA	Participatory Learning Action
PNA	Participatory Needs Assessment
PTB	Prince's Trust Business Start up Programme
SEDP	Secondary Education Development Programme
SIDO	Small Industries Development Organization
SME'S	Small and Medium Enterprises



SPSS	Statistical Packages for Social Science
SSA	Sub Saharan Africa
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Funds for Population Activities
UNIDO	United Nations Industrial Development Organization
URT	United Republic of Tanzania
VETA	Vocational Education and Training Authority
WEO	Ward Executive Officer
YEP	Youth Empowerment Programme

## TABLE OF CONTENTS

<b>CERTIFICATION .....</b>	<b>ii</b>
<b>COPYRIGHT .....</b>	<b>iii</b>
<b>DECLARATION .....</b>	<b>iv</b>
<b>DEDICATION .....</b>	<b>v</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>vi</b>
<b>ABSTRACT .....</b>	<b>vii</b>
<b>LIST OF ABBREVIATIONS AND ACRONYMS.....</b>	<b>viii</b>
<b>LIST OF TABLES.....</b>	<b>xiv</b>
<b>LIST OF FIGURES.....</b>	<b>xv</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>1.0 PARTICIPATORY NEEDS ASSESSMENT .....</b>	<b>1</b>
1.1 Background Information .....	1
1.2 Mwisenge Ward’s Profile.....	2
1.3 Community Needs Assessment (CNA).....	4
1.3.1 CNA Research Objectives .....	4
1.3.2 CNA Research Questions .....	4
1.3.3 CAN/Research Methodology .....	5
1.4 CNA Findings.....	8
1.4.1 Characteristics of Respondents .....	8
1.4.2 Results for Research Objectives/Questions.....	11
1.4.3 Results Based on Focus Group Discussion, Interview and Observation .....	15
1.5 Community Needs Prioritization/Leveling of Needs .....	17
1.6 Conclusion.....	19
<b>CHAPTER TWO.....</b>	<b>20</b>

<b>2.0 PROBLEM IDENTIFICATION.....</b>	<b>20</b>
2.1 Background to Research Problem .....	20
2.2 Statement of Problem .....	21
2.3 Project Description .....	21
2.3.1 Target Community .....	22
2.3.2 Stakeholders .....	23
2.3.3 Project Goal.....	24
2.3.4 Project Objectives.....	25
2.4 Host Organization/CBO Profile .....	25
2.4.1 Community Alive Club’s Vision.....	26
2.4.2 Community Alive Club’s Mission .....	26
2.4.3 Community Alive Club’s Objectives .....	26
2.4.4 Community Alive Club’s Beneficiaries .....	26
2.4.4 Community Alive Club’s Organization Structure.....	27
<b>CHAPTER THREE .....</b>	<b>28</b>
<b>3.0 LITERATURE REVIEW .....</b>	<b>28</b>
3.1 Introduction .....	28
3.2 Theoretical Literature .....	28
3.2.1 What is Entrepreneurship? .....	28
3.2.2 Entrepreneurship Orientation and drive for Youth Entrepreneurship .....	29
3.3.3 Concept of Youth .....	29
3.2.4 Entrepreneurship and Youth.....	30
3.2.5 Importance of Youth Entrepreneurship.....	32
3.2.6 Barriers and Incentives to Youth Entrepreneurship .....	33
3.3 Empirical Literature .....	34

3.4 Policy Reviews .....	35
3.4.1 The Tanzania National Youth Development Policy of 2007 .....	36
3.4.2 The Tanzanian Small and Medium Enterprise Development Policy of 2002 .....	37
3.5 Literature Review Summary .....	38
<b>CHAPTER FOUR .....</b>	<b>40</b>
<b>4.0 PROJECT IMPLEMENTATION .....</b>	<b>40</b>
4.1 Introduction .....	40
4.2 Products and Outputs.....	40
4.3 Project Planning .....	41
4.3.2 Inputs .....	44
4.3.3 Staffing Pattern.....	44
4.3.4 Project Budget .....	45
4.4 Project Implementation .....	46
4.4.1 Project Implementation Report .....	46
4.4.2 Project Implementation Ghannt Chart.....	50
<b>CHAPTER FIVE.....</b>	<b>52</b>
<b>5.0 PROJECT PARTICIPATORY MONITORING, EVALUATION AND SUSTAINABILITY .....</b>	<b>52</b>
5.1 Introduction .....	52
5.2 Participatory Monitoring .....	52
5.2.1 Monitoring Information System .....	52
5.2.2 Participatory Monitoring Methods .....	54
5.2.3 Participatory Monitoring Plan .....	55
5.3 Participatory Evaluation .....	57

5.3.1 Performance Indicators.....	57
5.3.2 Participatory Evaluation Methods .....	58
5.3.3 Project Evaluation Results.....	59
5.3.5 Project Evaluation Summary .....	61
5.4 Project Sustainability.....	63
5.4.1 Political Sustainability.....	63
5.4.2 Institutional Sustainability.....	63
5.4.3 Financial Sustainability .....	64
<b>CHAPTER SIX.....</b>	<b>65</b>
<b>6.0 CONCLUSION AND RECOMMENDATION.....</b>	<b>65</b>
6.1 Introduction .....	65
6.2 Conclusions .....	65
6.3 Recommendations .....	67
<b>REFERENCES .....</b>	<b>69</b>
<b>APPENDICES .....</b>	<b>73</b>

## LIST OF TABLES

Table 1: Age of Respondents .....	8
Table 2: Sex of Respondents .....	9
Table 3: Respondents Level of Education.....	10
Table 4: Respondents Employment Status .....	10
Table 5: Respondents Income Status.....	11
Table 6: Respondents Sector of Activity.....	11
Table 7: Respondents Average Annual Income in Tshs .....	12
Table 8: If Your Annual Income Meets Your Requirement .....	12
Table 9: Skills To Improve Respondents' Income .....	13
Table 10: Youth's Perception on Entrepreneurship .....	14
Table 11: Challenges Towards Youth Expansion/Establishment of Their Projects .....	14
Table 12: Problem Ranking Using Pairwise Ranking.....	18
Table 13: Degree of Community Participation .....	22
Table 14: Roles of Stakeholders.....	23
Table 15: Logical Frame Work .....	41
Table 16: Project Inputs .....	44
Table 17: Total Project Expenditure .....	45
Table 18: Total Projected Income .....	46
Table 19: Implementation Ghannt Chart.....	50
Table 20: Participatory Monitoring Plan.....	56
Table 21: Project Performance Indicators .....	57
Table 22: Project Evaluation Summary.....	61

**LIST OF FIGURES**

Figure 1: Organization Structure for CAC ..... 27

Figure 2: Model for Entrepreneurship Development ..... 29

Figure 3: Factors that Influence Youth Entrepreneurship ..... 33

Figure 4: Organization Structure ..... 45

## CHAPTER ONE

### 1.0 PARTICIPATORY NEEDS ASSESSMENT

#### 1.1 Background Information

This chapter describes the purpose of conducting Participatory Needs Assessment (PNA) before project formulation. It gives an explanation on sources of discussing information, methods used and ways of data analysis. The chapter provides information on the area where the project has been conducted and the findings of the conducted assessment. Participatory Needs Assessment was conducted in order to establish the real needs of the people. During the assessment youth, local government authority, teachers and some of community members mentioned a number of things to consider while dealing with youth unemployment. These include education and training, access to finance, business infrastructure, government regulations and social cultural barriers.

Across regions, young people are disproportionately affected by unemployment, underemployment, vulnerable employment and working poverty (UN, 2011). Even during periods of economic growth, many economies have been unable to absorb large youth populations into the labour market. In recent years, however, the global financial and economic crisis has further hit young people particularly hard in the developed world. Worldwide, rates of young people's participation in the labour force have been in decline. Between 1998 and 2008, the youth labour force participation rate fell from 54.7 to 50.8 per cent (International Labour Organization, 2010). In 2009 the global youth unemployment rate pointed at 12.7 per cent, representing 75.8 million unemployed youth, marking the largest annual increase over the 20 years of available global estimates (ILO, 2011).

In Tanzania Mkakati wa kukuza uchumi na kupunguza umaskini Tanzania (MKUKUTA) II recognizes unemployment as a key issue and has set ambitious targets to reduce rates



from 10% (2008) to 5% by 2015. Young people are most affected making up 53.3% of the unemployed population of Tanzania, and it is likely that this will rise as the youth population grows. Unemployed women outnumber unemployed men by 33%. Agriculture remains the principal employer in Tanzania accounting for 62.3% and 68.5% of men and women respectively. For young people, agriculture is also the biggest employer. However, the sector is characterized by limited incentives (poor pay, job security and work conditions).

Based on the above facts participatory needs assessment at Mwisenge ward was conducted on earlier May 2012. This problem was then developed into a scheme which intentionally focused on the establishment of a project aimed at promoting youth economic empowerment through tackling the identical issue of unemployment and poverty through a combination of development tools, which offer linkages to training and advisory services in a manner consistent with achieving its strategic objective of improved economic status the group.

## **1.2 Mwisenge Ward's Profile**

The targeted area is Mwisenge ward which is one of 13 wards in the Musoma Municipal within Mara Region. Musoma Municipal occupies an area of 6300 ha and is composed of plains with small spread hills. It lies between latitude  $1^{\circ} 30'$  south of the equator and  $28^{\circ} 48'$  East of Green Witch. Moreover, the area of Musoma town is a slope, which slowly falls down towards Lake Victoria. It lies a altitudes 1,140 and 1,320 meters above the sea level (Musamba et al, 2011).

The highest peak is 1,320 meters. Scattered hills are found at most in the west and south of Musoma Town. Mwisenge ward is located about 3kms from Musoma Municipal offices

and about 2.5 kms from Regional offices. In the Northern side, this ward is borders with Lake Victoria, to the south it bordered with Nyamatara ward, to the east by Kamunyonge ward and to the west by Makoko ward.

Mwisenge ward has a total adult population of 13,044 where 5983 are male and 7061 are female (WEO, 2012). The purchasing power of people living in Mwisenge ward is very low, the daily income ranges between 1000/- 2,500/- per family. Business activities are low and very few in which community members are involved. Most of them are engaged in very small-scale-based business projects worth Tshs 5,000/- capital like selling fish, tomatoes, vegetables, clothes and small shops (Mwisenge WEO office, 2012). About 80% of the population belongs to indigenous Jita tribe and the remaining 20% comprises of other tribes who live in the ward as public and Private sector employees and minority are engaging in agricultural activities where they grow crops like maize, vegetables and livestock keeping.

The ward has approximately 5870 young boys and girls ranging between 18-35years which constitute 45% of the total adult population (WEO, 2012). They are divided into unemployed, semi-employed and fully employed. Those who are fully employed and semi-employed comprise only 45% of the total youth in the area and they are mostly engaged in small scale enterprises like, riding motorcycles (bodaboda), poultry, fish farming, trading, communication and very few are employed in offices (WEO,2012). Some of unemployed youth engages in crimes especially poaching, raping and sometimes killing. These groups are known as Mbio za vijiti, Mdomo wa furu and Makirikiri mostly for boys. The majority of girls is idle and waiting for marriage while few are engaging in sexual business and they have no any development plans. This project focuses on areas of likely youth investment and provides the youth with needed support on how to select and embark on such scheme.

### **1.3 Community Needs Assessment (CNA)**

Needs assessment is defined by (McKillip, 1987) as a process of “ordering and prioritization of community needs. Intentionally the Community Need Assessment was conducted to identify the real needs of youth in the ward and thereafter make interventions to the critical problem. Participatory techniques were used during the exercise purposely to come up with a community owned and initiated project.

In order to come up with the real needs it was thought that a survey should be conducted and the following are the survey design and sampling as main part of research methodology as applied in this survey:

#### **1.3.1 CNA Research Objectives**

##### **(i) General Objective**

Generally this study aims to assess the impact of establishment of economic projects to youth at Mwisenge Ward Musoma Municipality

##### **(ii) Specific Objectives**

- a) To identify relevant economic activities for the expansion of youth employment opportunities
- b) To find out the skills required to improve the income of youth in the ward
- c) To identify barriers that makes it difficult for youth to participate in income generating activities.

#### **1.3.2 CNA Research Questions**

- a) What are the income generating activities do youth depend on as their source of income?
- b) What are the attitudes and perception of young people towards engaging in those activities?

- c) What skills do youth need in order to improve their income?
- d) What are the concrete barriers and constraints that hinder youth from running their projects?

### **1.3.3 CAN/Research Methodology**

#### **(i) Research Design**

There are many types of research designs that serve for the same purposes but for this study the researcher have selected cross-sectional design. Through Cross-sectional research design data are collected at a single point in time (Babbie, 1990 and Bailey, 1998). This serves for short duration research and resources (Cookey and Lokuji, 1995). We collected data at a single point in time to find out real problem facing youth living in Mwisenge Ward-Musoma municipality. It was not very simple, we needed to think with youth members and decide together by sharing with them what exactly we want to do.

#### **(ii) Sampling Techniques**

The survey used random sampling to get a total sample of 30 people who were interviewed, among were young entrepreneurs, students and un-employed youth. Some of these young people were found in groups known as “vijiweni” staying idle, others were seeking employment at different offices especially at the season of Jeshi la Kujanga Taifa (JKT) recruitment and few were engaged on their own enterprises. Some interviewees were included because of the importance of their positions and their connection to the study.

#### **(iii) Data Collection Methods**

Data collected for this study include that from the field as primary data and secondary data. The researcher gathered data through various research collection instruments such as questionnaire, interview, focus group discussion, observation and documentary review.

**(a) Primary Data**

These are original sources from which the researcher directly collects data that has not been previously collected (Krishnaswmi, 2003). Under this study data were collected directly from respondents through questionnaire, observation and interview.

**i. Observation**

This technique was used to observe directly what young people were doing in the area. This method was independent from the respondent's willingness and it was intended to know whether if the youth were participating in economic activities so that to support themselves and their families. It was also decided to use this method of data collection so as to see the general environment where these youth were living.

**ii. Focus Group Discussion**

This method of data collection was used to identify skills that youth requires in order to improve their income. It was also used to enable participants in Community Need Assessment exercise to identify local available resources which can be used as an opportunity to the community and thereafter be used in solving prioritized socioeconomic problems. Participants were grouped into 3 groups using the Jigsaw method, each comprised of 10 individuals so as to enable the participants to feel free during discussions. Then questions were posed so as to stimulate discussions. Group discussion results were presented and documented for analysis.

**iii. Structured Interview**

The interview method of data collection involves presentation of oral-verbal stimuli and relay in terms of oral- verbal responses. It can be used through person interviews and if possible through telephone interview (Kothari, 2008). In order to get extra information

collected through observation, focus group discussion and documentary review, youth survey was conducted through face to face interview using well organized questions. The questions were tested before the actual exercise of data collection; the youth involved during testing the instrument were not involved during the actual exercise of data collection. However, this method was employed in the presence of the researcher to ensure that all issues raised are cleared on time.

#### **iv. Questionnaires**

A questionnaire consists of number questions printed or typed in a definite order on a form or set of forms (Kothari, 2008:100). The questionnaire is mailed to respondents who are expected to read, understand and write down the replay. In this study questionnaires were distributed to the respondents who are free to fill at their stable. The closed ended questions were prepared in order to allow clear and easily analysis of data.

The questions were in both English and Kiswahili language appendixes to enable participants who are unable to communicate in English to do so in Kiswahili and their answers were translated into English for data analysis and report writing.

#### **(b) Secondary Data Collection**

Secondary data consists of information that has already been gathered and might be relevant to the problem at hand (Carl and Rogers, 2006). In this study documentary review such as Journals, books, reports and the internet were used.

#### **(iv) Data Analysis Methods**

Data analysis refers to the computation of certain measures along with searching for patterns of relationship that exists among data groups, (Kothari, 2008). Collected data were entered and analyzed with Statistical Package for Social Science (SPSS). This program is

basically used to analyze and to prepare statistical charts and graphs of the results. During data analysis, descriptive statistics such as frequencies, means and percentage were used to analyze information obtained from respondents. Data were summarized, analyzed and interpreted per research question.

#### 1.4 CNA Findings

The survey findings are presented in terms of identification of relevant economic activities for the expansion of youth employment opportunities, skills required to improve the income of youth in the ward and barriers that make it difficult for youth to participate in income generating activities. The study involved four categories of respondents namely; youth entrepreneurs, unemployed youth, teachers and Mwisenge ward officials.

The questionnaires were provided to 35 young entrepreneurs and non entrepreneurs, were by young entrepreneurs who were running their enterprises constituted 45% while 55% were those who were unemployed. The researcher sent out 35 questionnaires at respondents and only 30 questionnaires were returned complete and functional. This represents 85.7% response rate, which is above the industry average of 40% (Mugenda and Mugenda, 2003).

##### 1.4.1 Characteristics of Respondents

###### (a) Age

**Table 1:Age of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 20	6	20.0	20.0	20.0
20-25	14	46.7	46.7	66.7
26-30	7	23.3	23.3	90.0
above 30	3	10.0	10.0	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

Table 1 shows that 46.7% are of the age of 20 to 25 years followed by 23.3% of age from 26 to 30 years, those of age below 20 years were 20% and those above the age 30 years were 10%. This was expected because majority of youths are found in this group. The findings agree with the work of (Chiguta et. al 2005) which indicated that most youth are in 15 to 35 age category.

### **b) Respondents Sex**

**Table 2: Sex of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	17	56.7	56.7	56.7
female	13	43.3	43.3	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

As shown in Table 2, out of the 30 youth that returned their forms; 56.7% and 43.3% of the respondents were male and females respectively. The reason why the project is targeting young people is because of high unemployment rate among them. This agrees with MKUKUTA II (2008) which shows that young people are most affected making up 53.3% of the unemployed population in Tanzania.

### **(c) Level of Education**

As shown in Table 3, the literacy level is quite high among the respondents 43% of the respondents are lower secondary school graduates, 13% only succeeded in getting an advanced secondary education, 13% from tertiary/technical College, only 3% has got higher education and only 26.7% got primary Education. This is expected as many Tanzanians are now getting a secondary education as the result of the Secondary Education Development Programme (SEDP) where every ward is now having a secondary school



**Table 3: Respondents Level of Education**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid primary education	8	26.7	26.7	26.7
Lower Secondary education	13	43.3	43.3	70.0
Advanced secondary education	4	13.3	13.3	83.3
Tertiary Education	4	13.3	13.3	96.7
Higher learning	1	3.3	3.3	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

#### (d) Employment Status

**Table 4: Respondents Employment Status**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Un-employed	7	23.3	23.3	23.3
Full time student	1	3.3	3.3	26.7
Operating my own business	18	60.0	60.0	86.7
Temporary un employed	4	13.3	13.3	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

This study targeted both the employed and the unemployed youth. And from their response that was gathered and indicated in Table 4, 36.6% were unemployed which is a combination of temporarily unemployed and not employed at all. About 60% were operating their own businesses at a micro level. Youth unemployment is a massive waste of human resources that could contribute to economic and social development (UNFPA, 2007). An increase in youth employment would have multiplier effects throughout the economy e.g. the expansion of market of consumer goods and lost tax revenue by the government.

Table 5 shows that respondents who were asked to determine their average annual income in Tshs. 76.7% responded to this question whereby, 23.3% were below 500,000, 34.7% were between 500,000 and 2,000,000 and 34.8% their income was above 2,000,000 per year. These data shows that even these people who are employed were also living under poverty line. About 43.4% are earning below 1,000,000 per year which is averagely 2000 per day.

#### (e) Income Status

**Table 5: Respondents Income Status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 500,000	7	23.3	30.4	30.4
	500,000-1,000,000	3	10.0	13.0	43.5
	1,500,000-2,000,000	5	16.7	21.7	65.2
	More than 2,000,000	8	26.7	34.8	100.0
	Total	23	76.7	100.0	
Missing	System	7	23.3		
Total		30	100.0		

Source: Survey findings (2013)

#### 1.4.2 Results for Research Objectives/Questions

This study had three research objectives and results for each objective is discussed below

#### (a) Respondents Employment Status

**Table 6: Respondents Sector of Activity**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unemployed	11	36.7	36.7	36.7
	Small business	4	13.3	13.3	50.0
	Transport and communication	5	16.7	16.7	66.7
	Fishing	2	6.7	6.7	73.3
	Students	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

Source: Survey findings (2013)

Table 6 presents activities which were done by respondents immediately before starting current business, 36.7% of respondents were unemployed followed by students who take 26.7% while small business were 13.3% and those engaged in fishing and transport and communication were 6.7% and 16.7% respectively. This means that majority of youth are idle and useless. This is also supported by MKUKUTA II (2008) which shows that young people are most affected by unemployment, making up 53.3% of the unemployed population in Tanzania.

**(b) Average Annual Income**

**Table 7: Respondents Average Annual Income in Tshs**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 500,000	16	53.3	53.3	53.3
500,000-1,000,000	11	36.7	36.7	90.0
1,500,000 +	3	10.0	10.0	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

Table 7 indicated that 53.3% of respondents are earning below 500,000 per annum, while 36.7% are obtaining between 500,000 and 1,000,000 per annum and finally 10% indicated that they are earning more than 1,500,000 per year. This shows that the majority of youth are living under the poverty line as indicated by (UNDP 2008).

**(c) To Meet Basic Daily Needs**

**Table 8: If your Annual Income Meets Your Requirement**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	4	13.3	13.8	13.8
no	25	83.3	86.2	100.0
Total	29	96.7	100.0	
Missing System	1	3.3		
Total	30	100.0		

Source: Survey findings (2013)

Table 8 indicates that 96.7% of total respondents were not able to meet their basic daily family demands using current employment, 13.3% of respondents indicated that in some extent they were able to get their daily basic demands. However 3.3% of respondents did not respond to that question.

#### (d) Skills Required

**Table 9: Skills to Improve Respondents' Income**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Project management and Entrepreneurship	16	53.3	53.3	53.3
Modern farming methods	4	13.3	13.3	66.7
Livestock keeping	6	20.0	20.0	86.7
Environmental conservation	2	6.7	6.7	93.3
All the above	2	6.7	6.7	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

In Table 9, the survey reveals that 53.3% preferred project management and entrepreneurship development skills in order to improve their daily income. On the other hand 20% of respondents demanded livestock keeping skills while 13.3% and 6.7% demanded modern farming skills and environmental conservation skills respectively. In this case it must thought out where these individuals can get these skills. For example, youth may establish Project management and entrepreneurship development centre so as they can easily get an entrepreneurship education to run and establish their own enterprises.

#### (e) Perception of Respondents on Entrepreneurship

Table 10 shows that most youth lacks awareness and skills either to start or sustain the business (43.3%), risk venture and highly respectable career represents 23.3% each and discouragement by social environment only accounts for 10%. This agrees with the work of

(ILO, 2004) that most entrepreneurship programmes are not sustainable in sub Saharan Africa due to the lack of education and training.

**Table 10: Youth's Perception on Entrepreneurship**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Risk venture	7	23.3	23.3	23.3
Highly respectable career	7	23.3	23.3	46.7
Mostly discouraged by social environment	3	10.0	10.0	56.7
Most youth lack awareness and skills	13	43.3	43.3	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

**(f) Challenges That Youth do face in Starting or Running their Projects**

As shown in Table 11, this session was used to know challenge that makes youth not to start or sustain their enterprises. The response shows that 46% needs entrepreneur skills and 33% have no access to finance in order to start/expand their businesses. The rest were not comfortable with government regulations on how to promote youth programmes. Most young members show the demand on entrepreneurship/business management education which was found to contribute significantly to risk-taking, the formation of new ventures, and the propensity to be self-employed and enable entrepreneurs have financial management skills (ILO, 2004)

**Table 11: Challenges towards Youth Expansion/Establishment of Projects**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Social-cultural barriers	1	3.3	3.3	3.3
Access to finance	10	33.3	33.3	36.7
Government Regulations	4	13.3	13.3	50.0
Education skills and training	14	46.7	46.7	96.7
Business infrastructure	1	3.3	3.3	100.0
Total	30	100.0	100.0	

Source: Survey findings (2013)

### **1.4.3 Results Based on Focus Group Discussion, Interview and Observation**

During the focus group discussion that involved youth members, the following community needs were identified; Youth community has very high unemployment rate and this was associated with low income, limited opportunities with access to finance and knowledge to start a microenterprises, lack of savings spirit, poor business supportive environment and prolonged government regulations to start and sustain the business.

#### **(i) Observation Method**

This is the methodology which involved the researcher to make physical visit to a study population and record information as they happen in their actual settings. This method was used in order to back up information collected by using semi structured questionnaire.

In this study observation was applied to all respondents looking at what one was saying if reflected the fact. It was revealed from their body language that 95 per cent of all youth members' had unemployment problem, though their explanations some of the respondents said they were not able even to meet their daily demands. The method was also used to see the activities performed by youth in the ward. The study revealed that 57 per cent of were doing small business activities and 43 per cent were unemployed. When they were asked why the response was that they did not have education or knowledge to perform any work.

#### **(ii) Focus Group Discussion**

During the focus group discussion that involved community members the following community needs were identified. Youth have very low income, lack of employment, very little fund and knowledge to start a micro-business, lack of financial institution for soft loan acquisition, lack of savings spirit, creativity and entrepreneurship education. Speaking during that discussion one youth member said “Major youth problems arise from low income they possess”. Another member youth member Mr. Paschal Chacha who is selling

clothes as his income generating activity commented that “Entrepreneurship knowledge is a major problem as I fail to meet my customer’s demand since the confidence and convincing power is very low”.

### **(iii) Interview Method**

The researcher also conducted interviews with some teachers of Mwisenge secondary school and Mwisenge ward officials which assessed the problem of unemployment among the youth and their perception on project management and entrepreneurship development. In relation to the question “what is the rate of unemployment among the youth and their perception on entrepreneurship sector” one teachers indicated that most of the youth in the area are unemployed and they are waiting to be employed by the government, even those few who run their small businesses are unable to meet their daily requirements. They have no commitment to their current carrier and believing to get good jobs in the future.

### **(iv) Documentary Review Method**

This method is the collection of information which can be done through reading records. This can be literature, files, ledgers, attendance registers and others. Reviewing secondary sources like documents, books, journals and statistics was carried out by CED student. This was done to compare results obtained from interviews and observation to study the nature of youth entrepreneurship and challenges facing young entrepreneurs. The study revealed that 70% of total employment in many developing nations was from the private sector. The study also reviled most challenges to youth entrepreneurs were, lack of capital to sustain and start business, lack of skills relating to entrepreneurship, poor government support and poor business environment. This indicates some levels of poverty, unemployment and lack of creativity among the youth.



**Figure 1: Some of Youth Entrepreneurs in Mwisenge Ward who are Making Soap.**

### **1.5 Community Needs Prioritization/Leveling of Needs**

The Pair wise ranking technique was used to prioritize the identified problems so as to get a project to establish, this was conducted in participatory manner using youth members to count the scores. Little knowledge and fund to start and sustain micro-business was ranked as number one since it was highly scored compared to other identified problems. Table 12 is indicating pair wise ranking of identifying problems.



**Table 12: Problem ranking using pair wise ranking**

<b>Problem</b>	Lack of financial Institution for soft loan	Unemployment	Government policies	Little knowledge and fund to start and sustain micro-business	<b>Score</b>	<b>Rank</b>
Lack of financial Institution for soft loan acquisition		Lack of financial Institution for soft loan acquisition	Lack of financial Institution for soft loan acquisition	Lack of financial Institution for soft loan acquisition	9	2 <sup>nd</sup>
Unemployment	Unemployment		Unemployment	Unemployment	6	3 <sup>rd</sup>
Government policies	Government policies	Government policies		Government policies	3	4 <sup>st</sup>
Little knowledge and fund to start and sustain micro-business	Little knowledge and fund to start and sustain micro-business	Little knowledge and fund to start and sustain micro-business	Little knowledge and fund to start and sustain micro-business		12	1 <sup>st</sup>

Source: Survey findings (2013)

## **1.6 Conclusion**

The need for establishment of youth development projects is highly on demanded in Tanzania. There are hidden project management and entrepreneurship talents, lack of information and access to capital and un-flexible government regulations. Large numbers of young adults who have completed secondary schools or even colleges but are unable to obtain productive employment. In order to move young adults forward to gainful self employment opportunities, where they will have high willingness and high intention towards self employment; a great work must be done in order to address this problem. There must be an expansion of entrepreneurial education and proper information on entrepreneurial opportunities, gain access to capital and learn to change their cultural way of thinking towards self employment.

Based on the findings, lack of entrepreneur education ranked as a root cause of unemployment, poverty and poor performance among the youth in their small enterprises. Due to this problem youth fail to start or to sustain their businesses. For example, many youth shows the demand for education/training for better performance of their businesses, other challenges include access to finance, presence of supportive good business environment and social and cultural barriers. All these challenges can be addressed properly through the establishment of the entrepreneur development centre. The findings suggest that promotion of entrepreneurship program is a vital tool in tackling youth unemployment. While reemphasizing that entrepreneurship education is not the cure for youth unemployment problems but it is one of the measures to reduce the problem.

## CHAPTER TWO

### 2.0 PROBLEM IDENTIFICATION

#### 2.1 Background to Research Problem

Given the fact that Tanzania is one of the most rapidly growing population and urbanizing countries in Africa, with a total population of 34.56 million people, annual population growth rate of 2.9% and the urban population growth rate of 4.5% per annum (Leonard and Mfaume, 2004), the implications of this rapid population growth are huge. Firstly, young people will shortly constitute two thirds of the country's urban population. The entry into labour markets is expected to be more than double, thus causing a further strain on already worsening unemployment situation (Leonard and Mfaume, 2004).

It is predictable that the number of new entrants to the labour force is between 600,000 and 700,000 annually, comparing unfavorably with the less than 300,000 new jobs that are created each year, most of them generated by the informal sector (Leonard and Mfaume, 2004). According to the last labour force survey of (1991) cited by Leonard and Mfaume, (2004) the unemployment rate was 10.6%. Though entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism (Leonard and Mfaume, 2004). In Mwisenge ward entrepreneurship sector is not yet helpful to the young community.

For example in this survey findings, when respondents were asked to determine their level of participation in entrepreneurship sector out of 30 respondents, 43% lacked awareness, 23% consider it as a sector of very high risk venture, 10% discouraged by the social environment and only 23% consider it a respectable career, at the same 25% of respondents responded that their motives towards entrepreneurship is to make money, become rich and

respected. Survey found that 76% of total respondents have not yet received any entrepreneurship education/training in any way. Therefore the establishment of strong entrepreneurship development centre will accelerate business enterprise initiation in Mwisenge ward and this will help to reduce the problems of unemployment and poverty among the youth in the area.

## **2.2 Statement of Problem**

Despite of various efforts made by the government of Tanzania towards youth empowerment programmes, including establishment of the Tanzania youth employment network to support youth employment initiatives in 2007 (ILO, 2010). Unemployment is still a big problem among the youth in the country. Every year 700,000 youth enter the job market in Tanzania and only 40,000 are able to secure jobs (ILO, 2010). Mwisenge ward in Musoma Municipality is one of the areas suffering from the youth unemployment problem as other parts of the world. According to Mwisenge WEO (2012), the ward has approximately 5870 young boys and girls ranging between 18-35years which constitute 45% of the total adult population among these 55% are unemployed or semi employed. The study by Nwigwe (2010) on promoting youth entrepreneurship in Lagos Nigeria was challenged by big area coverage which caused some of the objectives not being fully achieved. This study aims at establishment of youth entrepreneurship development centre at Mwisenge Ward-Musoma Municipality in Mara region.

## **2.3 Project Description**

Establishment of Mwisenge entrepreneur development centre at Mwisenge ward Musoma Municipality will create businesses for youth and reduce unemployment rate in the ward. Entrepreneurship programme will facilitate the creation of more job opportunities which would address the rising needs of youth. It will also give youth the needed self confidence to deal with social pressure from peers as well as needed income to support their families.

Establishment of the centre is important because existing opportunities are few to reach everyone who needs a job. Yet all young people need to learn how to handle social pressures, create and identify opportunities, be self confident and self dependent.

### 2.3.1 Target Community

Target community is the collection of people who are involved in the project as beneficiaries based on the goal and objectives set for the particular project. The following tables show the level of participation that the target community had in this project.

**Table 13: Degree of Community Participation**

Targeted group	Youth	Parents, Guardians and Community	Political, Religious, teachers and influential people
Degree of participation	Very Good	Very Good	Good
Contribution to the project	Attending training, paying fee and moral support	Paying fees, willingness to provide ideas and encouraging youth to attend training	Worked as changing agent, awareness creators and resource mobilizes
Project empowerment	Economically, socially and psychologically	Economically exposed, Peace and harmony	Politically, socially, intellectually, peace and harmony
Project transformation	Built sense of self employment, creativity, risk taking, financial management etc	Being socially responsible and attitude flexibility	Ability to fight and educate about society problems

Source: Survey findings (2013)

### 2.3.2 Stakeholders

Stakeholders are individuals, group of individuals, or institutions that are important audience, client groups, beneficiaries, supporters or investors in the organization (CEDPA, 1999). These can be found within and outside the community. Stakeholders can also be defined as has “those groups who are vital to the survival and success of the organization” Freeman (2004). The following table identifies a list of stakeholders and their responsibility in this project.

**Table 14: Roles of Stakeholders**

Stakeholder	Responsibilities	Consciousness on the establishment project	General outlook of the project
Mwisenge ward community	<ul style="list-style-type: none"> <li>Beneficiary of the project, ready to contribute in terms of ideas, time, physical and man power</li> </ul>	Community leaders consulted the project	Highly accepted
Mwisenge secondary school	<ul style="list-style-type: none"> <li>Infrastructure (class) for conducting a project at initial stage</li> <li>Teachers/tutors to facilitate teaching and learning</li> </ul>	Head of school and teachers accepted the project and was ready to provide a classroom.	Highly accepted
Small Industries Development Organization (SIDO)	<ul style="list-style-type: none"> <li>Contribution in terms of ideas, money, time, physical and man power</li> </ul>	Regional manager consulted and accepted the idea	Agreed to participate
Open University (CED) Student and Supervisor	<ul style="list-style-type: none"> <li>Coordination and facilitation</li> </ul>	Initiator	A solution to youth unemployment problem
Musoma municipal council	<ul style="list-style-type: none"> <li>Project registration</li> </ul>	Consultation with community development	The project was highly appreciated.

(CBO) Community based organization	<ul style="list-style-type: none"> <li>• Contributed/Supported ( project and shared experie</li> <li>• provided materials, leaflets and posters development</li> <li>• conducted sessions promoting entrepreneur</li> </ul>	Project manager consulted and accepted the idea	Involved in formulating the project
Micro finance institution (FINCA)	<ul style="list-style-type: none"> <li>• Providing loan to the project</li> <li>• conducted sessions and events aiming at promoting entrepreneur skills development</li> </ul>	Manager accepted the idea	Agreed to provide loan

Source: Survey findings (2013)

### 2.3.3 Project Goal

The overall goal of this project was to reduce unemployment rate among the youth in Mwisenge ward- Musoma Municipality through the establishment of entrepreneurship skills development centre. Youth unemployment has various impacts such as the emergence of community crimes, family conflicts, poor nutrition, poor housing and poverty in general. Through this project, youth will develop interest in entrepreneurship which would result to increased employment, creativity and economic sustainability for themselves and their relatives.

### **2.3.4 Project Objectives**

#### **2.3.4.1 General Objective**

Generally this project aims to increase awareness on how to run enterprises through entrepreneurship training which would result to increase in youth participation in entrepreneurship activities.

#### **2.3.4.2 Specific Objectives**

- To create awareness and improvement in youth- run enterprises through entrepreneurship training.
- To develop 25 more professionally and productively new businesses owned and organized by youth by the end of two years.
- To develop 30 young business leaders who are more creative, risk takers, self motivated, intuitive, authoritative and strong willed by the end of two years.

### **2.4 Host Organization/CBO Profile**

Community Alive Club (CAC) is a Non-Governmental Organization which found in Musoma Municipality. It is church based organization which was formally registered in May 1995 by two Roman Catholic Sisters, namely Mary Reese and Rosalie Lacorte with registration number 11697 aiming at supporting youth, vulnerable children and people living with HIV/AIDS. An organization is currently having 25 boys and girls dealing with soap making and fetching of firewood. Currently Community Alive Club is supporting 200 orphans and vulnerable children in education and other necessities regarding to their needs. An organization is also serving 135 adults living with HIV/AIDS. As a result, the organization is thought to set free people of Musoma Municipality from social problem such as youth unemployment, street children, drug abuse, prostitution and education on HIV/AIDS pandemic.



#### **2.4.1 Community Alive Club's Vision**

Envisions a healthy Musoma Municipality community with high moral values, sustainable social economic development that renders the community self reliant in providing care for vulnerable children and people living with HIV/AIDS.

#### **2.4.2 Community Alive Club's Mission**

Community alive club aims to collaborate with stakeholders to equip marginalized community especially people living with HIV/AIDS and most vulnerable children with skills and techniques which will facilitate improvement in their social and economic productivity and enable self reliant sustainable development. This will be achieved through participatory approaches embedding self confidence and ownership of the development process.

#### **2.4.3 Community Alive Club's Objectives**

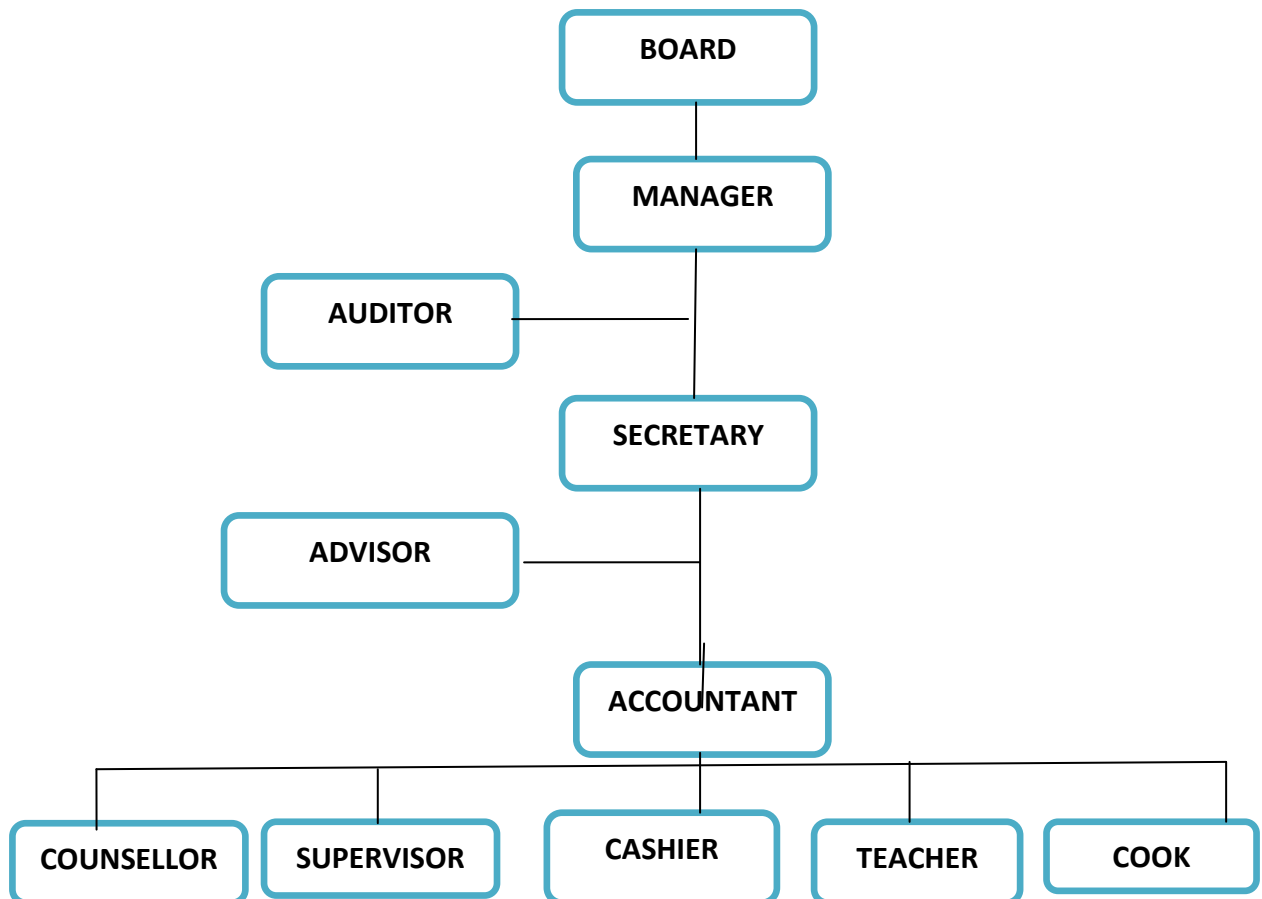
- i. To educate children youth and the community at large about HIV/AIDS in order to minimize the risks of an unnecessary death.
- ii. To care for and provide support for the orphans and the most vulnerable children and support OVCs in education.
- iii. To constantly build the capacity of CAC in effective program planning and implementation.

#### **2.4.4 Community Alive Club's Beneficiaries**

- a) Vulnerable child- A child who is living in difficult circumstances which may pose a threat to his/her physical, mental, emotional or social welfare
- b) Community- benefit from education and empowerment, involvement in activities to support children and the community in the development process, for instance income generation activities.

- c) Youth benefit from life skills education and projects they conduct under organization
- d) People living with HIV/AIDS benefits from counseling, motivation and economic support.

#### 2.4.4 Community Alive Club's Organization Structure



**Figure 2: Organization Structure for CAC**

Source CAC's office (2013)

## **CHAPTER THREE**

### **3.0 LITERATURE REVIEW**

#### **3.1 Introduction**

This chapter presents the literature of the study on what theorists' have said on youth entrepreneurship, under which major concepts are defined and discussed. This part also deals with findings from previous studies with regard to influence of youth capacity building through entrepreneurship education, and finally is a policy review whereby the study has been able to see exciting international and local policies that promotes youth entrepreneurship.

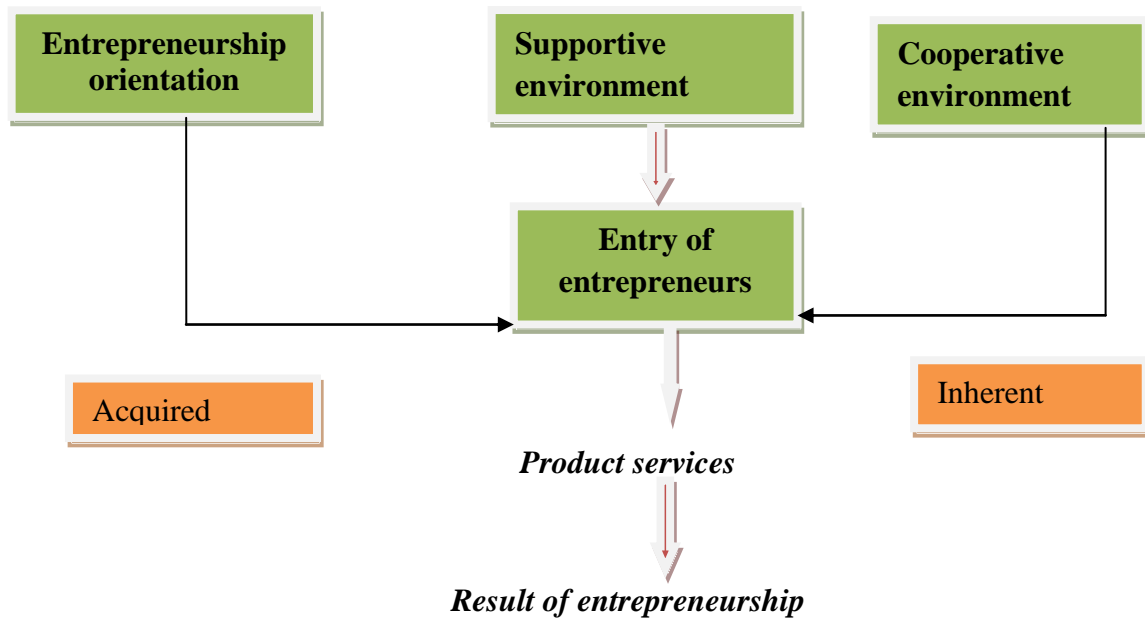
#### **3.2 Theoretical Literature**

##### **3.2.1 What is Entrepreneurship?**

ILO (2010) defined an entrepreneur as a person who identifies an opportunity, gathering resources, creates and growing business ventures while bearing the risk and is rewarded with profit from venture. Entrepreneurship is a science of artificial where entrepreneurs design firms to adopt their environment, help to exploit opportunities within those environments and shape the environments to resemble their personal aspirations firms resources endowment to create wealth (Chiguta, 2006).

The entrepreneurship intentions can be explained in two models. The theory explained behavioral (TPB), this explains individual altitude towards act and the model of entrepreneurial event, which explains entrepreneurship behavioral. Chiguta (2006) propose an integrative 4-P framework of entrepreneurship to enhance understanding of the subject of entrepreneurship. It highlights the pioneers, denoting the entrepreneurs as innovator or champion of innovation, perspective donating the entrepreneur mindset, practice denoting

the entrepreneurial activities and performance, denoting the outcome or results entrepreneurship actions and activities.



**Figure 3: Model for Entrepreneurship Development**

Source. ILO (2010)

### 3.2.2 Entrepreneurship Orientation and drive for Youth Entrepreneurship

Entrepreneurship orientation is the key to the survival and growth of enterprise. The entrepreneurs culture, family, role models, education, work experience and personal orientations faster it (Chiguta, 2009). Entrepreneurship culture is difficult to measure; however there has been an attempt to compares countries on variety scales. There is clear need to promote entrepreneurship among the general population especially youth as a viable economic opportunity

### 3.3.3 Concept of Youth

The continuing debate on who is a ‘youth’ in Africa has not resolved the confusion surrounding this concept. Not only does the perception of youth vary historically and culturally, it also varies from one context to another and even within contexts

(Mkandawire, 1997). Sociologically, 'youth' denotes an interface between 'childhood' and 'adulthood' (Chiguta, 2006).

Generally, however, youth are defined in terms of chronological age in an attempt to standardize youth programmes, international organizations, in particular the United Nations, have come up with specific age categories to define youth. The United Nations uses age category of 15-24 years to define youth while the Commonwealth Association of Nations has come up with a specific age category of 15-29 years (Nwigwe, 2010).

Most countries have either adopted the UN or Commonwealth. However, in Tanzania the representation category of youth ranges between 15-35 years (Chigunta, *et al.*, 2005). Youth are a significantly valid population for development programs, as it occupies a large percentage of world population, over 1.5 billion worldwide (Chigunta, *et al.*, 2005). Because youth comprise forty percent of the global population (Chigunta, *et al.*, 2005), they present a prime target for community development programs, as there is great opportunity to change the pattern of a community by breaking the cycle of poverty at its roots.

### **3.2.4 Entrepreneurship and Youth**

The concept of entrepreneur has been variously defined. For example (Hisrich, 2005) defined entrepreneurship as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. Ruth (2008) defined entrepreneurship as the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity.

But all these definitions revolve around either activities/functions performed or committing capital and taking risk or the psychological disposition of actors (Rutashobya & Nchimbi, 1999).

There are a number of benefits from the promotion of youth entrepreneurship or self-employment that are commonly discussed by commentators (Chigunta, *et al.*, 2005) While caution should be exercised so that entrepreneurship is not seen as a 'mass' or wide-ranging solution which can cure all society's social ills, it is argued that entrepreneurship has a number of potential benefits (Chigunta, *et al.*, 2005). An obvious, and perhaps significant, benefit of entrepreneurship is that it creates employment for the young person who owns the business. This is especially the case in an economy subject to rationalization, change and reform.

Many experts believe that this could bring back the alienated and marginalized youth into the economic mainstream (Curtain, 2000). There may also be a direct effect on employment if new young entrepreneurs hire fellow youth from the 'dole' queues (Curtain, 2000). In this way, entrepreneurship could help address some of the socio psychological problems and crime that arise from joblessness. Youth-run enterprises (YREs) also provide valuable goods and services to society, especially the local community (OECD, 2001).

Youth entrepreneurship also promotes innovation and flexibility as it encourages young people to find new solutions, ideas and ways of doing things through experience based learning (OECD, 2001). In certain circumstances, young entrepreneurs may be particularly receptive to new economic opportunities and trends. This is especially important given the on-going globalization process. It is increasingly accepted that youth entrepreneurs can present alternatives to the organization of work, the transfer of technology, and a new perspective to the market (White and Kenyon, 2000).

In a broader sense, ‘entrepreneurship’ helps young women and men develop new skills and experiences that can be applied to many other challenges in life. Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities (Chigunta, *et al.*, 2005). Given this situation, the promotion of youth enterprise in general and youth entrepreneurship in particular is very important. The importance of this promotion should also be seen in the context of improving social attitudes towards entrepreneurship.

### **3.2.5 Importance of Youth Entrepreneurship**

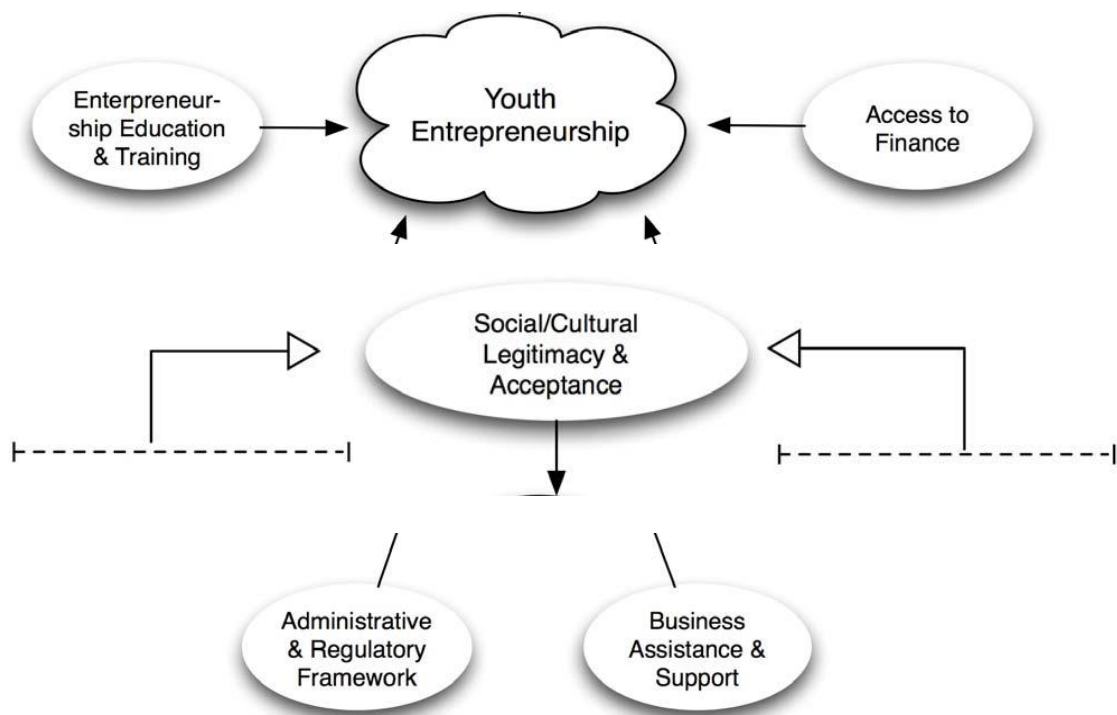
It is now widely acknowledged that there are many good reasons to support entrepreneurship among the young people. A significant one is that it creates employment for the young person who owns the business. Evidence from studies in the 1990s in several SSA countries shows that the informal economy is the main source of employment in urban areas (Chiguta F, 2006). In countries such as Mali, Uganda and Zambia, over 70 per cent of urban workers were informally employed (Chiguta F, 2006). Youth entrepreneurship also promotes innovation and flexibility as it encourages young people to find new solutions, ideas and ways of doing things through experience-based learning (Nwigwe, 2010).

Chigunta (2002) sums up a number of reasons for the importance of promoting youth entrepreneurship, creating employment opportunities for self-employed youth as well as the other young people they employ; bringing alienated and marginalized youth back into the economic mainstream and giving them a sense of meaning and belonging; helping address some of the socio-psychological problems and delinquency that arises from joblessness; helping youth develop new skills and experiences that can then be applied to other challenges in life and promoting innovation and resilience in youth.

### 3.2.6 Barriers and Incentives to Youth Entrepreneurship

Despite of benefits youth entrepreneurs encounter , this group of young people have continued to operate under considerable limitations in an environment that does not encourage small, income-generating activities in many African countries. According to (Chiguta F, 2006), the following are the main challenges facing youth entrepreneurship in most African countries; difficulties in accessing capital, difficulties in accessing working space, licensing and tax disincentives, and harassment from state and council police.

Other problems include lack of skills and entrepreneurial training, poor social skills, lack of social networks, business contacts, and work experience needed to engage in enterprise activities in the informal sector (Chiguta F, 2006). Lack of demand for informal products can also be a major problem. All of these factors serve as disincentives for the urban self-employed, especially young people who are showing remarkable staying power through their own self-reliant efforts.



**Figure 4: Factors that influence youth entrepreneurship**

Source: ILO, (2006)



### **3.3 Empirical Literature**

The study by Mureithi (2010), on barriers and facilitation of youth entrepreneurship in tourism sector in South Africa. This study was motivated by the need for innovative business support models to facilitate youth to take up opportunities in the tourism sector which is experiencing high growth according to research surveyed. The research was conducted in south Africa by means of telephonic interviews with five existing entrepreneurs and surveys self administered 122 study enrolled in tourism and hospitality courses in these constitutions in Gauteng.

The resulting findings of this study indicated that the tourism and hospitality is attractive due to many opportunities available for jobs and businesses. The majority of the respondents indicated that, they would be keen to open the business in the sector. The lack of capital and finding and lack of experience were mentioned as the top two barriers to tourism entrepreneurship. The results also highlight the difference in the perception of barriers between the existing and prospective entrepreneurs.

Olomi (2009) posits that people with formal education who enter the field of entrepreneurship are likely to do better than those without. Further, in a study of small African enterprises, he also states that lower level education makes little difference to enterprise profitability but that going beyond a certain threshold (for example, primary school), is associated with substantial differences in enterprise profitability.

In many African countries, entrepreneurship is looked down upon as a risky choice of livelihood (Olomi, 2009) and naturally this causes obstacles for young graduates who want to become entrepreneurs, since they have to deal with the added burden of prejudice in their immediate environment.

The study by Ramussen (2010), on youth entrepreneurship in Accra Ghana, dealing with the role of education and social networks in opportunity development, the purpose of the thesis was to examine how educational background and social networks affect opportunity development for young entrepreneurs in Accra. In particular, how entrepreneurial education might influence opportunity identification since there is an increased focus on this education in Ghana. This therefore identified three groups of young entrepreneurs whom we interviewed during a field trip to Accra. The entrepreneurs in two of the groups had received specific entrepreneurship education whereas those in the last group had not. This study employed the philosophy of critical realism in order to answer the research question, and employed a qualitative methodology consisting of semi-structured interviews and participant observations. A framework of opportunity development was proposed with variables identified from the literature. The data obtained from the 20 interviews indicated that educational background influenced opportunity identification and that entrepreneurs used social networks in the execution of opportunities. Moreover, the study indicated that religious networks and the use of online social networks played an important role in business for young entrepreneurs. These findings make a small contribution to an understanding of opportunity development in the under researched area of youth and entrepreneurship.

### **3.4 Policy Reviews**

Youth entrepreneurship policy has been defined by (Stevenson and Lundström, 2001) as a policy measures taken to stimulate entrepreneurship; aimed at the pre-start-up, start-up and post-start-up phases of the entrepreneurial process, designed and delivered to address the areas of motivation, opportunity and Skills with the primary objective of encouraging more people to consider entrepreneurship, to move into the nascent stage and proceed into start-up and early phases of a business.

### **3.4.1 The Tanzania National Youth Development Policy of 2007**

Any national policy is primarily a social policy. It is the collective efforts geared toward affecting and protecting the social well-being of the people in a given territory. “Beyond immediate protection from social destitution”, as they further asserts, “social policy might cover education and health care provision, habitat, food security, sanitation, guarantee some measure of labour market protection, and so on” (URT,2007). These collective efforts do not spring up by chance or by mere wishful thinking. (URT, 2007) said they are set of systematic and deliberate interventions in social life aimed at ensuring the satisfaction of basic needs and well-being of citizens. As such, social policy is also an “expression of socially desirable goals through legislation, institutions and administrative programs and practices in accordance with specific development objectives” (URT, 2007:7).

Thus, as a social policy, the National Youth Development Policy of 2007 is meant to, first and foremost, promote and protect the social well-being of the youth of Tanzania. In this regard the policy has attempted to come up with the following policy statements that attempt to address the demands for the provision of three key social services, namely, education, employment and health;

- There shall be a mechanism to access opportunities in education; training and social security for youth with disability and those living in difficult circumstances.
- Vocational guidance and counselling shall be strengthened and entrepreneurial education shall be introduced in training and higher learning institutions in order to inculcate enterprise culture among the youth.
- The Government in collaboration with other development partners shall promote the establishment of youth friendly health services at all levels.

- The Government in collaboration with private organizations, civil societies, youth organizations and business community shall promote the culture of entrepreneurship by creating enabling environment for youth enterprise development
- The Government in collaboration with the private sector shall create an enabling environment for establishment of employment opportunities as stipulated in the National Employment Policy, Rural Development Strategy and Agricultural Development Policy

This study has revealed that the quest to quickly come up with a new National Youth Development Policy has resulted into a policy that is not thoroughly informed by what the youth on the ground really demands. Even where it attempts to outline these demands the new policy does not adequately articulate the priority demands (Chachage, 2008). Arguably, Tanzania hurriedly transformed itself into what has been referred to as a veritable policy factory as a response to global pressures to go with the times the days and times of globalization (Chachage, 2008).

#### **3.4.2 The Tanzanian Small and Medium Enterprise Development Policy of 2002**

Tanzania is endowed with a rich natural resource base. Even then, with all these resources Tanzania is still a least developed country. The challenge lies in the ability to transform efficiently and effectively the resources into goods and services that can be availed to the market at competitive prices (URT, 2002). One of the major limiting factors is the lack of entrepreneurs at different levels. According to (URT, 2002) some of the traditions, perceptions and values have tended to create a culture that is anti-entrepreneurial. Furthermore, past policies limited individual entrepreneurship initiatives. In addition, the education system has tended to create employment seekers rather than job creators.

In this area the government policy states to promote entrepreneurship development through facilitating improved access of Small and Medium Enterprises (SMEs) to financial and non-financial services. This will be achieved through the following strategies:-

- i. Inculcate through education, training and other programmes values and attitudes that are conducive to development of entrepreneurship.
- ii. Review school curricula to accommodate entrepreneurship development.
- iii. Introduce entrepreneurial programmes in vocational and technical training.
- iv. Facilitate entrepreneurship development programmes for selected target groups/sectors e.g. school leavers.
- v. Facilitate capacity building in entrepreneurship development

Entrepreneurship policy in general and youth entrepreneurship policy in particular, are still fairly recent and evolving areas. Therefore, it is crucial to understand where these policies are or should be situated. Youth entrepreneurship policy is cross-cutting in nature and therefore necessitates a collaborative multi-stakeholder approach on the part of government and society (ILO, 2006). This means that for successful policy development in youth entrepreneurship collaboration between different line ministries (education, labours, industry, youth and finance in particular) is vital (ILO, 2006). As a matter of fact, it is almost impossible to outline the entire array of policies that affect entrepreneurship.

### **3.5 Literature Review Summary**

In view of various literature and policy related to entrepreneurship we can see that youth entrepreneurship can boost up the economy of low level of income. This is possible if policies are implemented accordingly. Also entrepreneurship training programmes will enhance innovation and flexibility as it encourages young people to find new solutions, ideas and ways of doing things through experience based learning (OECD, 2001). Studies

also shows that entrepreneurial education enhancing youth employability and demonstrating life opportunities, equipping young people with technical and life skills, providing them with work experiences through internships as well as community service activities, placing them in jobs, and helping those with entrepreneurial aspirations to become self-employed or create new small businesses.

However, Mwisenge entrepreneurship development centre is purposely aiming at dealing with youth unemployment. The problem is very big and serious among the youth in Mwisenge ward, where its impact has also created other problems like, HIV/AIDS infections, drugs and drugs abuse, moral declaration and poverty among the group. Establishment of entrepreneur skills development centre will enable youth to acquire basic entrepreneur skills, thus the project intends to empower youth economically through entrepreneurship training which would result to increase of participation in entrepreneurship activities.

## **CHAPTER FOUR**

### **4.0 PROJECT IMPLEMENTATION**

#### **4.1 Introduction**

This chapter presents on the actual implementation of the project, achievements realized and expected ones. These are presented as project outputs; like number of youth attended entrepreneurship training and expected to attend the training before the end of the project. Others are implementation plan showing activity, objectives, responsible person, indicators and resources. Inputs required in performing planned activities budget, and staffing patterns, which shows every person's responsibility from the target group of community members, are also presented.

#### **4.2 Products and Outputs**

In any completed activity outcomes are expected to be recognized at the end. For the purpose of this study the following are expected to be achieved by the end of one year (July 2012-July 2013).

- a) 90% of youth attended and successfully completed entrepreneurship and basic business management training are able to develop a bankable business plans.
- b) Youth members trained on entrepreneurship development skills are able to access start up finance from and outside the group to run their businesses by 80%.
- c) 65% of identified youth members are receiving business counseling and technical support per month.
- d) Youth entrepreneurs were linked with institutions like SIDO, government and Non governmental agencies who were identified to be carrying activities related to entrepreneurship by 90%.

### 4.3 Project Planning

Project planning may be described as establishing a predetermined course of action within a forecasted environment (Kerzner, 2001). For this survey project planning took place at the beginning; different components of the project were identified with time duration to be accomplished depending on the nature of the activities in specified components. Planning is done in order for a project or program to achieve its objectives within a specific period in the community. This category includes implementation plan, inputs, staffing pattern and project budget.

**Table 15: Logical Frame Work**

Narrative Summary	Objective Verifiable indicators	Source of Verification	Assumption
1. Development Objectives			
Increased employment -Diverse economy.  -Sustainable and better incomes for their employees, themselves, and their families	No. of Youth-run Microenterprises sustained.  No. of youth with increase in income, improved self esteem, change in attitude, employ other youth, and meet households needs	Baseline data and situational/trends analyses and evaluation reports	
a) Instant Objective			
-An improvement in youth run enterprises as a result of change in attitude or perception  - Businesses are run more efficiently and successfully and new businesses established  - New generation of business leaders emerged ( more creative, less risk averse)	No. of Youth-run enterprises established	Base line survey, situation/trends analyses and report	-Continued institutional support to youth enterprise development in Tanzania.  -Youth entrepreneurs have access to capital and/or knowledge to improve their product quality and marketability



<p>- New funds established and youth have the ability to work together</p> <p>- Information on the benefits of youth entrepreneurship programmes are made available and youth are sensitized</p>			<p>-Continue working together with the youth throughout the project</p> <p>-The risk factor here could be limited time by the project manager especially when he is outside the project location on official duties.</p>
b) Output			
<p>- Members worked together to established small businesses, Savings and subsequent access to start-up finance</p>	<p>No. of Youth established small businesses, and accessing start up finance from and outside the group to run their businesses</p>	<p>Disbursement record of the group and situation/trends analyses and quarterly report</p>	<p>If youth start saving and qualify to be supported with finance. Potential and existing youth entrepreneurs are able to raise funds either within the group, banks or elsewhere to start and further grow their businesses.</p>
<p>-Youth learn new skills in business management training and develop interest in entrepreneurship</p> <p>-Youth are able to developed bankable business plans for easy access to credit</p>	<p>No. of youth successful completing entrepreneurship and basic business management training and be able to developed a bankable business plan.</p>	<p>Attendance register and No. of business plans completed</p>	<p>Youth active participation in the group activity and be an economic member. Stakeholders demonstrates institutional commitments to support youth's Entrepreneurship, and actively supports project activities.</p>
<p>- Youth learn new market opportunities/linkages and opportunities shared</p>	<p>No. of youth receiving business counselling and technical support</p>	<p>Counselling report</p>	<p>The project will be able to continue to enhance the skills of the youth in short-term basis when needed</p>

c) Activities			
- Savings and Loan Association formed and strengthened	No. of youth signed up to be part of savings and loan association	Situation/trends analyses and Meeting reports	The Executives and members of the group demonstrate high commitment and ownership, integrate project components into their regular programme, and work towards the good of each other.
- Provide Counseling/ Business support services to youth	No. of youth receiving counseling and technical support	Counseling report	Member economic participation and desire to enhance business status.
-Entrepreneurship skills development training provided to members of the youth	No. of youth receiving Microenterprise development training	Training report	Youth successful completion of the training and developed a business plan
- Conduct community Needs Assessment and baseline surveys of households and youth perception of entrepreneurship	Surveys and FGD conducted	Research Report	Questionnaires completed on time and youth participation in the focus group discussion process. Training logistics completed and date finalized
1.0 Stakeholders sensitized	No. of meetings organized	Minutes of meeting and report	Continued supportive climate for small-scale private sector development in Tanzania
Inputs Staff Materials Time Youth	Means Budget Training space Teaching materials Transport Consultancy	Cost Tshs 2,500,000/=	Pre-condition Staff time and organizational support Buy-in from all stakeholders; youth and my colleagues

Source: Author's finding 2013

### 4.3.2 Inputs

In implementation of different project activities the following inputs were required

**Table 16: Project Inputs**

Input	Quantities	Unit cost (Tshs)	Total cost in Tshs
1. Personnel			
➤ Consultant	1	50,000	50,000
➤ Project coordinator	1	200,000	200,000
➤ Trainers	2	500,000	1,000,000
2. Rent		50,000	50,000
3. Time	120 hours		
4. Teaching and learning materials	Assorted	Assorted	250,000
5. Youth	30	20,000	600,000
6. Transport			100,000
Total inputs in Tshs			2,250,000

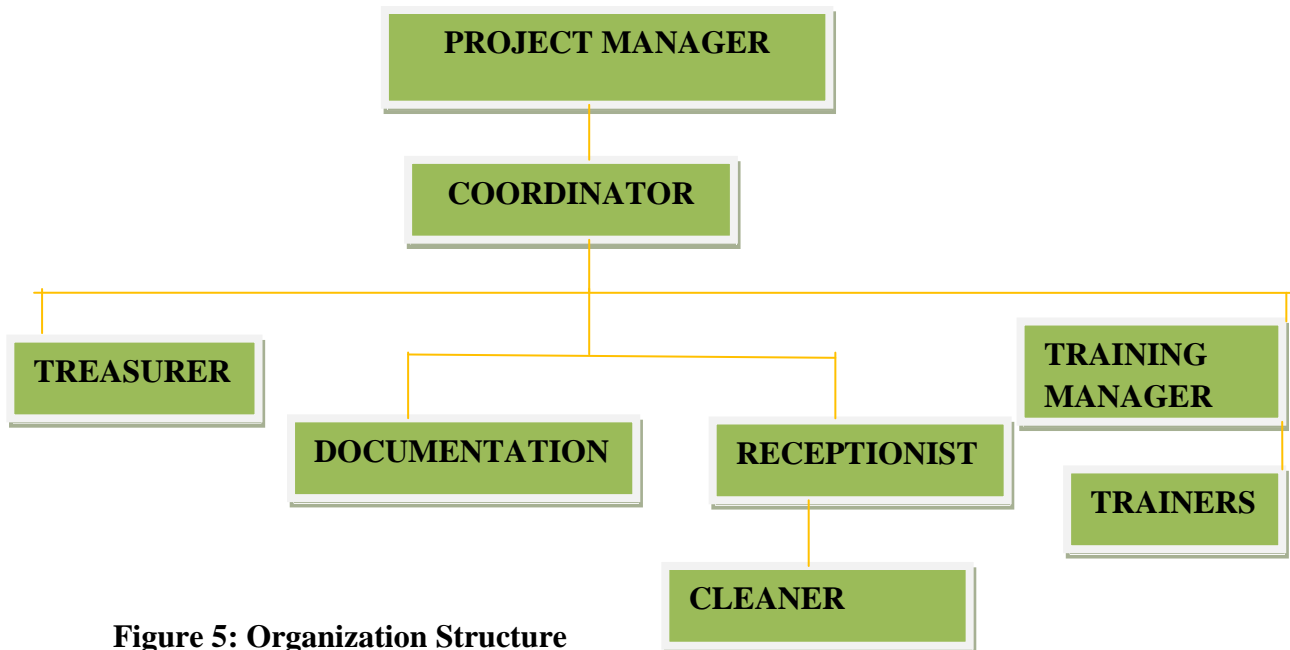
Source: Author's finding 2013

### 4.3.3 Staffing Pattern

Youth Entrepreneurship training centre in Mwisenge ward-Musoma was established purposely to increase awareness on how to run enterprises through entrepreneurship training which would result to increase in youth participation in entrepreneurship activities. The management team of the project is headed by Project manager who has a responsibility of chairing all the meetings that are conducted weekly when members meet for various project activities such as expansion of project, evaluation of daily activities, requesting soft loans and paying back loans. Near to the chairperson is the coordinator of the project whose responsibilities includes supervision of entire project activities and taking the records in every meeting.

Other positions include project treasurer who keep financial records, ensures soft loans are issued correctly. Another important position in this project is training department which is

headed by training manager with obligation of ensuring that all teaching and learning activities are conducted smoothly. CED student took a position of coordination.



**Figure 5: Organization Structure**

Source: Author's finding 2013

#### 4.3.4 Project Budget

The budget of this project covers several items used in various activities of the project as detailed below in table no. 12

**Table 17: Total Project Expenditure**

Budget category	Unit cost	Number of units	Amount
Training allowance	5000	100	500,000
Consultancy	50,000	1	50,000
Stationery and supplies	Assorted	Assorted	250,000
Administrative costs	Assorted	Assorted	300,000
House rent	50,000	1	50,000
Project report preparation	300,000	1	300,000
<b>TOTAL EXPENDITURE</b>			<b>2,550,000</b>

**Table 18: Total projected income**

Source of finance	Unit cost	Number of Units	Amount
Members' contribution	20,000	30	600,000
Other income donations	600,000	3	1,800,000
Total amount			2,400,000

Source: Author's finding 2013

#### **4.4 Project Implementation**

The following part elaborates about the actual implementation of the project. The implementation was based on the objectives set during the planning. The section covers project implementation report where details on how the activities were carried out and implementation Gantt which indicates time used in project activities.

##### **4.4.1 Project Implementation Report**

This project targeted youth entrepreneurs at Mwisenge ward-Musoma municipality. It was the responsibility of CED student, target group and other stakeholder to ensure that project activities are effectively and efficiently implemented. The implementation followed the sequential order of activities that resulted in project objectives achievement. During the stakeholder analysis, the project manager met with the training manager to discuss about the project and the need for support since for the project is to harmonize youth to be entrepreneurs.

This actually culminated to the release of space for the group trainings, meetings and other project activities to take place. The following part shows all the activities of the project's implementation, drawing attention to specific concerns and lessons learned which lead to the success of the project.

Stakeholder identification was performed in early July-2012 and five groups were involved with this process and were consulted throughout the project duration. They include Mwisenge secondary school teachers, Youth, Parents, SIDO, and Community Alive Club. These meeting assisted other stakeholders to sign up and understand the project overall goal.

**(i) Mobilization of the target group**

Mobilizing the target group on the importance of youth entrepreneurship was the second project activity to be conducted. The meeting was organized by CED student in collaboration with Community Alive officials in mid July-2012. The target group was mobilized to attend the youth entrepreneurship training programme.



**Figure 6: CED Student- Wilson Johnson (Left) with a Group of Youth During One of the Mobilization Meetings**

Source: Author's finding 2013

### **(ii) Mobilization of Social and Financial Resources for Implementation**

Under this objective CED student in collaboration with Community Alive group prepared a proposal to be sent to SIDO for finance assistances in early September. The proposal asked about getting small grants for the target group. From SIDO; the group received elementary knowledge on entrepreneurship, these experts also advised the trainees to form groups as criterion that would make them access the grants and loans.

### **(iii) Registration and Group Formation**

This took place in early October-2012 immediately after the CNA has been performed.<sup>30</sup> Youths from different parts of Mwisenge ward-Musoma municipal were registered to form a Mwisenge youth entrepreneurship skills development centre so as to help each other and also to be better served by the project.

### **(iv) Program Design**

After participants registration and group formation was concluded, the training manager designed the curriculum based on the outcome of the needs assessment. The curriculum took into consideration; literacy level of the youth, availability and time of the project manager. The curriculum was structured in such a way to support participants on discovery of their personal talents and implementation of their small-business projects. The project got support from Mwisenge secondary school in terms of training materials such as papers, flipcharts and handouts.

### **(v) Training on Entrepreneurship Education**

The initiation of this training in December-2012 was as a result of the interest shown by youth in entrepreneurship education from the results of CNA. The training which lasted four weeks focused on sensitizing the youth on entrepreneurship concepts which includes; Entrepreneurship and small business management, Bookkeeping and Record Keeping,

Business planning and finally saving and borrowing. It ran from Monday- Friday's from 9.00am to 4.00pm with a two hours lunch break from 12.00-2.00pm .The methodologies used includes lecture sessions, group work, discussion sessions and presentation.



**Figure 7: Mwisenge Secondary School Teacher Mr. Musa Kanengo Conducting Training**

Source : Author's finding 2013

**(vi) Group Strengthening.**

This activity started a month after the end of training. It was used to bring back youth together and introduce them into actual practice of business environment especially on the concept of business management, source of funding and other group dynamics courses as well as financial management. It also provided a stage to know more about individual specific needs and other personal developmental challenges. These meeting takes place on every 4<sup>th</sup> Thursday of the month.





Training on Entrepreneurship Education													
Group Strengthening													
Conduct formative evaluation of the project with the project committee after 3 months of the project implementation (Impact Study)													
Conduct a summative evaluation of the project together with the project committee during the end of the project (July 2013)													
Conduct a phase out strategy workshop to project committee with other key stakeholders in the project area.													

Source: Author's finding 2013

## **CHAPTER FIVE**

### **5.0 PROJECT PARTICIPATORY MONITORING, EVALUATION AND SUSTAINABILITY**

#### **5.1 Introduction**

Participatory monitoring, evaluation and sustainability of the project mainly looked at the original plan of each activity. Participatory monitoring as part of this chapter is critical to the security of the project as it examines the current situation, identify problems and find solutions, it also keeps project activities on schedule, measure progress towards objectives, formulate/revise future goals and objectives and make decisions about human and financial resources. This chapter highlights the impact of the project and also shows how the performed activities we're trying to transform the community members' attitudes towards youth entrepreneurship.

#### **5.2 Participatory Monitoring**

Participatory monitoring is a routine tracking of priority information about a program, its input and intended outputs. Participatory monitoring is a set of principles and a process of engagement in the monitoring and evaluation endeavor (Parks, 2007). Based on the implementation of activities, participatory monitoring was done to assess the status of the project. It included identifying problems uncouneted during the implementation and finding the solutions. Participatory monitoring helped the implementers to assess whether the objectives set had been achieved or not and whether the project was carrying out its planned activities.

##### **5.2.1 Monitoring Information System**

Monitoring information system based on the weekly and daily recorded information pertaining of activities that were arranged in a specified period of time. This includes

stakeholder identification and mobilization, for instance where community members participated in the exercise of mobilizing target group, financial and material resources, daily register showing the number of youth mobilized and their readiness is presented. In this case monitoring information such as the number of youth who are ready to join the programme is clearly identified and presented. In the case of financial and material resource mobilization, the proposal for small grant is the document which can easily be seen and is skimmed while observing what is contained.

In case of registration and programme design, registration process is accessible by a letter written to the Municipal Community Development Officer who is responsible for registering socioeconomic groups. In the case of programme design, project Curriculum and training manual are the documents which provide information on the courses which are offered by the project. The content of the documents comprises courses like, Entrepreneurship and small business management, Bookkeeping and Record Keeping, Business planning and finally saving and borrowing.

The training session is viewable through the attendance register where all participants who have attended training in a specific day are recorded. Also participant's understanding is presented by the trainer's daily evaluation report which is presented in percentage or fraction numbers. The attendance of trainers is also clearly observed in class journals where by learning topic, number of participant available and absent is clearly presented. This document also shows time and date where learning took place.

Other information that can be utilized in the monitoring exercise includes the number of participants who participated in the establishment of their own entrepreneurship business activities. In monitoring utilization of funds, the bought items and their respective receipts such as ledgers provides monitoring information regarding to the funds utilization. These

items can be seen easily and therefore ensures the monitoring team that they were bought as stipulated in the project budget. However another methodology applied was the use of reading materials. All these made monitoring of information to be easy.

### **5.2.2 Participatory Monitoring Methods**

Participatory monitoring methods were prepared before conducting actual monitoring work. During participatory monitoring work data were collected through focus group discussion and observation. Various field visits were also conducted during the project implementation. Alongside with these techniques, project committee was given a monitoring sheet for information collection.

Collection of information exercise was conducted on weekly basis when young entrepreneurs were able to establish and manage their own businesses after attending trainings.

During weekly meetings, observation was used to assess the way the key challenges to youth entrepreneurship development. Properly kept documents were very essential to assess the performance of youth in this sector. Meetings also were conducted with other key stakeholder like Community Alive and SIDO. Records kept helped very much on performing of this duty as sometimes record review was used to assess the individual group's performance. This technique also was used to assess the activities that its accomplishment means an existence of a document for example, training manual. In this case the monitoring team can obviously see the document and assess its quality. Further, observation was used to assess funds allocations particularly; the funds used to buy items that are easily seen and tangible. Such items include teaching and learning materials and ledgers. Focus group discussion was used to assess time as an important element in any activity. Here, youth entrepreneurs were asked as to whether every business activity was

implemented according to the plan and if there is need to reverse the implementation plan. During the discussions every member was given a chance to assess how time used in project operations and hence responses were recorded for further analysis.

**Table 20: Participatory monitoring plan**

<b>Objective</b>	<b>Activities</b>	<b>Indicators</b>	<b>Data source</b>	<b>Method/ Tools</b>	<b>Responsible person</b>	<b>Time Frame</b>
1.0 To assess the awareness created on importance of youth entrepreneurship programme	How many meetings were conducted?	Number of meetings conducted	Weekly reports and secretary minutes.	Record review and observation	Project manager and CED student	By March 2013
	What were the responses towards the programme from beneficiaries?	% of beneficiaries accepted the idea of entrepreneurship training programme	Weekly records	Record review	Project manager, target group and CED student	By March 2013
2.0 To assess the extent of mobilization of social and financial Resources for implementation of project activities	In what extent was financial and material resources were mobilized?	Amount of money and other resources/materials mobilized	Weekly records	Record review	Project manager, target group and CED student	By April 2013
3.0 To assess whether the resources are efficiently utilized	If the budget correlate with planned activities	Budget trend and items bought	Budget and items bought	Observation and Focus group discussion	CED student and youth entrepreneurs	By April 2013
4.0 To assess the performance of individuals who have attended the training and initiated their own micro-business ventures	Is there any observable difference between business owned by those attended training and those who do not	% of performance between individuals received training and those who do not	Training reports and observation	Record review	Project Committee and CED student	By June 2013
Source: Author's finding 2013						

### 5.3 Participatory Evaluation

Participatory evaluation intends to bring out program success, growth areas and lessons learnt for project improvements. An evaluation was made on an annual basis during implementation of the project as from (July 2012 to July 2013). There were some evaluations made through meeting with all stakeholders on a monthly basis and observation of the effectiveness and efficiency of youth performance after attending entrepreneurship development training.

Participatory evaluation was conducted by focusing at project goal which states as to reduce unemployment rate among the youth in Mwisenge ward- Musoma Municipality through establishment of entrepreneurship skills development centre. The project is important for building good citizens; a way to facilitate the transition of young people from school to work; a way to reduce the incidence of neighborhood crime, poverty, drug abuse, and unemployment; a way to counterbalance the years of largely passive education received by students in the classroom and a way to yield good work habits.

#### 5.3.1 Performance Indicators

**GOAL:** To reduce youth unemployment in the ward by establishing an entrepreneurship skills development centre.

**Table 21: Project performance indicators**

OBJECTIVE	PERFORMANCE INDICATORS
1.0 To create awareness and improvement in youth- run enterprises through entrepreneurship training	a. No. of youth receiving entrepreneurship and business management training b. Number of youth with increase awareness of youth entrepreneurship c. Registered youth entrepreneurs at ward level



2.0 To develop 25 more professionally and productively new businesses owned and organized by youth by the end of one year.	<ul style="list-style-type: none"> <li>a. Percentage of youth entrepreneurship projects performing well.</li> <li>b. Number of youth-run microenterprises established and sustained</li> </ul>
3.0 To develop 30 young business leaders who are more creative, risk takers, self motivated, intuitive, authoritative and strong willed by the end of one year	<ul style="list-style-type: none"> <li>a. Number of youth with percentage increase in income</li> <li>b. Number of youth with increase in business assets and inventory</li> <li>c. Number of youth with, improved business practices</li> </ul>

Source: Author's finding 2013

### 5.3.2 Participatory Evaluation Methods

The project applied Participatory Learning Action (PLA) methods which comprise mixed methodology which provided both the quantitative and qualitative data for this project. These methods mainly included key informant interviews and focus group discussion. Documentary review was also done before and after the study so as to compare what have been documented with the exercise findings.

The overall objectives of the evaluation are to provide accurate and detailed feedback on the impact of the project, with a view to know if the project outcomes were achieved or not. A sample of 20 youth entrepreneurs was taken during the evaluation using all of these approaches; documentation, key informant interviews and focus groups meeting with project representatives. Observation was also used to support the information collected through focus group discussion and key informant interviews.

Data collection consisted two sets of in-depth interview schedules and two sets of self-administered survey questionnaires for use with the different categories of participants. The

data collected from youth was on obtaining details on their employment status, income level, asset and inventory status, and improvement in business. Objectives were created for each of the evaluation aspects and key questions were asked in accordance with the specific objective on the way the project performed.

### **5.3.3 Project Evaluation Results**

Despite the limitations faced by the project during implementation, out of 25 participants who attended training, there was an increase in new businesses with 4 more direct businesses created which exceed the baseline of 3 businesses projected at the beginning of the project. Employment level increased by 100% and those that own their own businesses increased from 24% to 40%. The female entrepreneurs increased from 12% to 40%. At the time of this report, 4 existing businesses were expanded which resulted to two more additional jobs. Cumulatively, the total amount of new jobs created are now 4 both direct and indirect jobs, making it a total of 20 employment opportunities.

From the study, seven youths moved from the low income level to middle income level at the end of the project intervention. Those who were earning income from 5,000-15,000 Tshs per day had an income increase with a positive change between 10- 20 percent. This is showing innovation, ability to take risks and improvement in business practices. Also according to the result of this report, there is strong evidence that higher education level contributes to risk-taking and the formation of new ventures which leads to higher income level. On average, college graduates are more likely than non-college graduates to start new business ventures. The report shows some movement from low income to middle income level supported by educational background.

The information indicates improvement in business practices, out of 6 youths who operates their own business before the implementation of this project, 21% kept record of their transactions, 19% have a business card, and no business was registered.

At the time of project evaluation, 92 percent was keeping records of their transactions, 54 percent have business cards and 30% registered their businesses. This improvement could be attributed to the business advisory and consulting services provided by the project committee during the course of project implementation. The study also indicated that most youth were complaining on lack of information and awareness as well as knowledge on entrepreneurship. This was among the main reason on why youth was not involved in entrepreneurship projects. This resulted in the development of some strategies. Awareness programs such group discussions; counseling and field study were organized. At the end of the project, a total of 25 youth were trained of which 10 were female and 15 were male.

#### **5.3.4 Challenges Observed during the Study**

Despite the goal and objectives of the project remaining the same, and the progress towards accomplishing the objectives being good, there have been some delays in conducting some of the activities thus resulting in hindrance in completing the entire project. Some of these challenges were;

- i. The youth' reluctance in participating in the training although they are ready registered in the training sessions.
- ii. Majority of youth members expected to be paid during the training sessions; this weakened the project budget because only few managed to pay a fee contribution.

In terms of Financial resources there was a slight shortfall in terms of revenue collections for which only TShs. 1,500,000 was collected, against the projected revenue of Tshs. 2,550,000 being an under collection by 40%. This was however compensated by a lower outflow on the expenditure side for which only a total of Tshs. 1,200,000 had been spent as at 31<sup>st</sup> June 2013, as against the projected Tshs. 1,800,000, thus amounting to an under spending of 34%.

### 5.3.5 Project Evaluation Summary

**Table 22: Project Evaluation Summary**

<b>OBJECTIVE</b>	<b>PERFORMANCE INDICATORS</b>	<b>EXPECTED OUTCOME</b>	<b>ACTUAL OUTCOME</b>
1.0 To create awareness and improvement in youth- run enterprises through entrepreneurship training	<ul style="list-style-type: none"> <li>a. Number of youth receiving entrepreneurship development and business management training</li> <li>b. Number of youth with increase awareness of youth entrepreneurship</li> <li>c. Registered youth entrepreneurs at ward level</li> </ul>	<ul style="list-style-type: none"> <li>a. 100% of registered youth will participate fully in all training sessions</li> <li>b. 100% of youth attended training will gain awareness on entrepreneurship</li> <li>c. 30 young men and women will be registered during the first phase of the project</li> </ul>	<ul style="list-style-type: none"> <li>a. 100% of youth registered in programme participated fully in all training sessions</li> <li>b. 98% of youth attended the have developed entrepreneurship skills such as creativity, saving and communication.</li> <li>c. 25 young men and women were registered during the first phase of the project.</li> </ul>
2.0 To develop 25 more professionally and productively new businesses owned and organized by	<ul style="list-style-type: none"> <li>a. Number of youths established businesses</li> <li>b. . Number of businesses operated productively and professionally</li> </ul>	<ul style="list-style-type: none"> <li>a. New businesses to be established</li> <li>b. 9 Businesses to operated professionally and productively</li> </ul>	<ul style="list-style-type: none"> <li>a. 4 Businesses were established</li> <li>b. 5 Businesses were operated professionally and productively</li> </ul>

youth by the end of two years			
3.0 To develop 30 young business leaders who are more creative, risk takers, self motivated, intuitive, authoritative and strong willed by the end of one year.	<ul style="list-style-type: none"> <li>a. Number of youth with percentage increase in income</li> <li>b. Number of youth with increase in business assets and inventory</li> <li>c. Number of youth with, improved business practices</li> </ul>	<ul style="list-style-type: none"> <li>a. To develop 30 youth entrepreneurs with 50% income increase</li> <li>b. 30 youth entrepreneurs with a expected average of 20% percent increase in both asset and inventory</li> <li>c. 30 youth who operate their own business by 100% will be able to keep records of their transactions, have business cards and plough back their business profit back to the busines.</li> </ul>	<ul style="list-style-type: none"> <li>a. 25 youth entrepreneurs attended the training and they were able to increase their income by 30%</li> <li>b. 20 youth entrepreneurs experienced an average of 15% increase in both asset and inventory</li> <li>c. Out of 10 youth who operates their own businesses, 92% kept records of their transactions, 54% have business cards and 30% of businesses were registered.</li> </ul>

Source: Author's finding 2013

## **5.4 Project Sustainability**

This Project intends to identify their own workable initiatives which will increase awareness on how to run enterprises through entrepreneurship training which would result to increase in youth participation in entrepreneurship activities. These initiatives will tell more about sharing of resources, expertise and successes. The attainment of these initiatives needs thorough analysis and creativity, changing, diversification and integration of different sustainable initiatives. However, the sustainability of this project can be observed at the following aspects:

### **5.4.1 Political Sustainability**

The project received political support from the community and therefore it could be suitable in this respect. There is a good environment exists between local government and the community members at Mwisenge ward-Musoma Municipal where as the young entrepreneurs may exploit the existing political opportunity to enhance project development and the fore reduce the level of unemployment and poverty among them. Since the project is well known by the local government, local leaders and even the councilor in the area, it is easier to get support from the government wherever need arises. Also Tanzanian youth development policy of 2007 provides good environment and safeguard any youth development programmes.

### **5.4.2 Institutional Sustainability**

The project committee which includes project coordinator, secretary, treasurer and trainers has been participating in any supervision associated activity and has been trained on proper financial records, monitoring and evaluating any micro-business venture. The project is partnering with Community Alive group to continue with providing business advisory services to the group. This would help the youth to benefit from other value added services of the group.

The group was strengthened and trained in cooperative formation and management. They have managerial commitment to drive the group forward. The group has been mandated to organize meetings monthly and mobilize members to pay their monthly payment and attend to members need. Some of the business strategies initiated to promote social capital and networking include; outsourcing of business services to members, marketing of member services and products, and recommending the group to other youth and stakeholders. The group has also agreed to start an entrepreneurship sensitization workshop for local youth as part of their business plan and also to sensitize other youth on the benefits of entrepreneurship. They planned to invite experts for a one day session on business topics.

#### **5.4.3 Financial Sustainability**

During the study it was noted that there were financial constraints in operating the project. Though every group member was required to contribute Tshs 20,000 as registration fee but the response was poor. In response to this, steps have been taken by Mwisenge youth entrepreneurship skills development centre in collaboration to CED student and Community alive group to write and submit a proposal to different agencies for this purpose. Members are also highly mobilized to pay their registration fee to enable the project to be alive.

## **CHAPTER SIX**

### **6.0 CONCLUSION AND RECOMMENDATION**

#### **6.1 Introduction**

This chapter presents conclusion based on what have been studied and revealed in this project of establishing of youth entrepreneurship development centre in order to deal with the problem of unemployment and poverty among the youth in Mwisenge ward-Musoma Municipal. Lastly the chapter points out recommendations in relation to what have been revealed with consideration of the fact that youth unemployment is a growing problem. Therefore there is a need for having strategies to handle the problem.

#### **6.2 Conclusions**

Establishment of youth entrepreneurship development centre in Mwisenge ward-Musoma municipal promises youth income improvement by promotion of entrepreneurial education and proper information on entrepreneurial opportunities, gain access to capital and learn to change their cultural way of thinking towards self employment. However, much has to be done so that to persuade other youth members who are currently not yet attended the entrepreneurship training programme to join the project as it will help them to fight against unemployment and poverty.

Target group was involved since Participatory Needs Assessment activities where a survey was conducted so as to get real needs of the community to the point of realizing the core problem and root cause of the problem which was obtained through pair wise ranking. The Literature review was done before implementation of the project to find policy support and make sense of ownership for sustainability of the project. Despite the goal and objectives of the project remaining the same, and the progress towards accomplishing the objectives being good, there have been some delays in conducting some of the activities



thus resulting in hindrance in completing the entire project. Some of these challenges were;

- iii. The youth' reluctance in participating in the training although they are ready registered in the training sessions.
- iv. Majority of youth members expected to be paid during the training sessions; this weakened the project budget because only few managed to pay a fee contribution.

In terms of Financial resources there was a slight shortfall in terms of revenue collections for which only TShs. 1,500,000 was collected, against the projected revenue of Tshs. 2,550,000 being an under collection by 40%. This was however compensated by a lower outflow on the expenditure side for which only a total of Tshs. 1,200,000 had been spent as at 31<sup>st</sup> June 2013, as against the projected Tshs. 1,800,000, thus amounting to an under spending of 34%. The under spending can be attributed to the following reasons:

- a) A number of services having been provided on voluntary basis by some members. This includes part of the secretarial and training services.
- b) The project committee also to a large extent offered their services, including official meetings and seminars on voluntary basis.
- c) Some of the activities for which expenditure has to be incurred were yet to be undertaken. These include the recruitment of operational staff that has to be paid salaries.

Despite the few shortcomings mentioned above, to a large extent the goal of the project has been accomplished, with the underlying objectives being accomplished by about 85%, 75% and 65% for objectives No. 1, 2, and 3 respectively.

During Participatory Monitoring and Evaluation exercise, the author realized that the employment level among those attended trainings increased by 100% and income for those who own their businesses before the project initiation increased from 24% to 40%.

The female entrepreneurs increased from 12% to 40%. At the time of this report, 4 existing businesses were expanded which resulted in the creation of two more additional jobs. Cumulatively, the total amount of new jobs created is 4; this makes a total of 20 employment opportunities since the initiation of this project.

The information indicates improvement in business practices. Out of 6 youth who operated their own business before the project implementation 21% kept transactions records, 19% have business cards and no business registered. At the time of project evaluation, 92 percent kept records of their transactions and 54 percent have business cards. In the case of sustainability, financial, institutional and political environment allows for the project sustainability.

It was interesting to undertake the project with the target group as community was ready to devote their time to the project activities as they were all see the fruitfulness of the project since the beginning of the project. The progress of the project activities especially at the stage where the Youth entrepreneurs were able to start to operate their own or being employed by others was very interesting. Ensuring the project expands and grows into something else that can bring great benefit to entire youth members in Musoma district, CED student (the author of this report) in collaboration with other stakeholders intends to mobilize this project in the entire district to form a network which eventually is thought to develop Musoma district youth entrepreneurship development centre that will be owned by youth.

### **6.3 Recommendations**

The findings suggest that the promotion of entrepreneurship program is a vital tool in tackling youth unemployment. While reemphasizing that entrepreneurship education is not the cure for youth unemployment problems alone. Based on the project work that arises from Community Needs Assessment, we realized that community sensitization,

participation of beneficiaries and financial independence is very vital for the sustainability of the project to be initiated. In this case, therefore we recommend the following:

- i. Any project, regardless of its nature, should seek to cover its operations and be less dependent on outside assistance in order to develop.
- ii. To ensure continued profitability and sustainability, Youth projects should continue to be innovative through the introduction of new products and new methodologies, as well as the management and control of the operating costs.
- iii. To other individuals who intend to work with community on various communities based project to take note of these issues and avoid raising high expectations to the beneficiaries which are not attainable.
- iv. To the local government should support socio-economic groups, this is possible since it is easier to support people in groups than individual cases.
- v. To any individual or group of people who intend to initiate any community based project to make a thorough literature review so as to identify what others have done to such projects and identify policies that comply with the project to be development.
- vi. To the Community Alive should continue supporting Mwisenge youth entrepreneurship development programme particularly on training the basic entrepreneurship skills and other community based projects.
- vii. This kind of project is suggested to be carried out in different areas of Tanzania to reduce youth unemployment and poverty while extending lessons learnt from Mwisenge youth entrepreneurship development centre to other parts of the country.

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## APPENDICES

### APPENDIX 1: QUESTIONNAIRES

#### PART 1: RESPONDENT'S PROFILE

1.1 Age 15-20-----21-25-----26-30-----30+-----

1.2 Sex of youth       -----Male -----Female

1.3 Marital Status

- |             |        |
|-------------|--------|
| 1. Single   | (    ) |
| 2. Married  | (    ) |
| 3. Widow    | (    ) |
| 4. Divorced | (    ) |

1.4     What is your highest level of education?

- |                               |        |
|-------------------------------|--------|
| 1. Not attended school at all | (    ) |
| 2. Primary education          | (    ) |
| 3. secondary education        | (    ) |
| 4. Tertiary education         | (    ) |
| 5. Higher Learning            | (    ) |

#### PART 2: EMPLOYMENT STATUS

2.1 What is/will be your sector of activity?

- |                          |        |                             |        |
|--------------------------|--------|-----------------------------|--------|
| 1. Manufacturing         | (    ) | 2.unemployed                | (    ) |
| 3. Small business        | (    ) | 4. Transport, communication | (    ) |
| 5. Fishing               | (    ) | 6. Agriculture              | (    ) |
| 7. Others (specify)..... |        |                             |        |

2.2     What is your average annual income?

- |                           |        |
|---------------------------|--------|
| 1. Below 500,000/=        | (    ) |
| 2. 1,500,000 –2,000,000/= | (    ) |
| 3. More than 2,000,000/=  | (    ) |

2.2     Is your annual income meets your daily requirement?

- |        |        |
|--------|--------|
| 1. Yes | (    ) |
| 2. No  | (    ) |



### PART 3: ENTREPRENEURIAL SKILLS

3.1 Do you have entrepreneurial skills?

1. Yes ( )
2. No ( )

3.2 What other skills do you need so as to improve your income?

1. Savings and Entrepreneurship Skills ( )
2. Skills related to modern farming ( )
3. Skills related to livestock keeping ( )
4. Environmental conservation skills ( )
5. All the above ( )

3.3 What is your perception on entrepreneurship sector?

1. Risky venture ( )
2. Highly respectable career ( )
3. Most are discouraged by social and cultural environment ( )
4. Most youth lack awareness and skills ( )

### PART 4: PROBLEMS ASSOCIATED WITH INCOME IMPROVEMENT

**4.1. What are the difficult conditions facing youth from running their projects?**

A: Social/ Cultural factors .....B: Access to finance .....

C: Government regulations .....D: Education, skills and training

E: Business support (& physical infrastructure)

F: Others: (please explain if any).....

**THANK YOU!      THANK YOU!      THANK YOU!**

**APPENDIX 2****DODOSO**

Tafiti hii inalenga kubaini uhitaji wa elimu ya ujasiriamali miongoni mwa vijana katika mtaa wa mwisenge kati Manispaa ya Musoma. Tafadhali naomba ushirikiano wako kujibu dodoso hili kwa kuonyesha chaguo lako weka alama ya ( ✓ ) au kutoa maoni inapowezakanana. Natanguliza shukrani kwa ushirikiano wako.

**SEHEMU YA KWNZA: MAELEZO YA MJASIRAMALI****TAARIFA YA JUMLA**

1.1 Umri wako (miaka) 15-20-----21-25-----26-30-----30+-----

1.4 Jinsi -----Mwanaume -----Mwanamke

1.5 Hali ya ndoa

- |                     |     |
|---------------------|-----|
| 5. nimeolewa        | ( ) |
| 6. sijaolewa/nimeoa | ( ) |
| 7. mjane            | ( ) |
| 8. nimeachika       | ( ) |

1.4 Kiwango chako cha juu cha elimu

- |                       |     |
|-----------------------|-----|
| 6. sikwenda shule     | ( ) |
| 7. elimu ya msingi    | ( ) |
| 8. elimu ya sekondari | ( ) |
| 9. elimu ya ufundi    | ( ) |
| 10. elimu ya juu      | ( ) |

**SEHEMU YA PILI: MAELEZO JUU YA AJIRA**

2.1 Ni ipi sekta yako ya ajira?

- |                         |     |                            |     |
|-------------------------|-----|----------------------------|-----|
| 1. Kiwandani            | ( ) | 2. Sina ajira yeyote       | ( ) |
| 3. Biashara ndogondogo  | ( ) | 4. Usafiri na usafirishaji | ( ) |
| 5. Uvuvi                | ( ) | 6. Kilimo                  | ( ) |
| 7. Nyingine (taja)..... |     |                            |     |

2.2 Nini wastani wa mapato yako kw mwakaa/

4. Chini ya 500,000/= ( )
5. 1,500,000 –2,000,000/= ( )
6. Zaidi ya 2,000,000/= ( )

2.3 Je pato lako linkuwezesha kupata mahitaji yako ya msingi?

3. Ndiyo ( )
2. Hapana ( )

### SEHEMU YA 3: TAARIFA ZA ELIMU YA UJASIRIAMALI

3.1 Je una elimu yeyote ya ujasiriamali?

1. Ndiyo ( )
2. Hapana ( )

3.2 Je ungehitaji ujuzi gani Mwingine ili kuongeza kipato chako?

1. Kuweka akiba na ujasiriamali ( )
2. Kilimo cha kisasa ( )
3. Ufugaji wa kisasa ( )
4. Utunzaji wa mazingira ( )
5. Ujuzi wote uliotajwa hapo juu ( )

3.3 Nini mtazamo wako juu ya sekta ya ujasiriamali?

1. Haiaminiki na inahitaji tahadhari ( )
2. Inaheshimika sana ( )
3. Inategemea sana mazingira na utayari wa jamii ( )
4. Vijana wengi wanapungukiwa na utalamu wa ujasiriamali ( )

**3.4. Unafikiri miradi mingi ya vijana /itakumbana na changamoto gani?**

A:Matatizo ya kijamii ..... B: kupata mikopo/mtaji .....  
 C: Taratibu za kiserekali .....D: elimu ya ujasiriamali  
 E: mazingira ya biashara(majengo) F: Nyingine ( taja).....

**Ahsante**

**APPENDIX 3**

**INTRERVIEW PROTOCOL FOR SECONDARY SCHOOL TEACHERS &  
MWISENGE WARD OFFICIALS**

Thank you for participating in this study. This project aims to create enabling environment for Youth to participate successfully ineconomic projects at Mwisenge ward- Musoma municipality. You contributions and comments will greatly help in the success of this project. All data collected in this interview will be confidential and anonymous.

**Questions**

1. Please tell me your experience of working with youth enterprises in Musoma municipal?  
.....  
.....
2. What type of economic projects do youth mostly engage in and why?  
.....  
.....
3. Based on your experience, what encourages youth to enter into self employment  
.....  
.....
4. What problems do youth encounter when starting or sustaining their economic development p projects?  
.....
5. Do you have any other comments about youth empowerment projects in Musoma municipal?  
.....  
.....

**Thank you for your assistance!!**

## **Appendix 4**

### **A TRAINING MANUAL ON INCOME GENERATING ACTIVITIES AND SUPPORT TO YOUNG ENTREPRENEURS**

#### **Introduction**

Starting and owning successful business can be many things to small scale entrepreneurs. For some it is a matter of life and death and it can ensure the economic health of themselves and their family. It can be their source of creativity, giving them an outlet for all of those ideas they have. It can be their security, the comfort that comes from knowing that there is no boss who can fire them. It can even be their pride and joy, an accomplishment that they point to with satisfaction, knowing that they alone created it out of nothing.

But more than anything else, owning a business and being an entrepreneur is about freedom. The money that comes from a successful business is great and being energized and enthused about one's day is special. Being free however is priceless. Being free from hunger and want, dependence and employment is really priceless. If done right, one is free to start whatever sort of business one wants. One is free to start it where one wants, and free to work the hours he chooses. He is free to make as much money as he is capable of, without yearly limits.

#### **How to use this manual**

This training manual is designed for those beginning their business life and those who are already running small businesses and wish to improve their business skills. It is arranged into 4 training modules. In each module, the overall subject is introduced, learning objectives are stated, individual units are studied theoretically and through exercises and finally trainees' understanding is tested.

The trainer can adapt the length of individual study sessions according to circumstances, particularly the needs and abilities of the trainees. The trainer may use more than three days in any particular study module. The trainer can also choose to vary the order in which modules are delivered according to the interest of trainees. Each model presented firstly by defining the model learning objectives.

The idea of model then presented in a step-by-step way, with the trainer being encouraged to work by drawing out trainees' current experience. Where appropriate, worked examples are then offered before trainees are invited to demonstrate their understanding of lesson through an exercise. At this point, the trainer will need to judge how well trainees have understood the lesson; if necessary, the trainer should ask the trainees to do similar exercises created by the trainer until satisfied that the trainees have understood the model fully.

### **Target group**

This manual is intended for both unemployed youth and young entrepreneurs living at Mwisenge ward-Musoma. They will use it as an important document which should enable them to understand different entrepreneur and project management skills that will enable them to start and sustain small business microenterprises for their economic advance. This training manual will find it useful as it gives different ways and techniques of entrepreneur and business development skills.

## **MODULE ONE**

### **ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT**

#### **1.1 Learning Objectives:**

By the end of this session trainees are able to:

- Define an entrepreneur
- Define what management is
- Identify the pillars of Management
- Apply the Management concepts to their own business

#### **1.2 Learning Activities:**

Ask the trainees the following questions:

- How do you understand the term Management?
- What is the function of a manager?
- Identify situations in which management skills are required
- In groups of four, discuss the qualities of an entrepreneur

#### **1.3 Define an entrepreneur:**

An entrepreneur is someone who starts or operates a business venture and assumes the responsibility for it. He or she provides goods or services to individuals or businesses for payment



**Activity 1: in groups of five discuss the qualities of an entrepreneur**

## 1.4 Management

The word “management” designates all activities carried out in the course of running a business venture. Management is supported by four basic pillars without which success would be difficult to achieve. These pillars include;

- Planning,
- Organizing,
- Leading
- Controlling.

### 1.4.1 Planning

Planning can be defined as “the thinking that takes place before the action”. This is the anticipation of future business environmental trends, predetermining future activities and resource use to meet the challenges and opportunities therein. Planning happens in two phases

#### *Pre-project planning*

- Involves development of the business idea
- Gives a guide to future development and expansion
- Helps identify any potential block in a business process and improve productivity.

#### *Day-to-day planning*

Involves planning on a daily basis to ensure production takes place correctly.

The planning process involves

- Determining the objectives to be attained in the future. This calls for complex processes of perception, anticipation and forecasting future circumstances and requirements.
- Assessing the present limitations to the achievements of the set goals and determining how these could be overcome.

At this point the entrepreneur should do a SWOT analysis and weigh the possible options

*a) Strengths*

Strong points of the proposed Business

*b) Weaknesses*

Weak areas that could be encountered in the project

*c) Opportunities*

Environmental functions that can be manipulated to future advantage for the project

*d) Threats*

Environmental conditions that can cause danger to the project in the future

#### **1.4.1.2 Advantages of planning**

- Facilitates the accomplishment of objectives.
- Provides the basis for all other managerial functions (organization and control) as planning defines what is to be done, who should do what, and what resources are required
- Provides the management with the best possible foresight. It provides the instrument for monitoring and control.
- Provides the basis for the efficient utilization of resources, avoiding waste of time, material and human resources.

These are some of the basic questions often asked during a planning process:

- What is our problem or need?
- Who are we?
- Where are we?
- What are our norms and values in business?
- What is our goal?
- Which way do we all accept to take? Is it feasible?
- Have we got the resources we need?



- What are the different ways to reach our goal,
- What are the advantages and disadvantages of each way?
- What tasks must we do to move this way towards our goal?
- Who will be responsible for the tasks?
- Who will do what, when and where?
- When will we evaluate our progress?

#### **1.4.2 Organizing**

Organizing involves the assignment of tasks, authority and allocation of resources across the organization. This entails the design of systems to ensure effective coordination of resources (human, capital and natural) across the organizational divide. Now that you have a plan, you have to make it happen. Is everything ready ahead of your implementation so that the right stuff will be channeled to the proper position at the right time? Are your subordinates (family) prepared to do their part of the plan? Is the down stream organization (your customer) ready for what your institution will deliver and will the outputs being on time?

#### **1.4.3 Leadership**

Once plans are in place and resources have been organized, then the project will be ready for implementation. Implementation is not unplanned. It should have a leader who defines and controls the processes. Leadership is therefore the ability to initiate action, guide directly and supervise others in pursuit of a common goal.

#### **1.4.4 Controlling**

Coordination and control are linked activities which are concerned with monitoring the set tasks and return them to the correct path if any deviation occurs. Coordination is the act of coordinating, making different people or things work together for a goal or effect. Control is the setting of standards, measuring actual performance and taking corrective action. Control comprises three main functions.

- Control of an undertaking consists of seeing that everything is being carried out in accordance with the plan which has been adopted, the orders which have been given, and the principles which have been laid down. Its object is to point out mistakes in order that they may be rectified and prevented from recurring.

- Control is checking correct performance against pre-determined standards contained in the plans, with a view to ensure adequate progress and satisfactory performance.
- Controlling is the measurement and correction of performance in order to make sure that enterprise objectives and the plans devised to attain them are accomplished.

### *Characteristics of Control*

- Control is a continuous process
- Control is a management process
- Control is forward looking
- Control is linked with planning
- Controlling is an instrument for achieving organizational activities.

**Activity 2: In groups of five, identify situations which management skills are required**

## **MODULE TWO**

### **BOOKKEEPING AND BUSINESS RECORDS**

#### **2.1 Learning Objectives**

By the end of this session the learners should be able to:

- Understand the importance of book-keeping to a business
- Understand the effects of various business activities
- To record simple business transactions and keep a cash book

#### **2.2 Introduction**

Record keeping in business what its size is very important. Initially when one is thinking of starting a business, the need to keep a record of all activities undertaken is not apparent but once the business has started running then the owner realizes the need for book-keeping and accounting. Record keeping should begin from the first minute one spends a shilling on any business idea. Recording all transactions will help the businessperson keep abreast of establishment costs initially and the running expenses and the business revenue one the business starts bringing in cash.

Book-keeping can be a very simple exercise where one records in an exercise book, all the activities that is undertaken for business purposes. The owner of the business should record such important issues as:

- Amounts paid for licenses and permits initially
- Costs incurred to secure the location
- Costs spent on travel for purposes of the business
- Amount used to buy the initial stock and how much was actually bought
- Daily sales, cash and credit.
- Daily expenses and withdrawals
- Daily purchases
- Daily cash balances

A simple book-keeping and accounting assists the businessperson in determining whether a profit or loss is the end result of the business. The records will also help in actually pinpointing which activities are taken up more cash than they should and which activities are bringing in more money. The businessperson can set a saving target and a collections target from customers taking goods on credit.

When recording credit transactions it is important to record dates, type and amount of goods, amount paid as deposit and the amount pending. It has been known that credit transactions cause conflict between people if they are not recorded properly. Cash transactions should also be recorded properly so that the type, cost and price of goods sold can be determined. Cash balances should be determined every end of the day so that the balances at the beginning of the day and the balances at the end of the day can be determined.

It is important that a businessperson keeps an updated cash book and a ledger. The cash book records all activities related to the cash transactions. It records how much cash has come and how much has gone out. All cash receipts and payments are traced in this book. The ledger records each lists items and records dates and amounts under them. For example a salary entry in the ledger will have the amount paid, the period for which it was paid, the day and date it was paid and to whom it was paid. Many of the activities of the businesses undertaken are usually dependent upon trust and are kept in mind by people. Oral agreements are entered without evidence of the agreements. Trust is good but keeping and witnessing records are better. Anything can happen to an individual and the

memory is fickle. Records keep the truth. They prevent fraud and other malpractices and protect business assets.

### **2.3 Record Keeping**

Business planning depends on analyzing past performance, identifying the strengths and weaknesses of the business and using this knowledge to make both present and future decisions. The basis for such analysis is sound, accurate information and this can be obtained only from good records. Although a great number of records can be kept, the farmer must decide what information he/she requires for his planning. Records that are never used are a waste of time and resources.

### **2.4 Financial management**

Financial management is about planning income and expenditure, and making decisions that will enable you to survive financially.

Financial planning is about:

- Making sure that the business can survive
- Making sure the money is being spent in the most efficient way
- Making sure that the money is being spent to fulfill the objectives of the business
- Being able to plan for the future of the business in a realistic way.

### **Activity 3: In a group of 5, Identify simple rules in small business bookkeeping**

### **2.5 Drawings from the business**

When running a business, the owner may have to withdraw some money out of the business once in a while. The capital invested in the business is seed money and needs to be protected until it grows and matures. When the business is growing, it is important to reinvest the profits in the business. The expenses of the owner should be limited to enough to make life comfortable and no luxury expense may be withdrawn from the business while it is still in its infancy.

The purpose of doing business is to improve one's life, to care for one's family and to contribute to society. The success of the business is vital for all these objectives to be

achieved. Removing money from the business reduces the funds available to the business for investments and affects its cash flows.

## **MODULE THREE**

### **BUSINESS PLANNING**

#### **3.1 Learning Objectives**

- By the end of this session the trainees should be able to:
- Identify the components of a simple business plan
- Understand the objectives and uses of a business plan
- the idea of planning to the success of business
- Prepare a simple business plan template for their business

#### **3.2 Learning Activities**

Divide the learners in to groups of 5 and ask them to write a short description of a business of their choice in terms of type of products, ownership, operations and running of business, main income sources, main expenses, expected periodic profit and projection for next year.

Let them present to the whole group and write their answers on a flip chart or white board.

- Relate the answers given by the trainers to an a template of a business plan at the end of this section and explain to the trainees how their small effort can be turned into a fairly good business plan

#### **3.3 Business planning**

It is good to think about a task before starting to do it. This thinking helps to accomplish the work smoothly. When thinking is done logically and sequentially, then it is called planning. A few basic questions always help in thinking logically:

- Who will do the work?
- Why?
- How will it be done?
- When will it be done?
- What materials are required?

The final answers to these questions become your plan.

### 3.3.1 Purpose of Planning

A good plan helps us in many ways:

- To get ideas about the business
- To facilitate in getting financial support
- To reduce risk of loss
- To develop self-confidence
- To help solve problems
- To help run the business smoothly
- To help select an appropriate business

### 3.3.2 Factors to be considered in making a good business plan

One should consider some key factors in preparing a good business plan.

Some of these include:

- Income
- Expenditure/cost
- Credit/source of investment
- Amount of credit and rate of interest
- Marketing channels
- Storage
- Profit

### **Activity4: Discuss in groups Factors to be considered in Business Planning**

### 3.4 Business Plans

A business plan covers all important aspects to be considered before starting a business. It is a guide for you to follow so that you do not overlook important aspects when preparing for your new business. This chapter will cover, step by step, each part of the Business Plan. When you have worked through all the steps you should be able to complete your own Business Plan.

#### 3.4.1 How a business plan can help in starting a business.

As soon as you are clear about your business idea, you need to collect detailed information and do some calculations to be able to see if the new business will be profitable and if you

should really take the risk to start it. Lack of proper planning and preparation is one major cause for the high rate of failure among new businesses.

**A business plan helps you to:**

**Decide** if you should start your business or not. Starting a business will change your life completely. Therefore you need to make sure that you take the right decision. The business plan will help you make the right judgment.

**Organize** your ideas so that you will know how to start and run your business in the best way. The business plan follows a standard sequence of relevant topics and it will therefore help you to be clear on what you want.

**Present** your business plan to a lending institution such as a bank for obtaining a loan for your business. By preparing the business plan yourself, you will be able to answer most questions they may ask.

The following are the main steps for writing an effective Business Plan:

**1. Describe your business idea**

All business plans are based on one single business idea. It is about which needs the products or services will satisfy, what product you are going to produce, what service you are going to provide or what goods you are going to sell, who you are going to sell it to and how you are going to sell it to them.

**2. Prepare your marketing plan**

After you have described your business idea you should think in detail about how you are going to market your products or services. Marketing is everything you do to find out who your customers are, what they need and want and how much they are willing to pay. Marketing is about knowing how to reach and satisfy your customer while making a profit with your business.

**3. Estimate your sales**

As soon as you know your customers and products or services better and you know how to get these to your customer, you will be able to estimate your monthly sales (in volume and value). These sales estimates form the basis for all further calculations about costs and the profit the business will make.

**4. Know how much to buy and to produce**

When you know your sales plan, you should be able to work out your production plan and subsequently be able to calculate what materials and services you need, how much you need and when you need it.

**5. Decide what and how many staff you need**

Based on your business idea and your sales plan you will now need to think about the staff you need for this business. What skills and experience are needed? How many workers do you need? Of course you will then also need to find out how much you need to pay for salaries and salary costs (including your own).

**6. Identify the fixed assets you need to acquire**

Most businesses need certain land, buildings and equipment to be able to produce or to provide the intended services effectively. Fixed assets are those items that will last longer than one year and their value is reduced over the lifetime of the asset. This reduction in the value of fixed assets is called depreciation.

**7. Know your costs and plan for profit**

The previous steps have provided you with most information about the costs you will incur by running your business. You will now need to complete and summarize the costs, in order to plan for profit. By making a cash-flow plan you make sure that any shortfalls in finance will be avoided as these will negatively affect your business performance and the planned profit.

**8. Calculate your product costs and set your prices**

To be able to set your prices correctly, to plan for the best possible profit margin and not just passively respond to prices set by your competitors, you need to estimate the cost of your products or services as accurately as possible.

**9. Estimate your start-up capital and your loan requirement**

Start-up capital is the financial resources you need to start your business. You need money for fixed assets, but you also need money to cover your expenses during the first two or three months after the business has started, as very little money is coming in yet. When



you know how much start-up capital you need, you make sure that the full amount is available.

If your financial resources are insufficient you decide about how much of the required start-up capital should be obtained through loans.

### **10. Choose the legal form and know your responsibilities**

There are different legal forms to choose for your business. They all have advantages and disadvantages and which form you choose depends on the characteristics of your own business, the ownership structure you wish to pursue and the amount of capital you wish to invest in the beginning. When you run a business you also have additional legal responsibilities. The manual will help you to understand the legal requirements and obligations that apply to the form of business you choose.

### **11. The executive summary**

The executive summary is the first page of your business plan and gives an outline of your future business. It contains some of the most important information from the Business Plan. You will therefore need to complete all other parts of the Business Plan before you fill in the executive summary. It is important that the executive summary is clearly worked out and looks tidy, because it is the first impression one gets when opening your business plan!

## **3.5 Business Plan Outline**

### **3.5.1 Cover Page**

Name, address, and phone number of business give your plan a professional appearance by printing it on high quality paper and placing it in a vinyl or cardstock binder.

- 1) Name of company
- 2) Company address
- 3) Company phone numbers
- 4) Logo (if you have one)
- 5) Names, titles, and addresses of owners
- 6) Month and year in which the plan was completed
- 7) Indicate that the plan is “Confidential”

### **3.5.2 Table of Contents**

Enumerates the contents of the documents and gives the page numbers for easy reference.

### **3.5.3 Executive Summary**

This is a brief, one-page summary representing the various sections of your business plan. Address the following questions and add additional information that will help you achieve your goals. NOTE: The executive summary is written last, but is the most important part of your plan.

### **3.5.4 Background Information**

#### **A. Business concept**

- Mission statement
- Goals and objectives of business
- Description of business

#### **B. Answer as many of the following questions as are appropriate:**

- What business are you in?
  - Merchandising
  - Manufacturing
  - Wholesale
  - Service

### **3.5.5. Description of Products or Services**

- Features of proposed products/services
- Describe benefits to your customer
- Intellectual property and proprietary rights issues
- Production plans
- Future products/services

### **3.5.6. The Market Plan**

#### **I. Description of industry**

- Background of industry
- Current and future industry trends
- Business fit in industry

#### **II. Your market**

- Customer profile and target market
- Description of your trade area

- Size of your market
- Market potential
- Market trends

### **III. Competition**

- Direct competition - businesses with the same product or service and same target market. (Include three to five businesses and locations)
- Indirect competition - a product that is in a different category altogether but which is seen as an alternative purchase choice; for example, coffee and mineral water are indirect competitors.
- Evaluation of competition - strengths, weaknesses, size, age, status
- Your competitive advantage
- What is your unique selling proposition, and how will you use it to control your market share?

### **IV. Market strategies**

- Market positioning
- Marketing tactics
- Packaging
- Pricing
- Promotion
- Distribution
- Advertising
- Public relations
- Customer service

#### **3.5.7. Management Structure and organization**

- Legal form of ownership
- Management and personnel
- How does your background and business experience help you in this business?
  - Describe your management team
  - Identify their strengths and weaknesses?
  - What will be their duties and responsibilities?
  - Do you have job descriptions that clearly define their duties?
  - Are there additional resources available to your business?
  - Will you have to train people and at what cost?

- Describe your organizational composition, and include a brief explanation of who does what (comprise an organizational chart, if essential)
- Are there additional resources or advisors?

### **3.5.8. Business Operations**

#### **A. Business location**

- What is your business address and why did you choose that location?
- Will the building be leased or owned?
- What are the terms and length of the lease contract?
- What renovations will be needed and at what cost?
- Describe the neighborhood (e.g., stable, changing, improving, and deteriorating)
- What other kinds of businesses are in the area?
- Licenses and permits
- Is your business name registered?
- How will you be affected by local zoning regulations?
- What other licenses or permits will you be required to obtain?

### **3.5.9. Financial Plan**

#### **A. Start-up investment requirements**

- Start-up costs
- Business needs/capital equipment list
- Source and application of funds statement

#### **B. Cash flow projections**

- Monthly estimate of revenue and expenses
- Assumptions - the basis upon which the revenue and expense numbers are determined.
- Projected income statement
- Detail by month for the first year
- Detail by quarter for the second year

#### **C. Projected balance sheet (with notes of explanation and assumptions)**

### **3.5.10 Conclusion**

- Statement of feasibility

- ☐ Action plan
- ☐ Supporting documents

### **3.6 Tips for Writing a Good Business Plan**

- ☐ Keep it simple and focused
- ☐ Make it easy to read
- ☐ Use understandable language, a layout that is pleasing to the eye, and charts or graphs to explain difficult concepts.
- ☐ Be objective
- ☐ Review the plan with the critical eye of an outsider who doesn't know your business and isn't committed to the business.
- ☐ Be honest
- Acknowledge your weaknesses as well as your strengths.
- Review and revise the document regularly

## **MODULE FOUR**

### **SAVINGS AND BORROWING**

#### **4.1 Learning Objectives**

- At the end of this session the learner should be able to:
- Understand why individuals save money
- Identify the various methods of saving
- Appreciate the risks associated with saving and borrowing

#### **4.2 Learning Activities**

Ask the trainees the following questions:

- Do you save any money?
- Why do you save money?
- How do you save your money?
- From the answers given ask the trainees to explain the various traditional ways of saving in their local community and which one they consider the most effective.

#### **4.3 What is saving?**

Saving means withholding something valuable for future use. Saving is defined as consumption foregone. Money saved is for future use. When people have a choice, they

often choose to save. Savings is made by the poor out of the income from economic activities. In rural areas, money is saved from sale of agricultural produce, wages and income from enterprise while urban poor save mainly from wages earned. There are two key elements of any saving activity:

- ***Discipline and sacrifice:*** Withholding something valuable for future use instead of consuming it immediately.
- ***Planning for the future:*** Saving is all about the future, about anticipating and preparing for possible risks and emergencies (a bad harvest, sickness or death), preparing for upcoming events and expenditures (payment of school fees, a marriage, old age, or funeral) or starting a new business or expanding an existing one

#### **4.3.1 Why people save**

Everybody saves, even the poor. It's just that the poor have fewer resources to start with, and so can only save in small amounts. People save for a variety of reasons:

- To prepare for future emergencies or risks (natural disasters, injuries, death).
- □ To smooth out variations in income and consumption: Saving during surplus periods to use during difficult periods.
- To educate their children.
- To be prepared for old age and disability.
- □ To invest in occasions potentially profitable ( starting a small enterprise, stocking grain to resell during high price season, etc.).
- To fulfill social and religious obligations (marriage, funeral).

#### **4.3.2 How people save**

People save in many ways, as individuals or in a group. They may save in kind, in cash (at home or in a bank), or by giving.

1. ***In kind:*** When prices are continually rising (high inflation), when there is little cash in circulation (barter economy), or when there is no bank around, saving in kind may make sense. In kind savers normally save in food-grains, like maize or rice, or in livestock, such as cattle, goats, or chickens, and sometimes in items like jeweler or gold or other valuable goods which increase in value as prices rise and can be easily resold for cash at a later date.

- The disadvantages of in kind savings are that they tend to be less portable, more difficult to store and maintain (cattle are vulnerable to diseases, grains can be attacked by insects or rodents), less easily converted into cash, and more visible (sometimes people don't want others to see that they now have more chickens or cows than they used to have).
2. ***In cash:*** Almost everyone, including the very poor, has some need for cash: to buy medicine or pay for school fees or buy new clothes, etc. The main advantages of saving in cash are that cash is very portable, storable, and not very visible and can be exchanged for almost anything. In view of these features, saving in cash is generally preferred.
    - The main weakness of keeping cash is that it can lose its value during high inflation. That's why many choose a mixed strategy of saving in kind and in cash.
  3. ***At home or in a bank:*** Saving at home has its benefits. The savings are nearby and easily accessed, but this means that it is also more easily accessed by other family members or can be easily stolen. Saving at a bank may be a safer option. The problem is that banks only accept cash savings, the cost of opening and maintaining a savings account can be quite high and there are few banks, if any, located in rural areas.
  4. ***By giving:*** People give gifts or offer services not just out of generosity, but also sometimes with the hope of receiving the favor back when needed. A typical example would be volunteering to help a neighbor harvest his crop. By doing this, you expect him to help you when it comes time to harvest your crop.

#### Activity 5: Discuss in groups the Risks of Informal Savings?

#### 4.3.3 What about borrowing?

On the surface, using someone else's money and then paying it back, later, seems easier than saving. Borrowing doesn't require any immediate sacrifice. You get the money quickly and don't have to worry about paying it back until later. But is it really easier than saving?

- **Borrowing can be expensive:** The borrower will have to pay back the loan itself, plus pay additional interest on the amount received. This can get expensive! There can also be “hidden” interests. For example, a shopkeeper may lend person money without charging interest directly on the loan, but instead increase the price of the items the borrower must buy from him (medicines, food, and other household items).
- **Borrowing can be risky:** Since the poor are more exposed to risks caused by weather, income fluctuations, diseases, theft and death, they may have repayment problems. Suppose that after borrowing some money a family member becomes ill. The money may then have to be spent on medicine rather than on the planned investment. This will make repayment difficult and worsen their situation.
- **Borrowing can be difficult:** For the above reasons, the poor may also have more difficulties in obtaining loans than would the rich. Lenders, whether a friend, a local moneylender or a bank, are unlikely to lend to people they think will have problems in repaying.
- **Borrowing can be stressful:** A loan involves a promise to repay the lender. Normally the full amount must be repaid within a fixed period of time, often with interest. Failure to repay may mean losing valuable possessions (jeweler, a cow, a plot of land, etc.) or one’s good reputation, being threatened and/or becoming more indebted by building up fines and interest payments.

#### 4.3.4 How can the poor save more?

The poor do save. However, they have difficulties in becoming better off since they face a lot of problems. By adopting group saving approaches they can overcome some of these problems.

**Let’s see how.**

- By saving as a group, the poor can accumulate a larger amount of money more quickly by pooling their savings in a common fund which can then be used by the group or a member of the group for productive investment.



- By saving as a group, the poor can help each other learn different skills. As a group, they can more easily receive literacy and money management training from group promoters or trainers from NGOs, and also learn from other more literate members.
- By saving as a group, these risks can be shared between the members. Individual members can rely on other members for help in time of need. Group savings can be used like an insurance scheme to help members deal with these emergencies when they arise.
- By saving as a group, the poor can create a safe place to put their money

**Activity 7: Explain the various traditional ways of saving in the community and which one do you consider to be the most effective.**

## Appendix 5

### LETTERS

#### MWISENGE YOUTH'S ENTREPRENEURSHIP SKILLS DEVELOPMENT CENTRE

S.L.P 1036,

MUSOMA

12.11.2012

MKUU WA SHULE,

SHULE YA SEKONDARI MWISENGE,

S.L.P 1036,

MUSOMA.

YAH: OMBI LA CHUMBA CHA KUENDESHEA MAFUNZO YA UJASIRIAMALI  
KWA VIJANA WA KATA YA MIWISENGE-MANISPAA YA MUSOMA.

Husika na mada tajwa hapo juu,

Mimi Wilson Johnson, Mratibu wa mradi wa kukuza ujasiriamali miongoni mwa vijana, kwa niaba ya mradi, ninaomba chumba kwa ajili ya kufanya mafunzo ya elimu ya ujasiriamali kwa vijana wapatao 30 kutoka kutoka katika kata yetu ya Mwisenge-Manispaa ya Musoma. Tunafanya hivi kama sehemu ya mafunzo ya mweenzetu Wilson Johnson ambaye anasoma shahada ya pili ya maendeleo ya jamii katika Chuo Kikuu Huria cha Tanzania (OUT), lakini pia kutoa mwanya wa ukombozi wa kiuchumi kwa viajana wetu.

Mafunzo haya yataanza tarehe 03/12/2012 hadi tarehe 28/12/2012. Huu ni muda ambao shule itakuwa imefungwa hivyo tunategemea baadhi ya vyumba vya madarasa vitakuwa havitumiki kwa kipindi hicho. Tuko tayari kugramia chumba hicho kwa Tshs 50,000 kama tulivyokubaliana.

Ahsante,

.....  
WILSON JOHNSON

MRATIBU WA MRADI

WILSON JOHNSON  
S.L.P 1036,

MUSOMA

19/06/2012

MTENDAJI –KATA,

KATA YA MWISENGE,

S.L.P 194,

MUSOMA.

**YAH: OMBI LA KUKUTANA NA VIJANA WAJASIRIAMALI NA WASIO  
NA AJIRA KATIKA KATA YAKO**

Kichwa cha habari hapo juu chahusika,

Mimi Wilson,Johnson mwanafunzi wa chuo kikuu huria cha Tanzania (OUT) ninayesomea shahada ya pili ya uchumi na maendeleo ya jamii. Ili kukamilsha sehemu ya masomo yangu napenda kushiriki kubaini matatizo ya kiuchumi yanayokabili vijana katika kata yako kwa kuyatambua na kupendekeza Mradi/miradi ambayo ikianzishwa na kuusimamiwa na vijana wenyewe itasaidia kuwakwamua kiuchumi. Nimeshawishika kukutana na kundi hili kwa sababu ya ukosefu wa ajira na umaskini mkubwa uliopo miongoni mwa vijana hawa.

Nategemea sana ushirikiano wako katika hili, kwani likifanikiwa linaweza matatizo mengi tunayoyaona sasa katika jamii yetu.

Ahsante

.....

WILSON JOHNSON

MWANAFUNZI (OUT)