



**ROLE OF YOUNG ENTREPRENEURS IN PROMOTING BUSINESS
IN RWANDA**

A CASE STUDY: NYAMASHEKE AND GASABO DISTRICTS

**A Thesis submitted in partial fulfillment of the Requirements for the
Degree of Master of Business Administration (Finance Option)**

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SEPTEMBER 2019

DECLARATION

I declare that this research is my own work. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration at the University of Rwanda. It has not been submitted before for any degree or examination in any other university. No part of this of this research should be reproduced without the authors' consent.

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ACKNOWLEDGMENT

My special appreciation deserves:

Creator of all, God for His gift of life and protection, Supervisor, Dr. RUSAGARA Jean Bosco, PhD for his immeasurable academic guidance, valuable assistance and Constance encouragement during this research and Professor Rama B.Rao representing Sweden Program, this program real sponsored my field work, enabled me to correct both primary and secondary data properly.

DEDICATION

This study is real dedicated to my parents for their guidance and unmentioned facilities including financial supports throughout whole my studies, my brothers Niyigena Ephaste, Ndikumana Bernardin, Nyirandabarora Alvera and Komezusenge Aaron for their real friendship and their ever encouragement and inspiration, spiritual, emotional, being my remarkable strength and reminder of this accomplishment, my classmates for their motivation and assistance in studies and My friend: different friends for their support and being there for me when I needed them most

ABSTRACT

The required skills and knowledge on how to begin and supervise a business can be controlled but not being sure during decision-making stage by determining the risks, obstacles and barriers associated with that business. However, establishing the source of such uncertainties like risks and obstacles is absolutely necessary as it could reduce the chance of unsuccessful in future and support policy-making.

The goal of thesis was to discover the role of young entrepreneurs in promoting the business in Rwanda where the focus was on successful and unsuccessful causes for young entrepreneurs here in Rwanda, specifically in Gasabo as urban area and Nyamasheke as rural districts with specific objectives: to test the failure influence of young entrepreneurs, to assess the situation of businesses' management like allocation of resources for successes and failed young entrepreneurs, to test the situation of market for the failed young entrepreneurs and recommendation addressed to government on how to reduce high young entrepreneur's failure in Rwanda.

Questionnaires were distributed to 384 respondents as the targeted populations by collecting data and descriptive and regression were used to analyze data

The findings showed that the status of youth in entrepreneurs, their failures have been influenced by limited knowledge of business systems, lacked of financial accounting skills and negligence in determining business plan and controlling the business resources, high taxes, unavailability of fundamental business resources such as raw material which are highly costing, complicated rules and regulations and corruption while looking for permits.

The researcher advises the entrepreneurs to put more efforts in acquiring the necessary knowledge and skills in management and financial systems which is the way of minimizing the probability of failure, innovating the services and goods. Policy-makers should simplify restrictions, providing assistance and motivations to youths, exempting taxes for businesses held by youths, fighting against corruption and bribes and black market, creating more training centers for youths, non- government should provide their contributions to youths in terms of trainings like mentoring, supporting for entrepreneurial capacity-building.

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Entrepreneurship concerns the way of making potential employment, unemployment reduction, boosting production of goods and services and investment variation (Cant & Wiid, 2013:707; Ihua, 2009:200-201; Nichter & Goldmark, 2009:1454; Singh & Belwal, 2008:121).

The chance of happening is specified by some level of standard indicators connected to surroundings. These indicators are dissimilar basing to one nation another in terms of production and consumption, mostly like environment, security status and society's environment constitutes a nation (Arasti, 2011:7490-7491).

Rwandan Entrepreneurship like small businesses created by Youth specifically are highly failed compared to the rate of successful Young Entrepreneurs.

(Aguilar, 2003:19) believed that small businesses are suffering because of weakness of financial sector and macroeconomic instability. The same time also most authors believe that poor infrastructure, appropriate distribution channels for raw materials, the little strength of financial support for business and constraints at the beginning of business, real involve on the achievement of many business in Angola (Da Rocha, 2011:37; Lundahi, 2005:32-33; Mendes,2012:17).

A comprehensive understanding disclosed that Young Entrepreneurs failed have been caused by the acts of stakeholders and events existing in the eternal environment. According to (Wu, 2010:2371) stopping operations remove out the benefits of stakeholders, but it also damages the ongoing of increase in terms of economy and society. The effects of Young Entrepreneurs failures are not welcome in the economy, as countries across the world are still attempting to find innovation and new manners that can lead to the good status of business (Altman, 1984:171; Di Pietro & Sawhney, 1977:4; Holt, 2013:64).

1.2. Young Entrepreneur in Rwanda

The young Entrepreneurs failing in Rwanda was what this research wished to critically inspect, as well as to investigate the Young Entrepreneurs surroundings/environmental factors which contribute to such failures. In conducting so, it could support current and future Young Entrepreneurs and policy-makers to judge certain failure risks prior to taking action and implementing new policies which can motivate the new beginners in businesses creation and end up with successful businesses in Rwanda.

Young Entrepreneurs like small businesses created, always face different challenges. Their growth is comparably lower than the number of new youths who actually create their own businesses. Such challenges consequently result in a high number of Young Entrepreneurs failures with very little contribution to economy due to poor management; poor performance while implementing the business chosen, poor polices set. The result of that is real considered as factors contributed to the failure of Young Entrepreneurs in Rwanda.

Da Rocha (2011:37), Mendes (2012:17) and Herrington (2014:7) attribute the high rate of business failure to Angola's failure is to sustain the entrepreneurial environment for proper entrepreneurship development. Venter et al. (2008:91) argue that a good entrepreneurial environment is to increase and encourage viable entrepreneurship activities in an economy and should include: a physical and commercial infrastructure; favorable social-economic conditions; simplified business rules and regulations; an education and training programmed; institutional support and political stability.

Same researchers have been studied out of Rwanda where by April (2005), Arasti (2011), Everett and Watson (1998), Micha (1984), Mofokeng (2012), Nemaenzhe (2010) and Samsudin (2013).

The research wanted to discover the young entrepreneurs' status specifically factors associated with the failures of Youths in their own business created here in Rwanda. Young Entrepreneur failure has resulted in high unemployment rate, poverty, non-diversification of business and wastage of resource and financial.

1.3. Statement of the Problem

Insufficient improvement on entrepreneurial for Rwandan youths particularly for youths and insufficient skills on handling their own businesses, limited management skills to sustain their small business, have minimized the probability of many entrepreneurs success compared to the failed ones.

Furthermore, Herrington (2014:5) and Mendes (2012:17) are of the opinion that efforts should be made to grow divergent business support programs that act to alleviate the specific problems causing the failure of the business.

Little trading projects look excellent by producing substantial increase in production, making new work and increase of resources for nation (Dantels, 1999:63; Mahadea & Youngleson, 2013:33; Singh & Belwal, 2008:121). The things contributing to not success of Young entrepreneurs in Rwanda have not been extensively researched. Herrington (2014:6) notes that further investigation on the factors behind the failures should be conducted. According to Alman (1984:171) and Hold (2013:64), nations around the globe are deeply seeking for other methods to increase the success rate of small business. Therefore, identifying the causes of young entrepreneur' failure and end up with measures that will prevent from high number of not succeed of young entrepreneurs currently and in the future (Di Pietro & Sawhney, 1977:4; Khalfan, 2003:745).

The research problem therefore determines the reasons behind failing of young entrepreneurs in Rwanda and the associate factors.

1.4. Objectives

The research was planned to carry out the young entrepreneurs' status in Rwanda where the factors contributed to the failure and success of youths' small business examined and gathered. Why youths recommend the government of Rwanda to facilitate them for restrictions; this was done through examining different political, economic and social environments.

This study does not represent whole small business in Rwanda, simply focused on young entrepreneurs in Gasabo and Nyamasheke districts as urban and rural area respectively and surveying business owners or managers at the same time who have experienced failed and successes in their small business.

1.5. General objective

The general objective of the study was to investigate the status of young entrepreneurs in Rwanda.

1.5.1. Specific objective

- To find out the failure influence of Young Entrepreneurs in Gasabo and Nyamasheke Districts.
- To assess the situation of management of business and skills held on resources allocation for the failure young entrepreneurs in Gasabo and Nyamasheke Districts.
- To determine the situation of market for the failure young entrepreneurs in Gasabo and Nyamasheke Districts.

1.5.2. Research questions

- What is the contribution behind to the failure of Young Entrepreneurs in Gasabo and Nyamasheke Districts?
- What are the situation of management of business and skills on resources allocation for entrepreneurs in Rwanda?
- What is the contribution of market situation on the failure of young entrepreneurs in Rwanda?

1.6. Justification of the Study

Findings will provide essential useful views about causal factors of young entrepreneurs' failure in Rwanda and the findings communicate to current and future entrepreneur's owners and managers, policy- makers.

Concerning to contents of this study, they could contribute to young entrepreneurs by taking serious decisions and disclose all information then stay free from failure. The entrepreneurs who will get a successful will strengthen the economy of nation in terms of taxes paid, diversification, job creation and poverty alleviation. Furthermore, this provides a recommendation that will help the government and non-government (Private sectors) in effective policy-making especially concerning to rules and regulations governing young entrepreneurs and this will facilitate Young entrepreneurs to having and accessing different

information resources that will prevent them from failing and instead lead to achievement of the objectives.

1.7. Limitations of the Study

The study required fieldwork and before the student was required looking for permit in order to talk with different respondents from Gasabo (Kimilonko and Remela sectors) and Nyamasheke (Kanjongo and Macuba districts) districts by responding the questionnaires designed.

In behind, the time was constraint, waiting more than three days in order to get a letter from authorities allowing to interview the respondents, spending unexpected time by waiting the responded questionnaires given to respondents, some respondents felt fear in responding the questionnaire especially in rural area, printing other questionnaires after miss-filling the ones given to respondents, insufficient of funds because the transport in rural was highly costing due to poor roads, lack of communication due to poor connection in rural. In urban area, it was very difficult to meet people and respond as expected, it was real required to spend more hours by waiting them because most of them were busy but finally got the data as expected though deeper explanation provided.

CHAPTER TWO

LITERATURE REVIEW

The main purpose of this chapter is to review published researches related to this topic. It attempts to define, explain and illustrate the issue related to the topic of research and relate it to within findings for interpretation later on.

2.1. Theoretical Literature Review

Theory concerns to propositions assorted concepts which exclusively try to protect a rational idea of a social phenomenon (Marvasti, 2004:83). The theory can be shown with one supposition or more than one supposition and revealing action thought about (Yin, 2011:101). This research sought to find out status having by young entrepreneurs. The views of various authors on small business failure where young entrepreneurs are included is now discussed, followed by the Hazard modeling theories, models used to understand the causes of young entrepreneurs failure and predict business failure in the course of its lifespan (Honjo, 2000:557; Molina, 2002:43; Shumway, 2001:102) and lastly, the Nemaenzhe (2010).

Before examining a concept of middle business failure, noting that business failure is not limited to a unique size or stage of business. Although it happens at the beginning of business most of the time, listed enterprises or any other long -running large firms are not excluded from failure (Ooghe & Prijcke, 2008:226; Wu, 2010:2372). Nemaenzhe (2010:25) said that small or middle / business can failure, stopping operations due to may be the business holder has become unable to continue or due to change of law or no long profitable.

Basing to goal of this study which was the status of young entrepreneurs, entrepreneurs including youths get closes their operations due to internal and external challenges occurred and become unable to handle them then result losses, left the industry and close the doors.

Nieman and Nieuwenhuizen (2009:311-313) suggest four distinctive levels of failure that may occur, causing a business that is performing well to become a failed business. They support that not succeeding could valid in material a certain performance business's degree, making it risky in the performance level where the business is already found in a critical condition (Nieman & Nieuwenhuizen, 2009:311).

2.2. Conceptual Framework

Executing the research and fully comprehend the findings successfully, a conceptual framework was adopted based on Porter's 5 forces model and modified by the researchers, to guide the study discussions in the literature review as indicated below. It shows the relationship between competitiveness and the level of young entrepreneurs in terms of factors that could influence their Failure.

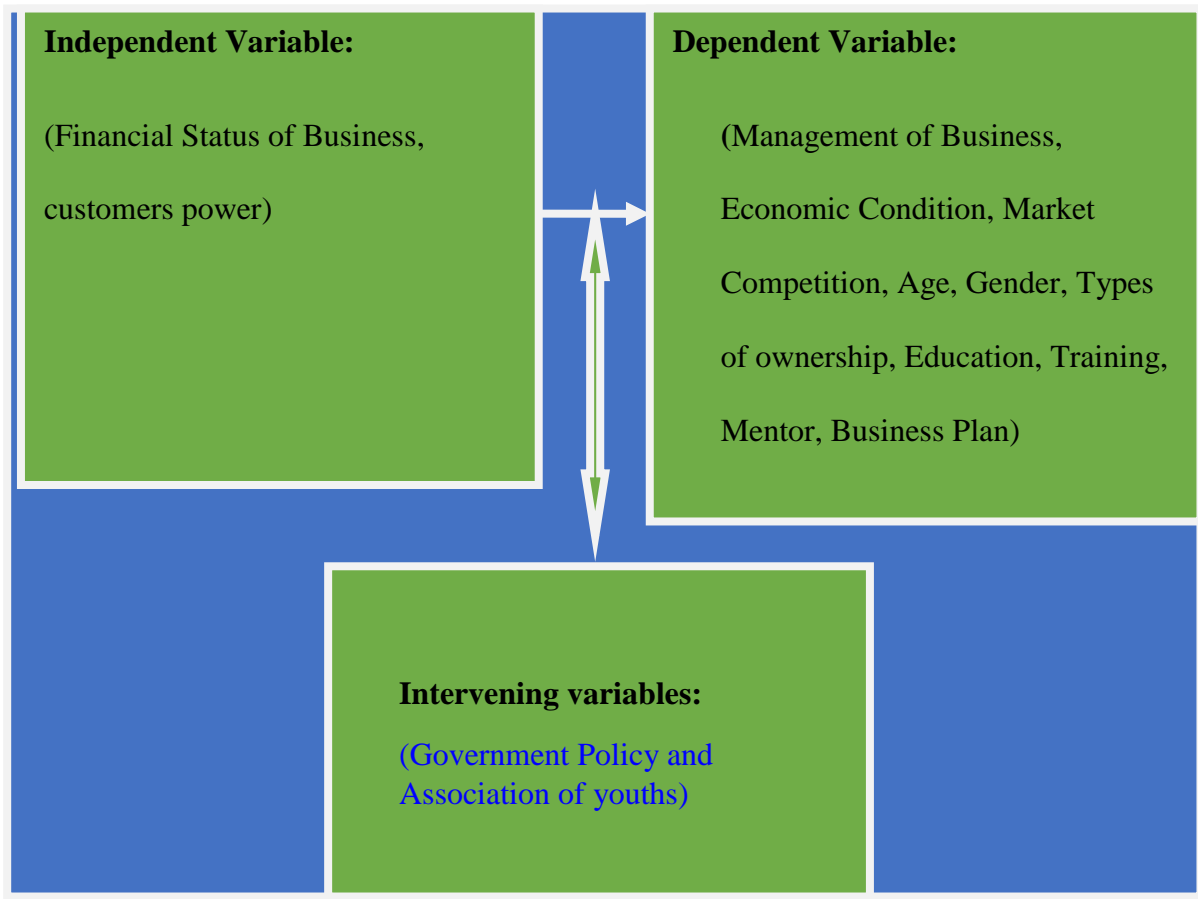


Figure 1: conceptual framework

Source: Porter's 5 Forces Model cited in Kojo (2007) and modified by the researcher to fit the study.

This model is composed of the Independent variable namely financial status of the business whose and the dependent variable namely management of business, economic condition and market competition. The link behind independent and dependent variables was originating

and affected by other factors here the relationship is named intervening variables. They are comprised with government policy on young entrepreneurs and association of youths.

The number of youths in this entrepreneurship has augmented due to easy entrance and exit. The sector of entrepreneurship has risen in innovation and the threat from substitute products is well-known. Hence conferring to Porter's 5 forces model, one would suppose competitiveness in the industry to intensify.

2.3. Empirical Literature Review

This section has been explored basing to the four levels of business failure and review of success factors pertaining to small business.

2.3. A. The Four levels of Business Failures

2.3. A.1. The Business is Performing Well

It shows an excellent performance at this stage, apparently not showing a clear problem at all. The business is achieving its long term-goals, shareholders are happy with the business and its acquired intangible and tangible assets are perceptible. In this stage small business failure happen on lower management level but are easily corrected as the business is well structured and controlled. It can be material if originating from senior management at strategic level.

2.3. A.2. The Business is Underperforming

At this stage the failure is not easily to identify, noticeable. However, they may become visible when comparative examinations are done of the financial statements at dissimilar arguments timely.

2.3. A.3. The Business is in Trouble

The small business starts complex problems and not achieving its short-term goals, net profits decrease and there are cash flow problems. In this instance, failure is a danger but business failure may depend on the severity of the hazard to the business.

2.3. A.4. The Business in Crisis

The business starts experiencing extreme cash flow problems, stakeholders start losing interest in the business or withdrawing, the firm experiences a constant decline in sales and various other problems. Failure at this level can be more dangerous and risk and finally the business

fails. In business failure, the entrepreneur loses control, or the business is bankrupt and finally closes down (Nieman & Nieuwenhuizen, 2009:311-313).

2.3. B. Review of Success Factors Pertaining to Small Business

Nieman and Nieuwenhuizen (2009:10) discovered that achievement of operations in terms of business is the results of previously set target, meaning that it takes place when a venture “sets out” certain objectives and in the long run starts achieving them through a proper exploration of its business resources, including financial, human, information and other assets. It is thus, a measure of entrepreneur’s achievement, given that the need to be successful is one of the main factors that drive entrepreneurs into businesses (Wickham, 2004:241). This is further explained by Wickham (2004:142) who states that success can be viewed in terms of indicators like achievement of stakeholders’ expectations-surviving and being able to reward its stakeholders. Other factors include a favorable comparison to competitor performance, such as financial performance, profit margin, position in the market, sales volume, customer satisfaction, product quality and employee satisfaction.

2.3. B.1. Factors in Market Selection

Countries across the world present different market environments. Comparatively, many of them strive to build essential entrepreneurial frameworks to better support local entrepreneurs, while others seem to neglect the fact (Venter et al., 2008:86). Considering the above discussion, it may be said that each country presents different market challenges to its businesses because of non-availability of certain supporting structures that should contribute to business viability. According to Nieman and Nieuwenhuizen (2009:127-128), there are certain factors that entrepreneurs should consider when entering the industry and selecting a suitable market environment. These are:

- Accessibility to the market, which verifies the level of barrier or restriction in the initial phase of starting a business
- Obtaining resources
- Obtaining skilled labor
- Infrastructures
- Good environment

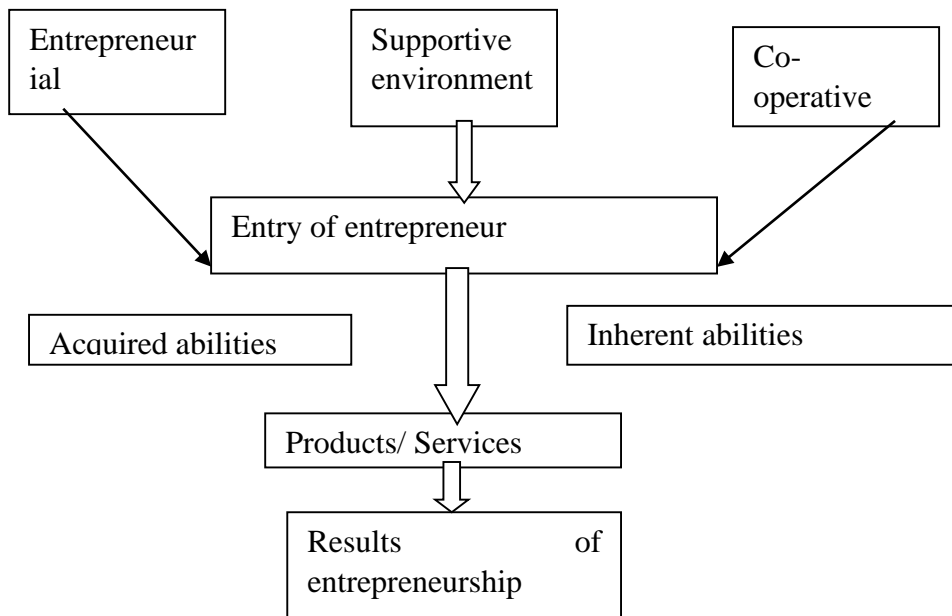
2.3. B.2. Model for Small business Development

The figure1 indicates how a business is developed through entrepreneurs. These elements are the presence of entrepreneurial orientation, a co-operative environment and supportive environment. Furthermore, Venter et al. (2008:91) viewed the main elements that should be available for a favorable entrepreneurial environment, in order to increase and encourage viable entrepreneurship activities in an economy, are a proper physical and commercial infrastructure, favorable socio-economic conditions, simplified business rules and regulations, an education and training programme, institutional support and political stability.

A. Entrepreneurial Orientation

It is referred to direct support and means used to transmit knowledge and skills to entrepreneur, and making sure that it will be valid for youth in business and promote strong growth.

Figure 3: Model for Small Business Development (Nieman & Nieuwenhuizen, 2009:11)



Source: Model for small business development (Nieman & Nieuwenhuizen, 2009:11)

The detailed of above model:

A. Culture

Within a social community certain identifiable characteristics represent entrepreneurial activities. According to Venter et al. (2008:90), communities that value and have an entrepreneurial are more likely to be successful in business because:

- They present modest individualism and collectivism in their entrepreneurial activities.
- They present a minimum level of business ambiguity.
- They present a high number of men that have been engaged in.
- Lower power distance has been positively associated with entrepreneurial activities.
- They associate their long-term objectives with entrepreneurial activity.

B. Family and Role Model

Practice of entrepreneurship by family or role models and ability to transfer this entrepreneurial knowledge encourages and assists an individual to become a successful entrepreneur.

C. Education

The art of entrepreneurship can be studied and advanced through acquiring different knowledge; therefore, universities and other education institutions might give relevant extra knowledge.

D. Work Experience

Work experience gained from previous employment is valuable for entrepreneurial orientation, as the entrepreneur can apply this work experience in his own business.

E. Personal Orientation

Personal orientation such as being creative and innovative person, risk orientation, being independent and using initiative, are attributes that may lead an individual into entrepreneurship (Nieman & Nieuwenhuizen, 2009:14)

F. Supportive Environment

A supportive environment is of high importance for sustainable entrepreneurial development. This includes business advice, counseling, mentoring, finance facilities, training, incubators

and clusters, political stability, reduced red tape and infrastructural elements of available water and electricity supply, roads and telecommunications.

C.Co-operative Environment

Access to tertiary education, private agencies and other institutions such as non-government organizations, should be available for support in training and skills development programs. This is important in encouraging entrepreneurship and in providing social research pertaining to local entrepreneurial trends.

2.3. B.3. Small Business Start-up Success Factors

According to Zimmerer and Scarborough (2008:99), businesses intending to operate within an industry should consider certain factors that eventually may determine success. They can position themselves better in the market if extensive research is done to uncover these factors, learning how to master them and capitalizing on them to compete effectively in the market. Wickham (2004) explains that indicators of success for new business beginners included the following:

- Identify an opportunity and carefully explore it. The identified opportunity should be realistic, thoroughly scrutinized or a feasibility study conducted. The products and services supplied should fill the gap in marketplace and there should be a significant number of customers with adequate income to purchase the products. The opportunity should be comprehensive and be able to align with the objective of the business.
- There should be a significant number of customers with adequate income to purchase the products. The opportunity should be comprehensive and be able to align with the objectives of the business.
- The goods and services offered should be innovative, operate in a unique way and things differently to competitors, while remaining pertinent to the identified opportunity.
- The entrepreneur should bring the necessary skills to the business. The skilled entrepreneur is required so that they can start the business. He / she must be well informed about industry, have information on outputs to offer, and possess ability to control everything and being flexible to dealing with any change in environment.

- A business has competent human capital. The entrepreneur brings people with skills and knowledge to complement his/her own, people with specialist knowledge of making the business grow.
- The young business must possess a culture of learning and also regard change as an opportunity. Staff should be motivated to perform for the good benefit of company. Because of disadvantage of being new in the market, the business must do things in a fresh and innovative way.
- The business must utilize networks wisely and respect the position of each of the business' collaborators in the market such as customers, intermediaries and suppliers, and to avoid treating them as "competitors for resources". The business must seek to sustain the networks for future support as the business grows.
- In the start-up stage of business success to capital is one of the greatest concerns for the entrepreneur. Without capital it is impossible for the business to grasp and capitalize on an opportunity in the market. The entrepreneur can make marketing to customers, increasing money in terms of capital, call new investors by telling them your operations and look for sufficient capital as needed by the business to grow.
- The objectives of the business and stakeholders' expectations must be clearly specified. Element such as vision and mission must be relevant to the nature of the business and short-and long-term objectives of the business must be clearly defined. The stakeholders' expectations are tools to better understand success (Wickhsm, 2004:244-246).

In addition to the above, Nieman, Hough and Nieuwenhuizen (2003:277) state that: "In business the aim is to perform well and the following signs will point to a successful venture":

- An active brand name with connection to customers.
- A comprehensive financial system control that details loans and owner's equity.
- A strong cash position.
- Good profit with considerable return on investment.
- Expandable market with potential to quickly grow the business.
- Constantly seeking to acquire proficiencies from experts in order to lead the market.
- Persistently seek to develop a clear financial plan.

- Create a strategic plan to gain customers' trust.
- Create a unique value-added strategy for a sustainable competitive advantage, and
- Good management capability and experience.

2.3. B.4. Characteristics of Successful Entrepreneurs

Nieman and Nieuwenhuizen (2009:14) identify certain attributes or characteristics that many successful entrepreneurs have in common. These are:

- Creativity and innovation: involves the ability to generate new ideas combined with useful mechanisms to solve problems in the business or grasp an opportunity. Innovation is the action of transforming new ideas into useful result.
- Risk orientation: involves examining the risks thoroughly, measuring the pros and cons of an opportunity before taking action.
- Good human relations: involves building strong connection, have best close relationship skills, exchange of information which is strong and dispute resolution which is high standardized between employees as team.
- Positive attitude: is appositive attitude and approach toward the business, self-confidence in what you are doing.
- Perseverance: is the ability to continuously strive to overcome physical or psychological obstacles, problems or setbacks.
- Commitment: is the dedication to complete involvement and responsibility pertaining to the needs of the business

Furthermore, Rae (2007, 161) specifies several other attributes that also support business success:

- Good leadership: focuses on business goals and is committed to achieving them, constantly scans environment for opportunities that align with the vision of the business, has good human relations, serves as an example, manages and represents the business in the outside environment.
- Strong culture: evolves norms specific to the business, such as values, attitudes, procedures and presence with sets the business apart from its competitors.

- Clarity of purpose: identified opportunities are defined specific to customers' needs; the vision and mission are clearly set to achieve the intended goal.
- Real customer focus: the focus of attention must be centered on customer satisfaction, to fulfill their needs and wants.
- Readiness to reinvent: the market is constantly changing and therefore the business must be flexible and adaptable, welcome innovation or improvement and facilitate customer input into products, (Rae, 2007:161)

Considering the various factors for success as noted above, it may be concluded that no one indicator that can support success at once, rather, there are various different factors relevant to different business. The researcher believes that an understanding of all these factors may reduce business failure.

2.3. B.5. Entrepreneur

Entrepreneur doesn't have one definition and fixed one, dissimilar researchers disclosed their views on this term. This understanding was assisted by Sexton and Bowman (1985:138) mentioned that an entrepreneur stands as someone who possesses unique "psychological and sociological traits" that establishes them from other individuals in society. Some traits and characteristics of entrepreneurs include being alert to opportunity, moderate risk-taker, resourcefulness, and creative and innovative, achievement-orientated, persuasive, a networker, and locus of control, self-starter and persistent (Sexton & Bowman, 1985:138; Venter et al. 2008:6; Barringer & Ireland, 2010:40; Nieman & Nieuwenhuizen, 2009:32-33).

As summary, an entrepreneur is a person who takes risks by starting his/ her own business, accepts the challenges involved with the purpose to enjoy the financial reward.

2.3. B.6. Entrepreneurship

Different entrepreneurship views show different actions in our correlated environment. Burger, Mahadea and O'Neill (2004:189) considers entrepreneurship as the manner where person can look a gap in industry and start by gathering required resources then end up with a new idea that can make a change in terms of growth in the economy.

Similarly, Singh and Belwal (2008:121) regard entrepreneurship as the best way through which the operations and changes of variety of investment and increase goods, services by

satisfying the consumers, decreasing unemployment and improve living condition of people. According to Van Wyk, Boshoff and Bester (2003:1) entrepreneurship is seen as one of the factors that operate business diversity, innovation, technology expansion and “independence by individuals in society”.

Analyzing the above views, one can see the indispensability of entrepreneurship in supporting economic development. Van Gelderen, Brand, Van Praag, Bodewes, Poutsma and Van Gils (2008) in justifying entrepreneurship focus more on activities and results achieved by an individual in the career of entrepreneurship, rather than one of the factors driving economies. They allocate different meaning to entrepreneurship including: growing a large business, acquire wealth, running a home-based or a part-time business, self-employment, opportunity for challenges and learning, and the sense of perceived security (Van Gelderen et al.,2008:540).

However, other authors view entrepreneurship as the core element in the process of innovation, coming with new ideas or diversifying an existing business.

For example Chen and Lai (2010:2) express that entrepreneurship involves providing new products or services in the market, placing a new unit in an organization, investing into or creating a new venture. Barringer and Ireland (2010:37) enable that it augments the effectiveness of business through product improvement, transforming for easier operation costs and providing more features for competitive advantage. The overall result is that entrepreneurship is positioned in all forms and dimensions of environment (Van Geldern et a., 2008:540).

2.3. B.7. Small Business

Generally talking, a small business can be understood as arranged unit within a wider economic environment, undertaken for the purpose of getting the profit. Byrd and Megginson (2009:9) define a small business as any business within the category identified under the following criteria: it is not the overpowering business in its sector; has a limited size of employment and a limited amount of revenue; and is privately owned and operated. The concept of small business in Angola is clustered under the definition of MSMEs, which are formed with the objective of exercising an economic activity (Angola, MINEC, 2012:7).

The classification is consistent with many other countries, in that businesses are clearly established either by the number of employees or by their annual gross turnover. For example, in USA, a small business is defined as “an American-owned for-profit business with fewer than 500 employees” (Barringer & Ireland, 2010:359). Correspondingly, in South Africa, a small business is also classified by the number of employees (less than 50), and or by both the total annual turnover and by total gross assets value, which varies greatly sector (Venter et al., 2008:235).

Small business as defined by Angolan law no.30/11 of 13 of September, the law of Micro, small and Medium enterprises (MSMEs), are those businesses employing more than 10 and up to 100 employees and or have an annual gross turnover in kwanza exceeding the equivalent of USD 250 000 and equal to less than USD 3million (Angola, Diario da Republica, 2011:4295).

2.3. B.8. Failure Factors

The term failure concerns to inability of businesses to achieve the planned goals where the businesses close the doors without completing operations.

Nieman and Nieuwenhuizen (2009:310) defined failure as lack of capacity to accomplish goals as planned. Dimitras, Zanakis and Zopounidis (1996:487) recognize this inability of operating as the state in which the entrepreneur/ business owners become incapable for settling obligations like salaries, debts, dividends for shareholders and suppliers.

Holt (2013:60) said that failure of a small business covers complex phenomenon where different factors associated. These factors vary according to economic condition, status of governments and wealth position of people in nation (Arasti, 2011:7490-7491). For example, a survey that inspected medium small enterprise’s failure indicators in United Kingdom and Nigeria resulted that bad management of resources was main causes the United Kingdom and bad economic status and poor infrastructures were critical factors in Nigeria (Ihua, 2009:199).

2.4. Summary of Literature Review

This chapter reviewed literature on Role of Young Entrepreneurs in Promoting Business as well as other concepts pertaining to small business failure. It provided a review of the concept of failure, small business failure, theoretical model, internal business, the market and

macroeconomic components and their effect on the failure of business. Furthermore, this chapter also reviewed the factors pertaining to business development and viability. Although failure can be a sudden occurrence, success or failure depends on the business itself, how well is attention paid to each of the principles of management and the internal factors of its environment, as well as depending on how the venture conducts its daily operations and makes decisions pertaining to risks presented by its external environment.

It can be drawn from literature reviewed that the causes of business failure tend to vary from one economy to the other. This is partly due to variances in the political, economical, cultural and social environment that impacts on business activities. The roles of young entrepreneurs in promoting business in Rwanda have not been extensively researched and this informs the current study.

2.5. Research Gap

Basing to above literature review, similar studies have been conducted across over the world, in sub-Sahara African countries but not very many in East African Countries especially here in Rwanda. Most of them were concerned to the determinants of failures for small business, contributions of governments in promoting youths but this study came up with an idea of assessing the role of youth in promoting the business in Rwanda context and the uniqueness of this is that the researcher went through different youth entrepreneurs in both rural and urban areas by assessing their status on business, their perceptions on business, shared their challenges faced and success factors and come up with that information.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

Chapters one and two reviewed small businesses and their role in the Rwandan economy and as the objective was to focus on role of young entrepreneur in promoting business in Rwanda, a case study of Gasabo and Nyamasheke districts, this chapter provides the methodological approaches used throughout this study to achieve the above objective.

This study is identified as social science research, which refers to the “re-examination of the social world”, using scientific methods and manners to disclose, comprehend and simplify the problem that could affect a given nation (Marvasti, 2004:1). According to Bhattacharjee (2012:1), social science is the individual or collective study of human behaviors, the societies and macroeconomic issues. In the same nation, it can be alleged that social science refers to the study of human social exchange among groups, activities that provide benefits for people, organizations and the way they behave.

Furthermore, Ritchie and Lewis (2003:7) stated that it should actually involve a search of people’s general activities, so that “cultural and historical aspects” and overall experiences of the social relationships should be disclosed.

3.2. Research design

According to Greener (2008:38),” A research design is a grand plan of approach to a research topic.” The focus of this social science research study was the assessing the role of young entrepreneurs in promoting business in Rwanda, a case study of Nyamasheke and Gasabo.

Both primary and secondary data were collected. Secondary data comprised a review of the literature, particularly regarding the role of young entrepreneurs in promoting business in terms of status of young entrepreneurs in businesses. These data were acquired from academic journals, theses and dissertations, books, reputable online sources and government publications. The primary data was gathered using structured questionnaires.

The research employed non-probability sampling and snowball sampling technique to identify the targeted respondents of 384 as youths who operated successful or failed in the business. From the 384 questionnaires, 376 were returned and 8 were physical damaged. Statistical Package for the Social Sciences (SPSS) software was utilized to analyze the data.

It is explained as specified work of controlling data collection, also it is entire process of study a problem formulation dissemination of findings. For this study both descriptive and correlations in nature were adopted. This is plan concerns to overall scheme or program of research. It includes an outline of what the investigations did from writing hypotheses and their operations to final analysis of data (Creswell, J.W, 2012).

A study design is explained as the framework of program of the study used as guidance in collection and analysis of data. In this study Gasabo and Nyamasheke districts adopted as case study among the districts of Rwanda representing both rural and urban area. This study is both descriptive and correlation analysis for “The status of Young Entrepreneurs in Rwanda “and above case study adopted because of limited time and resource. In data collection the researcher used questionnaire, interviews, and conversations with respondents.

3.3. Population and sampling technique population

Bryan and Hanekom (2006:55) opine that population indicates a number of subjects having exact characteristics and attributes, which consequently forms the researcher’s target population.

Population can be also defined as individuals or items under the study. It is also defined as the whole persons or objects that will contribute to the research, they could share one or more features from which the data can be collected and interpreted (Denscombe, 2010).

Brynard and Hanekom (2006:55) expressed that population indicates a whole subjects having similar features and as result represent the targeted population to the researcher. According to Greener (2008:48), the targeted population concerns to people or objects from which a sample should be obtained as participants whose representing whole to answer the research questions.

The target population of this study was the youths operating in the Nyamasheke and Gasabo districts, Nyamasheke district was selected as rural area and Gasabo district was select as urban ones.

3.4. 1. Sample Size

Sampling is the process of separating a significant portion of the population by taking into account the limitations and characteristics that represent them, in order to represent the population (Coldwell&Herbst, 2004:74). According to Sarantakos (1998:140-141), two types of sampling techniques are available. The first is random or probability sampling, which ensures that every individual in the population has equal chance of being selected for the sample. The second one is non-probability sampling, where it is left to the researcher to decide what sample to use for the study.

It is also defined as part that can real present whole population (Coldwell & Herbst, 2004:74). Sampling can be the action of selecting the sample that could contribute in responding the research questions. Random or probability sampling approach was applied because this approach as Sarantakos (1998:141) and Greener (2008:48), probability sampling gives equal chance for every element to being selected. Due to valuing every youth as one who can contribute to promotion of business in Rwanda, the questionnaires were distributed without segregation

The sample size (n_0) was calculated according to Cochran formula “Independent Researcher (Z-A-Al-Hemyari)” because the researcher was not sure on number of youths in Nyamasheke and Gasabo districts.

$$n_0 = \frac{(Z^2 * p * q)}{e^2}$$

Where:

n_0 = Sample size

The Z-value is found in a Z table which is 1.96

p = It is the estimated proportion of the population which has attributed in question (0.5)

q = $1-p$

$q=1-0.5$, $q=0.5$

e = It is the desired level of precision or margin of error (0.05)

Note if the researcher found that the population size is small, the researcher can modify the sample size basing to n_0 above.

$n = \frac{n_0}{(1 + (n_0 - 1)/N)}$ this is the formula the researcher can use after finding that the sample size is small.

By replacing the above formula $n_0 = Z^2 \cdot p \cdot q / e^2$, the study used the following sample size.

$$n_0 = 1.962^2 \cdot 0.5 \cdot 0.5 / 0.052$$

$n_0 = 384$ respondents in two districts Gasabo and Nyamasheke.

In Nyamasheke district the questionnaires were distributed to 182 respondents and 202 were distributed in Gasabo districts.

3.4.2. Targeted population

Targeted recipients were young entrepreneurs who had business in Rwanda specific in Gasabo district (Remela and Kimilonko sectors) and Nyamasheke Districts (Kanjongo and Macuba sectors).

3.4.3. Data collection instrument

Data is the basic component of any research. They occur from different sources and are not limited to academic sources, surveys, questionnaires, interviews and observations (Yin, 2011:129). Researcher used questionnaires by collecting the data. It was designed under nominal and ordinal scales of measurement. Kothari (2004:18) expressed that questionnaire is the manner of collecting information from different people.

Sarantakos (1998:224) and Denscombe (2007:169) expressed that a questionnaire contributes to decreasing of expenses and no loss of time. But in anyway the effects of questionnaires are the inevitable biased responses from youths as result of lack of supervision “Sarantakos, 1998:225”. By minimizing such bias, the researcher was there at field while completing the questionnaires.

3.4.4. Question design

Questionnaire used was composed by Demographic profile questions which involved with Age, Gender, and Nationality, multiple choice and others having more than one choice a respondent could select if applicable, open-ended questions were used like other things that could contribute to the success or failure of young entrepreneur and end up with what can government do to promote success of young entrepreneurs and to prevent the failure of young entrepreneur in Rwanda.

3.4.5. Methods of Data Analysis

Descriptive and inferential statistics were used to analyze data collected in order to have relevant information by answering research questions of the study stated under chapter one, different techniques and tools were employed like correlation regression analysis and Statistical package for Social Sciences to interpret data collected (SPSS).

The study employed regression to investigate the link behind financial status of business and factors influencing failure of young entrepreneur business (management of business, Economic Situation and market competition) in Nyamasheke and Gasabo District.

Pearson's product moment correlations analysis was used, and it is a powerful technique for examining the relationship among variables. The regression model is indicated as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \beta_9X_9 + \beta_{10}X_{10} + \beta_{11}X_{11} + \beta_{12}X_{12} + e$$

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9, \beta_{10}, \beta_{11}, \beta_{12}$: Indicates parameters estimated

X1=Management of business, X2=economic condition, X3=Market competition, X4=Age, X5= Gender, X6= Types of business ownership, X7= Education background, X8= Trainings attended, short courses, X9= Number of employees the business has had, X10= Type of business, X11= Having a mentor or role model, X12= having a business plan are dependent Variables.

Financial status and customers power are independent variables.

3.4.6. Ethical consideration

Social research should be ethical in data collection and data analysis process. The data collected was respected and was not disclosed without authorization and right dignity of those who participated in this research were respected no harm happened to them for involving in the research. This study conducted with honesty and integrity.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0. Introduction

This chapter discloses the detailed of the research’s findings. The findings were analyzed, interpreted and presented as shown below with the purpose of coming up the real status of young entrepreneurs in Rwanda, examining their perspective on success and failure factors basing to data collected from Nyamasheke and Gasabo districts. All analysis was done according to designed objectives and research questions.

4.1. Background and Demographic Information of respondents

NO.	TYPE OF TABLE	RANGE	FREQUENCY	PERCENTAGE
Table 4.1	Distribution of respondents by Age	15-20	39	10.2
		21-25	120	31.2
		26-30	136	35.4
		31-35	55	14.3
		36-Above	34	8.9
		Total	384	100.0
Table 4.2	Distribution of respondents by Gender	Male	219	57.0
		Female	165	43.0
		Total	384	100.0
Table 4.3	Distribution of respondents Education	Primary	170	44.3
		Secondary	184	47.9
		Undergraduate	30	7.8
		Total	384	100.0
Table 4.4	Distribution of respondents Trainings and short courses attended	Business management	102	26.6
		Financial accounting	128	33.3
		Human resources management	50	13.0
		Marketing techniques	4	1.0
		No one	100	26.0
		Total	384	100.0
		Rwandan	312	81.2

Table 4.5	Distribution of respondents by Nationality	Foreigner	72	18.8
		Total	384	100.0
Table 3.6	Distribution of respondents by basis (terms) Types of business ownership	Owner	309	80.5
		Manager	75	19.5
		Total	384	100.0
Table 4.4	Distribution of respondents' basis by the number of employees in the business	1-10	360	93.8
		11-50	24	6.2
		Total	384	100.0
Table 4.5	Distribution of respondents by Types of business	Services	122	31.8
		Retailer	171	44.5
		Wholesaler	61	15.9
		Manufacturing	21	5.5
		Cultivating and Farming	9	2.3
		Total	384	100.0

Source: Primary data collected in Gasabo and Nyamasheke districts, 2019

According to the table 4.1, participants in the age group 26 - 30 years indicates great number (35.4%) compared to others, next one 21-25 years indicates 31.2%, third one including youngest 15 - 20 years indicates 10.6% while the oldest group of 36 - 40 indicates 8.9 %.

Basing to this indication most participants were between 26 - 30 years. The influence for this indication should be that most persons identified a business that can produce the profit in industry; have finished basic education like primary, secondary and university. Having duties and responsibilities of families and basing to these factors already have businesses.

The study focused on young people where 26 - 35 years having a percentage of 51 of whole participants and 36 - 40 years have 6.7 percentages whose own / manage the business. Same research discovered constraints faced by youths being in this age range are limited resources like loans, being requested collateral, low trust on them (Gwija, 204: III). This led to failing of some youths without meeting their goals here in Rwanda.

In studies such as this, the gender was considered while selecting the respondents. The table 4.2 indicates the gender of the respondents contributed to the research survey.

The table 4.2 above discloses that more than a half 57% of the respondents was men while women were 43%. Findings show a real inequality between the genders and suggest that most

unsuccessful were men. This is supported by the 2014 GEM Global report disclosed that men engaging in entrepreneurial activities are more than women in many nations (Singer et al., 2015:45). From those unsuccessful businesses in these nations were belonged and managed by males.

The educational status participants are shown in the table 4.3 as shown above.

This table 4.3 discloses that respondents completed secondary studies as 47.9%. Next participants completed only primary studies with 44.3% then end up with undergraduate's ones having 7.8%. It is surely that all participants attended any level of education. Thus, a given level of education could contribute to the ability of entrepreneurs by making him/ her able to improve goods and services supplying so that he/ she can be sustained and grown in industry with good position. Niemen and Nieuwenhuizen (2009:31) found that tertiary education increases entrepreneurial capacity. Additionally, participants were also interrogated on any short training attended in order to boost their managerial level and leadership.

Above table 4.4 shows that 33.3% of participants attended financial accounting as training, next 26.6% attended Business management as training, 13% attended Human resources management as training, 1% attended marketing techniques training and 26% of respondents did not attend any short courses. Indicates that some did attend a given training like financial accounting and management. A similar research done by April (2005:95) discovered that poor managerial knowledge contributes lots to the inability of entrepreneurs.

The nationality of the respondents was counted into consideration in order to identify the variety ethnic groups who perform businesses in Rwanda as youths and who shared to employment opportunities, production and diversification in the economy.

The image shown in the table 4.5 indicates that 81.2% of respondents were Rwandans, constituting the highest percentage of the total respondents and followed by foreigners from different countries with 18.8%.

It is obviously that the overpowering majority of respondents were Rwandans (81.2%). Although the total number of foreigners was limited to 18.8%, their numbers could be much higher, if not for the fact that a number of them could not communicate fluently in English, their failure could possibly be due to macroeconomic environmental challenges, such as local

cultural awareness, particularly Rwanda as one of shortest world country, it is important to improve management.

The table 4.6 discloses that 80.5% of the participants were owners, 19.5% was managers. It indicates that many unsuccessful ones in Gasabo and Nyamasheke districts were under control of owners. These results are supported by the findings of Nemaenzhe (2010: 168) and Mofokeng (2012:182) who expressed that unsuccessful businesses were under control of owners.

The results indicated in above table 4.7, the majority of businesses failed disclosed that 93.8% of them were the small businesses and employed between 1-10 employees and 6.2% remaining employed 11-50.

Findings show that 1-10 employees were located in the category of small business in Gasabo and Nyamasheke districts, which indicated that 93.8% of the failed businesses were 1-10 as group employees while 6.2% was in category of 11-50 employees.

The purpose of this section was to assess how many employees used by the unsuccessful ones by looking whether there is a relationship between failing of business and number of employees used especially in Gasabo and Nyamasheke districts.

Table 4.8 above illustrates the industries of participants in businesses. The table 4.8 reveals that 44.5% were retailers, 31.8% were providing services, 15.9% were wholesalers, 5.5% were manufacturing and 2.3% were cultivators and farmers.

The findings show that most unsuccessful businesses in Nyamasheke and Gasabo districts were retailers. It is supported by Singer et al. (2015:45) who disclosed that many activities related to creation of your own job in sub-Saharan Africa (SSA) there are disorder in the way it is done, everyone who thinks to create a job think on small trading.

Other one is many businesses offered services such as coiffure, repairing motorcycles, selling clothes, construction and car-washing, doesn't innovate and improve at high level, so it ends up with failing. Another issue is completion, every start basing to the functioning of his/ her neighbor and this bring conflicts of clients which end up with unsuccessful for ones.

Table 4.6: Table indicating how the respondents been inspired by the mentor or role model

Having a mentor or role model	Frequency	Percent
Yes	338	88.0
No	46	12.0
Total	384	100.0

Source: Primary data collected in Gasabo and Nyamasheke districts, 2019

Above table 4.9 reveals whether participants had a role model before getting failing. The findings displays 88 % of participants did have a successful business mentor. Having a role model should teach youths and show them opportunity that can give success. Allow them to get required skills on how well a business should be managed.

Different researchers found mentors should give inspirations to others in the industry in terms of related experience; lack of such mentors leads to failure of some people (Da Rocha, 2011:26; Mendes, 2012:14; Herrington, 2014:7).

Table 4.7: Distribution of respondents by Possession and use of Business plan

Having a business plan	Frequency	Percent
Yes	339	88.3
No	45	11.7
Total	384	100.0

Source: Primary data collected in Gasabo and Nyamasheke districts, 2019

The table 4.10 above discloses if the failed business holders had a business plan or not. Findings indicate that 88.3% of respondents did have business plan but 11.7% did not have the business plan.

Barringer and Ireland (2010:49) stated that not using a business plan could reduce the degree of thinking on daily operations in the business. Considering Barringer and Ireland's views, business plan can provide the position of resources, the profit to be generated, the gap and where to be improved. From this insight information and with that information, the business owner can correct and make a good decision that should prevent from unsuccessful.

Table 4.8: Distribution of respondents by basis the extend at which the business plan has been used

The extend at which the business plan has been used	Frequency	Percent
Never	52	13.5
Rarely	20	5.2
Sometimes	68	17.7
Often	46	12.0
Always	198	51.6
Total	384	100.0

Source: Primary data collected in Gasabo and Nyamasheke districts, 2019

Above table 4.11 indicates that 13.5% of respondents never used business plan in their operations of the businesses, 5.2 % had rarely used, and 17.7% had sometimes used.

Furthermore 12% often used a business plan while 51.6% always used it. 339 respondents who had a business plan for unsuccessful one in Gasabo and Nyamasheke districts as presented in

the table 4.10, it was found that 36.4% (13.5% never, plus 5.2% rarely, plus 17.7% sometimes) of them did not use the business plans versus a total of 63.6%(12%, plus 51.6%) that used business plan.

This view is supported by Nemaenzhe (2010:199-201) who expressed that business planning when not properly used may become unsuccessful.

4.2. Factors linked with young entrepreneurs’ failure in Gasabo and Nyamasheke districts: This part was designed in order to test how participants agreeing with the statement given.

Table 4.9: Statements for Management situation as Failure Factors

Statements	Yes		No		Total	
	Freq	%	Freq	%	Fr	%
Row1:Insufficient knowledge in the domain of business	331	86.2	53	13.8	384	100
Row2: Lack of leadership skills caused business to fail	319	83.1	65	16.9	384	100
Row3:Loss of management control due to work overload	303	78.9	81	21.1	384	100
Row4:Lack of management internal communication skills	341	89.3	41	10.7	384	100
Row5:Lack of effective communication with stakeholders	325	84.9	58	15.1	384	100
Row6:Insufficient managerial experience	339	88.3	45	11.7	384	100
Row7:The need for a professional adviser	234	60.9	150	39.1	384	100
Row8:Low or high price strategy as contributor to business failure	264	68.8	120	31.2	384	100
Row9:Low or high price strategy as contributor to business failure	263	68.5	121	31.5	384	100

Row10:Avoiding payment of lenders' interest as a cause of failures	227	59.1	157	40.9	384	100
Row11:Lengthy cash conversation period	276	71.9	108	28.1	384	100
Row12:Failure to comply with tax regulations	259	67.4	125	32.6	384	100
Row13:The lack of marketing planning as a cause of failure	294	76.6	90	23.4	384	100
Row14:Lack of financial plan as a cause of failure	291	75.8	93	24.2	384	100

Source: Primary data collected in Gasabo and Nyamasheke districts, 2019

Above table 4.12 **Row1** gives the findings related to respondents' lack of knowledge in the field of their businesses. 86.2% of participants in Gasabo and Nyamasheke confirmed that poor knowledge in business can lead to unsuccessful but 13.8% of participants disagreed with the statement. This result is corroborated with Mahamid (2012:281) who found that insufficient understanding of the business system and lack of management experience are key factors which contribute to business failure.

The Row2: It represents results indicating that 83.1% of whole respondents agreed that lack of leadership skills contribute to the businesses failure but 16.9% disagreed with the statement.

Mahadea and Youngleson (2013:420) discovered that lack of effective leadership, weak in general management skills, poor control, bad planning, poor organizing.

Arasti (2011:7490) indicated many factors that may affect the businesses are linked to the management of problems in the business and deficiencies in technical and relevant administration skills.

The Row3 78.8% of the whole participants confirmed that being one person in charge of control and being overloaded the work, contributed to the failure of the business but 19.2% disagreed with this the statement.

The Row4 indicates that 89.3% of the participants confirmed that bad communication with employees can cause unsuccessful of business but 10.7% of the participants disagree with this statement. Findings are opposite from Khalfan's view (2003:756) who found that lack of

communicating essential operating procedures and information was a significant factor which contributed to business failure.

The Row 5 shows result of poor communication management with external stakeholders. Over a half of participants 86.4% confirmed the statement but 13.6% disagrees with this statement.

A similar study conducted in Belgium by Ooghe and Prijcker (2008:237) found that some factors which contributed to failure were unsatisfied customers and suppliers and banks which lost trust in the business.

The Row 6 presents results on lack of management experience of respondents (managers/ owners of small businesses) for the failed businesses in Gasabo and Nyamasheke districts. 88.5% of participants confirmed this statement but 10.6% disagreed with the statement.

The Row 7 shows the results related to the absence of professional advice as being a contributing to business failure. The results revealed by the table show that 61.5% of respondents agreed that lack of professional advice caused their business to fail, while 38.5% disagreed with this statement. Barringer and Ireland (2010:325) stated that the role of professional business consultants is important as they could assist the entrepreneur to resolve difficult issues pertaining to the business viability.

The Row 8 indicates that 68.3% of participants agreed with this statement but 29.8% of participants disagreed with the statement said a poor price strategy contributed to their business failure. Holt (2013:65) expressed instability of in price policy was a highly influencing factor in business failure.

The Row 9 indicates that 63.5% of participants confirmed that uncontrolled expenditures contributed to unsuccessful of the business but 34.6% of participants disagreed with this statement. Findings here are supported by Holt (2013:65) who expressed that bad cost control could bring the business into failure.

The Row 10 indicates that 56.7% of participants confirmed that avoiding repaying lenders on monthly basis had caused their businesses failure but 42.3% of participants disagreed with this statement, the majority of participants agreed with the statement because that can lead the

business into bankrupt. Entrepreneurs should manage respect the loan agreement as stated effectively.

Also basing to Dimitras et al. (1996:487), Nieman and Nieuwenhuizen (2009:126) and Holt (2013:61), money borrowed from lender or products received in credit carry some debt risks and the failure to fulfill obligations can cause the business to go bankrupt.

The Row 11 shows that 71.2% of participants agreed that delay in converting goods into cash and holding goods in store for long periods negatively influenced their business but 27.9% of the participants disagreed with the statement.

The high lengthy of converting stock into cash was caused by few customers due to high competition, low product quality. Cronje et al. (2000:424) maintain that keeping a large amount of inventory in warehouse may cause cash flow problems and place the operational process at risk.

The Row 12 indicates that that 76% of participants confirmed that lack of a proper marketing plan had contributed to their business failure but 23.1% of participants disagreed with the statement.

The Row 13 indicates that the marketing plan would also help business managers to thoroughly analyze customers, raw materials and competitors in the market.

The Row 14 show that 77.9% of participants confirmed that lack of a financial plan had contributed to their failure but 22.1% of participants disagreed with this statement.

Barringer and Ireland (2010: 341) and Youngleson (2013:420) supported this statement in way that careless in supervision and non-effectively management of business resources and bad budgets planning to ensure a sustainable business turnover is one of the primary reasons many businesses fail.

Table 4.10: Distribution of respondents by basis on Financial Situations as Failure Factors

	Yes		No		Total	
	Fq	%	Fq	%	Fq	%
Row1:Insufficient financial Accounting skills took the venture to failure	331	86.2	53	13.8	384	100
Row2: Absence of financial records contributed to the failure of business	186	48.4	198	51.6	384	100
Row3: Insufficient control of the business resources contributed to the failure of business	372	96.9	12	3.1	384	100
Row 4 : Customers ‘failure to pay their debts contributed to less cash for operations and took business to failure	324	84.4	60	15.6	384	100
Row5:Less capital for cash flow on start-upstage contributed to failure of business	276	71.9	108	28.1	384	100
Row6: Using a unique account for business and personal use contributed to failure of business.	193	50.3	191	49.7	384	100
Row7: delays in collecting debts from customers contributed to business failure.	286	74.5	98	25.5	384	100

Source: Primary data collected in Gasabo and Nyamasheke districts, 2019

According to table 4.13 **The Row1** shows 86.2% of the participants agreed that the insufficient financial Accounting skills of youth owned the business took the venture to failure and 13.8% of the respondents disagreed with this statement. From the findings collected to the field the youths need more training on financial accounting which will lead them to sufficient professional skills

The Row 2 demonstrates that 51.6 % of the youths doing the business participated in the study confirmed that not having the financial records is not a major factor cause the failure of their business, while 48.4% are agreed with the statement. This indicates that the youths are capable to record financial transactions others are not able to record financial transactions

The Row3 shows that 96.9% of respondents participated in the study agreed that insufficient control of the business resources contributing more or directly to the failure of business implemented by youths in Nyamasheke district and in Gasabo districts and 3.1% disagreed with the statement

The Row4 shows the statistics on how the youth in Nyamasheke and Gasabo districts are understanding how customers' failure to pay their debts contributed to less cash for operations and took business to failure where 84.4% of respondents agreed with the statement and 15.6% of respondents disagreed,

The Row5 presents that 71.9% of respondents contributed in this study agreed that less capital for cash flow at starting-up stage contributed to the failure of Business based on evidences and it is an issue for the youth while implementing business in Rwanda and 18.1% of respondents disagreed with the statement.

The Row6 shows that 50.3 % of the respondents agreed that the Using a unique account for business and personal use contributed to failure of business and other 49.7% disagreed with this idea given by the respondents participated in this study that to use the unique Account is not a major factor that can lead to the failure of the business.

The Row7clarifies that 74.5% of the respondents participated in this study agreed that delays in collecting debts from customers contributed to business failure while 25.5% disagreed with the statement, meaning that there are enough evidences to conclude that the delays in collecting debts from customers contributed more in failure of business implemented by youth.

Table 4.11: Distribution of respondents by Market Competition as Failure Factor

Statements	Strongly agree		Agree		Disagree		Strongly disagree	
	Freq	%	Freq	%	Freq	%	Freq	%
Q13.1:Row1	231	60.5	132	34.6	0	0	19	5.0
Q13.2:Row2	174	45.3	164	42.7	14	3.6	32	8.3
Q13.3:Row3	122	31.8	150	39.1	36	9.4	71	18.5
Q13.4:Row4	153	40.1	161	42.1	43	11.3	25	6.5
Q13.5:Row5	215	56.0	150	39.1	6	1.6	13	3.4
Q13.6:Row6	147	38.3	123	32.0	79	20.6	35	9.1
Q13.7:Row7	130	34.0	54	14.1	70	18.3	128	33.5

Sources: Primary data collected in Gasabo and Nyamasheke districts, 2019

According to Table 4.14: **Row1** shows that 60.5% of the respondents participated in this study strongly agreed with this statement few demand on products or services took business to failure while 34.6 % of respondents also agreed with statement and 5% strongly disagreed means that there is more evidences approximately 95.1 % (60% strongly agreed and 34.6% agreed) to conclude that less demand on products or services took business to failure especially the business implemented by youth in Nyamasheke and Gasabo District.

Row2 in table 4.14 shows that 45.3 % of the respondents participated in this study strongly agreed with this statement that many competitors selling the same product in the market contributed to the failure of business roll-out by youth in Rwanda, 42.7% of respondents also agreed with the statement and 3.6% of the respondents disagreed, 8.3% of the respondents strongly disagreed with this statement.

It means that there is more evidences equally to 88% (45.3% strongly agreed and 42.7% agreed) to conclude that many competitors selling the same product in the market contributed to the failure of business owned by youth in Nyamasheke and Gasabo District.

Row3 in table 4.14 shows that 31.8 % of the respondents participated in this study strongly agreed with this statement that Lack of competitive advantage over competitors took business to failure, 39.1 % of respondents agreed with the statement and 9.4% of the respondents disagreed with it, 18.5 % of the respondents strongly disagreed on this statement “Lack of competitive advantage over competitors took business to failure“.

It means that there is more evidences equally to 70.9% (31.8 % strongly agreed and 39.1% agreed) to conclude that Lack of competitive advantage over competitors took business to failure of business owned by youth in Nyamasheke and Gasabo District.

Row4 in table 4.14 shows that 40.1 % of the respondents participated in this study strongly agreed with this statement that disregarding customer complaints contributed to the failure of business , 42.1% of respondents agreed that disregarding customer complaints contributed to the failure of business of business and 11.3% of the respondents disagreed,6.5 % of the respondents strongly disagreed with this statement .

Disregarding customer complaints contributed to the failure of business means that there is more evidences equally to 82.2% (40.1% strongly agreed and 42.1% agreed) to conclude this statement.

Row5 in table 4.14 shows that 56.0 % of the respondents participated in this study strongly agreed with this statement negligence to cultivate product awareness contributed to the failure of business rollout by youth in Rwanda , 39.1% of respondents agreed that negligence to cultivate product awareness contributed to the failure of business and 1.6% of the respondents disagreed,3.4% of the respondents strongly disagreed with this statement negligence to cultivate product awareness contributed to the failure of business

It means that there is more evidences equally to 95.1 % (56.0% strongly agreed and 39.1% agreed) to conclude that negligence to cultivate product awareness contributed to the failure of business owned by youth in Nyamasheke and Gasabo District.

Row6 in table 4.14 shows that 38.3 % of the respondents participated in this study strongly agreed with this statement that theft of goods and equipment contributed to failure of the business owned by youth in Rwanda , 32.0 % of respondents agreed with the statement and 20.6% of the respondents disagreed with it, 9.1% of the respondents are strongly disagreed

with the statement, it means that there is more evidences equally to 70.3% (38.3 % strongly agreed and 32.0% agreed) to conclude that theft of goods and equipment contributed to failure of the business owned by youth in Rwanda specific owned by youth in Nyamasheke and Gasabo District.

Row7 in table 4.14 shows that 34.0 % of the respondents participated in this study strongly agreed with this statement Setting a lower or too expensive competitive price of goods contributed to failure, 14.1 % of respondents agreed that Setting a lower or too expensive competitive price of goods contributed to failure of business and 18.3% of the respondents are disagreed, 33.5 % of the respondents strongly disagreed with this statement “ Setting a lower or too expensive competitive price of goods contributed to failure of business “,

It means that there is no more evidences equally to 48.1% (34.0% strongly agreed and 14.1 % agreed) to conclude that Setting a lower or too expensive competitive price of goods contributed to failure of business owned by youth in Nyamasheke and Gasabo District.

Table 4.12: Distribution of respondents by Economic Conditions as Failure Factors

Statements	Strongly agree		Agree		Disagree		Strongly disagree	
	Freq	%	Freq	%	Freq	%	Freq	%
Q13.1:Row1	158	41.1	102	26.6	40	10.4	84	21.9
Q13.2:Row2	103	26.8	141	36.7	75	19.5	65	16.9
Q13.3:Row3	229	59.6	102	26.6	31	8.1	22	5.7
Q13.4:Row4	221	57.6	117	30.5	14	3.6	32	8.3
Q13.5:Row5	257	66.9	53	13.8	19	4.9	55	14.3
Q13.6:Row6	250	65.1	68	17.7	36	9.4	30	7.8
Q13.7:Row7	240	62.5	111	28.9	11	2.9	22	5.7
Q13.8:Row8	266	69.3	55	14.3	45	11.7	18	4.7

Sources: Primary data collected in Gasabo and Nyamasheke districts, 2019

According to table 4.15: **Row1** in table 4.15 shows that 41.1 % of the respondents participated in this study are strongly agreed with this statement that the absence of agencies and schools to support in Knowledge and skills development in the area contributed to business failure, 26.6% of respondents agreed with the statement and 10.4% of the participants disagreed, 21.9 % of the participants strongly disagreed with it.

It means that there is more evidences equally to 67.7% (41.1 % strongly agreed and 26.6% agreed) to conclude that the absence of agencies and schools to support in Knowledge and skills development in the area contributed to business failure of business owned by youth in Nyamasheke and Gasabo District.

Row2 in table 4.15 shows that 26.8% of the respondents participated in this study strongly agreed with this statement the whole set of strict procedures in licensing the business in pre-start-up stage consumed all the money and contributed to failure, 36.7% of respondents agreed the whole set of strict procedures in licensing the business in pre-start-up stage consumed all the money and contributed to failure and 19.5% of the respondents disagreed, 16.9% of the respondents are strongly disagreed on this statement the whole set of strict procedures in licensing the business in pre-start-up stage consumed all the money and contributed to failure.

It means that there is more evidences equally to 63.5% (26.8 % strongly agreed and 36.7% agreed) to conclude that the whole set of strict procedures in licensing the business in pre-start-up stage consumed all the money and contributed to failure of business owned by youth in Nyamasheke and Gasabo District.

Row3 in table 4.15 shows that 59.6 % of the respondents participated in this study strongly agreed with shortage of skilled people in the area made difficult to obtain a qualified employees and contributed to the failure of business, 26.6% of respondents agreed with the statement and 10.4% of the respondents disagreed, 21.9 % of the respondents strongly disagreed with this statement that.

It means that there are more evidences equally to 86.2% (59.6 strongly agreed and 26.6 % agreed) for confirming that this statement is true.

Row4 in table 4.15 shows that 57.6 % of the respondents participated in this study strongly agreed with this statement the action of bribery and corruption in the area took business to the

business to failure, 30.5% of participants agreed with statement and 10.4% of the participants disagreed, 21.9 % of the participants strongly disagreed with this statement

The action of bribery and corruption in the area took business to the business to failure means that there is more evidences equally to 88.1% (57.6% strongly agreed and 30.5% agreed) to conclude that the action of bribery and corruption in the area took business to the business failure owned by youth in Nyamasheke and Gasabo District.

Row5 in table 4.15 indicates that 66.9% of participants participated in this research strongly agreed with this statement that Inadequate supplying of water and electricity in the area increased the operations cost and took the business failure ,13.8% of respondents agreed that the Inadequate supplying of water and electricity in the area increased the operations cost and took the business to failure and 4.9% of the participants disagreed,14.3% of the participants strongly disagreed on this statement that the Inadequate supplying of water and electricity in the area increased the operations cost and took the business to failure meaning that there is more evidences equally to 80.7% (66.9% strongly agreed and 13.8% agreed) to conclude that the Inadequate supplying of water and electricity in the area increased the operations cost and took the business to failure of business owned by youth in Nyamasheke and Gasabo District.

Row6 in table 4.15 indicates that 65.1 % of the participants participated in this research strongly agreed with this statement the insufficient support of the economy in the purchase of raw material took the business to failure,17.7% of respondents agreed that the Insufficient support of the economy in the purchase of raw material took the business to failure and 9.4% of the participants disagreed,7.8 % of the participants are strongly disagreed on this statement “ the Insufficient support of the economy in the purchase of raw material took the business to failure “, means that there is more evidences equally to 82.8% (65.1% strongly agreed and 17.7% agreed) to conclude that the Insufficient support of the economy in the purchase of raw material took the business to failure of business owned by youth in Nyamasheke and Gasabo District.

Row7 in table 4.15 indicates that 62.5% of the participants participated in this research strongly agreed with this statement the lack of financial support in the area made it difficult to gather sufficient capital and contributed to the failure of business , 28.9% of respondents

agreed that with the statement and 2.9% of the participants disagreed, 5.7% of the participants are strongly disagreed with this statement “ the lack of financial support in the area made it difficult to gather sufficient capital and contributed to the failure of business “, means that there is more evidences equally to 91.4% (62.5% strongly agreed and 28.9% agreed) to conclude that the lack of financial support in the area made it difficult to gather sufficient capital and contributed to the failure of business of business owned by youth in Nyamasheke and Gasabo District.

Row 8 in table 4.15 indicates that 69.3% of the participants participated in this study strongly agreed with this statement that inadequate infrastructure conditions where the business is located made it difficult for consumer to buy goods, 14.3% of respondents agreed with the statement and 11.7% of the participants disagreed, 4.7% of the respondents strongly disagreed with this statement.

It means that there is more evidences equally to 84% (69.3% strongly agreed and 14.3% agreed) to conclude that the statement is true.

Table 4.13: Distribution of respondents by other Factors contributed to failure of the business

	Yes		No		Total	
	frequency	percent	frequency	percent	Freq	%
Other factors responded						
High Tax	317	82.6	67	17.4	384	100
Low Purchasing Power	125	32.6	259	67.4	384	100
Lack of collateral for Bank	201	52.3	183	47.7	384	100
Corruption and Black Market	314	81.8	70	18.2	384	100
weak youth cooperatives	118	30.7	266	69.3	384	100
Lack of Capital	259	67.4	125	32.6	384	100
Lack of Skills in doing business	180	46.9	204	53.1	384	100
Poor management (Security, lack Plan)	244	63.5	140	36.5	384	100
Complex market requires skilled employees	142	37.0	242	63.0	384	100
Lack of Infrastructure	231	60.2	152	39.6	384	100

Sources: Primary data collected in Gasabo and Nyamasheke districts, 2019

The table 4.16 brings together all information given by the respondents participated in this study wherever 82.6% of them highlighted that High taxes is other factor contributing more in failing of business owned by the youth, Corruption and black market also contributing more to the failure of business as said by 81.8% of the respondents asked in this survey , Lack of collateral 52.3 % of the respondents agreed that is other factor which can contribute more to the failure of beginners business especially those owned by youth in Rwanda.

This means they lack capital for strengthening the path they already do in business at the same time 67.4% the respondents interrogated, confirmed that Lack of capital also is other factor weighting more in failing of business.

The failure also it can be caused by poor managements including lack of plan and fail to ensure the security of their assets and money wherever 63.5 % agreed. Some of them said that failure caused by lack of skills in doing business; other major factor especially in rural such as Nyamasheke district 60.2% of respondents said that the lack of infrastructure like electricity, roads, Modern market, internet connectivity lead the business to the failure.

Table 4.14 Distribution of respondents by basis what can government do to prevent the high number of business failure in Rwanda.

Suggestion of respondents	Yes		No		Total	
	Frequency	percent	Frequency	percent	Frequency	%
Reducing the taxes for beginner	315	82.0	69	18.0	384	100
Fight against corruption and black market	209	54.4	175	45.6	384	100
Increasing the infrastructures	104	27.1	280	72.9	384	100
Strengthening TVET Education	106	27.6	278	72.4	384	100
Ensuring security	95	24.7	289	75.3	384	100
creating awareness between youth and financial institutions	214	55.7	170	44.3	384	100

Sources: Primary data collected in Gasabo and Nyamasheke districts, 2019

The table 4.17 shows 3 main strategies to be applied by government of Rwanda by preventing the high number of business failure especially for youth include the reduction in the taxes for beginners where 82% of respondents recommended it to the government of Rwanda.

Second one is fight against corruption and black market where 54.4% of respondents said that it can reduce the rate of business failed when this been implemented by government and 55.7% of respondents' participated in this study recommended to the government of Rwanda to create more awareness between youth and financial institutions that can facilitate them to get loan without being constrained by lack of collateral.

Table 4.15: Correlation, Regression and Variance Analysis

Correlations		Management of business	Financial Status of business	of Economic condition	Market competition
Management business	of Pearson Correlation	1			
	Sig. (2-tailed)				
Financial business	Status of Pearson Correlation	-.096	1		
	Sig. (2-tailed)	.061			
Economic condition	Pearson Correlation	.111*	-.065	1	
	Sig. (2-tailed)	.029	.205		
Market competition	Pearson Correlation	.147**	.304**	.062	1
	Sig. (2-tailed)	.004	.000	.224	

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2tailed).

The Pearson correlation coefficient (ρ) was generated at 0.05 significance level (2-tailed). The output indicates a positive relationship between Management of business and Economic condition with $\rho = 0.111$ and $p\text{-value} = 0.029 < 0.05$, significant at 0.05 level as the correlation matrix indicates. There is a positive relationship between Market competition and management of business with $\rho = 0.147$ and $P\text{-Value} = 0.004 < 0.05$, significant at 0.05 level as the correlation matrix indicates above.

There is a positive relationship also exists between Financial Status and Market competition with $\rho = 0.304$ and the $p\text{-value} = 0.000 < 0.05$, significant at 0.05 level as the correlation matrix indicates above.

Table 4.16: Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.568 ^a	.322	.299	.384
a. Predictors: (Constant), The extend at which the business has been used, Having a mentor or role model, Types of business ownership, Management of business, Gender, Market competition , Economic condition , Age, Type of business, Trainings attended, short courses, Number of employees the business has had, Education background, Having a business plan				

The results on Table 4.19 shows that factors contributing to the failure of business (management of business, economic conditions and market competition) had explanatory power on Financial Status of business as it accounted for 61.7% of its variability ($R\text{ Square} = 0.617$) on Model, hence the model is a good fit for the data. This implies that there is a positive relationship between Management of business, Economic condition, and Market competition, and Financial Status of business.

Table 4.170: Regression Coefficients

Coefficients				
Model	Unstandardized Coefficients		Standardized Coefficients	t
	B	Std. Error	Beta	
Constant	.493	.311		1.586
Management of business	-.126	.054	-.126	-2.324
Economic condition	.003	.045	.003	.068
Market competition	.332	.053	.353	6.287
Age	-.032	.022	-.075	-1.410
Gender	-.102	.042	-.110	-2.441
Types of business ownership	.147	.062	.127	2.381
Education background	-.121	.048	-.164	-2.518
Trainings attended, short courses	-.029	.013	-.121	-2.150
Number of employees the business has had	.187	.116	.099	1.618
Type of business	.064	.018	.185	3.595
Having a mentor or role model	-.287	.081	-.204	-3.540
Having a business plan	.591	.110	.415	5.349
The extend at which the business has been used	.043	.023	.136	1.909
The extend at which the business has been used	.043	.023	.136	1.909

Source: Computed by researcher from Primary Data Corrected in Nyamasheke and Gasabo Districts, 2019

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + \beta_{12} X_{12} + \beta_{13} X_{13} + e$$

$$Y = -0.126X_1 + 0.353X_3 - 0.110X_5 + 0.127X_6 - 0.164X_7 - 0.121X_8 + 0.185X_9 - 0.204X_{10} + X_{11} + 0.415X_{12} + \dots$$

Where:

Y_i: indicate dependent variable which is the financial status of business

Is the intercept

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9, \beta_{10}, \beta_{11}, \beta_{12}$: Indicates parameters to be estimated

X₁=Management of business, X₂=economic condition, X₃=Market competition, X₄=Age, X₅= Gender, X₆= Types of business ownership, X₇= Education background, X₈= Trainings attended, short courses, X₉= Number of employees the business has had, X₁₀= Type of business, X₁₁= Having a mentor or role model, X₁₂= having a business plan

Economic Condition is not significantly at level of significance 5% to fit the model with P value=0.150>0.05. According to the table above shows the influence of Management of business, Economic condition and Market competition to the Financial Status of business the following null hypothesis was tested and the conclusion was to reject H₀: There is no significant influence of factors contributing more to the failure of business implemented by young on the Financial Status of business, Regression analysis was conducted to empirically determine whether factors lead to the unsuccessful of business (Management of business, Economic condition Market competition) had significant influence on the Financial Status of business. Then the research can conclude that there is enough evidence to say that there is significant influence of factors contributing more to the failure of business implemented by youth on the Financial Status of business.

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.0. Introduction

This content provides a summary of the research results concludes and recommends basing to the main title of the research which was the status of young entrepreneurs in Rwanda, a Case Study: Nyamasheke and Gasabo Districts.

5.1. Summary

Examining the status of young entrepreneurs in Rwanda; a case study: Gasabo district as urban area and Nyamasheke district as rural area, especially the factors influencing failure of young entrepreneurs in Rwanda. In particular, the specific objectives of the study were, to examine the factors influencing the failure of Young Entrepreneurs in Gasabo and Nyamasheke Districts, to assess the effects of management skills and financial skills on unsuccessful of young entrepreneurs, the relationship behind in Gasabo and Nyamasheke Districts, to assess the effects of competition on the failure of young entrepreneurs in Gasabo and Nyamasheke Districts and to provide a recommendation on how to reduce high young entrepreneur's failure in Rwanda.

The data presented in chapter four, the researcher kept attention basing to the objectives and research questions of the study which were used as units of analysis. The following outlines indicate the results from research as highlighted below:

5.1.1 Management situation as Failure Factors

The first objective was to study the management as factors than can contribute to the failure of young entrepreneurs in Gasabo and Nyamasheke Districts

Management factors as indicators of unsuccessful were insufficient skills in the domain, bad leadership skills, poor management capacity like control due to work overload, poor communication skills, ineffective communication with stakeholders, insufficient managerial experience, The need for a professional adviser, Low or high price strategy, Avoiding payment

of lenders' interest, Lengthy of cash conversation period, poor complying with tax regulations, ineffective marketing, bad financial plan.

Descriptive and Inferential statistical methods also gave findings and deductions. Results on correlation and regression analysis showed a significant influence that managing a business situation contributing more to the failure of business being implemented by the youth in Nyamasheke and Gasabo district.

5.1.2 Financial Situations as Failure Factors

The second objective of the study sought to assess the impact of managerial competencies and financial skills on the failure of young entrepreneurs in Gasabo and Nyamasheke Districts. The indicators of financial Situations as Failure Factors were, insufficient financial Accounting skills, Absence of financial records.

Descriptive and Inferential statistical methods also gave findings and deductions. Findings on correlation and regression analysis indicated that there was a significant influence of financial situation as factors Influencing more or contributing more to the failure of business being implemented by the youth in Nyamasheke and Gasabo district.

5.1.3. Market Competition and Economic Conditions as Failure Factor

The third objective of the study sought to examine the impact of market competition on the failure of young entrepreneurs in Gasabo and Nyamasheke Districts.

The indicators of such failure basing to competition were few demand took business down, lack of competitive advantage over competitors took business failed, disregarding customer complaints, negligence to cultivate product awareness, theft of goods and equipment, Setting a lower or too expensive price of goods and services, the absence of schools to delivering knowledge and skills on how to run business in some area especially rural area, the whole set of strict procedures in licensing the business in pre-start-up stage consumed lots of money, shortage of skilled people in rural, corruption, inadequate infrastructure, high cost of raw materials, challenges of financial in terms of capital.

Descriptive and Inferential statistical methods also gave findings and deductions. Findings on correlation and regression analysis indicated that there was a significant influence of Market

Competition and Economic Conditions situation in contributing more to the failure of business being implemented by the youth in Nyamasheke and Gasabo district.

5.2. Conclusions

It was designed basing the main objectives of the study which was examination of status of young entrepreneurs by seeking the factors influencing the failure of business implemented by the youth in Nyamasheke and Gasabo district found financial situation, Management situation, Market Competition and Economic Conditions, other factors contributed more to the failure of youth's business failure stated were High Tax, trustless, Corruption, Black Market, less capital, bad management (Security, poor Planning), Lack of Infrastructure.

The findings show that financial status of business is a driver of failing of the business because it is affected by management of business, economic condition and market competition.

5.3. Recommendation

In this study the 4th objective which was to provide a recommendation on how to reduce high young entrepreneur's failure in Rwanda. However, in view of the several observations and research findings, the following were recommended:

1. Trading restriction should be simplified as well as the excessive legal rules and regulation that may demotivate entrepreneurs from entering into business opportunities available (Nieman& Nieuwenhuizen, 2009: 12-13). Removal of main rules and regulations that are like burden for entrepreneurs even facing should contribute in improving competitiveness in the economy, as more businesses be joining the market.

2. Giving more assistance and motivation to entrepreneurs , the findings of this study recommends the government and other stakeholders to forward motive the entrepreneurs by providing enough infrastructure in rural like roads, electricity, network so that the ones operating in that area been able to access any information regarding to how improvement can be done basing to what other far from there are doing, providing business advice through training at local level, counseling, mentoring, finance facilities.

3. Exemption of taxes and reduction of the tax for the business beginners in a given period of time, this will motivate and bring new entrepreneurs at market.

4. Fighting against the corruption and bribes and black market in domain of business because it contributes more to unsuccessful of business, and creating awareness with youth and financial institution in Rwanda and then will end up with a help to the youth to get more capital and will answer the collateral issues among youth.

It is the government in charge of setting measures in terms of serious punishments for the ones who will commit the corruption. The government should reduce the power of individuals as well as the bureaucracy procedures. Information should be easy to access, the culture of transparency and respect should be improved.

5. There is a needs of creating a sustainable facilities especially for young like entrepreneurial skills and training center at every sector level where youth may be gathered on regular time basis and offer them required skills and knowledge concerning to how individual can convert available challenge into an opportunity and bring the mentors role models and let youth share with them the challenges have been faced. And then who had successes , share with them the way used the resources and who failed share the challenges faced, don't let failed ones give up, simply motivate them regularly. Nieman and Nieuwenhuizen (2009: 12-13) support and opine that Universities and other educational institutions play an important role in this field.

6. Non-government organizations should assist in helping youth through their social responsibility programs by giving supports to relevant institutions for effective research, training skills development.

7. The entrepreneurs should get clear knowledge about goods and services needed at the market. This might take the entrepreneurs to success via mentors and coaches (Da Rocha, 2011: 26; Herrington, 2014:7; Mendes, 2012:14). Although a capability- building support program, the government should facilitate the engagement of non-government organizations and private agencies to help and grow a variety of similar programs.

8. Competition is most important to the operation of the markets and promotes innovation, productivity and growth. Competition offers businesses incentives to efficiently improve production and distribution, to keep update to technology and to be innovative. This is recommended to the entrepreneurs that should try their best to innovate their services and goods selling. This recommendation is supported by Barringer and Ireland (2010:177-178)

state that weak competition in economy allows businesses to deliver inferior quality products or services, decreases the drive for innovation and positions a business to charge uncontrolled high prices for products or services.

Maintaining strong market competition could add the level of product differentiation between businesses and could finally benefit the Rwandan economy with various ranges of quality products at lower prices, augment diversification for sustainable economic growth, augment employment, reduce poverty degree, and augment taxes to support various public services expenditures. However, to augment competition in Rwandan economy, the government should promote and support entrepreneurship, put the market more desirable to national, regional and global investors and destroy unnecessary entry barriers in terms of restriction on business licenses and permits (Nieman & Nieuwenhuizen, 2009: 127-128).

9. Small businesses under entrepreneurial determined greatly on skilled people and raw material obtained at normal cost in country, some raw materials are gotten from foreign countries. However, raw materials acquired from foreigner countries cannot be cheaper compared to local ones, after thinking carefully to total cost of sale. The main businesses here in Rwanda haven't attained the successful due to lack of raw material at cheaper cost and skilled people. However, to resolve above issue, the government should put more efforts on supplying of such recourses and invest in basic or primary products and raw material, education, agriculture and manufacturing.

5.4. Suggestion for further study

This study covered few districts due to limited time, financial fund which was not enough to cover more districts and other external factors. Basing to what respondents shared via responding the questions, conversation made, found that youths in different districts both urban and rural have different experience especially on failure factors and successful factors and suggestion that could be recommended to government and other stakeholders like non-government organization, private sectors. Other researchers can explore these ideas from youth so that the picture of status of youth on entrepreneurs in Rwanda may be expanded basing to the research conducted.

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APPENDICES

APPENDIX 1. QUESTIONNAIRE

SECTION A- DEMOGRAPHIC PROFILE

Please indicate response a cross (x) according to your age group.

Q1. Age group

A1. 15-20

A2. 21-25

A3. 26-30

A4. 31-35

A5. 40-Above

Q2. Gender

A2.1: Male

A2.2: Female

Q3. Nationality

A3:

1. Rwandan

2. Foreigner

Q4. what type of business ownership did you have? Please mark with an x.

A4:

1. Owner

2. Manager

Q5. Please mark with an x your education qualification

3.Owner and manager

A5:

1.Primary

2.Secondary

3.Vocational training

4.A1

5.undergraduate

6.Post graduate

7. Others.....

Q6. Which of the following short courses have you attended? Please, mark all applicable to you.

A6:

1.Business management

2.Financial management

3Human resource management

4Marketing techniques

5. Other, please specify.....

SECTION B- BUSINESS PROFILE

Q7. How many employees did the business have? Please mark with an x.

B7

1.1 to 10

2.11-50

3.51-100

Q8. Please mark with an x the type of business you had.

B8:

1.Service

2.Retailer

3.Tourism

4.Wholesaler

5.Manufacturing

6. Other, please specify.....

Q9. Have you had a successful business person as a mentor or role model?

Please mark with an x.

B9:

1.Yes

2.No

Q10. Indicate if your business had a plan or not.

B10:

1.Yes

2.No

Q10.1.If you answered yes to the above question, to what frequency did you run the business in accordance to the business plan? Please mark with an x.

B10.1:

1.Never

2.Rarely

3.Sometimes

4.Often

5.Always

SECTION C- MANAGEMENT SITUATIONS AS FAILURE FACTORS

Q11. Please, mark your agreement with yes or no to each of statement below regard the managerial causes of young entrepreneur failure.

C11: Yes: 1, No: 2

Statements:

Row1:Insufficient knowledge in the domain of the business method took the business failure

Row2: Insufficient domain of leadership skills took the business failure.

Row3: Being the only person controlling everything overload the work and took the business failure.

Row4: Ineffective and inefficient communication with employees took the business to failure.

Row5: Ineffective and inefficient communication with customers, suppliers or other stakeholders took the business to failure.

Row6: Insufficient business management experiences took the business to failure.

Row7: Absence of a professional advice took the business to failure.

Row8: High or low price strategy took the business to failure.

Row9: High uncontrolled expenditure took the business to failure.

Row10: Avoiding paying lenders' interest contributed to the failure of the business.

Row11: Delaying in the conversion of goods to cash took the business failure.

Row12: Non-payment of taxes contributed to the failure of the business.

Row13: The absence of marketing planning did contribute to the business failure.

Row14: The absence of financial planning did contribute to the business failure.

SECTION D – FINANCIAL SITUATIONS AS FAILURE FACTORS

Q12. Please, mark your agreement with Yes or No to each of the statement below regard financial causes of small business failure: D12, Yes: 1 No: 2

Statements:

Row1. Insufficient financial accounting skills took the business to failure

Row2: The absence of financial records contributed to the failure of business

Row3: Insufficient control of the business resources (finance, raw materials or finished goods, equipment) contributed to the failure of the business.

Row4: Customers' failure to pay their debts contributed to the failure of business.

Row5: Less capital for cash flow on start- up stage contributed to the failure of business.

Row6: Using unique account for business and personal use contributed to the failure of business.

Row7: Delays in collecting debts from customers contributed to the business failure.

SECTION E-MARKET COMPETITION AS FAILURE FACTORS

Q13. Please, mark your agreement with an X to each of the following statements below concerning to the competitive causes of young entrepreneurs failure: E13, SD: 4, D: 3, A: 2, SA: 1

Statements	Strongly Disagree	Disagree	Agree	Strongly Agree
Row1: Less demand on goods or services took the business to failure	4	3	2	1
Row2: Many competitors selling the same product in the market contributed to failure.	4	3	2	1
Row3: Lack of competitive advantage over competitors took business to failure.	4	3	2	1
Row4: Disregarding customer complaints contributed to the failure of business.	4	3	2	1
Row5: Negligence to cultivate product awareness contributed to failure.	4	3	2	1
Row6: Theft of goods and equipment contributed to the failure of the business.	4	3	2	1
Row7: Setting a lower or too expensive competitive price of goods contributed to failure.	4	3	2	1

SECTION F- ECONOMIC CONDITIONS AS FAILURE FACTORS

Q14. Please, mark your agreement with an x to each of the statement below regard the regional economic causes of small business failure: F14, SD: 4, D: 3, A: 2, SA: 1

Statements	Strongly Disagree	Disagree	Agree	Strongly Agree
Row1: The absence of agencies and schools to support in knowledge and skills development in the area contributed to business failure.	4	3	2	1
Row2: The whole set of strict procedures in licensing the business pre-start-up stage consumed all the money and contributed to failure.	4	3	2	1
Row3: Shortage of skilled people in the area made difficult to obtain a qualified employees and contributed to the failure of business.	4	3	2	1
Row4: Actions of bribery and corruption in the area took the business to failure.	4	3	2	1
Row5: Inadequate supplying of water and electricity in the area increased the operations cost and took the business to failure.	4	3	2	1
Row6: Insufficient support of the economy in the purchase of raw material took the business to failure.	4	3	2	1
Row7: Lack of financial support in the area made it difficult to gather sufficient capital and contributed to the failure of business	4	3	2	1
Row8: Inadequate infrastructure conditions where the business was located made it difficult for consumer to buy goods.	4	3	2	1

Q15. Please state other economic factors that could have contributed to the failure of young entrepreneurs.

.....

Q16. What can the government do to prevent the high number of business failure in Rwanda?

.....

.....

Thanks