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## Youth entrepreneurship: An alternative strategy to poverty alleviation in the Mano River Union (MRU): Sierra Leone as a case study

**Samuel Mansaray Pearce**

### Abstract

The study attempted to examine whether there is a positive correlation between youth entrepreneurship development and poverty alleviation in Sierra Leone. In executing this study Sierra Leone is used as a case study analysis. The questionnaire was administered to 150 SMEs owners who included youth entrepreneurs who come to China to do business in Guangzhou, 100 questionnaires were administered in Freetown and 50 were administered online to Sierra Leonean youth's entrepreneurs and workers living in Liberia, Ghana and Guinea. One on one interview was conducted with staff of National Youths Commission, the Executive Director Call to Business Micro-Finance and Presenter Life by Design SL and Head of Privatization Commission in Sierra Leone -2016. The quantitative data was analyzed using SPSS and the qualitative data was analyzed using interpretation. Theoretical and empirical literatures were reviewed to identify a suitable model for the present study. However, the research findings and results reveal that there is a strong positive relationship between youth entrepreneurship and poverty alleviation, which means youth entrepreneurship, could be used as a strategy for poverty reduction in Sierra Leone and other MRU countries.

**Keywords:** Youth entrepreneurship, poverty alleviation, sustainable development, youth unemployment, Sierra Leone, Mano river union

### Introduction

One of the central claims in economic development field is that youth entrepreneurship is a viable strategy option to addressing poverty amongst the unemployed and uneducated youth. Although this claim has not yet been fully explored, the global trend is that high levels of unemployment amongst youths are associated with poor performance of global economies such that formal jobs created by economies cannot absorb all the youths requiring jobs in the socio-economic and private sectors. In this thesis, I argue that recent global focus on youth entrepreneurship activities have been fueled by the recent financial and economic crisis which basically placed substantial responsibility on governments to find other viable strategies of generating jobs for the youths. Realizing the need for the youths to be innovative, creative and entrepreneurial, most Governments in Africa, Sierra Leone inclusive and globally indeed are now putting much focus on youth entrepreneurship as a solution to high levels of unemployment and poverty alleviation. In this paper, I explore how the Government of Sierra Leone is interpreting the relationship between youth entrepreneurship and poverty alleviation.

Since unemployment has repercussions for poverty levels, the issue of poverty, particularly, youth poverty has received global attention due to its concomitant adverse effects on the normal functioning of society and human wellbeing. The worst is that poverty has been a major influencer for the rapid expansion and international recruitment for the Islamic States across countries in the world, due to weak governmental institutions, bad governance, poor leadership, corruption in the public sectors, lack of skills and unemployment for the youth. (President Obama, UN 70th SDG, 2015). This global orientation of youth unemployment requires us to look in detail the global statistics on youth employment and see what has been the trend and how could that be inferred on low levels of entrepreneurial development among the youths.

In Sierra Leone, the youth comprises one-third of the population and youth unemployment is a serious challenge to the socio-economic development and the political stability of the nation.

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The national youth program estimates that Sierra Leone has 1.7 million young people with 75% of its population under the age of 35. The UNDP estimated that some 70% of the youth are underemployed or unemployed in Sierra Leone and unable to provide for themselves and their families. The estimates also suggest that about 800,000 of Sierra Leonean youths are actively searching for employment (UNDP, 2016). The 2014 Sierra Leone Youth report gives an even challenging picture of the situation of youth unemployment. According to the report, youths in Sierra Leone are confronted with high rates of inactivity, underemployment, and poor working conditions. The report noted that this situation is worsening with long hours of work and little pay. It was also acknowledged by the report that the chances of the youth securing jobs in the public sector are very limited due to discrimination against them on the basis of age, political connection, labor mismatch and experience. Regardless of their qualification, it is known that youths are less likely to secure jobs in the public sector than those above 35 years. The recently launched National Youth Program noted that:

“Youth unemployment remains a major social problem, however, with a structural unemployment rate of 60% – amongst the highest in the West African sub-region. Less than 34% of Sierra Leone’s young people (15-24) are in the labor force. The literacy rate for youth (15-24) is only 57.6% (67.6% males, 48.1% females). Of the 21 percent of young people who enroll in junior secondary school, the proxy completion rates are 69.4% (males) and 74.3% (females)”

(National Youth Program, 2014).

These statistics are so alarming that no government that still needs to continue ruling could ignore address these issues, since failure to address them could automatically lead into social unrest, political instability and government losing the mandate to rule in the coming years through votes. In an attempt to address the above issues, this study advance an understanding of how youth entrepreneurship can be an alternative strategy to poverty alleviation in Sierra Leone. In other words, this research aims to evaluate and examine the relationship between youth entrepreneurship and poverty alleviation in the Mano river union, using Sierra Leone as a case study. The following are the specific objectives of the study:

- To explore and examine the drivers of youth entrepreneurship in Sierra Leone.
- To Explore the Relationship between Education and Sustenance of Entrepreneurship Development
- To explore and examine the sources of capital for youth entrepreneurship.
- Examine how youth entrepreneurship contributes to poverty reduction in Sierra Leone
- Evaluate the contributions of youth entrepreneurship to the sustainable development of Sierra Leone.
- To investigate and evaluate critical challenges affecting youth entrepreneurship development

The study will provide worthy information to policy makers concern with unemployment and poverty in the region. Secondly, the information provided by this study will equip youth entrepreneurs and potential youth entrepreneurs to understand the dynamics of youth entrepreneurship within the region. This will enable them to withstand the many challenges of young entrepreneurs in the region. Finally, the

study will provide a worthy addition to the little literature on youth entrepreneurship and poverty in Sierra Leone that will help future research in the field.

### Literature Review

There is no generally approved and accepted definition of “entrepreneurship”, “entrepreneur”, “youth entrepreneurship” and poverty in the literature as yet. For the purpose of this research, we prefer a behaviorally-based definition as opposed to a trait-based approach. Thus entrepreneurship is a set of behaviors and an entrepreneur is someone who undertakes these behaviors. Using a behavioral definition facilitates the analyses of youth entrepreneurship, as it is easier to observe what young entrepreneurs do and how they do it than to identify their particular “entrepreneurial” traits and qualities – suggesting that entrepreneurship is innate, rather than something that can be learned. Consequently, I draw upon a definition of entrepreneurship, suggested by the authors of a scoping paper on youth entrepreneurship in Australia:

“Entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity. While concepts such as “innovation” and “risk taking” in particular are usually associated with entrepreneurship, they are not necessary to define the term.” An entrepreneur is someone who manages the process of commercializing inventions or ideas, often involving high risk or return. Nonetheless, entrepreneurship has emerged as critical inputs for socio- economic develop.

The emergence of entrepreneurship development rest on two important factors, i.e innovation and resources mobilization, (Peter F. Drucker) according to him, innovation lies at the hub of entrepreneurship activities, which aid at transforming raw materials into finish goods. Thus develop resources for economic growth and development. An entrepreneur is one who always searches for change, responds, to it and exploits opportunities. What lies at the heart of resource utilization and usage is the mentality of technological development, innovation and development of entrepreneurship skills. Youth entrepreneurship normally encompasses different types of entrepreneurship which includes economic, social, cultural and public entrepreneurship. Social entrepreneurship the process of undertaking a new idea to solve community or social needs based on the dictates of demand and supply of goods or services. Thus entrepreneurs are problem solvers; they exist to fill in the market to address the desire and wants of society or community. Generally, most of community needs are poverty related and it would be essential to look at the concept of poverty in details so that we can relate how it could be solved through youth entrepreneurship.

The term poverty generally refers to lack of basic necessities which include food, shelter and medical care. According to Sen (1999) and Valentino (1999), the needs of human beings may be relative to what is possible and are based on social definition and past experience.

Valentine (1968) argued that poverty develops into a serious issue of poverty inequalities which eventually increases the dependency syndrome. In slightly different words, the basic meaning of poverty is relative deprivation.” When a human being is deprived of basic needs for human survival, not is his rights violated but also relegated to the dustbin of history. This is very dangerous as the whole essence of

human life, a right to life is denied contrary to the provision of the Bill of Rights as enshrined in the Universal Declaration of Human Rights. Based on this reasoning, it is very essential for Governments to address challenges of poverty amongst population and youth entrepreneurship is proving to be a viable option for reducing and eliminating poverty for socio-economic development.

To understand how youth entrepreneurship impacts on poverty alleviation, we endeavor to examine and evaluate this. The question then arises: What factors influences entrepreneurship to such an extent that it could have tangible impact on alleviating poverty?

Most of studies done on entrepreneurship and poverty have revealed that entrepreneurship is positively linked with alleviation of poverty. Studies done in Europe indicated those in times of relatively high unemployment, opening own company by university graduates could give them an opportunity to pursue their own dreams and give a chance for income, career and skilled development. Postgraduate education gives more probabilities for establishing innovative enterprises with fast-growth potential, university graduates entrepreneurship seems to be especially desirable by economies. What is more creative, not any but innovative firms give greater impact on economy and overall employment (Fritsch, Schroeter 2008:3) Nevertheless, an impact of new business formation will have negative effect on unemployment. – meaning that the new entries could also lead to a decline in employment (Fritsch, Schroeter 2008: 2). In such cases usually so-called “destructive creation” is blamed. It is also worth emphasizing that students of higher education (HE) not necessarily launch high-tech Firms. Several survey have been done among business management students in Europe, United states, and Austria showed that students who intend to launch a new business almost exclusively think of service companies in low-tech areas (Luthje, Prugl 2006: 213).

Moreover, Entrepreneurs as agents of social and economic change were focused upon by Ogundele and Olayemi (2004) in their call for education courses to focus on developing entrepreneurial competences .Such entrepreneurship training will equip the youth with skills for constant improvement creativity, and innovation in their undertaken. The entrepreneurship development program in Nigeria, and other Africa countries is designed to help an individual in strengthening his/her entrepreneurial passion, motivation and in acquiring skills and capabilities necessary for playing his/her entrepreneurial role effectively in their respective communities and societies.

Theories of entrepreneurial intention include Ajzen and Fishbein’s 1975 theory of reasoned behavior, Shapero and Sokol’s entrepreneurial event theory of 1982, Bandura’s process driven theory of 1991 and Ajzen’s theory of planned behavior of 1991. Ajzen and Fishbein’s (1975) theory of reasoned action declares that behavior is greatly influenced by one’s intention to engage in that behavior and intentions are influenced by attitude towards the conduct. This implies that intention comes first before the actual behavior.

Often regarded as part of the solution for economic growth and sustainable development, entrepreneurship has reached a political momentum. Various universities and colleges now offer courses in entrepreneurship; at present, there is an EU-wide policy on entrepreneurial learning in high schools, while the concept of the „enterprising child“ (Gribben,

2006) is likely to make the approach appealing to primary education and below. The potency of youth entrepreneurship in the policy agenda in most international debates and conferences on development and poverty in Africa and Asia is able to reactivate discussions on the role of youth work and poverty reduction in a way that other issues have not. Questions of if, and to what extent youth work could or should engage with entrepreneurial learning and activities are beginning to arise.

Poverty alleviation needs more than donations, providing grants or aids from development partners, NGOs and Civil Societies. The Private sector needs to step up to drive the reforms for sustainable development in China (NPC& CCPC) annual national political conference, March 2016 at Beijing).

However, economics generally associate an individual’s absolute poverty to the individuals expected benefit of legal and of illegal activities. Therefore, absolute poverty may create the perception that one’s skills and competency are relatively more productive in criminal activity, than in commercial or industrial sectors. In addition lot (1990) claims that the poor are more likely to engage in criminal activity, due to their relatively limited access to capital markets, social amenities and community leadership exclusion, therefore property crime is the poor persons and youth method of borrowing against future human capital. Dentsch, Spiegel and Templeman (1992) however link absolute poverty to the return to crime by postulating that the poor are more likely to engage in crime because the cost of judicial sanctions is less for a low income individual than for the high income individual who has more accumulation wealth to lose, backed by their family relations

Victor A. B. Davies (2002) wrote the paper entitled “War, Poverty and Growth in Africa: Lessons from Sierra Leone” for the Centre for the Study of African Economies” 5th Annual Conference. The paper examines current economic evidence from Sierra Leone on the causes of civil war, poverty and poor growth that threaten the African continent. The paper by Davies specifically examines the political economy influences of the three phenomena in Sierra Leone, which include, a diamond curse, political repression (1958-1992), ethno-regional divisions, and an urban bias in government policy. His paper further assesses the consequence of the civil war in relation to the four influences and the conditions that emphasizes post-conflict challenges

The International Fund for Agricultural Development (IFAD) publishes on the internet a rural poverty profile for most developing countries, including for Guinea and Sierra Leone. The rural poverty profiles, which typically are 500-700 words-long summaries for each country “s main issues related to rural poverty, are part of IFAD’s Rural Poverty Portal. According to Sierra Leone “s Poverty Reduction Strategy Paper (see International Monetary Fund, 2005, pp. 52-55) Sierra Leone “s economic prospects were “sound and promising” during independence in 1961, due to the mining of diamonds, iron ore and bauxite. It was apparent that the economy grew considerably in the 1960s by “about 4.5 percent on average per annum”. However, during the 1970s and 1980s, the economy started to decline and reached near collapse during the civil war that raged in Sierra Leone. Like in all countries, the economic wellbeing of Guinea” and Sierra Leone “s people is influenced by economic production, typically measured by gross domestic product

(GDP), divided by population size. Though GDP per capita is distorted due to inequality, it remains an important indicator that illustrates the average income received by a person. Therefore, GDP per capita is a useful tool to show the general economic situation of the average person living in a country

In this sense, political agendas are the overriding factors in poverty that not only influence the choice of theory of poverty but the very definition of poverty to be explained by each theory. Powerful interests manage how poverty is discussed and what is being done about it; unfortunately few researches have focus on the relationship between youth entrepreneurship and poverty. Moreover, the adoption of poverty theories into entrepreneurship mentoring on development agenda and programs in Sierra Leone and other MRU countries is off importance towards sustainable development and economic recovery

Additionally, according to Timmons “successful entrepreneurs share common attitudes and behaviors. They work hard and are driven by an intense commitment and determined perseverance; they see the cup half full, rather than half empty; they strive for integrity; they burn with competitive desire to excel and win; they are dissatisfied with the status quo and seek opportunities to improve almost any situation they encounter; they use failure as a tool for learning and eschew perfection in favors of effectiveness; and they believe they can personally make an enormous difference in the final outcome of the ventures and their lives Entrepreneurs who succeed possess not only a creative and innovative flair and other attitudes and behaviors but also solid general management skills, business know-how, and sufficient contacts” Timmons (1994) Competences acquired through formal education/codified knowledge.

If someone is ask; “what is the most important resource in boosting graduates entrepreneurship? Many would believe it is money/ capital financing, others point out culture, incubation of resources or support in generating ideas. Contrary to these common believes, scientific examinations show something different (Kim *et al.*, 2006; Ferrante, 2005). Neither financial nor cultural capital resources are necessary conditions for pursuing entrepreneurial entry. It turned out that between three forms of resources, which were investigated, namely: financial, human, and cultural capital, the potential entrepreneurs gain significant advantages if they possess high level of human capital. Specifically: advanced education and managerial experience are strongly related with the entrepreneurial entry. Research results confirm the positive link between entrepreneurial ability and the level of formal education. Advanced education supports entrepreneurial entry through (Kim *et al.*, 2006):

However, both too little and too much education discourages attempted entrepreneurship. As Kim noted: “The acquisition of skills and credentials may create valuable opportunities for individuals to work for others rather than pursuing a new business venture” (Kim *et al.* 2006). I. Grilo and J.M. Irigoyen complemented Kim “s examination results and added that „relative to the intermediate level of education, belonging to the higher or the lower education group has a positive impact on being self-employed. In other words, the relationship between education and self-employment seems to be U-shaped” (Grilo & Irigoyen, 2006).

### 3. Methodology and Model

A descriptive research design was used aiming at determining the role of youth entrepreneurship in alleviating poverty in the MANO river union a case study of Freetown Sierra Leone. The population of interest was 150. Mugenda and Mugenda, (2003) explains that the target population should have some observable characteristics, to which the researcher intended to generalize the results of the study. The primary data has been collected through In-depth interviews and questionnaires. The questionnaire was administered to 150 SMEs owners who included youth entrepreneurs who come to china to do business in Guangzhou, 100 questionnaires were administered in Freetown and 50 were administered online to Sierra Leonean youth’s entrepreneurs and workers living in Liberia, Ghana and Guinea. The sampling method used in this research was Simple Random Sampling. The results of the questionnaire were discussed to identify which factor contributes the most towards poverty alleviation in the country and what are the problems regarding youth unemployment so as to increase reliability of currentresearch in depth.

#### 3.1 Model Specification

Multiple linear regression Analysis is used to determine the nature and degree of linear relationship between two sets of data. The degree of positive or negative correlation between the multivariate data can then be determined by estimating the Coefficient. We have therefore used a multiple linear regression model to determine how much do youth entrepreneurship contribute to poverty alleviation. Multiple linear regression models were used to assess whether youth entrepreneurship development has a relationship with the independent variables. It provided information on impact of an independent variable while simultaneously controlling the effects of other independent variables. Thus in deriving this relationship we posit that:

$$S = QA = F (IY) \tag{1}$$

Where:

S = Sustainable economic growth and development which is a measure of Sustenance of youth entrepreneurship and Tax amount per annum

Q = Sustenance of entrepreneurship

A= Tax amount per annum

IY = Vector of inspired youth

Equation one can further be transformed to:

$$QA = \delta + \Upsilon (IY) + Ut \tag{2}$$

$$Q = \beta_0 + \beta_1 (IY_1) + \epsilon_1 \tag{3}$$

$$A = \alpha_0 + \alpha_1 (IY_2) + \epsilon_2 \tag{4}$$

Taking the independent variables that influences sustenance of entrepreneurship, equation (3) becomes:

Where:

$$Q = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + U t \tag{5}$$

Q = Sustenance of Entrepreneurship

X1 = Education Level

X2 = Duration Being In Business

X3 = Reason for Being an Entrepreneur

X4 = Computer Skills

$\beta_0$  = Intercept

Ut = Error term

Similarly, taking the independent variables that contribute to revenue generation (tax) for the country, equation (4) becomes:

Where:

A = Tax Generated

X1 = Current Average Income

X2 = Income before Business

$$A = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon \quad (6)$$

X3 = Business Category

In summary, equation (5) and (6) will be the basis of our analysis in the next section.

#### 4. Analyses

Only one data collection method was used to collect data i.e. questionnaire interview. A face to face interview accomplished through the use of a questionnaire administered to the respondents. The responses from the interviewees were captured using forms/questionnaires. The data was then entered in a Microsoft Access data entry screen and then exported to excel for cleaning. The final edited data was subsequently exported to SPSS 20.0 for analysis.

#### 5. Results and Discussions

Following a line of investigation, fundamentally statistical weights were computed to reflect the probability of SMEs sampled and adjustments for non-responses. The illustration in Table 1 has demonstrated that, the four independent variables that were studied for the first model (equation 5) explain 78.5% of the sustenance of entrepreneurship in Sierra Leone as represented by the adjusted R-square value. This by implication means that other factors not captured in this model contribute 21.5% of the Sustenance of entrepreneurship in Sierra Leone. Therefore, further research should be conducted to investigate the other youth entrepreneurship related factors (21.5%) that affect Sustenance of entrepreneur hip (Table 1).

**Table 1:** Reg1 Model summary

| Model | R     | R square | Adjusted R square | Std. error of the estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .888a | .788     | .785              | .52440                     |

Source: SPSS output

The P-value of 0.000 (Less than 0.05) implies that the model Sustenance of youth entrepreneurship is significant at the 5 percent significance level. As illustrated in table 2 .reg1 the significance value is 0.000 which is less than 0.05 thus the model is statistically significant.

**Table 2:** Reg.1 ANOVA a

| Model      | Sum of squares | D f | Mean square | F       | Sig.  |
|------------|----------------|-----|-------------|---------|-------|
| Regression | 301.223        | 4   | 75.306      | 273.842 | .000a |
| Residual   | 81.124         | 295 | .275        |         |       |
| Total      | 382.347        | 299 |             |         |       |

Source: SPSS output

A summary of the analysis of the model is shown in Table 2. The critical F value at 5% level of significance was 23.482. Since the calculated F is greater than the critical F (value = 0.000), it implies that the overall model was statistically significant. Table 3 illustrates results of a linear regression analysis determining the effect of the independent variables X1, X2, X3 X4 (Education level, duration being in business, Reason for Being an entrepreneur and computer skills) on the dependent variable Q (Sustenance of entrepreneurship). Using the results, we have the regression equation as:

$$Q = 0.947 + 0.366X_1 + 0.836X_2 + 1.044X_3 + 3.06X_4$$

Where Y is the dependent variable (Sustenance of entrepreneurship), X1 is education level, X2 is duration being in business, X3 is Reason for Being an entrepreneur and X4 computer skills.

**Table 3:** Coefficients

| Model      | Unstandardized coefficients |            | Standardizes t coefficient | g. 95.0% Confidence Interval for |      |      |             |
|------------|-----------------------------|------------|----------------------------|----------------------------------|------|------|-------------|
|            | B                           | Std. Error |                            | Beta                             | t    | sig  | Lower Bound |
| (Constant) | .947                        | .099       |                            | 9.588                            | .000 | .753 | 1.142       |
| X1         | .366                        | .041       | .399                       | 8.863                            | .000 | .285 | .447        |
| X2         | .836                        | .076       | .484                       | 10.966                           | .000 | .986 | .686        |
| X3         | 1.044                       | .050       | 1.108                      | 20.985                           | .000 | .946 | 1.142       |
| X4         | .306                        | .043       | .323                       | 7.092                            | .000 | .390 | .221        |

Source: SPSS output

Given the regression equation established, taking all factors into account with constant at zero, Sustenance of entrepreneurship will increase by 0.947 units. The data findings analyzed also show that Sustenance of entrepreneurship in Sierra Leone is greatly affected by Reason for being an entrepreneur followed by duration being in business, Education level and computer skill. Taking all other independent variables at zero, a unit

increase in Reason for being an entrepreneur will increases Sustenance of entrepreneurship by 1.04 units while a unit increase in duration being in business will result in a 0.836 units increase in Soutenance of entrepreneurship in Sierra Leone. Also a unit increase in the level of education will induce sustenance of entrepreneurship by 0.366 units. Finally, a unit increase in computer skills will result in 0.306 units increase in entrepreneurship sustainability.

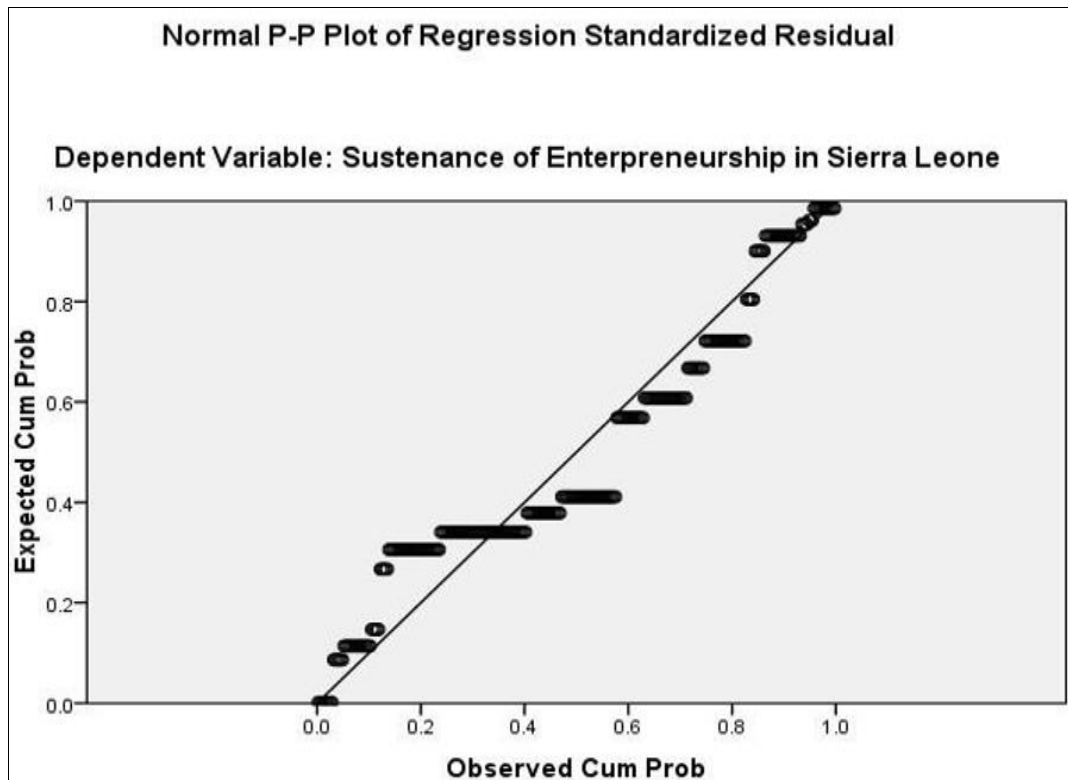


Fig 1: Correlation Analysis of model 1

Analysis of correlation had laid emphasis on the research hypothesis which serves as the engine for this study. The correlation results are presented in table 4 below which provides answers for the hypothesis set in this study. Decision criteria: If the value of Pearson correlation H calculated is greater than the value of Pearson correlation H tabulated in absolute term, we reject the null hypothesis and fail to reject the alternative hypothesis. Similarly if the value of Pearson correlation H calculated is less than the value of Pearson correlation H tabulated in absolute term, we fail to reject the null hypothesis and reject the alternative hypothesis. Thus we have used the 5% significance level for the tabulation that is  $** P < 0.05$ . However, the coefficient of the Pearson correlation for reason for being an entrepreneur is 0.792 which establish a strong positive relationship. Similarly, the coefficient of the Pearson correlation for educational level is 0.682 which also shows a strong positive relationship. However, the Pearson correlation for

computer skills and duration being in business are somehow moderate as shown by the values 0.489 and 0.421 respectively. Moreover, since the Pearson correlation coefficient calculated value 0.792 is greater than Pearson correlation coefficient tabulated value at the 5% level of significance  $** P < 0.05$  we therefore reject the null hypothesis (H0) and fail to reject the alternative hypothesis (H1), and conclude that reason for being an entrepreneur has a significant effect on Sustenance of Entrepreneurship in Sierra Leone. Similarly, since the Pearson correlation coefficient calculated value 0.682 is greater than Pearson correlation coefficient tabulated value at the 5% level of significance  $** P < 0.05$ , we reject the null hypothesis (H0) and fail to reject the alternative hypothesis (H1), and conclude that the level of education has a significant effect on Sustenance of Entrepreneurship in Sierra Leone.

Table 4: Pearson Correlation Coefficient

|  | Educational Level | Duration being Business | Reason for Being an entrepreneur | computer skill | Sustenance of Entrepreneurship in Sierra Leone |
|--|-------------------|-------------------------|----------------------------------|----------------|--|
| Educational Level Pearson Correlation          | 1300              | .698**300               | .770**300                        | .721**300      | .682**300                                      |
| Duration being in Business Business            | .698**300         | 1300                    | .769**300                        | .769**300      | .421**300                                      |
| Reason for Being an entrepreneur               | .770** 300        | .769** 300              | 1 300                            | .777** 300     | .792** 300                                     |
| computer skill                                 | .721** 300        | .697** 300              | .777** 300                       | 1 300          | .489** 300                                     |
| Sustenance of Entrepreneurship in Sierra Leone | .682** 300        | .421** 300              | .792** 300                       | .489** 300     | 1300   |

Source: SPSS output

Similarly Interpretation of the second model (equation 6) is summarized below: The illustration in Table 5 has demonstrated that, the three independent variables that were studied for the second model explain 71.1% of the annual tax amount as represented by the adjusted R-square value. This by

implication means that other factors not captured in this model contribute 28.9% of the annual tax amount. Therefore, further research should be conducted to investigate the other tax revenue related factors (28.9%) that affect annual tax revenue (Table 5).

**Table 5:** Model summary

| Model | R     | RSquare | Adjusted R Square | Std. Error of the Estimate | Change Statistics |         |     |     |              |
|-------|-------|---------|-------------------|----------------------------|-------------------|---------|-----|-----|--------------|
|       |       |         |                   |                            | R S quare Change  | FChange | df1 | df2 | Sig. FChange |
| 1     | .845a | .714    | .711              | .40544                     | .714              | 246.572 | 3   | 296 | .000         |

Source: SPSS software package

The P-value of 0.000 (Less than 0.05) implies that the model annual tax amount is significant at the 5 percent significance level. As illustrated in table 5, the significance value is 0.000 which is less than 0.05 thus the model is statistically significant.

A summary of the analysis of the model is shown in Table 5. The critical F value at 5% level of significance was 23.482. Since the calculated F is greater than the critical F (value = 0.000), it implies that the overall model was

statistically significant. Table 6 illustrates results of a linear regression analysis determining the effect of the independent variables X1, X2, X3 (current income, income before business and Category of business) on the dependent variable A (annual tax amount). Using the results, we have the regression equation as:

$$A = -.030 + .164X1 + .188X2 + .445X3$$

Where A is the dependent variable (annual tax amount), X1 is Current average income, X2 is Income before business, X3 is Business Category.

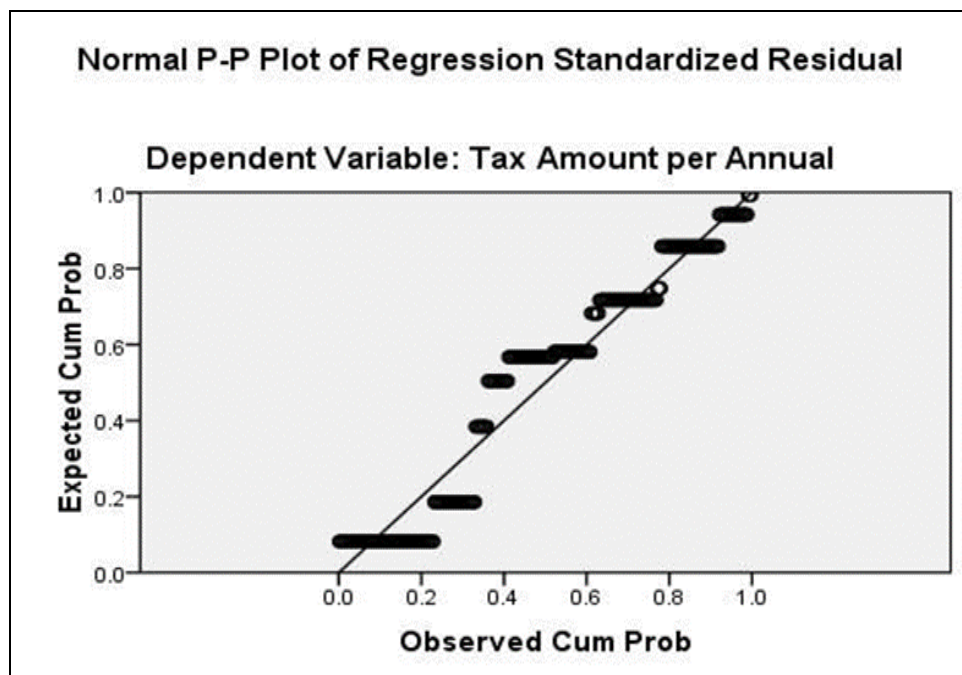
**Table 6:** Coefficientsa

| Model   | Unstandardized coefficients |            | Standardizes t coefficient | g. 95.0% Confidence Interval for |      |             |             |
|---|-----------------------------|------------|----------------------------|----------------------------------|------|-------------|-------------|
|   | B                           | Std. Error | Beta                       | t                                | sig  | Lower Bound | Upper Bound |
| 1 (Constant)  |                             |            |                            |                                  |      |             |             |
| Current Average Income                                      |                             |            |                            |                                  |      |             |             |
| What was your average income before venturing into Business | -.030                       | .084       | .146                       | -.359                            | 2.20 | .720        | .028        |
| Category of Business  | .188                        | .088       | .216                       | 6.214                            | 3    | .033        |             |
| X2  | .445                        | .066       | .518                       | 6.715                            | 5    | .000        |             |

a. Dependent Variable: Tax Amount per Annual

Given the regression equation established, taking all factors into account with constant at zero, annual tax amount will decrease by 0.03 units. The data findings analyzed also show that annual tax amount is greatly affected by category of business followed by average income before business and current average income. Taking all other independent

variables at zero, a unit increase in category of business will increase annual tax amount by 0.44 units while a unit increase in revenue before business will result in a 0.188 units increase in annual tax amount. Finally, a unit increase in current income will result in 0.164 units increase in annual tax amount.



**Fig 2:** Correlation Analysis of model 2

The correlation results for the second model are presented in table 7 below which provides answers for the other hypothesis set in this study.

Decision criteria: If the value of Pearson correlation H calculated is greater than the value of Pearson correlation H

tabulated in absolute term, we reject the null hypothesis and fail to reject the alternative hypothesis. Similarly if the value of Pearson correlation H calculated is less than the value of Pearson correlation H tabulated in absolute term, we fail to reject the null hypothesis and reject the alternative

hypothesis. Thus we have used the 5% significance level for the tabulation that is  $** P < 0.05$ . However, the coefficient of the Pearson correlation for current average income is 0.742 which establish a strong positive relationship. Similarly, the coefficient of the Pearson correlation for average income before business is 0.818 which also shows a strong positive relationship. Also, the Pearson correlation for category of business is 0.83.

Moreover, since the Pearson correlation coefficient calculated value 0.742 is greater than Pearson correlation coefficient tabulated value at the 5% level of significance  $** P < 0.05$  we therefore reject the null hypothesis (H0) and fail to reject the alternative hypothesis (H1), and conclude that current average income has a significant effect on tax

amount per annum in Sierra Leone. Similarly, since the Pearson correlation coefficient calculated value 0.818 is greater than Pearson correlation coefficient tabulated value at the 5% level of significance  $** P < 0.05$ , we reject the null hypothesis (H0) and fail to reject the alternative hypothesis (H1), and conclude that the level of average annual income before business has a significant effect on annual tax amount in Sierra Leone. Lastly, since the Pearson correlation coefficient calculated value 0.83 is greater than Pearson correlation coefficient tabulated value at the 5% level of significance  $** P < 0.05$ , we reject the null hypothesis (H0) and fail to reject the alternative hypothesis (H1), and conclude that the category of business has a significant effect on annual tax amount in Sierra Leone.

**Table 7: Correlations**

| Variables   | Tax Amount per Annual | Current Average Income | What was your average income before venturing into Business | Category of Business |
|---|-----------------------|------------------------|---|----------------------|
| Pearson Correlation Tax Amount per Annual                   | 1.000                 | .742                   | .818  | .830                 |
| Current Average Income                                      | .742                  | 1.000                  | .881  | .785                 |
| What was your average income before venturing into Business | .818                  | .881                   | 1.000   | .914                 |
| Category of Business  | .830                  | .785                   | .914  | 1.000                |

Source: SPSS software package

The discussion of the study findings against the research objectives as designed at the initial stage of the study. The findings have generally indicated positive correlation between youth entrepreneurship and poverty alleviation as discussed above.

Despite the positive correlation, the study also revealed serious shortfalls in terms of failure by the customers to pay back the credit, inadequate financial capital for investment in the entrepreneurship businesses, lack of management skills, gender inequality in the development and management of entrepreneurship activities, lack of centralized local markets and lack of youth development fund within Sierra Leone.

**6. Conclusion and Recommendations**

The research findings were already presented in the previous section. The aim of this section is to present the conclusions drawn from the research findings. This research study was carried out under the premise and hypothesis that there is positive correlation between youth entrepreneurship and poverty alleviation within Sierra Leone. In other words, we wanted to explore and justify why Government of Sierra Leone should be putting much focus on developing entrepreneurship as mechanism of poverty alleviation.

The study findings really supported the logic of hypothesis. We can therefore conclude that Youth Entrepreneurship is the best strategy of alleviating poverty amongst the uneducated and unemployed youths. The youth's entrepreneurship incomes are a source of revenue generation for the Government through income taxes.

The shortfalls in terms of Government not taking commitment to establish youth entrepreneurship development fund puts substantial amount of responsibility on Government to establish the youth business development fund which could support those with inadequate or no financial capital to venture into entrepreneurship. Some of those youth who do not have adequate capital to venture into entrepreneurship are, the mainly the unemployed

graduates and school drops who essentially needs government invention.

To facilitate intensification of programme implementation, it is recommended that Government should engage other collaborating partners and financial institutions to support giving out entrepreneurship loans, training and mentorship to those youths with bankable entrepreneurship projects, otherwise not much could be achieved in areas of massive reduction of poverty levels among youths.

The best practices on how the youths start business entrepreneurship should be strengthened and sustained by government if we were to tie the youths into this business development thereby blocking any chances of the youths engaging in crime, prostitution and other unruly behavior.

The study disclosed high levels of gaps in terms of addressing the gender inequality between male and females as it revealed that most entrepreneurs are males. Deliberate efforts should be put in place by Government and United Nations bodies to provide more carrots to women so that they could emulate what the male youth entrepreneurs are already doing. Appropriate policy and programme development bridging the gap between men and women entrepreneurs should be of paramount importance.

In conclusion, it is highly recommended that youth's entrepreneurship programs should be sustained by Government as it positively contributes to poverty alleviation, economic growth and development

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