

Entrepreneurial framework conditions and business sustainability among the youth and women entrepreneurs

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Abstract

Purpose – This study aims to investigate the relationship between entrepreneurial framework conditions (EFCs) and business sustainability among youth and women entrepreneurs using the institutional theory.

Design/methodology/approach – This study is cross-sectional and follows an explanatory research design using 390 youth and women entrepreneurs in Mbarara district (Uganda). A principal factor analysis was conducted to single out the particular constructs of business sustainability and EFC. Inferential analysis was conducted to test the relationships.

Findings – First, the constructs of business sustainability are stakeholder engagements, people and skills, ecosystem management, market and sales and innovation. Second, the constructs of EFC are education, government program and policies, IT infrastructure, market openness and finance. Finally, finance and IT infrastructure are significant predictors of business sustainability among the youth and women entrepreneurs.

Research limitations/implications – The examination of EFCs from the perspective of the consumers/beneficiaries can offer reasonable results when compared to the national expert perspective.

Originality/value – This study generates initial evidence on the applicability of EFCs from the perspective of the individuals as opposed to the national experts.

Keywords Youth, Business sustainability, Women, Entrepreneurial framework condition

Paper type Research paper



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Introduction

In this paper, we report the results on the influence of entrepreneurial framework conditions (EFCs) on business sustainability among youth and women entrepreneurs using the institutional economics as the theoretical framework. There is a growing concern that most African countries including those ranked with high total entrepreneurial activity rates post equally high business mortality rates (Afunadula, 2018; Ojiambo, 2016). For example, it is frequently reported that about 64 per cent of small businesses in Uganda collapse in the year of birth, and 30 per cent do not live to celebrate their third anniversary (Afunadula, 2018). About 70 per cent of small and medium enterprises (SMEs) in East Africa collapse within 24 months (Ojiambo, 2016) and in Kenya alone, about 46 per cent of SMEs close within the year of founding and another 15 per cent in the year after that (Kangethe, 2018). In South Africa, over 70 per cent of small businesses collapse within the first 5 years of operation (Solomon *et al.*, 2013). The unanswered question is “what drives sustainability of businesses in developing countries?” This is a puzzle that academicians and policymakers are still trying to solve. Business sustainability is about ensuring that a business does not run out of resources (capital, human or material) it needs to thrive. This also means that a business does not only take a short-term view of profit but also instead, operate in such a way that it is profitable now, and it will be profitable in the foreseeable future (Solomon *et al.*, 2013). Sustainability of a business is not possible without looking beyond the profit motive and taking into account the people and the environment (Al-Khouri, 2013; Elkington, 1998).

In an effort to promote particularly youth and women entrepreneurship in most African countries, various measures have been implemented. Entrepreneurship financing, business skilling, business advisory services, etc., are increasingly considered as viable options by African Governments. In the recent past, the Government of Uganda has initiated programs to support youth and women entrepreneurship such as: the youth livelihood program established to provide skills development, livelihood support and institutional support; the youth venture capital fund in partnership with DFCU Bank, Stanbic Bank and Centenary Bank, to finance viable youth projects at a subsidized interest rate of 15 per cent and offer mentorship and skill development training; the skilling Uganda program; and the Uganda women entrepreneurship program to improve women’s access to financial services and equip them with skills for enterprise growth, value addition and marketing of their products and services. Other non-governmental organizations such as the Uganda Women Entrepreneurs Association Limited (UWEAL); The Council for Economic Empowerment for Women of Africa-Uganda Chapter (CEEWUganda); The National Association of Women’s Organizations in Uganda (NAWOU) and the Women of Uganda Network (WOUGNET) collectively play a role in youth and women’s economic empowerment.

Youth and women entrepreneurs make a significant contribution to the economic growth and development of a country (Ama *et al.*, 2014; Eddleston and Powell, 2008; Halkias *et al.*, 2011). Their contribution is gauged in terms of job creation, income generation and poverty reduction (Halkias *et al.*, 2011). Nonetheless, the existing entrepreneurship initiatives are yet to create an impressionable impact in Uganda as a country, given the fact that the survival rate of youth and women owned enterprises has continued to be an issue of concern. Most of such businesses do not survive beyond five years contrary to the expectation of the objectives of the various initiatives (Kangethe, 2018; Ojiambo, 2016).

Existing entrepreneurship literature suggest that opportunity identification, sustainable entrepreneur, attitudinal and behavioral factors can have impact on business sustainability (Astuti and Martdianty, 2012; Badulescu *et al.*, 2014; Cheng and Chu, 2014; Koe and Majid, 2014; Hutahayan, 2019; Schaltegger and Wagner, 2011; Walker *et al.*, 2014). We differ from these studies by assessing the status of EFCs suggested in the global entrepreneurship

monitor (GEM) model using a sample of 390 youth and women in Uganda. We argue as follows: First, a business is not an isolated activity but it exists in an ecosystem in which it must interact to achieve its set objectives. It is not all about the individual behind the business, it is not all about the profit drive. Second, business sustainability is supported by institutional theory. Such factors as availability of financial sources for new businesses, government support policies or programs, business creation education and training, the efficiency of the technological transfer mechanisms, the access to professional support services for the new businesses, the physical infrastructures, social norms and cultural values, and so forth, are some of the institutional factors that have a bearing on the sustainability of a business. According to the institutional theory, the presence of such factors will enhance activity (North, 1990).

Thus, this study aims:

- to establish the make-up of sustainability engagements among the youth and women entrepreneurs;
- to establish what constitutes the EFCs from the perspective of youth and women entrepreneurs; and
- to examine the association between EFCs and business sustainability.

This paper makes the following contributions. First, we methodologically delineate the EFCs that influence business sustainability. Whilst studies have examined the status of EFCs, they stop at computing the mean scores to describe the status (Alvarez *et al.*, 2011; Arenius and Minniti, 2005; Bosma and Levie, 2010). This study uses a principal component analysis with varimax to extract the conditions for business sustainability and the sustainability constituents in the local context. The results show that five (education, government program and policy, market openness, infrastructure and finance) out of the nine conceptualized factors constitute EFCs among youth and women in Uganda. The results also show that stakeholder engagement, people skills, ecosystem management, marketing and sales and innovation are the key elements of business sustainability. Second, this study provides evidence that finance and infrastructure are the only significant EFCs that predict business sustainability from the GEM model among youth and women owned businesses. Third, this study makes use of perceptions from the business owners as opposed to generating responses from national experts. We believe that the consumers of the services are in a better position to provide information about what is truly on the ground. Fourth, the study makes use of field data as opposed to panel data.

The rest of the paper is organized as follows. The next section presents a brief theoretical review and hypotheses development. An explanation of the methodology used in data collection and analysis and a discussion of the findings of the study then follow. The last section presents the conclusions of the study and implications for research and practice.

Theoretical review and hypotheses development

Sustainability theory (triple bottom line)

Sustainability comes from sustainable development, which simply means development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987). Today, sustainability is looked at as the efforts in balancing the economic, human and environmental system based on the notion that organizations exist in an ecosystem and not in isolation. In fact, in 1997 Elkington introduced the concept of the triple bottom line (TBL) or 3P (people, planet and profit)

suggesting a balance between the three dimensions of sustainability: the economical, social and environmental system.

Where:

- (1) *Economic line* – refers to the business practices that impact the economic system (Elkington, 1997). It focuses on the economic value in terms of consistent economic growth risk management, saving, research and development, wages, taxes and employment (Buckingham, 2009);
- (2) *Social line* – refers to business practices that benefit the community or society (Elkington, 1997). These practices include employment, education, social care, health, community investment, recreation, cultural investment and public awareness (Epstein and Roy, 2001); and
- (3) *Environmental line* – refers to engaging in practices that do not compromise the environmental resources for future generations (Elkington, 1997). It pertains to the efficient use of energy resources, reducing greenhouse gas emissions and minimizing the ecological footprint (Drohomeretski and Gouvea Da Costa, 2015; Epstein and Roy, 2001).

The impact of the TBL is viewed in terms of “economic (break-even point), self-defined social and self-defined ecological value-creation goal reached” (Farny, 2016, p. 49). Business sustainability has been defined as the discovery, creation and exploitation of entrepreneurial opportunities that contribute to sustainability by generating social and environmental gains for others in society (Hockerts and Wüstenhagen, 2010; Pacheco *et al.*, 2010; Shepherd and Patzelt, 2011). Thus, to this extent, the sustainability theory is relevant in understanding business sustainability among youths and women-led businesses. We hypothesize:

- H1. Sustainability engagements among youth and women comprise of economic (strategy, finance, marketing and innovation), social (people and skills, social responsibility and stakeholders) and environment (ecosystem, production and resource management) sustainability.

Institutional theory

The institutional theory (North, 1990) argues that the institutional framework of a society comprises of the fundamental political, social and legal ground rules that establish the basis for production and distribution, and organizations must conform to it if they are to receive support and legitimacy. According to North, the viability, profitability and indeed sustainability of businesses typically depend on the existing institutional matrix. This implies that the nature of institutions can help or harm SME's development. They can serve as constraints and/or provide incentives for SMEs to flourish, shrink or die. These arguments fit in well with the proponents of EFCs in the GEM model (Levie and Autio, 2008), who argue that entrepreneurial activities and growth of companies are deeply affected by the environment in which they take place. GEM identifies nine EFCs that influence the entrepreneurial activity as listed below:

- *Finance* – availability and access to financial resources (equity, debt, grants and subsidies) makes it possible for entrepreneurs to pay bills, obtain inventory and finance other activities;

- *Government policy* – policies (taxes and regulations) that support entrepreneurship enhance business sustainability;
- *Government entrepreneurship programs* – dedicated support programs facilitate the operation of entrepreneurial firms by addressing gaps in their resource and competence needs;
- *Education* – entrepreneurship specific education and training improve entrepreneurship capacity, which when well applied will lead to business sustainability;
- *R&D transfer* – access to differential knowledge of new technology improves the way of doing business and enables businesses to get a competitive edge;
- *Commercial and legal infrastructure* – availability and access to property rights, commercial, accounting and other legal and assessment services and institutions supports business sustainability;
- *Entry regulation* – the ease of business entry has both a positive and negative effects. Positive in that it favors business start-ups, and negative in that it introduces competition for the existing market/resources. Thus, a balanced and regulated entry will favor business sustainability;
- *Physical infrastructure* – availability and ease of access to physical resources (communication, utilities, transportation, land or space) smoothens doing business and enhances growth; and
- *Cultural and social norms* – the existence of social and entrepreneurship cultural norms encourage or allow actions leading to business growth.

We envisage that the presence, access and affordability of these factors will enhance business performance and the consequent sustainability. Thus, we hypothesize that:

- H2.* The entrepreneurial conditions that enhance business sustainability among youth and women are finance, government policy and program, entrepreneurship education, research and development, commercial and physical infrastructure, entry regulation and culture and norms.

Methodology

Design, population and sample

We used a cross-sectional survey design in this study based on a sample of 571 youth owned and women owned businesses registered with [Mbarara Municipal Council \(Municipal report, 2016\)](#). To differentiate between the youth and women, we used the age categorization; whereby the youth were considered to be the women and men between 18 and 28 years of age. While the women category in this study were those above 28 years of age. The complete and usable copies of the questionnaire were 390 (response rate of 68 per cent). The respondents' profile ([Table AI](#)) shows that the majority of the participants were women (51 per cent, 199), followed by youths (49 per cent, 191). About 33 per cent (128) of the respondents had bachelors, implying that the respondents were able to understand the contents of the questionnaire. It also implies that the youths and women in business are somewhat educated. Furthermore, 94 per cent (366) of the respondents were between 18 and 39 years of age, an age bracket in Uganda that is expected to have attained at least a bachelor's degree. In terms of business type, the majority of the respondents are into general trade business (57 per cent, 224). Such businesses are easy to start in Uganda.

Measures and questionnaire

Respondents were asked to indicate their level of agreement with items anchored on a four-point Likert scale ranging from strongly disagree (1) to strongly agree (4). The mean scores and composite reliabilities were then computed.

Business sustainability – we adopted the item scales developed by [Elkington \(1997\)](#) to examine actions involved in making profits (Profit), building and using information from stakeholders (People) and conserving the environment. Sample questionnaire items are:

We have a plan to increase our sales for next year.

We engage with and support local community-based activities and events.

We have reviewed our energy usage in all aspects of our business (office, production and transport).

- *EFCs* – we adapted the national expert survey instrument developed for the GEM studies ([Reynolds et al., 2005](#); [Levie and Autio, 2008](#)) to establish the presence or absence of institutional factors. Sample questionnaire items are:

There is sufficient debt funding available for new and growing firms.

Almost, anyone who needs help from a government program for a new or growing business can find what they need.

Teaching in primary and secondary education provides adequate instruction in market economic principles.

New and growing firms can enter markets without being unfairly blocked by established firms.

The validity of the instrument was tested using average variance explained; while reliability was tested using [Cronbach's \(1951\)](#) alpha coefficient (internal consistency and stability). The instrument was found to be valid and reliable ([Tables II and III](#)), as they were above the threshold of 0.5 and 0.7, respectively ([Nunnally, 1978](#)).

Data management and analysis

Data were checked for completeness, cleaned and analyzed using the statistical package for social scientists (SPSS) version 21. Given the nature of the research questions, a principal factor analysis (PCA) was conducted to single out the particular constructs of business sustainability and EFC. This was followed by computing descriptive statistics to summarize the factors. Inferential analysis was conducted to test the relationship between EFCs and business sustainability. We present the results in the next section.

Results

Principal component analysis of sustainability engagements

Results in [Table I](#) show that 5 out of the 10 conceptualized factors with eigen values greater than one were identified, accounting for 50.97 per cent of the total variance explained in business sustainability. The five factors were labeled as stakeholders, people and skills, ecosystem management, marketing and innovation, respectively. Further, it was established that stakeholders explained more of the variance in business sustainability (11.93 per cent), followed by people and skills (11.63 per cent), ecosystem management (11.36 per cent), marketing (9.14 per cent) and innovation (6.9 per cent), respectively. Implying that stakeholders more than the other factors cause variability in business sustainability.

Items for each factor extracted had its highest loadings (above 0.5) on the component it conceptually belonged to indicating adequate convergent validity. Reliability results were satisfactory (α above 0.7).

Items	Stakeholders	People and skills	Eco sys mgt	Marketing	Innovation
I am a member of one or more entrepreneur associations/bodies	0.704				
I maintain detailed, accurate records to aid traceability	0.677				
I take time to communicate regularly with our key stakeholders	0.661				
I understand how our environmental performance impacts on our business	0.635				
I network with other local entrepreneurs and business owners	0.575				
I have a management plan to support the production of quality products	0.543				
I provide health and safety training to all staff		0.732			
I have a health and safety policy that is appropriate to our business		0.729			
I have a written plan that specifying targets and actions for reducing our energy usage		0.695			
I regularly identify training needs of staff (e.g. legal, technical and management skills)		0.69			
I have a documented waste management plan		0.544			
When purchasing new plant and equipment I take into account energy efficiency		0.507			
I know what waste we generate in all parts of our company			0.756		
I dispose of all waste in an environmentally, sensitive manner			0.704		
I routinely look for less environmentally damaging materials and processes			0.687		
I operate a recycling policy covering all parts of our business			0.682		
I routinely review and update our plans to reduce and to recycle waste			0.586		
I have reviewed and updated our promotional materials within the past 24 months				0.755	
I have reviewed and updated our customer database in the past 12 months				0.726	
I have a website, which is updated regularly (at least monthly)				0.69	
I make use of social media tools to promote our business				0.524	
I have successfully developed new ways of operating business					0.709
Innovation is supported in this business					0.668
I have a plan to increase our sales for next year					0.625

Table I.
PCA results on
business
sustainability

(continued)

Items	Stakeholders	People and skills	Eco sys mgt	Marketing	Innovation	Entrepreneurial framework conditions
<i>Total variance explained</i>						
Percent	11.93	11.63	11.36	9.14	6.9	
Cum percent	11.93	23.56	34.92	44.07	50.97	
Eigen value	6.43	2.08	1.78	1.51	1.45	
<i>Scale reliability analysis</i>						
Cronbach's alpha	0.777	0.789	0.770	0.770	0.714	
Notes: Kaiser–Meyer–Olkin measure of sampling adequacy = 0.854; Bartlett's test for sphericity = 3,021.48; and significance level = 0.000						

Table I.

Principal component analysis of entrepreneurial framework conditions

Results in [Table II](#) shows that five out of eight conceptualized factors with eigen values greater than one were extracted, accounting for 64.4 per cent of the total variance explained in EFCs. The five factors were labeled as government policy and programs, education and training, finance, market openness and infrastructure, respectively.

Further, it was established that government policy and programs explained more of the variance in the EFCs (30.66 per cent), followed by education and training (10.28 per cent), finance (9.5 per cent), market openness (7.5 per cent) and infrastructure (6.5 per cent), respectively. Items for each factor extracted had its highest loadings (above 0.5) on the component it conceptually belonged to indicating adequate convergent validity. Reliability results were satisfactory (α above 0.7).

Correlation analysis

A zero-order correlation analysis was conducted to establish the association between the EFCs and the sustainability indicators. The results are presented in [Table III](#).

The correlation results show that the five EFC (education, government program and policies, finance, market openness and infrastructure) have a significant and positive association with individual elements of business sustainability and the global business sustainability variable as well. An ordinary least square analysis results follow next.

Ordinary least square analysis

To examine the influence of the EFC (education, government program and policies, finance, market openness and infrastructure) on business sustainability, we specified the following regression model:

$$BS = \beta_0 + \beta_1 EDUC + \beta_2 GOVT + \beta_3 FIN + \beta_4 MKTOP + \beta_5 INFRAS + \varepsilon_j$$

The results are presented in [Table IV](#).

Dependent variable: business sustainability; $R^2 = 0.20$, Adj $R^2 = 0.19$; F -stat = 19.24; and sig. = 0.000.

The regression results show that only infrastructure and finance have a significant impact on business sustainability among youths and women in Uganda. The results show that it is not about education, market openness and government role for the case of youth

Table II.
PCA results on EFC

Code	Items	Govt	Educ	Finance	Mkt	Infrastructure
cg2	In my country . . . The support for new and growing firms is a high priority for policy at the national government level	0.684				
cg3	The support for new and growing firms is a high priority for policy at the local government level	0.672				
cp3	There are an adequate number of government programs for new and growing businesses	0.574				
cg1	Government policies (e.g. public procurement) consistently favor new firms	0.555				
ce2	Teaching in primary and secondary education provides adequate instruction in market economic principles		0.773			
ce3	Teaching in primary and secondary education provides adequate attention to entrepreneurship and new firm creation		0.758			
ce1	Teaching in primary and secondary education encourages creativity, self-sufficiency and personal initiative		0.679			
ce4	Colleges and universities provide good and adequate preparation for starting up and growing new firms		0.646			
cf1	There is sufficient equity funding available for new and growing firms			0.786		
cf3	There are sufficient government subsidies available for new and growing firms			0.603		
cf5	There is sufficient venture capitalist funding available for new and growing firms			0.515		
cm4	The new and growing firms can afford the cost of market entry				0.735	
cm3	New and growing firms can easily enter new markets				0.706	
ct3	A new or growing firm can get good access to communications (telephone, internet, etc.) in about a week					0.732
ct2	It is not too expensive for a new or growing firm to get good access to communications (phone, internet, etc.)					0.709
ct5	New or growing firms can get good access to utilities (gas, water, electricity and sewer) in about a month					0.5
<i>Total variance explained</i>						
Percent		30.66	10.28	9.5	7.5	6.5
Cum percent		30.66	40.94	50.4	57.9	64.4
Eigen value		4.9	1.6	1.5	1.2	1
<i>Scale reliability analysis</i>						
Cronbach's alpha		0.768	0.785	0.714	0.700	0.600

Notes: Kaiser–Meyer–Olkin measure of sampling adequacy = 0.838, Bartlett's test for sphericity = 1,934.08; and significance level = 0.000

Variables	1	2	3	4	5	6	7	8	9	10	11
Stakeholder (1)	1										
People and skills (2)	0.403**	1									
Eco. sys. mgt (3)	0.363**	0.415**	1								
Marketing (4)	0.406**	0.363**	0.211**	1							
Innovation (5)	0.218**	0.239**	0.196**	0.188**	1						
Education (6)	0.086	0.187**	0.248**	0.101*	0.123*	1					
Govt prog and policies (7)	0.099	0.251**	0.375**	0.122*	0.020	0.443**	1				
Finance (8)	0.115*	0.269**	0.280**	0.197**	0.077	0.478**	0.543**	1			
Mkt openness (9)	0.127*	0.160**	0.118*	0.256**	0.123*	0.234**	0.351**	0.347**	1		
Infrastructure (10)	0.188**	0.343**	0.170**	0.274**	0.222**	0.210**	0.183**	0.165**	0.218**	1	
Sustainability (11)	0.719**	0.734**	0.659**	0.679**	0.523**	0.224**	0.266**	0.287**	0.240**	0.362**	1

Notes: **Correlation is significant at the 0.01 level (two-tailed); *Correlation is significant at the 0.05 level (two-tailed)

Table III.
Correlation results

Variables	Unstandardized coefficients		Standardized coefficients		
	B	Std. error	Beta	t	Sig
Constant	1.914	0.115		16.695	0.000
Education	0.019	0.031	0.033	0.611	0.541
Market openness	0.042	0.025	0.087	1.727	0.085
Infrastructure	0.189	0.030	0.296	6.230	0.000
Government prog. and policies	0.051	0.033	0.088	1.537	0.125
Finance	0.083	0.033	0.145	2.488	0.013

Notes: Dependent variable: business sustainability; $R^2 = 0.20$, Adj $R^2 = 0.19$; F -stat = 19.24; sig. = 0.000

Table IV.
Ordinary least square results

and women owned businesses in Uganda. Overall, the model explains 19 per cent of the variance in business sustainability, implying that the remaining 71 per cent is explained by factors not considered in this study.

Discussion

If businesses among youths and women in Uganda are to be sustainable and survive beyond their first birthdays, finance and proper infrastructure are key. The descriptive statistics in Table AI (see appendix) show that the respondents' capital base ranges from shs 250,000 (US\$67) on the lower side to shs 2,850,000 (US\$766) on the higher side. Moreover, personal savings form the largest source of capital (41 per cent), followed by lending institutions such as banks and savings cooperatives (SACCOs). This is possible given that most of the youths and women are into trade business, specifically dealing in general merchandise, selling second hand clothes, shoes, handbags, phone accessories among other items. Finance to a business is like oxygen to man, in that without oxygen, one cannot survive. Lack of access to finance is still a major constraint faced by the youth and women entrepreneurs. While there is evidence that the youth and women have benefited from government initiatives and have been able to start and run joint businesses, the effect of the initiative is still insignificant given that very few have had access to the initiatives in place. In most cases, the youth and women entrepreneurs fail to meet the compliance costs by both formal and informal institutions, thus making access to finance a real challenge. Our

findings corroborate the previous studies (Makena *et al.*, 2014; Sandhu *et al.*, 2012; Akudugu *et al.*, 2009; Jamali, 2009). These studies report that youth and women entrepreneurs are the most vulnerable group when it comes to accessing finance. They do not own property, which they can possibly use as collateral to obtain finance, as such they lack the trust and confidence of funders. Besides, the kind of businesses they start is not attractive to attract funders and their networks are limited.

In the current digital age, it is difficult for businesses to thrive if left behind. In this study, what featured as significant in terms of infrastructure was communication access. Phones, internet and airtime in Uganda today are affordable and this has had a great impact on business performance. The Internet plays a huge role in sourcing, advertising and placing the order of items. Phone communication has become a critical tool for doing business without which it is difficult to survive in the current competitive environment where market players are scrambling for the same market. Existing studies have found a relationship between IT communication and business performance (Doherty, 2012; Tan *et al.*, 2010; Fuchs *et al.*, 2010).

It is not surprising that education and training was found to be an insignificant predictor of business sustainability. As highlighted by Orobio *et al.* (2016), even with the introduction of entrepreneurship in schools, the current education system (primary school to university) is not action-oriented. As a result, the knowledge acquired in schools is considered to a great extent theoretic and less relevant for small-scale businesses, let alone business sustainability. This means that a university graduate will find it irrelevant to translate his/her knowledge of sophisticated techniques and strategies in business operations to a small-scale business context. Our findings are in line with Cho and Lee (2018), who found that entrepreneurship education had no connection with business performance. Anecdotal evidence indicates that most business training programs have equally been developed based on large firm practices at the expense of small-scale business specifics. In this regard, it is not sufficient to say that the higher the level of education or business training, the greater the likelihood that the individual will engage in business sustainability activities.

The results provide evidence that institutional frameworks to some extent support the sustainability of businesses among the youth and women. Therefore, governments must ensure that they endeavor to strengthen these institutions, create awareness and offer the necessary support.

Conclusion, implications and areas of further research

The results of this study imply that a number of issues call for the attention of researchers, youth and women business owners, practitioners and policymakers. First, an examination of EFCs from the perspective of the consumers/beneficiaries can offer reasonable results. The results of this study demonstrate that not all the conceptualized nine factors explain the entrepreneurial environment. Thus, researchers are advised not to downplay the contextual issues. Second, there are policy gaps that have a bearing on business sustainability. There is a need to revisit the education system to make it more practical rather than theoretical. The world is rapidly becoming digital in every aspect. As such, there is a need to make IT communication more user-friendly than a deterrent. Finally, youth and women entrepreneurs need to become more self-driven, take personal initiative other than being dependent. Most of the businesses today have been contaminated by the “copy-cat” or “me-too” syndrome, which only stifles progress. It is possible to come up with innovative strategies and survive in a competitive environment other than wait to be swallowed up.

Like any other study, this study is not without limitations. The questionnaire was self-administered and we did not undertake to follow up interviews, which would have informed

us of the reasons why the respondents held certain views. Additionally, the present study was limited to the youth and women owned businesses, and it is possible that the results are only applicable to this group in Uganda. More so, the present study is cross-sectional; it is possible that the views held by individuals may change over the years. Future studies should replicate this using a longitudinal approach.

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Category	Population	Sample	Usable	% usable
Youth	1,751	317	191	49
Women	750	254	199	51
<i>Total</i>	<i>2,501</i>	<i>571</i>	<i>390</i>	<i>100</i>
<i>Respondents characteristics</i>				
<i>Age bracket</i>				
Items			Frequency	(%)
18-28 yrs			191	49
29-39 yrs			175	45
40-50 yrs			18	5
Above 50 yrs			6	2
<i>Total</i>			<i>390</i>	<i>100</i>
<i>Gender</i>				
Men			114	29
Women			276	71
<i>Total</i>			<i>390</i>	<i>100</i>
Youth (Men)			114	29
Youth (Women)			77	20
Women			199	51
<i>Total</i>			<i>390</i>	<i>100</i>
<i>Highest education</i>				
Primary or less			12	3
O level			25	6
A level			33	8
Vocational			79	20
Diploma			81	21
Bachelors			128	33
Masters			29	7
Above masters			3	1
<i>Total</i>			<i>390</i>	<i>100</i>
<i>Business characteristics</i>				
<i>Business age</i>				
0-2 yrs			75	19
2-3 yrs			110	28
3-5 yrs			109	28
5-7 yrs			52	13
above 7yrs			44	11
<i>Total</i>			<i>390</i>	<i>100</i>
<i>No. of full time workers</i>				
1-5			207	53
6-10			104	27
11-15			44	11
16-20			23	6
Above 20			12	3
<i>Total</i>			<i>390</i>	<i>100</i>

Table A1.
Respondents' profile

(continued)

			Entrepreneurial framework conditions
<i>Business type</i>			
Trade	224	57	
Hotels and restaurants	80	21	
Manufacturing	86	22	
<i>Total</i>	<i>390</i>	<i>100</i>	
<i>Capital</i>			
Under shs 250,000	13	3	75
Shs 250,000 to less than shs 1,550,000	98	25	
Shs 1,550,000 to less than shs 2,850,000	107	27	
Shs 2,850,000 to less than shs 4,150,000	78	20	
Shs 4,150,000 or more	94	24	
<i>Total</i>	<i>390</i>	<i>100</i>	
<i>Largest source of capital</i>			
Personal savings	161	41	
Friends and family	40	10	
SACCO	70	18	
Cash rounds	42	11	
Bank loan	77	20	
<i>Total</i>	<i>390</i>	<i>100</i>	

Table AI.

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