

**THE CONTRIBUTION OF INCUBATION PROGRAMMES TO YOUTH  
EMPLOYMENT CREATION: A CASE OF SOKOINE UNIVERSITY  
GRADUATES ENTREPRENEURS COOPERATIVE, MOROGORO, TANZANIA**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENT FOR THE DEGREE OF MASTER OF ARTS IN PROJECT  
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## **EXTENDED ABSTRACT**

Globally, youth employment is a major issue with remarkable differences within regions and Tanzania is among the Sub-Saharan African countries facing youth unemployment. However, at times it is claimed that the youth are to be blamed for being lazy and less creative. But in reality, the youth are willing to work if a conducive environment is created to make them work or be innovative. Generally, incubation programmes are identified as sources of employment creation, wealth generation at local and national level and reduction of poverty in general. Incubation programmes generate a conducive environment for entrepreneurs at the early stage of launching a venture by helping an entrepreneur reduce costs associated with starting a business venture. In addition, incubation increases confidence and capacity and linking the entrepreneur to the resources required to start an enterprise. Sokoine University Graduates Entrepreneurs Cooperative (SUGECO) is one of the incubation Programmes which offers selected participants an exciting opportunity to be mentored through the Youth Entrepreneur Incubation program located at Sokoine University of Agriculture, Morogoro. Therefore, the study aimed at evaluating how the SUGECO Incubation programme has been successful in enabling its incubatees not only to be self-employed but, also create employment for others. The study adopted a cross-sectional research design and a mixed methods approach whereby both quantitative and qualitative data were collected from SUGECO incubation center and its incubatees. A total of 88 respondents from SUGECO participated in the study, 43 males and 45 females. Primary data were collected using a questionnaire and in-depth interviews. Data collected through the questionnaire was coded and analyzed using IBM SPSS whereby descriptive statistics and inferential statistics were determined. Generally, study findings show that SUGECO supports young entrepreneur's development and job

creation in Tanzania. In addition, SUGECO transforms the minds of the youth using a business model that activates their innovative behavior, thus, making them more creative and entrepreneurial which in turn stimulate agribusiness development and creation of employment. The findings also show that SUGECO offers a variety of trainings which equip the incubatees with business management and employment skills. However, findings also show that SUGECO faces a number of challenges which include inadequate funding, lack of commitment among the incubatees, unsupportive government policies, quality of entrepreneurs and location specific challenges. Furthermore, binary logistic regression results show that out of the nine independent variables entered into the model only two variables i.e marital status and being trained in agribusiness were significantly ( $P \leq 0.05$ ) associated with youth employment creation. Nonetheless, findings show that the graduates faced some challenges, the critical being lack of start-up capital. Other challenges faced are poor commitment, inadequate market access, insufficient working equipment and poor infrastructure, lack of confidence and patience, land access and poor supervision and coaching. Therefore, it is recommended that SUGECO adheres to its predefined criteria when selecting incubatees so as to recruit only the committed ones. In addition, the Government of Tanzania and Non-Governmental organizations such as should collaborate and place more support to promote SUGECO Agribusiness Incubation programme as it has show the potential for youth's employment creation and poverty reduction.

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**DECLARATION**

I, **HILDA DONGE** do hereby declare to the Senate of Sokoine University of Agriculture, that this dissertation is my own original work done in the period of registration and that it has neither been submitted nor being concurrently submitted in any other institution

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Date

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**DEDICATION**

To the Almighty God, my creator who must get honor for giving me the ability and strength to complete this work. To my mother and father who raised me with love and laid the foundation of my education. Also to my brothers and sisters who encouraged me with love, sacrifice and constant prayers during my studies.

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**LIST OF ABBREVIATIONS AND ACRONYMS**

BI	Business Incubator
CSEC	Centre for Strategy and Evaluation Services
DP	Development Partners
DTCID	Danish Trade Council for International Development
FAO	Food and Agriculture Organization
FNB	First National Bank
GIBS	Gordon Institute of Business Science
IEG	Independent Evaluation Group
IGAs	Income Generating Activities
ILO	International Labour Organization
ITC	International Trade Centre
KIIs	Key Informants Interviews
MAFC	Ministry Of Agriculture, Food, Security and Cooperatives
MCF	Milele Zanzibar Foundation
MoEST	Ministry of Education Science and Technology
NGOs	Non-Governmental Organization
NYEAP	National Youth Employment Action Plan
R4P	Result for Prosperity
RBV	Resource Based View
SMEs	Small and Medium Enterprises
SN	Social Network
SSA	Sub-Saharan Africa
SUA	Sokoine University of Agriculture

SUGECO	Sokoine University Graduates Entrepreneurs Cooperative
SUPER	Start-up Promotion for Entrepreneurs Resilience
TSA	Tanzania Statistical Abstract
Tzs	Tanzanian shilling
UK	United Kingdom
UKSPA	United Kingdom Science Park Association
URT	United Republic of Tanzania
USA	United States of America
USAID	United States Agency for International Development
VETA	Vocational Education Training Authority
YEIP	Youth Entrepreneurs Incubation Programme
ZTBI	Zanzibar Technology and Business Incubator



## CHAPTER ONE

### 1.0 INTRODUCTION

#### 1.1 Background Information

Generally, incubation is a mechanism where pre-maturely born babies are kept warm and safe under favourable nourishing environment (Obaji *et al.*, 2015). Under the same mechanism, business incubation programmes nurture young entrepreneurs by creating a warm and safe business environment by providing an array of support services until they attain business maturity and flourishing on their own (Obaji *et al.*, 2015). At a global scale, these programmes are acknowledged and considered as the most significant employment and wealth generators, both at local and national levels (Aldrich and Zimmer, 2011). Incubation centers have generally acted as the drivers behind economic growth, generation of employment and industrialization (Harris and Gibson, 2006). Also, business incubation has demonstrated the capacity to spur the growth of business globally. For example, the United Kingdom (UK) has about 23% of her businesses which recognize the role incubation has on the performance of their business. More than 60 per cent admit that the incubators are critical and about 17% or less consider the incubation programmes as significant for the growth of their businesses (Centre for Strategy and Evaluation Service(CSES), 2012).

Youth unemployment is still a major concern in most countries as it negatively affects the welfare of young people and the economy as well (IEG, 2013). It is further argued that, unemployment deprives youth with an opportunity to professional skill development thus, resulting to increased risk in higher adult unemployment, career downgrades and lower wages later in life (IEG, 2013). Tanzania has failed to create enough productive

jobs Haji, 2015). One of the reasons is that the number of working-age (15-35) Tanzanians has been growing faster than the number of jobs. The biggest drivers of Tanzania's youth unemployment crises include: lack of jobs, lack of skills and experience, mismatch between supply and demand for labour (Haji, 2015).

In developing countries, where formal employment opportunities are scarce, the importance of entrepreneurship should be emphasized even more (Jongh and Meyer, 2017). It is important for governments to design and tailor youth employment programs that will help youth groups, and address the underlying causes of youth unemployment and underemployment (IEG, 2013). Youth entrepreneurship development process goes through several phases that include; idea generation, product or service development, decision making in the new venture progression and developing a successful business. The University Graduates Entrepreneurs Cooperative (SUGECO) is an intervention that was conceptualized in 2011 with its basic role being to support innovation and knowledge-intensive entrepreneurship among Tanzania's youths. Generally, SUGECO's core objective is to conceptualize, unfold and implement the student entrepreneurship value chain. Therefore, SUGECO offers selected participants an exciting opportunity to be mentored through the Youth Entrepreneur Incubation program located at SUGECO's Incubation Centre at Sokoine University of Agriculture (SUA), Morogoro. Besides, young entrepreneurs are provided with time and space to test and market their products (SUGECO, 2017). Therefore, the study aimed at evaluating how the SUGECO Incubation programme has been successful in enabling those who go through it, self employ themselves while creating employment for others.

## 1.2 Problem Statement

It is generally agreed by policymakers at all levels that entrepreneur's incubation is a fundamental platform for the creation of employment, wealth generation and spurring a culture of innovation among the youth (Nieman and Niewenhuizen, 2014). However, this increasing recognition of entrepreneurship at a globalizing world level, is not systematically evident from a youth's angle in Tanzania.

Youth unemployment in Tanzania has been a long time problem (Haji, 2015: DTCIDC, 2016: Kianga, 2016), chronic underemployment can be traced back to Tanzanian's independence in 1961. According to ILO (2020) Tanzania is among the Sub-Saharan African (SSA) countries facing youth (i.e. aged between 15 to 35 years) unemployment. Currently, unemployment stands at 3.4 percent (Worldmeter, 2020). According to estimates, about 700 000 graduates enter the labour market every year, however, only 40 000 (5.7%) get employment in the formal sectors (Mabala, 2019). Nonetheless, the problem has been ignored and is generally seen as the fault of the youth who are labeled as lazy and less creative. But in reality, the youth are willing to work and the major problem or challenge is the lack of a conducive environment to make them work or innovate (Mabala, 2019). Furthermore, employers tend to omit the inexperienced youth mainly, fresh graduates from available jobs in preference of experienced adults (Mohamed *et al.*, 2015).

Many researches (Obaji *et al.*, 2015; Frankline, 2016; Wambeti, 2016) have focused on the role played by business incubation in the economy, neglecting the contribution of incubation programmes to youth's employment. Therefore, resulting in very minimal knowledge on the fundamental role that incubation programmes can play to encourage

youth employment in Tanzania. Moreover, given the importance of business incubation on youth entrepreneurship and limited scientific research on the same especially in Tanzania, there was a need for a study on youth incubation programmes and employment creation in Tanzania. Hence, the current study examined the contribution of incubation programmes in promoting youth employment, taking SUGECO incubation programme as a case study.

### **1.3 Justification for the Study**

Youth entrepreneurship promotion potentially contributes to social development as it offers young people with opportunities to improve their financial stability through self-employment. On the other hand, it creates jobs for others hence raising youth living standards while concurrently reducing poverty and building sustainable livelihoods (Kew *et al.*, 2013). The study is in line with Tanzania's National Youth Employment Action plan (NYEAP) of 2007 whereby one of the objectives is to identify and detail specific sectors and major programme component for youth employment (URT, 2007). Also the Youth Development Policy of 2007 whose objectives aims to empower, facilitate and guide the youth and other stakeholders in the implementation of youth development issues (URT, 2007). Furthermore, the study is linked to Tanzania's Development Vision 2025 which emphasizes on high quality livelihoods for all Tanzania, Tanzania's five year plan of 2016-2021 which focuses on industrialization as the way of transforming the economy and society and Sustainable development Goals No 1(no poverty) and 8 (decent work and economic growth).

SUGECO as an incubation programme (entrepreneurial cooperative) has been operational for over eight years. However, no study has ever been conducted to evaluate its

contribution on youth employment. The examination provides a better understanding of SUGECO and how similar programmes can contribute to youth employment in Tanzania so as to out/up-scale them for increased youth employment and ultimately poverty reduction.

## **1.4 Research Objectives**

### **1.4.1 General objective**

The study generally assesses the contribution of incubation programmes to youth's employment using, SUGECO as a case study.

### **1.4.2 Specific objectives**

Specifically, the study aimed to;

- i. Assess how SUGECO's works as an Incubation Programme.
- ii. Determine the socio-economic factors influencing youth's participation in the SUGECO Incubation programme.
- iii. Determine the contribution of SUGECO graduates in self employment in Tanzania.
- iv. Identify challenges facing the SUGECO incubation programme

## **1.5 Research Questions**

- i. How successful has SUGECO been in enabling the youths passing through its incubation programme employ themselves and create employment for others?
- ii. Who are mostly targeted in SUGECO's incubation programmes?
- iii. What challenges does SUGECO face as it promotes youth's employment?

## 1.6 Theoretical Framework

The study was guided by two theories i.e the Social Network theory (SN) and Resource-Based View theory (RBV) by Barney (1991). The SN theory has also been used by other researchers (Totterman and Sten, 2005; McAdam and McAdam, 2006; Hughes et al., 2007; McAdam and Marlow 2007; Evald and Bager, 2008) to investigate the impact of internal and external network connections on incubatee development and growth. The above mentioned researchers view incubation as a system for increasing client firms network density, in their work they found that physical space and the company mix of an incubator play an important role in increasing the network dynamic of an incubator. In other words, it is suggested, that two aspects such as unique features of the architectural design and configuration of the incubator space and the type of companies inducted can promote active client networking inside incubators.

Furthermore, SN are considered to be the key resource for business incubators for the purpose of discovering opportunities and improve effectiveness for entrepreneurs, especially in the case of scarce resources (Alpenidzc *et al.*, 2019). The social networks give special privileges to business incubators and their clients by shortcutting the way and saving valuable time regarding decision making factors and expediting processes (Fernandez-Perez et al., 2013). In addition, it facilitates the access to capital, credibility and respectability because of the association with the incubator and its sponsor institutions, and they provide techno-managerial assistance through the incubator's professionals and/or network (Manimala and Vijay, 2012).

According Barney (1991) firms are varied in how they mix resources. Barney defines resources as all assets, capabilities, organizational processes, firm attributes, information,

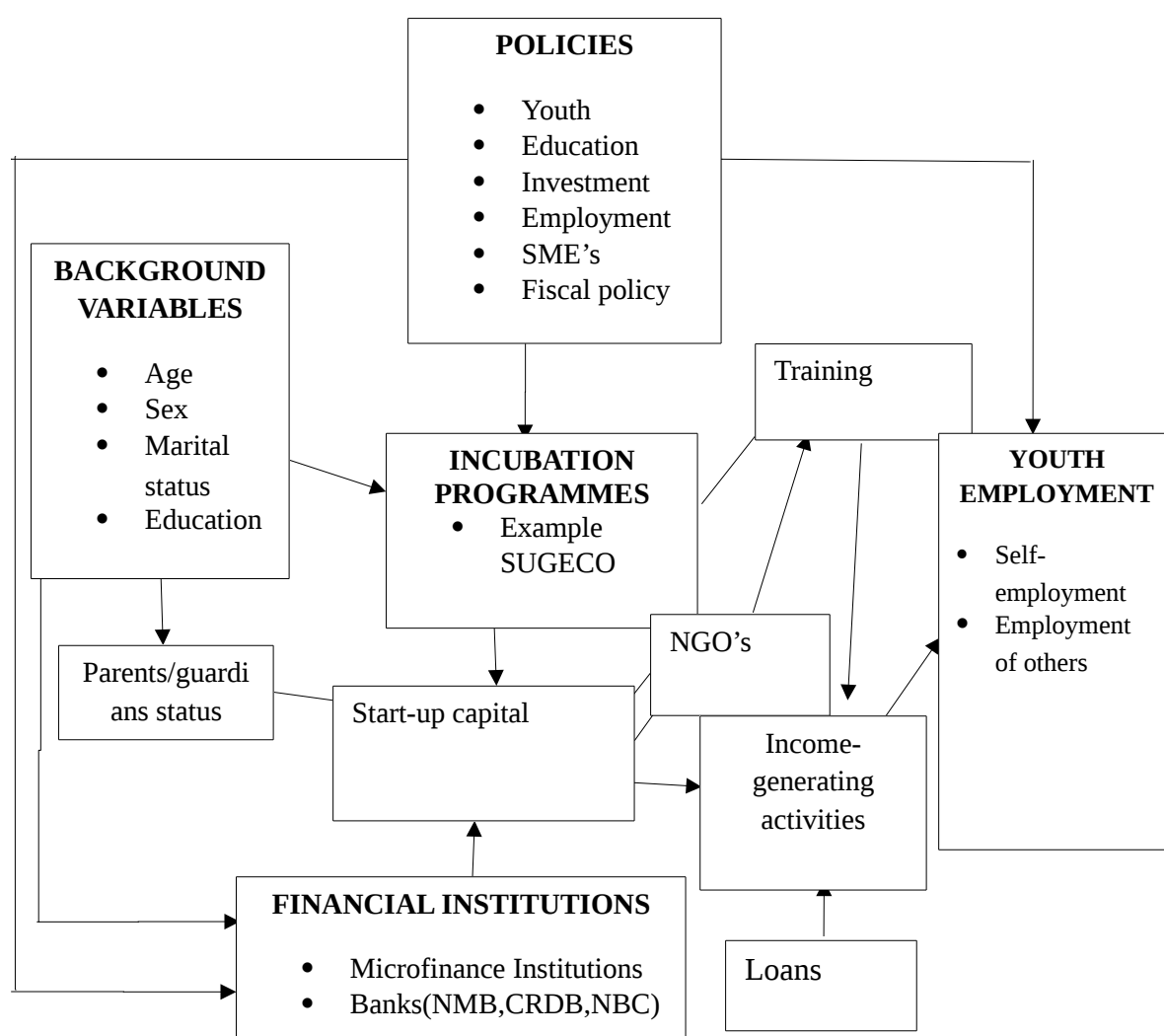
and knowledge controlled by a firm. Furthermore, the author categorizes resources into physical, human or organizational capital. He describes, that these are the source of sustainable competitive advantage whenever they are rare, valuable, imperfectly imitable and not substitutable (Barney, 1991).

Based on the theory incubation viewed as a mechanism of awarding a stock of tangible and in-tangible resources to client firms that results to other benefits to firm's growth (Penrose, 1959). Furthermore, resources here are not just tangible resources, but, other intangibles including closeness to markets, sources of knowledge (Universities) and clustering effects similar to that of a community of practice. The impact of these resources on the client are access to new knowledge, expertise and networks, ultimately leading to growth. In addition, a study by Junaid (2014) argues, that incubators should address the resource needs of start-ups to be successful.

### **1.7 Conceptual Framework**

The proposed study's conceptual framework (Figure 1) shows the interaction of the independent and dependent variables. The independent variables include the background and intermediate variable which influence the dependent variable which is youth employment as an outcome of one's participation in the SUGECO incubation programme. Other intermediate variables include policies (e.g labour market policies may or may not facilitate young people's entry or re-entry into the labour market) and financial institutions (facilitate the provision of fiscal incentives and financial subsidies for the promotion of youth employment) which have a direct influence to the dependent variable. Youth employment encompasses both self-employment and employment of others as a result of taking part in the incubation programme. The background variables include one's

age, sex, education, marital status and parent/guardian's status; which have a direct influence on the dependent variable. Policies which fall under intermediate variable consist of education policy, Labour and employment relation policy and SMEs policy will have the great influenced to youth's participation in the incubation programme and financial institutions which both deal with the provision of start-up capital or loan and contribute to income-generating activities (IGAs) and lead to employment. Also, parent/guardian's economic status and NGOs influence startup capital (i.e provision of startup capital to the youth) and affect the income-generating activities (IGAs) which can influence youth employment.





**Figure 1.1: Conceptual framework for the contribution of the SUGECO incubation programmes to youth's employment.**

**1.7 Organization of the Dissertation**

The dissertation adopts SUA's publishable manuscript format. Therefore, it is organized in four chapters. Chapter one covers the introduction which includes the background information, problem statement and justification, objectives and research questions, theoretical and conceptual framework. Chapter two presents the first manuscript on Operation and challenges of Sokoine University Graduates Cooperative (SUGECO) Incubation programme: Morogoro, Tanzania. Chapter three manuscript two titled the contribution of the SUGECO incubation programme to youth's employment: A Case of Sokoine University Graduates Entrepreneurs Cooperative, Morogoro, Tanzania. Lastly, chapter four presents a summary of the study's general conclusions and recommendations.

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## CHAPTER TWO

### **2.0 Operations and challenges of Sokoine University Graduates Cooperative (SUGECO) incubation programme. Morogoro, Tanzania**

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#### **2.1 Abstract**

Business incubation at all jurisdictional levels is a basic component to attaining entrepreneurial development in both developed and developing economies. Despite the growing interest and the benefits associated with business incubation programmes, the path is constrained by challenges. This paper examines Sokoine University Graduates Entrepreneurs Cooperative Incubation programmes operations and challenges faced in their endeavor to help youth employment creation. The study adopted a cross-sectional research design and a total of 88 respondents from SUGECO participated in the study. Primary data were collected using a questionnaire and indepth interviews. Collected data was analyzed using content analysis (qualitative data) and Statistical Package for Social Sciences (SPSS) (quantitative data). Generally, the study findings show that SUGECO employs a business model that focuses on transforming youth minds. The transformation aims at empowering youth to become more creative, innovative, and entrepreneurial to stimulate agribusiness development and employment creation. In addition, the findings show that SUGECO offers a variety of trainings which equip the incubatees with business

management and employment skills. However, findings also show that SUGECO faces a number of challenges these include lack of funding, lack of commitment among the incubatees, unsupportive government policies, quality of entrepreneurs and location specific challenges. The study recommends that both incubation programmes managers and government should improve their performance towards supporting incubation programmes endeavour to promote youth's self-employment to the youth.

**Key Words:** Operation, challenges, Incubation programme, youth, employment creation

## **2.2 Introduction**

### **2.2.1 Background information**

Business incubation accelerates and systematizes the process of creating successful enterprises through the provision of a comprehensive and integrated range of support. The support includes provision of business space, support services, clustering and networking opportunities (CSES, 2014 as cited in Rajeev *et al.*, 2017). According to Department Trade and Industry (DTI) (2017) incubators are physical or virtual facilities that aid the development of early-stage of Small and Medium Enterprises (SMEs) by providing temporary business support services aimed at building a viable independent business. And that they are not job training centres that train people for employment within the established firms. The business incubation process focuses at offering support and development to scaling, growth-oriented and early-staged enterprises. In the process, entrepreneurs are provided with a conducive environment at the startup stage of development. Generally an improved business environment is essential as it leads to reducing the costs associated with launching, increasing confidence and capacity of the entrepreneur while linking the entrepreneur with the resources required in starting and scaling a competitive enterprise (Khalil and Olafsen, 2010).

Business incubation process can be traced back to the establishment of Batavia Industrial centre in New York in 1959 (Verma, 2004 cited by Allahar *et al.*, 2016). However, its modernization happened in the United Kingdom (UK) in the 1970s through Industrial incubators and shared office space which utilized disused buildings (Verma, 2004 cited by Allahar *et al.*, 2016). Generally, business incubators aim at encouraging new business development within the local communities. In addition, the process increases the number of available jobs with the benefits being experienced at both personal entrepreneurial and community levels through additional revenues resulting from the new business activities (Lesáková, 2012). Considering the concept of business incubation as an economic development tool, incubators operate at two dimensions. The first dimension lingers around the macro level that focuses on jobs generation and economic development through linking the aspects (talent, technology and capital) of an effective framework for new business growth. The second dimension on the other hand, lingers around the firm level that aims to provide a range of services to enable the new venture to find its business feet through business support systems (Chanda and Fealey, 2009 as cited by Allahar *et al.*, 2016).

### **2.2.2 Business incubator operational models.**

According to literature (Global Forum, 2013) there is no single model for business incubation. Therefore, models differ depending on the business environment, objectives and their owners and funders. However, according to Aranha (2003) there are four (4) incubation models which include; bricks and mortar; virtual portal; the hub and eggubator.

*Bricks and mortar (historical model):* This model focuses on providing services such as office support, physical facilities and onsite services to the entrepreneurs. Under this model entrepreneurs are provided physical gathering place with no fund where they can work (Aranha, 2003).

*Virtual portal or without walls:* This is a new model in start-up phase of business incubators with no solid track record; under this model entrepreneurs are provided with a range of electronic service and given access to a limited amount of funding (Aranha, 2003).

*Hub or venture incubator:* This model combines the brick and mortar and the virtual portal models. The business incubators offer their clients some specialized range of services and network to outsiders also, entrepreneurs are provided with a limited amount of funding to start a business venture (Aranha 2003).

*Eggubator:* This model incorporates the above models. The Eggubator offers an array of services including high quality information and funding while at the same time acting as the mother company, the source of network and support (Aranha, 2003).

### **2.2.3 Importance of business incubation**

Business incubation is important at all levels (local, regional and national) of the economy. It is the key component to both developed and developing economies especially those aiming to develop a knowledge based economy (UKSPA, 2015). Business incubations have several benefits, among others they can:

- help entrepreneurs overcome the isolation and stress of starting a business;
- help young companies to negotiate the hurdles that often lead to their early downfall;



- provide access to an array of expertise, mentors, investors and specialist advisors;
- provide visibility and credibility in the marketplace;
- facilitate linkages with and the commercialization of university or corporate research and new ideas utilizing research and development expertise and proof of concept functions;
- encourage faster sustainable growth and greater survival rates of new and existing companies;
- Enable growing companies to become stand alone entities within the community.

Establishment of incubation programmes is one of the objectives of Tanzania's SMEs policy (URT, 2003). Tanzania's first incubation program was established in 2003 and the number has gradually been increasing through adoption of incubation models (Kibona, 2018). However, the question is to what extent have these incubation programmes contributed to youth's employment creation. Despite the importance and impact of incubation programmes to the national economies as discussed by various researchers (Pompa, 2013; Tilana, 2015; Obaji *et al.*, 2015) Tanzania still faces a high rate of youth unemployment. In addition, studies have not clearly indicated how incubation programmes contribute to employment creation especially to the most affected group the youth. Therefore, this paper examines the SUGECO incubation programme particularly, on how it operates and the challenges it faces not only in helping the youth to self-employ themselves but, also in creating employment for others. The study on which this paper is based was worth carrying out because it is consistent with Tanzania's SMEs policy which promotes entrepreneurship through the use of incubation programmes (URT, 2003).

In addition, the study is in line with the Youth Development Policy of 2007 which emphasizes on empowering, facilitating and guiding the youth and other stakeholders in

the implementation of youth development (URT, 2007). Moreover, the paper is of significant importance to the community leaders and other Development Partners (DP) as well as the policy makers as it highlights on the need to support the existing incubation programmes and calls for establishment of more incubation centers which could be used to promote youths' self-employment thereby reducing this group's unemployment.

#### **2.2.4 Theoretical framework**

The study on which the manuscript is based was guided by the Social Network (SN) theory. The theory has also been used by other researchers (Totterman and Sten, 2005; McAdam and McAdam, 2006; Hughes et al., 2007; McAdam and Marlow 2007; Evald and Bager, 2008) to investigate the impact of internal and external network connections on incubatee development and growth. The above mentioned researchers view incubation as a system for increasing client firms network density, in their work they found that physical space and the company mix of an incubator play an important role in increasing the network dynamic of an incubator. In other words, it is suggested, that two aspects such as unique features of the architectural design and configuration of the incubator space and the type of companies inducted can promote active client networking inside incubators.

Furthermore, social networks are considered to be the key resource for business incubators for the purpose of discovering opportunities and improve effectiveness for entrepreneurs, especially in the case of scarce resources (Alpenidzc *et al.*, 2019). The social networks give special privileges to business incubators and their clients by shortcutting the way and saving valuable time regarding decision making factors and expediting processes (Fernandez-Perez *et al.*, 2013). In addition, it facilitates the access to capital, credibility and respectability because of the association with the incubator and

its sponsor institutions, and they provide techno-managerial assistance through the incubator's professionals and/or network (Manimala and Vijay, 2012).

The SN theory was quite handy in showing how the SUGECO incubation programme operates so as to be successful. SUGECO links incubatees to the partners (FAO, USAID etc) and also offers other networking opportunities so as to promote entrepreneurship. The networks by the center the incubates to be visionary thus, enabling them to expand their business.

## **2.3 Methodology**

### **2.3.1 Description of the Study Area**

The study was conducted at Sokoine University Graduates Entrepreneurs Cooperative (SUGECO), which is located at Sokoine University of Agriculture (SUA), Morogoro Municipality, Tanzania. SUGECO was established in July 2011 in Morogoro and it is a membership-based organization whose goal is to promote entrepreneurship in Tanzania so as to contribute to the creation of a vibrant private sector economy through agribusiness (SUGECO, 2017). The organization prepares, enables, and supports knowledge-intensive and innovative entrepreneurs as they build successful businesses along agricultural and agribusiness value chains. SUGECO was selected because it deals with fresh graduates and it offers training in entrepreneurship, business ecosystem and network development. In addition, it supports business start-up through business incubation services and access to financial organization (SUGECO, 2017). Moreover, since most (66%) of Tanzania's population makes a livelihood from agriculture and related activities (TSA, 2016) the SUGECO incubation programme is of great importance based on its role in promoting youth's entrepreneurship.

### **2.3.2 Research design**

The study employed a cross-sectional research design, which allows data to be collected at one point in time (Creswell, 2014). In addition, the design is relatively inexpensive since it takes little time to conduct and there is no loss to follow-up (Hemed, 2015). Further to the above, the study used a mixed-methods approach whereby qualitative data was collected using Key Informant Interviews (KIIs) and quantitative data was collected using a structured questionnaire.

### **2.3.3 Sampling procedures and sample size**

The study used both probability and non-probability sampling to select respondents, also sampling was multi-staged. First, SUGECO was purposively selected because it's among the programs which deal with fresh graduate entrepreneurs interested in establishing enterprises along the agriculture value chain. The second stage involved a simple random sampling of respondents to whom a questionnaire was administered. Generally, the study used simple random sampling to select 88 respondents from whom data was collected. According to literature (Kish, 1965; cited by Louangrath, 2017), least amount of sample size for social science research can be 30 – 200 as this is reasonable when it comes to generalization of a study's findings.

### **2.3.4 Data analysis**

Content Analysis (CA) was used to analyze qualitative data by summarizing field data into themes based on objectives of the study. The quantitative data collected through the questionnaire were coded and analyzed using Statistical Package for Social Sciences (SPSS version 20) whereby descriptive statistics i.e frequencies and percentage were computed.

### **2.3.5 Limitation of the study**

The study faced by number of challenges, the first limitation was based on data collection, during the period of data collection it was very challenging to get some information in time because of the poor response of some of respondents (some respondents did not respond to the emails and mobile phone since these were used as the major means for data collection especially for those located outside Morogoro municipality such as Mbeya, Tabora, Kigoma and Dodoma. So it was difficult to reach them for face to face interviews. However, efforts were made to reach those in Dodoma for face to face interview. In addition, I used mobile phone interview for those outside Morogoro as per the list and contacts provided by SUGECO.

## **2.4 Results and Discussion**

### **2.4.1 Respondents socio-economic characteristics**

The study findings (Table 2.1) show that just over a half (51.1%) were female respondents which implies that women are actively participating in the SUGECO incubation programme. According to Broeck and Kilic (2019) and Benson *et al* (2019) employment in agribusiness is dominated by females. The findings also show that most (59.1%) of the respondents were older youths (28-35), the younger youth were those aged between 20 and 27. The findings further show that most (60.2%) of the respondents were single and 61.5% of respondent lived in households, with more than six members (Table 2). With regard to the respondents' education level the majority (80.7%) had a bachelor degree. At its establishment, the SUGECO incubation programme mainly dealt with fresh graduates from SUA but, that is no longer the case currently. Currently, SUGECO receives a low number of fresh graduates from SUA than expected. In addition,

other graduates from other tertiary institutions wanted to join the programme. Therefore, SUGECO started to take graduates from other institutions.

**Table 2.1: Responder’s Socio-economic Characteristics (n=88)**

<b>Variable</b>	<b>Category</b>	<b>Frequenc y</b>	<b>Percentage</b>
Sex	Male	43	48.9
	Female	45	51.1
Age	Young youth	36	40.9
	Older youth	52	59.1
Marital status	Single	53	60.2
	Married	35	39.8
Household size	1-5	54	38.6
	6>	34	61.4
Education level	Certificate	7	8.0
	Diploma	4	4.5
	undergraduate	71	80.7
	Masters	6	6.8

#### **2.4.2 SUGECO’s experience as an incubation programme**

SUGECO has been working on supporting self-employment through agriculture and agribusiness promotion, since its establishment. According to Aranha (2003) a successful incubation programme focuses on job creation as its primary mission. Therefore, to attain this ambitious goal and create youth entrepreneurs, SUGECO created a business model that aims at changing the mindset of the youth so that they become innovative, creative, and entrepreneurial. Thus, enabling the youth create employment and stimulate agribusiness development. SUGECO’s value chain development model has five phases.



**Figure 2: SUGECO incubation business model**

Source; SUGECO (2017)

#### **2.4.2.1 SUGECO stages of value chain development model**

##### **Phase 1: Changing Mindset**

The SUGECO incubation programme starts with changing of their incubatees' mind-set. Generally, this is critical in producing good entrepreneurs. Therefore, SUGECO helps to solve the constraints associated with social, psychological and life skills factors that inhibit entrepreneurs from attaining their desired outcome (SUGECO, 2017). The trainees are required to participate in innovative programmes facilitated by SUGECO focusing on helping them identify their goals and requirement for their own success. This results in developing innovative and skillful entrepreneurs who are open to new challenges and ideas in the pursuit of new opportunities. SUGECO's innovative programme takes an average of 1-2 weeks tailored with respect to trainee's qualifications, age and experiences respectively. According to Tilana (2015) entrepreneur mindset requires to be active, willing and innovative when it comes to exploiting opportunities. Therefore, an entrepreneur needs to consistently seek opportunities with significant return, disciplined, forward thinking and focused on goals achievement and display a desire for achievement.

##### **Phase 2: Technical capacity building**

In phase two of SUGECO's incubation programme, incubatees technical capacity building is addressed thus, enabling them to build up their technical and social capacities

to recognize and analyze problems as well as providing solutions to the same. Generally, SUGECO provides short course trainings of 5 to 14 days which add value to agricultural production. The trainings include horticulture, bee keeping, green house construction, juice making, fruit and vegetable processing, rabbit and poultry farming and goat fattening. In addition, each course aims at processing nutritious and safe agricultural products in a sustainable manner. The study findings (Table 2.2) show that a quarter of respondents attained training in business planning and capacity building. According to Nwazor (2012) the ability of making people use their intellectual capacities, leadership abilities and creative potentials for national growth and development is known as capacity building. It also involves the country's economic growth, individual empowerment and living standard of people that acquired knowledge and advanced skills.

**Table 2.2: Types of trainings that Incubatees attained (n=88)**

<b>Types of trainings offered</b>	<b>Frequency</b>	<b>Percentage</b>
Agribusiness	61	31.6
Marketing	37	19.2
Business plan and capacity building	51	26.4
Entrepreneurship and Management	44	22.8

*NB. Total responses exceed 88 due to multiple responses.*

### **Phase 3: Entrepreneurship and business planning**

SUGECO provides entrepreneurship and business planning training to its incubatees and supports them in preparation of business plans, tracking expenses, estimating production costs, rate of return on investment and pricing products. Generally, this helps the incubatees/young entrepreneurs learn how to recognize the new market opportunities and existing market failures. Study findings (Table 2.2) show that a quarter of the respondents claim that they were now able to write a business plan due to the training they received from SUGECO. In addition, 22.8% of the respondents (incubatees) received



entrepreneurship and management training. When designing a new venture/business plan is used as a practical tool which enables entrepreneurs to plan a business idea before taking action, it also helps them to attract potential investors or when applying for bank loans (Corbett and Katz, 2016).

#### **Phase 4: Internship and apprenticeship attachments**

Under this phase SUGECO provides entrepreneurs/incubatees with enough experience on their specific area of focus (horticulture, bee keeping etc.). According to Gielnik *et al.* (2015) entrepreneurs need to be action-oriented people. Therefore, the action-based learning method is quite beneficial for such people. SUGECO provides internship/apprenticeship with unpaid attachment to the local farms for 2 weeks and one year internship in the United State of America (USA) and Israel to some. In addition, market system, new technologies, work attitudes, business management and networking are exposed to the participants in the incubation programme. One of the benefits of internship to entrepreneurs is to strengthen their entrepreneurial spirit (Pittaway *et al.*, 2015). Furthermore, Dobratz *et al.* (2014) argue that internships are useful for developing soft skills such as self-efficacy, professionalism, confidence and interpersonal skills. Also it can generate an entrepreneurial environment for graduates to start their own ventures hence, self-employment.

#### **Phase 5: Incubation**

At SUGECO incubation is done through selecting a participant and offering him/her an exciting opportunity to be mentored through the incubation programme. Therefore, SUGECO provides entrepreneurs with time and space to test their business ideas and market their products. In addition, participants are involved in writing business plan also

exposed to agribusiness value chain. The SUGECO programme was designed to develop business skills and promote innovative product. Generally, incubation programmes differ in the way they deliver services, type of clients they serve and organizational structure. Moreover, incubation programmes offer different types of resources, some are for business development and others are technology based (Mapompech and Suwanmaneepong, 2014; Ave 2019). Therefore, an incubation programme is designed to raise businesses from making ideas to new companies and, through full business support programs, help them build and accelerate growth and success. The procedure provides a favourable environment for entrepreneurs, in the initial stages of their business development. Furthermore, this environment assist to reduce the costs of launching companies by connecting entrepreneurs with resources needed to start a venture, increasing the confidence and capacity of employers (infoDev, 2010; Moraru and Rusei, 2012; Bismala *et al.*, 2020). Based on the above cited literature SUGECO is quite in line with what successful Incubators need to do.

#### **2.4.3 Enrolment criteria for the SUGECO incubatee incubation programme.**

Despite the socio-economic factors for one to participate in SUGECO incubation programme, SUGECO also has its own criteria to consider when recruiting incubatees to join the programme. These include: an incubatees being mentality fit, not less than 18 years old, one having a realistic business idea, filling the joining instruction form and paying an application fees of Tzs 75 000 before joining the programme. However, observations from the study show that among the selection criteria formulated, SUGECO only considers two i.e filling joining instruction form and paying application fees. As an incubation programme SUGECO has left behind the important criteria to consider so as to get the right incubatees. According to the Gordon Institute of Business Science (GIBS) and the First National Bank (FNB) in order for business incubation to be more effective

there should be a right selection of entrepreneurs (GIBS, 2009). In addition, the selection process should be based on predefined criteria of the incubation programme to ensure that the right candidates are recruited (Dee *et al.*, 2012; Isabelle, 2013).

#### **2.4.4 Trainings offered by SUGECO**

SUGECO offers training based on entrepreneurship/practical training on agribusiness, business ecosystem and network development. Under entrepreneurship incubatees were trained on agribusiness (agriculture value chain), how to plan and manage a business, and how to write a business plan so as to be able to design their new venture. In addition they are trained on business management including; calculating production costs and rate of return on investment, expenses tracking, customer care and products pricing. Under business ecosystem and network development, incubatees were trained on how to supply the product, distribute them and how to find business connection. Incubatees are also taught on how to make a good and unique product that can compete in the market and attract customers. They are also trained on how to expand the market for their products. Furthermore, SUGECO helps its incubatees find market for their product, sometimes SUGECO stands as the main supplier and distributor of the products produced by its incubatees. The above was confirmed by what the SUGECO Operational Manager said:

*“Sometimes we help our graduates find markets for their products if they have no ready market for them. In addition, we connect our best graduates with the government or private sectors whereby they get a chance to closely work with them. Sometimes they are given assistance in the areas where they need help”*  
(SUGECO Operational Manager November 2019).

**Table 2.3: Usefulness of trainings provided by SUGECO to the graduates (n= 88)**

<b>Usefulness of training provided by SUGECO</b>	<b>Frequency</b>	<b>Percent</b>
No	2	2.3
Yes	86	97.7

The study finding (Table 2.3) show that the majority (97.7%) of respondents said that the trainings offered by SUGECO have contributed much to their business success today. For example some of the graduates had this to say

*“Entrepreneurship education from SUGECO has been so much helpful to me. I have been able to build a good foundation of my work and create self-employment and employ three other individual. I also gained knowledge and skills which I did not have before and this has helped me to train other people. I have self-confidence and manage well of my business hence, the daily growth of my business”* (A female SUGECO graduate incubatee November, 2019).

Another graduate incubatee said;

*“Through the different trainings I have received from the SUGECO incubation programme center, I have a new hope of being an entrepreneur because I have the knowledge of what am doing today and where I want to be in the future”*(A female SUGECO graduate incubatee November, 2019).

A male graduate of the SUGECO Programme said:

*“I thank SUGECO so much because it has helped me to become a successful man in my business. Through SUGECO I was trained on how to make good and quality products that will attract more customers. I also learn on how to manage my business and expand my market. All these have helped me become a good*

*entrepreneur. I also provide consultancy services and share the knowledge I got from SUGECO with other people who need my help” (A Male SUGECO graduate incubatee December 2019).*

However, a few (Table 2.3) respondents claim that the training they got from SUGECO had not been that useful to them. One of them claim that;

*“I don’t think that the training I got has helped me because am still the same person nothing has changed, there is no employment or business since I joined SUGECO. The SUGECO incubation programme trains the youth on how to engage in agriculture value chain and generate self-employment but, they do not provide capital to start a business. How can I say the trainings have been helpful” (A Male SUGECO graduate incubatee, December, 2019).*

#### **2.4.5 Success of SUGECO**

Since its establishment in 2011, SUGECO started with 600 members currently, SUGECO has managed to recruit 1064 members from different locations, whereby female are 332 and 732 males. Among the 1064 members active ones (with self-business) are 673 and dormant are 391. Most of the dormant members are those with formal employment in government/private sectors. In addition, SUGECO has conducted over 250 trainings to different incubatees.

Furthermore, SUGECO has now developed and become a good example in community development support and technology transfer (SUGECO, 2017). In addition, various business startups have been supported by SUGECO including Kinshaga Foods which process pineapple, Solatunda which process nutritious baked foods and spices and Vero

Juice which produce processed fruit juices. The above enterprises are run and owned by youth/SUGECO incubation programme graduates.

#### **2.4.6 SUGECO's sustainability**

SUGECO as an organization that was developed to support students-entrepreneurship has now grown to become a good example in technology transfer and community development support over time. In addition, SUGECO has grown to become a full-fledged organization with high sustainability potential. To maximize its influence and attracting funds SUGECO works in collaboration with a vast number of partners including the Food and Agriculture Organization of the United Nations (FAO), Farm Africa, The United States Agency for International Development (USAID) and MasterCard Foundation (SUGECO, 2020). In addition, SUGECO has continued responding to calls while successfully executing development projects. The current business model developed is constantly being improved through practical learning, action research, learning and research-based training. According to Lose ad Tengeh (2015) sustainability in incubators is measured by the ability to attain constant and positive cash flow from partnerships and stakeholders. For an incubation to be sustainable there should be strong financial support from shareholders and partnerships. In addition, Gillotti and Zieglbauer (2006) suggest that in order for a business incubation to be successful there should be clear and well communicated goals, expertise incubator managers, nature of the business service that is provided by the incubator, shared resources, physical space, financing and application and acceptance process.

#### **2.4.7 Challenges which SUGECO faces as an incubator**

Despite the successes recorded so far by SUGECO, the programme nonetheless, faces challenges as elaborated hereunder,

*Monitoring graduates from different areas;* is a challenge SUGECO faces as it receives incubatees from different geographical locations of Tanzania. Moreover, after they finish training everyone is free to go to where he/she can be able to establish himself/herself. And since SUGECO does not have branches all over the country monitoring and coaching of its graduates becomes a challenge and is very costful in terms transport and time. The quote below is evidence to the above:

*“After incubatees graduate from SUGECO we allow them to go where they can be comfortable to start what they plan to do according to the training received. However, we have found out that there is a problem when it comes to coaching and mentoring, because they are scattered, and for those who are very far like Kigoma are sometimes not reached due to cost implications in terms of transport”*  
(SUGECO Operation Manager, November 2019).

The challenge faced by SUGECO is in line with what has been reported in literature (InfoDev, 2010). According to Buys and Mbewana (2007) conducive environment where there is service, sustaining infrastructure, access to technical and scientific knowledge is a good location for business incubation.

*Inadequate funding* is one of the SUGECO’s major challenges. Generally, one of the things which an incubation center should do is to provide funds or startup capital to its incubatees after they graduate. Normally, doing so solves the problem of lack of startup funds among the graduates who do not have access to startup capital so as to be capable to start their own business. Due to lack of enough funding, SUGECO has failed to do so

thus, contributing to some of its graduates failing to start their own SMEs. One of the female key informants said:

*“SUGECO does not provide start-up capital to the incubatees because there is not enough money to do this and at the same time be in a position to run the programme”* (SUGECO Financial Manager November, 2019).

According to InfoDev (2010), many business incubators face the challenge of fund shortages hence, lack of in-house seed funds to lend their graduates. Moreover, many start-ups require a lot of money which may be out of reach of the incubation programmes

The Study finding, show that another challenge which SUGECO faces is *Quality of entrepreneurs*. Generally, SUGECO receives incubatees with business ideas and others with none. Often times most of the incubatees who join SUGECO with the entrepreneurship ideas are very active, eager to learn and become successful compared to those without. In addition, those with no ideas (mostly those having the idea of being employed) are not committed to trainings, sometime quit and those who manage to graduate do not last long in business. Buy and Mbewana (2007) argue that the success of an incubation programme depends on the excellence of entrepreneurs being incubated. Therefore, entrepreneurs must be prepared to take risk, willing to learn and desire to succeed. According to literature (Dee *et al.*, 2012; Isabella, 2013; Lose and Tengeh, 2015) business incubators (BIs), should set out a clear selection, entry, and exit criteria for the success of the incubator. Furthermore, the growth of the business incubator is relying on the worthiness of entrepreneurs recruited. Therefore, it is important to have incubatees in the incubation programme for a specific duration and BIs should take a calculated risk to succeed.



*Lack of commitment by the incubatees* was another challenge faced by SUGECO. For example, some incubatees join SUGECO to buy time while waiting for employment from other sectors (government or private). Therefore, SUGECO faces difficulties in training these incubatees due to lack of full commitment to the programme. One of the key informants claim that;

*“Some of the incubatees/youth we receive especially fresh graduates, came here just to buy time while waiting for government jobs. Such youth believe spending many years in school and ending up as an entrepreneur in agribusiness is not their call. Therefore, to make this people concentrate on what they are doing is very difficult unless they experience life/employment hardship after school for one or two years(s); facing hardship brings them back to their senses and stated to work”* (SUGECO Secretary, November, 2019).

The challenge faced by SUGECO is in conformity with what has been reported by Rolfe *et al.* (2010) that incubatees lack of commitment in their business ventures, is due to their view that going into business is a way of generating minimal income whilst they wait for formal sector job opportunities. Consequently, only a selected group creates lasting businesses. Thus, BIs face the risk of investing their resources in uncommitted entrepreneurs.

Lastly, another major challenge observed by the study is lack of *Supportive government policies*. Although incubation programmes have been mentioned in Tanzania’s SMEs policy (URT, 2003) as one of the strategies to promote entrepreneurship in the country, it is only a minute section of the policy and no special attention has been put to utilize incubation programs for entrepreneurship promotion. SUGECO’s Operation manager had this to say:

*“Although there are policies which support Incubation programmes but, the workability of these policies is still low. In addition, the success of business incubation services towards entrepreneurship is largely dependent on favourable economic and industrial policies. Therefore, government policies need to support incubator services and should not limit their operations in order to fully support the Incubation programmes”* (SUGECO Operation manager, November, 2019).

According to Kibona (2018) policies should not only dwell on the institutional environment of a country but, to also create institutional supportive frameworks. For example, efforts should be in place to sponsor incubators and facilitate participation of other organizations in the incubation programmes. Doing this will not only ensure sustainability of the Incubation Programme but, could also be instrumental in reducing youth unemployment in general.

## **2.5 Conclusions and Recommendations**

### **2.5.1 Conclusions**

The paper aimed at examining the SUGECO incubation programme operation and the challenges faced in doing so. Based on the empirical findings, the following conclusions are made; It is concluded that, SUGECO has been able to create a business model that aims at total transformation of its incubatees so as to prepare them into being successful agro-entrepreneurs. Of a great importance is that SUGECO believes mindset change is critical for successful agribusiness development. It is also concluded that the SUGECO incubation programme graduates have benefited from the trainings offered and this has led to self employment and employment of others in agribusiness value chains.

It is further concluded that, SUGECO has been able to sustain its operation for a long time and has grown at the same time while attracting several partners. Thus, possibility of sustainability is there. Lastly, it is concluded that, despite of its success as an incubation programme, SUGECO also faces some challenges which hinder achievement of its general objective supporting of enterprise development for self-employment, agribusiness development, job creation, community development, and economic prosperity. The major challenges are lack of commitment among the incubatees, quality of entrepreneurs recruited and unsupportive government policies. In addition, SUGECO face the challenge of difficulties in monitoring of its graduates due to lack of enough funds.

### **2.5.2 Recommendations**

Based on the study findings and conclusions the following are recommended;

- Tanzania's government through the Ministry of Education Science and Technology (MEST) should support Higher Learning Institutions to establish and expand incubation programmes so as to reduce youth unemployment rate. Furthermore, policy makers should support business incubators either by directly providing financial assistance to the existing and/or aspiring business incubators or by facilitating incubators' access to sponsors.
- SUGECO Incubation managers, who run the incubation programmes incubators' on a daily basis need to align their incubation models with the available resources so as to provide good service with the minimal resource available. In addition, the need to continuously assess effectiveness of provided services by closely interacting with incubatees in order to understand if they are getting the appropriate support. SUGECO also needs to revise its incubatees selection criteria in order to attract and

incubate only the potential incubatees of good quality and committed to the programme.

- Incubatees aspiring for employment in the formal sectors should be discouraged to join to the programmes to avoid wasting their time and incubation resources.
- Further studies should be conducted on the effectiveness of the selection criteria on the success of the SUGECO incubation programme.

## 2.6 References

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## CHAPTER THREE

### **3.0 The contribution and challenges of the SUGECO incubation programmes to youth's employment. A Case of Sokoine University Graduates Entrepreneurs Cooperative (SUGECO), Morogoro, Tanzania.**

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#### **3.1 Abstract**

Employment is a vital aspect of any human being, especially for the youth as they journey towards adulthood. Most families expect their children to find jobs and contribute to the family's economic development. Therefore, incubation programmes could be important in creating employment hence, ensuring the youth's general well-being. Thus, the paper examines the contribution and challenges of the Sokoine University Graduates Entrepreneurs Cooperative (SUGECO) to youth's employment. The study on which the paper is based adopted a cross-sectional research design whereby data were collected once from SUGECO and 88 randomly selected graduates of the SUGECO incubation programme. Primary data collected through a questionnaire were coded and analyzed using IBM SPSS whereby descriptive and inferential statistics were determined. Data from key informant interviews were analysed using content analysis. Generally, the binary logistic regression results show that out of nine independent variables entered into the model only two variables, that is, marital status and training in agribusiness were

significantly ( $P \leq 0.05$ ) associated with youth's employment creation. Nonetheless, findings show that the graduates faced some challenges, the critical being lack of start-up capital. Others are poor commitment, market access problem, insufficient working equipment and poor infrastructure, lack of confidence and patience, land shortage and poor supervision and coaching. Therefore, it is recommended that SUGECO should adhere to its predefined criteria when selecting incubatees so as to only recruit committed ones. In addition, the Government and non-governmental organizations should collaborate and put more efforts to promote the SUGECO agribusiness incubation programme as it has the potential for employment creation and poverty reduction.

**Keywords:** Contribution, SUGECO graduates, employment creation and challenges

## **3.2 Introduction**

### **3.2.1 Background Information**

Globally, employment rate differs between the developing and developed countries. However, the latter have a benefit system for the youth which allows the employment service to maintain records of the youth before they become long-term unemployed (Eichhorst and Ulf, 2017). Moreover, Youth unemployment remains a major concern in many countries hence, leading to general poor economic status and the groups' welfare (IEG, 2013).

Currently, Tanzania has a population of about 60 million people and this is projected to increase at the rate of 3 percent every year (Worldometer, 2020). Youth population has opportunities and challenges. One of the challenges is youth unemployment (Agwanda and Aman, 2014). Furthermore, the increase of new universities and Tanzania's free education policy has resulted to a large number of young individuals without formal jobs.

It is estimated that every year more than 700 000 youth enter the job market (Mabala, 2019). In addition, most youth have skills but, there is nowhere to use those particular skills. In approximation youth from University have 5.5 years of staying jobless while searching for a job after university or vocational those under training from recognized institution such as Vocational Education Training Authority (VETA) (Haji, 2015).

Incubation programmes are identified as sources of employment creation, wealth generation at local and national level and reduction of poverty in general (Aldrich and Zimmer, 2011). Through youth's involvement in incubation programmes, they can gain skills and knowledge on how to start and manage a business and create self-employment hence, reduction of youth unemployment worldwide. According to Aranha (2003), the primary mission of any successful incubation programme is to create job opportunities. The best of these successful programmes also include solving other community problems by blending entrepreneurial activities with the solutions to challenges such as quality of education, safety and security, and access to money. Business incubation and entrepreneurship are very closely linked. The benefit obtained by entrepreneurs in the incubation center include access to advisory services, capacity building such as business training, mentoring, specialized technical training, linkages and networking, access to technology, markets and finance (Rajeev *et al.*, 2017). Therefore, more young enterprises need to be supported through incubation centres to increase the chance of self-employment hence, greater economic success in an increasingly competitive global economy.

A study by the State of Missouri in the United States of America (USA) which examined nine incubation programmes with 175 incubated businesses showed that incubation

programmes have a positive impact on employment creation and economic development. The study indicated that a total of 502 jobs were created which on average means that 60.5 jobs were formed per programme (Wagner, 2006). Furthermore, a study by Lalkaka *et al.* (2003) on the impact of business incubators revealed that in China, business incubators had good financial returns.

Youth's access to stable employment after completion of school or colleges is a big challenge. However, families have a high expectation of their children to find jobs hence contributing to the families' welfare (Msigwa and Kishepa, 2013). Therefore, the need for programmes that can enable individual's to self-employ themselves while at the same time employing others. The Sokoine University Graduates Entrepreneurs Cooperative (SUGECO) is an intervention that was conceptualized in 2011 with its basic role being to support innovation and knowledge-intensive entrepreneurship among Tanzanian youth. SUGECO's core objective is to conceptualize, unfold and implement the student entrepreneurship value chain. Generally, SUGECO offers selected participants an exciting opportunity to be mentored through the Youth Entrepreneur Incubation Programme (YEIP) located at SUGECO's Incubation Centre at Sokoine University of Agriculture, Morogoro. Besides, young entrepreneurs are provided with time and space to test and market their products (SUGECO, 2017). Therefore, the paper evaluates how the SUGECO Incubation programme has been successful in enabling those who go through it to self-employ themselves and create employment for others.

### **3.2.2 Theoretical framework**

The study on which the manuscript is based was guided by the Resource-Based View theory. Based on the theory incubation is viewed as a mechanism of awarding a stock of tangible and in-tangible resources to client firms that results to other benefits to firm

growth (Penrose, 1959). Furthermore, resources here are not just tangible resources, but other intangibles including closeness to markets, sources of knowledge (Universities) and clustering effects similar to that of a community of practice. The impacts of these resources on the client are access to new knowledge, expertise and networks, ultimately leading to growth. In addition, a study by Junaid (2014) argues, that incubators should address the resource needs of start-ups to be successful.

The RBV theory fits well with the current this study because at the star-up stage incubatees are supposed to be given resource so as to help them establish their new ventures and their growth. Providing only training to the incubatee without capital at the start will be difficult for incubatees to start a business. The SUGECO incubation programme centre provides it's incubate with some tangible and intangible resources but, their incubatees lack one important resource which is financial resource (capital). Lack of capital by some incubatees has hindered them from starting new ventures.

### **3.3 Methodology**

#### **3.3.1 Description of the study area**

The study involved the Sokoine University Entrepreneurs Cooperative (SUGECO), which is located at Sokoine University of Agriculture, Morogoro Municipality. SUGECO was established in July 2011 in Morogoro and it is a membership-based organization whose goal is to promote entrepreneurship in Tanzania so as to contribute to the creation of a vibrant private sector economy. The organization prepares, enables, and supports knowledge-intensive and innovative entrepreneurs as they build successful businesses along the agricultural and agribusiness value chains. SUGECO was selected because it deals with fresh graduates and trains them in entrepreneurship, business ecosystem and

network development. In addition, it offers business start-up support through business incubation services and access to finance organization, particularly for agricultural based enterprises/value chains (SUGECO, 2017).

### **3.3.2 Research design**

The study employed a cross-sectional research design, which allows data to be collected at one point in time (Creswell, 2014). In addition, it is also relatively inexpensive since it takes little time to conduct and there is no loss to follow-up (Hemed, 2015). Further to the above, the study used a mixed-methods approach whereby both qualitative and quantitative data were collected using key informants interviews and a questionnaire with open-ended questions (Appendix I).

### **3.3.3 Sampling procedures and sample size**

The study employed probability and non-probability sampling to select respondents. In addition, the sampling was multi-stage. First, SUGECO was purposively selected because it is among the programs dealing with fresh graduate entrepreneurs. The second stage involved a simple random sampling of 88 respondents from whom data were collected. According to literature (Kish, 1965; cited by Louangrath 2017), the minimum sample size for social science research can be 30 – 200 as this is reasonable when it comes to generalization of a study's findings.

### **3.3.4 Data analysis**

Content analysis was used to analyze qualitative data whereby field data (collected through interviews and observations) was summarized based on the themes and objectives of the study. The primary data collected through the questionnaire were coded and analysed using IBM SPSS software (version 20). SPSS was used to determine descriptive

statistics (frequencies and percentage distribution of the responses). In addition, inferential statistics were determined using a binary logistic regression model to show the probability of SUGECO incubation programme graduates creating employment.

The binary logistic regression model is presented in Equation 2:

The logistic regression model is based on the logistic probability function given as:

$$P_i = f(Z_i) = \frac{1}{1 + e^{-Z_i}} \dots \dots \dots (1)$$

Where  $P_i$  is the probability of success, the probability that a SUGECO graduate may create employment, and  $Z_i$  represents exposure to factors that may influence the creation of employment,  $Z_i = \alpha + \beta X_i$  and its probability is expressed as

$$Z_i = \ln \left( \frac{P_i}{1 - P_i} \right) \dots \dots \dots (2)$$

Thus;

$$Z_i = \ln \left( \frac{P_i}{1 - P_i} \right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + \epsilon_i \dots \dots \dots (3)$$

$$Z_i = \text{Employment creation} = \beta_0 + \beta_1 \text{Age} + \beta_2 \text{Sex} + \beta_3 \text{Marital Status} + \beta_4 \text{Household Size} + \beta_5 \text{Program of study} + \beta_6 \text{Doing business before} + \beta_7 \text{Number of employees} + \beta_8 \text{Source of capital} + \beta_9 \text{Initial investment} + \beta_{10} \text{Agribusiness} + \beta_{11} \text{Duration of study} + \epsilon_i \dots \dots \dots (4)$$

Where  $\epsilon_i$  is the error term,  $P_i$  is the probability of creating employment, and  $1 - P_i$  is the probability of not creating employment,  $\beta_0$  is the constant of the equation.



**Table 3.1: Description of variables used in the logistic regression model**

<b>Variable</b>	<b>Description</b>	<b>Measurement</b>
Sex	Sex of the youth	1= Male, 0 = Female
Marital status	Marital status of youth	1= Single, 0 = Marriage 1= Undergraduate/Post graduate
Educational level	Youth educational level	0 = Certificate/diploma 1= 1-5 0 = 6
Household size	Youth household size	1 = Business/entrepreneur 0 = Otherwise 1 = Agriculture economics and Agribusiness
Parents occupation Programme attained	Job position of the parent  Programme of study which youth attained in college/university	0 = Otherwise
Attained Agribusiness	Youth who received agribusiness training in SUGECO	1 = Yes 0= No 1=Parent/guardian/relative
Source of capital Doing business before SUGECO	Source of youth's capital  Youth who were doing business before joining SUGECO	0= Otherwise 1= Yes 0=No

### 3.3.5 Limitation of the study

The study faced by number of challenges, the first limitation was based on data collection, during the period of data collection it was very challenging to get some information in time because of the poor response of some of respondents (some respondents did not respond to the emails and mobile phone since these were used as the major means for data collection especially for those located outside Morogoro municipality such as Mbeya, Tabora, Kigoma and Dodoma. So it was difficult to reach

them for face to face interviews. However, efforts were made to reach those in Dodoma for face to face interview. In addition, I used mobile phone interview for those outside Morogoro as per the list and contacts provided by SUGECO.

### **3.4 Findings and Discussion**

#### **3.4.1 Socio-economic factors responsible for one's participation in the SUGECO incubation programme**

Study findings (Table 3.2) show that over a half (51.1%) of the respondents were females, and according to literature (Broeck and Kilic, 2019) employment in agribusiness is relatively dominated by females. In addition, distribution by age shows that older youth (i.e 28-35) were the majority (59.1%) suggesting that individuals with this age are expected to be very active in business activities or other income generations activities to be able to meet their needs and those of other household members. The findings also show that the majority (60.2%) of respondents were single. Furthermore, the findings show most of the respondent's household's had 6 members and above. With regard to the respondents' education level most (80.7%) had a bachelor's degree.

The Study findings as presented in Table 3.2 show further that SUGECO has been recruiting incubatees without discrimination by sex, therefore, a more or less equal representation of both sexes. According to Sasakawa Peace Foundation's *et al.* (2019) creating equal access in programmes and organizations to all genders fosters an inclusive environment that responds to their needs while unlocking their skills, experience, and potentials. Besides, it helps to increase the accessibility of programmes to all genders which can increase the effectiveness and value of the programme(s). Moreover, it also increases the gender diversity of the entrepreneurs and better support to them, thus,

increasing their chances of achieving venture growth (impact and revenue) and sustainability.

Furthermore, the findings (Table 3.2) show that SUGECO mostly deals with youths, with most aged between 18 years to 35 years. These findings conform with a study by Wachira *et al.* (2017) that most of business incubation programmes are dominated by youth especially when it comes to university based business incubation. According to Bathula *et al.* (2011) provision of training opportunities and business outlet for faculty research was cited as the major reason for having business incubators for universities.

Another observed socio-economic factor was education level of graduates. The majority of the incubatees joining SUGECO have bachelor degrees suggesting that most of the incubatees are educated to a high level. Therefore, their thinking capacity and ability to make good business decisions is also expected to be high. Generally, education is important for decision-making on the entrepreneurship start-up as well as a stimulus for starting a business as it promotes a sense of independence and self-confidence. In addition, the educated individuals have good knowledge of alternative job opportunities, and education expands the individual's perceptions (Belás *et al.*, 2017; Hamida *et al.*, 2017; Fayolle and Gailly, 2015). According to Davey *et al.* (2016) education, primarily delivered by universities, is a vital component in the creation and continuing development of entrepreneurial attitudes.

**Table 3.2: Respondent's Socio-economic characteristics (n=88)**

<b>Variable</b>	<b>Category</b>	<b>Frequenc y</b>	<b>Percentage</b>
Sex	Male	43	48.9
	Female	45	51.1
Age	Young youth	36	40.9
	Older youth	52	59.1
Marital status	Single	53	60.2
	Married	35	39.8
Household size	1-5	34	38.6
	6>	54	61.4
Education level	Certificate	7	8.0
	Diploma	4	4.5
	Bachelor degree	71	80.7
	Masters	6	6.8

#### **2.4.2 Contribution of the SUGECO incubation programme to graduates self-employment and employment of others**

The binary logistic regression results (Table 3.3) show that out of eight independent variables entered into the model only two variables that is marital status ( $P \leq 0.05$ ) and training in agribusiness ( $P \leq 0.05$ ) were significantly associated with the surveyed youth's employment creation (self-employment and employment of others). Marital status was significantly ( $p \leq 0.05$ ) associated with one's ability to create self-employment and employment for others. In addition, its coefficient was positive suggesting that individuals who were single were eight times more likely to self-employ themselves and create employment for others compared to those who are married. Generally, the chances of single youth's to engage in any business and work at any time he/she wants is high since he/she is not limited with family responsibilities compare to married ones. According to

Baque *et al.* (2017) marriage can have a negative effect on one of the spouse's labour market outcomes. For example, if the wife is expected to take on a larger share of household and child related responsibilities, her disposable time devoted to market work would be diminished. The study's finding is contrary to what some have reported in literature (Dvouletý, 2018; Ayele, 2014) that married people are more likely to be self-employed, as a result of availability of income from the person they are married to. On the other hand, if the new business is not successful, there is always the opportunity to use the spouse's income, which gives an extra security.

The binary logistic regression results as presented in Table 3.3 also show that training in agribusiness was significantly ( $p \leq 0.05$ ) and positive associated with self-employment or creation of employment for others. Training in agribusiness had an Exp (B) of 6.197 implying that the youth with agribusiness education were six times more likely to create self-employment and employment of others compared to their counterparts. This is because in the agricultural sector there are a lot of opportunities for self-employment. But, without knowledge it is not easy to run and manage agricultural related business so as to generate employment for oneself and for others. According to Koira, (2014) and Proctor and Lucchesi (2012), agribusiness presents great employment opportunities in Sub-Saharan Africa.

**Table 3.3: Factors associated with SUGECO graduates in employment creation  
(self-employment or employment of others)**

<b>Independent variable</b>	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>	<b>95% C.I. for EXP(B)</b>	
							<b>Lower</b>	<b>Upper</b>
Household size	-.733	.721	1.032	1	.310	.481	.117	1.976
Programme attained	-.197	.717	.075	1	.784	.822	.202	3.348
Parent occupation	.086	.275	.098	1	.754	1.090	.636	1.869
Education level	-.143	1.112	.016	1	.898	.867	.098	7.672
Doing business before SUGECO	1.13	.736	2.372	1	.124	.322	.076	1.362
Source of capital	.874	.906	.929	1	.335	2.396	.405	14.156
Marital status	2.04	.921	4.931	1	.026*	7.730	1.271	47.005
Sex	.147	.762	.037	1	.847	1.158	.260	5.157
Youth who attained agribusiness training	1.82	.927	3.870	1	.049*	6.197	1.007	38.141
Constant	.451	1.319	.117	1	.733	1.569		

\* Significant at  $P \leq 0.05$ . Dependent variable = employment creation, Overall Wald statistic = 34.030 ( $p = 0.000$ ); Omnibus Tests of Model Coefficients chi-square = 17.097 ( $p = 0.007$ ); Hosmer and Lemeshow Test chi-square = 7.498 ( $p = 0.484$ ); -2log likelihood = 56.603a; Cox & Snell  $R^2 = 0.442$ ; Nagelkerke  $R^2 = 0.627$ , model is well predicted at 87.5%.

Furthermore, some of the variables (source of capital, Sex and parent occupation) were not significant but their Exp (B) were positive suggesting an increased likelihood to create self-employment and for others. According to the findings, some of the youth got their source of capital from their parents/guardians/relatives. Therefore, for such youth their chances to engage in business and create employment increased two fold compared to their counterparts due to their easy access to case to capital for their business. According to Baque *et al.* (2017), the main factors affecting the decision to become an entrepreneur and, among other things, depends positively upon whether the individual ever received an

inheritance or gift. Moreover, potential entrepreneurs claim that raising capital is the principal obstacle they face.

The binary logistic regression results (Table 3.3) also show that sex was not significantly associated with employment creation. However, it had a positive Exp (B) of 1.158, suggesting that the chance of male youth to create self-employment and create employment for others was 1.158 times, that of female youth. When considering self-employment, most literatures gives more attention to the study of men, this may be because men seem to be more likely to be self-employed than women. The study's finding is in line with the findings of Nikolova and Bargar (2010) and Ayele (2014) who also argue that men are more likely to self employment than women. Furthermore, McNaughton, (2007) argue that women still dedicate a significant part of their time to household management and parenting, and are therefore less available for entrepreneurial ventures.

The binary logistic results (Table 3.3) also show that the surveyed youth's parents occupation had a positive but, none significant association with the former employment creation. This indicates that having a parent who works as a business/entrepreneur increases the odds of the youth to create self employment and employment of others. A simple explanation to the observation is that parents act as the role model for their children. Hence, easy for the children to copy what their parent do. According to literature (Ayele, 2014; Simoes *et al.*, 2016), an individual's probability of becoming self-employed increases if his/her parents were self-employed. Moreover, having at least one parent with self-employment experience is positively associated with a higher chance to becoming self-employed, because the children tend to follow similar career pathways as their parents.

### **3.4.3 Challenges faced by the youth graduates from the SUGECO Incubation**

#### **Programme**

The study findings (Table 3.4) show that SUGECO incubation programme graduates face several challenges in relation to their self-employment and creation of employment for others. The challenge reported by most (46.6%) was that of startup capital. Generally, lack of startup capital makes it difficult or impossible for some of the graduates to create employment. According to literature (Pompa, 2013), credit constraints and a lack of capital, in general, have been identified as restraints for enterprise growth, particularly for developing countries enterprises. SMEs in developing countries face significant constraints when it comes to access finance due to the high cost of capital, high collateral requirements, and lack of experience with financial intermediaries.

Furthermore, in an effort of reducing the challenge to support youth in Zanzibar, the Zanzibar Technology and Business Incubator (ZTBI) created a revolving fund which provides seed capital to youth to start their own business as the way to solve the problem of start-up capital. Therefore, the ZTBI in collaboration with Milele Zanzibar Foundation (MZF) created a revolving fund with an initial capital of TZS 100 Million. ZTBI supports the youth entrepreneurs with their start-up capital hence, reduction of startup business failures due to lack of funding. Thus, increase the number of formal enterprises and the contribution to the Zanzibar's Government mission for Result for Prosperity (R4P) (Rajeev *et al.*, 2017). According to SUPER (2018) lack of access to specific forms of financing is significantly more constraining for small firms and that, access to finance is a key component to create an economic environment in which graduates can grow and flourish.



The other major challenge faced by the SUGECO incubation programme graduates is lack of commitment among them. This is because some are not sure of whom they want to be as they still have in mind the idea of being employed instead of self-employment. The study findings conform with that of Rolfe *et al.* (2010) who argue that some of the entrepreneurs just start SMEs for survival as they wait for formal sector jobs. Further to the above, one male respondent said;

*“Some of the incubatees do not take serious the trainings offered by SUGECO because they believe that they are here ‘just to buy’ time before they get employment from the government or other organizations. Generally, such mentality reduces the ability of working hard and thinking big so as to create your own employment. In addition, it also contributes into laziness”.*

(A male SUGECO incubation programme graduate, December 2019).

Furthermore, lack of confidence and patience are challenges with high frequency as shown in Table 3.4. Generally, entrepreneurship requires not only entrepreneurial skills but, also being enthusiastic towards a given opportunity. There are a lot of business opportunities in the society which graduates fail to grab due to lack of confidence. Successful grabbing of business opportunities requires a clear understanding of the business, such as the nature of clients, business market analysis and national policy. In addition, most of the graduates like to undertake small and easy businesses that yield quick profits in a short period of time. Therefore, most are impatient which hinders their gradual growth. According to Asoni (2011), self-confidence is one of the important determinants of entrepreneurship. It increases the probability of owning and managing a firm which positively affects survival of the business. Just like raising a child, managing a

firm's growth brings on many challenges as you navigate each stage of the business's development. Moreover, creating systems, building a structure, hiring staff, raising money, managing cash flows, growing revenues, also take patience and hard work. Although it may not be as fun and rewarding as the startup for many entrepreneurs, it is the key to building a successful venture (Jeffiey, 2013).

Study findings (Table 3.4) further show that graduates face difficulties when it comes to putting what they have in mind as a business idea into implementation. Hence, fear to start a new venture. According to Rajeev *et al.* (2017) a business incubator offers an ideal environment for start-ups and entrepreneurs to transform their ideas into viable business ventures. Therefore, incubators such as SUGECO need to offer entrepreneurs and small businesses proper backup and guidance to be able to concretely market their business concepts, operate effectively and keep up with the pace of change whilst remaining competitive.

Insufficient working equipment and infrastructure was also reported to be one of the challenge (Table 3.4). One of the female incubatees claimed that:

*“We still have the problem of working equipment such as solar dryers, processing machines and fridges. In addition, infrastructure such as offices, meeting rooms, water and electricity are also part of the challenges sometimes. The equipment we have here is not enough compared to the number of people needing them. Thus, the situation leads us to work in shifts. For example, users of solar dryers work in shifts because space is not enough so, some have to wait for those using them to finish. This is a big challenge as it may lead to the delay of delivery of products*

*especially if ones customers wants them urgently/timely” (A female SUGECO incubation programme graduate, November 2019).*

According to Khalil and Olafsen (2009), business incubation programmes should be proactive in assisting the client and offer assistance in areas that the entrepreneurs may not be prepared to deal with on their own. Therefore, they should offer shared infrastructure (to reducing start-up costs) such as office space, meeting rooms, telecommunication, reliable electricity and in some environment security services. An incubator should create opportunities and a conducive environment for the incubatees by locating them under one physical establishment such as cafeterias and meeting rooms which allows incubatees to communicate, share information, resources and experience and communicate to each other about difficulties and success of their ventures (Marimuthu and Lakha, 2015).

**Table 3.4: Challenges facing youth after they graduate from the SUGECO Incubation Programme (n= 88)**

<b>Challenges</b>	<b>Frequency</b>	<b>Percentage</b>
Start-up capital	41	46.6
Market problem	7	8
Lack of commitment	23	26.1
Poor supervision and coaching	6	6.8
Time	7	7.9
Land problem	5	5.9
Unpredictable climate change	9	10.2
Lack of confidence and patient	18	20.5
Insufficient working equipment and infrastructure	23	26.1
Hard to put idea into implementation	13	14.8

*NB: the total number of responses exceeds the sample size due to multiple responses*

Another challenge mentioned by SUGECO graduates was poor supervision and coaching. This was mainly due to SUGECO not having branches all over Tanzania therefore, monitoring and coaching of its graduates becomes a challenge.

In addition, it is very costful in terms of transport and time thus, contributing into poor supervision. Coaching of the entrepreneur allows him/her to develop, from a process of learning, various entrepreneurial behaviors. It also allows the entrepreneur to develop their own capacities and skills to manage the company, to improve its efficiency to carry out certain tasks, or increase their self-confidence (Saadaam and Affess, 2015). Furthermore, according to InfoDev (2010) incubator's effectiveness can be improved by allowing it to evolve with the needs of the incubatees. Therefore, an Incubator should constantly monitor the performance of its incubatees and to do so, managers should gather information from their incubatees (financial, sales, employment, etc). Moreover, doing the above will enable the supervisors/coaches/mentors to affectively advice the entrepreneurs on how to increase their sales while cutting down operation costs thus, better profits.

### **3.5 Conclusions and Recommendations**

#### **3.5.1 Conclusions**

The main objective of this manuscript was to examine the contribution of SUGECO graduate incubation programme towards employment creation and the challenges which they face after their graduation. Based on the findings and discussion, it is hereby concluded that the SUGECO incubation programme enables those passing through it i.e its graduates, to self-employ themselves while also creating employment for others. It is also concluded that agribusiness education/training is very important because it increases the probability of the youth to create self-employment and employment for others through agriculture. Lastly, it is concluded that despite the training and support received by incubatees from SUGECO many face the challenge of start-up capital after graduation.

### 3.5.2 Recommendations

Based on the study findings and conclusions the following are recommended:

- The Tanzanian Government (TG) and Development Partners (DP) should collaborate to promote business incubation programmes especially those which deal with agribusiness value chains so as to generate more employment, especially to the youth and women.
- SUGECO and other similar incubators should establish a clear graduation or entry and exit policy and strictly follow those policies/criteria's so as to only recruit suitable incubatees who will be actively involved in the programme. This will lead them to be successful in their endeavors to establish their own enterprises. Furthermore, they should find a way out to solve the problems faced them so as to be in a better position to provide service as a real business incubation. This can be done through collaborating with the government which will help them in some cases such as loans, land and water or partnership with other strong organization or investors so as to be easy for them to get help and solve those problems.
- Incubatees should take into consideration the core activities and the reputation of the incubation centre/programmes before signing the joining instruction form. This is critical for the incubatees (entrepreneurs) as it influences their success thereafter.

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## **CHAPTER FOUR**

### **4.0 Summary of the Key Findings, Conclusions and Recommendations**

#### **4.1 Summary of the Key Findings**

The first objective of this study was to determine how SUGECO works as an incubation programme through the use of business model that aims to transform the minds of youth so that they become more creative, innovative, and entrepreneurial in order to stimulate agribusiness development and create employment. On the other hand, SUGECO has been successfully managed to recruit more members currently than it was before, also it has managed to conduct more trainings and support various business startups. In addition SUGECO has grown to become a full-fledged organization with high a sustainability potential. To maximize its influence and attract funds, SUGECO works in collaboration with a vast number of partners including the Food and Agriculture Organization of the United Nations (FAO) and Farm Africa. The objective two was to determine the socio-economic factors for one to join the Incubation programme in SUGECO. Based on the findings and discussion, SUGECO welcomes all youth with different status to join its incubation programme and receive training thus enabling them to build their economic status through self-employment and reduce the rate of unemployment in Tanzania. Findings related to the third objective shows that, incubation programmes/center are very important when it comes to youth's employment. Lastly study findings show that challenges faced by the incubation programme graduates lack of start-up capital, insufficient working equipment and infrastructure, land and market problem.

## **4.2 Conclusions**

Based on the findings and discussion, it is concluded that SUGECO so far has successfully promoted agriculture and agribusiness as a genuine option for youth's self-employment through use of the value chain development model which has five phases (mind set changing, technical capacity building, business planning, internship and incubation). It is also concluded that, SUGECO has a predefined criteria's for it's incubatees to join the incubation programme though some are not strictly adhered to thus, taking on board some uncommitted incubatees. Furthermore, it is concluded that SUGECO as an incubation programme provides crucial trainings which equip its incubatees with business management and employment skills that are critical to reduction of youth's unemployment in Tanzania, particularly in the agricultural value chain.

It is further concluded that SUGECO recruits incubatees without bias hence, all youth regardless of their socio-economic status are taken on board. It can also be concluded that agribusiness education is very important when it comes to employment creation in the agricultural value chains. Moreover, Tanzania's agricultural sector has many opportunities for self-employment compared to other sectors. In addition, about two thirds (66%) of Tanzanians depend on agriculture as their main source of livelihood. Lastly, it is concluded that despite the benefits offered by the SUGECO incubation programme the institution faces several challenges. The major ones being inadequate funds, low quality of entrepreneurs, lack of commitment by some incubatees and unsupportive policies. The challenge in one way or the other does hinder SUGECO's aim of attainment of its goal.

## **4.3 Recommendations**

### **4.3.1 Based on the study's findings and conclusions the following are recommended;**

- The Government through the Ministry of Education Science and Technology (MoEST), and management of individual Tanzanian Higher Learning Institutions need to set-up more incubation programmes given their potential to promote entrepreneurship aiming their graduates. Doing so will enhance self-employment and creation of employment for others the youth included. Furthermore, the government through the Ministry of Agriculture, Security and Cooperatives (MAFC) should collaborate with MoEST and Development Partners (DP) to promote business incubation programmes especially, those which deal with agribusiness value chains so as to generate more employment, especially to the youth and women.
- The Tanzanian government should support business incubators either by directly providing financial assistance to the existing and/or aspiring business incubators or by facilitating incubators' access to sponsors.
- SUGECO incubation managers and those of similar programmes should align their incubation models with the available resources so as to provide good services with the minimal resources available. In addition, there is need for continuous assessment of the effectiveness of the services they provide by closely interacting with incubated entrepreneurs. Doing so will enable them to understand if their graduates are being provided with the appropriate support in addition to monitoring their progress. Furthermore, incubator managers should continuously enrich their selection criteria in order to attract and only incubate those incubatees committed to their programmes.

- For those incubatees interested in formal employment they should wake up and be committed to the programmes rather than wasting their time and resources of the Incubation Programmes. Doing so will enable them to start their own business hence, employment creation for themselves and for others.

## APPENDICES

### Appendix 1: Questionnaire for the Graduates

#### Section A. background information

1. Sex Male [ ] Female [ ]
2. Single [ ] Married [ ]
3. Under what age bracket do you belong?
  - 15 -22 Years [ ]
  - 23- 27 Years [ ]
  - 28 - 32 years [ ]
  - Below 35 years [ ]
4. Your parent occupation/job \_\_\_\_\_
5. Your household size \_\_\_\_\_
6. Your study programme \_\_\_\_\_
7. Level of Education Attained
  - Certificate [ ]
  - Diploma certificate [ ]
  - Undergraduate degree [ ]
  - Postgraduate degree [ ]
  - Others (specify) \_\_\_\_\_
8. Please indicate the year in which you joined SUGECO  
\_\_\_\_\_

#### Section B: knowledge and socio-economic factors

9. What motivated you to join SUGECO incubation programme?

\_\_\_\_\_

10. Were you undertaking any business activity before joining SUGECO? Yes  No

if no why

\_\_\_\_\_

If yes, please specify the year and the enterprise was established?

\_\_\_\_\_

11. a) If No, since you graduated from SUGECO have you started any business? Yes

No

\_\_\_\_\_

b) If yes, what is your firm's specialization?

Trade  Agribusiness  Manufacturing

Service Provision (e.g. education, health, tourism, clearing, finance etc)

Other (Specify) \_\_\_\_\_

c) What motivated you to start the above mentioned enterprise?

\_\_\_\_\_

d) If NO why? \_\_\_\_\_

12. Information on enterprise establishment

a) What was the above mentioned enterprises initial investment capital?

\_\_\_\_\_

b) Current value of enterprise \_\_\_\_\_

c) The number of employees employed at establishment of the enterprise

\_\_\_\_\_

d) How many employees do you have currently?

\_\_\_\_\_

13. Does SUGECO provide start-up capital for business establishment for self-employment/ employment of other? Yes  No

If No where do you get your financial/capital support?

a) Parents

b) Guardians

c) Relatives

d) NGOs

e) Others (specify) \_\_\_\_\_



14. Before joining SUGECO had you received any form of entrepreneurship education from any other incubation centre? Yes [ ] No [ ]

Elaborate your answer \_\_\_\_\_

Training offered by SUGECO

i. Type of training(s) offered to you as incubate

\_\_\_\_\_

ii. Duration of the above mentioned training \_\_\_\_\_

iii. Has the training been of help to you? Yes [ ] No [ ]

Please, explain your answer \_\_\_\_\_

15. In your opinion how useful is the SUGECO incubation Centre in equipping the youth with technical and entrepreneurial skills?

\_\_\_\_\_

16. To what extent does the SUGECO incubation programme enable the youth to create employment for themselves and others?

Elaborate your answer \_\_\_\_\_ -

17. What are the challenges facing you as incubate after you graduate from SUGECO?

\_\_\_\_\_

\_\_\_\_\_

18. How can the SUGECO incubation programme be improved so as to be more effective in enabling the youth to create employment?

\_\_\_\_\_

*THANK YOU VERY MUCH FOR YOUR COOPERATION*

## Appendix 2: Interview guide for key formants

1. Who are mostly involved in SUGECO incubation programme?
  - a) Is it those from well-off families
  - b) Is it males or females
  - c) Is it those with high academic performance
2. What are the criteria's for recruiting an incubatees to be a member of SUGECO
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
  - d) \_\_\_\_\_
  - e) \_\_\_\_\_
3. How many graduates has the SUGECO programme produced so far?
 

\_\_\_\_\_

  - a) Male \_\_\_\_\_
  - b) Female \_\_\_\_\_
4. What are the nature of your members
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
5. What assistance does SUGECO provide to its incubatees?
  - a) Start-up capital, if so
    - i) how much \_\_\_\_\_
    - ii) what are the condition for accessing the capital  
\_\_\_\_\_
  - b) Training
    - i) Type of training \_\_\_\_\_
    - ii) Duration of training  
\_\_\_\_\_
6. What are the roles of SUGECO's incubation centre in promoting youth employment?
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_

d) \_\_\_\_\_

7. What challenges does SUGECO face in running the youth incubation programme?

\_\_\_\_\_

8. In your opinion how can the SUGECO incubation programme be improved so as to be more effective in enabling the youth to create employment?

\_\_\_\_\_

***THANK YOU VERY MUCH FOR YOUR COOPERATION***