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**A Strategy for Rural Development: Promoting Entrepreneurial Behaviour among the Youth of Mozambique**

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**Introduction**

Empirical evidence has repeatedly highlighted that business ventures are mainly initiated within the community by its original members. Entrepreneurs tend to set up their businesses in close proximity to where they live or to the organisations where they have acquired their skills and knowledge. They tend to maintain linkages with their original communities even in case of relocation/expansion of their business to other sites, at a later stage. Besides institutional factors, empirical studies have shown that the community members' attitude towards business activities plays a significant role in promoting venture creation locally. Teaching entrepreneurship in secondary schools is a strategy in this direction. Governments are increasingly mainstreaming entrepreneurship education in their education systems to provide their youth with a forward outlook on life, and, in turn, inject entrepreneurial dynamism in their communities.

The many courses and curricula offered at schools and universities all over the world are indicative of the growing trust that policy makers and educationalists accord to the developmental impact of the subject. However, scholars still debate whether entrepreneurship can be actually taught<sup>1</sup>. Evidence is mixed with some studies doubting their effectiveness and others stressing the experiential nature of this discipline, which, through practical exercises and self-reflection, changes students' perspectives and stimulates enterprising attitudes.

The present study contributes to this strand of literature by providing some empirical evidence from Mozambique. It investigates on two research questions:

- Do students exhibit entrepreneurial behaviour (engagement in real businesses)?
- To what extent do basic demographic traits (gender and age) and location (school, province and social environment) explain entrepreneurial behaviour?

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<sup>1</sup> Examples of this literature are Gibb, A.A. (1996), "Entrepreneurship and Small Business Management: Can We Afford to Neglect Them in the Twenty-first Century Business Schools", *British Journal of Management*, vol.7, pp.309-21; Vesper, K.H. and Gartner, W.B. (1997), "Measuring Progress in Entrepreneurship Education", *Journal of Business Venturing*, vol.12, pp. 403-21; Klofsten, M. (2000), "Training Entrepreneurship at Universities: A Swedish Case", *Journal of European Industrial Training*, vol 24, pp.337-44; and Fayolle, A. ed. (2007), *Handbook of Research in Entrepreneurship Education*, vol.1, Edward Elgar Publishing, Northampton: Massachusetts.

## Methods

Since 2007, the Government of Mozambique has been introducing an entrepreneurship curriculum in secondary schools with support from Norway and UNIDO. Currently, entrepreneurship is being taught, as an action oriented discipline, in more than 160 schools, reaching 136,000 youth.

In 2010, the project's partners agreed to assess the experience. Some 2,000 open-question questionnaires were distributed among students from 12 secondary schools in eight provinces in autumn 2010 (sample A). 752 responses (response rate 38%) were received, of which about 94 responses had to be discarded because of incomplete or incorrect information. This survey was followed by a series of interviews to 181 students that were engaged in entrepreneurial activities in spring 2011 (sample B).

The study is based on the data from these two samples. Sample A consists of 657 subjects (that is, secondary school students), of which 42% were girls, 37% attended technical schools and 19% lived in rural areas. Sample B consists of 181 secondary school students engaged in a business activity, of which 41% were girls, 28% attended technical schools and 30% lived in rural areas. A logistical univariate analysis was carried out on sample A and cross-tabulation analysis on sample B.

## Results and Discussion

The analysis of the data revealed that the active engagement of students in business activities (i.e. entrepreneurial behavior) was significant and, more importantly, that there was no significant difference between girls and boys or between rural and urban or general and technical schools in the propensity of being engaged in a business. Table 1, which reports the odds ratio of the univariate logit regression, shows that, although being a boy or living in an urban area seems to decrease the probability of being engaged in an entrepreneurial behaviour, such effect is not statistically significant.

**Table 1: Univariate logit results (odds ratio)**

	ALL		Girls		Boys
gender (male/female)	0.79				
age	1.02		0.92		1.10 **
context (urban/rural)	0.80		1.10		0.64 *
province 1	2.00 ***		1.77 **		2.36 ***
province 3	0.72 ***		0.81 *		0.68 ***
province 4	1.34 ***		1.41 ***		1.17
province 6	0.85 ***		0.77 ***		0.95
school type (technical/general)	1.25		2.06 *		0.89
school effectiveness (active/less active)			3.36 ***		3.08 ***
school 3	0.84 **		0.91		0.80 **
school 4	1.34 ***		1.41 ***		1.17
school 5	1.14 **		1.21 ***		0.97
school 7	1.10 ***		1.08		1.11 **
school 8	0.86 **		0.84 ***		0.88
school 9	0.86 ***		0.80 *		0.87 ***
school 11	0.94		0.87 **		0.99
school 12	1.09 *		0.94		1.22 **

Data source: sample A

Note: statistics for province and school reported only if statistically significant. \*\*\* significant at 1% level, \*\* at 5% and \* at 10%.

By contrast, location (that is, province<sup>2</sup> and school) seems to be determinant. As shown in Table 1, being a student in schools 4, 5, 7 and 12 increases the probability of exhibiting an entrepreneurial behaviour by a factor ranging from 1.09 to 1.34. But, being a student in schools 3, 8, 9 and 11 decreases such probability by a factor of about 0.84. These effects are all significant at least at 5% level of confidence.

It is worth noticing that studying in a specific province or school increased or decreased a girl's odds of being engaged in a business comparatively more than those of a boy. Being in school 4 or 5 compared to being in the other schools increases the chances of a girl student to be engaged in a business activity by a factor as high as 1.41 and 1.21. In case of boy students, such factor is 1.17 or even slightly negative 0.97. The reverse seems to hold in case of underperforming schools. These results suggest that girls are more likely to benefit even more than boys from quality of teaching.

If the analysis is restricted to those students that have been keenly engaged in a business activity, some interesting features have emerged. First, it appears that current subsistence motivation is inversely associated with entrepreneurial outlook. From sample B, it was found that students whose primary motivation for being engaged in a business activity was family or self sustenance were considerably less disposed to wish to start a new venture in 4 years time (5 students vs. the expected 11.6 students). Conversely, the students whose motivation was more experiential were inclined, more than expected, to contemplate setting up new ventures in the future. This suggests that it is crucial to work on the student's motivation underlying his/her current engagement if an entrepreneurial spirit has to be fostered.

Secondly, the role of schools in fostering an entrepreneurial mindset among students appears to be proven again. In more active schools (as confirmed by the level of engagement of teachers and school administrators), the number of students whose primary motivation was family or self sustenance (19 students) were less than expected (26.6).

Thirdly, quality of teaching appears to have a more profound effect on girls' behaviour. The number of girls aiming at starting new ventures was some 30% higher than expected in more active schools, which compared with no girl from less active schools. Possibly, this is because schools represent a more important platform for behavioural change for girls than boys. The latter may have access and/or learn from a broader range of avenues.

### **Policy implications and future direction**

The experience in Mozambique suggests that, in more active schools, girls and boys seem to exhibit similar entrepreneurial attitudes. If so, addressing school performance in delivering entrepreneurship education is likely to unlock girls' potential. The policy implication is that entrepreneurship curriculum in secondary schools is a powerful tool to promote entrepreneurial attitudes and skills equally among girls and boys, as well as rural and urban areas.

The research findings also indicate that the school environment has a profound effect in stimulating or constraining entrepreneurial attitudes and behaviours. This might be one of the

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<sup>2</sup> Province and schools are highly correlated. Hence the similar effects on the probability of being engaged in an entrepreneurial activity.

reasons for the mixed empirical evidence about the effectiveness of entrepreneurship education, which is found in the literature.

Future work should concentrate on conducting similar surveys in other countries, including tracer studies with control groups, in order to shed further light on the institutional and pedagogical processes to improve school performance and, in turn, foster students' enterprising outlooks.

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**Keywords:** Entrepreneurship education, rural development

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