



Youth Entrepreneurship Success: A Case Study of Food Processing Enterprises in Ghana

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Introduction

- More than half of the world's population under the age of 30 lives in developing countries.
- Ghana has a high youth unemployment rate (7.2%). Hence, has promoted youth entrepreneurship.
- Despite support programmes, most start-ups fail within three years, with only 15% surviving longer.
- Failures attributed to personal characteristics, poor management and limited training and mentorship.

Objective

- Examines how the entrepreneur's human, social, and financial capital jointly influence the success of micro and small food enterprises in Ghana.

Results

Table 1 OLS results of factors influencing business success

Model number	Model 1 (Annual profit)	Model 2 (Avg. no. of employees)
Variables	Coef. (SE)	Coef. (SE)
Male	87.39 (17.90)	-0.57** (0.25)
Age	44.53*** (17.79)	0.07*** (0.03)
Education	13.89 (15.14)	0.01 (0.02)
Access to training	12.23 (13.36)	0.42** (0.19)
Prior experience	29.24* (17.96)	0.19 (0.24)
Association membership	24.86* (14.07)	-0.30 (0.20)
Mentoring	48.61*** (19.14)	0.33 (0.27)
Business partnership	16.64 (14.73)	0.42** (0.21)
Credit access	-29.85 (18.94)	-0.46* (0.26)
Ashanti	-52.95*** (16.75)	-0.49** (0.23)
Location (urban)	-11.52 (19.34)	0.51* (0.27)
Constant	14.19** (69.13)	1.72* (1.021)
Observation	244	244
Prob > F	0.00	0.00
R-squared	0.14	0.13

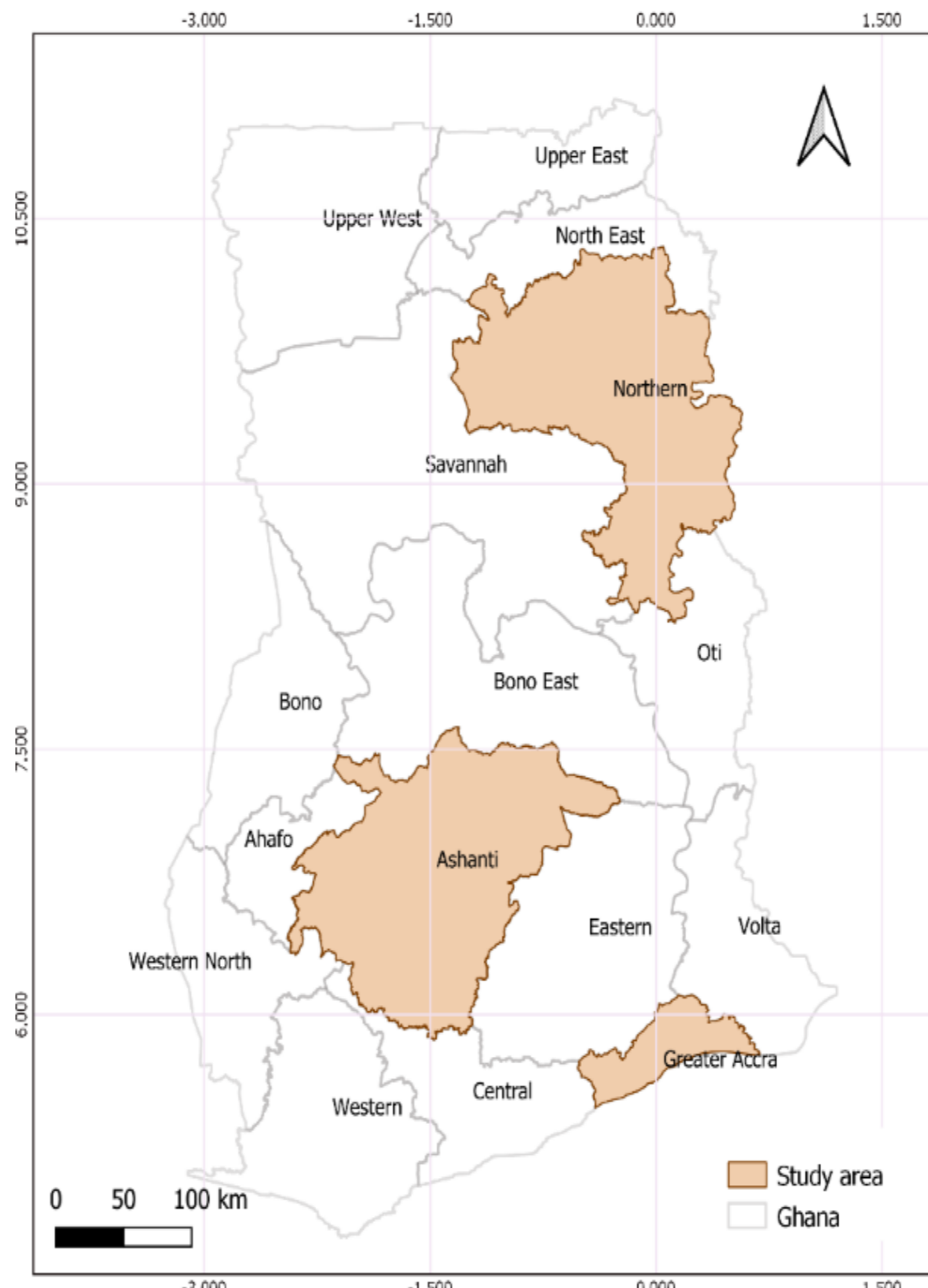


Fig.1 Map of study area

Methodology

- 244 young agri-food processing business owners were selected using multi-stage sampling technique
- Study was conducted in three regions of Ghana namely Northern, Ashanti and Greater Accra regions from May to June 2021
- Data were collected from owners who were below the age of 35 years.
- OLS regression was used to identify the factors that predict the success of food-based micro and small businesses

Results

- Prior experience (human capital) positively affects entrepreneurial profit ($P < 0.01$).
- Association membership and mentoring (social capital) positively affects entrepreneurial profit ($P < 0.01$) and ($P < 0.005$) respectively.
- Access to training (human capital) positively affect average number of employee ($P < 0.005$).
- Business partnership (social capital) leads to increase in the average number of employee ($P < 0.01$).
- Access to credit negatively affect average number of employee ($P < 0.01$).

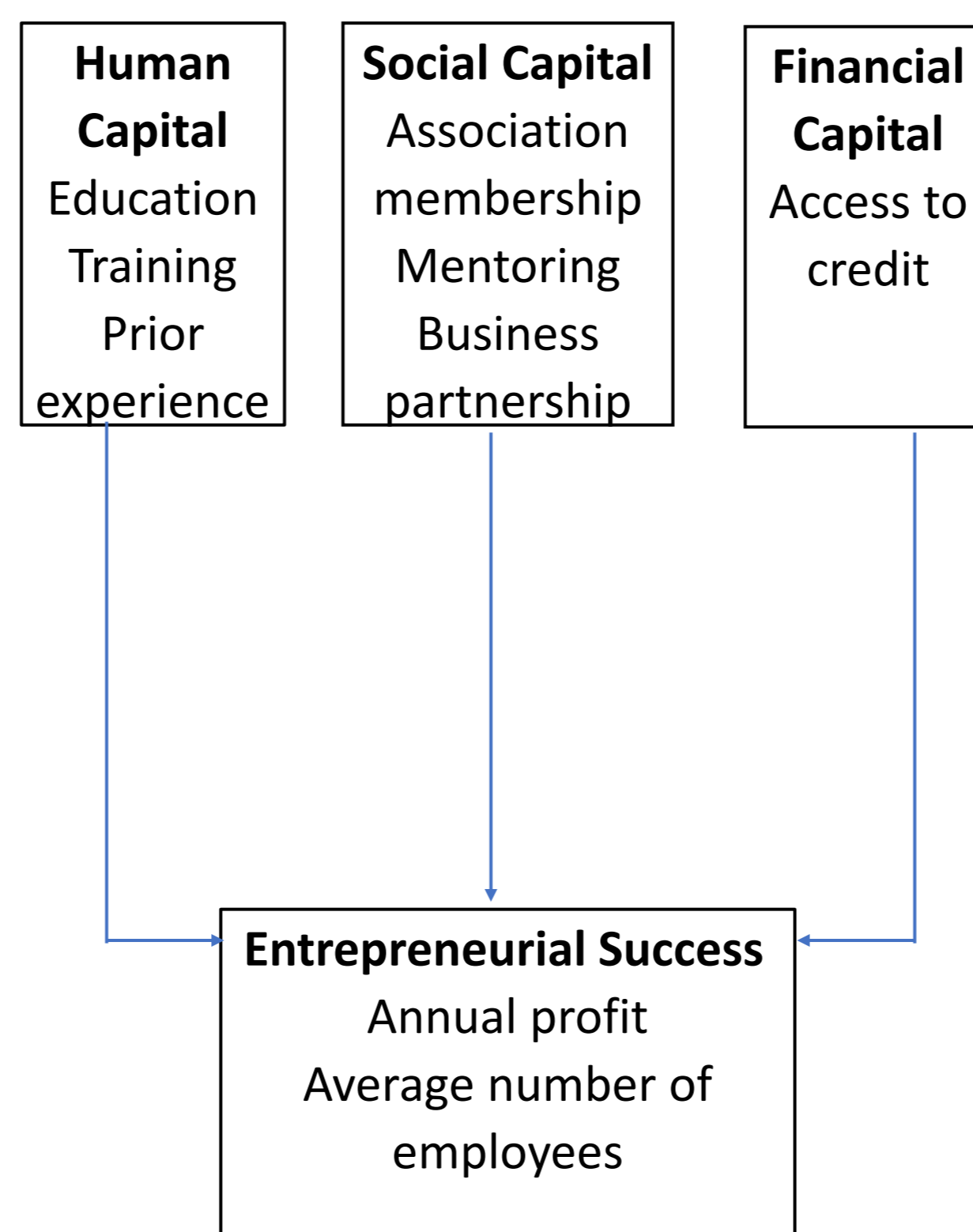
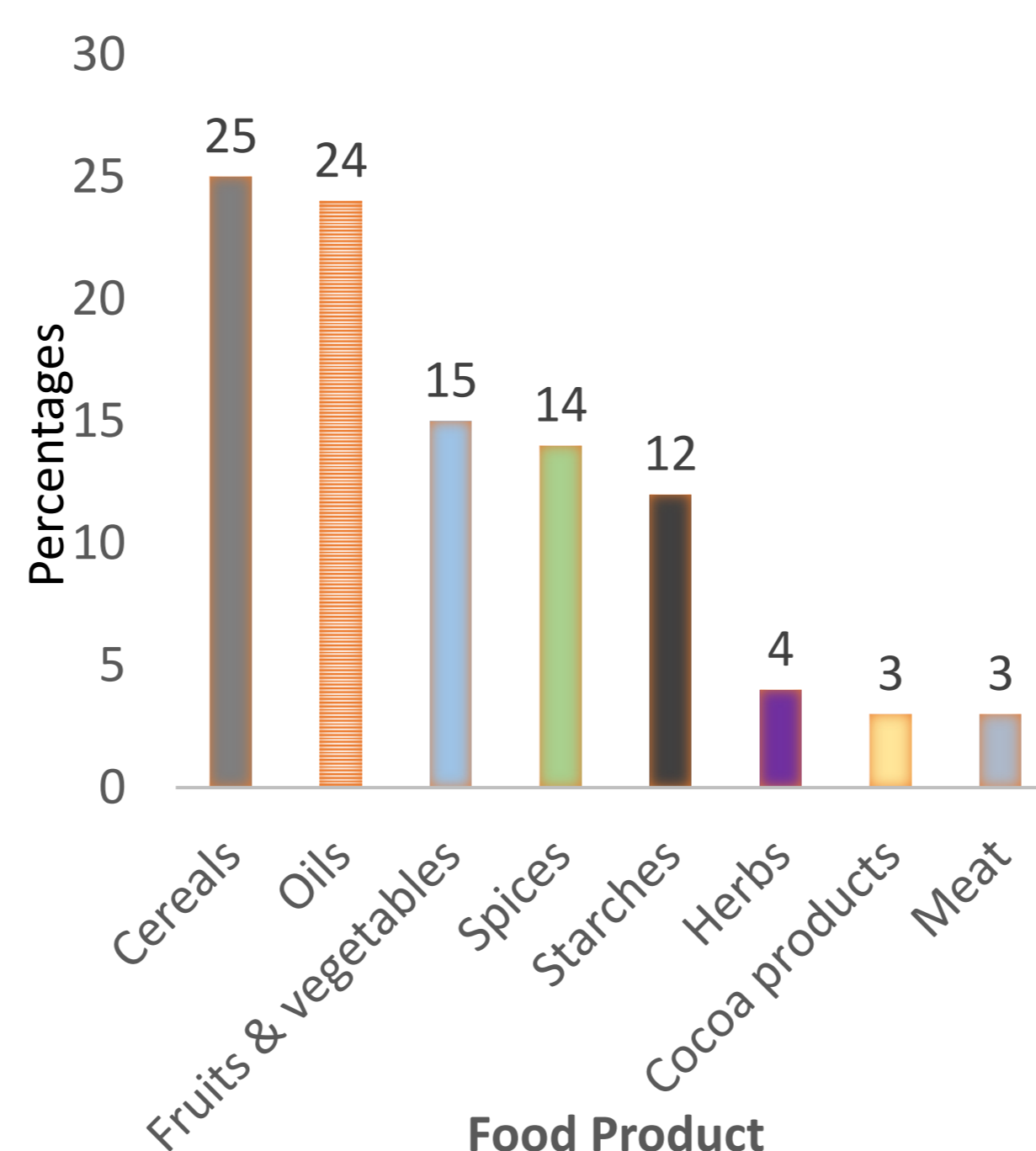


Fig.2 Conceptual framework



Conclusion and recommendation

- Government support programs should encourage young entrepreneurs to take advantage of training programs.
- Mentors should be assigned to coach young entrepreneurs in the early stages of their business life
- Food processing sector can provide viable economic opportunities for young entrepreneurs

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