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Youths in Community Development, Poor Market Linkage: A Disastrous Lag for Local Business Flourish in Coast Region, Tanzania

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Abstract:

Youths are the pillars of community development; their skills and knowledge can be applied in tangible issues of great stake to individuals and community at large. Youths participation in local business is due to various motives ranging from wealth desire and reduction of income poverty. The current trend of entrepreneurship and business development have attracted youths to engage in local business especially in urban areas where challenges are recordable. Yet, the current study being intrigued by the forgotten drawbacks for business development, revealed that, given the nature of business, capital was always not a problem for business start-up. It was found that youths can still mobilize their own seed capital through means like saving from subsistence funds, fundraising through selling ideas and household contribution. However, the motives for business start-up does define the end results as whether business could be sustainable or otherwise. More importantly, it was revealed that, Youths concern in local business operation are that, market availability and linkages define the level of business flourishing. Lack of information about market availability, undisclosed market operation terms in outer boundaries hinder a linkage search which in turn poses unpleasant effect of business growth and community development at large. The local government in administrative areas should always take the responsibility of ensuring that the market operation terms are predictable and supportive for business growth.

Keywords: Community development, Local business, market linkages, youths

1. Introduction

Community development through youth empowerment and engagement in local business is a reality towards global development. Realization of the move towards business ownership and entrepreneurial creation holds a bright future for community development through multidimensional improvement and access of service by the needy but capacitated youths (Delicious, 2014). Local business development is a product of innovative behaviour in searching for proper markets. This has been happening in different parts of the world and it has gained a powerful and recordable node (Awojobi and Bein, 2010). This is through its contribution towards income creation which in turn poses spill over effects in improvising other social services (Maliti and Mnenwa, 2009). Through local business establishment and entrepreneurial skills youths have stabilized income which is used in accessing education to the family members, health services and housing facility. The importance of local business(entrepreneurial activities) is referred by Kuratko, (2005) in the sense of increasing income and youth participation in business for community development at large Entrepreneurship is globally accepted as a source of employment and a means for government to increase revenue collection. It is useful in raising the living standard of the people and hence lead to community development (Awojobi and Bein, 2010).Despite increasing recognition as a source of job creation, empowerment and economic stability, the systematic look for business as linked with youths' s energy and influence towards community development has been lagging. Intervention towards eliminating and reducing some business challenges have resulted into unconvincing outcome due to poor targeting (Nkonoki, 2010). It is understood that youths who engage in local business are central to the economy of the family and community in Tanzania as in Kenya and Uganda. In Tanzania various efforts are in place to ensure small and local business yield.The major efforts include but not limited to small and medium enterprises (SME) policy reforms in Tanzania(2003)

Community development has to be hinged on income generation which is only a means and not the end. Local business performance is a pillar to community development (Littlefield, et al, 2003). This is to mean that any challenges which lags behind development of business has to be curbed accordingly because it could have multiplier effects. Youths are in dire need of success through business and entrepreneurship in general. Yet in this movement of searching for economic and community development success there are visible and invisible barriers which have caught attention of practitioners and administrative authorities. The challenges are of different scales; for example, Wanjohi and Mugure (2010) reported that, registration and certification hit youths negatively and affect their business development ability. The argument was centred on some specific nature of business like chemical related business which requires a careful process to execute. Further Lack of entrepreneurial education (Greene, 2002); and little access to funds are more pressing challenges of Youths who have desire of engaging themselves into different kinds of business (Alam and Molla, 2012).

Moreover, Mubaiwa (2013) collaborated that, lack of experience in operating business is also a challenge. However, taking into account the nature of Youths themselves, one could not think that capital can be an all-weather challenge (Armendariz, et al, 2000). Youths have mechanism of starting small business which have potential to grow into bigger one. Some could not see capital as serious challenge than market access.

Community development being a multi-dimensional improvement of people's lives through themselves and a shared partners effort should be looked at in an angle emanating from business and entrepreneurship impacts. The power of business in economy and community development is immense (Nkwe, 2012); that is why in in South Africa for example, entrepreneurship and business provides the great contribution in economy and reduction of unemployment rate (Armendariz, et al, 2000). Therefore, the day to day pressure of business and entrepreneurship development should be a global concern especially if community development is of great concern (Greene, 2005); and for sure it is. Kiruja (2013) argues the government to provide star-up capital for youths who want to engage in entrepreneurship and business. Littlefield, et al,(2003), this is based on the essence that it creates positive attitude towards self-employment and poverty reduction. Griffe (2014) proclaim that entrepreneur and business efforts are like biological experiments in nature, that it has to be executed carefully by solving all key scratches.

Although poor market linkages alone cannot be a disastrous draw back for local business development, but it is a keen aspect of success or failure because it is decisive for counting profit or loss (Ramukumbuka, 2014). Further, the business could flourish or dwindle depending on the motives behind its establishment. The literature has been quite in most cases as to why Youth should engage in local business and entrepreneurship, and what is their position in community development at large. Answers to this question can be used to support the claims that market and or capital challenges can be a huge hit towards local business flourishing

Worldwide, Youths have potentials of closing the gap of income inequality and push with fidelity a community development agenda through local business (Llisterri et al., 2006). The working efforts can reduce unemployment rates and boost the economy. The challenges facing youth in establishing business have received a recordable attention to researchers and development practitioners (Goel et al., 2007). Some of these challenges are based on capital acquisitions, poor value of products, poor business and resources management. These challenges cannot provide a genuine understanding and picture of the lags facing youths in local business establishment (Ahmad and Xavier, 2012).The drawbacks for local business establishment and growth are diverse, (Anuar et al, 2013); and in most themes, they have been of less attention especially those associated to outer interfaces. Local business development drawbacks have to be assessed along the reasons for business startups, a point which has remained of minimal concern to understand. This is because of the fact that, business growth will depend on the motive for its establishment. Therefore, this has called for this study to access how the motives for business establishment and how market access and linkages for local products inhibits local business development among youths in Coast region.

2. Research methodology

2.1. Research Design

Mixed research design was employed in this study. The design involved observing and can gathering both numerical and non-numerical information. The design coupled with qualitative approach provides answers on how phenomena affect individuals or happen in real environment. The design fits in studying areas of based on market issue and social studies aspects. Further, the design allows flexibility in data collection and interpretation which provide an in-depth analysis of the study facts. With use of these designs the results were opened to question and to different interpretations.

2.2. Description of the Study Area

The study was conducted in at Kibaha District, a capital of Coastregion in Tanzania which has a population of 1,098,668 as per 2012 National Census (National Bureau of Statistics, 2012). The region had 2.2% average annual population growth rate in 2002-2012. It was also the 21st most densely populated region with 34 people per square Kilometre. With a size of 32,407 square kilometres (12,512 sq mi).The region is bordered to the north by the Tanga Region, to the east by the Dar es Salaam Region and the Indian Ocean to the south by the Lindi Region, and to the west by the Morogoro Region. The main income generating activities found in the area are trading activities, fishing activities, transportation services and tourism activities. Coast region has been selected for the study due to the fact that it is strategically located in an area where local business has potential to grow, being closer to Dar es-Salaam City, a business hub for Tanzania makes it more potential. Further, it receives a good number of youths who are eager in doing local business (road and rail side economy).The Region has Six Administrative Districts as indicated in Figure 1.

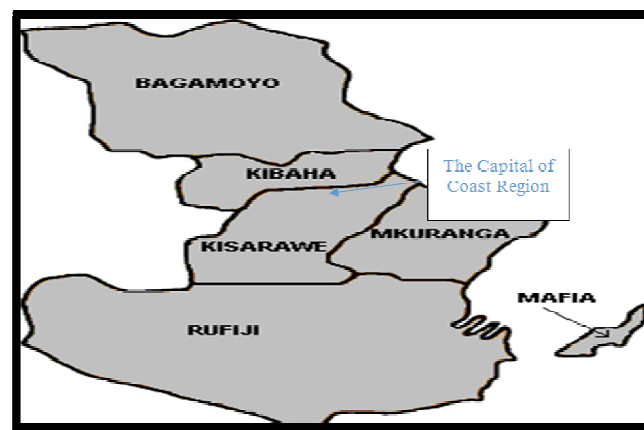


Figure 1: The Map Showing Coast Region Districts

2.3. Types and Sources of Data

In studying the hindrances for local business development among youths in Coast Region. The study employed primary data which were directly collected from the field

2.4. Data Collection Tools

Data were collected through in-depth interviews and observation. One-to-one interview was carried out to local business owners at Kibaha District. Interview was preferred because it sourced deep information about various aspects of local business establishment among youths. Observation technique was used to obtain real information of the available market situations and facilities. Further, three focus group discussion were carried out to collect more information about youth's opinion in market access for the local products in the area.

2.5. Population and Sample size

The targeted population of this study was all youths (aged 18-25) engaging in local business in Kibaha District; and this formed a unit of analysis. This age group is considered to be the under-pressure group which is trying to search for success through business after graduating from different levels of education. Taking into consideration of the qualitative study, the sample size matters less but the quality and richness of information provided by the respondents. Therefore, the sample size was purposely decided on researcher's discretion to be 120. This sample is reported as appropriate and enough for making inference in both qualitative and quantitative studies and was capable to grasp information for generalization; it was also easy to handle and minimize errors.

2.6. Data Analysis Techniques

Data were grouped according to theme and contents, also summarizing the meaning, categorization of meaning and structuring of meaning using narratives was done for qualitative data. Data recorded on the note book were decoded as per objective and a content analysis technique was then used to analyse qualitative data that were obtained from business practitioners and key informants.

3. Findings and Discussion

3.1. Motives behind Youth's Engagement in Local Business

Business establishment is not a desire of all youths this is due to interest, individual differences wealth searching for better community development. Therefore, in this aspect, respondents were asked to state explicitly the motives behind local business establishment. The results are presented in Table 1

SN	Statement of Motives	Frequency	Percentage
1	Market availability for local products	13	10.8
2	Lack of formal employment	15	12.5
3	Wealth desire	42	35.0
4	Availability of Capital	11	9.1
5	Influence of role models	12	10.0
6	Business ability	15	12.5
7	Family background	12	10.0
	Total	120.0	100.0

Table 1: Business Establishment Motives for Youth

3.1.1. Desire for Wealth Acquisitions

The results in Table 1 indicate that there are various motives for local business establishments among Youths. It was revealed that the desire for wealth acquisition was reported to be 35%. Wealth acquisition is central target, this can

easily be inferred that the key and of all motives towards business engagement is to reduce poverty, and that the post Millennium Development Goals and Sustainable Development Goals are in line with this motive. Further, wealth acquisition among youths will reduce dependency to adults. The multiplier effects of wealth acquisition are recordable, such that increase government revenues through tax, improve social service like education and health as well as livelihood capability among community members.

3.1.2. Lack of Formal Employment

The growing challenges of unemployment in the world and Tanzania in specific has tendered some forces for youths to engage in income generation through local business establishment (12.5%9). The business has the chance to grow into big business upon successful management and proper market linkages. The local businesses in most urban areas like Kibaha District are characterised by low level education individuals, mostly those who have attended basic education which in most cases seem less disadvantaged for formal employment in the government sector. Likewise, the location of Kibaha District had attracted massive young men and women who migrate from vast rural areas in search for brighter opportunities. Due to high competition in various areas of opportunities, majority have found themselves falling in local business. These includes Cashew nuts, Roasted groundnuts (Figure 2), oranges and mobile Kiosk.



Figure 2: Roasted and Salted Groundnuts for Vending in Kibaha District

From figure 2, it can be deduced that, some local products are not entirely resulting from second part sellers, rather some youths have gone far owning small scale farms which can provide products for processing.

3.1.3. Ability of Managing Local Business

Local business establishment was the function of management ability (12.5%). The ability is the result of experience in working under care of the previous business owners. Some young men and women usually migrate to urban areas after they have been recruited by some large business owners. The recruited personal can spend up to five years working under low wages with unsatisfying environment. Working under supervision of the bosses usually capacitate them with skills and knowledge about a specific business; For example, it was reported during the focus group discussion that, those with big capital can employ up to ten young men and women who sell products as vendors at the end of the day they report the sells to owners. Cashew nuts and Boiled Eggs were found leading in local business as in Figure 3. The main customers were those travellers because the District is located along the Dar es Salaam -Morogoro Highway the busiest road in the country as it inter-links many regions and countries. The kinds of business undertaken by youths were easily manageable, protected and allowed mobility as some vendors boarded long trip Buses after they have formed rapport with operators who allowed them in before dropping in the next Bus stop.



Figure 3: Cashew Nuts Locally Packed for Vending in Kibaha District

3.1.4. Market and Capital Availability for Local Business

Local business establishment capital availability was central in business establishment. In the study, respondents felt that availability of market for their products influenced them to participate in undertaking the business (10.8%). This was a motive that basically was linked with the fact that being along the Highway provide a hope of selling. However,

ability of vendors to rush out of their zones was closely linked to business start-ups. One of the key questions in business establishment is availability of consumers or customers for the goods and or service. Thus, the busy highway with ensured travellers (customers) provided relief for youth to dig into business start-up. The nature of local business performed by youths was not capital intensity. On this basis, capital acquisition was reported not a challenge because it just needed a small amount of money as it was reported by one of the respondents during focus group discussion that:

"My business does not require a huge capital to establish; for example, if a committed person get 30 US Dollars, he or she can establish a business of this kind, so I don't see capital being a problem"

This statement means that, although the nature of business might differ and so capita intensity does, yet one could still manage the capital and run up his or her own business. This is indicated by the lowest percentage score on the capital variable (9.1%)

3.1.5. Role Model and Family Background

Youths who migrate to urban areas are enticed by network theory of migration where colleagues are already having places to settle coupled with business networks. Those who are already in town usually press a call to the fellows in rural areas to go there and join hands. This is due to the fact, dreaming of achievement through business become real when role model and peers play parts. Youths sees those already in high achievement through business as their right direction. The rest of those who practice business are influenced by the family background (10.0%). Coming from business family creates a baseline for achievement and business behaviour, this is through direct participation in managing family business. This practices usually impart knowledge and skills, it also influences interest and passion. The business ethics learned from home is usually valued by youths, and in times of crisis they can directly contact their fellow family members for assistance.

3.2. Strategies Used by Youths to Mobilize Capital for Local Business

Capital acquisition has been a cry for business establishment and has caught attention of the literature. The capital size was determined by the nature of business intended. Respondents were asked if capital was a problem given the nature of the business they operated. The study found that 66% of respondents confessed capital being not a problem. This had led to a stepwise follow-up on the key techniques used by youth to mobilise capital. The results are presented in Table 2.

SN	Strategies Used	Frequency	Percentage
1	Grants	7	5.8
2	Own sources	34	28.3
3	Household contribution	14	11.6
4	Fundraising	16	13.3
5	Personal skills	38	31.6
6	Loans	11	9.1
	Total	120.0	100.0

Table 2: Capital Mobilization Techniques

3.2.1. Own Sources and Personal Skills

Youths aged between 18-25 have great success pressure through business establishment. This reason has led them to start making capital reserve a big deal and priority. Capital reserve was through saving subsistence money given to them by their parents, relatives and friends. Some of youths who worked in various areas also had a chance to start business using their own saved capital. Those with talents; for example, in singing and handworks had collected their own fund for business start-ups. These were found to be effective ways of capital organization by youths. Sometimes parents did not know where and how the young men and women got capital for starting business which in few years seems to grow and flourish despite some challenges. Therefore, youths usually depend on themselves for capital organization by 72%.



Figure 4: Nature of Local Business Which Are Not Capital Intensity for Youths

The figure indicates the some of the business which are not capital intensity and can be funded by Youths themselves through different means. Some of the products are farm based while are others are processed at home. Youths report that, over a period of time, business can grow through increased sell volumes, customers and capital as well.

3.2.2. Loan and Grants

Loan and grants all contributed to 14.9% as some means to mobilize capital for local business among youths in Kibaha District. Loan and grants are provided by friends and relatives who are already in the industry and have accumulated enough money. The nature of Loan in most cases are interest free, this is due to the rapport and how individuals associate each other. Youths who are engaging in local business can hardly be loaned by formal financial institutions like Banks which requires solid evidence of the ability to pay back and high valued collaterals for one to be considered for the loan. It is for this reason; some youths look for loans (upon becoming members) in some local but well-established Village Community Banks and Saving and Credit Cooperative Societies which depends on revolving money among members themselves (Armendariz, et al, 2000)

3.2.3. Household Contribution and Fundraising

Contribution from household and fundraising was reported by 24.3% of all respondents. It was found that some household have sent their youths in urban areas to do business, for that reason contributing capital was necessary for every household member. This was a quite practice of capital mobilization in expectation that when a business flourishes the one in urban could call and provide capital to other household members to star-up a similar or different business in the same district or areas. Household contribution usually comes a last resort to some youths who have failed in higher and or lower level schools. Nonetheless, some Youths have to conduct fundraising from different angles, basically by selling ideas to friends and those who already entered the industry. Youths usually move to friends and previous business whom they have served for quite time to ask for some funds for business. This has been easy and workable because the requested funds for establishing business does not amount higher.

3.3. Perception of Youths on Market Linkages for Local Products

Market availability and linkages is a paramount aspect which determined whether a business can flourish or otherwise. Market availability forms a primary concern of an individual on whether to invests or not. Respondents were asked to portray their perception on various aspects of market linkages and availability. Results are presented in Table 3

	Attitudinal Statement Towards Market Availability and Linkage	Frequencies	Strongly Disagree %	Disagree %	Unsure %	Agree %	Strongly Agree %	Total %
1	The available market support business flourish	120	50.8	23.3	1.7	15.0	9.2	100.0
2	There are government efforts to link us with outer region markets	120	42.8	25.0	3.0	16.7	12.5	100.0
3	Individuals who venture for market can make business grow	120	6.0	14.0	4.0	25.0	51.0	100.0
4	The market provides comfortability during business hours	120	24.2	40.8	6.7	20.0	8.3	100.0
5	With the available market situation my business cannot grow	120	11.7	29.0	3.3	20.3	35.7	100.0
6	Market is permanent and has all necessary services	120	41.7	15.8	3.3	25.8	13.3	100.0
7	Travellers are reliable buyers of our products	120	34.8	29.2	3.5	14.2	18.3	100.0
8	Without government support our business will take longer to flourish	120	12.0	12.2	5.7	46.8	23.3	100.0
9	Traders are informed about the outer market availability	120	25.5	28.5	4.7	20.3	21.0	100.0
10	Generally, market is a challenge which draw us back in terms of business development	120	20.0	15.5	2.5	26.4	37.6	100.0

Table 3: Youths of Perception on Market Availability

From Table3, the study found that, market availability and linkages had dramatic negative score on local business flourishing. As opposed to capital availability which was considered not a problem, yet another disastrous hit does affect business development. Although one of the motives for business establishment was reported to be market availability, yet it was considered not enough due high increase and booming local business in the area. Respondents felt that the available market does not support local business flourishing by 74.1%; yet, the government has not yet pressed for more efforts to ensure that local business acquire a node in terms of reliable market access. Business owners believed that, those who link themselves with the outer region market has a good to make profit and bring the business of a high-level scale. Various factors inhibit ability of the traders to venture for the market, one of the is lack of information about the market issues, prices of the goods and terms of operation. This is because of the fact different market in different demonstrative areas have varying terms and conditions for operations. The most feared and referred to is tax to be paid for market access as well as business registration policy. One of the informants reported that: -

“Our capital is enough to operate in local areas, but when you for market search you find the harsh terms including high tax and you can be required to register your business”

This statement is an indication that market access and linkage pose a recordable challenge for business growth. Unnourishing business has spill over effect individual and community development at large. This is due to fact that income stabilization and generation is only a means towards improving other social dimension of community development. Income will enable individual to access education and health service, pay tax which in turn is converted in development infrastructure maintenance such as water, electricity and means of transport.

4. Conclusion and Recommendations

Local business flourishing among young traders is limited by a bunch of factors, capital is not necessarily of one them. Market viability and linkages has been overlooked in decision making. Providing capital to local business operators is not the means but the beginning towards business nourishment. The lagging local business due to market link ages poses threats on community development in general. It accentuates crimes and poverty in the community especially among youths who can be dragged into evil practice. The local government through respective administrative authority in the areas should take intentional measures to link traders with markets. This could be through proper channel to ensure that processors who want farm produce get interlinked with sellers. Stable and permanent terms of business operation be put in place. This will provide assurance that unpredictable changes with detrimental effects to local business operators cannot easily be awakened. Youths have better room to push for community development through income poverty reduction. This group is inevitable if sustainable development if the community is sought.

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