Journal of Investment and Management
2026, Vol. 15, No. 2, pp. 16–28
https://doi.org/10.11648/j.jim.20261502.11

Research Article

Exploring Challenges, Opportunities, and Policy Implications for Youth Entrepreneurship in Kellem Wollega, Ethiopia

Hassen Mohammed*, Mahlet Kebede

Department of Business Management, Dembi Dollo University, Dembidolo, Ethiopia

Abstract

Youth entrepreneurship is widely recognized as a key driver of employment creation, poverty reduction, and sustainable economic growth. However, young people in developing countries, including Ethiopia, continue to face substantial barriers to establishing and sustaining business ventures. This study assesses the major challenges and opportunities of youth entrepreneurship in Kellem Wollega Zone, Oromia Regional State, Ethiopia, with particular emphasis on institutional, economic, social, and technological factors. A mixed-methods research approach with an explanatory sequential design was employed. Quantitative data were collected from 399 youth respondents using structured questionnaires, while qualitative data were gathered through semi-structured interviews and focus group discussions. Descriptive statistics and multiple regression analysis were used to analyse quantitative data, and thematic analysis was applied to qualitative responses. The findings reveal that lack of access to finance, poor infrastructure, limited social support, and inadequate entrepreneurial opportunities exert significant negative effects on youth entrepreneurship. Conversely, motivation, access to business assistance services, and technology adoption show positive and statistically significant influences on youth entrepreneurial engagement. The regression model explains 45.8% of the variation in youth entrepreneurship, indicating that both challenges and opportunities jointly play an important role in shaping entrepreneurial outcomes. Although government support, training, and policy frameworks exist, their effects were found to be statistically insignificant, suggesting weaknesses in implementation and coordination. The study concludes that strengthening youth entrepreneurship in Kellem Wollega Zone requires an integrated policy approach that expands access to affordable finance, improves infrastructure, enhances business development services, promotes technology utilization, and fosters supportive social and institutional environments. These findings provide valuable evidence for policymakers, development partners, and educational institutions seeking to design targeted interventions that promote youth-led enterprise development and inclusive economic growth in Ethiopia.

Keywords

Youth Entrepreneurship, Challenges, Opportunities, Business Development, Ethiopia

*Correspondence: Hassen Mohammed (Hassenmohammed7014@gmail.com)

Received: 28 July 2025; **Accepted:** 14 January 2026; **Published:** 12 June 2026

1. Introduction

1.1. Background of the Study

Analyzes the obstacles and prospects for youth entrepreneurship concerning systemic intermediaries and explores the various challenges encountered by young entrepreneurs. An entrepreneur is defined as a person who responds innovatively and is willing to make decisions amid uncertainty [31].

Youth entrepreneurship plays a crucial role in economic development and job creation, particularly in developing countries where youth unemployment is high [1]. Several studies have shown that access to finance and institutional support significantly influences the success of small and medium enterprises [6]. Sound research design and data collection methods are essential for producing reliable research outcomes [7]. Youth employment programs are increasingly promoted as strategies to reduce poverty and enhance economic participation [9].

Previous studies indicate that structural barriers such as limited capital and weak infrastructure hinder entrepreneurial growth [12]. Research methodology literature highlights the importance of appropriate research design and sampling techniques [13]. Entrepreneurship contributes significantly to innovation and economic competitiveness [15].

Furthermore, the World Employment and Social Outlook report from 2016 indicates that 71 million youth are unemployed in the world. Nearly 90% of youth live in underdeveloped countries. Even so, a majority of these countries are poor and they faced with a lack of quality education, and a high unemployment rate [34]. There is no agreement upon definition on the term youth across countries of the world. The UN (United Nations) defines youth as individual aged between 15 to 24 years old. The African Union characterizes youth as individuals aged between 15 and 35 years old. However, various African nations have applied different age brackets to define youth. Considering the age ranges established by different countries and the specific conditions in our nation, the youth policy defines youth as those between the ages of 15 and 29 in order to tap into their potential and skills for fostering a democratic system and pursuing development (Ministry of Youth, Sports & Culture of Ethiopia, 2005). Prioritizing the inclusion of young individuals in the workforce and enhancing their conditions in the job market are the key objectives of the Ethiopian government. Young people are vital to the future of any society. They embody the essential shift between childhood and adulthood [32].

The performance of economic enterprises that are owned and operated by youth is crucial for achieving substantial gross domestic product (G. D. P) in numerous countries. Young people are vital to the future of any society. They embody the essential shift between childhood and adulthood. Consequently, many countries are acknowledging the significance of youth in their growth and are developing policies and programs to support them. The inclusion of young people into local, regional, and global markets is essential for economic growth, reducing poverty and inequality, fostering positive youth development, and enhancing the overall welfare of families and communities [3].

Ethiopia, the second most populous country in sub-Saharan Africa, with nearly 120 million inhabitants, is following a distinctive growth trajectory due to effective state interventionist strategies. Several policies have been adopted and implemented, yielding positive results. However, it is acknowledged that the fundamental source of all economic value lies in the innovative human intellect, which is uniquely equipped to uncover new scientific principles that lead to the application of technological advancements in various economic production methods. Every individual possesses the innate ability to contribute to the advancement of civilization. Instead of viewing Africa's growing youth population merely as a source for exploitation and low-paying, labor-intensive jobs in the global economy, we should focus on training these young people as skilled workers, engineers, and scientists to enhance their potential contributions to society [4].

In order to ensure that youth programs have a strategic direction of producing innovative citizens who can contribute to the realization of the long-term vision of making Ethiopia a middle-income economy of Oromia in Kellem Wollega zone, the primary motivation behind this research is to examine the opportunities and challenges of youth entrepreneurship and highlight the factors that contribute to its success and failure.

1.2. Statement of the Problem

Youth are extremely difficult, especially in terms of employment and livelihoods, but they are the future of educators and innovators, entrepreneurs and investors, health professionals and scientists, politicians and peacemakers. This makes it even more important to invest in them now so that future generations can survive and thrive, and so that countries that invest in their youth can reap the 'demographic dividend' these youth represents (USAID policy youth, 2012). According to the norms and values of their community, youth development is a comprehensive process of positive change that prepares young people for a bright future [19].

National youth policies are essential instruments for supporting youth development and employment opportunities [18].

Youth entrepreneurship is increasingly recognized as a pathway to sustainable economic development. Governments across the world are adopting entrepreneurship promotion policies targeting young people [20, 21].

Small business growth is influenced by environmental and institutional conditions. Entrepreneurship education and training have been found to increase entrepreneurial intentions among youth [23, 25].

Research methods literature emphasizes the importance of

reliability and validity in empirical research. Youth development programs contribute significantly to human capital development [26, 28].

Small business performance depends on management capacity and access to resources. Development agencies emphasize entrepreneurship as a tool for youth employment generation [29, 33].

Networking and collaboration improve firm performance and business survival. Access to finance remains one of the most significant barriers facing youth entrepreneurs [35, 36]. Global reports highlight the need for inclusive entrepreneurship policies. Entrepreneurship developments initiatives help improve youth economic participation [37, 38].

Youth entrepreneurship programs contribute to poverty reduction and sustainable growth [39].

Over the past 20 years, youth development has been seen as a crucial program for creating capable young people who can handle everyday challenges and contribute to their communities. The Ministry of Urban Development and Construction, the Federal Micro and Small Enterprises Development Agency (FeMSEDA), and the United Nations Development Program (UNDP) Ethiopia have launched an entrepreneurship and enterprise development program that encourages the emergence of a strong and competitive private sector in order to realize the vision of Ethiopia's Growth and Transformation Plan and the role that a growing and dynamic private sector can play in its achievement. A semi-autonomous organization will be established by the program to lead the implementation. Furthermore, Ethiopia is currently dealing with Africa's second-largest youth entrepreneur bulge. An estimated 30 million of Ethiopia's 120 million inhabitants are between the ages of 15 and 29 [43].

Despite this remarkable expansion, inequality has increased significantly and the unemployment rate has remained high, especially among young people. One of the highest rates of unemployment in the area is 19 percent, according to the [11]. Even though Ethiopia's economy has grown significantly in recent years, providing good jobs for the increasing number of young Africans is still a difficult development objective. The majority of young people on the continent still make a living through subsistence farming or the urban informal economy. Since they don't make enough money to help themselves and their families escape poverty, the majority of these are working poor. Beyond this overall picture, some of the biggest obstacles to obtaining decent employment are faced by young women in particular. The lack of an entrepreneurial culture is another significant issue facing young people, as evidenced by the low regard for acquiring entrepreneurial skills in formal education and pursuing this career path after graduation. Young women are particularly affected by cultural and societal perceptions of women's roles in business, which impedes their ambitions to start their own businesses. Over the last 25 years, research has demonstrated that entrepreneurship contributes to macroeconomic development. Other studies in Ethiopia have examined the main obstacles faced by female entrepreneurs in MSEs, including age disparities among them [22].

One potential strategy for reducing poverty and fostering economic growth is to encourage young people to start their own businesses. Nonetheless, the corpus of current knowledge only a few types of research have examined business challenges and their connection to the context of less developed nations. The literature review indicates that the challenges appear to impact entrepreneurial organization's performance outcome; however, these challenges are typically addressed in isolation. Another notable issue is that the business exit is more common during the initial years indicating a logical unit of observation to be young entrepreneurs. But according to the literature review, most studies only took a small number of variables into account, which prevents to them from offering a comprehensive picture of the elements that contribute to youth entrepreneurship [14].

Kellem Wollega youth are customarily and culturally encouraged to seek jobs in the public or private sectors. It is now even more difficult for recent graduates are to find work in the public sectors or in well-established private companies. Young people rise of starting their own businesses.

1.3. Research Questions

The following research questions will serve as the study's compass.

1) What are the key critical challenges to youth entrepreneurship in Kellem Wollega Zone?
2) What opportunities are available for youth entrepreneurship development in Kellem Wollega Zone?
3) What are the possible interventions needed to promote youth entrepreneurship in Kellem Wollega Zone?

1.4. Research Objective

1.4.1. General Objective

The overall aim of the study is to assess challenges and opportunities of youth entrepreneurship in Kellem Wollega Zone, Oromia.

1.4.2. Specific Objectives

Specifically the study tries to address the following key research objectives:

1) To identify the key critical challenges to youth entrepreneurship in Kellem Wollega Zone.
2) To assess available opportunities for youth entrepreneurship development in Kellem Wollega Zone.
3) To determine the possible interventions needed to promote youth entrepreneurship in Kellem Wollega Zone.

2. Conceptual Frame Work

A frame work for challenges (Lack of finance, Government, Poor infrastructure, Unfavorable administrative, Poor management skill, Poor supervision) to youth's entrepreneurship negative impact on youth's entrepreneurial entry and success. A Positive contribution to youth's entrepreneurial entry and success opportunities (Expansion of private and public TVETs, colleges and universities, Establishment of entrepreneurship development center by Ethiopia government, Free market economic system, motivation) for youth entrepreneurship. The relationship between entrepreneurial intention and opportunity identification is shown (*Figure 1*).

Figure 1. conceptual Frame work

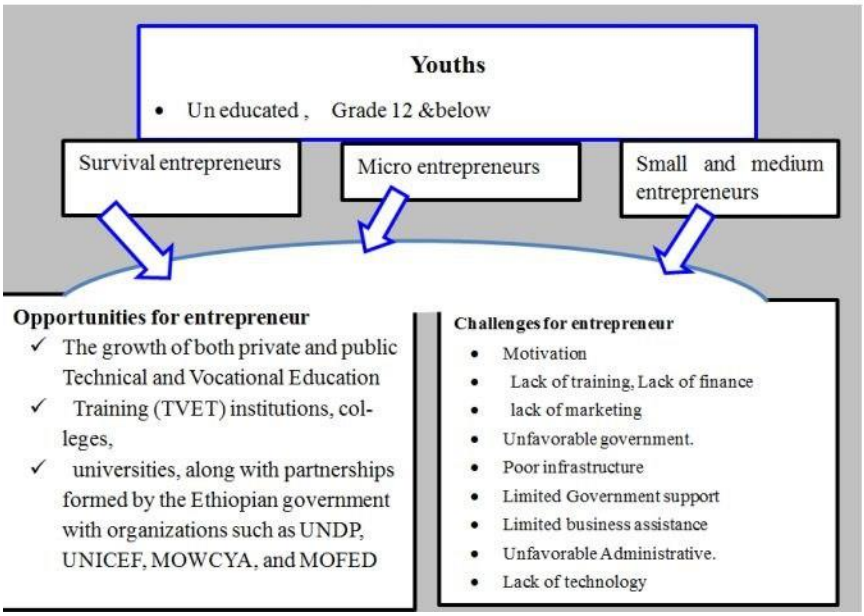

Figure 1. *Frame work for challenges and positive Contribution to youth Entrepreneurial opportunities' (Source(s): (Author's own work)).*

3. Research Methodology

3.1. Description of the Study Area

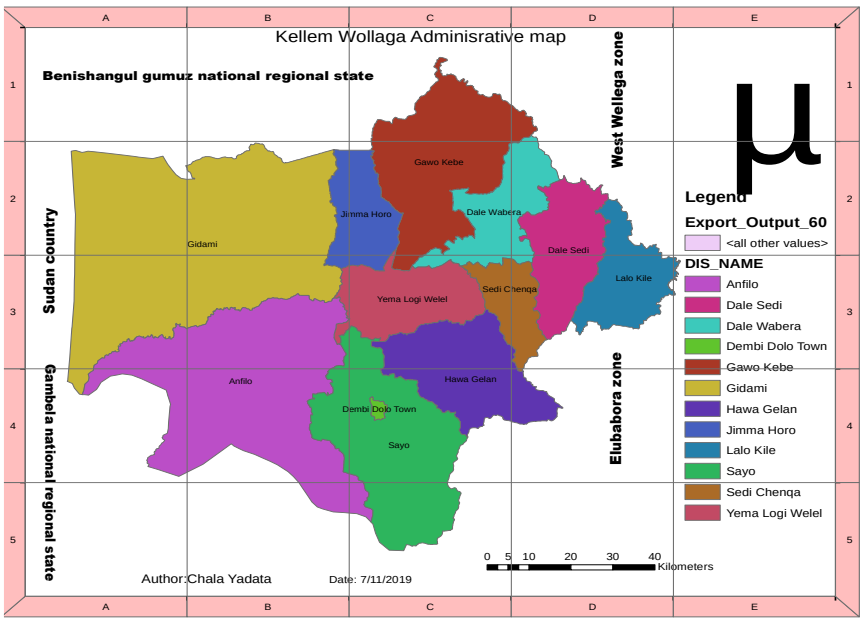

Figure 2. *Map of study area (Source: From Wikipedia, the free encyclopedia).*

This study was planned to be conducted in the Kellem Wollega Zone, one of the twenty zones in the Oromia Regional State. Most parts of Kellem Wollega lie between 500 and 1,500 meters above sea level. The lowest area is located near the Sudan border, in Gidami District, specifically in a place called Waro Koyan, which lies below 500 meters. The zone consists largely of a low plateau with an undulating landscape shaped by erosion. The elevation of this plateau ranges from 1,500 to 2,000 meters. One of the major lowland areas in the zone is the Baro Lowland, which rises between 1,000 and 1,500 meters and serves as a natural separation between the Kellem Wollega plateau and that of Ilubabor. Additional lowland areas are found along the Sudan border, estimated to be below 500 meters above sea level. Finally, the zone contains a major Miocene shield volcano located at the borders of Jimma Horro, Yemalogi Walel, and Anfilo districts. It's summarized map of study area (*Figure 2*).

3.2. Target Population of the Study

The target populations of the study are those who have relation with the youth policy define youth as who are between 15-29 years (Ministry of Youth, Sports & Culture of Ethiopia, 2005). The target group including the youths in development Police the age 15-29 of Kellem Wollega zone youth which found in the Zone. For conveniences of the proposed study, the total population of the 275,000 youth entrepreneurship in Kellem Wollega Zone see (*Table 1*), General Youths in Kellem Wollega Zone.

Table 1. *General Youths in Zone.*

L. No	Name of District	Total numbers of Youth		
		Male	Female	Total
1	Anfilo	12,805	11,820	24,625
2	Dale Sadi	15,386	14,184	29,570
3	Dale Wabera	12,292	11,348	23,640
4	Gawo Kebe	14,853	13,712	28,565
5	Gidami	15,366	14,164	29,530
6	Hawa Gelan	16,390	15,130	31,520
7	Jima Horo	10,756	9,929	20,685
8	Lalo Kile	11,268	10,402	21,670
9	Sadi Chenka	8,195	7,565	15,760
10	Sayo	14,341	13,239	27,580
11	Yemalogi Welel	8,707	8038	16,745
12	Dambi Dollo	2657	2453	5110
	Total	143,016	131,984	275,000

Source: Kellem Wollega Zone Sport Office. 2025

3.3. Research Design

The research designs that were employed for this study are descriptive and explanatory research designs. Descriptive research design is used by the researchers for describing the real situation or characteristics of the issues of the research [14]. Hence, this study was us descriptive research design for the fact that the study intended to describe the assessing the challenges and opportunities youth entrepreneurship in the case of Kellem Wollega Zone. The relationship and degree of the relationship between the study variables are explained by the explanatory design [16]. This study was prefer to use explanatory variable for investigating the relationship between the challenges and opportunities youth entrepreneurship and its determining.

3.4. Research Approach

The purpose of mixed approaches is to combine quantitative and qualitative approaches to better understanding the research issue, Therefore the study was employing a quantitative and qualitative method approach with an explanatory sequential design [5].

3.5. Sample Size

Sample size is determined from the target group 275,000 youth who are involved in study at least once in the past 12 months in study area. The research is conducted with 5 percent marginal error and 95 percent confidence interval and none response rate of 5 percent. This assumption means that the actual sample size for the study is determined using Yemane (1967) formula of sample size determination formula to reach the desired sample size. The sampling procedure is summarized in (Table 2): The total numbers of youth for each district. This formula is used because it gives the appropriate sample size by clearly estimating the possible variation between projects in the study areas. N/1+N (e2) =275,000/1+275,000(0.05)2 =275000/1+687.5 =275,000/688.5 =399, Therefore sample size 399.

Table 2. *Population proportion youth's.*

No	Name of District	Total numbers of Youth	Proportion	Sample Size
1	Anfilo	24,625	(24,625 ×399) ÷275,000	36
2	Dale Sadi	29,570	(29,570 ×399) ÷275,000	43
3	Dale Wabera	23,640	(23,640 ×399) ÷275,000	34
4	Gawo Kebe	28,565	(28,565 ×399) ÷275,000	41
5	Gidami	29,530	(29,530 ×399) ÷275,000	43
6	Hawa Gelan	31,520	(31,520 ×399) ÷275,000	46
7	Jima Horo	20,685	(20,685 ×399) ÷275,000	30
8	Lalo Kile	21,670	(21,670 ×399) ÷275,000	31
9	Sadi Chenka	15,760	(15,760 ×399) ÷275,000	23
10	Sayo	27,580	(27,580 ×399) ÷275,000	40
11	Yemalogi Welel	16,745	(16,745 ×399) ÷275,000	24
12	Dambi Dollo	5110	(5,110 ×399) ÷275,000	8
	Total	275,000		399

Source: Kellem Wollega zone Agriculture office 2025

3.6. Sampling Procedure

Kellem Wollega Zone was purposively selected for this study because it represents an area with notable challenges and opportunities for youth entrepreneurship. No previous study has been conducted in this specific context, which further justifies the selection. A two-stage sampling technique was employed. In the first stage, the Kellem Wollega Zone was purposively chosen based on its relevance to the study objectives. In the second stage, youth respondents from the zone were selected using a systematic proportionate sampling method. It was assumed that the study population was listed according to different projects. For the systematic sampling process, the sampling interval (I) was determined using the formula: $I = \frac{N}{n}$ where I is sample interval, N target population and n is proportional sample size for each project sampled. Accordingly, I^{th} person from the list was to be sampled as respondent for the study is shown in *Table 2*.

3.7. Data Source and Type

Both primary and secondary data sources were used in this study. Primary data were collected from youth entrepreneurs through questionnaires, interviews with key informants, and focus group discussions. Secondary data were obtained from organizational documents, unpublished reports, and other relevant materials. The combination of primary and secondary data helped the researcher to comprehensively assess the challenges and opportunities of youth entrepreneurship in the Zone.

3.8. Model Specification

Model is based on two sets of variables: the dependent variable, growth, and the independent variables, marketing, technology, infrastructure, government policy, access to capital, and entrepreneurship. Regression analysis was used in this study with the primary goal of improving the study's ability to describe, comprehend, and forecast the variables that were mentioned. Seven independent variables and one dependent variable were used to create the regression model that follows. $Yi = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + \beta4X4 + \beta5X5 + \beta6X6 + \beta7X7 + \beta8X8 + \beta9X9 + \beta10X10 + \beta11X11 + Ui$, where Y = Dependent variable – youth entrepreneurship: β0 = Constant term X1 = Entrepreneurial opportunities (expansion of private and public TVETs, colleges and universities, Ethiopian government partnership with UNDP, UNICEF, MOWCYA AND MOFED). X2= motivation X3= lack of finance X4 =government support X5= Poor infrastructure X6=Lack of social support X7= training X8= technology X9=government policy, X10=unfavorable administrative. Ui is an error term or disturbance. These are the coefficients of independent variables: β1, β2, β3, β4, β5, β6, and β7…… β11. Consequently, the following relationships will be explained using this statistical method.

3.9. Validity and Reliability of Data

The measurement model was evaluated using two main criteria: reliability (internal consistency) and validity [40]. Reliability refers to the extent to which a research instrument produces consistent results across repeated measurements. Validity, on the other hand, indicates the degree to which an instrument accurately measures what it is intended to measure. To assess reliability or internal consistency, the researcher employed Cronbach's alpha and composite reliability, applying the commonly accepted cutoff value of 0.6 and above [30]. For model validation, convergent validity was examined. Convergent validity refers to the extent to which multiple items designed to measure the same construct are in agreement [2]. It was evaluated through factor loadings, composite reliability, and average variance extracted (AVE). All item loadings exceeded the recommended minimum value of 0.50, indicating acceptable convergent validity [10]. Participants were also assured that the information they provided would remain confidential and that the findings would be used solely for academic purposes.

3.10. Ethical Considerations

Ethical standards were strictly followed throughout the research process. Prior to data collection, the researcher obtained permission from the relevant institutional and administrative bodies. All participants were clearly informed about the purpose of the study, the procedures involved, and their right to participate or withdraw at any time without any negative consequences. Participants were assured that the information they provided would remain confidential and would be used solely for academic purposes. To protect privacy, no identifying personal information was recorded, and all responses were kept anonymous. The researcher also ensured that the data were stored securely and accessed only for research analysis. Furthermore, participants were informed that there were no physical, psychological, or social risks associated with their involvement in the study. Their voluntary consent was obtained before administering the questionnaire. Overall, the study adhered to established ethical research principles, including respect for persons, beneficence, and justice.

4. Data Analysis and Interpretation

4.1. Demographic Characteristics of the Respondents

The demographic data for sex shows that out of the 399 respondents 284 respondents are male and 115 respondents are female (see *Figure 3*).

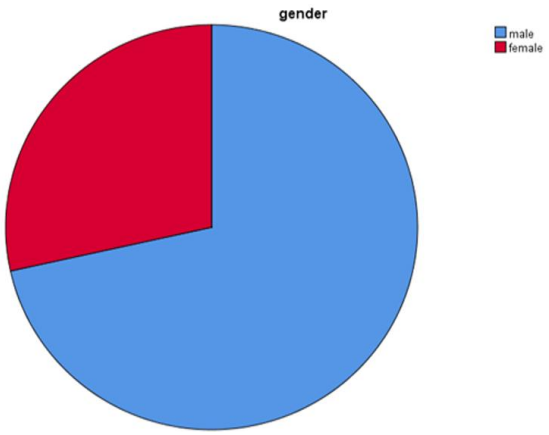

Figure 3. *Pie Chart- Gender respondents, (Source: Author's work).*

4.2. Significance of the Independent Variables as a Whole

Table 3. Explaining Capacity of challenges and opportunities-youth entrepreneurship.

Model Summary						
l	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					F Change	Sig. F Change
1	.689[a]	.474	.458	1.612	28.865	.000

a. Predictors: (Constant), technology, motivation, social support, gov't, finance, gov't policy, opportunity, infrastructure, business aassistance, training, Administration, market

Source: SPSS output, 2025

The model indicates that opportunities, limited access to business assistance, lack of technology, unfavorable administrative conditions, limited social support, inadequate infrastructure, insufficient training, restrictive government policies, marketing problems, and financial constraints collectively have a statistically significant effect on youth entrepreneurship. This is supported by the p-value of 0.000, which is less than the accepted alpha level of 0.05. The adjusted R ²value is 0.458, meaning that 45.8% of the variation in youth entrepreneurship is explained by the combined effect of the independent variables. This implies that changes in opportunities, access to technology, administrative systems, social support, infrastructure, training, finance, government policy, and marketing conditions account for 45.8% of the change in youth entrepreneurship at a 95% confidence level. Therefore, it can be concluded that the independent variables significantly explain the variance in youth entrepreneurship in the Kellem Wollega Zone.

ANOVA output part I: youth entrepreneurships with the independent Variables

The ANOVA results show that the model is statistically significant. The calculated F-value (28.865) is greater than the critical F-value, and the significance value (p = 0.000) is less than 0.05. This indicates that the overall regression model provides a good fit for the data. A higher F-ratio indicates that the independent variables collectively explain the dependent variable effectively.

Predictor Model and Its Interpretations, Contribution of Each Independent Variable, and Hypotheses Test Results

Predictor Model and its Interpretation a Negative and Significant Predictors the study identified several variables that negatively and significantly affect youth entrepreneurship: Lack of opportunities (β = −0.882, p = 0.000) Poor infrastructure (β = −0.462, p = 0.000) Limited social support (β = −0.626, p = 0.000). This implies that decreases in opportunities, market access, infrastructure, and social support lead to reductions in youth entrepreneurship. Conversely, improvements in these areas encourage youth entrepreneurial activities (see *Table 3*).

*Table 4. **Predictor** Model and its Interpretation.*

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std.Error	Beta			Lower	Upper
	(Constant)	3.652	.499		7.320	.000	2.671	4.633
	Motivation	1.230	.107	.482	11.520	.000	1.020	1.440
	Opportunity	-.882	.124	-.389	-7.125	.000	-1.126	-.639
	Gov't	.033	.106	.016	.308	.758	-.176	.242

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std.Error	Beta			Lower	Upper
Finance	.246	.099	.133	2.490	.013	.052	.440
Market	-.199	.133	-.092	-1.493	.136	-.461	.063
Infrastructure	-.462	.114	-.243	-4.065	.000	-.686	-.239
Training	.096	.109	.054	.882	.378	-.118	.311
Gov't policy	.169	.110	.094	1.532	.126	-.048	.385
Business policy	.611	.108	.317	5.647	.000	.399	.824
Social support	-.626	.086	-.351	-7.283	.000	-.795	-.457
Administration	-.135	.126	-.065	-1.073	.284	-.382	.112
Technology	.366	.098	.192	3.740	.000	.174	.559

a. Dependent Variable: Youth entrepreneurs.

Source: SPSS output, 2025

Positive and Significant Predictors

The following variables showed a positive and significant influence: Motivation to start a business (β = 1.230, p = 0.000). Access to finance (β = 0.246, p = 0.013) Business assistance (β = 0.611, p = 0.000) Technology (β = 0.366, p = 0.000). This suggests that increased motivation, enhanced financial access, adequate business support services, and better technological capacity increase youth entrepreneurial activities.

4.3. Hypothesis Testing

1. Motivation and Youth Entrepreneurship: H_0: There is no significant relationship between motivation and youth entrepreneurship. Based on the regression results, the null hypothesis was rejected in favor of the alternative. The findings show that motivation has a positive and significant effect on youth entrepreneurship (p = 0.000; β = 1.230), since the p-value is below the 5% significance level (0.000 < 0.05). Therefore, the study rejects H_0.

2. Opportunities and Youth Entrepreneurship: H_0: There is no significant relationship between opportunities and youth entrepreneurship. The regression results indicate that the null hypothesis is rejected. Lack of opportunities has a negative and significant effect on youth entrepreneurship (p = 0.000; β = –0.882), as the p-value is lower than 0.05. Thus, H_0 is rejected.

3. Government Support and Youth Entrepreneurship: H_0: There is no significant relationship between government support and youth entrepreneurship. The analysis shows no significant effect, as the p-value is greater than 0.05 (p = 0.758; β = 0.033). Therefore, the study fails to reject H_0, indicating that government support does not significantly influence youth entrepreneurship.

4. Access to Finance and Youth Entrepreneurship: H_0: There is no significant relationship between access to finance and youth entrepreneurship. The regression results show that access to finance has a positive and significant effect on youth entrepreneurship (p = 0.013; β = 0.246), since the p-value is less than 0.05. Therefore, H_0 is rejected.

5. Marketing-Related Problems and Youth Entrepreneurship: H□: There is no significant relationship between marketing-related problems and youth entrepreneurship. The study fails to reject H□, as the p-value is greater than 0.05 (p = 0.136; β = –0.199). This indicates that marketing-related problems do not significantly affect youth entrepreneurship.

6. Infrastructure and Youth Entrepreneurship: H_0: There is no significant relationship between infrastructure and youth entrepreneurship. Results show that infrastructure-related problems have a negative and significant effect on youth entrepreneurship (p = 0.000; β = –0.462). Because the p-value is below the 5% threshold, the null hypothesis is rejected.

7. Training and Youth Entrepreneurship: H_0: There is no significant relationship between training and youth entrepreneurship. The regression output indicates no significant effect, as the p-value is greater than 0.05 despite a positive coefficient (β = 0.096; p = 0.378) Based on significance rules, the study fails to reject H_0.

8. Government Policies and Youth Entrepreneurship: H_0: There is no significant relationship between government policies and youth entrepreneurship. The study fails to reject the

null hypothesis, as the p-value is greater than 0.05 (p = 0.126; β = 0.169). This means government policy-related issues do not significantly influence youth entrepreneurship.

9. Business Assistance and Youth Entrepreneurship: H_0: There is no significant relationship between business assistance and youth entrepreneurship. The null hypothesis is rejected, as business assistance has a positive and significant effect (p = 0.000; β = 0.611). Therefore, H_0 is rejected.

10. Social Support and Youth Entrepreneurship: H_0: There is no significant relationship between social support and youth entrepreneurship. Findings show that social support-related problems have a negative and significant effect on youth entrepreneurship (p = 0.000; β = –0.626). Thus, the study rejects H_0.

11. Administrative Issues and Youth Entrepreneurship: H_0: There is no significant relationship between administrative issues and youth entrepreneurship. Since the p-value is greater than 0.05 (p = 0.284; β = –0.135), the study fails to reject H_0. Administrative issues do not significantly affect youth entrepreneurship.

12. Technology and Youth Entrepreneurship: H_0: There is no significant relationship between opportunities and youth entrepreneurship. The regression results indicate that the null hypothesis is rejected. As technology has a significant positive effect on youth entrepreneurship (p = 0.000; β = 0.366), as the p-value is lower than 0.05. Thus, H_0 is rejected.

Discussion of Findings

Motivation is a critical determinant of entrepreneurial behavior. The results show a strong positive effect of motivation on youth entrepreneurship (p = 0.000, β = 1.230). Highly motivated individuals are more likely to initiate and manage business ventures. This aligns with [8], who found that motivated entrepreneurs achieve greater success (see Table 4).

Opportunities is A significant negative effect was observed regarding lack of opportunities (β = −0.882, p = 0.000). Reduced availability of opportunities decreases youth engagement in entrepreneurship. This supports [27], who stated that entrepreneurs act upon opportunities rather than waiting for external triggers.

Insufficient finance is a major barrier for youth entrepreneurs. Results show a positive significant relationship between financial access and youth entrepreneurship (β = 0.246, p = 0.013). Similarly emphasize that limited capital and restricted credit access hinder business initiation and growth (see Table 4).

Infrastructure deficits significantly reduce youth entrepreneurship (β = −0.462, p = 0.000). Adequate infrastructure—such as electricity, water, roads, transport, and telecommunication—is essential for small business performance. but contradicts finding, who found no significant relationshipp (see Table 4).

Business assistance positively influences youth entrepreneurship (β = 0.611, p = 0.000). Support services, training, mentoring, and advisory platforms help young entrepreneurs overcome early-stage challenges [17].

Limited social support negatively affects youth entrepreneurship (β = −0.626, p = 0.000). Adequate social networks, community involvement, and family support enhance business success (see Table 4).

Technology positively affects youth entrepreneurship (β = 0.366, p = 0.000). Access to modern technology enables youth to innovate, compete, and expand market opportunities. This is consistent with [24], who found that failure to adopt new technologies leads to higher production costs and business failure (see Table 4).

Access to modern technology enables youth to innovate, compete, and expand market opportunities, which significantly improves entrepreneurial performance and business sustainability [42].

5. Conclusions and Recommendations

5.1. Conclusions

Based on the general findings, the researcher reached the following conclusions to effectively respond to the research question at hand. The study aimed to pinpoint the primary critical challenges faced by youth entrepreneurs in the Kellem Wollega Zone. Accordingly, the study identified as; a Motivation factors the statements individual behavior is a complex phenomenon, and to secure Income and financial success, to be recognized and get better status. Accordingly, the effects finance access the effect of non-existing problems are greater than the marginal effect of existing problems and shows that adequacy of credit institutions, non-existence of, such as limited finance, shortage of working capital related problems positively contributes to the youth entrepreneurships. Accordingly, the effects business assistance shows that nonexistence such access of business assistance adequate business support services for youth entrepreneurs, exchange of experiences, ideas, forums, and meeting between young entrepreneurs related problems positively contributes to the youths business enterprises. Accordingly the study the effect of a limited social support, identified as, A product/service is not accepted by society and it may be a Gender inequalities and a discrimination by suppliers or customers, Accordingly the study the effect of technology, the sign was the implies shows that non-existence such technology related problems directly contributes to the youth's business enterprises.

The study's second objective was to evaluate the potential opportunities for developing youth entrepreneurship in the Kellem Wollega Zone. As a result, the research highlighted the lack of expansion of both private and public Technical and Vocational Education and Training (TVET) institutions, colleges, and universities, as well as the absence of partnerships established between the Ethiopian government and organizations like UNDP, UNICEF, MOWCYA, and MOFED.

The study's third objective was to identify potential interventions necessary to encourage youth entrepreneurship in the

Zone. In line with the findings, strategies to address the challenges confronting young people are essential, as conventional long-term job opportunities diminish. Youth entrepreneurship offers an alternative avenue for integrating young individuals into the evolving labor markets and enhancing their economic self-sufficiency.

5.2. Recommendation

The primary aim of the research was to evaluate the obstacles and prospects for youth entrepreneurship in Zone and to suggest potential solutions to address these issues. Here are some prevalent infrastructure issues along with their respective suggestions: insufficient resilience: Infrastructure systems are becoming more susceptible to natural disasters (such as floods, earthquakes, and severe weather events), the consequences of climate change, and cyber threats. A deficiency in built-in backup systems and adaptive capability can result in extensive disruptions and economic damage. The following are policy Recommendations for Policymakers.

1. Improve Access to Finance: Establish youth-focused credit schemes with low-interest rates and minimal collateral requirements. Encourage microfinance institutions and commercial banks to create dedicated youth entrepreneurship products. Set up a public–private youth enterprise fund that matches private investment with government guarantees. Empirical basis: Studies show that access to capital is a top barrier for over 60% of young entrepreneurs in developing economies [41].

2. Strengthen Entrepreneurship Education and Skills Training: Integrate entrepreneurship education at all secondary and tertiary education levels, emphasizing practical business creation. Partner with industry to design vocational programs that align with market demands and emerging sectors (e.g., digital economy, green business). Support mentorship and incubation hubs for young founders. Empirical basis: Countries that embed entrepreneurship curricula report a 20–30% increase in youth business start-ups.

3. Simplify Regulatory and Legal Frameworks: Reduce business registration time and fees for youth-led enterprises through digital platforms. Introduce "youth enterprise zones" offering tax incentives and simplified compliance procedures. Establish legal frameworks that protect youth entrepreneurs from exploitation in contracts and partnerships. Empirical basis: The World Bank Doing Business Index shows that reducing registration steps boosts new business creation by up to 25%.

4. Promote Market Access and Digital Inclusion: Develop online marketplaces and export platforms for youth-run businesses. Provide digital literacy training and subsidize access to digital tools and internet services. Support youth participation in government procurement through quota or preference systems. Empirical basis: E-commerce participation has increased SME revenue by 30–50% in digitally connected regions (UNCTAD, 2023).

5. Foster Innovation and Technology Adoption: Establish innovation hubs and research grants specifically targeting youth entrepreneurs in tech, agribusiness, and green sectors. Create incentives for youth-led startups that adopt sustainable or digital technologies. Encourage collaboration between universities and startups for applied research. Empirical basis: Innovation grants improve business survival rates by 40% within the first three years (ILO, 2022).

6. Strengthen Entrepreneurial Ecosystems and Networks: Facilitate youth entrepreneur associations for peer support, advocacy, and shared learning. Develop data systems to monitor youth entrepreneurship trends and outcomes. Empirical basis: Network participation increases business resilience and growth by 35% (Global Entrepreneurship Monitor, 2023).

7. Address Socioeconomic and Cultural Barriers: Promote positive media campaigns showcasing youth entrepreneurial success stories. Encourage gender-inclusive policies to empower young women entrepreneurs. Integrate entrepreneurship support into rural development programs to reach marginalized youth. Empirical basis: Inclusive entrepreneurship policies have doubled female-led business registrations in several African and Asian countries (UNDP, 2022).

Generally: Education & Skills Entrepreneurship in curriculum, mentorship 20–30% increase in youth startups Regulation Simplified registration, youth enterprise zones 25% rise in business creation Market Access Digital markets, procurement inclusion 30–50% revenue growth in connected SMEs Innovation Youth R&D grants, tech hubs 40% higher business survival rate Ecosystem Networking, expos, data systems 35% higher resilience and growth Inclusion Gender and rural inclusion programs 2 × increase in female-led startups.

Abbreviations

CSA	Central Statistical Agency
FDRE	Federal Democratic Republic of Ethiopia
ILO	International Labour Organization
GDP	Gross Domestic Product
MO FED	Ministry of Finance and Economic Development
MOTI	Ministry of Trade and Industry
MSEs	Micro and Small Enterprises
SPSS	Statistical Package for Social Sciences
SMEs	Small and Medium Enterprises
UNIDO	United Nations Industrial Development Organizations
USD	United States Dollar
WB	World Bank
WexpY	Work Experience of Youth
YEdu	Youth Highest Education Level

Conflicts of Interest

The authors declare no conflicts of interest.

Author Contributions

Hassen Mohammed: Conceptualization, Writing – original draft, Project administration, Methodology, Investigation, Software, Validation

Mahlet Kebede: Supervision, Data curation, Writing – review & editing, Resources, Visualization

Appendix

1) Policy coordination and leadership
   a) Have entrepreneurs been identified as a specific target group in the government's policy?
   b) Is there a focal point within government for youth entrepreneurship enterprise development?
   c) Is there a strategic framework for the development of the youth entrepreneurship sector, including provision for both start-up and growth of their enterprises?
   d) Are regular meetings of partner organizations (e.g., government, NGOs, donors, providers, and lenders) convened to share good practices, review progress, and identify areas for coordinated action?
   e) Are the views of youth entrepreneurs' activity sought regarding the development of MSE policies in the country?
2) Promotion of youth as entrepreneurs
   a) Is there broad-based public awareness of and support for the role of youth entrepreneurs in the economy?
   b) Is entrepreneurship considered a feasible, viable and attractive option among youth?
   c) Are there initiatives in place to recognize and celebrate the achievements of youth entrepreneurs?
   d) Is the media used to stimulate interest in entrepreneurship and to promote the activities of youth entrepreneurs?
3) Access to financing
   a) Do youth have access to sources of financing for the start-up of new enterprises?
   b) Do special financing programmers exist to help overcome the barriers youth face in accessing credit (e.g., lack of collateral)?
   c) Are youth able to access business financing as "individual" entrepreneurs, and not just on a peer, mutual-guarantee lending basis?
   d) Are youth able to access financing beyond the micro-finance lending limit?
   e) Are there multiple sources and types of financing available to meet the needs of youth enterprises at each of the stages of growth and development?
   f) Is financing equally available in rural and urban areas?
   g) Are efforts made to ensure youth have access to information about the available sources and types financing and the criteria used to make lending decisions?

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