

ENTREPRENEURSHIP AS A PROPOSAL FOR THE SELF-EMPLOYMENT OF YOUNG PEOPLE IN THE CITY OF NAMPULA

EMPREENDEDORISMO COMO PROPOSTA PARA O AUTOEMPREGO DE JOVENS NA CIDADE DE NAMPULA

EL EMPRENDIMIENTO COMO PROPUESTA PARA EL AUTOEMPREGO DE LOS JÓVENES EN LA CIUDAD DE NAMPULA

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DOI: 10.54899/dcs.v23i89.5179

Recibido: 09/03/2026 | Aceptado: 01/04/2026 | Publicación en línea: 09/04/2026.

ABSTRACT

This study analyzes entrepreneurship as an alternative for youth self-employment in the city of Nampula, Mozambique, in a context characterized by high levels of youth unemployment and limited access to formal employment. The main objective was to analyze the role of entrepreneurship as a viable solution to combat youth unemployment by understanding the motivations, challenges, impacts and business environment associated with the entrepreneurial activities of young people. Methodologically, a qualitative approach was adopted, of an applied nature, with an exploratory and descriptive character, using the case study method. The data were collected through semi-structured interviews with young entrepreneurs, selected by intentional sampling, and analyzed through the content analysis technique. The results indicate that youth entrepreneurship in the city of Nampula is predominantly motivated by need, mainly due to difficulties in accessing formal employment, although there are also motivations associated with personal fulfillment and autonomy. The main challenges include limited access to finance, low market demand, informal competition, bureaucracy and a lack of management skills. Despite these limitations, entrepreneurship contributes to income generation and, in some cases, job creation. However, it is concluded that, in isolation, it does not solve the problem of youth unemployment, depending on public policies and a more favorable business environment.

Keywords: Youth Entrepreneurship. Self-employment. Unemployment. Youth. Nampula.

RESUMO

Este estudo analisa o empreendedorismo como uma alternativa para o trabalho autônomo juvenil na cidade de Nampula, Moçambique, em um contexto caracterizado por altos níveis de desemprego juvenil e acesso limitado ao emprego formal. O principal objetivo foi analisar o papel do empreendedorismo como uma solução viável para combater o desemprego juvenil, compreendendo as motivações, os desafios, os impactos e o ambiente de negócios associados às

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atividades empreendedoras de jovens. Metodologicamente, adotou-se uma abordagem qualitativa, de natureza aplicada, com caráter exploratório e descritivo, utilizando o método de estudo de caso. Os dados foram coletados por meio de entrevistas semiestruturadas com jovens empreendedores, selecionados por amostragem intencional, e analisados através da técnica de análise de conteúdo. Os resultados indicam que o empreendedorismo juvenil na cidade de Nampula é predominantemente motivado pela necessidade, principalmente devido às dificuldades de acesso ao emprego formal, embora também existam motivações associadas à realização pessoal e à autonomia. Os principais desafios incluem o acesso limitado ao financiamento, a baixa demanda de mercado, a concorrência informal, a burocracia e a falta de habilidades de gestão. Apesar dessas limitações, o empreendedorismo contribui para a geração de renda e, em alguns casos, para a criação de empregos. No entanto, conclui-se que, isoladamente, não resolve o problema do desemprego juvenil, sendo necessárias políticas públicas e um ambiente empresarial mais favorável.

Palavras-chave: Empreendedorismo Juvenil. Trabalho por Conta Própria. Desemprego. Juventude. Nampula.

RESUMEN

Este estudio analiza el emprendimiento como alternativa para el autoempleo juvenil en la ciudad de Nampula, Mozambique, en un contexto caracterizado por altos niveles de desempleo juvenil y acceso limitado al empleo formal. El objetivo principal fue analizar el papel del emprendimiento como una solución viable para combatir el desempleo juvenil, mediante la comprensión de las motivaciones, los desafíos, los impactos y el entorno empresarial asociados a las actividades emprendedoras de los jóvenes. Metodológicamente, se adoptó un enfoque cualitativo, de carácter aplicado, exploratorio y descriptivo, utilizando el método de estudio de caso. Los datos se recopilieron mediante entrevistas semiestruturadas con jóvenes emprendedores, seleccionados por muestreo intencional, y se analizaron mediante la técnica de análisis de contenido. Los resultados indican que el emprendimiento juvenil en la ciudad de Nampula está motivado principalmente por la necesidad, debido sobre todo a las dificultades para acceder al empleo formal, aunque también existen motivaciones asociadas a la realización personal y la autonomía. Los principales desafíos incluyen el acceso limitado a la financiación, la baja demanda del mercado, la competencia informal, la burocracia y la falta de habilidades de gestión. A pesar de estas limitaciones, el emprendimiento contribuye a la generación de ingresos y, en algunos casos, a la creación de empleo. Sin embargo, se concluye que, por sí sola, no resuelve el problema del desempleo juvenil, sino que depende de políticas públicas y de un entorno empresarial más favorable.

Palabras clave: Emprendimiento Juvenil. Autoempleo. Desempleo. Juventud. Nampula.



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INTRODUCTION

In recent years, youth entrepreneurship has received increasing attention from the scientific community, being widely recognized as a mechanism capable of reducing high unemployment rates and contributing to economic development. In this context, entrepreneurship presents itself not only as an alternative to formal employment, but also as a strategic tool to combat poverty, especially in developing economies. The analysis of this phenomenon reveals a complex and multifaceted panorama, involving individual, social, cultural and institutional factors that influence the decision to undertake and the success of business initiatives. Studies such as those by Haile and Haile (2008) indicate that self-employment is a relevant way to mitigate unemployment, although factors such as level of education, family history and access to credit condition the entrepreneurial propensity. Additionally, Sánchez (2018) highlights the importance of the articulation between different spheres of social influence in promoting the economic empowerment of young people.

The transformations that have occurred in the labor market over the last decades, characterized by the reduction of formal jobs and the growing demand for diversified skills, have driven the need for new forms of professional insertion. In this scenario, higher education institutions have taken on a key role in incorporating entrepreneurship into their curricula, promoting the development of skills such as creativity, innovation, leadership and the ability to take risks. International experiences show that entrepreneurial education can contribute significantly to the formation of individuals who are better prepared to face the challenges of the labor market, either as employees or as creators of their own businesses.

In Mozambique, the problem of youth unemployment is one of the main socio-economic challenges of our time. The significant increase in the number of higher education graduates, without the corresponding expansion of employment opportunities, highlights the need for sustainable alternatives for insertion in the labor market. In this context, entrepreneurship emerges as a viable strategy for the promotion of self-employment, particularly in urban centers such as the city of Nampula, characterized by a relevant economic dynamic and a high involvement of youth in informal and entrepreneurial activities. However, despite their potential, young entrepreneurs face several challenges, such as limitations in access to financing, absence of effective public policies, and weaknesses in the business environment.

In view of this scenario, it is pertinent to analyze the role of entrepreneurship as an

alternative to youth unemployment, seeking to understand the motivations that lead young people to undertake, the main challenges faced and the impact of their initiatives on improving living conditions. Thus, the present study has as its general objective to analyze the role of entrepreneurship as a viable solution to combat youth unemployment in the city of Nampula, being guided by the following specific objectives: (i) to analyze the motivations that lead young people to join entrepreneurship; (ii) identify the main challenges and barriers faced in the development of their business; and (iii) to evaluate the impact of entrepreneurship as an alternative to unemployment.

CONCEPT AND EVOLUTION OF ENTREPRENEURSHIP

The literature on entrepreneurship has focused on the identification of individual and cultural attributes associated with entrepreneurial skills and success in creating new businesses. Understanding this phenomenon involves analysing human behaviours and the ways in which they manifest themselves in the economic and social context (Van der Zwan, Thurik & Grilo, 2010). Historically, entrepreneurship has been strongly influenced by the contributions of Schumpeter (1934), who defined it as a process of innovation responsible for boosting the economy, attributing to the entrepreneur the role of agent of change.

Subsequently, the concept evolved into a more procedural and multidimensional approach. Hisrich (1986) defines entrepreneurship as the process of creating something new with value, involving effort, risk and reward. Bird and Jelinek (1988) reinforce this perspective by highlighting the intentional transformation of ideas into economic value through resource mobilization. In turn, Drucker (1985) introduces the idea that entrepreneurship can be learned by extending its reach beyond the creation of companies, including the identification and exploitation of opportunities.

Entrepreneurship can also be classified into entrepreneurship by necessity and by opportunity, depending on the motivations underlying the individual. This distinction is particularly relevant in contexts of developing economies, where many individuals undertake due to a lack of employment alternatives. Thus, entrepreneurship should be understood as a dynamic and evolving process, influenced by individual and contextual factors.

ENTREPRENEURSHIP AND YOUTH

Transformations in the labor market, driven by globalization and technological advances, have significantly altered professional trajectories, making entrepreneurship an increasingly relevant career option among young people (Sullivan & Baruch, 2009). In this context, youth entrepreneurship emerges as a dynamic phenomenon, associated with innovation, creativity and adaptability.

Entrepreneurship among young people goes beyond business creation, representing a mindset oriented towards identifying opportunities and solving problems (Ma & Tan, 2006). In the African context, it is particularly important due to the high levels of youth unemployment, and is often pointed out as a strategy for self-employment and economic inclusion (Sambo, 2016).

However, young people face significant challenges, such as limited access to finance, insufficient training, and weak public support policies. In this sense, the development of an entrepreneurial culture and the implementation of appropriate policies are fundamental to enhance youth entrepreneurship. The literature also highlights the importance of adapting training programs to local realities, in order to increase the effectiveness of initiatives and promote sustainable business.

ENTREPRENEURIAL INTENTION

Entrepreneurial intention is one of the main predictors of entrepreneurial behavior, being understood as an individual's predisposition to start a business in the future. According to Ajzen (1991), intentions function as a link between cognitive processes and action, guiding human behavior.

In the field of entrepreneurship, authors such as Davidsson (1995) define entrepreneurial intention as the mental state that precedes the creation of a business. Bird's (1988) model of intentionality reinforces this perspective by stating that entrepreneurial behavior results from a conscious and intentional process, influenced by personal and contextual factors.

Thus, entrepreneurial intent results from the interaction between individual characteristics, such as skills, experience and personality traits, and external factors, including economic, social and institutional conditions (Learned, 1992). This approach allows us to understand entrepreneurship as a dynamic process, in which intentions play a central role in the

transformation of ideas into concrete actions.

DETERMINANTS OF ENTREPRENEURSHIP

Entrepreneurial behavior is influenced by a set of interrelated factors that include individual, socioeconomic, and contextual dimensions (Davidsson, 2008; Hisrich, Peters & Shepherd, 2014). At the individual level, characteristics such as need for achievement, self-efficacy, risk tolerance, and creativity play a key role (McClelland, 1961).

From a socioeconomic point of view, variables such as education, professional experience, gender and age influence the propensity to undertake. Human capital, in particular, is a determining factor for the success of ventures (Davidsson & Honig, 2003). However, in contexts such as Mozambican, the transformation of this capital into concrete opportunities is often limited by structural factors.

In turn, contextual factors, including access to finance, regulatory environment, public policies and economic conditions, significantly constrain entrepreneurial activity (North, 1990; Rodrik, 2004). The interaction between these factors explains the diversity of entrepreneurial trajectories, showing that entrepreneurship results from a complex and multidimensional process.

BARRIERS TO ENTREPRENEURSHIP

Despite its potential, entrepreneurship faces several barriers that limit the creation and sustainability of businesses. Among these, restricted access to financing stands out, often conditioned by information asymmetries in the financial markets (Stiglitz & Weiss, 1981). This limitation is particularly evident in emerging economies, where many entrepreneurs rely on their own resources.

Institutional and regulatory barriers also play a significant role, especially in contexts characterized by excessive bureaucracy and institutional fragility (North, 1990; OECD, 2017). Additionally, market factors, such as low demand and informal competition, hinder the viability of businesses.

The lack of technical and managerial skills is another major obstacle, especially among young entrepreneurs who start activities without adequate training (Drucker, 1985). Finally, social and cultural factors, including gender norms and perceptions of risk, can negatively

influence entrepreneurial initiative. These barriers, often interconnected, highlight the need for integrated approaches to strengthen the entrepreneurial ecosystem.

IMPACT OF ENTREPRENEURSHIP ON ECONOMIC DEVELOPMENT

Entrepreneurship is widely recognized as an engine of economic development, contributing to job creation, income generation and market dynamism (Schumpeter, 1934; Naudé, 2010; Baumol, 1990). Micro, small and medium-sized enterprises play a central role in labour absorption, particularly in contexts of high informality (ILO, 2020).

In addition, entrepreneurship promotes innovation and competitiveness by introducing new products, services and business models. This process contributes to economic transformation and the strengthening of local value chains. However, the impact of entrepreneurship depends on the conditions of the business environment. In contexts where informality, limited access to resources and weak training predominate, the economic effects tend to be restricted. Thus, strengthening the entrepreneurial ecosystem is essential to maximize the benefits of entrepreneurship in economic development.

ENTREPRENEURSHIP IN MOZAMBIQUE AND NAMPULA

Entrepreneurship in Mozambique is a key strategy to address unemployment and promote economic inclusion. It is characterized by the predominance of micro and small enterprises, a high level of informality, and concentration in the trade and services sectors (World Bank, 2020).

In the context of the city of Nampula, youth entrepreneurship is particularly relevant due to the economic dynamism and the high number of young people involved in informal activities. Despite their potential, entrepreneurs face significant challenges, such as limited access to finance, bureaucracy, and market instability. Still, the city presents relevant opportunities, including a growing consumer market, strategic location, and initiatives to support entrepreneurship. These factors indicate that, with appropriate public policies and greater access to resources, entrepreneurship can play a decisive role in local economic development and in reducing youth unemployment.

METHODOLOGY

The research is characterized as an applied research, as for the objectives, the study assumes an exploratory and descriptive nature, allowing, on the one hand, to deepen the knowledge about the phenomenon in the context of the city of Nampula and, on the other hand, to describe the characteristics, motivations, challenges and impacts associated with entrepreneurial activities (Gil, 2008). The approach adopted is qualitative, privileging the understanding of the perceptions, experiences and meanings attributed by young entrepreneurs (Creswell, 2014). The study adopted the case study method, focusing on young entrepreneurs from the city of Nampula (Yin, 2016). The participants of the study were young entrepreneurs residing in the city of Nampula, involved in formal and informal economic activities. The target population was considered to be individuals aged between 18 and 35 years, and the study included participants up to 39 years old, depending on the reality observed in the field. The sampling was non-probabilistic, intentional (by convenience), and consisted of ten participants. This type of sampling allows the selection of individuals with relevant experience on the phenomenon under analysis (Patton, 2002). Inclusion criteria included: (i) residence in the city of Nampula, (ii) involvement in entrepreneurial activity, and (iii) willingness to participate in the study.

Data Collection and Analysis Techniques

Data collection was carried out through semi-structured interviews, guided by a previously prepared script (Kvale, 1996). The interviews addressed topics such as motivations to undertake, challenges faced, impacts of activities and perceptions about the business environment. The interviews were conducted in person, recorded with the consent of the participants and later transcribed in full. Data analysis was conducted based on the content analysis technique, following the steps proposed by Bardin (2010): (i) pre-analysis; (ii) exploitation of the material; and (iii) treatment/interpretation of the results.

RESULTS AND DISCUSSION

The results of this study show that youth entrepreneurship in the city of Nampula is a relevant alternative to unemployment, being influenced by economic, social and institutional

factors. The analysis of the interviews allowed us to identify consistent patterns in motivations, challenges, impacts and perceptions about the business environment.

With regard to motivations, it was found that entrepreneurship is mostly driven by the need for economic survival. The participants reported difficulties in accessing formal employment, as illustrated by the testimony of

E6: "What motivated me is because now the job is complicated, I try to see if I can grow, doing these small businesses."

This result confirms the predominance of entrepreneurship by necessity, as described in the literature (Baumol, 1990).

However, motivations associated with personal fulfillment and autonomy were also identified.

E5 said: "The reason I had the business was really because I wanted to do something that brings some income. You stay at home sitting or waiting for the end of the month husband to give that money is a little complicated. So, my real need was to want to do something, to bring something home, but from my effort, from my work." E5

This position is in line with Schumpeter (1934), who highlights the entrepreneur as an agent of innovation and initiative. There was also a combination of motivations, as mentioned by E4: *"I started out of necessity, but today I see it as an opportunity to grow and improve my life."*

Regarding the challenges faced, respondents mainly highlighted limited access to finance. E2 said: *"The biggest problem is money, banks don't help and it's hard to get credit."* This limitation reinforces the theory of information asymmetry in the credit market (Stiglitz & Weiss, 1981). Other participants pointed out market difficulties, such as E4: *"Sometimes there are not enough customers, the business is stopped."*

Informal competition and lack of training were also widely mentioned. E6 stated, *"There is a lot of competition, and often no clear rules."* While E7 highlighted: *"I never had a management background, I do everything by trial and error."* These results show training gaps, as defended by Drucker (1985).

In addition, the interviewees pointed out institutional barriers. E10 said: *"To legalize the business is complicated, there is a lot of bureaucracy and costs."* This finding confirms the influence of the institutional environment on the development of entrepreneurship (North, 1990).

As for the impact of entrepreneurship, the results show that it contributes to the generation

of income and subsistence. E3 said, *"The business helps me support my family."* In some cases, there was job creation, albeit on a small scale, as mentioned by E5: *"I have already managed to employ two people in my business."* These results are in line with the ILO (2020), which highlights the role of micro and small enterprises in job creation.

However, some participants recognize the limitations of entrepreneurship as a solution to unemployment. E9 said: *"Entrepreneurship helps, but it doesn't solve everything, you need government support."* This view reinforces the need for public policies and a more favorable business environment.

Regarding the business environment, the participants described a challenging context. E10 said: *"The environment is not easy, there is a lack of support and there is a lot of difficulty to grow."* These results indicate the existence of structural weaknesses, including bureaucracy, limited access to credit and weak institutional support, as also discussed by OECD (2017).

CONCLUSION

The results show that most young entrepreneurs start their activities motivated by economic need, particularly due to unemployment and the difficulty of entering the formal market. However, cases were also identified in which entrepreneurship emerges as a conscious choice, associated with personal fulfillment, autonomy and identification of opportunities. This duality confirms that the entrepreneurial phenomenon is complex and influenced by multiple individual and contextual factors. Regarding the challenges, it was found that young people face several barriers, with emphasis on limited access to financing, low market demand, informal competition, lack of management training and bureaucracy in formalization processes. These limitations condition the growth and sustainability of the business, keeping most of the activities at low levels and often in the informal sector.

Despite these difficulties, entrepreneurship has demonstrated positive impacts, especially in generating income and ensuring the livelihood of young people and their families. In some cases, job creation was also observed, albeit on a small scale, contributing to the dynamism of the local market. However, the results indicate that entrepreneurship alone is not enough to solve the problem of youth unemployment, and that the support of effective public policies and a more favorable business environment is needed.

It is thus concluded that youth entrepreneurship in Nampula represents an important

strategy for economic and social inclusion, but its potential depends on the improvement of structural conditions. It is recommended to strengthen public policies aimed at supporting entrepreneurship, including facilitating access to credit, reducing bureaucracy, promoting training programs and encouraging the formalization of businesses. Such measures could contribute to the sustainable development of entrepreneurial initiatives and to the reduction of youth unemployment in the Mozambican context.

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