

**FOSTERING YOUTH ENTREPRENEURIAL INTENTIONS IN
UZBEKISTAN**

By

TURAYEV, Mumin

THESIS

Submitted to

KDI School of Public Policy and Management

In Partial Fulfillment of the Requirements

For the Degree of

MASTER OF DEVELOPMENT POLICY

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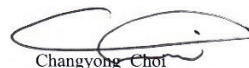
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Approval as of December, 2017

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ABSTRACT

It is believed that the entrepreneurial activity starts with a thought in mind, which further can transform into intention to become an entrepreneur/self-employed. There are three major antecedents that positively influence intentions: perceived attitude, subjective norm and perceived behavioral control. Much empirical research work has been conducted to see how they influence entrepreneurial intentions of high-school students, the university students with different profiles and cultural backgrounds, as well as nascent entrepreneurs. However, not a single study used young people in general to test the impact of these factors to their entrepreneurial intentions. Therefore, this paper will focus on how the given determinants influence entrepreneurial intention of the youth in Uzbekistan. To test the relationships factor analysis, regression analysis, t-testing and ANOVA were used. The results have illustrated little predictability of perceived attitude and perceived behavioral control, and absence of relationship of subjective norm with regard to intention. The outcomes of this work have theoretical and policy implications in fostering youth entrepreneurial intentions.

I. INTRODUCTION

Edward C. Prescott, the Nobel Prize Laureate, has stated, “with a high degree of probability, we can say that in the near future there will be a financial crisis”; and many other economists have supported his idea at the 6th Lindau Meeting on Economic Sciences, held August 22-26, 2017 (Ettel, 2017). This makes us presume that the recurrence of financial crisis is likely. Thus, we can anticipate its negative consequences for national economies and employment opportunities, in particular for the young people.

Youth unemployment is a rather major issue that all countries face in the contemporary world (Organization of Islamic Countries [OIC], 2015). In the background of enduring consequences of global financial crisis and economic recession, both developed and developing nations face difficulties in coping with increasing rates of a new workforce

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joining their labour markets (O'Higgins, 2017). The International Labour Organization ([ILO], 2016) projected, "unemployment rate" among young people worldwide would "reach 13.1 per cent in 2016" and stay unchanged in 2017, which equaled the number of jobless young people to "71 million" in the given period. Further, International Labour Organization (2016) has estimated that about "156 million employed youth" of "developing" part of the world, making "37.7 per cent" has to cope with difficulties of "poverty".

The situation in Uzbekistan is not encouraging as well. The unemployment rate among young people in 2016 equaled to 17.9 per cent of the total youth labor force aged 15-24 (World Development Indicators, 2017). Meanwhile, 40 per cent of the population of Uzbekistan, which makes up 32 million, consists of the young people ("The Union of youth" [translation], 2017).

As Kew, Herrington, Litovsky, and Gale (2013) asserted, because of sluggish global economic growth "formal sector" of "many countries" would not be able to employ "young people" entering labour force. Therefore, Schoof (2006) suggested youth entrepreneurship as a necessary tool and an "alternative for income generation in young people." If private or public sector is unwilling or reluctant to hire those that are young and, perhaps, inexperienced, then some other opportunities must be given to them. For this reason, one possible option for the given problem can be a self-employment or venture-creation for the youth to build its future (Haftendorn and Salzano, 2004).

Arguing in favor of venture creating activity, Kew et al. (2013) stated, "[e]ntrepreneurship is widely acknowledged as a driver of sustainable economic growth as entrepreneurs create new businesses, drive and shape innovation, speed up structural changes

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in the economy, and introduce new competition – thereby contributing to productivity.”

Furthermore, Schoof (2006) has noted that “entrepreneurship” is alternative option for young man and women to get involved in labor market, thus, rise from “poverty.”

Therefore, many countries pay close attention to promotion of entrepreneurial activity within their economies, especially among their young population. They develop various policies to nourish entrepreneurship. Taking into consideration the singularity of young people, careful attention should be given to promotion of startup culture among the youth. In addition, based on the specific needs of young people, provision of required education/training, assistance and guidance in starting and managing a venture could be among some other measures to foster youth entrepreneurship.

However, before taking any actions towards promotion of entrepreneurial activity, it is important to clarify how young people perceive entrepreneurship, their aptitudes, intentions with regard to entrepreneurial activity. In this light, the paper will answer the following research question

What is the most significant factor that determines the entrepreneurial intention among young people of Uzbekistan?

Taking into consideration the given problem, this paper will focus on theoretical and empirical studies of entrepreneurial intentions (EI) of the youth, factors that influence their EI. In addition, the work will conduct hypotheses testing based on conducted survey and discuss its results.

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The work consists of this introduction, literature review, the theoretical background of the given topic, hypothesis development, analysis of collected qualitative and quantitative data, and possible implications for the policy-makers and other interested parties.

II. LITERATURE REVIEW

2.1 YOUTH UNEMPLOYMENT

Youth unemployment is a high concern to the policy-makers as its quantity is rising year by year. This problem is persistent due to many reasons, among which are lagging global economic growth, ever augmenting labour force, skills and job place mismatch, cultural and societal attitudes towards women and youth employment, and technological progress (Scott, Kew, and Cheraghi, 2015). In this regard, the ILO's World Economic and Social Outlook (WESO) Report 2016 estimated that the situation with youth unemployment in developing countries is particularly not encouraging, showing an unemployment rate rise from 13.3 per cent in 2015 to 13.7 per cent in 2017, which equals to augmentation from 52.9 million to 53.5 million unemployed, respectively.

UNESCO (2013) further reported the discrepancy in the skills and corresponding job places, shortages of well-trained workers in some spheres, oversupply in others one other issue that impede the young people to be a part of a workforce. Scott, Kew, and Chiraghi (2015) further claimed, even though, nowadays, many special courses and technological opportunities are available for the youth to perfect their skills, many young people do not opt to adapt to the "changing labour market," which, in turn, accelerates joblessness among

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young people, compounded with all other negative consequences as a result.

Social perceptions in some nations towards women employment is one other aspect that rises negative apprehension. Women due to cultural considerations in some countries most of the time have to stay at home and, hence, cannot realize their potential in general employment and entrepreneurship, in particular (OECD, 2004). As WESO Report (2016) has concluded, despite the fact that women's inclusion into workforce has risen in different parts of the world, the statistics has illustrated wide discrepancy in employment rate of young men and women in 2016, "standing at 53.9 per cent and 37.3 per cent, respectively. This means that the potential of female workers is not fully used, which further exacerbates economic recession. Unfortunately, many nations ignore and neglect this fact, thus, their culture is unsupportive of rightful female involvement in labour market.

More importantly, the future predictions of employment loss in many professions because of technological development do not look encouraging. In this regard, McAfee noted the impact of technological progress to the fate of some jobs in the following paragraph (as cited in Scott, Kew, and Chiraghi, 2015)

Looking ahead, it's estimated that almost 50% of the current jobs in existence will become automated, even in the 'white-collar' occupations, which have traditionally been resistant to automation. Over the coming 10 years, we will face huge, tectonic forces of globalisation and astonishing technological progress – forces that must be confronted and embraced if we are to ensure economic opportunity and inclusiveness or all. (p. 8)

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Generally, it is believed that unemployment brings discouragement and psychological trauma to the potential employees, which can further affect his/her future life. Moreover, Eurofound has noted that it can increase the probability of social tensions (as cited in Eurofound, 2015). Thus, the OECD report indicated, “persistent youth unemployment wastes human resources that could contribute to economic progress in the short-run, produces widespread unhappiness (of which rising suicide rates are a symptom) and social discontent among the youth, and may leave long-term scars on the working adults of the next generation” (is cited in Chigunta, 2002). Consequently, Scøtt, Kew, and Chiraghi (2015) concluded that if the “[y]oung people” are unable to be employed to support their lives, then they “are at particular risk of high welfare dependence or becoming involved in crime and other anti-social behaviours.” The youth upheaval of 2011 in Tunisia, Egypt, and some other countries of the Middle East and North Africa are among examples of such anti-social actions (“Arab Spring,” n.d.). These events illustrate that no country is safe from social unrest, particularly, when the youth is highly unemployed. Therefore, the governments of both developed and developing countries should consider taking immediate measures to prevent reoccurrence of analogous episodes.

Taking into consideration the given issue promotion of entrepreneurship among youth could be a working policy measure. However, this option cannot serve as an ultimate solution to the problem. In this regard, many scholars and experts were involved in a discourse about advantages and shortfalls of the entrepreneurial activity. Thus, if, on one hand, it is considered that entrepreneurship is as catalyzer of economic prosperity, on the other, it is not always a feasible option for the youth to seize.

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2.2 YOUTH ENTREPRENEURSHIP AS A CATALYZER

Present definitions of ‘youth entrepreneurship’ in the scholarly world are vast. However, let us select the definition that is closer to our case. Scnurr and Newing (1997) defined “youth entrepreneurship . . . as the practical application of enterprising qualities, such as initiative, innovation, creativity, and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for success in that environment and culture” (as cited in Chigunta, 2002).

Many studies show that entrepreneurship serves as a driver of economic growth, the origin of “innovation” and “job creation”, (Scøtt, Kew, and Chiraghi, 2015), develops new skills in young people (Chigunta, 2002), “offer [them] greater independence, higher income potential and increased job satisfaction” (ILO, 2013). Green added that entrepreneurship might help to demonstrate “disadvantaged” youth in “marginalized societies how to become successful (as cited in Eurofound, 2015). It “can shape the identity of youth [especially marginalized] and encourage others to treat them as equal members of society” (as cited in Chigunta, 2002).

At the same time, authors such as RSA, O’Leary, and Fields have stated self-employment, or else entrepreneurship, is not as a promising exit for the youth from unemployment or a career choice as it is advertised “by the mainstream media, government, intergovernmental organizations and think-tanks . . . [but] often a highly vulnerable employment status in terms of the levels of pay and job security that it offers” (as cited in O’Higgins, 2017). Tatomir (2015) further added it may reflect latent unemployment to those,

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who choose self-account work as a temporary solution for the layoff from a formal sector, or underemployment – those who are not satisfied with their salary and want to have additional income (as cited in O’Higgins, 2017). In the case of low- and middle-income countries (LMICs) Fields, and Cho et al. have argued that “self-employment” means working in “the informal sector”, where the youth has to satisfy itself with the pittance of “wages” and inadequate exposure to “social protection and social insurance” (as cited in O’Higgins, 2017).

Nonetheless, entrepreneurship remains at the center of discussions among researchers, policy-makers for the last three decades as a driver of economic well-being, innovation and growth (Liñán and Fayolle, 2015). For many LMICs entrepreneurial activity and small and medium-sized enterprises [SMEs] highly contributes to the GDP. In case of Uzbekistan, the share of private entrepreneurship and small businesses holds 56 per cent of the national economy (“The share of small business...,” 2015). Consequently, as young people of working age make up to 40 per cent of the population of Uzbekistan, their future employment opportunities in either paid work or self-employment are a priority to policy-makers (Olimov, 2016).

Therefore, the study of entrepreneurship among young men and women, particularly, their intentional behaviors towards starting a venture are of essential importance.

Recognizing cognitive perceptions of youth towards entrepreneurship is topical for understanding its intentions with regard to start a firm, hence, for developing working measures to foster entrepreneurial intentions and to translate them into real actions. The following section will specifically focus on the theoretical background of the concept of

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‘intentionality’, its determinants, and conducted empirical research.

III. THEORETICAL BACKGROUND

Scholars from different domains argue that essence of any planned behavior including entrepreneurial activity lies in intentions (Ajzen, 1991; Krueger, Reilly, and Carsrud, 2000; Liñán and Fayolle, 2015). Bagozzi et al. confirmed “[i]ntentions are the single best predictor of planned behavior” (as cited in Krueger Reilly, and Carsrud, 2000). Within this discourse, Thompson (2009) has concretized intentions as “individual entrepreneurial intent” and has defined it “as a self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future.” Supporting predicting nature of intentions, Krueger Reilly, and Carsrud (2000) have inferred “attitudes” with respect to certain “behavior” or any other “exogenous factors” such as personality or demographics cannot prognosticate that behavioral outcome as accurately as intentions; they rather serve as attitude-drivers or positively/negatively influence the “relationship between intentions and behavior.” Further arguing in this domain, Robinson et al. confirmed that “demographic variables” do not have a “direct” impact on “entrepreneurial behavior” (as cited in Kolvereid, 1997). In other words, “intentions predict behavior, while in turn, certain specific attitudes predict intention” (Krueger Reilly, and Carsrud, 2000). Studying much research work Liñán and Fayolle (2015) found out that “intention models explain 40% to 60% of the variance in [entrepreneurial intentions] EIs” Moreover, Schoon and Buckworth established that EI has a capacity to prognosticate entrepreneurial behavior in 18 years (as cited in Liñán and Fayolle, 2015). Therefore, as Katz and Gartner inferred, “intentionality” is

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an important mediator in investigating initiation and birth of a venture, thus, scrutiny of “pre-organizational phenomena” should be a fundamental task to undertake (as cited in Krueger and Carsrud, 1993).

There are many intentional models, which can be used in investigating entrepreneurial intentions. However, two popular models being frequently implemented by scholars to explain intentions toward entrepreneurial activity. First, “Shapero’s model of the entrepreneurial event (SEE)”, which states intentions highly sensitive to “perceptions of personal desirability, feasibility, and propensity to act” (Krueger Reilly, and Carsrud, 2000). Second, “Ajzen’s theory of planned behavior (TPB)”, which consists of three determinants of intentions, i.e. attitude toward the behavior, subjective norm, and perceived behavioral control (Ajzen, 1991).

According to SEE, reciprocal action of some “contextual factors” influence intention of an individual to start a venture (Liñán, 2014). In this regard, Krueger Reilly, and Carsrud, 2000; Uysal and Güney, 2016) have claimed that “inertia” drives a person, which, in some cases can be altered by some “displacement.” This event, for example, can be of a positive or negative nature such as the loss of a job, break up with a spouse or “inheritance” of wealth, respectively (Krueger and Carsrud, 1993). Katz asserted “displacement” make this person change his “behavior” and choose the most suitable option from the available “alternatives” (as cited in Krueger Reilly, and Carsrud, 2000). SEE also requires that the subject should “perceive” entrepreneurial activity as a “credible” employment option. “Credibility” of starting a venture, in turn, is dependent upon the subject’s “perceived desirability and

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feasibility” (Krueger and Carsrud, 1993). There are also exogenous impacts and some other external circumstances that affect intentions not directly, but by means of abovementioned attitudes (Liñán, 2014; Krueger and Carsrud, 1993; Krueger Reilly, and Carsrud, 2000). One more attitude, without which Shapero’s model will be insignificant is ‘propensity to act’ (Uysal and Güney, 2016; Uysal, 2016,). According to Krueger Reilly, and Carsrud (2000), this antecedent can be empirically measured by “the Shapero’s “locus of control” or “learned optimism.” These three attitudes serve as strong precursors of intentions. Figure 1 precisely illustrates SEE with some modifications made by Krueger.

In turn, Ajzen’s theory of planned behavior also focuses on intentional behavior. Intentions, according to Ajzen (1991), “are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behavior” (p. 181). According to TPB, there are “three conceptually independent determinants of intentions” (Ajzen, 1991; Liñán, 2014; Uysal and Güney, 2016). They are ‘personal attitudes’, ‘social norms’ (or else subjective norms) and ‘perceived behavioral control’, which Krueger and Carsrud (1993) have defined as following

(a) personal attitude toward performing the behavior (presumed to depend on the likely impact of salient outcomes from the target behavior) . . . [,] (b) perceived social norms (presumed to depend on perceived social pressures which favour or oppose the behavior)... [and (c)] perceived behavioral control, represents optimism that the target behavior is actually doable or achievable. (p. 324)

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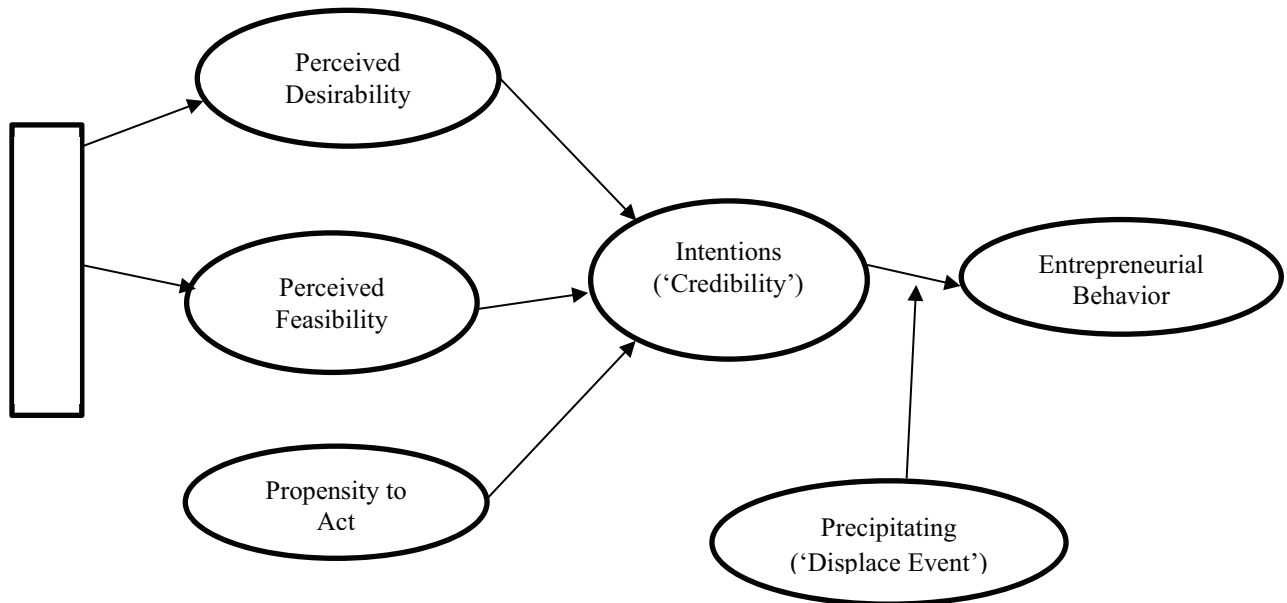


Figure 1 Shapero-Krueger Model
(Modified from “Entrepreneurial intentions: Applying the theory of planned behavior,” by N.F. Krueger, and A. Carsrud 1993)

First antecedent, **perceived attitude towards the act**, refers to perceived desirability of the behavior in consideration, and evaluation of benefits (Krueger Reilly, and Carsrud, 2000; Liñán and Chen, 2009; Uysal and Güney, 2016). This predictor, in turn, depends on perceived “personal” values that the behavior might bring to the person in case of performance (Krueger Reilly, and Carsrud, 2000). Davidson has further inferred that it is at some degree “conviction” about suitability of behavior that plays a role of a mediator between “attitudes and intent” (as cited in Valliere, 2015).

Second, **subjective norm** (social norm), mainly understood as “the perceived social pressure” of important others (family/friends/colleagues) on intention of a person to start a venture (Liñán and Chen, 2009). Subjective norms depend on subject’s “family expectations”

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about planned behavior and his/her “motivation” to abide by “these normative beliefs” (Krueger Reilly, and Carsrud, 2000). However, Ajzen, and Bagozzi et al. have concluded for subjects with a strong “internal locus of control” or goal “orientation” subjective norms do not have sufficient evaluation capabilities of intentions (as cited in Krueger Reilly, and Carsrud, 2000). Moreover, conducted research by Liñán and Chen (2009) found discrepant results in the degree of explaining EI by the subjective norm. Thus, few empirical studies, in fact 7 from 16 works, have utilized this variable, from which two omitted “regression analysis,” three studies reported its high explaining ability of EI, and the remaining two informed its insignificance (Liñán and Chen, 2009).

Third, **perceived behavioral control** (perceived feasibility) serves as a strong predictor of EI. It is important to note that “perceived behavioral control” implies the subject’s supposed belief of realizability of the “behavior”, which is close to notion “self-efficacy” (Krueger Reilly, and Carsrud, 2000). In this regard, Bandura and his associates have asserted “self-efficacy” has an impact on how we choose our “activities”, how we prepare for them, the amount of “effort” we undertake in the process of action, our “thought patterns and emotional reactions” (as cited in Ajzen). From the above we can conclude that self-efficacy is an important cognitive component of perceived behavioral control, thus, a strong contributor to entrepreneurial intention.

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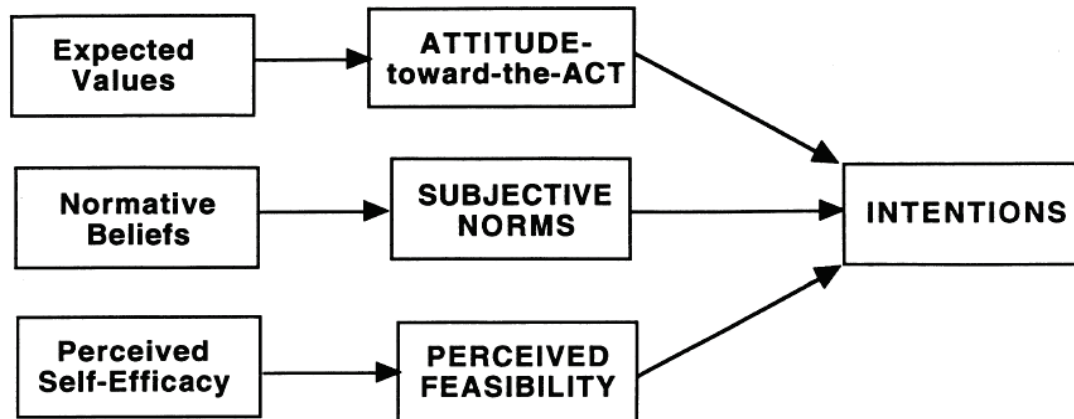


Figure 2 Ajzen's Theory of Planned Behavior
(Modified from "Competing models of entrepreneurial intentions," by N.F. Krueger, M.D. Reilly, and A.L. Carsrud, 2000)

Comparing these models (Shapero's SEE and Ajzen's TPB) we can conclude that to some degree they are analogues. Following Krueger Reilly, and Carsrud (2000) conclusion, we can state that some of the perceived attitudes in these models correspond to one another. For example, both have 'self-efficacy' as an important element of their perceived attitudes: perceived behavioral control of TPB and perceived feasibility of SEE, respectively (Liñán, 2014). The same can be concluded about TPB's two precursors of intentions (personal "attitude towards the behavior" and "subjective norm" and SEE's perceived desirability (Liñán, 2014). Krueger Reilly, and Carsrud (2000) further argued venture creation is not always explained by intentions or its mediating attitudes, as many to-be entrepreneurs might not always show intention or positive attitude towards entrepreneurship, but still launch one. Alternatively, many intentional entrepreneurs might leave their plans to start a venture

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without actual realization. Therefore, the third element of SEE, propensity to act, must be used in order to add willful action towards intention.

IV. HYPOTHESIS DEVELOPMENT

A general rule underlying TPB, according to Ajzen (1991), states that intensity of intentions of a person are highly dependent on the favoring nature of attitudes and “subjective norm” regarding the performance of the “behavior under consideration” as well as strong “perceived behavioral control.” As it has robust and reliable predictability of intentions, we have used Ajzen’s TPB to develop our hypotheses.

As it is clear from the theoretical background and empirical studies, attitude is one of the most significant predictors of intention. In this light Brenner, Pringle and Greenhaus have found out that a person (including intentional entrepreneur) favors one or another employment option based on his/her expected “outcomes” (as cited in Valliere, 2015). Overall, Ambad and Damit (2015) have concluded that predisposition of a person to start a venture is formed from a positive “attitude” towards entrepreneurship. In this vein, based on previous theory and posteriori studies, Liñán and Chen (2009) have constructed special questionnaire on entrepreneurial intention (EIQ) to test the effectiveness of three main components of TPB in predicting the individual’s intentional behavior. To construct a measuring instrument for personal attitude towards entrepreneurship, Liñán and Chen (2009) have used a Likert scale and aggregated attitude-measuring statements, and have found out that this tool has a vigorous evaluating capability. Following the authors, we have developed our first hypothesis.

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H1. Positive attitude towards entrepreneurship has a significant influence on entrepreneurial intention among the youth of Uzbekistan.

In general, subjective norm evaluates how significant others perceive individual's "decision" to initiate a venture (Šebjan et al., 2015). In the meantime, many scholars argue that they do not have a significant influence on EIs. In fact, empirical studies illustrated their indirect influence on intentions through affecting other determinants of TPB (Liñán and Chen, 2009). However, some other recently held studies empirically have found not only positive, but also significant influence on EI (Ambad and Damit, 2015). Having studied 425 university students, Yurkoru et al. have found out that people close to the individual have an influencing effect on his/her intention to initiate a startup (as cited in Ambad and Damit, 2015).

Following these findings, we have developed our second hypothesis.

H2. Subjective norm about entrepreneurship has a significant influence on entrepreneurial intention of the youth of Uzbekistan.

Ajzen (1991) have asserted that "perceived behavioral control" in combination with "intention" are significant predictors of behavior under consideration. Van Gelderen et al. (2008) having studied opinions of the students of two Amsterdam universities, have concluded that feasibility of business initiation is highly dependent on "perseverance and creativity." On the basis of past research works, Van Gelderen et al. (2008) have further added "entrepreneurial alertness" as well as "self-efficacy." While studying PBC, Ambad and Damit (2015) have divided it into "internal" and "control beliefs", which should have helped in distinguishing personal perceived capabilities from "situational control." In this regard,

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Bandura et al. have suggested that individual's "confidence" serves as a strong determinant of performance of the desired behavior (as cited in Ajzen, 1999). Moreover, Ajzen (1991) have concluded that "beliefs about resources and opportunities" strongly influence PBC.

Following these factors of perceived behavioral control, we have generated our third hypothesis.

H3. Perceived behavioral control towards entrepreneurship has a significant influence on entrepreneurial intention of the youth of Uzbekistan.

V. METHODOLOGY

This paper has studied the influence of perceived attitude, subjective norm and perceived behavioral control on entrepreneurial intention of young people in Uzbekistan. To collect necessary data an online survey was developed and translated into Russian and Uzbek languages. The questionnaire has been distributed in three Facebook groups (Startup Networking Uzbekistan, DreamJob.uz, and Maslahat.uz), as well among acquaintances based on snowball sampling. The survey included demographic questions on gender, age, professional background, and place of permanent residence. Overall, 222 respondents filled out the survey, out of which 110 respondents were excluded by filter questions, such as employment status (self-employed were left out), age (only the youth aged under 35 was considered suitable) and career choice (self-employment vs. working for someone).

To build main items of the questionnaire 7-point Likert scales (1 – Strongly disagree, 7 – Strongly agree) were used. Entrepreneurial intentions questionnaire (Liñán and Chen, 2009) and some items from societal attitudes of the youth (Eurofound, 2015) were taken as a

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benchmark for the survey construct.

Consequently, Cronbach's alpha was run for each multiple-item variable to test its reliability. Hence, Cronbach's alpha values were 0.71 for perceived attitudes, 0.73 for perceived behavioral control, and 0.69 for subjective norm. While, first two multi-item scales have showed acceptable reliability, the last one has proved to have questionable reliability.

Further, five in-depth interviews were conducted with specialists of different domains connected with entrepreneurial activity. To draw more reliable picture on the state of the youth entrepreneurship in Uzbekistan two experts from public sector (State Tax Committee and General Prosecutor's Office), two entrepreneurs and a specialist from HR consulting company were interviewed (see Appendix for the interview transcripts).

VI. DATA ANALYSIS

5.1 DEMOGRAPHICS

Of the 112 respondents, 36.0% were female, 63.9% were male, 2.7% were under 18 years old, 18.8% were 18-24 years old, 78.6% were 25-34 years old. As for the highest education level, 3.8% were high school graduates, 4.5% had some college education, 13.4% were two-year (vocational school), 56.3% had an undergraduate degree and 22.3% had a master's degree. Concerning employment, 58.9% were employees, 11.6% were without a professional activity, 8.0% were looking for a job, 16.1% were students, and 5.4 were involved in some specific types of activities.

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5.2 HYPOTHESES TESTING

In order to get the most suitable components from independent variables factor analysis was implemented. Within this framework, the extraction method and Varimax rotation methods with Kaiser Normalization have refrained the data. The results of factor analysis illustrated the most appropriate data, which has been juxtaposed with Eigenvalue greater than 1.00. Table 1 summarizes the most significant components that explain entrepreneurial intentions.

Items		Components	
Factors	Scale Items	1	2
PERCEIVED ATTITUDE	I believe entrepreneurs just think about their own pockets	,854	
PERCEIVED ATTITUDE	Being an entrepreneur would entail great satisfactions for me	,851	
PERCEIVED ATTITUDE	Entrepreneurship gives opportunity for personal independence	,827	
PERCEIVED ATTITUDE	A career as entrepreneur is attractive for me	,780	
PERCEIVED ATTITUDE	Overall, I have positive attitude towards entrepreneurship	,747	
PERCEIVED ATTITUDE	Being an entrepreneur implies more advantages than disadvantages to me	,656	
PERCEIVED ATTITUDE	Successful entrepreneurs have a high status in society	,593	
PERCEIVED ATTITUDE	I believe I will have better income prospects in doing business	,868	
PERCEIVED ATTITUDE	I think entrepreneurs exploit others	,819	
FEASIBILITY	I am afraid of failure and its legal and social consequences		,788
FEASIBILITY	I believe that I can recognize a business opportunity in the environment where I live		,665
FEASIBILITY	If I tried to start a firm, I would have a high probability of succeeding		,656
FEASIBILITY	Overall, I believe I am capable of starting and managing a business		,627
FEASIBILITY	I have the necessary practical skills to start a firm		,598
FEASIBILITY	To start a firm and keep it working would be easy for me		,592
FEASIBILITY	I know how to design a business plan		,563

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FEASIBILITY	I believe the current economic climate is favorable for a start-up		,783
FEASIBILITY	Lack of entrepreneurial education and mentoring hold me from founding a venture		,692

Table 1 Component Matrix: Entrepreneurial Intention Dimensions

Regression analysis was run to test the hypotheses based on factor scores. Table 2 illustrates basic outcomes of the analysis for the effect of antecedents to the entrepreneurial intention. Overall, the ANOVA test showed that the models were not significant at the .05 level with $F = 3.254$ ($r\text{-square} = .104$), $F = 1.634$ ($r\text{-square} = .024$), and $F = 3.405$ ($R\text{-square} = .152$), respectively. Thus, hypotheses H1, H2, H3 were not accepted, since there is insignificant to no effect of the antecedents to entrepreneurial intentions. This means that intentional factors do not predict entrepreneurial intentions among young people in general.

Variable (Independent -> dependent)	Standardized Coefficient ($t\text{-value-Sig}$)	R-square	F	$P\text{-value}$
Perceived Attitude-> Entrepreneurial Intention (H1)	0.018 (2.429) 0.445 (0.770)	0.104	3.254	0.046
Subjective Norm-> Entrepreneurial Intention (H2)	0.206 (1.278)	0.024	1.634	0.206
Feasibility-> Entrepreneurial Intention (H3)	0.029 (2.237) 0.026 (2.290)	0.152	3.405	0.024

Table 2 Influence of Antecedents on Entrepreneurial Intentions

5.3. QUALITATIVE DATA ANALYSIS

From the results of in-depth interviews, it is clear that society in general, young people in particular have positive attitude towards entrepreneurship. Nowadays, startup activity has even become very prestigious among young people. Other findings were that

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young people lack entrepreneurial competencies such as self-efficacy, risk-taking ability due to lack of entrepreneurial education or mentorship. The interviews also have revealed roadblocks that hold young people to start up a firm. They include government red tape, inflexible loans, and tax burdens for nascent entrepreneurs, lack of accelerators/incubators, and lack of information in native language. There is also insufficient foreign expertise to learn from, as well as few success stories to imitate.

Therefore, among recommendations were elaboration of youth entrepreneurship strategy, creation of entrepreneurial education facilities, implementation of mentorship practices to nascent entrepreneurs, attraction of foreign companies, publication of information about entrepreneurship through Mass Media in native language, as well as implementation of public-private partnership with inclusion of all interested parties into the sphere.

VII. CONCLUSION

Quantitative data analysis results indicate that the given data has limitations. Primarily, the sample was constructed based on snowball sampling method and random distribution in social network groups. Perhaps, this was the reason for insignificant predicting ability of independent variables (PA, SN, and PBC), as respondents were with different educational and employment backgrounds, representing different regions of Uzbekistan.

Testing of all hypotheses found either weak influence (PA and PBC) or failed (in the case of subjective norm) to have any effect on entrepreneurial intention. The hypothesis failure with SN has supported previous empirical studies on the matter. However, weak explaining ability of PA and PBC of EI is rather interesting result, as much scholarly works

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had proved the opposite (Liñán 2014; Liñán and Fayolle, 2015; Krueger and Carsrud, 2000; Ambad and Damit, 2015).

This paper provides implications for policy-makers and future research. Strong entrepreneurial intentions can be a strong signal of startup behavior. Many empirical studies tested intentional models in higher educational facilities (Van Gelderen et al., 2008; Šebjan et al., 2015; Ambad and Damit, 2015; Uysal and Güney, 2016), not mentioning general youth. Therefore, this paper has tested TPB among young people in general. The findings have revealed that the theory of planned behavior does not always apply to youth in general. Hence, EI models should be tested in more specialized auditorium to make the data more relevant. The results further indicate that policy-makers should focus on specialized young people who have entrepreneurial education or entrepreneurial background.

Results of qualitative data indicate on necessity to create content about entrepreneurship in native language, to organize incubators/accelerators, to develop entrepreneurial education and mentorship. It is also necessary to propagate success stories in Mass Media, to initiate role-modeling programs, attract foreign expertise. Moreover, it is important to decrease government red tape, tax burdens for nascent entrepreneurs, to open consulting centers, to enhance public and private partnerships.

This paper has limitations. The study was held randomly among young people through social media cites and by means of snowball sampling. Therefore, the hypotheses should be tested with specialized sample, which can be constructed from students of business and tertiary schools. More future research is necessary, using different models and measuring

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scales with bigger sample, adding more variables such as entrepreneurial education and mentorship, role models, government stimulus programs, entrepreneurial competencies, such as risk-taking, opportunity recognition, and innovation.

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Appendix

Interview respondents and questions

Hilola Suleymanova	Founder and Managing Partner at DaVinci - Management Consulting Firm, Tashkent, Uzbekistan
G'ayratjon Urinboyev	Chief Inspector of Compulsory Tax Levy Department of State Tax Committee of the Republic of Uzbekistan
Avazbek Komilov	Chief Prosecutor of Department, General Prosecutor's Office of the Republic of Uzbekistan
Sardor Shaakhmedov	Young entrepreneur from Tashkent, Uzbekistan
Mustafo Shermatov	Executive Director, LLC "Kamalak-S", Samarkand, Uzbekistan

Questions

1. What are the main reasons for young people to start a venture?
2. What is the impact of role-models, parents (especially if they are entrepreneurs themselves)?
3. What is the attitude of the society in Uzbekistan towards youth entrepreneurship? Is it supportive or unsupportive?
4. Are there any perceived barriers (psychological and situational) for the youth to start a business?
5. What are some policy options that can help to foster entrepreneurial intentions among the youth of Uzbekistan?

Interview with Hilola Suleymanova

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Mrs. Suleymanova, Founder and Managing Partner at DaVinci - Management Consulting Firm, has a vast experience in training executives of business entities, develop their leadership and managerial skills. She is also involved in promoting youth entrepreneurship in Uzbekistan via conferences, online informational programs.

Mrs. Suleymanova has expressed her opinion about general situation on entrepreneurship promotion in Uzbekistan, youth preferences, barriers for starting a business or conducting a business, future perspectives for youth entrepreneurship and some recommendations on its development.

Responding to Q#1, Mrs. Suleymanova has stated that among some of the reasons to start a business on the one hand, is earning much money, on the other hand, lack of employment offer. She has noted that the youth does not have adequate job offer, i.e. most of the employment options are less attractive due to small payments. This situation pushes many young men and women to try their luck in entrepreneurship.

With regard to Q#2, the interviewee has said that there are few role models in Uzbekistan; thus, in general well-known foreign business tycoons inspire most of potential entrepreneurs. In the meantime, she has mentioned that if parents are involved in entrepreneurial activity and they are successful, then individual's attitude towards entrepreneurship will also be positive.

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For the Q#3 Mrs. Suleymanova has expressed positive opinion about social attitude towards entrepreneurship among young people. In this light, she has also noted that many young people not only get a moral support, but also financial and technical assistance from their close people (family/friends).

As for the obstacles (Q#4), she has stated that the youth lacks entrepreneurial knowledge and skills, as the education system of the country does not reflect true needs of to-be entrepreneurs. She has further mentioned lack of higher educational facilities with majoring in entrepreneurship as a serious barrier for the youth entrepreneurship. Moreover, she highlighted difficulties in getting financial support to establish a business. One more thing Mrs. Suleymanova mentioned was lack of information about business startups in major cities of Uzbekistan (capital is excluded). She told the author that young people with very grandiose ideas do not know how to realize them. They do not know where to get information, what entity to ask for help and so forth. More often problem is with insufficient information in the native language.

As a recommendation, she suggested creation of incubators/accelerators (funds that offer financial and technical support, mentoring services to start a venture, and so forth). Moreover, she suggested distributing the information about entrepreneurial possibilities at the universities, high schools, even the rural regions on a systematic basis in native language. In conclusion, our interlocutress has

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recommended attracting foreign IT-companies, institutions, R&D, so that they bring expertise to the country.

Interview with Sardor Shaahmedov

Mr. Shaahmedov is an entrepreneur. He has preferred to speak about his experience of starting a firm. Therefore, the results of the interview have been written in his own words.

1. The reason to start a venture for me was my character. I cannot follow rules created by the system. I rather prefer liberal and independent working conditions. I cannot work for some company and achieve mediocre results. I want to achieve great results working as an entrepreneur as there is a chance to hit the jackpot. Moreover, I like to take risks as they intrigue and drive me. Risk lures people who like to be successful. Although you might not see the whole picture, nevertheless, you want to take action, as you want to succeed. There is also one more thing connected with entrepreneurship - the feeling of ownership, i.e. you feel that you possess some entity or part of it, and you work hard for you are interested in making it a success. For example, Elon Musk, the founder of SpaceX, hires the best specialists from NASA and offers them to acquire his company's stocks. This gives them the feeling of ownership and motivates them to input more effort to achieve great results.

2. For the role models, I can say that business tycoons such as Bill Gates, Mark Zuckerberg, and Steve Jobs inspire to-be entrepreneurs. Moreover, the

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Information Technologies have made it possible for many start-uppers to become rich as it has reduced capital and infrastructure costs, as well as created much more conveniences in reaching large auditorium, potential customers. In the case with parents, I am almost a hundred per cent sure that children with parents-entrepreneurs will follow their example and become entrepreneurs.

3. Nowadays, to be an entrepreneur has become very popular and prestigious, as there are many international success stories. There are also local stories of success that motivate young people to get involved into business initiation. Therefore, overall attitudes towards entrepreneurship are positive.

4. As for the feasibility of starting a business, it is rather easy than it seems. For example, I had to use very small amount of money and time to register my business. However, the hardest part comes in the process of running your enterprise. The difficulties arise from taxation, lack of information and consultation (perhaps on purpose) from tax agencies about tax collection procedures, legal updates in the sphere. I have to admit that taxes are burdensome for the nascent entrepreneurs. Tax discounts only applicable for up to six months, which are not extendable. This kind of financial hardships discourage young entrepreneurs and sometimes can bring to bankruptcy of the startup. Moreover, it is further difficult to get reliable and affordable information or advice on how to cope with the given situation, as business-consulting services are too expensive to use. Young entrepreneurs like me have to

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either agree with expensive services of business consultants or do the entire job by themselves (I have chosen the second option).

5. Concerning subjective norm, I can say that our country is rather collectivistic than individualistic. Thus, I consider that the majority of young people will do what others do, especially if the role models are their parents or friends. Besides, the youth likes to follow what is trendy. These days it is prestigious to be a start-upper; so, young people want to become an entrepreneur.

6. For young people, especially those who live in other regions than in Tashkent (the capital), to begin thinking about founding a venture, it is important to have a content in native language (Uzbek). You may rarely find information in Uzbek about how to start a venture, success stories, and possibilities for potential entrepreneurs. Therefore, it would very productive to provide information in the native language following with IT and infrastructure, respectively. This can be done either by motivating young entrepreneurs to provide content translating services or launch business-related content (provided by the government) through Mass Media.

Besides, it is important to arrange information sharing of successful businesses through social media platforms. In this regard, successful entrepreneurs could open his/her blog where he/she can share with experience or success stories, discuss different issues concerning opening and running a business.

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With regard to tax burdens, it is important to simplify the taxation system, so that young entrepreneurs would not hire an accountant or use some other financial services. The government services, including tax departments, need to hold so-called ‘compliant book’ (can be an electronic version) for they can get crucial feedbacks for improvement of their services.

Mass Media should publicize analytical information about market opportunities in Uzbek language, especially in the regions of Uzbekistan so that young people see new prospects for themselves.

It is also important to have feedbacks from businesspersons on the permanent basis in order to improve business environment. Thus, it is necessary not to overwhelm them with different kind of administrative and financial burdens.

It is further essential to have many international success stories in our country. We need to attract international companies to Uzbekistan with wide range of experience in entrepreneurship building, managing a firm, so that our local potential or established entrepreneurs can learn. For example, big companies, such as Apple, Google, or Facebook organize business accelerators for employees, as it is easier to support the employees and assist them in generating business ideas rather than assisting someone from outside. These excises could create better business opportunities for our local to-be businesspersons.

Interview with G’ayratjon Urinboev

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G'ayratjon Urinboyev, Chief Inspector of Compulsory Tax Levy Department of State Tax Committee, in the interview with the author has expressed his opinion from the government's point of view.

Answering to the Q#1, Mr. Urinboyev has shared the opinion of the previous interviewees and has mentioned money as a primary reason for the youth to get involved in entrepreneurial activity. He has stated that limited payment amounts in the public sector, as well as favoring business environment for the young people attract them to the private sector.

For the Q#2, Mr. Urinboyev has said that the youth looks at the role models in starting a venture, especially if the role models are parents. Interlocutor has told the author that children from entrepreneurial families are more likely to start a venture, as they might have all necessary investments, technical assistance, as well as entrepreneurial competencies.

With regard to the Q#3, Mr. Urinboyev has noted that both the society and the government have a positive attitude towards youth entrepreneurship. He further mentioned about tax subsidies and other stimulus programs that the government provides for the young people to start a business.

Among some of the roadblocks (Q#4) that hold young people to become a self-employed the interviewee mentioned lack of skills and entrepreneurial education, especially specific knowledge on dealing with government agencies that regulate

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entrepreneurial activity. Moreover, he pointed out that contemporary youth in Uzbekistan lack such entrepreneurial competencies as self-confidence, risk-taking, opportunity alertness.

For this reason, Mr Urinboyev has suggested the following recommendations to enhance youth entrepreneurship in Uzbekistan.

- Together with the Youth Union of Uzbekistan to conduct business trainings for everyone, who would like to start a venture;
- To establish mentorship programs for the young entrepreneurs;
- To develop and to enhance audit services;
- To establish and to develop tax consultancy services;
- To work out a working strategy on development of youth entrepreneurship.

Interview with Avazbek Komilov

Avazbek Komilov, Chief Prosecutor of Department, General Prosecutor's Office of the Republic of Uzbekistan, has a vast experience in working with legal issues concerning the subject.

Answering to the Q#1, Mr. Komilov has noted that the young people get involved in business to with a purpose of becoming rich. According to his opinion, the youth enter this sphere mainly out of necessity. In addition, most of the young people think about commerce as a primary activity when they speak about entrepreneurship. He further has noted modern business environment created by the government does not fully meet all the needs of to-be entrepreneurs. Without

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additional financial and technical assistance, intentional young entrepreneurs will not be able to manage an enterprise. Policy measures are directed to those to-be entrepreneurs, who can get a family support in case of bankruptcy, for instance.

As for the role models, Mr. Komilov has mentioned that only if close relatives are successful in doing business, will new generation start a venture. He said that success is a precondition for the young people try to follow the path of their parents.

Regarding Q#3, the interviewee has noted that the history has witnessed that people of Uzbekistan have been always entrepreneurial, as the territory of the country lied at the center of the Great Silk Road. Therefore, the society strongly supports any business venturing initiatives.

Speaking about barriers, Mr. Komilov has divided the question into two separate answers. According to him, on the one hand, the young people lack risk-taking skills; they are mostly busy with saving money, not investing. On the other hand, governmental red tape serves as one of the main obstacles holding the young from going into business.

Therefore, Mr Komilov suggested establishing business-training centers in order to develop business skills of the youth. Moreover, he recommended working out youth entrepreneurship development programs that could enhance private-public partnerships in the sphere.

Interview with Mustafo Shermatov

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Mustafo Shermatov, Executive Director of LLC “Kamalak-S”, has told the author about his experience and shared with his thoughts on youth entrepreneurship.

Answering to Q#1, Mr. Shermatov, has spoken about his motivations when he had started his business. According to the interviewee, it was necessity that pushed him into business. He said that when he had to choose between employment in the public entity and self-employment, he had had chosen the latter. One other driver of his involvement in entrepreneurship was aspiration to novelty, to live a good life, and to travel around the world.

For the next question, the interlocutor has noted that an entrepreneur, among others, has to be a great manager, must have a vision and always work on self-improvement. These features make him/her to become successful. Particularly, the ability to be successful attracts many others, including the youth.

With regard to Q#3, Mr Shermatov has mentioned that both government and society are supportive of youth entrepreneurship. In this sense, according to him, much work has been done from the government’s side, especially in educating the youth to business skills.

Touching Q#4, the interviewee has mentioned about self-assessment, evaluation of aims and opportunities before starting a venture. This will help to-be entrepreneurs to distinguish their own skills and asses business environment. Most of

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the time, young people try to make money, but understand all the hardships ahead, which sometime can lead to bankruptcy.

As for the recommendations, Mr. Shermatov has suggested to open business-supporting centers that would help not only in initiating a business, but also in managing it. Moreover, these centers should assist young entrepreneurs in marketing research, dealing with govern agencies and so forth.