

Research Article

ASSESSMENT OF ENTREPRENEURSHIP POLICIES AND YOUTH UNEMPLOYMENT: THE CASE STUDY OF GOMA CITY, DR CONGO

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ABSTRACT

Youth development and empowerment are crucial for building the human capital necessary to reduce poverty, enhance livelihoods, and promote long-term national growth. The skills and capacities acquired during the youth shape future productivity, making their preparation essential for sustainable economic development. In the Democratic Republic of Congo, and particularly in Goma City, high youth unemployment remains a pressing challenge despite the presence of entrepreneurship initiatives. This study aims to assess existing entrepreneurship policies targeting young entrepreneurs, evaluate their impact on youth unemployment, and identify strategies to strengthen youth entrepreneurship mindsets. A mixed-methods approach was employed, combining document analysis over policy frameworks, interviews with policymakers and entrepreneurship incubator managers, and surveys among young entrepreneurs in Goma. The findings reveal that while multiple stakeholders and enterprise incubators aiming to support youth entrepreneurship do exist, awareness among potential beneficiaries is low; and access to services remains limited. Furthermore, young business owners face significant constraints, with high taxation regardless their annual income, emerging as a major barrier to business sustainability. The results highlight the need for improved policy publication, specified capacity-building programs, and a more supportive fiscal environment to enable youth entrepreneurship to flourish in Goma.

Keywords: Entrepreneurship, Entrepreneurship policies, Employment, Unemployment.

INTRODUCTION

Globalization has become the hall-mark of the 21st century. Clearly, globalization has the potential to make all people better. To make this promise a reality, however, we must find a way to carefully manage the process (DESAI, 2009). Successful entrepreneurs often share four core principles: selecting the right customer and product strategy aligned with organizational culture, maintaining focus on both customer needs and product quality, continually developing creative solutions to satisfy customers, and empowering ordinary people to achieve exceptional results. Importantly, entrepreneurship is not solely about financial gain but also about passion, persistence, and results-oriented action.

In many developing countries, including the Democratic Republic of Congo (DRC), entrepreneurship is increasingly recognized as a strategic tool for addressing unemployment, particularly among the youth. While the late 20th century witnessed growth in the number of small-scale entrepreneurs, innovative entrepreneurship has lagged behind imitative practices, limiting the nation's competitiveness in the global economy (DESAI, 2009).

In Goma City, youth unemployment remains a persistent socio-economic challenge. Each year, higher education institutions produce a significant number of graduates, yet many remain jobless for extended periods. In the absence of formal employment opportunities, some young people accept low-skilled, unrelated jobs such as bricklaying, taxi driving, cleaning, or informal trading. Those who attempt to start small businesses often lack governmental support and face disproportionately high taxation, leading many to bankruptcy. The absence of effective, well-communicated, and youth-

oriented entrepreneurship policies exacerbates unemployment and contributes to social problems such as delinquency, criminal activity, and, in extreme cases, recruitment into armed groups. Despite efforts from various actors, success rates in youth employment remain below expectations, and academic research focusing specifically on the effectiveness of entrepreneurship policies in Goma is scarce.

The general objective of this study is to assess the entrepreneurship policies implemented to reduce youth unemployment in Goma City, DRC. Thus, the specific objectives are to: (1) Evaluate the entrepreneurship policies established for young entrepreneurs in Goma City, (2) Measure the impact of these policies on youth unemployment in Goma City (3) Identify and promote successful practices to foster a positive entrepreneurship mindset among youth in Goma City.

This research is significant for policymakers, development agencies, and entrepreneurship support organizations. By critically evaluating the effectiveness of entrepreneurship policies in reducing youth unemployment, the study will provide evidence-based recommendations for policy reform. Furthermore, it will contribute to the academic literature on entrepreneurship policy in post-conflict urban settings, offering insights applicable to other regions facing similar socio-economic challenges.

Definition of key words

Entrepreneurship

Entrepreneurship refers to the function performed by an entrepreneur such as identifying and using opportunities, converting creativity and ideas into action, bearing risk etc. Entrepreneurship is an elusive concept of much debate and discussion. It is the process of setting up a new business venture. It is the process of combining all the factors

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of production to produce goods. It is an innovative and creative response to the environment.

According to Kao and Stevenson, "Entrepreneurship is the attempt to create value through reorganization of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to function" (Uttarakhand Open University, 2020).

Entrepreneurship policies

Entrepreneurship policies consist of measures taken to simulate more entrepreneurial behavior in a region or a country...they are those measures intended to directly influence the level of entrepreneurial vitality in a country or region (Lundstrom and Stevenson, 2011, from <https://www.researchgate.net/publication/225972247>).

Entrepreneurship policies are directed to encouraging socially and economically productive activities by individuals acting independently in business. Their principal objective is to increase a level of entrepreneurial activity which is considered to be below the social optimum.

Employment

Regarding employment, precisions were agreed as regards the job attachment of seasonal workers and lay-offs (ILO, 2008).

Unemployment

Unemployment is a term referring to individuals who are employable and actively seeking a job but unable to find a job. Included in this group are those people in the workforce who are working but do not have an appropriate job. Usually measured by the unemployment rate, which is dividing the number of unemployed people by the total number of people in the workforce, unemployment serves as one of the indicators of a country's economic status. Both unemployed and employed people make up the labor force, or the subset of the population that is both able and interested in working. Not included in the labor force are citizens not looking for jobs, for example, a stay-at-home mom, a college student, or a discouraged worker, someone who has stopped looking for work because they believe no work is available? (Wandisa, 2020).

The root causes of Unemployment

The level of unemployment is a mirror image of the state of a nation's economy. Suffice to also say, youth unemployment is highly dependent on the overall status of the economy. Economic activity, measured by GDP growth, is probably the single factor that most influences the chances of young people finding a job. Low or negative GDP growth, economic recession and low investment are direct causes in the shrinking demand for labor. Unemployment is caused by various reasons that come from both the demand side, or employer, and the supply side, or the worker. Demand-side reductions may be caused by high interest rates, global recession, and financial crisis. From the supply side, frictional unemployment and structural employment play a great role.

Effects of Unemployment

The impact of unemployment can be felt by both the workers and the national economy and can cause a ripple effect. Unemployment causes workers to suffer financial hardship that impacts families,

relationships, and communities. When it happens, consumer spending, which is one of an economy's key drivers of growth, goes down, leading to a recession or even a depression when left unaddressed. Unemployment results in reduced demand, consumption, and buying power, which in turn causes lower profits for businesses and leads to budget cuts and workforce reductions. It creates a cycle that goes on and on that is difficult to reverse without some type of intervention.

Youth unemployment also has security implications for almost every country in Africa, since desperation often leads young people to fall prey to warlords, criminal gangs, or illegal migration syndicates. As Argenti rightly asked 'Where would war makers be without youths?' (Argenti, 2002). The militarization of these young people originates with the idea that youths constitute 'potential': a commodity that can be plundered alongside natural resources and public fund to serve the agenda of warfare (Awogbenle & Iwuamadi, 2010).

Youth unemployment in DRC

Job creation in the formal sector has declined considerably, while the dynamism of the informal economy ensures certain resources for the populations destitute. This dynamic is explained, to a certain extent, by the lack of local entrepreneurs capable of mobilizing resources in this context (Sumata, 2014). Youth unemployment is a major problem in Congolese society. Indeed, prolonged inactivity and lack of income can lead to behaviors socially reprehensible among unemployed young people: delinquency, prostitution, abuse of alcohol, violence, criminal activity, etc (Sumata, 2020).

Meaning of Entrepreneurship Theories

An entrepreneur is an innovator, wealth and job creator, change agent, problem solver, pace setter and excellence seeker, and above all adds value to local resources. Entrepreneurship is a combination of all these but definitely not only 'any one' of these. We can find several instances in history which highlight that a society has higher entrepreneurship and more prosperity when people with such traits are more in numbers.

Entrepreneurship definition talks about value creation with various resources such as capital, technology, skill and risk taking and gives importance to inclusion of multiple attributes. It can be observed that entrepreneurship has a major impact on economic development of a country and it is also reflected in the opinion of various thinkers from time to time (Uttarakhand Open University, 2020).

METHODS AND TOOLS

According to the OECD (2007), research data encompasses all forms of information collected, observed, generated, or created to validate original research findings. In this study, a **mixed-methods approach**—combining both quantitative and qualitative techniques—was employed to ensure a comprehensive understanding of the research problem (Creswell & Plano Clark, 2018).

The study population refers to the set or group of all the units on which the findings of the research are to be applied. In other words, population is a set of all the units which possess variable characteristics under study and for which findings of research can be generalized.

Dealing with "Assessment of entrepreneurship policies and youth unemployment: the case study of Goma city", our population of study are young people in Goma city under entrepreneurship trying to

challenge the unemployment issue. Geographically, Goma is a city located in Eastern DRC. Its surface area is 66.324 Km²; the ground is covered with lava. It is located at the foot of Nyiragongo volcano, limited to the north by the territory of Nyiragongo; to the south by Lake Kivu; East by the Republic of Rwanda; West through Masisi territory. From a study population of 1,043,037, young people in Goma the estimate of 600,631. Therefore, to conduct our research, interviews have been realized with some key informants specifically stakeholders in youth employment and entrepreneurship through Goma city. For a randomized field survey, a sample was selected from 250 young entrepreneurs as their number was estimated by one of responsible members of the DR Congo federation of enterprises in Goma in his 40s. With reference to the pre-calculated samples the table, and considering the number of 250 which is found between 75 and 300 corresponding to the sample interval between 63 and 169 we selected 105 young entrepreneurs in different economic sectors through Goma city (Orban, 2021).

The sampling procedure was informed by classical sampling theory, which provides a framework for drawing representative subsets from large populations and supports the generalization of findings from samples to populations when appropriate selection principles are followed (Cochran, 1977; Teddlie & Yu, 2007). The sample included individuals who either owned their own businesses or had participated in entrepreneurship training programs offered by business incubators or other organizations. Data collection was conducted in November 2021. The survey instrument covered several thematic modules, including: Demographic and professional profiles of young entrepreneurs; Motivations for entrepreneurship; Awareness and perceptions of entrepreneurship policies; and Perceived barriers to entrepreneurship across personal, environmental, and sociocultural dimensions (GEM, 2021).

The qualitative component comprised semi-structured interviews with managers and facilitators from entrepreneurship business incubators in Goma. These interviews aimed to explore in greater depth the role of incubation in fostering youth entrepreneurship, in line with previous research highlighting the importance of tailored support services for business start-ups in developing contexts (Bruneel *et al.*, 2012).

Additionally, secondary data including policy documents, institutional reports, and previous empirical studies were reviewed to triangulate the primary data and enhance the validity of the findings (Bowen, 2009).

RESULTS AND DISCUSSION

Entrepreneurship policies set in favor of young people in Goma city

Table 1: Statement on participation in a training in entrepreneurship

Variable	Frequency	Percentage
No	65	61.90%
Yes	40	38.10%
Total	105	100.00%

Source: Field survey, November 2021

The result above (table 1) reveals that 61.90% (n=65) have never received any training in entrepreneurship while 38.10% (n=40) have got one. The researcher notes the probability of running successfully

business is low as long as entrepreneurs start without any practical training regarding what they want to do.

Table 2: Statement about training in entrepreneurship and organization that provided it

Variable	Frequency	Percentage
INPP	10	25.00%
Kivu entrepreneurs	2	5.00%
Other(s) to be specified	20	50.00%
ULPGL incubator	6	15.00%
Un jour nouveau incubator	2	5.00%
Total	40	100.00%

Source : Field survey, November 2021

The results above (table 2) show that people are more trained elsewhere than the enterprise's hubs existing in Goma. These companies have to make more efforts to reach a big number of entrepreneurs to train.

Table 3: Statement about capacity building

Variable	Frequency	Percentage
No	57	54.29%
Yes	48	45.71%
Total	105	100.00%

Source : Field Survey, November 2021

While the findings confirm the existence of entrepreneurship incubators in Goma city (table 2), few people received a significant training before they started the business (table 1) and equally, most of them performed no follow-up (table 3).

These results highlight a significant gap in entrepreneurial support either before or during the operation. While entrepreneurship incubation and training initiatives exist, their access is limited. This correlates with the findings of OECD (2017) that put emphasis on entrepreneurial learning before and after launch is critical to business survival. The low coverage in Goma supports earlier observations by Acs *et al.*, (2018) on capability gaps in developing economies.

Qualitative insights, including the government's "3C" approach (Capacity, Credit, Contract) announced by President Tshisekedi (2019), demonstrate strong policy intentions, but the data suggests weak implementation at the grassroots' level. In line with human capital theory (Becker, 1993), the limited access to training may be a key factor behind low business sustainability rates. For practice and policy, there is a need for targeted awareness campaigns, decentralized delivery of training, and structured follow-up to ensure the translation of policy into measurable local impact.

Impact of entrepreneurship policies on youth unemployment in Goma City.

Table 4: Statement about access to loan

Variable	Frequency	Percentage
No	69	65.71%
Yes	36	34.29%
Total	105	100.00%

Source: Field survey, November 2021

The result (table 4) reveals a significant need for young entrepreneurs to access to bank's loan for they business improvement.

Table 5: Statement about taxes exemption

Variable	Frequency	Percentage
No	89	84,76%
Yes	16	15,24%
Total	105	100,00%

Source: Field Survey, Novembre 2021

The result above (table 5) reveals that there very low recognition of tax exemption. Normally any entrepreneurial activity in the DRC has administrative requirements regarding the State for its establishment and its functioning in order to contribute to the socioeconomic development of the country. But as most people still ignore the law, some public servant with unethical behavior take the opportunity to overtax young entrepreneurs. These become discouraged overtime and eventually close their businesses.

Table 6: Statement about constraints to run a start-up

Variable	Frequency	Percentage
High taxations	25	23,81%
Lack of business experience and skill	14	13,33%
Lack of knowledge, understanding, awareness of start-up financing possibilities	12	11,43%
Lack of start-up money	50	47,62%
Long time needed to decide on an application for funding	4	3,81%
Total	105	100,00%

Source : Field Survey, Novembre 2021

While it's difficult to get any financial support/loan to start a business (table 4), those who manage even by their own are overtaxed (table 5). This is the big challenge and the main reason for most start-up businesses to fail (table 6).The quantitative data and qualitative narratives reveal a systemic financing barrier, compounded by a burdensome tax environment. These findings align with Beck and Demircug-Kunt (2006), who identified finance as a major constraint for SMEs in low-income contexts, and extend World Bank (2020) observations about DRC's discouraging administrative climate for entrepreneurs. The gap lies not in policy creation since national policies and mechanisms such as FOGEC exist, but in practical implementation and enforcement at the provincial level. For practice, simplifying loan procedures, introducing tiered tax regimes for start-ups, and monitoring administrative actors could reduce barriers. Policy reforms must ensure that decentralization comes with robust oversight to prevent abuse and enhance trust in formal business systems.

Factors of success in promoting a youth entrepreneurship mindset in Goma City.

Table 7: Ways of participation in the socioeconomic development of the country by the companies

Variable	Frequency	Percentage
By covering the essential needs of the family	22	20.95%
By enhancing the social status of the entrepreneur (especially for youth)	8	7.62%
The transmission and sharing of know-how	30	28.57%

Through job creation and the fight against unemployment	45	42.86%
Total	105	100,00%

Source: Field survey, November 2021

The viewpoints from 42.86% (n=45) of our participants (table 7) reveal that young entrepreneurs are willing to fight unemployment as a factor of socioeconomic development. Similarly, 28.57% (n=30) of our participants are willing to transmit and share their knowledge about entrepreneurship while 20.9% (n=22) are just willing to cover the essential needs of their family. These findings confirm prior research (Acs *et al.*, 2016; GEM, 2021) that SMEs play a vital role in job creation and skill transfer in developing economies. They also support endogenous growth theory (Romer, 1990), where human capital and innovation drive economic progress. However, the persistence of funding and regulatory challenges limits these contributions to a lower threshold. If barriers identified above were addressed, the positive economic and social effects would be significantly amplified. For policy, empowering local branches of ANADEC, FOGEC, and APROCM with context-specific mandates could accelerate impact, while in practice, enhancing mentorship and market linkage programs would strengthen youth entrepreneurial ecosystems.

CONCLUSION, SUGGESTIONS, AND RECOMMENDATIONS

This study assessed entrepreneurship policies and their relationship to youth unemployment in Goma City, Democratic Republic of Congo. Using an interview guide with stakeholders and a survey questionnaire in young entrepreneurs and secondary data, the research examined existing policies, their implementation, and their impact.

The study revealed the presence of institutions with incubators supporting youth entrepreneurship, such as INPP, OPEC, UN JOUR NOUVEAU, ULPGL, and Kivu Entrepreneurs. However, awareness among potential beneficiaries is low, and access to their services is limited. Young entrepreneurs face significant challenges, notably high taxation regardless of low annual income, limited access to funding and insufficient training follow-up. These constraints hinder the growth of small businesses and becomes a factor of persistent youth unemployment.

The research highlights the negative correlation between policy frameworks and their practical accessibility to youth in Goma. It underscores the need for targeted outreach, improved financing mechanisms, and sustained capacity-building initiatives. Additionally, it contributes to the literature on entrepreneurship in post-conflict and low-income urban contexts, offering empirical evidence from a relatively under-researched region.

The study focused on Goma City, one of the opportunity prone areas of the DRC but victim to recurring wars; this limits the generalizability of the findings to other regions of the country. The sample size, while adequate for exploratory analysis, does not fully capture the diversity of entrepreneurial experiences. Furthermore, the cross-sectional design does not allow for tracking long-term policy impacts.

Further studies should adopt a longitudinal approach to measure the long-term effects of entrepreneurship policies on youth employment outcomes. Comparative research between different provinces of the DRC would identify region-specific challenges and best practices. Investigating the role of informal networks, technology adoption, and

gender dynamics in youth entrepreneurship would also enrich the understanding of effective policy interventions.

To strengthen youth entrepreneurship and reduce unemployment, policymakers and stakeholders should increase awareness over available programs and support services; facilitate access to funding, training, and mentorship; foster networks linking formal and informal sectors; provide tax incentives and create enabling environments for start-ups; and promote market access and innovation-driven business models. By addressing these issues, entrepreneurship in Goma can become a stronger driver of job creation and socio-economic development in the DRC.

Conflict of Interest

No conflict of interest recorded

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