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INDIANNA MINTO-COY

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ENTERPRISE AND ENTREPRENEURSHIP IN PERIPHERAL CONTEXTS: EXPERIENCES AND PROSPECTS FROM THE CARIBBEAN SMALL ISLAND DEVELOPING STATES

EMPRESA E INICIATIVA EMPRESARIAL EN CONTEXTOS PERIFÉRICOS: EXPERIENCIAS Y PERSPECTIVAS DE LOS PEQUEÑOS ESTADOS INSULARES EN DESARROLLO DEL CARIBE

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ABSTRACT

The transformative effect of entrepreneurship has been well-documented. Indeed, entrepreneurship has been linked to the growth and prosperity of nations, contributing to the sustainable development of various sectors. Developments globally have seen growing attention to the transformational effect of entrepreneurship and its potential in developing and emerging contexts. However, while many experiences have been covered, those of some developing and emerging contexts have received far less attention. Among these under-covered contexts is that of Caribbean Small Island Developing states (SIDS). It is important to note that the development of entrepreneurship as a field can benefit from a broader understanding of more contexts.

This special issue is an opportunity to advance understanding of and the dimensions of entrepreneurship in a largely grey area in the literature, the Caribbean Region. This maiden paper plays a strategic role in situating the papers which follow in a larger body of research and practice relating to entrepreneurship with a focus on the Commonwealth Caribbean SIDS. Perhaps more importantly, the approach is not simply to introduce the papers but more strategically to provide rich contextual material on the quality of entrepreneurship in the region, which then forms the backdrop for the remaining papers. A comprehensive over-view of entrepreneurship is offered, alongside a discussion of some of the historical and contemporary developments, while highlighting the specific character of entrepreneurship in a region that is largely shaped by forces which have in many ways rendered it peripheral to development. Even so, the approach is not pessimistic. As such the paper ends with a demonstration of how an understanding of entrepreneurship in the Caribbean can contribute to and inform the development of practice and theorising, more generally, including advancing an understanding of developments not just in entrepreneurship but in the broader field of International Business. Indeed, the experiences of under-covered regions such as these are useful in that they offer novel testing ground for emerging theories and assumptions and can make relevant contributions to the development of entrepreneurship as a still emerging field of research.

KEY WORDS

Entrepreneurship, Sustainable Development, Small Island Developing States (SIDS), Caribbean Region.

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RESUMEN

El efecto transformador del espíritu empresarial está bien documentado. De hecho, el espíritu empresarial se ha relacionado con el crecimiento y la prosperidad de las naciones, contribuyendo al desarrollo sostenible de diversos sectores. En todo el mundo se ha prestado cada vez más atención al efecto transformador del espíritu empresarial y a su potencial en contextos en desarrollo y emergentes. Sin embargo, aunque se han cubierto muchas experiencias, las de algunos contextos en desarrollo y emergentes han recibido mucha menos atención. Entre estos contextos poco cubiertos se encuentra el de los Pequeños Estados Insulares en Desarrollo (PEID) del Caribe. Es importante señalar que el desarrollo del espíritu empresarial como campo puede beneficiarse de una comprensión más amplia de más contextos. Este número especial es una oportunidad para avanzar en la comprensión y las dimensiones del espíritu empresarial en un área en gran parte gris en la literatura, la región del Caribe. Este artículo inaugural desempeña un papel estratégico a la hora de situar los artículos siguientes en un conjunto más amplio de investigaciones y prácticas relacionadas con el espíritu empresarial centradas en los PEID caribeños de la Commonwealth. Tal vez lo más importante sea que el enfoque no se limita a presentar los documentos, sino que más estratégicamente proporciona un rico material contextual sobre la calidad del espíritu empresarial en la región, que a su vez constituye el telón de fondo de los documentos restantes. Se ofrece una panorámica general del espíritu empresarial, junto con un análisis de algunos de los avances históricos y contemporáneos, al tiempo que se destaca el carácter específico del espíritu empresarial en una región que está en gran medida moldeada por fuerzas que en muchos sentidos lo han convertido en algo periférico para el desarrollo. Aun así, el enfoque no es pesimista. Como tal, el documento concluye con una demostración de cómo la comprensión del espíritu empresarial en el Caribe puede contribuir e informar el desarrollo de la práctica y la teorización, de manera más general, incluyendo el avance de la comprensión de los avances no sólo en el espíritu empresarial, sino en el campo más amplio de los negocios internacionales. De hecho, las experiencias de regiones insuficientemente cubiertas como éstas son útiles en la medida en que ofrecen un nuevo terreno de pruebas para las teorías y supuestos emergentes y pueden contribuir de forma relevante a la comprensión de las teorías y supuestos emergentes. Desarrollo del espíritu empresarial como campo de investigación aún emergente.

PALABRAS CLAVES

Espíritu Empresarial, Desarrollo Sostenible, Pequeños Estados Insulares en Desarrollo (PEID), Región del Caribe

INTRODUCTION

The importance of entrepreneurship and business start-ups has been well-documented (e.g. Acs, 2006; Audretsch & Keilbach, 2008; Audretsch Keilbach & Lehmann, 2006; Audretsch & Thurik, 2000; Fritsch and Mueller, 2004; van Stel and *Storey*, *2004*). Indeed, entrepreneurship has been linked to the growth and prosperity of nations, as well as the ability to lead to the sustainable development of various sectors (Dean and McMullen, 2007; Van Stel, Storey, & Thurik, 2007; Shepherd and Patzelt, 2011; Belz and Binder, 2017; De Nicola, Muraközy, & Tan, 2021). Porter for instance, asserted that entrepreneurship is "at the heart of national advantage" (1990: 125).

Developments globally have in turn, seen a rise in attention to the transformational effect of entrepreneurship and its potential in developing and emerging contexts (see Minto-Coy, Lashley and Storey, 2019) with motivations including the prospects for jobs, growth and opportunities for vulnerable communities such as youth and women being among the reasons for the attraction. At the same time, while many experiences have been covered, those of some developing and emerging regions and contexts have received less attention.

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This has given rise to different strands of entrepreneurship research and practice, including social (REFS), strategic (REFS), sustainable (REFS) and transformational (REFS), entrepreneurship, all of which emphasise the positive attributes, intent and outcomes of entrepreneurship. Among these under-covered contexts is that of the Small Island Developing countries of the Caribbean. It is safe to say that entrepreneurship and enterprise do feature in the Caribbean context. Nevertheless, there is need for more focused and rigorous research to aid theorising, and a greater understanding of the quality and practice and contributing factors (see e.g. Esnard, 2012) to enterprise and business creation in the Caribbean (Minto-Coy, Lashley and Storey, 2019). The turn to start-ups and small businesses witnessed in the developed world as well as the growth in technology during the 1970s and 80s (Caree & Thurik, 2010) has also favoured consideration of the prospects in small and developing societies such as those in the Caribbean. It is important to note that the development of entrepreneurship as a field can benefit from more of an understanding of these contexts. Arikan and Shenkar (2022) have for instance, emphasized the importance of diversifying research sites beyond conventional locations. Their review highlights "neglected elements," with location being a prominent factor. Just as emerging markets have informed scholarship on new aspects of international expansion, exploring research sites beyond the commonly studied areas holds the promise of providing novel insights.

Given the focus of this special issue, the intent is decidedly not to focus on covering the extant literature on entrepreneurship as many such efforts have already been attempted, including by the contributors in this special issue. Rather, the perspective is to lean upon this literature to the extent that it helps to elucidate the points in this introduction with a preference to focusing on the context and the relevance of this context to the mainstream. Further opportunities exist to build on and address the linkages even more deeply.

OVERVIEW OF THE CARIBBEAN CONTEXT

The current aim is to paint a picture of the region which is the focus of this SI. Such a task necessitates going beyond a sterile presentation to one which overviews the context, in a broad sense, as means of providing a backdrop to the other presentations which follow. The approach here is also relevant, in light of the premise that insufficient attention has been placed on the region in the academic literature and which can in turn, provide a launch pad for future research in the space. As such, while further sections will do the task of a traditional introduction by overviewing the papers in the SI, this introduction goes further here, and also in the final section, by drawing attention to the specific practice of entrepreneurship in the region and importantly, the ways in which a focus on the Caribbean can advance research and thinking in Entrepreneurship and International Business broadly.

The countries of the Caribbean fit mainly into the categories of the English (Commonwealth or English-speaking Caribbean), the Dutch, Spanish or French Caribbean, based on their historical association with former superpowers prior to their independence. Some states also remain dependent (e.g. Cayman islands) and as overseas territories (e.g. Guadalupe and Martinique). The US also has some political resonance in a number of ways but importantly here through the US Virgin Islands and Puerto Rico. While the majority of these fit into the context of Small Island Developing states, the reality is that countries such as Belize (Central America), and Guyana and Suriname (South America) are also found on mainland regions. These also exhibit similar features and risk-patterns of islands as it relates to sustainability and other climate-related challenges and are therefore included as SIDS. The region includes 'large' countries such as Cuba, Haiti and the DR, each with populations somewhere between 11 and 12 million, to those as small as St Kitts and Nevis with 101 square miles and a population of a little over 53,000. Economically, the countries vary, given the region is home to the poorest country in the Western Hemisphere, Haiti with a GDP per capita income of USD1,823.7 in 2021 to Bermuda with a GDP of USD10m,000 per capita, while the Bahamas remains the wealthiest independent territory with a per capita GDP of a little over USD31,458.3 in 2022 (WBa, 2023). Table 1 below details the GDP per capita for select Caribbean States to give a fuller sense of the distribution across the region.

Table 1: GDP Per Capita in Select Caribbean States - 2022

Country	Most Recent Year	Most Recent Value
Trinidad and Tobago	2022	18,222.3
Suriname	2022	5,858.3
St. Vincent and the Grenadines	2022	9,125.3
St.Lucia	2022	11,481.5
St. Kitss an Nevis	2022	20,176.7
Jamaica	2022	6,047.2
Guyana	2022	18,989.8
Grenada	2022	10,016.2
Dominica	2022	8,414.5

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Country	Most Recent Year	Most Recent Value
Belize	2022	6,968.4
Barbados	2022	20,018.5
Bahamas, The	2022	31,458.3
Antigua and Barbuda	2022	18,745.2

Source: World Bank, 2023

The region's diversity is well-known, though sometimes not truly appreciated, with this diversity sometimes allowing for a quick screen of many of the developments seen globally in a smaller context. It is acknowledged nonetheless, that the broad similarities across the region means applicability of many of the arguments and perspectives here to the wider region. The Caribbean becomes a case worthy of consideration as it remains a grey space in many research disciplines, generally (see e.g. Robinson, Kerr-Campbell, Patrickson-Stewart 2019; Valles et al, 2021) and in entrepreneurship and IB literature (Minto-Coy, Lashley and Storey, 2019).

Indeed, the Region remains on the periphery in the literature on entrepreneurship and start-ups for a number of reasons. Namely, as a practical consideration its physical structure as a group of small islands separated by the Caribbean Sea (as in the case of the English-Speaking region which remains the focus of this review). The result is isolation coupled with resource constraints (Brigulio, 1995; Minto-Coy, et al 2018). The reality of its location to the right of central America and the cocooning effect of its neighbours in North and South America do not suggest protection but in some ways can be seen as furthering the isolation which gives the perception of 'being away from it all' for visitors who travel to the region for vacation. As a source of resource constraint, isolation is also affected by size, while the cost of inter-island travel sometimes furthers the distance and opportunities for deepened collaboration in spite of the shared perspectives and concerns, frustrating opportunities for shared resources, voice and approaches for meaningful action as a bloc (Ramphal, 1993; Hall and Chuck-A-Sang, 2013; Robinson 2020). From a research perspective, the ability to shape and sometimes feature in mainstream research has been constrained by reduced access to research tools and resources. Resource constraint and periphery then has resonance in multiple spaces; here few indigenous universities, relatively few researchers (including in business and management broadly), and reduced access to published databases, that are often hidden behind paywalls, and to research-funding.

The Caribbean story would be dismal if it had its end in the above presentation. The truth, however, is that, the reality of vulnerability is also juxtaposed against resilience, born out of a need for survival and to identify and seize upon creative ways of adjusting and responding to external shocks and economic and environmental challenges not of its own making. The research landscape can also be contextualised in a similar way, as much as the existence on the fringes of mainstream research means that islands also exist as neat spaces for testing existing constructs and assumptions. The act of devising resilience also means opportunities for the identification of novel approaches, the opportunity to view developments as they emerge, as well as to identify and assess emerging patterns that help to shed more light on those in the mainstream literature. The opportunity for covering experiences from such contexts lies in the prospects for new insights and identification of undercurrents towards expanding the reach and impact of International Business and by extension entrepreneurship (see Arikan and Shenkar, 2022).

The next section further interrogates the movement towards entrepreneurship by investigating the specific quality of entrepreneurship, focusing on the various measures that have been introduced as well as the rationale for the growing focus on entrepreneurship in the region. As will be noted, much of the action is bound up in the fortunes of the region, including the specific developmental and growth challenges, such as those related to climate change, poverty, and low growth.

Support for and Actors Involved in the Development of Entrepreneurship in the Caribbean

Entrepreneurship has been on the rise in the Caribbean. In recent years the push to grow entrepreneurship has seen the burgeoning of initiatives and the deepening of an entrepreneurial ecosystem in the region. The following coverage does not aim to detail each initiative across the region but mainly to highlight the breadth and nature of the interventions, support and actors, with relevant illustrations along the way. Support ranges from government policies and funding, to the introduction of awards and training programmes, among others. Figure 1 below details the major initiatives, as an illustration of the current state of affairs. Figure 2 introduces some of the main actors involved in the space.

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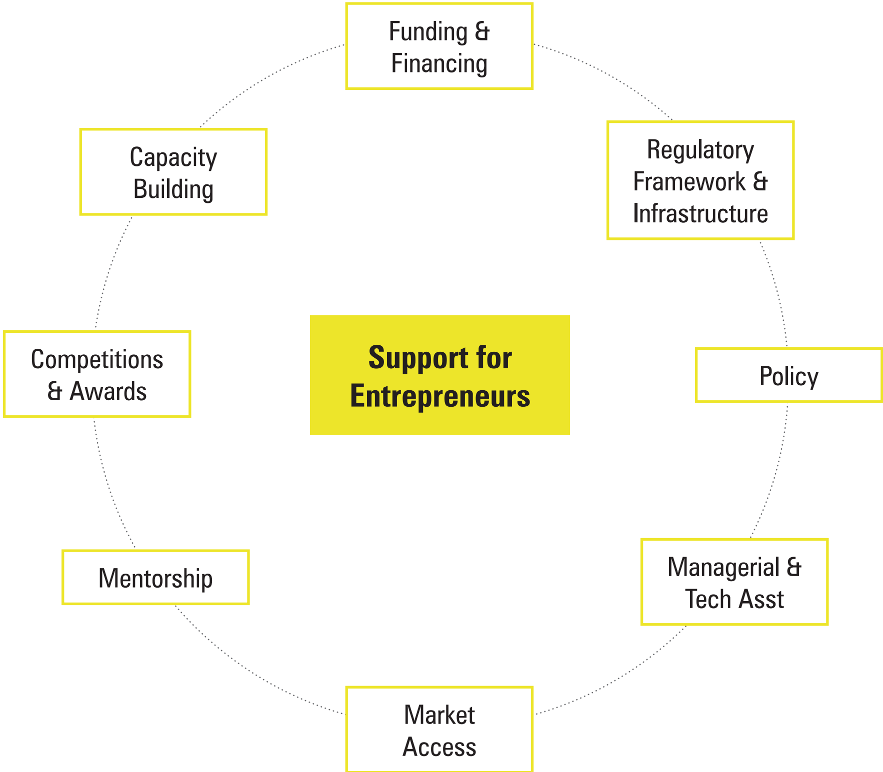
Figure 1: Initiatives to Grow the Caribbean Entrepreneurial Ecosystem



Source: Author's own depiction

Governments and policy makers across the region have been actively calling for and supporting the development of entrepreneurship Whereas Van Stel, Storey & Thurik, (2007) identified two options of government support for entrepreneurship development (i.e., low and high), it is safe to say that the measures adopted by the region lately can be described as more ambidextrous. That is, these is a mix of both strategies. For instance, there has been a lowering of barriers to start-ups and growing attention to enterprises, complimented by policies aimed at offering publicly funded advice, support and finance. Countries have begun introducing policies and regulatory support for SMEs and entrepreneurship as well as measures to facilitate access to support, and reduce regulatory barriers, including access to funding. Trinidad and Tobago have moved in this direction with their Micro and Small Enterprise Policy in 2014[1], while others have introduced Ministries with specific

1 http://www.sice.oas.org/SME_CH/TTO/Final_MSE_Development_Policy_MVG_ALC_20140605_1_e.pdf

responsibility for growing entrepreneurship, as with the aptly named Ministry of Energy, Small Business and Entrepreneurship in Barbados. Each territory has its own governmental bodies and related agencies with remit for entrepreneurship and SME development. For Jamaica, the Jamaica Business Development Corporation and the Development Bank of Jamaica have been instrumental in this space. Small business development centres offer a myriad of services including operating as one-stop shops for entrepreneurs and SMEs. These offer grants, loans, incubation spaces, business support, awareness and information sessions for entrepreneurs. They are in various locations, such as universities and city centres, sometimes drawing requests for more broad locations across states. These patterns largely typify actions and intentions across the region, with even The Caribbean Community (CARICOM) getting involved in various competitions encouraging or providing seed funding as well as incubation opportunities.

Funding for such initiatives has come from a variety of sources, key among them, governments and government supported institutions, in some cases from loans or grants secured from international bodies. Universities have also emerged as spaces, not only for educating and training in entrepreneurship, but also in sourcing and providing small pockets of funding for students and staff to start their businesses. The Mona School of Business and Management at the University of the West Indies (UWI), the major university network across the Caribbean) has, through partnership with the private and public sectors, offered small funding to winners of its UWI Vincent Hosang Entrepreneurship Programme (UWIVHEP) and Competition. Funding has also been secured from external institutions such as the EU and IDB, with countries such as Qatar also stepping in more recently, as part of their development financing initiatives. The growth and institutionalisation of angel investors and venture capital networks has also spilled over into the region. The result has been the emergence of formalised groups such as branches of the Angel Investment Network in countries such as the Dominican Republic and FirstAngelsJa (https://firstangelsja.com/). These offer funding, act as vital nodes and mentors, with networking opportunities for start-ups and entrepreneurs. Accelerators like the Branson Centre also facilitate entrepreneurs connecting with Angels, institutional investors and other venture capitalists, for funding start-ups and growth. In so doing, they form a vital part of the start-up and growth ecosystem in the region, particularly in more mature environments such as Jamaica.

The capital markets have also come into focus with the introduction of a Junior Stock Exchange in Jamaica in 2009 to offer equity financing for successful entrepreneurs and start-ups who are hungry for capital to get to the next level. Investing in these enterprises have had the benefit of expanding business ownership and resource diversification among Jamaican investors. Entrepreneurs on the other hand, are offered tax incentives such as exemptions from paying corporate taxes for specified periods. Prospects for increasing credibility and building brand equity, to further advance growth, have been noted from such efforts. The rationale is therefore

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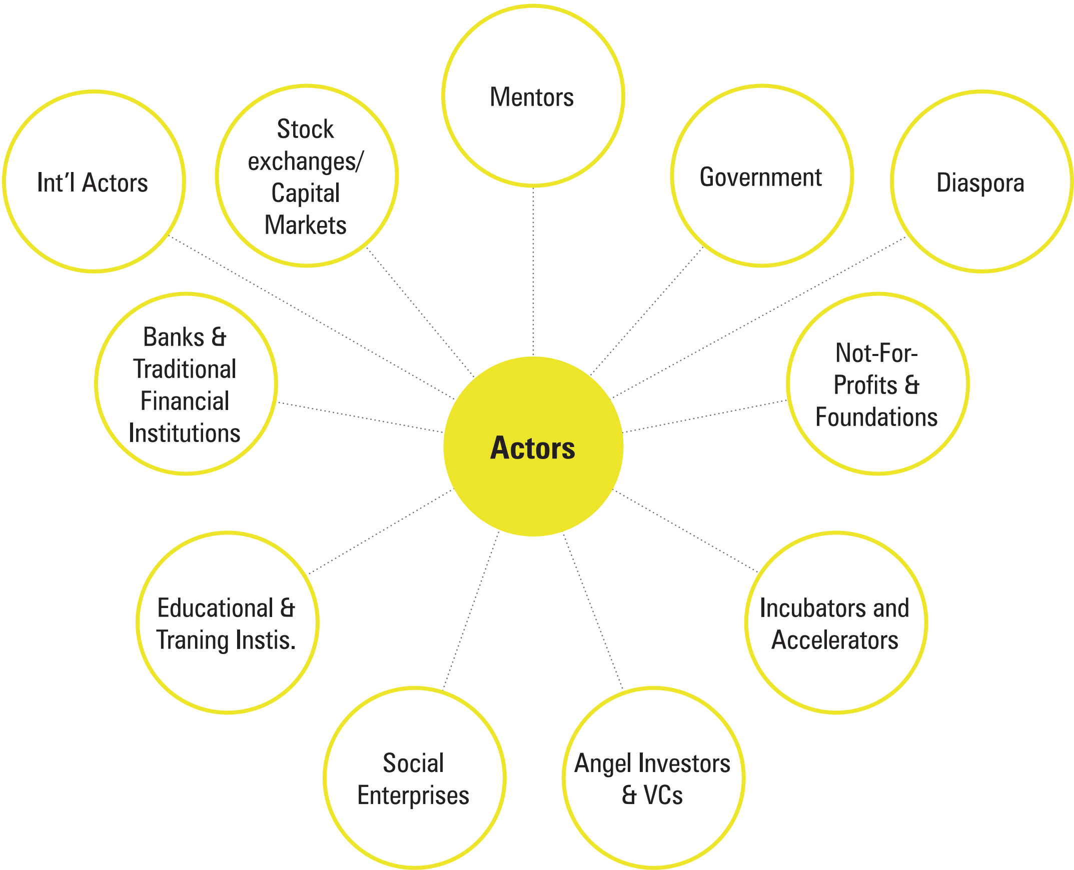
similar to that noted for listing in other jurisdictions (e.g. Granier, Revest and Sapio, 2019). Trinidad and Tobago are also contemplating introducing a Junior Stock Exchange with the Jamaican experience offering examples here (Spence, 2022).

Figure 2: Model of Actors in the Caribbean Entrepreneurial Ecosystem



Source: Author's own depiction

One of the emerging sets of actors/organisational forms in the space, are the well-known incubator models, and less well known, accelerators (the former more focused on start-ups and the latter on scaling new enterprises). The UWIVHEP hosted at the Mona School of Business and Management in Kingston, Jamaica also acts as an incubator and partners with the Mona Entrepreneurial and Commercialisation

Centre to provide ongoing support for promising participants once their period in the incubation programme concludes. Such models of university-led support for entrepreneurs and start-ups exist in different degrees at other universities across the region. Institutional support has focused on capacity building for entrepreneurs, including training and competence development. Specific areas of focus include leadership, development of entrepreneurial aptitude and skills, knowledge on managing the enterprise and resilience. Among the key skills that has received much attention is that of business planning, developing the business model and increasing competence in demonstrating value. Indeed, some have suggested that the problem facing entrepreneurs in the region is not the absence of funding but the inability to demonstrate viability and the absence of sound business plans (see e.g. Minto-Coy, Lashley and Storey, 2019) to access start-up and growth funding. Support may then need to be targeted to certain communities, in order for the transformative effect of entrepreneurship to be felt across all groups. This is in turn related to factors such as education. Mentorship is also offered, importantly, allowing entrepreneurs to associate with those who have walked the same pathway. The result is an opportunity for up close learning, tools for coping with the sometimes-lonely journey of entrepreneurship and access to needed networks. Incubators and accelerators act as a space through which many of these services are provided across the region, including the provision of affordable and accessible workspaces.

Even celebrities and global entrepreneurs have thrown their hats into the ring. For instance, the Branson Centre Caribbean was established as an accelerator for growth stage entrepreneurs, broadening the focus from incubators into new businesses set for growth (https://bransoncentre.co/). Esnard and Stephens, in this issue details the experience of Barbados who has moved towards entrepreneurship as a means of addressing unemployment and economic challenges. As with many other islands, the initiatives have been driven by government and private sector with support from not-for-profit organisations, international agencies, etc., and partnership.

The region is in a precarious position as it relates to climate change (Birthright and Smith, 2023). With the increasing threats around climate change and sustainability, support has also arisen around encouraging entrepreneurial endeavours in sustainability. The result is the increasing relevance and attention to new and emerging streams of entrepreneurship such as green, sustainable, as well as social entrepreneurship. The Caribbean Green Entrepreneurship Initiative (CGEI) for instance, emerged to support the growth of socially conscious businesses in the OECS and other countries across the Region. The CGEI is networked into the Global Green Growth with funding coming from the Qatar Fund for Development. The CGEI is a good illustration of how the global community works to build entrepreneurship competence at the regional and national levels. The CGEI for instance intends to help national business support organisations to build capacity in green entrepreneurship. Women and 'green entrepreneurs' are the specific targets of this initiative (see GGGI, 2021).

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Focus has tended to be on developing innovative and technology-based enterprises and start-ups, among other areas, including in green, female and youth entrepreneurship. In terms of the latter, the region has seen comparatively high levels of youth unemployment. That is around 25% in 2016, (Wong and Ramakrishnan 2016). Again, these numbers are not uniform across the region, with some countries experiencing this challenge more than others. Thus, while the numbers vary, from as low as 2% in St Kitts and Nevis, other estimates are as high as 40% in St Lucia (WB, 2023b). Support has been placed on developing initiatives aimed at advancing entrepreneurship opportunities for this group to develop leadership and business skills. The OECS Technical Assistant and Coaching Programme for youth Entrepreneurs introduced in 2020 focused on benefitting this group (OECS, 2020).

Importantly too, the educational institutions from early childhood to tertiary and University level, have also advanced as training ground for entrepreneurs. These offer degree programmes and courses, as well as extra-curricular activities (e.g., entrepreneurship clubs) all aimed at signposting students at all levels, towards entrepreneurship. Emerging efforts at the regional and global levels are also seeking to engage graduate students in providing the boots on the ground to offer training and advice on business planning, marketing, budgeting and ultimately in formalising local operations of entrepreneurs in the region. In this way students also get an opportunity to engage in experiential learning activities that also help to heighten their opportunity perception and awareness for their own activities.

The region's modern experience and history with migration has also seen its diaspora or transnational population located in countries such as the US, Cayman Islands, UK and Canada also playing a role in the region (e.g., Minto-Coy 2016 a; Minto-Coy 2019; Smith, Minto-Coy and Elo, 2023). These actors have been set apart in the model depicted in Figure 1, given that while they can be seen as external, in that they reside outside of the Caribbean, their relationship is not as distinct or neatly defined as other external factors such as aid, advice or development agencies. Furthermore, their involvement in the region has been more fluid; it is at times, virtual, and ongoing, regardless of the countries of residence and the challenges facing the global context. The diaspora's role as funders, informants, networkers and boundary crossers, as well as mentors and markets, have been noted as being important for activating entrepreneurship, growth and the internationalisation of Caribbean enterprises (Minto-Coy 2016b). A recent example of this is the diaspora led *InnovateGuyana* imitative (https://innovateguyana.org/) which operates an incubator and accelerator, providing entrepreneurship support for micro and small businesses, including mentorship and venture capital funding. The reality is that the diaspora, from their operational spaces in developed contexts are able to form strategic partnerships with institutions in the global north towards the growth of enterprise and entrepreneurship in the region. For instance, the lead who is also a member of the Guyanese Diaspora in the US, has harnessed her years of experience in the venture capital, education and entrepreneurship space to secure support from the IDB and USAID for instance, in support of the initiatives of InnovateGuyana.

The private sector has also played a role in the development of the sector, particularly through their foundations. Partnerships have been sought in this area, e.g., the *Jamaica National Foundation* teamed up with the USAID to implement the *Social Enterprise* Boost Initiative (https://www.miic.gov.jm/msme-initiatives/social-enterprise-boost-initiative-sebi). This private sector led initiative has been noted for its contribution in driving the development of the social enterprise model in Jamaica. The Jamaica Social Stock Exchange was also created in 2019 with a view to boosting funding to the development of the social sector. Interest remains in countries such as Trinidad and Tobago, through SEEDS (formed in 2019) with other governments looking towards identifying ways in which they can introduce this model of entrepreneurship nationally. Challenges such as crime, youth unemployment and poverty have raised the profile of social entrepreneurship as a means of improving livelihoods and sustainable economic opportunities for the region (Minto-Coy, Lashley and Storey, 2018).

The efforts detailed above are necessary and have gone some way in providing the space for entrepreneurship to become more formalised in the Caribbean. However, as yet, a full review of the various support and effectiveness of actors in the Caribbean entrepreneurship space has yet to take place including the impact on female entrepreneurs. This group has been believed to have disproportionate experiences in relation to their male counterparts globally (Zampetakis, et al, 2016). Roughly 40% of businesses across the Caribbean are believed to be women-owned (Maharaj, 2021). What is the impact of such support and interventions on the prospects for female entrepreneurship? These are areas that could benefit from further investigation with comparison in other contexts.

Amidst the flurry of activities there remains a need for meaningful interrogation of the various efforts and evaluation of accomplishments, challenges and the way forward. The papers in this issue offer some guidance, specifically as it relates to the latter. The development of the entrepreneurial ecosystem has been informed by the elements noted elsewhere as being important. Nevertheless, there remains space for more context-driven initiatives (Mazzarol, 2014), as seen for instance in the growing focus on green and social entrepreneurship. There also remains a need for more focus on research and development, generally, that informs the business creation and idea formation process. Even as training and entrepreneurial education is growing there is also need for focus on the development of quality human and support resources, generally. In other cases, authors such as Storey (2004) have suggested the possibility of racial discrimination in the rate of denial of loans to fund the micro and small businesses in countries such as Trinidad and Tobago, where there has been historical tensions between Blacks and Indians (Minto-Coy & Elo, 2019; Crosson, 2022). The same would be relevant for contexts across the region where similar or related ethnic and racial divisions exist (e.g., Guyana). Opportunities are also required for international expansion, while further help is needed in bolstering the confidence of entrepreneurs who exist in systems characterised by informality and mistrust of

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the state and formal processes. It has been noted for instance, that "informality is a pervasive and deeply rooted phenomenon" (Coenjaerts, 2017: Forewrod). Estimates place countries like Barbados anywhere from 32.7 and 45.7 per cent, Guyana from 31.7 and 41 per cent and Jamaica between 34.2 and 42.6 per cent of GDP respectively (ILO, 2014). In such cases, it is not about whether sufficient support and actors exist in the space but about the extent to which entrepreneurs and business owners are willing to engage such support towards more impactful entrepreneurial outcomes. For instance, support measures introduced by the Jamaican government to assist entrepreneurs and SMEs during the COVID-19 Pandemic were not as widely accessed as hoped, as some entrepreneurs felt they would not qualify for support or hesitated in providing information to the state (Hylton, Johnson, Malcolm and Moxam, 2023). To this end, the developmental of more indigenous online tools and community platforms, specially curated for the Caribbean space, and more mentors who will reach entrepreneurs where they are become important endeavours for driving confidence and outcomes in the entrepreneurial space.

Rationale for the Growing Attention to and Action in Entrepreneurship Across the Caribbean

The increased awareness of, and support for, entrepreneurship and start-ups has been driven by a myriad of factors, some are longstanding and others new. The Commonwealth Caribbean, has, since independence (mainly between 60s and 70s) sought for routes to economic and social development. The search has seen the adoption of various economic and development models, including that of the renowned Caribbean Nobel Laureate, Arthur Lewis (Figueroa, 1993).

The region, however, continues to grapple with the after effects of successive economic and health crises, including the global financial crisis and most recently, Covid-19, the latter having exacerbated the longstanding economic challenges faced by the region. The high GDP of the non-independent territories noted earlier, also mask the underperformance of many of the economies in the independent region, including countries in CARICOM, where un- and underemployment, low productivity, coupled with largely uncompetitive economies have meant that the region, post-independence, has not convincingly lived up to its expectations (Hall and Chuck-A-Sang, 2013). For instance, the post-independence performance of Jamaica has often been compared with Singapore who both gained independent in 1962 and 1965 from the UK, and who's GDP per capita stood at USD460 and USD470, respectively, with stories of Lee Kyan Yew having visited Jamaica to gain insights into how to move into independence successfully (Williams and Morgan, 2012; Welsh, 2012; McLeod, 2021).

Foreign exchange earnings, exports and traditional sectors remain under threat while growth rates have been lacklustre. The restart of economic activity since C-19 has not been smooth adding further risks to the region's future.

The economic challenges that have rendered the region peripheral are further compounded by its vulnerability to natural disasters. As a measure of disasters per capita, the Caribbean is home to 25 of the most vulnerable countries in the world. The region is therefore more vulnerable than its Latin and North American neighbours. This is so, even when compared to other small states, given there is twice the likelihood of being hit by a natural disaster than other small countries. As such, global economic shocks take on a unique dimension in the Caribbean, which is prone to some of the most devastating effects of natural disasters. "The economic cost of these disasters for the Caribbean is substantial, exceeding $22 billion (in constant 2009 dollars) between 1950 and 2016, compared with $58 billion for similar disasters globally" (Ötker and Srinivasan, 2018: np). Thus, even where other regions have suffered from similar global crises, the effects of recovery and renewal are compounded by the impact of natural disasters such as hurricanes, droughts as a result of climate change (Minto-Coy, Hoilette, Claudius and Lambert, 2022; Granvorka, 2016). 2017 would have seen the Caribbean facing one of its most devastating effects with loss from Hurricane Maria representing 225% of Dominica's GDP. In 2004 Hurricane Ivan wiped out 200% of Grenada's GDP. In such a context green entrepreneurship and environmental entrepreneurship have become even more relevant. In particular, there is also added momentum around climate financing and related entrepreneurial responses to halt or slow climate related threats.

The region's experience with migration gives particular relevance to notions of brain drain and brain flight, which evidences the precarious and peripheral nature of the region. That is, migration acts upon the other vulnerabilities described above combining to further keep the region at the fringes of development, even with their best efforts.

Table 2: Human Flight and Brain Drian: Top 10 Countries 2007-2022

Countries	Human flight and brain drain, 2022	Global rank	Available data
Samoa	10	1	2007 - 2022
Jamaica	9.1	2	2007 - 2022
Palestine	8.8	3	2007 - 2022
Micronesia	8.7	4	2007 - 2022
Somalia	8.7	5	2007 - 2022
Eritrea	8.5	6	2007 - 2022
El Salvador	8.4	7	2007 - 2022
Albania	8.3	8	2007 - 2022
Haiti	8.2	9	2007 - 2022
Guyana	8.1	10	2007 - 2022

Source: https://www.theglobaleconomy.com/rankings/human _ flight _ brain _ drain _ index/

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The Caribbean has historically been shaped by migration, first immigration and then mainly since independence, emigration; so much so that in some cases (e.g., Dominica) the overseas population has been estimated to be roughly the same as the local population (Minto-Coy, 2016). Migration has seen the departure of some of the most skilled and educated across the region, particularly in countries such as Jamaica, Guyana and Haiti. These countries are therefore noted among the top 10 countries most affected by brain drain and human flight with many others from the region occupying the next ten and twenty spots.

It is in such a precarious context that the Caribbean region has seen more and more attention being shifted to the role of entrepreneurship, innovation and new business creation, as a route to boosting economic activity across the region. The developments and trends towards entrepreneurship in all its form globally has also emerged in the form of the push towards social entrepreneurship (Medine & Minto-Coy, 2023). K'nIfe & Haughton (2013) have, for instance, investigated the role of social entrepreneurship in helping to build trust and broker positive relationships between inner-city youth and the police. This more recent iteration of entrepreneurship has arisen an attractive route to addressing the social challenges faced by countries across the region, including threats to vulnerable groups such as youths and women and as a way of providing sustainable and empowered livelihoods.

The underlying rationale behind the thrust towards entrepreneurship is a belief that entrepreneurship is good. That is, it is a route to addressing ongoing socio-economic challenges faced by peoples across the region. Ultimately, the experiences in developed countries are held as the ideal example and hence the value to espouse to. The resulting support programs and initiatives described are informed by a view that more favourable conditions need to be created for entrepreneurship to thrive (Ozaralli & Rivenburgh, 2016). The competitiveness of nations would be dependent on the extent to which entrepreneurship was unleashed (Porter, 1990). This suggestion is that governments can create the right environment and create 'sticky places' in which entrepreneurship and start-ups, can emerge and thrive (Minto-Coy & Elo, 2019; Markusen, 1996).

Introduction to the Issue

Having established the context, the task now on hand is to introduce the contributions to this special issue. This special issue is an opportunity to advance our understanding of the dimensions of entrepreneurship in a largely grey region in the literature, islands (Brigulio, 1995) and specifically the Caribbean Region (Minto-Coy, et al, 2018). The papers in this special issue all address different aspects of entrepreneurship, including the experiences of start-ups across the Caribbean, showcasing its multidimensional nature and application across the region. Even so, contributors have also sought to situate their research and findings in the extant literature as well as to adopt an extra-regional and comparative approach, further broadening the analysis and applicability beyond the region. The applications are therefore of relevance to the region but more broadly speak to the particular circumstances of countries in emerging and developing markets.

Methodologically, the practice has been to focus largely on single case studies when studying entrepreneurship. These have been useful in helping to bring some attention to the efforts to support entrepreneurship in the region. At the same time, there is also need for more longitudinal studies to give a more wholistic viewpoint of the development of entrepreneurship in the Caribbean region. This is important if research in the region is to advance in the vein of mainstream, even as the resource challenge faced by researchers in the space are acknowledged. The papers in this issue are a mix of different methodologies allowing more insight into the quality and experience of entrepreneurship in context and over a period of time.

As presented earlier, much of the intervention in the entrepreneurship space has been towards the creation of new entrepreneurial firms, held to be important facilitators of development. It is fitting therefore, that Bahaw deals with some of the major challenges faced by new ventures. That is, accessing finance and deciding on an appropriate capital structure. These are not only concerns of Caribbean start-ups, but remain struggles in many emerging contexts, where challenges in accessing finance is held to affect survival and the growth potential for start-ups (Block, et al, 2018; Brown & Earle, 2015). While research has acknowledged the importance of the start-up and seed funding stage, Bahaw suggests that in developing countries such as Trinidad and Tobago the existing literature has tended to focus more on established firms with a need to more understand how the capital structure impacts the profitability levels of new ventures. Capital structure is an important consideration, since among other things, it helps to determine the availability not only of initial but(?) future capital flows. This study is important given that considerations on capital structure and firm value in emerging contexts have seen attention given to more mature firms, including listed companies (e.g., Pontoh and Ilat, 2013; Singh and Bagga, 2019; Dinh and Pham, 2020; Nguyen, et al, 2023). Using a sample of 43 new ventures in Trinidad and Tobago, Bahaw then tests the effects of different financing sources on net profit margins. The study results show that rather than external financing, it was the owners' savings and retained earnings that had a positive impact on net profit margins. The study offers guidance to policy-makers and managers, as it relates to the value of encouraging retained earnings and savings for new ventures in emerging contexts. The implications of this strategy for growth and the ideal sequencing throughout the lifetime of the venture are relevant considerations for start-ups, incubators, funders and advice-giving actors in the entrepreneurial space.

Rojer takes the focus on entrepreneurship into the realm of family firms and adopts a cross- comparative focus, which considers 250 firms across 10 islands from 2009 to 2020. His study context goes well-beyond the Caribbean to include other

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island contexts (Bahamas, Bahrain, Barbados, Cyprus, Iceland, Fiji, Jamaica, Malta, Mauritius, and Trinidad/Tobago). As with Bahaw, Guido's work addressed one of the calls for more longitudinal and multi-case studies in studying entrepreneurship. Rojer's work underscores the continuing interest in Family firms and distinguishing these from others. His findings suggest that family firms operate as networks, which prove useful in helping family firms to overcome resource constraints. Beyond this, Rojer's work hints at the fact that the discontents and disagreements in this area of research (Binz, et al, 2013; Kellermanns, et al, 2012) are long from being settled in terms of identifying the relevance of attributes such as the role of ownership.

Danns and Danns take aim at the topic of youth entrepreneurship, assessing the experiences and prospects for the Caribbean through the lens of a case study on Guyana. As with the rest of the region, entrepreneurship is being promoted as a means of combatting high youth unemployment, addressing poverty and to facilitate social mobility, and the inclusion of young people into the formal economy. Danns and Danns quote the alarming statistic, that of the employed youth in the wider Latin America and Caribbean region, 62.5% are believed to be employed in the informal sector. Entrepreneurship is easily taken as a panacea in such contexts. Nevertheless, the authors warn against the risk of viewing youth entrepreneurship simply as a stop gap against crime and not as self-determined efforts towards real entrepreneurship among young people. In this regard, their findings suggest that most young people consciously choose entrepreneurship as an option, challenging the prevailing notion of your entrepreneurs as necessity entrepreneurs or directed into this avenue simply to address behavioural challenges. While their study focused only on one community, it nevertheless suggests several interesting findings that would be worthwhile as the basis for a larger review across the Caribbean region, as well as to assess the relevance of the findings against those of non-Caribbean contexts.

The final contribution comes from Esnard and Stephens. In addressing the under-theorising and lack of exploration of antecedents and variations in entrepreneurship research across the region, they undertake a comparative study of the Entrepreneurial Intentions among the adult population of three Caribbean countries (Barbados, Jamaica and Trinidad and Tobago). Utlilising the theory of planned behaviour, they then assess the importance of entrepreneurial knowledge, skills, knowledge, and opportunity as informants of Entrepreneurial Intentions; finally, testing for possible socio-demographic variations in Entrepreneurial Intentions. The authors conclude that while the predictors of Entrepreneurial Intentions are varied, there is need to focus more on the socio-cultural aspects of Entrepreneurial Intentions. There is also a call for more assessment of the structures, context and cultures. In seeming support of the increased efforts to support entrepreneurship, noted earlier in this paper, Esnard and Stephens, also call for greater experiential/practical entrepreneurship training to increase outcomes in the region.

Together the contributions help to shed light on a variety of themes and perspectives relating to entrepreneurship and start-ups. Together with the introductory notes, they offer a basis for further research, not just on islands or the Caribbean, but for further interrogation in wider developing and emerging contexts. They, therefore, present a launch pad for considering the value of Caribbean scholarship, while advancing opportunities for managers, practitioners and policy makers in the space to understand the drive towards and measures employed in driving entrepreneurship. Their contributions also suggest how the structure of entrepreneurship and the entrepreneurial ecosystem can be context-driven, with the diaspora and international actors playing a major role in the Caribbean context.

Next Steps and the Relevance of the Caribbean in Entrepreneurship Research, Practice and Theory Development

The Caribbean perspective in entrepreneurship and new ventures research remains relevant on a number of levels. Indeed, it is here that one can in fact consider the benefits or contributions of peripheries as sites of innovation and creativity, where new perspectives and developments emerge that are yet to be considered in the mainstream. It is very much the case that the Caribbean and Island contexts suggest a level of resilience and strength which defies vulnerabilities and challenges mentioned above, as well as in the papers considered.

Baldacchino & Milne have suggested that islands can utilize their uniqueness to improve economic performance (2019). A heightened awareness of what these unique qualities are, including as it relates to the prospects for entrepreneurship (held to be important for growth and development) can indeed help inform novel approaches which can see the Caribbean turning its vulnerabilities into resilience. The relevance of understanding the islands, and in this case, the Caribbean, goes well-beyond practice and research in the region, however. Indeed, there remains a few areas where research on the region, as an emerging context, can help to shed light on some of the new and emerging areas of research, or where recognised research fields can be advanced by new research (Grøgaard, Sartor and Rademaker, 2022). The research and perspectives covered in this article and the remaining papers in this special issue go some way in indicating where this may be the case. This penultimate section will extend this demonstration even further. While the focus is on entrepreneurship the resonance in the broader International Business discipline is also noted.

Entrepreneurship and IB have slowly awoken to the relevance of migration and the diaspora. In fact, the practice has long been relevant, but only more recently have scholars began catching up with this phenomenon from an IB perspective, as seen in the number of special issues and research papers in the area in the last five years (e.g. International Journal of Entreprenerial Behaviour and Research; Journal of Business Ethics; Journal of International Business Policy; Journal of World Business). The reality though is that the Caribbean has a special but under-recognized relevance in this emerging body of work. This is so. given the region's history with migration and diaspora, and where the Caribbean diaspora have long been key informants of location choice and internationalisation strategies

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(enduring themes of IB research) of Caribbean firms. In fact, where entrepreneurial firms from the region have lacked the market spend, the capacity for R&D and business-model validation possessed by their counterparts in other contexts, the diaspora has helped such firms blaze a trail that has enhanced the ease of entrepreneurial firms from the region entering foreign markets.

This observation extends to an understanding of how certain firms internationalise and go global. Namely, Rojer's paper in this SI, notes the findings from Sannegadu et al. (2021) that island firms' engagement in international markets tends to be less about planned strategy and more a response. The rise however, of transnational and diaspora entrepreneurship suggests alternate actions and strategic insights for island firms. Firms from the region have, therefore, been shown to strategically choose internationalization based on the prospects offered for servicing the Caribbean transnational population in foreign spaces. The appearance of a niche global market, constituted by the diaspora, becomes even more elemental as an option for firms from island, peripheral and emerging contexts to participate in International Business snd entrepreneurship. The diaspora is then presented as sources of strategic orientation and channels for the growth and internationalization of firms from such regions (Minto-Coy, 2016). Here, the constructs of liabilities of foreignness, newness and smallness, can be reframed, considering the role of diaspora niche markets as routes of entry into global markets that have previously been closed off for firms from emerging and developing contexts, beyond the focus on large emerging firms from countries such as China, Brazil and India. In fact, it is not coincidental that some of the largest enterprises from the Caribbean are those that created services and products to service the Caribbean diaspora market in developed country settings. To this end, the diaspora also becomes not just a route of entry, but also for mainstreaming homeland products (Minto-Coy, 2016; Elo, Minto-Coy, Silva and Zhang, 2020; Nurse and Kirton, 2014). The diaspora has helped to expand island markets and opportunities for revenues beyond the narrow geographic reality of 'the island'. Diasporas then are like modern day Trojan Horses, helping firms from emerging contexts to enter and conquer otherwise difficult markets. In so doing, they help to overcome some of the challenges of islandness noted by Rojer in this SI.

Remittancing has also emerged as an important consideration in diaspora entrepreneurship and migration, as a relationship that directly ties migrants back to their countries of origin and which also changes the dynamics of migration in ways which connects the country of origin, host and migrant into a transnational alliance. This alliance finds resonance in the transnational and diaspora entrepreneurship literature. Beyond this though, is the role of economic flows, such as remittances and diaspora and transnational entrepreneurship, as a means of addressing poverty reduction, supporting new ventures and start-ups in the Caribbean and other developing contexts. Nurse and Kirton have also pointed the possibility for the securitisation of debt thanks to remittances (2014). As others have also pointed out diaspora remittances are not only financial, but also include entrepreneurial expertise, competence, knowledge and networks that can and are being utilised to build local entrepreneurial competence (e.g., Minto-Coy & Seraphin, 2017; Minto-Coy, Elo and Chrysostome, 2019) Indeed, while brain drain and brain flight remain realities in the region, the insertion of the notion of diaspora and transnational diaspora entrepreneurship as key constructs in such discourse, broadens and deepens the coverage away from a narrow pessimistic preoccupation with brain drain, as relevant as this construct is to the Caribbean and other migrant sending countries. The area of diaspora entrepreneurship remains one in which the Caribbean has much to contribute to the contextual, but importantly, broader entrepreneurship and international business research agendas.

Another area in which a focus on the Caribbean and its reality can contribute to the wider body of scholarship is the Climate change and sustainability. As noted, the Caribbean has particularly been affected by migration. In turn, the UN SDGs have given greater impetus to business and enterprise in creating a more sustainable future. With this, added focus has come opportunities for more funding and support for innovative and creative entrepreneurial businesses and start-ups. As the effects of climate change become more real, the experiences of the region in building resilience and adaptation (here for SMEs and entrepreneurs and other sectors more generally) may be relevant to other regions and contexts. The Caribbean is also increasingly a scene in which issues of climate financing and climte-related entrepreneurial initiatives are playing out. This therefore offers research, policy and managerial insights into how climate change and related themes play out in practice, for identifying the prospects, evolution and effects of green start-ups, and the ways in which entrepreneurial business and societal resilience can be built.

Given the full breadth of diaspora contributions, which include non-financial remittances, it can be noted that the full extent and reach of diaspora entrepreneurship has yet to be tested for the region but perhaps even more so for other countries. Related questions to inform policy and research are: What policies and programs can be introduced to support concepts such as brain circulation and the creation of sticky places for diasporas to contribute via diaspora investment and start-ups? More research is also needed into diaspora investment and entrepreneurship in terms of identifying the enabling institutional arrangements for success (Minto-Coy & Elo, 2017). This imperative is not only relevant for the Caribbean, but also for other countries and regions looking to engage their transnational populations towards heightened entrepreneurship and business start-ups in the age of migration (Castles and Miller, 1993). The region also offers an opportunity to study very under-researched concepts, such as returnee diaspora entrepreneurs, where these have been shown to be harbingers of improved business and management practices and critical investment and start-up capital upon their return home (Minto-Coy and Hugues, 2017; Connell and King 2009). Host country governments are also being awakened to the prospects

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and have moved to introduce measures meant to create a facilitative environment for diasporas to engage their home contexts via diaspora entrepreneurship (Morgan, 2023). The relevance of these perspectives beyond the region is noted.

CONCLUSION

The paper has sought to introduce the papers in this special issue. Nevertheless, the presentation has gone beyond seeking not only to introduce the individual papers but importantly to provide an overview of the context of entrepreneurship in the region. This is important in a region that has not always featured in terms of coverage in the literature. It has also gone beyond the introductory task by suggesting ways in which the region can advance understanding and research agendas in areas such as climate change, migration, among others using entrepreneurship as the main site for action.

Together the contributions help to shed light on a variety of themes and perspectives relating to entrepreneurship and start-ups. Along with the introductory notes, they offer a basis for further research, not just on islands or the Caribbean, but for further interrogation in wider developing and emerging contexts. They, therefore, present a launch pad for considering the value of Caribbean scholarship, while advancing opportunities for managers, practitioners and policy makers in the space to understand the drive towards and measures employed in driving entrepreneurship. The contributions and the introduction also suggest how the structure of entrepreneurship and the entrepreneurial ecosystem can be context-driven, with the diaspora and international actors playing a major role in the case of the Caribbean.

A variety of methodological and conceptual approaches have been utilised across the papers in this special issue. More directly, the former includes quantitative, multi-site and multi-firm case studies, as well as longitudinal approach. At the same time, given the dearth of material on the Caribbean region, what exists tends largely to be single-case studies and while these have their place, there is also need for more longitudinal studies to give a more wholistic viewpoint of the development of entrepreneurship in the Caribbean region. For emerging regions, where data remains challenging, these are important in helping to produce more quality data that can inform long-term patterns and impacts, to inform more strategic decision-making among firms and more informed supportive policy architectures from governments, international bodies and other actors active in the entrepreneurial space.

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ENTREPRENEURIAL INTENTIONS IN THE CARIBBEAN: ANTECEDENTS AND VARIATIONS

INTENCIONES EMPRESARIALES EN EL CARIBE: ANTECEDENTES Y VARIACIONES

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ABSTRACT

Increasingly, researchers and policy makers across the globe explore the transformative role of entrepreneurship in the development process. What remains relatively under interrogated in this process is the issue of entrepreneurial intentions within the Caribbean region. Where entrepreneurial intentions play a pivotal role in future entrepreneurial activity, this area of research can provide useful insights for development policy and practice. Considering the above, three main objectives guide this paper. Firstly, we comparatively examine the entrepreneurial intentions drawn from adult populations across Barbados, Jamaica and Trinidad and Tobago. Secondly, we assess the relative importance of entrepreneurial skills, knowledge, and opportunity to entrepreneurial intentions. Thirdly, we also explore for possible socio-demographic variations (specifically based on sex, age, level of educational attainment, and type of current profession or career) in the levels of entrepreneurial intentions. To do this, we utilize available raw data from the Global Entrepreneurship Monitor (GEM) survey for the Caribbean countries. We use this data set to test for the relative significance of key antecedent variables for understanding entrepreneurial intentions. Point to variability in the relationship between attitudinal factors, socio-demographic backgrounds, and entrepreneurial intentions between countries in the study. Implications for a more contextualized theorizations of entrepreneurial intentions are discussed.

KEYWORDS

Entrepreneurial intentions, GEM, Caribbean, contexts

RESUMEN

Cada vez más, investigadores y responsables políticos de todo el mundo exploran el papel transformador del espíritu empresarial en el proceso de desarrollo. Lo que sigue siendo relativamente poco cuestionado en este proceso es la cuestión de las intenciones empresariales en la región del Caribe. Cuando las intenciones empresariales desempeñan un papel fundamental en la futura actividad empresarial, este ámbito de investigación puede aportar ideas útiles para la política y la práctica del desarrollo. Teniendo en cuenta lo anterior, tres objetivos principales guían este documento. En primer lugar, examinamos comparativamente las intenciones empresariales de la población adulta de Barbados, Jamaica y Trinidad y Tobago. En segundo lugar, evaluamos la importancia relativa de las aptitudes empresariales, los conocimientos y las oportunidades para las intenciones empresariales. En tercer lugar, también exploramos las posibles variaciones sociodemográficas (específicamente en función del sexo, la edad, el nivel de estudios y el tipo de profesión o carrera actual) en los niveles de intención empresarial. Para ello,

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utilizamos los datos brutos disponibles de la encuesta Global Entrepreneurship Monitor (GEM) para los países del Caribe. Utilizamos este conjunto de datos para comprobar la importancia relativa de las variables antecedentes clave para comprender las intenciones emprendedoras. Señala la variabilidad en la relación entre factores actitudinales, antecedentes sociodemográficos e intenciones emprendedoras entre los países del estudio. Se discuten las implicaciones para una teorización más contextualizada de las intenciones emprendedoras.

PALABRAS CLAVE
Intenciones empresariales, GEM, Caribe, contextos

INTRODUCTION

Without a doubt, empirical support for the link between entrepreneurship, value creation, and economic growth continues to grow (Van Stel, Storey, & Thurik, 2007; De Nicola, Muraközy, & Tan, 2021). In fact, entrepreneurship is positioned as part of a global cultural and ideological shift away from the centrality of formal management and organizational behaviour to those of market logic, leadership, and socio-economic development (Bromley, Meyer, & Jia, 2022). Within this new thrust, the entrepreneur, has also been represented as a key driver of creativity, innovation, and growth, but with a requirement for a particular orientation and/or intention, and with the hope that these dispositions will develop into some degree of planned behaviour (Bhat & Singh, 2018). This aspect of intentionality, as the degree to which an individual may or may not be committed towards starting a business in the not-too-distant future, also unfolds in the broader literature, as critical aspect of promoting and securing this cultural transformation (Krueger, Reilly, & Casrud, 2000; Ozaralli & Rivenburgh 2016).

While the push for entrepreneurial cultures also exists within the Caribbean region, these efforts remain largely undertheorized or tested, and with little examination of entrepreneurial antecedents and intentions (Devonish et al., 2010; Esnard, 2012; Valliere & Steele 2015; Mohan, 2022). What exists however are pockets of research that treat with: (i) the challenges related to the micro-economic and institutional framework that underpin Caribbean economies (Minto-Coy, Lashley & Storey, 2018) (ii) the importance of racial (Boxill, 2003), ethnic (Ryan & Stewart, 1994) and gender disparities within the entrepreneurial space (Esnard, 2012, 2016; Lashley & Smith 2015; Pounder 2016), and in more recent times that of, (iv) the possibilities for diasporic entrepreneurship (Nurse & Kirton, 2014; Minto-Coy, 2016).

In light of the above, three main objectives guide this paper. Firstly, we comparatively examine the entrepreneurial intentions (EI) drawn from adult populations across Barbados, Jamaica and Trinidad and Tobago. Secondly, we use the theory of planned behaviour to test for the relative importance of entrepreneurial skills, knowledge, and opportunity for understanding entrepreneurial intentions. Thirdly, we also explore for possible socio-demographic variations (specifically based on sex, age, level of educational attainment, and type of current profession or career) in the levels of entrepreneurial intentions.

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The article is structured as follows: we present (i) the entrepreneurial context for the Caribbean (with specific reference to three cases, namely Barbados, Trinidad and Tobago and Barbados, (ii) the advances and challenges of building an intentions-based framework for understanding entrepreneurial activities, (iii) the methodology for collecting and analysing GEM data across the named Caribbean territories, and, (iv) comparative findings and discussions.

ENTREPRENEURIAL CONTEXT IN THE CARIBBEAN

After 50 odd years of development theory and praxes in the Caribbean, high levels of unemployment, debt, poverty, crime, and migration, all remain perennial issues within the region (Thomas, 2000; Boxill & Quarless, 2005; Singh, 2002; Minto-Coy & Rao, 2016). The penetration of neo-liberal policies also creates many market contradictions, which place increasing pressures on small island developing nations, who are already precariously positioned in the global economy (Akhter & Pounder, 2008; Briguglio, 2016). Added pressures become those of navigating global inequities with those of charting more promising and sustainable futures for the region (Klak & Conway, 1998; Thomas, 2000; Tewarie, 2016).

In treating with the push for an entrepreneurial imperative however, one must take into consideration the relative importance of economic and institutional structures across countries (Van Stel, Storey, & Thurik, 2007; Simón-Moya, Revuelto-Taboada & Guerrero, 2014). One consensus in the literature is that economic and political climates (e.g. policies, programs and procedures) all play a pivotal role in entrepreneurial involvement, investments and innovations (Ozaralli & Rivenburgh, 2016; UNDP, 2022). Others argue however for closer examinations of the nature of these economic conditions and the impact on entrepreneurial activities. As a case in point Amoros, Borraz and Veiga (2016) contend that high levels of inflation and informal sector engagement (seen here as negative conditions) directly impact the presence of necessity rather than opportunity based entrepreneurial activities. On the flip side, Ozaralli & Rivenburgh, (2016) show that favorable conditions play a part in boosting entrepreneurial intentions and future entrepreneurial engagement.

In the case of the Caribbean, a few scholars have begun to test for the possible significance of entrepreneurial policy, and resultant activities, to the sustainability of economic and social development efforts in the region (Babwah & Babwah, 2013; Pounder, 2013). The key finding of these regional studies is that when unencumbered, entrepreneurs who are alert and who also take advantage of opportunities within the market, make a positive impact on national growth levels. The caveat, however, is that this can mostly be achieved, if governments limit regulatory policies, encourage human development, better distribute scare resources through the market process and provide critical structures that can facilitate the growth of the entrepreneurial spirit (Acs & Virgill, 2009). Where the study sets out to identify the levels, determinants and variations of entrepreneurial intentions, an examination of contexts can provide some key insights for the Caribbean region. The study addresses these concerns.

Barbados

Barbados is a small island developing state, located northeast of Venezuela, with an average population of 284, 000, and a high human development index of 0.790, thus ranking their development as 71st of 188 other countries (UNDP, 2022). The country has been transformed from a sugarcane-based economy to one that is driven by investments in tourism, financial services, and entrepreneurial activities, for which the state continues to play a pivotal role. Against these conditions, the expansion of the entrepreneurial sector is presented as a necessary way to address patterns of economic decline and that of rising unemployment levels (Marshall, 2014). The Barbados Agency for Micro Enterprise Development[3] and the Youth Entrepreneurship Scheme[4] have thus emerged as two major initiatives that have been implemented, as a collaboration between the state and the private sector, to deal with the growth mandate (Devonish et al., 2010). Some of the persistent challenges however remain the need for entrepreneurial training at all levels of the education system and for increase resources to be allocated to that sector (Knight & Hossain, 2008). In the last GEM report for Barbados, Marshall (2014) also underscores a lack of relevant entrepreneurial policies, as well as commercial and legal infrastructure to support entrepreneurial development.

Trinidad and Tobago

The twin island of Trinidad and Tobago has a larger population of 1.3 million, with what UNDP 2021/2022 report considered a very high human development index of 0.810, and 56th ranking (UNDP, 2022). The country is considered as one of the more developed Caribbean economies that is based on revenue gained from innovation driven activities (GORTT, 2022; UNDP, 2022). However, much contention remains over the degree or type of innovative activities that drive economic activities in Trinidad and Tobago. To this end, Bailey, Pacheco, Carillo, Lezama-Rogers and Brathwaite (2013), argue that what exist for early and established entrepreneurs in Trinidad and Tobago is “replicative rather than innovative” activities (p. vi.). In part, this debate has spiralled a series of local initiatives (including competitions, grant funding) all aimed at encouraging the development of new or improved products and services that can address some social or economic need (GORTT, 2022).

Given the high dependence on the energy sector and the overall volatility of the Caribbean economy, there is an ever-present need for more innovation and creativity within the market. In driving the same, the government of Trinidad and Tobago has developed a Micro and Small Enterprise Development Policy (2014-2016) that seeks to create a holistic ecosystem to support entrepreneurship (GORTT, 2014). Part of

3 This agency offers training and technical support to incumbent entrepreneurs.
4 This scheme provides loan financing to young intentional entrepreneurs.

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this policy initiative includes the need to reduce constrains of investments, create entrepreneurial opportunities, and provide an economic framework that support business systems in Trinidad and Tobago.

Jamaica

Jamaica is classified as an upper middle income and factor-driven[5] economy, with a population of 2.8 million, a Gross Domestic Product of US$13.9 million, with a history of high public debt, expenditure, and unemployment (IMF, 2016). To some extent, this has been the result of historical macroeconomic mistakes that continue to affect the economic outlook of Jamaica (Clair, Henry & Hlatshwayo, 2013). Jamaica has a HDI of 0.707 and ranking of 110th (UNDP, 2022). Against this context, the Government of Jamaica has placed entrepreneurship and MSME development at the forefront of the country's economic policy agenda. Additionally, the state has in most recent times developed the National Youth Policy 2015-2030 (GOJ, 2015) and the revised MSME policy (GOJ, 2018) as two critical documents that advance calls for innovation, creativity and productivity as key prerequisites for global competitiveness. In the most recent GEM Jamaica report since 2017, Gaynor-Clarke et al. (2023) argue that despite these developments, the consumer sector remains the dominant type of entrepreneurial activities, with some reduction in business activity during the pandemic, and with still low levels of entrepreneurial intentions.

Building an Intention-based theoretical Framework

Entrepreneurial intentions as a construct has been consistently defined as an individual's intent or plan to start a new [business] venture (Azjen, 1991; Pillis & Reardon, 2007). As a form of planned behaviour (Krueger, Reilly & Carsrud, 2000; Wilson, Kickul & Marlino, 2007), it is important therefore to understand the individual and contextual factors that affect entrepreneurial intentionality (Wang, Prieto & Hinrichs, 2010). Where "new businesses emerge over time and involve considerable planning" (Krueger, Reilly & Carsrud, 2000, p. 411), explorations of entrepreneurial intentions can provide reliable predictors of related activities (Ajzen 1991; Krueger, 2000).

As a context-specific framework, Shapero's (1975) and Shapero and Sokol's (1982) seminal work on entrepreneurial intentions[6] continue to provide testable frameworks for testing intentionality, with the focus on:

i. perceived desirability (that is, the level of attraction an individual experiences for starting and operating a new venture[7])

5 Bailey et al. (2013) suggest that factor driven economies are sustained by subsistence agriculture, extraction of natural resources, and creation of regional-scale intensive entities.
6 Entrepreneurial intention is defined here as the commitment to performing behaviour that is necessary to physically start the business venture (Krueger, 1993).
7 Krueger (1993)

ii. perceived feasibility (the degree to which an individual is confident that he/she is capable of successfully starting and running a new venture[8]), and;
iii. propensity to act (the tendency to act or engage in entrepreneurial behaviour in accordance with one's decisions[8]).

Inherent is this model is an understanding that the entrepreneurial event is a complex interplay of the degree to which an individual finds entrepreneurial events attractive, doable (as a measure of self-efficacy), and based on these, has the propensity to follow through on their intentions. This self-predictive approach therefore centers on the individual and the extent to which s/he exhibits certain perceptions and propensities that positively affect entrepreneurial behavior. A key expectation is that the propensity to act, will bridge the gap between the background of the individual, his/her attitude towards entrepreneurship and his/her intentions (Shane & Venkataraman, 2000). The absence of social factors however remains a gap that has guided continuous research.

Using a social cognitive model, Azjen (1991) advanced a theory of Planned Behaviour (TPB) which offers a more generic framework for explaining intentional behaviours. According to Azjen (1991), intentions to engage in planned behaviours are produced by three (3) factors:

i. attitudes towards the behaviour (the favourable or unfavourable perceptions held by the individual about the activity).
ii. subjective/social norms (the attitudes held by members of the individual's social network about the activity), and,
iii. perceived behavioural control (the extent to which an individual is convinced that he or she has the competencies required to successfully perform the behaviour).

Through the testing of this model, researchers have posited that our beliefs or information about a particular phenomenon, and the related influence of subjective norms and pressures [perceived normative beliefs held by significant others, friends, family, and other individuals], as well as the individual's assessment of these desirability and ability impact entrepreneurial behavior (Ajzen & Fishein, 2005). In so doing, this model therefore presents a more complex treatment of personal attitudes that is assessed through cognitive beliefs about a specific behaviour (both at the individual and collective levels) as well as affective evaluations of that behaviour (based also on subjective norms or social pressures).

In more recent applications of these models, researchers call for continued theoretical refinement and application of the theory of planned behaviour. Of note is the level of observed multicollinearity between attitudinal factors (Krueger, 2000). It is important to note for instance that perceived behavioural control speaks directly to the issue of self-efficacy. McGee, Peterson, Mueller & Sequeira (2009) pushes therefore for the refinement of self-efficacy, as a direct reflection of one's belief in

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his/her ability, knowledge, or competencies to execute planned behaviour. Other scholars point to the relevance of opportunity recognition, which has been omitted from earlier models for entrepreneurial intentions (Shane & Venkataraman, 2000; Krueger, Reilly & Carsrud, 2000; Wilson, Kickul & Marlino, 2007). Researchers also call for explorations of the mediating effects of attitude and self-control (Wang, Change, Yao & Liang, 2016) as well as for the relevance of stress, self-efficacy, and coping strategies (Zhao et al., 2015) on entrepreneurial intentions.

Other scholars caution against the use of static or linear applications of the TPB model (Syed, Butler, Smith & Cao, 2020). An increasing number of studies call attention to cultural variations embedded in entrepreneurial intentions (Kristiansen & Indart, 2004). Some researchers highlight that where entrepreneurship as a type of activity is held in high esteem then entrepreneurial intentions are more likely to materialize (Liñán, Urbano & Guerro, 2011). Findings usually support the notion that individualistic cultures with high levels of masculinity, as well as low uncertainty avoidance and power distance, are more entrepreneurship oriented (Shinnar, Giacomin & Janssen, 2012).

Such variation also brings to the fore the relative importance of socio-demographic differences based on sex, age, and educational levels, among others. Differences based on sex have been most widely observed (Linan & Fayolle, 2015). Generally, authors have found one or more aspects of entrepreneurial intentions among males to be stronger than those of females (e.g. Strobl et al., 2012; Zhao et al., 2005). It is also believed that age has a direct influence on entrepreneurial intentions (Strobl, 2012). Education and training have also been closely associated with levels of entrepreneurial intentions (Martin, McNally & Kay, 2013; Fayolle & Gailly, 2013).

While researchers continue to provide growing evidence for the utility of the social cognitive approach to measuring entrepreneurial intentions (see e.g. Krueger, 2000; Souitaris, Zerbinati, & Al-Laham, 2007; Morwitz & Munz, 2021), there are some noted challenges. These include the blurring of theoretical and conceptual issues inherent in testing for the predictability of these models (Krueger, 2000; Morwitz & Munz, 2021), use of confounded measures of entrepreneurial intentions (Lee, Wong, Foo & Leung, 2011). Limited comparisons of the model exist, with a focus mainly on developed regions, particularly North America and Europe (Finland, Norway, France, Sweden for instance)-Brannback et al., 2007). The testing of intentions-based models of entrepreneurship in the Caribbean remains wanting (Devonish et al., 2010; Esnard, 2012; Mohan, 2022). Our study, therefore, teases through the theoretical application and advancement of the TPB in the context of the Caribbean.

RESEARCH METHODOLOGY

The paper is based on the use of secondary data obtained from the Global Entrepreneurship Monitor (GEM), which seeks to measure the relationship between entrepreneurship and economic growth. As part of this comparative cross-country monitoring process, GEM consortium researchers have used the Adult Population Survey (APS), as a cross sectional approach, to capture entrepreneurial perceptions, aspirations, attitudes, and intentions from persons 18 to 64 years. The general aim of this survey is to determine why some countries are more entrepreneurial than others. This remains the largest data set that treats with entrepreneurial perceptions, aspirations, and intentions across the globe and with data for selected Caribbean countries.

In this paper, we attempt to draw from a GEM data set for Barbados, Jamaica, and Trinidad and Tobago (as three English speaking Caribbean countries that have consistently participated in the GEM surveys for 2005-2012). This comparative base line data sets allow for assessments of the levels, determinants, and variations of entrepreneurial intentions across selected Caribbean countries. There were no comparative data for the years that followed. The comparative analysis on factors related to entrepreneurial intentions are therefore limited to this time frame. The sample distribution for sex, occupation, and education (that is, number of years formally educated) across the countries are represented in table 1.1.

Table 1.1: Sample Distributions

Country	Years of survey	Sample Size	Sex distribution	Occupation	Educational Background in years
Trinidad and Tobago	2010 2011 2012	5441	2772 (Females)	Fulltime-2119	0 years-106
			2669 (males)	Part-time- 474	4 years-511
				retired/disabled-290.	8 years-791
				Homemaker-638	12 years-1786
				Student-317	14 years-1076
				Not working-413	16 years-682
				Self-employed-902	19 years-340
Barbados	2011 2012	4353	2493 (females)	Fulltime-1906	0 years-77
			1845 (males)	Part-time- 340	4 years-132
				Retired/disabled-120	8 years-1185
				Homemaker-104	12 years-1573
				Student-74	14 years-889
				Not working-394	16 years-451
				Self-employed-873	19 years 9

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Country	Years of survey	Sample Size	Sex distribution	Occupation	Educational Background in years
Jamaica	2005 2006 2008 2009 2010 2011	16207	8642 (females) 7556 (males)	Fulltime-1990	0 years-61
				Part-time- 764	4 years-1349
				Retired/disabled-253	8 years-6329
				Homemaker-474	12 years-5783
				Student-331	14 years-1055
				Not working-1554	16 years-787
				Self-employed-2622	19 years-552

GEM Model

This GEM survey goes beyond that of the use of key constructs within the theory of planned behavior. The GEM model treats with the individuals' perception towards entrepreneurship, societal attitudes, multi-institutional levers (political, social, economic), individual background and entrepreneurial outcomes; for which, intentions as a variable, is only one component. These data sets are employed here to tests for the relative significance of personal (educational attainment, age, sex, and type of profession) and attitudinal factors (such as perceived capacities, opportunities, fear of failure and esteem given to entrepreneurial activities) for these three named Caribbean countries.

Dependent Variable: Entrepreneurial Intentions

In the GEM survey employs a dichotomous question about an individual's intent to start a business or not to measure entrepreneurial intentions. This operationalization of the entrepreneurial intentions' variable is consistent with the Shapero's model of entrepreneurial intentions. In this case, the GEM survey, asked, whether they were expecting to start a new business, including any type of self-employment, within the next three years. We note however, that other studies have utilized and call for a more multidimensional measure of entrepreneurial intentions to capture the continuum that is inherent in intentions (Linan & Fayolle, 2015). The use of the raw data for GEM surveys however limits the measurement of entrepreneurial intentions to a dichotomous question.

Independent Variables: Definitions and Measures

GEM data allow for examinations of several independent factors. Among these variables were socio-demographic factors, like sex, age (18 to 64 years), current profession, level of educational attainment (primary, secondary, or tertiary certification). While the GEM data did not allow for comparative analyses of key constructs within the TPB model, there were four attitudinal measures, which remained applicable and extend the Shapero model:

i. *Perceived capabilities:* The percentage of respondents that represent those who possess the requisite skills and knowledge to start and operate a new venture.
ii. *Perceived opportunities:* The percentage of respondents who can identify opportunities for entrepreneurship in their immediate environment.
iii. *Fear of failure:* the percentage of the sample with positive perceived opportunities indicates that fear of failure would prevent them from starting a business.
iv. *Level of esteem given to entrepreneurship*: measured via (1) the extent through which members of the society agree that entrepreneurship is a good career choice, (2) whether individuals perceive that entrepreneurs have a high social status, and (3) how individuals perceive that media attention is contributing (or not contributing) to the development of a national entrepreneurship culture.

Data sets were comparatively examined to capture the levels of entrepreneurial intentions (descriptive statistics), the variability within these levels based on the socio-demographic backgrounds of participants (t-test, ANOVA, and cross tabulations) and the factors that impact these intentions (regression statistic).

FINDINGS

A primary aim of this study was to test for a comparative level of entrepreneurial intentions across Barbados, Trinidad and Tobago and Jamaica. A frequency distribution shows that in all cases, entrepreneurial intentions were moderate, with Trinidad and Tobago having the highest percentage (35.2% or 1805 persons) in the entire sample. In the case of Jamaica, persons with reported entrepreneurial intentions were 34.3% (or 5244 persons in the sample), while the distribution for Barbados showed only 17.4% percent of or 724 persons (see figure 1.1 below).

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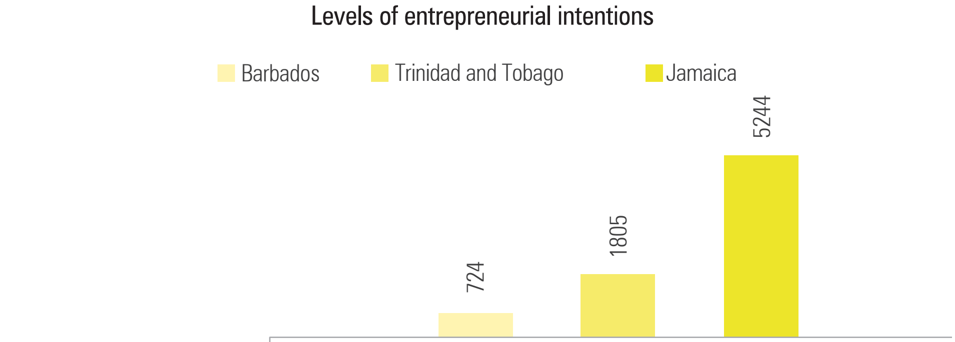

	EI
Barbados	724
Trinidad and Tobago	1805
Jamaica	5244

Mean scores of entrepreneurial intentions across the three countries also confirmed these orderings with Trinidad and Tobago ($\bar{x}$=.35), followed by Jamaica ($\bar{x}$=.34) and by Barbados with ($\bar{x}$=.17). To test for the statistical significance of these differences, we also performed an ANOVA test on the mean scores between countries and their respective levels of entrepreneurial intentions. Findings revealed that the differences are statistically significant with degrees of freedom of 3, F ratio of 275.678 and significance of 0.000. Further post hoc tests on these differences show that mean differences were significant at the 0.05 level and highest between Barbados and Trinidad and Tobago. Specifically, the significant differences between Barbados and Jamaica (mean difference -0.169), Barbados and Trinidad and Tobago (mean difference -0.178, p=0.000). Given, the comparable mean scores for Trinidad and Tobago as well as Jamaica, no statistical differences were observed *(p=0.698)*. The Global Entrepreneurship Monitor Caribbean 2011 Caribbean Regional Report also reported that based on the Entrepreneurial Activity (TEA[8]), Trinidad & Tobago had a TEA of 22.7% showing the highest rate in the region and the fifth highest TEA rate worldwide. TEA percentage for Jamaica was 12.8% and Barbados with 12.6% occupying the 16th and 18th position respectively (Rodrigo & Soler, 2012). The Entrepreneurship Monitor 2014 suggests that the efficiency-driven nature of the economy is a significant factor to account for these low numbers (Marshall, 2014).

8 the percentage of the adult population (1864 years old) actively involved in the creation and operation of a business which has been paying salaries for less than 42 months.

Socio-demographic variations in Entrepreneurial Intentions

Another major objective of this study was to determine whether entrepreneurial intention scores varied significantly among individuals sampled based on several key independent variables, namely country, sex, age, educational attainment, and current profession. To achieve this objective, we utilized the independent t-test and analysis of variance (ANOVA), where applicable, to assess variations in the collective mean scores of demographic factors across entrepreneurial intentions.

In terms of sex differences, an independent sample t-test showed that the mean variations between males and females on entrepreneurial intentions across all three countries were statistically significant, with $t_{(73982)}$ =-21.754, p=.000. When examined, the means revealed higher entrepreneurial intentions in males (M=0.41, SD=0.491) than in females (M=0.33, SD=0.470). With regards to age, the data provided statistical evidence that entrepreneurial intentions were different among the various age groups ($F_{(6,73117)}$ =120.641, p=.000. When we looked at educational attainment, an analysis of variance showed that the effect of education (that is, number of years formally educated) was significant ($F_{(6,73117)}$ =120.641, p=.000). A Scheffé post hoc comparison revealed statistically significant differences between most groups. Analysis of variance showed a significant effect of employment status on entrepreneurial intentions ($F_{(56,73949)}$ =25.851, p=.000). A post hoc analysis indicated that differences in entrepreneurial intentions between full-time permanent employees (M=0.39) and part-time employees (M=0.40) were not significant. Similar findings were observed for unemployed (M=0.44) and self-employed (M=0.46) groups.

Overall examination of relationships showed that except for age, demographic variables show that correlations were very weak in all cases; with sex and EI (*r*=0.080), years of education (*r*=0.080), and employment status (*r*=0.056). These were all significant at 0.01. In the case of age, *Pearsons* correlation showed that there was a very weak but negative relationship between age and entrepreneurial intentions (*r*=-.111). The mean scores related to the latter showed that these are also weak with perceived skills or competencies (*r*=.180), perceived opportunities (*r*=.206), country (r=0,094), fear of failure (*r*=0.051), and esteem given to entrepreneurship (*r*=0.039).

Attitudinal Antecedents of Entrepreneurial Intentions

At the attitudinal level, the theory proposes that perceived feasibility, desirability, and behavioural control can influence entrepreneurial intentions. Given the conceptual and methodological differences between the theory and GEM data set, we attempted to test attitudinal variables as a broader sub-set of predictive factors including those related to perceived opportunities, fear of failure, skills, and esteem directed

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towards entrepreneurship. This study therefore tests for the predictive value of these attitudinal variables for entrepreneurial intentions across the three named countries.

i. *Fear of Failure*

In terms of *Fear of Failure*, Trinidad and Tobago had the highest levels with .83, followed by Barbados with .79, and Jamaica with .70. When we examined the cross tabulations for fear of failure and entrepreneurial intentions, the findings showed Jamaica had the highest number of persons who feared failure but were still willing to start a new venture. Smaller numbers were observed for Trinidad and Tobago and then Barbados in that order. See table 1.2 below.

Table 1.2 Cross tabulations by country, fear of failure and entrepreneurial intentions

Country	Frequency (Have a fear of failure but willing to start a new venture)	Frequency (Not fearing failure and willing to start a new venture)
Trinidad and Tobago	253 (5.0%)	1523 (30.3%)
Barbados	147 (3.6%)	556 (13.8%)
Jamaica	1208 (8.9%)	3919 (29.0%)

ANOVA statistics showed that these differences were statistically significant with 3 degrees of freedom, f ration of 176.514 and p value of .000. Post hoc scheffe tests also revealed that there were significant differences between all three countries with the lowest significance between Barbados and Trinidad and Tobago (-0.035, p=0.002). Differences between Barbados and Jamaica were as follows; -0.087, p=0.000).

ii. *Perceived capabilities*

When we examined persons with the knowledge and skills required to start their own ventures, both Jamaica and Trinidad and Tobago had means of .80, while Barbados had a much lower mean with .67. Cross tabulations for their perception of skills with their entrepreneurial intentions also showed that Jamaica had the highest number of persons who think that they have the skills and are willing to start a new venture. This is followed by Trinidad and Tobago and then Barbados. See table 1.3 below.

Table 1.3 Cross tabulations by country, skills, and entrepreneurial intentions

Country	Frequency (do not have the skills and willing to start a new venture)	Frequency (Have the skills and willing to start a new venture)
Trinidad and Tobago	196 (3.9%)	1590 (31.6%)
Barbados	137 (5.4%)	564 (14.0%)
Jamaica	533 (4.0%)	4580 (34.0%)

ANOVA tests showed that all three were significant with degrees of freedom of 3, F ratio of 587.414 and p value of 0.000. Post hoc Scheffe tests also revealed pointed to significant between comparisons with Barbados and Trinidad and Tobago (.131, p =0.000) and between Barbados and Jamaica (.127, p value=0.000).

iii. *Perceived opportunities*

Jamaica had the highest with .52, followed by Barbados with .44, and lastly with Trinidad and Tobago, with .41. Cross tabulations for perceived opportunities also showed that more persons in Trinidad and Tobago thought their communities had some entrepreneurial opportunity. This was followed by Jamaica and then Barbados. See table 1.4 below.

Table 1.4 Cross tabulations by country, opportunity, and entrepreneurial intentions

Country	Frequency or percentage of total (did not see opportunity in their areas but willing to start)	Frequency or percentage of total (saw an opportunity in their areas and willing to start)
Trinidad and Tobago	441 (9.4%)	1250 (26.7%)
Barbados	266 (7.6%)	359 (10.2%)
Jamaica	1634 (13.7%)	2989 (25.1%)

ANOVA statistics also pointed to the significance of these differences with 3 degrees of freedom, F ratio of 162.920, p value 0.000. In this case, the biggest statistical difference was between Barbados and Trinidad with (-.195, p=0.000). Post hoc test showed that they were all statistical different across countries. These were all significant at 0.05. Comparisons between Barbados and Jamaica pointed to a statistical difference of -.100, p=0.000. Barbados and Trinidad and Tobago (-0.195, p=0.000). These findings are consistent with the GEM Caribbean report for 2012 (Rodrigo & Soler, 2012).

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iv. *Esteem given to entrepreneurship.*

Esteem towards entrepreneurship measures social perceptions towards entrepreneurship. Cross tabulations by country, esteem towards entrepreneurship and entrepreneurial intentions revealed that overall Jamaica highest mean scores on individuals' perception on the levels of esteem given to entrepreneurial activities. While Trinidad and Tobago had the highest percentage number of individuals who thought that entrepreneurial activities generally received high levels of esteem, the mean score was lower than that of Jamaica. Barbados scored the lowest on all counts. Table 1.5 speaks to the same.

Table 1.5 Cross tabulations by country, esteem towards entrepreneurship, and entrepreneurial intentions

	Frequency or percentage of total (did not believe that high esteem was given to entrepreneurship and not willing to start their own venture)	Frequency or percentage of total who thought that high esteem was given to entrepreneurship and willing to start their own venture	Mean scores for level of esteem given to entrepreneurship
Barbados	3431 (82.6%)	724 (17.4)	3.40
Trinidad and Tobago	3322 (64.8%)	1805 (35.2%)	3.47
Jamaica	10053 (65.7%)	5244 (34.3%)	3.97

Statistically, these mean score differences were significant. Specifically, the ANOVA statistics obtained were: df (3), f ratio (38622.100) and p value (0.000). Scheffe post hoc tests also revealed that the bigger difference was between Barbados and Trinidad and Tobago with a mean difference of -0.178. The means difference between Barbados and Jamaica was -.169. No significant mean differences were visible between Jamaica and Trinidad and Tobago with 0.009. In a broader Caribbean report, Rodrigo, and Soler (2012) explained that Jamaica has the highest positive perception in media attention for entrepreneurs and in the association between entrepreneurs and high status. On the contrary, Barbados presents the lowest level of perception in all three variables.

PREDICTION OF MODEL

We also performed a regression model to look at the predictability of the independent factors on entrepreneurial intentions. Overall, the adjusted R square of the model as a collective examination of the demographic, attitudinal factors revealed that they only accounted for about ten percent of the variance in the entrepreneurial intentions across all three countries. Note well that this is on average around 20 % less than other tested models; a main difference here are the variables being tested and the use of integrated approaches to measuring intentions. This can be explained by the fact that these studies employ a more integrated model with many more refined measures of self-efficacy and other social aspects like networking, prior experiences, and relational support.

Notwithstanding this, we note that the ANOVA statistics for the model showed that the independent factors served as predictors with degrees of freedom of 8, F ratio of 759.328 and p value of 0.000. This is also confirmed in the co-efficient table below which showed that in order of influence, opportunity recognition, perceived competencies or skills, country, age, years of education, esteem towards entrepreneurship and sex differences all have positive influence but weak predictive value. (see Table 1.6 below).

Table 1.6 Coefficients for Regression Model[a]

Model B		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	-.414	.035		-11.782	.000
	age	-.004	.000	-.097	-23.621	.000
	ETE	.116	.009	.051	12.528	.000
	opportunity	.165	.004	.166	40.571	.000
	competencies	.153	.004	.144	34.553	.000
	FEARFAIL	.023	.004	.021	5.250	.000
	sex	.049	.004	.050	12.346	.000
	country	.068	.002	.121	29.898	.000
	Education	.006	.000	.051	12.538	.000

a. Dependent Variable: entrepreneurial intentions

DISCUSSION

At one level, the findings suggest that using attitudinal and demographic factors alone only explains about 10 percent of the variability in entrepreneurial intentions. Theoretically, the study points to some conceptual and measurement issues as it relates to entrepreneurial attitude indicators and entrepreneurial intentions. In this case, the GEM study allowed for some examination of Shapero's model of entrepreneurial

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event. In this case, the recognition of opportunity in the GEM survey mirrors closely that of entrepreneurial feasibility and other measures such as entrepreneurial skills, social and cultural norms that are employed in the theoretical model. Essentially therefore, the goodness of fit between the theoretical conceptualization, indicators, and measurement of the same was not obtained using the GEM data. However, the validity of this model makes a case for continued examinations of perceived opportunity and competencies around EI, with comparative examinations across age groups and country.

What this suggests is the need for empirical intrinsic case studies that can both test for an expand the scope and relevance of the theory of planned behaviour approach for predicting entrepreneurial intentions in the Caribbean. In so doing, it may also be instructive to expand the testing to include the perceived social/subjective norms, as the one other theoretical construct that is missing within the examination of the GEM data. While the GEM data contain dichotomous responses on entrepreneurship as a career choice, a more multidimensional measure is needed to capture the potential relevance of social norms surrounding this kind of economic activity.

Two variables seem particularly important in this case, namely culture and social norms. This inclusion of social factors represents an important aspect of developing multidimensional measures of resources that factor into entrepreneurial orientations at the individual level (Benedito de Oliveria Jr et al., 2016). It is important therefore for examinations of these social factors in relation to the perceptions of feasibility and desirability of/for entrepreneurship (Kruger, 2003, 2000). Heckhausen (2007) however errs on the side of caution in the differentiation between understandings of motivations (why we do things) with that of volition (how we choose to do it) in the measurement of entrepreneurial intentions. Mohan, Strobl and Watson (2018) also draw upon the need for positive role models as an aspect of motivation.

Empirically, our study provides further support for the relative importance of perceived opportunities and competencies. While the correlations were somewhat low, the findings point to the need for continued interrogation of these two independent factors and for further refinement of these measures. Given the theoretical propositions on the role of prior exposure (Ozaralli & Rivenburgh 2016) and social support (Mueller, 2006), further considerations should also be given to these unexplored variables (Moriano et al. 2012). Forgas-coll et al. (2016) also make a case for the examination of the processes through which persons develop perceived values and sense of satisfaction and the extent to which these factors impact behavioural intentions. While these social and behavioural factors, however, were not included in the data due to the lack of available data from GEM survey, they are critical to advancing knowledge that bridges the gap between intentions and actual behavior.

What these findings suggest is that of the need for more contextual and perhaps subjective analyses of the situational factors that shape entrepreneurial activities within these three countries. This examination is particularly important given that contextual factors are generally overlooked in EI research (Elfving, Brännback, & Carsrud, 2009; Welter, 2011; Frederick & Esnard, 2019). Linan and Chen (2006) suggested that extending this area of research to regions where environmental and institutional framework conditions vary can broaden theoretical understanding. The heterogenous nature of entrepreneurial ecosystems across developing countries also call for a more nuanced understanding of the preconditions for entrepreneurial activities (Alves et al. 2019). These findings also align with that of Neida Albornoz-Arias and Akever-Karina Santafe-Rojas (2020) whose study on Venezuelan migrants in Colombia, point to the importance of supportive networks as important building blocks for shaping EI. In the case of the Caribbean, Mohan (2022) pushed for further explorations of socio-cultural perceptions of opportunity and intentions. Such findings also strengthen the call for more diverse explorations of social norms, networks, cultural influences, structural differences, as well as economic and political climates (Esnard, 2023). This is where the GEM data can provide even more critical insights. Moving beyond these conceptual and methodological challenges in the Caribbean requires more deliberate explorations of the model. We also argue for deeper interrogations of contexts, structures, and cultures as critical aspects of entrepreneurial dynamics within the region (Frederick & Esnard, 2019).

In terms of practical interventions, the findings strengthen calls for greater explorations and use of entrepreneurial training opportunities with experimental learning. This training approach is heralded as a way to address attitudinal, social, and behavioral challenges embedded within promoting entrepreneurial action (Motta & Ribeiro Galina, 2023). These shaping of attitudes and mindsets represent a fundamental aspect of how we address the mismatch between behavioral patterns, change, and institutional contexts/settings (UNDP, 2022). Given the lack of research on entrepreneurial education in the region, more program evaluations and monitoring are needed to identify existing achievements and points for future intervention if we are to realize the goals within planned behaviour.

Limitations of the study

There were five major limitations of this study. Firstly, the data reflected the perceptions of the adult population cross-sectional survey which may or may not have included entrepreneurs. Relatedly, the survey limits our ability to make any causal inferences about the nature of the relationships between the variables in the model. Secondly, no analysis was done in terms of the type of businesses, sole trader, partnerships or conglomerate nor was analysis done by business size. Thirdly, there were major discrepancies between the conceptualization of key concepts in the theory of planned behavior and that of the GEM model. These conceptual

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differences also had implications for variations across related studies, as well as, between the use of the theory of planned behaviour as a social-cognitive model and that of the methods for the actual implementation of the survey. Fourthly, GEM data were not collected equally across the three countries. Jamaica had the most GEM report starting from 2005 to 2011. More recent reports have also been published in 2016 and 2021. Barbados had the least with reports for only 2011 and 2012. 2011 was the only year in which all three countries participated in the GEM survey.

CONCLUSION

The study sought to examine the status, variations, and determinants of entrepreneurial intentions across three Caribbean countries, namely, Barbados, Trinidad and Tobago and Jamaica. Cross country findings show that the predictors of entrepreneurial intentions across the three countries is complex with many variations in the levels and determinants. Collectively however, findings suggest that recognition of opportunity, skills, and country, had the highest yet low predictive value of all independent variables examined. When taken however, the model only explains ten percent of the variance obtained in reported levels of entrepreneurial intentions across the three countries. Ultimately, the findings point to deeper conceptual and methodological issues that require some rethinking and testing as part of advancing ongoing discussions about the utility of the model for predicting entrepreneurial intentions in the Caribbean. The study provides empirical support for more subjective and contextual analyses in testing and predicting of entrepreneurial intentions in the Caribbean.

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FAMILY MATTERS: ARE FAMILY FIRMS DISTINGUISHED IN ENVIRONMENTS WITH RESOURCE CONSTRAINTS?

LA FAMILIA IMPORTA: ¿SE DISTINGUEN LAS EMPRESAS FAMILIARES EN ENTORNOS CON RECURSOS LIMITADOS?

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ABSTRACT

Family Firms (FF) have received significant attention as organizations that distinguish themselves due to the overlap between ownership, operation and family aspects that determine strategy. While it is established that FF are more conservative with risk, and concentrate ownership within trusted circles; they remain interesting for more risky activities such as International Entrepreneurship (IE). With island environments often being overlooked, they offer distinguishing environments that can further inform the academic community as to how FF behave with regards to opportunities beyond domestic markets. Island markets are, due to small size, on the receiving end of global developments, and have alternative priorities. This study examines 250 firms located in ten islands, Bahamas, Bahrain, Barbados, Cyprus, Iceland, Fiji, Jamaica, Malta, Mauritius, and Trinidad/Tobago over the 2009-2020 period, and addresses how the island FF performs vis a vis Non-Family Firms (NFF). The study finds evidence in support of FF balancing financial and non-financial indicators.

KEYWORDS

Family Business, International Entrepreneurship (IE), Island-based firms (IBFs)

RESUMEN

Las Empresas Familiares (EF) han recibido una atención significativa como organizaciones que se distinguen por la superposición entre propiedad, operación y aspectos familiares que determinan la estrategia. Aunque está establecido que las EF son más conservadoras en cuanto al riesgo y concentran la propiedad en círculos de confianza, siguen siendo interesantes para actividades más arriesgadas como el Emprendimiento Internacional (EI). Dado que los entornos insulares suelen pasarse por alto, ofrecen entornos distintivos que pueden proporcionar más información a la comunidad académica sobre cómo se comportan las EF en relación con las oportunidades más allá de los mercados nacionales. Los mercados insulares, debido a su pequeño tamaño, están en el extremo receptor de los desarrollos globales y tienen prioridades alternativas. Este estudio examina 250 empresas ubicadas en diez islas: Bahamas, Baréin, Barbados, Chipre, Islandia, Fiyi, Jamaica, Malta, Mauricio y Trinidad y Tobago, en el período de 2009 a 2020, y aborda cómo se desempeñan las EF insulares en comparación con las Empresas No Familiares (ENF). El estudio encuentra evidencia que respalda que las EF equilibran indicadores financieros y no financieros.

PALABRAS CLAVE

Empresa Familiar, Emprendimiento Internacional (EI), Empresas basadas en islas (EBI).

1 Faculty of Social Sciences & Economics, University of Curacao, MSc in International Business from the Maastricht University School of Business and Economics *Family Matters: Are Family Firms Distinguished In Environments With Resource Constraints?* Email: guido.rojer@uoc.cw
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INTRODUCTION

Family Firms (FF) have received significant attention as organizations distinguish themselves due to the overlap between ownership, operation and family aspects that determine strategy. The identified overlaps have been known to be determining for firm strategy, as FF balance financial and non-financial aspects in decision making. FF tend to consider matters like family legacy and reputation which render different strategic outlooks. Firm resources are thus allocated differently, which set FF apart in decisions like Innovation and Internationalization. FF represent a dominant force in the economies of small islands (particularly in the Caribbean), and there is a general need to understand how these firms strategically position themselves to deliver performance (Minto-Coy et al., 2016). Small Island context are often misunderstood as smaller versions of larger countries, however boast characteristics of their own. Quite specifically, their geographic character provides for a metaphysical relationship with "the outside world" which induces islanders to approach new problems by reconfiguring existing solutions (Vannini & Taggart, 2013).

Firm resources are pivotal in firm decision trajectories as they are positively related to FF outcomes like innovation (Calabrò et al., 2021). The resources identified in Calabrò et al (2021) are products of networks and ecosystems, present mainly in major (regional) clusters. Performance of firms outside these conditions have not yet been observed. Environments of firms have been determining in outcomes delivered, revealing a gap considering Resource Constraints (RC), a characteristic of small islands. Particularly, islanders face RC that prompt them to think and act in ways that may influence differences between firms. RC is a given factor (Briguglio, 1995), due to matters of size, and isolation. While many islands boast plentiful maritime resources, long trajectories have gone without the effective and sustainable utilization of this resource (Hume et al., 2021). As such, RC prevail in the decision framework of both FF and Non-Family Firms (NFF).

Furthermore, recent research by Arikan and Shenkar (2022) has emphasized the importance of diversifying research sites beyond conventional locations. Their review highlights "neglected elements," with location being a prominent factor. Just as emerging markets have informed scholarship on new aspects of international expansion, exploring research sites beyond the commonly studied areas holds the promise of providing novel insights. Accordingly, this paper zooms in on small islands, where resource constraints are a prevalent challenge. Islands, with their small populations and heightened vulnerability to exogenous economic, environmental, and natural shocks, present a unique opportunity to examine the role of resource constraints in FF outcomes.

To achieve this objective, the study examines a sample of 253 firms located in ten islands: Bahamas, Bahrain, Barbados, Cyprus, Iceland, Fiji, Jamaica, Malta, Mauritius, and Trinidad/Tobago. The analysis covers the period from 2009 to 2020 and focuses on several key factors, including international expansion, firm age, family executives, and CEO gender, in relation to performance. The subsequent sections of this paper

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review the relevant literature, present the data and methods employed, outline the findings, and conclude with the contributions of this study.

LITERATURE REVIEW

Family Firms

FF has been the subject of many studies, and new studies continue to find new angles that promise to contribute to scholarship. FF dispose of a characteristic of ownership concentration that overlaps with strategy that remains understudied still (Poza Valle, 2021). The author confirms that ownership concentration is more determining to firm outcomes than strategy or organizational culture. In the case ownership is concentrated in a family, it is the family agency that drives matters such as strategy, leadership, compensation, and even sustainability (Belén Villalonga & Amit, 2020). FF know multiple forms of involvement, ranging from ownership, management and stewardship, and these structures influence strategy in terms of exploration and exploitation (D'Este & Carabelli, 2022; Scholes et al., 2021). Earlier findings confirmed that an overlap between Family and Firm promotes complexity in determining strategy, and the subsequent decision making on allocation of resources (Villalonga & Amit, 2006). More contemporary studies posit that FF see risk differently, based on both financial and non-financial indicators (Santos et al., 2022). FF may also engage in succession planning earlier than other firms, so as to continue family legacy and tradition (Bloemen-Bekx et al., 2021). These family priorities may influence financial objectives and set FF apart from others. As such, FF have been examined routinely to determine to what extent these conflicts determine performance.

FF have a concentrated ownership, and Demsetz & Villalonga (2001) have found that ownership structure does not relate to corporate performance, and were successful in identifying that ownership diffusion contributed to balancing the agency issues related to concentration. FF, however, have been linked to both under and outperformance given certain conditions. On the one hand FF underperform due to longer planning horizons (Jin et al., 2021). FF value tradition, stability and reputation, and may forego short term gains especially when Family is involved in management. Feldman et al (Feldman, Amit, & Villalonga, 2019) found evidence of FF creating more value when acquiring NFF, which is attributed in part to the non-financial priorities FF exert in decision making. On the other hand, not surprisingly, FF seem to be more resilient in weathering economic downturns. One study points this out in light of the recent COVID-19 Pandemic (González & Pérez-Uribe, 2021), and another for the Financial Crisis (Amato et al., 2023). FF long horizon allows for more calculated decisions that enable them to turn downturns into opportunities. As Amato et al (2023) discuss: while layoffs are common in downturns, FF are less likely to resort to dismissals and therefore retain capabilities to scale up when downturns begin to fade. It seems that FF success depends on the balance between financial and non-financial indicators. Positioning the firm according to non-financial priorities allows FF to sustain returns over longer periods of time and continue to distinguish themselves from others.

Islandness & Resource Constraints

James et al (James, Hadjielias, Guerrero, Discua Cruz, & Basco, 2020) proposed a conceptual model underscoring the role of context when studying FF. Specifically they discuss how macro, meso and family factors can influence the performance of FF. They propose an interesting RQ in this study, namely: *How do formal and informal environmental conditions foster the creation and survival of the family business?* Having understood the non-financial resources are important elements to sustain FF performance, this study sought to innovate by looking at environments where RC are determining factors. This quest rendered islands as understudied spaces boasting a unique feature, that of having hard borders due to isolation, and boast RC (Briguglio, 1995). Islands are often small, boasting limited to no traditional natural resources, which ring fence firms that call them home. They are additionally taxed with recuperating from natural disasters and are exposed to issues of climate change (Minto-Coy et al., 2022).

While islands are vulnerable, they are also resilient, bouncing back from setbacks relatively quickly (Hall, 2012). Islanders make their way solving new problems, by assembling and recombining existing solutions (Vannini & Taggart, 2013). Islanders are by nature respondents to developments from outside and perform effectuation as a means to solve for the gap of lack of resources. This approach is due to the metaphysical feeling brought about by being surrounded by large bodies of water (Conkling, 2007). Islanders experience isolation and as a consequence face elevated challenges when engaging with foreign markets. This characteristic leads the thought that it is difficult for islanders to dedicate time to optimize within the parameters of RC.

Evidence from the Caribbean shows that there are many efforts to diversify their economies, which have not translated to economic growth (Mohan, 2016). It is quite difficult to translate skills from industries such as tourism to trade, especially when often interrupted by exogenous forces, like Natural Disasters. Exposure to these forces may deem virtually impossible to institutionalize sustained growth, given the many interventions that Natural Disasters bring about (Otker, Inci; Loyola, 2017). A study by Mohan, Stobl, and Watson (2018) found that activating innovation through in firm training would also not generate the desired outcome of innovation. More recent studies have indicated that firms on islands grapple with the issue of managing RC because of a typical island constraint, human capital (Hearn et al., 2023). In both of these studies FF have not been pronounced in the analysis leaving a gap that merits the present study. It appears, however, that the central characteristic is not only Caribbean Context, rather the Island environment which dictates RC, as such the study expands to other islands around the world.

Islandness appears to influence all agents in island markets, as their firms are a result of domestic dynamics. They also strategically position themselves to respond accordingly to the changing forces that make up their reality (Baldacchino & Bertram, 2009). In a later study Baldacchino (2013) posits that islands are often disregarded as

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simple and small editions, not boasting their own complexities. While FF on islands may not feel they are distinguishable from other firms (Baldacchino et al., 2019), they still dispose of risk attitudes due to FF overlap. As such they are expected to behave differently from NFF in the RC context of islands, which would result in differences in performance. Findings from Mauritius Textile Industry reiterate the role of resources as discouraging for strategic decisions like internationalization (Sannegadu et al., 2021). The authors explain that in the case of islands, firms do not set out to exploit opportunities abroad, but engage with foreign markets as a response rather than a strategic action. An earlier publication by Martina et al (Martina, Wakkee, & Mauer, 2019) supports these findings in Mauritius. The study proposes that *"non embedded entrepreneurs use causation"* to cross borders. This avenue is uncanny, since it would be expected that IBF would seek opportunities abroad as a means to scale operations.

In the case of islands, it appears that, embeddedness is a *boundary condition* of effectuation, given the present RC of the domestic market. While said network embeddedness (International Exposure) is theoretically linked to IE of firms, a study of Island Executives carried out by Rojer et al (Rojer, Watkins-Fassler, de Juan Diaz, & Rai, 2022) finds a negative association. Networks are not by definition the motive to seek opportunities abroad. In the case of family firms, the same study finds family allegiance to be negatively associated with IE. Islandness thus influences the firms headquartered on islands substantially. The fact alone that domestic market size is capped, and ring-fenced renders firms' decisions limited. As it appears Islandness also shapes how firms behave in general, and especially with regards to IE. While boasting RC they additionally tax firms to consider multiple decisions that influence their performance differently from firms featured in previous work.

The doctoral work of Martina (Martina, 2016) zooms in on the Software industry on islands, which can be scaled abroad with more ease. He notes that RC influence the heuristics involved with the decision making to engage in IE, and finds that embeddedness in international networks facilitate bricolage as a strategy to expand beyond borders. There is evidence that firms in small island economies can perform well if they are able to leverage their *unique* characteristics and resources (Baldacchino & Milne, 2019). Unique resources like fisheries in Iceland, Hospitality Services in Cyprus, and Oil in Trinidad & Tobago may be scalable to the extent

Taken together it becomes apparent that there is considerable space to redeploy a hypothesis to test differences in performance between FF and NFF, as families draw socioemotional wealth from their firms (Kalm & Gomez-Mejia, 2016). These non-financial rewards may also translate into performance of firms that are scaling abroad, since they seem to control key resources, as we draw from Baldacchino & Milne (2019). These research suggestions, evidence, and findings taken together stack up to argue why studying FF on islands is unique and innovative to address some the remaining unanswered questions in FF research. Having established that island environments stand out, it is also noteworthy to cite the broader body of work that discusses how FF internationalize given the specific environment of RC. From these follow the following hypotheses:

H1: There is a significant difference in performance between FF and NFF
H2: There is a significant difference in performance between IFF and FF

DATA & METHODS

DATA

Small Islands are those having a population of less than 5 million (UNCTAD, 2004). From these nations it was found that only 10 had a Securities Exchange with substantial domestic firms, which indicate a more active capital market, where reliable data could be drawn from. The Bahamas, Bahrain, Barbados, Cyprus, Fiji, Iceland, Jamaica, Malta, Mauritius and Trinidad and Tobago all showed a healthy variety of firms headquartered in the same jurisdiction with data spanning 2009-2020. In this process Cape Verde and the Seychelles were dropped, since a minimal number of firms were listed, or none at all.

Financial data for individual companies were drawn from/verified with DataStream and annual reports were revised manually. The final sample composed of 253 firms rendering 2600 observations after dropping firms with less than 6 years of data and delistings, a total of 35. Table 1 provides data on the firms in the sample.

Variables

The dependent performance variable is Return on Assets (ROA) and Return on Equity (ROE). It is calculated as net income over total assets, so it reflects book value.

The following variables are collected from the data:

1. Ownership. Most FF identified as such in annual reports, and ambiguous firms were captured by closely studying the last names of board members. Data on family ownership was determined as a dichotomous variable since it was not ownership concentration was not consistently recorded. Requests were made, but not reverted, to which dependent variable takes the value of 1 if the firm is a family firm, and 0 otherwise.
2. Internationalization. In order to measure companies´ internationalization, a dummy variable is employed to capture operation of a subsidiary abroad. These were collected by manual review of annual reports, and takes the value 1 when firms have a subsidiary, and 0 otherwise.

   The following control variables are collected from the data:
3. Firm size. It is expressed as the natural logarithm of total assets.
4. Company´s age. It refers to the number of years since the company has been established.

METHODS

The relationship between Returns (Ret) and the determinants. A significant and positive (negative) coefficient of the determinants will indicate it relates to the performance.

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The full equation is specified below where Ret represents both ROA and ROE:

$$Ret_{it} = \alpha + \beta_1 FF_{it} + \beta_2 FI_{it} + \beta_3 Age_{it} + \beta_4 FS_{it} + \beta_5 Age_{it} + \beta_6 IE_{it} + \mu_{it}, \quad (1)$$

where i refers to the company and t is time, measured in years.

Table 1 Descriptives

	ROA	ROE	FF	IE	FIN	FS	AGE
Valid	2599	2599	2599	2599	2599	2599	2599
Missing	0	0	0	0	0	0	0
Mean	12.19	0.12	0.21	0.39	0.32	0.04	50.27
SD	2.49	1.17	0.40	0.49	0.47	0.70	40.61
Min	0.00	-12.58	0.00	0.00	0.00	-14.600	1.00
Max	21.31	30.89	1.00	1.00	1.00	26.91	197

Whereas FF stands for Family Firms a dichotomous variable taking the value of 1 when it regards a FF, or 0 otherwise;

IE represents International Entrepreneurship taking the value 1 if the firm operates a subsidiary abroad, or 0 otherwise;

FIN represents the firm being in the Financial Industry taking the value 1 if the firm operates a subsidiary abroad, or 0 otherwise;

FS represents Firm Size taking the Natural Logarith of Total Assets;

AGE represents the age of the firm since its founding;

FINDINGS

The comprehensive dataset of IBF's observed in this study has been subjected to the methods with the intention to find evidence of difference in performance between FF and NFF, operating locally and domestically. Table 2 exposes the results for both the ROA and the ROE.

Table 2 ROA

		Unstandardized	S.E.	Standardized	t	p
H0		12.86	0.05		249.51	<.001
H1		10.11	0.08		131.00	<.001
	FF	0.093	0.25	0.02	0.38	0.71
	FIN	1.314	0.09	0.25	15.10	<.001
	FS	0.004	0.06	0.00	0.07	0.94
	Age	0.017	9.920×10^{-4}	0.27	16.92	<.001
	IE	2.006	0.08		24.21	<.001

The evidence fails to accept the H1 for ROA at the accepted significance levels, indicating that FF do not differ from NFF. On the other hand, findings accept H1 for ROE at the .05 significance holding that NFF outperform FF in terms of ROE. Given the literature observed in the study this finding contributes to the discussion by providing more evidence that the complex nature of FF's operates with more care in environments of RC. Small communities may also enhance the priority of non-financial indicators for families, and possibly explain why NFF outperform FF.

Table 2 ROE

		Unstandardized	S.E.	Standardized	t	p
H0		0.12	0.02		5.36	<.001
H1		0.07	0.04		1.54	0.125
	FF	-0.06	0.137	-0.02	-0.39	0.69
	FIN	-0.01	0.05	-0.004	-0.21	0.83
	FS	0.46	0.03	0.27	14.52	<.001
	Age	0.002	5.473×10^{-4}	0.07	3.88	<.001
	IE	-0.11	0.05		-2.31	0.021

The findings accept H2 for both ROA and ROE, for operating internationally does contribute significantly to determine if there is a difference between IFF and INFF. Surprisingly the performance difference is in opposite directions, as IFF underperform INFF for ROA, and outperform for ROE. This finding supports the thought that FF are more aligned with producing outcomes to sustain non-financial priorities.

With regards to control variables the findings indicate FS not significant in terms of firm performance, further assisting the thought that performance may be linked to control of resources as indicated by Baldacchino & Milne (2019). It is expected that FS growth is linked to performance, however environments of RC may deem firms of all sizes capable of capturing and exploiting value in their own way. Hotels with favorable real estate, (air)ports with monopoly positions, financial institutions with legacy and national brand image, may explain the ability of firms to command presence and determine outcomes.

On legacy, controlling for Firm Age is found to be significant pointing at a first mover advantage. Firms on islands may be single or dominant players. As such, with increasing age comes increasing abilities to exploit these positions. Controlling for industry the findings indicate surprisingly that the financial industry underperforms for ROE, and outperforms for ROA. Given that these firms often operate in a ring-fenced market, the strategy well determined by authorities through policy, could shorten the horizon for these firms. From the manual revision of the annual report follows also that many of these firms are also set up to exploit one specific resource, and may thus explain outperformance utilizing ROA.

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Having studied only listed firms these findings support previous studies that the family nucleus is indeed determining in firm performance, even when facing RC. FF balance financial indicators vs non-financial indicators which give way to NFF outperforming in terms of ROE, consistent with previous studies (Jin et al., 2021). When faced with riskier undertakings, operating abroad, FF underperform in terms of RA and outperform FF in terms of ROE. This finding supports the notion that ownership concentration, especially with FF, provide for distinct outcomes (Poza Valle, 2021).

CONTRIBUTION

This study innovates by shedding light on a neglected environment that influences FF outcomes. With a substantial dataset of environments of RC there are some informing outcomes on the performance of FF vis a vis NFF. The study finds indication that RC environments condition firms' performance, where FF underperform on ROE, and is inconclusive on ROA. IFF on the other hand outperform on ROA and underperform on ROE. These results open the way to consider how determining RC can be on outcomes for all firms.

Small societies often boast novel findings due to this stark characteristic and informs how isolation and RC can condition firm's ability to perform, but also how outcomes of International Activity may contribute to results. Many are the firms that have access to a critical resource that enable a certain business such as a beach location for a hospitality outlet. Overall IBF ambiguity in performance (ROE vs ROA) may be explained through the control of valuable resources that may assist firm's existence. Families emerge as natural networks that can overcome the challenge of RC, and explain why these firms are dominant in Small Island Economies. Understanding these factors can help policy promote drivers that help FF outperform.

The study is limited in that the data gathered needs to be reworked manually to allow for more critical and elevated statistical testing, such as how regional differences account for outcomes. These should not be limited to dummy variables based on region, which this study could have employed, but should rather find more theoretical grounding. Application of Hofstede's theorem can assist in this. It is also necessary to explore to what extent family is involved in ownership, as having a numeric participation in the firm will help expand the statistical analysis of the sample.

Primarily this study shows that efforts to collect and centralize data can open up new avenues and provide for valuable contributions. A mixed research method interviewing FF board members and executives can complement these results. Future research should expand on data elements like concentration of ownership in FF that can sharpen research outcomes and provide for. It is also necessary to trace back firm ownership and the involvement of shareholders through the appointment of independent directors, as well as the role of non-family executives. Likewise, future research is welcome to observe other novel spaces such as firms from landlocked countries, or those from specific regions such as Central America, which may also experience RC.

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THE PURSUIT OF ENTREPRENEURSHIP BY YOUTHS IN THE CARIBBEAN

EL ESPÍRITU EMPRESARIAL DE LOS JÓVENES EN EL CARIBE

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ABSTRACT

Youth entrepreneurship is being promoted by policymakers in developing countries as a key strategy to combat high youth unemployment, reduce individual poverty, engender social mobility, and facilitate youth inclusion in the formal economy. International, regional, national, and other stakeholders have promulgated policies and programs to lend support for this strategy.

This article utilized data derived from a survey of youth entrepreneurs conducted in the town of Linden, Guyana, together with agency interviews from the same community and from national agencies involved in youth entrepreneurship to fulfill its objectives. The survey and agency interviews are part of a broader mixed method study conducted by the authors aimed at understanding the factors impacting youth entrepreneurship in Guyana, a developing country in the Latin American and Caribbean (LAC) region. The importance of the survey to this study is to discern what youth entrepreneurs themselves say about their businesses and about themselves as entrepreneurs.

This paper adds to the sparse literature on this phenomenon. The intent of the authors of this study is multi-faceted. This paper seeks to provide an understanding of who these young entrepreneurs are, the factors that motivate them to start their own businesses and their preparedness for such ventures. We explore and explain the support provided to youth entrepreneurs, their access to and perceptions of such support. Thirdly, we provide an understanding of how youth entrepreneurs view the successes and positives of their businesses and their intimate feelings and fears about their ventures. This paper challenges the prevailing "necessity entrepreneurship" framing of youth entrepreneurship.

KEYWORDS

Youth Entrepreneurship, Public policies, Economic development, Guyana

RESUMEN

El emprendimiento juvenil está siendo promovido por los responsables políticos en países en desarrollo como una estrategia clave para combatir el alto desempleo juvenil, reducir la pobreza individual, fomentar la movilidad social y facilitar la inclusión de los jóvenes en la economía formal. Actores internacionales, regionales, nacionales y otros interesados han promulgado políticas y programas para respaldar esta estrategia.

Este artículo utiliza datos derivados de una encuesta a jóvenes emprendedores realizada en la ciudad de Linden, Guyana, junto con entrevistas a agencias de la misma comunidad y a agencias nacionales

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relacionadas con el emprendimiento juvenil para cumplir sus objetivos. La encuesta y las entrevistas a agencias forman parte de un estudio de método mixto más amplio realizado por los autores con el objetivo de comprender los factores que afectan al emprendimiento juvenil en Guyana, un país en desarrollo de la región de América Latina y el Caribe (LAC, por sus siglas en inglés). La importancia de la encuesta para este estudio radica en discernir lo que los propios jóvenes emprendedores dicen acerca de sus negocios y de sí mismos como emprendedores.

Este artículo contribuye a la escasa literatura sobre este fenómeno. El objetivo de los autores de este estudio es multifacético. Este artículo busca proporcionar una comprensión de quiénes son estos jóvenes emprendedores, los factores que los motivan a iniciar sus propios negocios y su preparación para tales empresas. Exploramos y explicamos el apoyo brindado a los jóvenes emprendedores, su acceso a y percepciones de dicho apoyo. En tercer lugar, proporcionamos una comprensión de cómo los jóvenes emprendedores ven los éxitos y aspectos positivos de sus negocios y sus sentimientos íntimos y temores acerca de sus emprendimientos. Este artículo desafía el marco predominante de "emprendimiento por necesidad" en el emprendimiento juvenil.

PALABRAS CLAVES
Emprendimiento juvenil, Políticas públicas, Desarrollo económico, Guyana

INTRODUCTION

Unemployment is one of the principal global challenges affecting the inclusion of youth in the economic system of their societies. Unemployment rates are considerably higher for younger, less-skilled youth from more disadvantaged backgrounds. Youth unemployment worldwide in 2021 was 16.9% and 18.8% in the Latin America and Caribbean (LAC) region. For the Caribbean, in 2021, youth unemployment was at an alarming 21.8% after rebounding from 22.9% in 2020 (World Bank, 2023a). For many Caribbean countries, youth unemployment in 2021 reached levels well above the regions' average, including in the CARICOM nations of Guyana (29.5%); St Lucia - 43.6%; Barbados - 27.6%; St. Vincent - 40.4%; Suriname - 27.3%; and the Bahamas - 27.2% (World Bank, 2023a). Converging with the high youth unemployment phenomenon are two other significant challenges - youth inactivity and economic informality. Even for active and employed youths in the region, economic informality presents a significant challenge to the prosperity, stability and economic inclusion of the youth population. An estimated 62.5% of employed youth in the LAC region are in the informal sector. This implies that most jobs available to youth are precarious, low-income, and without protection or rights (ILO, 2020).

Youth entrepreneurship is being promoted by policymakers worldwide as a key strategy to combat youth unemployment and reduce individual poverty, with a number of international, governmental and other groups promulgating policies and programs to support this strategy. The problem, however, is that this strategy presents a policy-driven, top-down approach, impelled by the notion of lack of alternatives for youth economic participation. For this reason, youth entrepreneurship is not perceived as entrepreneurship in its own right, but as a stop gap measure to engage youth in the economy, enable them to earn a living and stay out of trouble. This is a lopsided view that devalues the role of youth entrepreneurs themselves in their communities.

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Informed by data derived from a mixed method study of youth entrepreneurship in the town of Linden, Guyana, this paper adds to the sparse literature on this phenomenon. Guyana is a developing country in South America with a population of 746,955 (Bureau of Statistics, 2012) and an income per capita of US$9,998 (World Bank, 2022). Linden is the second largest town in Guyana and was once a thriving mining town. The bauxite industry, which was Linden's economic mainstay currently employs less than eight percent of its previous workforce of more than 6,500 workers. One consequence of the diminished bauxite industry is that unemployment in Linden has escalated.

The title of this paper is intentionally broad. The intent of the authors is multi-faceted. We seek to provide an understanding of who are the young entrepreneurs, the factors that motivate them to start their own businesses and their preparedness for such ventures. We explore and explain their support system and their access to and perceptions of such support. Thirdly, we provide an understanding of how youth entrepreneurs view the successes and positives of their businesses and their intimate feelings and fears about their ventures.

This study was not originally intended to question the very premises of the "youth entrepreneurship" construct, but the findings therefrom impelled us to do so. The data from the survey revealed that respondents are at the core, entrepreneurs not unlike other entrepreneurs and that categorizing them as youth entrepreneurs may have served to diminish consideration of them as full-fledged entrepreneurs.

LITERATURE REVIEW

Defining Entrepreneurship and Youth Entrepreneurship

The entrepreneur can be viewed as an innovator (Schumpter, 1934), a leader (McClelland, 1961) or risk-taker (Brockhaus and Horwitz, 1986). Fatoki and Chindoga (2011) defined the entrepreneur as "one who organizes, manages and assumes the risk of a business enterprise" (pp.161). This study uses the operational definitions proffered by Goel, Vohra, Zhang & Arora (2007):

> *"An entrepreneur is an individual who establishes and manages a business for profit and growth. The business is the primary source of income and it consumes the majority of the time and resources of the entrepreneur. Consequently, the activity of establishing and managing a business for profit and growth is called entrepreneurship" (pp.10)*

Youth: Definitions of 'youth' vary widely worldwide, spanning from 12 to 35 years in several developing countries (UNCTAD, 2015). The United Nations (UN), for statistical purposes, defined youth as those persons between the ages of 15 and 24 (UN, 2013), while the Commonwealth Health Hub (2018) defined youth as aged 15 - 29. The African Union (2018) defined youth as between ages 15 - 35 years. In the Caribbean, many countries' youth policies categorized youths as persons between 15 to 30 years of age (CARICOM, 2016) while the Bureau of Statistics, Government of Guyana, defined youth as persons between ages 15 – 35 and reported that youth comprised 253,240 or 33.9% of Guyana's population (Bureau of Statistics, 2012). In a study on the youth entrepreneurship dynamics in the Caribbean, Varela Villegas (2017) used the age range 18–34 to study the overall phenomenon but distinguished where applicable between the "young" (18 to 24) and "young adults" (25 – 34). For the purposes of our study and this paper, "youth" is defined as individuals between the ages of 18 – 35 years.

In defining "youth entrepreneurship" some researchers have linked the concept to self-employment among youth (Chigunta, 2002; Green, 2013; OECD, 2017). The OECD posited that "youth entrepreneurship can be defined as self-employment among youth" (p.18), and that "all self-employed persons are considered entrepreneurs (business owners) in one of two different categories: self-employed with no employees… and self-employed who employ other workers" (p. 202). Green (2013) explained that self-employment is often seen as a limited proxy for entrepreneurship, and that much of the youth entrepreneurial choices relate to self-employment. This leads to a tendency also to view youth entrepreneurship as necessity entrepreneurship (Listerri et al., 2006), entrepreneurs starting businesses when they could not find another means of living or employment (Buheji. M., 2017). In her work "Forced to entrepreneurship: modeling the factors behind necessity entrepreneurship," author, Laura Serviere, identified factors such as poverty, low level of education, lack of job opportunities and limited support as forcing people to choose necessity entrepreneurship.

Linking youth entrepreneurship to self-employment, micro enterprise and the informal sector is part of a general tendency to treat youth entrepreneurship differently from adult entrepreneurship (Schoof, 2006). Young entrepreneurs are said to be disadvantaged in several areas including limited access to capital, lower market value and inventory of their enterprises, a narrower range of activities, lack of access to space; less experience and contacts among other defining factors (Chigunta, 2002).

Support Structure for Youth Entrepreneurship

Much has been written about entrepreneurship in general, but the concept of "youth entrepreneurship" has received scant attention in scholarly literature (Geldhof, G. et al., 2013; Damon & Lerner, 2008; Dzisi, 2014). In recent times, however, youth entrepreneurship has received increased attention as international agencies, national governments and other stakeholders grapple with the need to give youths a greater stake in economies. Besides creating employment opportunities and engendering economic development, youth entrepreneurship can bring alienated and marginalized youth into the economic mainstream; help with the socio-psychological problems and delinquency arising from joblessness; help youth develop other skills; promote innovation; revitalize local communities; and capitalize on the fact that young entrepreneurs may be responsive to new economic opportunities (Schoof, 2006).

Perusal of practices and patterns worldwide reveal a composite of international, regional, national, governmental, non-governmental, educational, community, private

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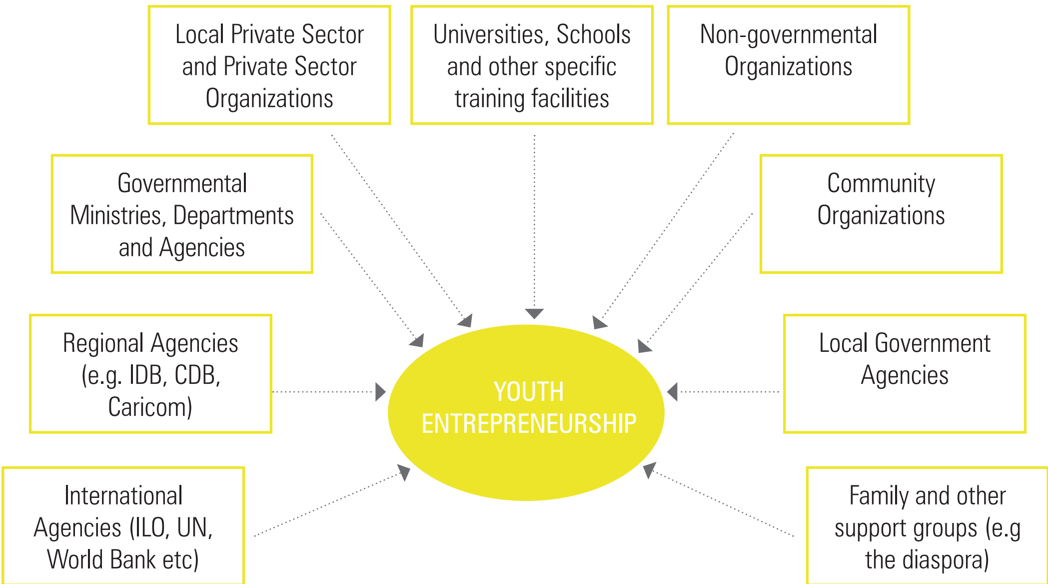
sector and other groupings and institutions lending support to youth entrepreneurs and youth entrepreneurship promotion strategies especially in developing countries. While such strategies are not new, they have gained much currency in recent times, during and after the 2008 global financial crisis, when youth unemployment reached record highs and deep concerns were expressed about long-term economic and social effects of high youth unemployment (ILO, 2012; IMF, 2017; OECD, 2016).

In the Caribbean, for example, the Caribbean Development Bank, in collaboration with the World Bank and Caribbean Climate Innovation Centre, established the Caribbean Tech Entrepreneurship Programme (CTEP) - a technology incubation program providing business support services for young Caribbean entrepreneurs (CDB, 2018). Similarly, the Inter-American Development Bank (IDB) established a Young Entrepreneurship Program (YEP), a partnership with Youth Business International (YBI), designed to increase the number of youths starting and growing businesses and creating new jobs in the Americas (IDB, 2018). Similarly, there are other regional and multinational groupings like the Caribbean Community (CARICOM), and Economic Commission of Latin America and the Caribbean (ECLAC), devoting attention and resources to youth entrepreneurship under the broad umbrellas of youth development and youth unemployment (Danns, 2019).

Danns and Danns (2022) developed a Youth Entrepreneurship Institutional Support (YEIS) Model as a framework for explaining the support system for youth entrepreneurship in countries around the world (See Figure 1).

Figure 1. Youth entrepreneurship institutional (yeis) support model



Source: Danns & Danns (2019)

Danns and Danns described their Youth Entrepreneurship Institutional Support (YEIS) Model as a multi-actor framework which exists on the international, regional, national and local levels and which provides policies, programs, funding, as well as counseling, mentoring and training through public, private sector, nonprofit agencies, international institutions, communities and families. This YEIS model captures the support system for the empowerment of youth entrepreneurs and for the broad strategy of engendering youth entrepreneurship in developing and developed countries.

Green (2013) disaggregated official youth entrepreneurship support into three categories: - enterprise education, "soft" support such as advice and skill development, and "hard" support such as micro-finance, loans and grants. Álvaro Ramírez of the IDB explained that public and private sectors' support for young people involved training, technical assistance and small credits in the LAC region and these were aimed at reducing the failure rate of youth enterprises and to address critical issues during their start-up process (Llisterri et al., 2006). But, enterprise failure is not necessarily a feature of youth enterprises alone as even start-ups, seen as sources of innovation and change, are prone to failure and have attracted the attention of policy-makers and governments (Salamzadeh & Kirby, 2017).

A seemingly neglected aspect in the literature on support for youth entrepreneurship is the role of family, friends and the community. However, De Gobbi (2014) in her research on youth entrepreneurship in Sub-Saharan Africa pinpointed the pivotal role of social capital - family, friends and linkages to the local community - in the support and success of youth entrepreneurs.

Promotion and Challenges

Despite the broad attention given to the strategy of youth entrepreneurship, youth entrepreneurs in developing countries face severe challenges. Challenges include lack of business skills and entrepreneurial education, inability to recruit employees outside the family, limited innovation and access to finance (OECD, 2017). Access to finance is probably the key challenge for young entrepreneurs (UNCTAD, 2015; Gwija, Eresia-Eke & Iwu, 2014; Dzisi, 2014). Typically, lenders view young people as risky; lacking credit history, work history, banks accounts and having insufficient collateral to secure loans or lines of credit (UNCTAD). Other challenges include lack of management experience and the unavailability of youth support structures (Gwija, Eresia-Eke & Iwu, 2014). Youth entrepreneurship is also impacted by social and cultural factors including negative orientations to business (Dzisi, 2014); low tolerance for risk and fear of failure; environmental factors such as floods, pollution, and global warming; and, legal factors where youth entrepreneurs may face a multiplicity of administrative issues such as obtaining licenses and permits and registering their businesses.

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Despite the obvious challenges, however, Varela Villegas (2017) reporting on a study on youth entrepreneurship dynamics in the Caribbean painted a relatively optimistic picture about the phenomenon in the region. Among the author's findings in five Caribbean countries were that the propensity of youth for the creation of new enterprises was growing and that the rate of established youth entrepreneurship was increasing. From a socio-cultural perspective, there seemed to be a greater positive perception of entrepreneurship as a career choice among the young (16-24) than among other age groups in the Caribbean. Villegas also found that Caribbean youth had a relatively low level of fear of failure in relation to starting a business.

RESEARCH METHODS

To fulfill its objectives, this article utilized data derived from 1. a survey of youth entrepreneurs conducted in the town of Linden, Guyana and 2. interviews conducted with representatives of community and national agencies providing support for youth entrepreneurship in the community. The survey of youth entrepreneurs and agency interviews are part of a broader mixed method study conducted by the authors between 2018 and 2019 aimed at understanding the factors impacting youth entrepreneurship in Guyana. The importance of the survey of entrepreneurs to this study is to discern what youth entrepreneurs themselves say about their businesses and about themselves as entrepreneurs. Many studies tend to type youth entrepreneurs as second-class entrepreneurs, as self-employed and not truly entrepreneurs at all.

Survey of Youth Entrepreneurs

Youth entrepreneurs in Linden operate mainly as informal/semi-formal economic operatives where most of their businesses are not registered; taxes and social security obligations are invariably not adhered to; and limited formal records are available. Seventy-seven youth entrepreneurs responded to this survey, thirty-five of whom were reached through the assistance of community leaders. Secondly, two teams of researchers traversed key business districts and other areas in the town and were able to source and administer the survey to an additional 42 youth entrepreneurs, in some instances using the snowball technique. These latter respondents were procured on a Friday and Saturday, which are the busiest business days in the town. The survey instrument comprised: demographic questions, questions about business characteristics and start up, current business operations and assessments of the current economic environment. Included in these broad categories were questions on types of businesses owned, startup capital, revenue, profit, reinvestment, access to loans and other forms of financing, entrepreneurial skills and training, number of employees, working hours, family and other support systems, business successes, and challenges facing youth entrepreneurs.

For this paper and where applicable we test to see the impact of other factors on the level of success that youth entrepreneurs perceive. We derived a measurable variable of *business success* as an outcome by utilizing the statement, "I do not make enough profit" as a proxy for "business success" as perceived by the youth entrepreneurs themselves. Respondents provided answers ranging from 1 to 4 on a Likert scale with 1 being "strongly disagree" and 4 being "strongly agree." Results from this question were used to determine some key correlations in the results section of this paper.

Agency interviews

Eighteen interviews were conducted with a variety of agency representatives to obtain information on youth entrepreneurship financing and other support. These included ministers of government, other government officials, the Linden Mayor and Town Councilors, representatives from youth funding agencies, non-profit agencies, commercial banks, other private sectors entities and community groups.

RESULTS

A Profile of Youth Entrepreneurs

Seventy-seven youth entrepreneurs between the ages of 18 and 35 responded. Of these, 47 or 61% were female and 30 or 39% were male. Twenty-four respondents (31.2%) were in the 18 to 25 age group; 17 or 22.1% in the 26 to 30 age group while 36 or 46.7% were in the 31 to 35 age group. Thirty-nine respondents (50.6%) identified as "Black/African;" 5 or 6.5% identified as "East Indian" and 33 (42.9%) identified as "mixed race." Thirty-nine or 50.6% of respondents were single while 20 or 26% were married and 17 (22.1%) were cohabiting. Almost 64% of the female respondents and 70% of male respondents had children.

Educational Level. The highest level of education attained was determined**:** 9.1% reported primary education; 45.5% reported secondary education; 32.5% reported post-secondary technical/vocational education; and, 10.4% attended university. These findings reveal that 70 out of the 77 youths had attained secondary education or higher. No youth reported never attending school. Respondents were further asked if they were currently enrolled in an educational institution. Nine and seven respondents respectively were enrolled in the Linden Technical Institute and the University of Guyana.

Business Characteristics. Of the 77 youths in the survey, 59 or 76.6% owned one business; 14 or 18.2% owned two businesses; and four respondents owned 3 businesses each. Sixty-two respondents (80.5%) earned all their income exclusively from their businesses; 7 respondents had jobs along with their businesses; and four reported earning other income by assisting their spouses. Fifty-five respondents (71.4%) were the sole owners of their businesses while 21 (27.3%) were in business with others including parents, siblings and other relatives.

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The main business categories reported were retailing/vending (41.6%), beauty and grooming services (15.6%), snack preparation (10.4%), and transportation services (6.5%). Additionally, youth entrepreneurs engaged in event planning, catering, agriculture and livestock rearing, garment manufacturing and other sewing activities; owned restaurants, bars and meat shops; provided art and craft services, internet services, tutoring, printing and other services. Data revealed no statistically significant differences in male and female ownership of specific business categories. However, it is worth noting that of the 12 beauty and grooming business in this survey 10 were female-owned and all 5 youth entrepreneurs in the transportation business were males.

Thirty-one percent of respondents were in business for 2 years or less; 27.3% were in business for 3 to 6 years; 19.5% were in business for 7 to 10 years while 20.8% reported being in business for 11 years or more. Five respondents reported being in business for over 15 years. Fifty-five of the 77 youth entrepreneurs in the survey started their business at age 18 or older.

Motivations and preparedness for Youth Business start-up

Motivation: Youth entrepreneurs in the Linden survey were asked "What prompted or inspired you to become an entrepreneur or business owner. Respondents were presented with a number of answers to choose from for this question along with the ability to provide their own reasons. Several respondents provided more than one reason for becoming entrepreneurs. The most popular choice was "I like being my own boss" with 44 of the 77 respondents (57.1%) choosing this answer. Other popular answers were: I wanted to make money - 36.4%; I always wanted to do it - 23.4%; I was encouraged by family members"- 19.5%; Out of necessity because I was unemployed - 18.2%. I had a creative idea"- 18.2 % (See Table 1).

Table 1: Factors that prompted/inspired youth entrepreneurs to start their own businesses

	Frequency	%
I like being my own boss	44	57.1%
I wanted to make money	28	36.4%
I always wanted to do it	18	23.4%
I was encouraged to do so by a family member	15	20.8%
Out of necessity because I was unemployed	14	18.2%
I had a creative idea	14	18.2%
I was encouraged by a business mentor	3	3.9%
I was encouraged by a government agency	1	1.3%
I was encouraged by an advertisement I saw	1	1.3%
Other reasons	7	9.1%

Source: Derived from Danns and Danns youth entrepreneurship survey data.

While youth entrepreneurship is being promoted in Guyana by a number of national and international agencies, it is noteworthy that only 5 youths linked their inspiration for business ownership to the encouragement by business mentors, government agencies or an advertisement that they saw. Some youths provided other inspirations for business ownership such as: “encouraged when persons come and enjoy my food,” “it was my passion and dream,” “it was much needed in the community,” “experienced terrible punishment when working with others,” “to create jobs for others,” ‘encouraged by a friend” and “I was taught to be independent.” It is significant that no respondent said that they were encouraged by a non-governmental agency despite the fact that this was a category provided on the research instrument.

Preparedness Factors and Support for Business Start-up

Seeing Family Members Run Businesses: Although only 20.8% of respondents said that they were encouraged by a family member to start their own business, a significant number of youth entrepreneur respondents grew up seeing family members run their own businesses and may have been socialized into a culture of entrepreneurship and business. We asked the question: **“**Did you grow up seeing other family members run their own businesses or supplementing family income through entrepreneurial activities?” Sixty respondents (77.9%) grew up seeing family members run businesses and only 17 or 22.1% did not see family members run businesses. Becoming entrepreneurs for a large majority of respondents is derived from their socialized experiences more than the necessity thesis of youth entrepreneurship.

Respondents who grew up seeing family members running their own businesses predominantly identified their parents as the ones they saw run businesses; 30% saw their mother only run businesses; 11.7% saw their father only; 21.7% saw both parents; 10% saw their siblings run businesses while 38.3% saw other relatives including aunts and grandmothers run businesses.

Working experience: Respondents were asked about their working experience prior to establishing their own business. Seventeen respondents or approximately 22% had no working experience prior to starting their own business. Seven or 9.1% had less than two years of working experience; 12 or 15.6% had 2 to less than 4 years; 9 or 11.7% had 4 to less than 6 years; and 30 or 39% had six years or more of working experience. Approximately 75% of the young entrepreneurs in Linden had some working experience before starting their own business. Data revealed that 46 of the 77 respondents (60%) had working experience in addition to seeing family members operating businesses before they started their own business.

Data analysis showed a weak but statistically significant negative correlation -0.30 (P = 0.011) between years of working experience and the perception of business success. Persons with more years of working experience perceived making enough profit to be greater of a challenge. Along the same line, younger entrepreneurs were more satisfied with their level of business success than older youth entrepreneurs.

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Youth Entrepreneurship and Support system

Agency interviews conducted by the researchers during a four-week period in the capital city of Georgetown and in the town of Linden, found that there are a variety of programs geared to enabling and supporting youth entrepreneurs in Guyana in general and a few in Linden specifically. These programs derive from the government, international and regional agencies, NGOs and educational institutions and are often nestled within broader youth development programs with wider ranging goals and objectives.

Guyana's Director of Youth explained that the Department of Youth was mandated by the central government to provide strategic programs and activities to engage young people. Among these are entrepreneurial training and development. The department manages entrepreneurial training centers, hosts various training sessions on "how to grow your business" and "how to become an entrepreneur." In recent times, prior to the COVID pandemic, the agency hosted a Youth Business Summit at which 150 young people from around the country garnered information on business start-up and other business issues and eleven grants were awarded at this summit to youth entrepreneurs to either grow or start their businesses. This agency worked closely with UNICEF, UNFPA, the Regional and Neighborhood Democratic Councils, the Small Business Bureau and other government agencies to further youth entrepreneurship in Guyana.

Apart from the programs of the Department of Youth highlighted above, several other agencies reported similar efforts at engaging youth entrepreneurs in Guyana. Many of these governmental and other programs do not target specifically the town of Linden but, some Linden youth entrepreneurs reportedly benefit from such programs. Youth entrepreneurs in Linden are beneficiaries of the following types of support: - entrepreneurial education and training; mentoring and coaching; loans and grants; business incubation programs and other types of support.

Entrepreneurship Education and training: Agency interviews revealed that youth entrepreneurs in Linden received entrepreneurship education from the Linden Technical Institute and from area high schools. The Linden Technical Institute offers an entrepreneurship course to their students who are pursuing business administration and also some technical/vocational programs. Linden youth entrepreneurs also received short-term targeted entrepreneurship training from a number of governmental agencies including the Linden Enterprise Network; international and regional agencies; and, non-profit and non-governmental agencies including SSYDR and IPED.

Mentoring and Coaching: Some Linden youth entrepreneurs have received mentoring and coaching from agencies such as the Linden Enterprise Network; regional agencies like CARICOM and the now defunct Commonwealth Youth Program (CYP); Specialists in Sustained Youth Development and Research (SSYDR) - a non- profit agency which implements youth development programs and accesses funds for youth entrepreneurial activities from USAID, FAO and other agencies; and, through IPED, Youth Challenge Guyana and the Linden Chamber of Commerce. Family members who are themselves in business also provide mentorship for youth entrepreneurs.

Loans and Grants: Linden youth entrepreneurs have received loans from local commercial banks, the Small Business Bureau, the Institute for Private Enterprise Development, Linden Enterprise Network and from family and friends. Some received grants from SSYDR-managed programs, some governmental programs and from family and friends.

Business Incubation Programs: The Linden Technical Institute sponsors business incubation programs with the aim of helping students in that institution create and grow a business. Some Linden youths have also benefitted from business incubator type services provided by the Office of the Presidential Advisor on Youth Empowerment in Guyana.

Table 2 provides the types of institutional support offered youth entrepreneurs in Linden by support structure.

Table 2: TYPES OF SUPPORT OFFERED YOUTH ENTREPRENEURS IN LINDEN BY YEIS AGENCIES

AGENCIES	Entrepreneurial Education	Short courses/ workshops	Mentorship/ Coaching	Loans	Grants	Business Incubator
Governmental Agencies						
Presidential Advisor on Youth		√				√
Government Ministries		√			√	
Small Business Bureau		√		√		
Department of Youth		√				
Linden Enterprise Network		√	√	√	√	
International & Regional (Caribbean) Agencies						
CARICOM		√	√			
CYP (program now defunct)		√	√		√	
USAID and FAO through SSYDR		√	√		√	
Educational Institutions						
Linden Technical Institute	√					√

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Table 2: TYPES OF SUPPORT OFFERED YOUTH ENTREPRENEURS IN LINDEN BY YEIS AGENCIES

AGENCIES	Entrepreneurial Education	Short courses/ workshops	Mentorship/ Coaching	Loans	Grants	Business Incubator
Schools in Linden	√					
Financial Institutions/Private Sector						
Commercial Banks in Linden				√		
Non-Profit & Non-governmental Agencies						
IPED		√	√	√	√	
Youth Challenge (Guyana)		√	√			
SSYDR from SLED Funds		√	√		√	
Community & Local Government Agencies						
Linden Chamber of Commerce			√			
Family and Other community support						
Family and Friends			√	√	√	

Source: Danns and Danns (2022)

While only five youth entrepreneurs in the survey linked their inspiration for business ownership to the encouragement by business mentors, government agencies or an advertisement they saw, a number of youth entrepreneurs reported interacting with these agencies either before or after starting businesses. Below we expand on the interactions of youth entrepreneurs with support agencies and institutions in mainly two areas – entrepreneurial education /training and access to credit and other financing.

Survey results on Entrepreneurial education/training: Respondents reported on whether they attended any workshops/seminars or special training programs that taught them about entrepreneurship and business management. Thirty-two respondents (41.5%) reported attending such training and 44 respondents (57.9%) did not. Of the 32 respondents who received training, 72% were females and 28% males. Compared to the overall sample of 61% females and 39% males, the female respondents were more likely to obtain business or entrepreneurship training than their male counterparts. Thirty respondents named the program in which they received training either before or after becoming an entrepreneur. Thirteen (43.3%) received training through SKYE (Skills and Knowledge for Youth Employment), SSYDR (Specialists in Sustained Youth Development and Research) or the "Work Ready Now" training programs. These three programs were associated with USAID and the Food and Agriculture Organization (FAO) funding for youth development in Guyana. Twenty-three percent received training within their cosmetology programs and 20% received entrepreneurship training at the Linden Technical Institute. One respondent each received training from the following programs: - branding and innovation seminar, Bureau of Standards workshop, business expo workshop, food preparation training, Interweave Solutions business training, Linden Enterprise Network training, Board of Industrial Training, Action Coach and the Hinterland Employment and Youth Services (HEYS) program. Seeking or accessing entrepreneurial training underlines the seriousness with which youth entrepreneurs in the survey approached their businesses and their determination to make a success of these.

Survey results on Access to credit and other financing for business start-up: When asked "Where did you get financing from to start your business" 75 respondents provided answers. Nine respondents named 2 sources each for their start-up finance. Predominantly, youth entrepreneurs used their own funds and/or help from persons they knew to finance their start-up. Forty-nine or 66% of respondents used money from their savings to start their businesses. Forty youth entrepreneurs named "savings' as their only means of start-up financing. Thirteen respondents (18%) said that someone else (family and friends) financed their start-up and they did not have to repay (See Table 3). In total 58 respondents (77%) named personal savings and/or family and friends as their source for start-up financing.

Table 3: Sources of Financing for Business Start-up Count = 75

Financing for Business Start-up	Freq.	%
From my savings	49	66%
Someone financed my start-up and I do not have to repay	13	18%
Borrowed from the bank	7	9%
Borrowed from the Linden Enterprise Network (LEN)	1	1%
Borrowed from Inst. for Private Enterprise Development (IPED)	1	1%
Borrowed from another agency	2	3%
Grant from a non-governmental agency (SKYE, USAID)	4	5%
Grant from a Guyana Government agency	2	3%
Inheritance	1	1%
Someone financed my start-up and I have to repay	1	1%
Did not need start-up money	3	4%

Source: Derived from Danns and Danns youth entrepreneurship survey data.

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Sixteen of the 75 respondents (21.3%) acquired loans and/or grants for business start-up. One respondent accessed both a loan and a grant for start-up. Seven respondents (9.3%) got financing from a bank; 2 got grants from government agencies; 4 got grants from non-governmental agencies including from SKYE and USAID; 4 others borrowed from other agencies including the Linden Enterprise Network (LEN) and the Institute for Private Enterprise Development (IPED). Of the 7 respondents that got bank loans, 4 reported that they also used their own savings. Respondents who procured financing through loans and grants from other agencies did not report also using own funds.

Survey results on Business Expansion Financing. Respondents were asked "Have you been able to secure any financing to grow your business since starting: if yes from where/whom?" Thirty-three respondents reported getting financing to expand. Twelve respondents (15.6%) got financing from family and 7 self-financed their expansion. Eleven respondents (14.3%) got loans from banks; 2 got financing from government programs; one from an NGO and one from a SSYDR grant. In total, 15 youth entrepreneurs (19.5%) received loans or grants for expansion purposes. This compares to 21.3% who got start-up loans and grants. Of the 15 youth entrepreneurs receiving expansion loans and grants from banks and other agencies, 6 or 40% of those also received loans or grants for start-up purposes. Business expansion can be viewed as commitment to entrepreneurship. This further adds to our contention that youth entrepreneurs are bona fide entrepreneurs in their own right and should be treated as such.

Profile of Youth Entrepreneurs receiving loans or grants. This section provides a profile of the youth entrepreneurs in the survey who were able to acquire grants and/or loans for business start-up and/or expansion. It examines several factors and distinguishes the differences, if any, from others in the general survey. Twenty-five or almost 33% of youth entrepreneurs in this survey reported receiving loans and/or grants to start or expand their businesses. The commercials banks were the most popular source of financing for these respondents with 16 of the 25 (64%) accessing loans from this source. Three of the entrepreneurs reported accessing bank loans on more than one occasion. Nine in total received grants from governmental and non-governmental sources, while 4 reported receiving loans from sources other than banks. Of the 25 loan and grant recipients:

- 14 (56%) were female and 11 (44%) were male; The data reveal no statistically significant difference between males and females acquiring loans and grants.
- 44% were in the 31 – 35 age category, while 28% each were in the 18 – 25 and 26 – 30 age categories respectively. The data revealed no statistically significant difference among age categories acquiring loans and grants.
- 48% of loan/grant recipients were in the retailing/vending business and 12% were in the beauty and grooming services business; 9% were into agriculture/poultry rearing.

- 52% of the loan/grant recipients had some form of entrepreneurship and business education/training prior to starting their businesses compared to 26.9% for those who did not receive such loans/grants. This difference was statistically significant ($p < .05$ level). One possible reason for this disparity is that invariably grant recipients and some loan recipients are required to attend entrepreneurship training as a pre-requisite for funding.
- 84% of loan/grant recipients reported observing a family member (mother, father and other relatives) run businesses compared to 73% for those who were not recipients of grant/ loans.
- All loan and grant recipients reported reinvesting some profit into their businesses.
- There was no statistically significant difference in the level of business satisfaction between those who received loan/grants and those who did not.
- Recipients of loans reported feeling more worried when they think of their business than those who did not.
- Loan/grant recipients were less likely to "agree" or "strongly agree" that "the lack of collateral" was a challenge than those who did not receive such financing.
- Loan/grant recipients were less likely to "agree" or "strongly agree" that "support from the community" was a challenge than those who did not receive such financing.
- Greater than 50% of both loan/grant recipients as well as non-recipients "agreed" or "strongly agreed" that the "weak economic environment," "lack of support from government," "lack of funding information," "lack of money to invest," "high cost of running their business" and "uncertainty about the future" were challenges facing them.

Perceptions of Youths about the support system

This group of questions helped researchers glean the challenges faced and to understand youth entrepreneurs' perceptions of governmental, community, family and other support. Respondents were posed with a list of 29 subject areas for which they had to state whether they strongly disagree, disagree, agree or strongly agree that it was a challenge facing them as a young entrepreneur. A ranking system was to determine the level of the specific challenges. 1- Strongly disagree that it is a challenge, 2 – disagree, 3 – agree and 4 – strongly agree. This paper reports on challenges which may or could have been impacted by the support system.

Results showed that greater than 50% of respondents **agreed or strongly agreed** that the following were challenges facing them: Lack of support from government – (68.8%); Lack of funding information – (60.6%); Lack of money to invest – (56%); lack of collateral to obtain loans – (52.6%); and difficulty getting loans – (50.7%).

On the other hand, youth entrepreneurs were very positive about the support received from family, friends and from the community. Over 70% of youth

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entrepreneurs surveyed **disagreed or strongly disagreed** that the following were challenges for them. Lack of family member to help – (74.6%); lack of family or friends to help – (74.6%); no one to encourage me - (81.8%) and lack of support from the community (74.3%).

How does the support system view youth entrepreneurs?

The SSDYR Director was very positive about the enthusiasm and response she and her staff got from interacting with, coaching and training youth entrepreneurs from Linden. The Director felt that several youths in the Linden community exhibited the entrepreneurship mindset and were willing to fill the gap created by limited employment opportunities in the town. She felt that the youths had positive role-models in the community, like for example, a former mayor who helped to awaken the youths in the community to the idea of doing business and the youths were now embracing it. The SSYDR, at the time of interviewing, was seeking funding for some youth entrepreneurs but was more involved in coaching and business skills training.

Researchers asked agencies to outline some of the problems associated with financing and generally supporting youth entrepreneurs. Some distinct themes emerged from these agency interviews. Agencies reported that youth entrepreneurs: lacked good business ideas and were not forward looking; lacked a sense of responsibility and were not motivated; lacked financial and general literacy; lacked a deep sense of what business entailed; lacked collateral and assets; and, had poor business and management skills. This section reports on these and other emerging themes.

Lack of good business ideas/Not forward looking. The theme of youths not having good business ideas emerged specifically from institutions that offered loans. These institutions reviewed closely the quality of loans and were interested in lending to what one interviewee called "quality borrowers." One loan officer from IPED said:

> *"Youths have corner shops: 5 or 6 on the same street with everyone offering the same products; not much distinguishing or differentiating them from each other. There are not many persons with a niche in the market."*

One banker concluded that:

> *"the youths are stuck in a box; they think just of Linden when there are a number of surrounding areas that can form their market. They can venture out into a number of the riverain areas but are reluctant to go that extra mile."*

A lending-agency Director stated:

> *"We're living in an innovative age… We don't see a lot of people [youths] getting into tourism but Linden has a lot of opportunities …. [Youths] need to see what is there and try to be transformative."*

The director however, reported observing several promising innovative exhibits from youths at a recent trade show.

Lack of a sense of responsibility/Lack of Motivation. There were mixed sentiments about the motivation of youth entrepreneurs. Some lending agencies felt that the youth entrepreneurs were not responsible and lacked the responsibility to carry on businesses. One banker said: "*The youths are not responsible enough to do these businesses. A lot of them start and then they stop.*

A lending agency Director stated:

> *"The youths always have to be motivated. They start the programs but do not complete.* [we are] *constantly motivating them. This is one of the difficulties we are having with youths. They don't have the stay-ability with them. Some of the youths do not want to go through the training before they are given the funds. We are trying with the new program we are rolling out to give them a stipend to see if this would increase the number of youths in our program.*

An IPED loan officer stated:

> *"From my observation persons seem to be stuck in a malaise – They have a problem plowing back profits into the business. Businesses are barely breaking even, making money in Linden. They do not have an idea of re-investing in their businesses."*

Lack of financial and general literacy. While the lack of financial and general literacy was not a complaint specific to the youth entrepreneurs in Linden it is worth noting that a few lending and other agencies working with youths in general lamented the lack of financial and other literacy of some youths aspiring to be entrepreneurs. Specifically addressing the financial literacy problem, the Advisor to the President on Youth empowerment explained:

> *"When we developed the youth policy, we decided that there were two ways we can solve the youth unemployment problem: 1. actually creating employment and 2. through entrepreneurship – putting young people in business … We found that many of them [the youths] were not financially literate. So, our program became Financial Literacy and Small Business Training."*

Echoing a similar sentiment, one banker reported the level of literacy as one of the challenges facing youths seeking business funding. She found that some youths who approached the bank could not *"put their business ideas down on paper."*

Some funding agencies recognize these problems and work with youths to improve financial and general literacy, along with providing entrepreneurship training before offering any form of business financing. The remedial work needed in these areas lengthen the training period before youths can access funding. Some funding agencies reported that youths may become impatient and/or despondent and may withdraw from programs aimed at empowering them.

Lack of a deep understanding of what business entails. One banker explained that youths seeking funding do not take into consideration factors that can negatively impact their bottom line. The banker stated:

> *I think they [youths] just look at it [business] from a face value standpoint. They do not sit down to look at it in detail. This is because of limited knowledge…. For example, take poultry…. They would say I rear so many birds and sell it for so much; this is my price, my*

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> *income and this is my profit. They do not take into account or make provision for losses. They would not consider that the price of feed may increase.*

Lack of Collateral. Bankers in Linden explained that youths invariably lacked the requisite collateral to obtain loans. One banker explained that from a funding standpoint this lack of collateral was a main challenge. The banker said: *Because they have such a difficulty getting a land title or even getting a vehicle, the youths basically cannot get collateral to put up. The lack of assets is the biggest problem.* This sentiment was echoed by another lending agency that said youths needed access to titled land.

Poor business and management skills. The interviewee from IPED Linden explained:

> *Another problem you will find is that some clients* [youth] *are not too quick [*good*] with management skills to effectively function as an entrepreneur. To help solve this problem we try to offer them some training and skills to help them manage…some record keeping so that they can keep track with what's happening in the business.*

This loan officer also felt that youth entrepreneurs were not implementing what they learned and that poor management by youth entrepreneurs caused loans to become delinquent. He explained that *"Youths coming for loans are a poor quality of borrowers. We are trying to focus on quality rather than quantity."*

Most of the lending agencies further explained that there were difficulties in terms of youths' business plans and in presenting their financial statements and other documents.

Some lenders felt that the youth entrepreneurs and youths in Linden generally needed more guidance in terms of the various lending institutions and that there aren't many programs introducing youths to entrepreneurship and business. Some felt that more training of youth entrepreneurs was needed. Further, there should be some evaluation to determine whether the training was being implemented. Many of the lending agencies felt that the government should be doing much more for youth entrepreneurs in the community. One banker summed it up in this way:

> *This community has a lot that can be developed but I do not know where that will come from. The government isn't doing much. This may have to come from private entities that will try to do something.*

The perceptions of the bankers and others were quite different to how youth entrepreneurs felt about the successes and positives of their businesses.

Perceptions about Personal Business outcomes and Indication about their future in Business

Two questions are used from the survey to provide insights into the thinking of youth entrepreneurs about their business and personal outcomes from their entrepreneurship. These were open-ended questions, but significant commonalities were found among the answers given by respondents. When asked "what are some of the successes of your business, 75 of the 77 respondents provided answers (See table

4 below). Some respondents provided more than one answer. Significant success indicators for youth entrepreneurs in this survey were: the expansion, growth and sustainability of their business ventures; and that being in business allowed them to provide financially for self and family. Among the popular responses were: "business growth/expansion" (26 respondents or 34.7%); "meeting personal/family needs" (14 respondents or 18.7 % of respondents); increased profit/profitability (8 or 10.7%) customer and community satisfaction (7 or 9.3%); business diversification (6 or 8%); acquiring personal assets (5 respondents or 6.7%); and attracting more customers (4 or 5.3%). Respondents also gauged their success by being able to sustain their businesses, making their own money, financial independence, getting business awards, improving their lives and the lives of others, and interacting with other business owners. See table 4 below

Table 4 : Frequency table for Successes of Business (n = 75)

Successes of business	Freq.	% of respondents
Business growth/expansion	26	34.7
Meeting personal/family needs	14	18.7
Increased profit/profitability	8	10.7
Customer and community satisfaction	7	9.3
Business diversification	6	8.0
Acquiring personal assets	5	6.7
More customers	4	5.3
Making my own money	3	4.0
Sustaining Business	3	4.0
Having savings/Financial security	2	2.7
Getting Business awards	1	1.3
Improved lifestyle	1	1.3
Improvement in the children that attend the classes	1	1.3
Interact with other business owners	1	1.3

Source: Derived from Danns and Danns youth entrepreneurship survey data.

When asked about the positives of being in business 75 respondents provided answers. Respondents seemingly found making their own money, being their own boss and the ability to serve customers and consumers as significant positives

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emanating from being entrepreneurs. Popular responses were making my own money/being independent (20 respondents or 26.7%) "being my own boss" (19 respondents or 25.3%); satisfying customers and community (15 respondents or 20.0 %); having flexible working hours (9 or 12%); satisfying personal and family needs (9 or 12%). Among the other positives of being in business identified by the youth entrepreneurs, to a lesser extent, include being a role model and inspiring others, sharing and gaining knowledge, gaining respect and building self-esteem. A few respondents just indicated that they felt good about being in business and that they liked what they did (See table 5).

Table 5: Frequency table results for Positives of being in business (n = 75)

Positives of being in business	Freq.	% of respondents
Making my own money/Being independent	20	26.7
Being my own boss	19	25.3
Serving/Helping and Satisfying customers and community	15	20.0
Having flexible working hours/more time for family	9	12.0
Satisfying personal and family needs/Acquiring personal assets	9	12.0
Meeting and interacting with people/networking	6	8.0
Feeling good about business/liking what I do	5	6.7
Financial security/Financial independence	3	4.0
Personal growth/self esteem	3	4.0
Sharing business knowledge with others	3	4.0
Being employed	2	2.7
Being innovative	2	2.7
Creating employment	2	2.7
Inspiring others/Being a role model for youths	2	2.7
Gaining business knowledge	1	1.3
Having Community support	1	1.3

Source: Derived from Danns and Danns youth entrepreneurship survey data.

In yet another group of questions, we sought to understand how youth entrepreneurs felt about being in business and if they can continue in business for a long time. Survey respondents were asked: On a scale from 1 to 4 with 1 being "not at all" and 4 being "very much so" say how you feel: When I think of my business I feel:

Table 6 - Summary statistics: Entrepreneurs' Feelings when they think about their businesses

Positive Feelings	N	Mean	Variance	Std. dev.	Std. err.	Median
Feel - Happy	76	3.72	0.28	0.53	0.06	4
Feel - Proud	76	3.66	0.39	0.62	0.07	4
Feel - I can do this for a long time	74	3.41	0.79	0.89	0.10	4
Feel - I like what I do.	77	3.79	0.30	0.55	0.06	4
Negative feelings						
Feel - frustrated	72	2.15	1.03	1.02	0.12	2
Feel - worried	73	2.27	1.09	1.04	0.12	2
Feel - overwhelmed	72	2.44	1.15	1.07	0.13	2

Source: Derived from our youth entrepreneurship survey data.

Youth entrepreneurs showed a high level of optimism when thinking about their business ventures. They were generally happy, proud, liked what they did and thought that they can do it for a long while. On a scale of 1 to 4 summary statistics showed very high mean scores for these measures. The median scores in all of these categories was 4, with means scores of over 3.6 for feelings of happiness, pride and liking what they do. A somewhat lower mean score of 3.41 was recorded for "I can do this for a long time." When analyzed by age, gender, level of education, entrepreneurial training and other variables there were no statistically-significant influencing factors.

Respondents generally had lower mean scores for negative feelings such as: Worried; Frustrated and overwhelmed. Summary statistics show mean scores of between 2.15 and 2.44 for these measures and median scores of 2 for each. These had higher deviations from the mean and were further investigated. There were 3 significant findings here. The data showed that the female youth entrepreneurs in this survey had a statistically significant higher level of being "overwhelmed" than their male counterparts. Secondly it did not matter whether the women had children or not. Additionally, respondents who received loans reported a statistically significant higher level of being "worried."

Contrary to some views expressed by support agencies, survey respondents were optimistic or sure about their own abilities to run their businesses and about the support from family and community. Greater than 60% of youth entrepreneurs in our survey disagreed or strongly disagreed that the following were challenges for them

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– having the necessary skills and knowledge to run the business - 72% disagreed or strongly disagreed; lack of business experience (87.0%); Limited management and entrepreneurial ability (75.3%); finding good labor (63.9%); Finding materials/stocks for the business (76.3%) and not having good ideas to grow the business (92.2%).

The youth entrepreneurs presented a confident picture about their own abilities and knowledge to manage and grow their businesses and the support of the family, friends and the community. They were unsure about getting financial support from established institutions like banks and grant agencies and sourced most of the business financial and other resources primarily from personal savings and from family/friends.

DISCUSSION OF FINDINGS

Youth entrepreneurship is one of the most taken for granted and unquestioned constructs in entrepreneurship literature. A primary reason for this is that not only is there is a paucity of research and theorizing about youth entrepreneurship but also scholars and policy makers alike tend to regard youth entrepreneurs as a dependent and not fully formed entrepreneurship type. Consequently, emphasis is placed primarily on their role in generating self-employment based on the necessity for survival rather than individuals who organize, manage, and assume the risk of a business with the goal of generating economic value. Unlike regular entrepreneurship, youth entrepreneurship is not viewed as "a factor of production" but as a means to enable the incorporation of young people into the economy to facilitate their productive and salubrious involvement in the world of work and the community. Still, agencies which provide institutional support tend to portray youth entrepreneurs mainly as unprepared, unqualified, often financially illiterate, lacking matching capital for investment and as poor risks for loans, grants and abilities to realize sustainable business ventures. As seen in the literature, age is the single most distinguishing criterion for being defined as a youth entrepreneur and it may extend anywhere from 16 – 35 years. Little attention is paid to the maturity, marital status, work history, educational background of youth entrepreneurs and the fact that they may have been spawned in more or less viable communal entrepreneurial cultures.

Most youth entrepreneurs in our survey were educated at secondary level or higher and many received training for the business ventures in which they were involved. The youth entrepreneurs in the study were established business owners with only 31% owning their business for 2 years or less and over 40% being in their business for over 10 years and some as much as 15 years or more.

Unsurprisingly, 77% of youth entrepreneurs in the survey named personal savings (66%) and/or family or friends as their source for start-up financing. Still, 16 of the 75 respondents (21.3%) acquired loans and/or grants for business start-up. These findings suggest that the youth entrepreneurs in the survey are legitimate entrepreneurs in their own right and the label "youth" obfuscates their strivings as legitimate entrepreneurs.

Agency interviews conducted by the researchers during a four-week period in the capital city of Georgetown and in the town of Linden, found that there are a variety of programs geared to enabling and supporting youth entrepreneurs in Guyana in general and a few in Linden specifically. A modicum of youths in the survey had access to institutional support for starting and sustaining their enterprise. These programs derive from the government, international and regional agencies, NGOs and educational institutions and were often nestled within broader youth development programs with wider ranging goals and objectives. Institutional support for youth entrepreneurs is indicative of the policy approach of such institutions focused more on realizing their program outcomes than promoting entrepreneurial success. Many of these institutional programs which directly or indirectly support youth entrepreneurship are ephemeral and lack effective follow up or even concern for those initially engaged. Youth entrepreneurs from the survey, like other entrepreneurs, have to rely largely on their own efforts to startup and sustain and expand their businesses.

Like other entrepreneurs, respondents from the youth entrepreneurs survey reported significant success indicators. For survey respondents these were: the expansion, growth and sustainability of their business ventures; and that being in business allowed them to provide financially for self and family. Further, when asked about the positives of being in business respondents echoed the same answers as other entrepreneurs would, such as making their own money, being their own boss and the ability to serve customers and consumers as significant positives emanating from being entrepreneurs. Quite akin to other entrepreneurs, the youth entrepreneurs showed a high level of optimism when thinking about their business ventures. They were generally happy, proud, liked what they did and thought that they can do it for a long while. The findings from this study suggest that there are no discernible significant differences from other entrepreneurs, in how youth entrepreneurs perceive their role, their reasons for becoming entrepreneurs, their optimism and the satisfactions they derive from their role performances.

We conclude that there is not much justification for framing youth entrepreneurs as a deficient type of entrepreneurship largely dependent on policy interventions and institutional support from governmental, international, and other agencies. Further, that the role dispositions, expectations and strivings of respondents are not unlike other entrepreneurs. This study was not originally intended to question the very premises of the youth entrepreneurship construct, but the findings therefrom impelled us to do so.

SUMMARY AND CONCLUSION

This study is a contribution to the sparse scholarly literature on youth entrepreneurship in Latin America and the Caribbean. This paper was intentionally broad as it sought to provide a profile of youth entrepreneurs in the town of Linden, Guyana, the factors that motivate them to start their own businesses and their

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preparedness for such ventures. We explored and explained the institutional support system for youth entrepreneurs, if and how they access that support and their perceptions of such support. We provided an understanding of how youth entrepreneurs view the successes and positives of their businesses and their intimate feelings and fears about their ventures.

The youths in our survey evidenced a serious commitment to their craft and are not ephemeral economic activists, nor do most see themselves as "necessity entrepreneurs" as is used in the literature. Almost 70% of respondents were in business for over three years and almost 30% existed in business for 11 years or more; they had mainly secondary education and some have also attended technical colleges or university. Many had jobs prior to becoming entrepreneurs and seemingly became entrepreneurs by choice rather than necessity. Only 18.2% said they were motivated to start their businesses "out of necessity because they were unemployed." In contrast, close to 70% of surveyed youth entrepreneurs started their businesses because they wanted to be their own bosses. Others reported always wanting to be entrepreneurs, wanting to make money and being encouraged by family. It is noteworthy that only five youths linked their inspiration for business ownership to the encouragement by business mentors, government agencies or an advertisement that they saw.

Becoming entrepreneurs for a large majority of respondents was apparently derived from their socialized experiences following in the footsteps of parents, siblings, relatives and even friends. Sixty respondents (77.9%) grew up seeing family members run businesses. Additionally, 75% of the youth respondents had conventional working experiences and were not necessarily unemployed before starting their own businesses. Respondents embraced entrepreneurship as a choice rather than a necessity. Approximately 60% had working experience in addition to seeing family members operating businesses before they started their own business. This evidenced the existence of a culture or tradition of entrepreneurship sufficient to influence occupational choices of young people in the Linden community.

Among our findings was that there are not many programs targeting youth entrepreneurs in the town of Linden specifically. There are some programs geared to enabling and supporting youth entrepreneurs in Guyana as a whole; only a few of these targeted or directly benefitted Linden youth entrepreneurs. Some youth entrepreneurs in Linden (mainly women) accessed training from the support system; few obtained loans from the banks and grants from other agencies. Many of the youth entrepreneurship programs are nestled within broader youth development programs with wider ranging goals and objectives.

This paper provides a marked contrast between how support agencies view youth entrepreneurs and how youth entrepreneurs view themselves. Support agencies mainly perceive youth entrepreneurs as "lacking" the capabilities and business acumen to be successful entrepreneurs. Youth entrepreneurs in the survey see themselves as not only successful, but also quite capable in the conduct of their enterprise and as reaching their benchmarks for success and even growing their businesses. The findings from this study have revealed that the literature on entrepreneurship and support agencies need to resist the tendency to "other "or underestimate youth entrepreneurs. Indeed, as a construct, youth entrepreneurship bears fundamental reexamination because of tendencies to equate such entrepreneurship with self-employment more than business creation and to frame entrepreneurial incapabilities and lack of success with the young.

One limitation of this study is that its focus was only in one urban community. Conclusions arrived at in this study can benefit from similar studies conducted among youth entrepreneurs in other communities in Guyana and the wider Caribbean. Indeed, as Varela Villegas found in his study of five Caribbean countries, there seemed to be emerging a greater positive perception of entrepreneurship as a career choice among the young.

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CAPITAL STRUCTURE AND PROFITABILITY IN EMERGING MARKET NEW VENTURES: INSIGHTS FROM TRINIDAD AND TOBAGO

ESTRUCTURA DE CAPITAL Y RENTABILIDAD EN NUEVAS EMPRESAS DE MERCADOS EMERGENTES: PERSPECTIVAS DESDE TRINIDAD Y TOBAGO

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ABSTRACT

New ventures, which are essential in driving economic development, face a universal challenge of accessing finance and deciding on a suitable capital structure. In developing countries such as Trinidad and Tobago, studying the impact of capital structure on profitability levels of new ventures is especially critical, given that current literature has primarily focused on established firms. To fill this gap, this study examined the existing capital structure of 43 new ventures in Trinidad and Tobago, testing the effects of different financing sources on net profit margins. The findings revealed that owners' savings and retained earnings had a positive impact on net profit margins, while short-term loans, long-term loans, and informal investor finance had no significant effect. Moreover, this study expanded upon existing theories, particularly the pecking order theory, by testing it in the context of new ventures, rather than mature firms. The implications of this study are significant to financial managers in charge of decision-making for new ventures. It suggests the importance of owners' savings and retained earnings in financing new ventures. Moreover, the findings suggest that new ventures in Trinidad and Tobago may benefit from pursuing funding options that align with the pecking order theory. Overall, this research emphasizes the need to consider the unique financial challenges facing new ventures when making decisions regarding their capital structure.

KEYWORDS

New ventures, capital structure, Pecking Order theory, Trinidad and Tobago, profitability

RESUMEN

Las nuevas empresas, esenciales para impulsar el desarrollo económico, se enfrentan a un desafío universal: acceder a financiamiento y decidir sobre una estructura de capital adecuada. En países en desarrollo como Trinidad y Tobago, estudiar el impacto de la estructura de capital en los niveles de rentabilidad de las nuevas empresas es especialmente crítico, dado que la literatura actual se ha centrado principalmente en empresas establecidas. Para llenar este vacío, este estudio examinó la estructura de capital existente de 43 nuevas empresas en Trinidad y Tobago, evaluando los efectos de diferentes fuentes de financiamiento en los márgenes de beneficio neto. Los hallazgos revelaron que los ahorros de los propietarios y las utilidades retenidas tenían un impacto positivo en los márgenes de beneficio neto, mientras que los préstamos a corto plazo, los préstamos a largo plazo y la financiación de inversores informales no tenían un efecto significativo. Además, este estudio amplió las teorías existentes, especialmente la teoría del orden jerárquico, al probarla en el contexto de nuevas empresas en lugar de empresas maduras. Las implicaciones de este estudio son significativas para los responsables financieros encargados de la toma de decisiones para las nuevas empresas. Sugiere la importancia

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de los ahorros de los propietarios y las utilidades retenidas en la financiación de nuevas empresas. Además, los hallazgos sugieren que las nuevas empresas en Trinidad y Tobago pueden beneficiarse de la búsqueda de opciones de financiamiento que se alineen con la teoría del orden jerárquico. En general, esta investigación enfatiza la necesidad de considerar los desafíos financieros únicos que enfrentan las nuevas empresas al tomar decisiones sobre su estructura de capital.

PALABRAS CLAVE

Nuevas empresas, estructura de capital, teoría del orden jerárquico, Trinidad y Tobago, rentabilidad.

INTRODUCTION

New ventures play a critical role in economic growth and job creation and this is particularly true in the Caribbean region which is characterized by a diverse range of economies, cultures, and political systems, making it an important area of study for researchers interested in entrepreneurship and economic development (Minto-Coy, Lashley, and Storey, 2018). Within the Caribbean, Trinidad and Tobago stands out as a small island nation having one of the highest rates of entrepreneurial activity in the region (Minto-Coy, Lashley, and Storey, 2018) making it an ideal setting to study new venture financing. It is important to recognize that all mature and stable enterprises started off as new ventures that sought various strategies to achieve survival and growth. Early-stage companies in Trinidad and Tobago, as in other parts of the world, face numerous challenges such as competition, management inexperience, and location problems (Bahaw, 2017). However, financial risks continue to outweigh the many challenges that new venture owners face in today's capital-intensive environment. According to Garcia-Singh (2022), new ventures in Trinidad and Tobago face several challenges in accessing financing, especially from formal financial institutions due to a lack of operational track record, which could potentially affect their profitability levels. In dealing with this challenge, it is important for new venture owners in Trinidad and Tobago to critically think through their financing options and the possible impact they have on business continuity and growth (Ramkissoon-Babwah, 2012). As such, possession of financial management acumen is a prerequisite for new venture success in Trinidad and Tobago. Additionally, owners of newly emerged firms in Trinidad and Tobago must practice caution in deciding the appropriate layers of finance as it has significant implications on cost, risks, ownership, and covenants. New ventures in Trinidad and Tobago are prone to increased costs and decreased performance if a suitable capital structure is not adopted (Brigham, 2004). Moreover, finding an optimal capital structure that ensures profit maximization is a challenge of many new venture owners in Trinidad and Tobago (Jensen, 1986). Understanding the life cycle theory and pecking order theory is crucial in examining how capital structures can affect a business's profitability, as the life cycle theory suggests that companies have different financing needs at different stages of their life cycle whilst the pecking order theory suggests that firms prefer to finance their operations through internal funds first, followed by debt, and then equity (Nguyen et al., 2023). Examining how these theories play out in practice is crucial in understanding how capital structures can affect a business's profitability.

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Specifically, these theories could provide valuable insights into identifying the optimal mix of financing sources towards achieving profit maximization for new ventures in Trinidad and Tobago which could have implications for other small island nations with similar economic circumstances.

ORIGINALITY AND VALUE OF RESEARCH

This research has academic and practical importance. An extensive review of the literature on capital structure impact on firms' performance provided inconsistent and contradictory findings (Opoku-Asante et al., 2022) particularly for new venture (Salamzadeh and Kirby, 2017). Additionally, Darabjerdi and Joybary (2014) claims that research on capital structure and firms concentrated on: 1) established companies as opposed to new ventures, 2) different measures of firms' financial performance and 3) developed countries. There are limited studies carried out in understanding the capital structure effects on start-up enterprises, particularly in Trinidad and Tobago. Given the significant role that new ventures play in economic development, and the particular importance placed on entrepreneurship in Trinidad and Tobago's push towards greater economic diversification, it's crucial to gain a better understanding of the factors that lead to success for these ventures. An examination of the impact of capital structure on the profitability of new ventures in Trinidad and Tobago is especially relevant in this context, as it can provide valuable insights into how to address the many challenges faced by these businesses, and ultimately contribute towards the country's wider economic goals. The findings of this study would strengthen the literature by providing evidence for the possible impact of capital structure on firms' profitability with a special emphasis on newly emerged ventures in developing countries, thereby closing the gap between the inconsistencies found and contributing to the body of knowledge where there is limited available research. In addition, no research has been found in Trinidad and Tobago that took into consideration life cycle theory and pecking order theory in the conceptual framework of internal and external financing. The study provided a theoretical base to the concept of "Encouraging internal equity finance to drive profitability in new ventures" (Nguyen et al., 2023) . The study provides empirical support to aid new venture owners and financial managers when analysing the opportunity cost of decisions made on the financing mix of their respective companies.

RESEARCH OBJECTIVE

The objective of this study is to investigate how can the life cycle theory and the pecking order theory inform decisions about financing and capital structure to achieve optimal profit maximization. To achieve this objective, the study will address the following overarching research question:

How does capital structure impact the profitability of new ventures in Trinidad and Tobago?

By examining the existing capital structures and their impact on profitability, this research seeks to provide valuable insights into how new ventures in Trinidad and

Tobago can achieve optimal profit maximization and thereby contribute to economic growth and diversification.

LITERATURE REVIEW

The capital structure of a new venture is a key determinant of its financial health, performance, and profitability. In recent years, there has been a growing body of literature exploring the impact of different capital structures on the profitability levels of new ventures. In this literature review, a comprehensive summary of the main findings and insights from both contemporary and earlier studies in the field is presented.

COMPONENTS OF CAPITAL STRUCTURE

The established literature on capital structure identifies it as being a mix of the organisation's financial liabilities which can take the form of short-term, medium-term or long term financing strategies (Kocharr, 1997; Goyal, 2013). These financial liabilities mainly consist of both debt and equity financing each of which have different risks and benefits. A firm's capital structure can be built off debt finance solely, equity finance solely or a combination of both known as layered financing whereby raising start-up capital can be pieced together from multiple sources (Scarborough and Cornwall, 2016). It is important to note that debt and equity finance are the two main forms of capital that entrepreneurs in Trinidad and Tobago often lean towards to first to start and grow their businesses given that the supply of start-up grants in the island is limited and is made accessible to firms who fit the eligibility criteria (Ganger-Singh, 2022). Debt finance refers to borrowed capital whereas equity finance refers to investment capital. Given the difference in the nature of these types of finance, the sources also vary. For instance, debt capital can be sourced from commercial banks and non-bank lenders including small business loan programmes. Scarborough and Cornwall (2016) identified non-bank sources to include social lenders, asset-based lenders, trade creditors, vendor financers, equipment suppliers, finance companies, factors, insurance companies and credit unions. On the other hand, equity finance can be sourced from owners' personal savings, friends and family members, crowd funding networks, angel investors, venture capitalists, accelerator programmes, private placements, employee stock ownership programmes, corporate venture capitalists, mezzanine financers and sale of stock to the public (Scarborough and Cornwall, 2016).

The appropriateness of each type of finance must be assessed before new venture owners choose a capital structure that is relevant to their unique funding requirements (Modigliani & Miller,1963; Pouraghajan and Malekian, 2012).The benefits of a capital structure that uses mostly debt sources to finance its assets include ownership preservation (Spinelli and Adams, 2016) and cost effectiveness once interest rates are low (Kerlinger and Lee, 2000). However, debt finance may be difficult to access because lenders require track record and collateral, both of which are lacking for many start-ups in Trinidad and Tobago. Additionally, debt

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financers usually place negative covenants and enforce terms and conditions with numerous restrictions (Kuratko, 2016). Another main drawback of debt capital is that, regardless of profitability, loans must be repaid (Kuratko, 2016). On the contrary, capital structures that favour equity finance does not require owners to repay the capital injection to its provider (Spinelli and Adams, 2016). Rather, shareholders enjoy returns only when profits are made and the risk is shared by all investors. Another advantage of equity centric capital structures is that investors do not base their decisions on track record or collateral but rather on projections. Hence, equity finance is easier to obtain particularly for new ventures. Furthermore, in some cases, equity financers such as venture capitalists provides management support and place fewer restrictions than debt capital providers (Spinelli and Adams, 2016). The main disadvantage of equity finance is ownership dilution where owners give up ownership and control and has a higher cost of capital when compared to debt finance (Scarborough and Cornwall, 2016).

CAPITAL STRUCTURE THEORIES

Previous research has shown that firms' decisions regarding their debt-equity choices cannot be explained by a single, overarching theory (Myers, 2001; Opoku-Asante et al., 2022). However, two main theories popular to the literature domain which gives insights on what drives the capital structure decisions are the Pecking Order theory and the Life Stage theory. These were the chosen theories to apply to this study of new venture capital structures in Trinidad and Tobago for several reasons, with one being the prevalence of family-based or informal sector companies in the country (Sookram and Watson, 2008). The Pecking Order theory aligns with the observed financing preferences of new ventures in Trinidad and Tobago, who tend to prioritize internal funding sources, such as owners' savings and retained earnings, and shy away from external financing sources (Garcia-Singh, 2022). The Life Stage theory, on the other hand, emphasizes the different financing needs of firms in different stages of the business lifecycle, and can provide insights into the financing choices of new venture (Wasilewski and Żurakowska, 2020). Overall, these theories provided a useful framework for analysing the data on capital structures and profitability of new ventures in Trinidad and Tobago. To further understand the application of the Pecking Order theory and the Life Stage theory to the context of new ventures in Trinidad and Tobago, it is helpful to examine literature on these theories and how they have been applied in similar studies.

Pecking Order theory

Pecking Order theory postulates that firms' financial sources are selected based on a preferred hierarchy. Financing choices prioritize internal sources over external sources (Najeeb, Khan and Tayyaba, 2013). Shmidt and Shmidt (2008) identified the pecking order of financial hierarchy as retained profits (internal financing) as first priority, debt issuance as second priority and equity issuance as third priority where the latter two are external financing. The main objective of the pecking order theory is to obtain readily available finance that has minimal objection deferring the need to obtain finance from more difficult sources (Myers and Majluf, 1984). While this theory holds that firms obtain finance from the least resistant source first, there is little consensus on the superiority of the sources. The pecking order theory is not without limitations. According to Brealey, Myers and Allen (2006), the theory does not extend to smaller growth firms. Small new ventures are more likely to rely on equity finance first than their large and mature counterparts where the pecking order theory is most applicable. However, this was not the case for Barbados and Trinidad and Tobago SMEs where external equity was rarely considered as it was not seen feasible and debt sources were reluctantly used due to fear of managerial interference (Estwick, 2013; Ganger-Singh, 2022). It was found that internal equity was the preferred source of finance for Barbadian and Trinidadian SMEs which aligns to the hierarchy in the pecking order theory (Estwick, 2013; Ganger-Singh, 2022). Given that we see the pecking order theory was useful in understanding the financial choices made by business owners in Barbados and Trinidad and Tobago, both of which are Caribbean countries, we rely on this theory to contribute to the conceptual framework of this study.

Life Cycle theory

The life cycle theory postulates that organisations adjust their capital structure composition to suit the life-stage that organisations are in (Wasilewski and Żurakowska, 2020). This is so because different sources of capital, debt and equity, become available to firms depending on the stage of life firms are facing since each life-stage is characterised by different risks and reward profiles. There are typically five stages of a venture life cycle which are the development phase, start-up phase, growth phase, stabilization phase and the swing stage which can either go in the direction of innovation or decline (Kuratko, 2016).

The capital market food chain typology refers to the sources of equity finance available to ventures based on their level of development (Spinelli and Adams, 2016). During the introduction phase in firms where sales are normally low, early stage investors are the typical financers. These early stage investors include founders, friends and family members and angels. When ventures are launched and therefore increase in value, venture capital and private equity become available. As ventures progress into the growth phase, private equity, public equity and strategic acquisitions are additional sources of external finance that are typically used (Spinelli and Adams, 2016). According to Spinelli and Adams (2016), firms access equity finance alternatives based on their availability, suitability and cost which is dependent on which stage firms' are facing, the amount of capital required, the level of tolerable equity preservation and the extremity of risks perceived. Spinelli and Adams (2016) further stated that debt capital is difficult for firms to obtain in their start-up phases because of lack of track record and assets to be used for collateral.

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However, as firms become more established, debt finance sources become more accessible (Kuratko, 2016). Frielinghaus, Mostert and Firer (2005) stated that the anticipated level of debt capital utilized by firms is low during the early stage and late stages of ventures but high during their prime stage which is characterized by efficiency and maturity. A similar pattern was observed in a later study where firms continue to change their capital structures following a leverage pattern of low-high-low during growth, stabilization and decline stages (Ashan, Wang, and Muhammad, 2016). In summary, the aforementioned studies suggest that firms' financing needs and capital structure change as they move through different stages of development. As such, the life cycle theory provides a useful framework for analysing new venture firms' financial strategies as in the case of this study where we look closely at the financial choices made by these firms in their earlier stages of development.

CAPITAL STRUCTURE AND FINANCIAL PERFORMANCE

The literature revealed some mixed findings on the relationship of firms' capital structure and financial performance (Opoku-Asante et al., 2022; Nguyen et al., 2023). According to a study by Tamayo-Torres et al. (2021), there is a significant relationship between capital structure and profitability levels of new ventures in emerging economies. The study revealed that companies that rely on debt financing had lower profitability levels compared to those that rely more heavily on equity financing. The authors suggest that this is because debt financing can limit the ability of new ventures to invest in growth opportunities, while equity financing allows for greater flexibility in resource allocation. Similarly, a study by Singh and Upneja (2020) found that capital structure has a significant impact on the profitability of new ventures in India. The study revealed that companies with a higher debt-to-equity ratio had significantly lower profitability levels compared to those with a lower debt-to-equity ratio. The authors suggest that this is because a high debt-to-equity ratio can lead to financial distress and higher interest expenses, which can negatively impact profitability levels. However, in a study by Chanda and Sharma (2015) on Indian manufacturing firms revealed that these firms return on assets was not determined by their capital structures. What is more is that return on equity was negatively correlated with the firms' capital structure with other independent factors including size, sales growth and age had a significant effect on financial performance. In another study by Lim and Ang (2020) on new ventures in Singapore, the authors found that there was no significant relationship between capital structure and profitability levels. The study revealed that new ventures with different capital structures had similar profitability levels, suggesting that other factors, such as management and strategy, may have a greater impact on profitability. Similarly, three studies, Olokoyo (2013), Quang and Xin (2014) and Opoku-Asante et al., (2022) found a negative relationship between capital structure and financial performance. Conversely, Fama and French (2002) and Abdullah and Tursoy (2021), found that high levered firms had high profitability. A positive relationship was also found by Gill, Biger and Mathur (2011) between leverage and profitability. Likewise, Goyal (2013) espoused a positive association between debt centric capital structures and profitability.

Overall, these studies revealed inconsistent findings on the impact of capital structure on firms' financial performance suggesting a need to probe this area of study further. It was clear that the impact of capital structure on the profitability of new ventures can vary based on factors such as the country or region of operation, the type of financing used, and the specific context of the venture. This makes a case for why this study targets new ventures in Trinidad and Tobago as their capital markets are limited when compared to the developed world (Ganger-Singh, 2022) and providing evidence for the impact of capital structure on profitability performance will certainly narrow the gap between the inconsistencies found so new venture owners in Trinidad and Tobago can make more informed financial decisions.

MEASURES OF PROFITABILITY

There are various accounting based indicators of firms' financial performance (Nassar, 2016). Variables that are found in the conventional financial statements such as firms' profit and loss statements, balance sheets and cash flow statements are converted into ratios to calculate financial performance. These include net profit margins, return on equity, dividend revenue, and return on assets (Nassar, 2016). Shareholders use these indicators to determine if wealth is made and weather there was any financial improvement at the end of the investment period (Berger & Patti, 2002). Moreover, net profit margin is a commonly used measure of a firm's profitability and can be a reliable marker of success for new ventures. According to Van Horne and Wachowicz (2008), "net profit margin represents the percentage of each dollar of sales that a firm actually keeps after accounting for all of its expenses" (p. 262). As such, a higher net profit margin indicates that the firm is generating more profit per dollar of sales, which can be an important consideration for new ventures with limited resources. Additionally, a high net profit margin is often a key consideration for investors and creditors when evaluating a firm's financial performance and creditworthiness. Therefore, by maintaining a high net profit margin, new ventures can establish themselves as financially viable and attractive to potential investors and creditors.

In conclusion, this literature review has provided a comprehensive overview of the research on capital structure and its impact on profitability. While many studies have examined the relationship between these two variables, there are still several gaps in the literature that warrant further investigation. For example, there is a need for more research to explore the relationship between capital structure and profitability in other countries in the Caribbean region as it is an under researched issue within this context. Additionally, more research is needed to examine the impact of specific types of financing, such as debt, equity, and hybrid securities, on a firm's profitability. Overall, by addressing these gaps in the literature, future research has the potential

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to shed further light on the complex relationship between capital structure and profitability, and provide valuable insights for firms and investors alike.

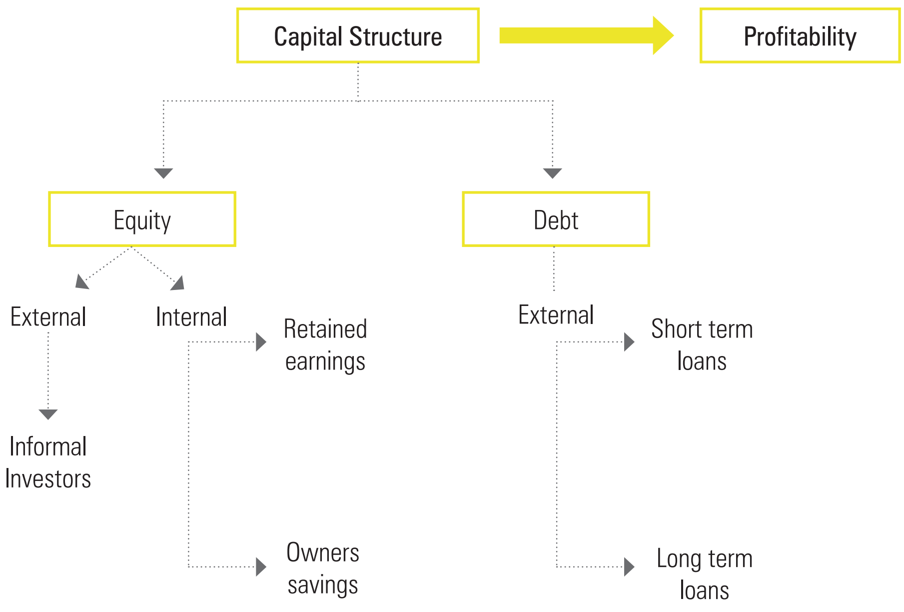
RESEARCH METHODOLOGY

The research aims to find out if capital structure, made up of various types of financing, used by new ventures in Trinidad and Tobago has an impact on their profitability levels.

EMPIRICAL MODEL

The Pecking Order theory and the Life Stage theory were used to create a conceptual model for the study. The Pecking Order theory provided the framework for the independent variables, which include internal equity, external equity, and debt sources. Additionally, the Life Stage theory was incorporated to determine which sources of financing are most likely available for new ventures that have recently emerged. By combining these two theories, the researcher was able to create a conceptual model that can analyse the relationship between capital structure and net profit margins for new ventures. Overall, the conceptual model provides a useful framework for examining the financial strategies of new ventures and could potentially shed light on the factors that contribute to their success or failure. The conceptual model and measured variables used in this research is depicted in figure 1.

Figure 1: Conceptual framework



Source: Developed for this study

RESEARCH VARIABLES

Dependent variable- Net profit margin is used as the dependent variable in this study. It is the percentage of revenue remaining after expenses are deducted from total revenue.Net profit margin is one of the most closely monitored measures of finance by new venture owners as it is a simple to understand, used for comparisons, and is an indicator of profit in relation to revenue made. Financers of both debt and equity also use this margin when making financial decisions. Net profit margin is calculated as Net profit (total revenue minus total expenses) divided by Total Revenue.

Independent variables- Various sources of internal and external finance were used as the independent variables of the study. These equity and debt sources are components of firms' capital structure.

Owners' savings- This is an internal source of equity finance also known as personal savings. According to the pecking order theory, internal finance is a prioritized source of finance. Based on the life cycle theory, owners' savings are seen as the most convenient and frequent source of finance for new ventures (Wasilewski and Żurakowska, 2020).

Retained earnings- This is accumulated surpluses made by firms' overtime that are not paid out as dividends but are retained. As seen in the pecking order theory, this is a preferred source of finance for firms as it offers least resistance, a situation favoured by several new ventures, and is readily available (Nguyen and Rugman, 2015).

Informal investors- Informal investors are also known as angel investors. According to the life cycle theory, firms in their early stages are more successful in accessing external equity finance from informal investors rather than venture capitalists. For new firms, normal capital market seldom applies (Kuratko, 2016).

Short term loan: This refers to borrowed finance that does not cross a loan term of one year typically used to finance stock and cash requirements (Darabjerdi and Joybary, 2014)

Long term loan: This is debt finance for a longer period. Typically, long term loans are provided by commercial banks in terms of greater than one year up to ten years payable (Darabjerdi and Joybary, 2014). It is recognised that although new ventures have difficulty in accessing debt finance, it is possible if bankable securities and personal guarantees are used (Darabjerdi and Joybary, 2014). According to the pecking order theory, debt issuance is the preferred external source of finance

HYPOTHESIS:

The research primary postulation is as follows:

Hypothesis 1: H_{01}: Capital structure has no impact on net profit margins of new ventures in Trinidad and Tobago.

The research subsidiary postulations are as follows:

Hypothesis 2: H_{02}: There is no significant relationship between retained earnings source of finance and net profit margin of new ventures in Trinidad and Tobago.

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Hypothesis 3: H_{03}: There is no significant relationship between owners' savings source of finance and net profit margin of new ventures in Trinidad and Tobago.

Hypothesis 4: H_{04}: There is no significant relationship between informal investors' source of finance and net profit margin of new ventures in Trinidad and Tobago.

Hypothesis 5: H_{05}: There is no significant relationship between short term debt finance and net profit margin of new ventures in Trinidad and Tobago.

Hypothesis 6: H_{06}: There is no significant relationship between long term debt finance and net profit margin of new ventures in Trinidad and Tobago.

SAMPLING

The population of interest for this study focused on newly emerged ventures in Trinidad and Tobago. The following criteria were used in the selection of the sample:

- Firms were in their fourth year of operation and active since they were launched
- Firms that maintained and archived proper financial records in the form of balance sheets, income statements and cash flow statements for the first three years of their business life
- Firms that had a qualified financial manager

A list of randomly selected new ventures generated from the Trinidad and Tobago companies' registry online search facility was used to select the sample. Telephone calls were made to the businesses to ensure all criterions for sample selection were satisfied and permission was granted to conduct the study. These conditions produced a sample size of 43 firms that were utilized in the study.

DATA COLLECTION

Primary data was used in this study which was collected from survey questionnaires administered to financial representatives at the new ventures. However, secondary data in the form of financial statements for the first three years of operation were reviewed by the respondents to provide information to fill out the questionnaires.

SURVEY DESIGN, SURVEY ADMINISTRATION AND RESPONDENTS

Capital structure theory was used to guide the design of the structured questionnaire used for data collection in this study. Given that this theory suggests that the overall financial performance of a business is influenced by the its mix of debt and equity financing used to fund the business, it provided a framework for identifying the key variables to be included in the questionnaire such as the amount and timing of finance invested, the sources of finance, and the balance between debt and equity financing over the first three years of the business life-cycle. The questionnaires were emailed directly to the financial manager of each firm. The financial managers were asked to review the annual balance sheets, cash flow statements and income statements for the period to extract the data to complete the questionnaires. Questionnaires were used for convenience, and allowed for confidential data to be collected without the researcher themselves having to review the ventures closely held financial documents which is a privacy concern. This method increased cooperation of subjects to participate in the study.

DATA ANALYSIS

Pearson Correlation coefficients were used to test the study hypothesises by assessing correlations between the sources of finance variables and profitability of the new ventures. This method was chosen due to its wide recognition, simplicity, and assumption of normal distribution of variables, making it a widely accepted method of measuring the degree of linear relationship between two variables. Regression analysis was used to estimate the impact of the predictors (debt and equity finance sources) on the dependent variable which was net profit margin. The regression model equation was formulated as:

$$NPM_{xy} = \alpha + \beta_1 OS_{xy} + \beta_2 RE_{xy} + \beta_3 II_{xy} + \beta_4 STL_{xy} + \beta_5 LTL_{xy} + \varepsilon$$

Where:

NPM = the net profit margin;

OS = the amount of owners savings invested;

RE= the amount of retained earnings invested;

II = the amount of informal investment;

STL = the amount of short term loan borrowed;

LTL = the amount of amount of long term loan borrowed;

ε= error term;

x= venture 1........... venture43;

y= 1 year ....3 year;

α , β_2, β_2, β_3, β_4, β_5 =Coefficients of the model

This regression model presented aims to find the relationships between the net profit margin and capital structure factors such as the amount of savings and investment, retained earnings, informal investment, short term loans, and long term loans for each of the 43 ventures over a period of three years. The coefficients in the model represent the strength and direction of these relationships, and the error term represents the variation in the net profit margin that is not explained by these factors.

RESULTS AND DISCUSSION

This section of the study presents and compares the results to past empirical findings, drawing implications from the comparison.

CORRELATION ANALYSIS

Pearson correlation was used to test the subsidiary hypothesises of the study, thereby, determining if a relationship existed between net profit margin and the variables that

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make up the new ventures capital structure. The results of the data analysis depicted in Table 1 reveal a strong relationship between net profit margin and the components of firms' capital structure. Specifically, a positive relationship was found between net profit margin and internal equity sources of finance such as owner's savings and retained earnings. This finding contradicts that of Darabjerdi and Joybary (2014) who found that the profitability level of food industry companies is not impacted by their retained earnings. Despite this, there was alignment of our results with previous research. For instance, a study by Ugwu, Francica, and Onyekwelu (2021) found that retained earnings have a positive relationship with the operational performance indicators of oil and gas firms in Nigeria. Similarly, Nguyen and Rugman (2015) findings showed that internal equity financing positively affects the performance of multinational subsidiaries in emerging economies. The findings suggest that new ventures in Trinidad and Tobago should consider relying on internal equity sources of finance to support their growth and maximize profitability. On the other hand, external sources of finance such as informal investors, short-term loans, and long-term loans were found to have a negative relationship with net profit margins in new ventures in Trinidad and Tobago. This was also the case for firms in the automobile sector of Pakistan where an increase in debt capital had an inverse relationship with profitability (Sadiq and Sher, 2016). Likewise, in a similar study that looked at the relation of internal and external financing on innovation of European firms, it was found that capital structures that emphasized debt reduced the focus on innovation as profitability was negatively affected (Nylund et al., 2019). Such is the case for Vietnamese firms whereby long-term debt was negatively associated with profit maximization (Nguyen et al., 2023). Interestingly a recent study by Zhang and Azman (2023) found that bank financing has an adverse impact on start-ups profitability whilst business credit has a positive impact. Overall, the results indicate that new ventures should be cautious when considering these types of financing options. Instead, they may want to focus on building up their internal equity sources of finance before seeking external financing options. These findings have implications for policymakers in Trinidad and Tobago who may need to consider promoting and facilitating the use of internal equity sources of finance among new ventures to support their growth and development. As an additional recommendation, financial institutions in Trinidad and Tobago could explore the potential of modifying its debt financing services that has the potential to lead to favourable profitability outcomes for emerging ventures.

Table 1: Relationship between net profit and components of the capital structure

Null Hypothesis	Pearson`s correlation coefficient	Significance level	Decision	Observation
H_{02}: There is no significant relationship between retained earnings source of finance and net profit margin of new ventures in Trinidad and Tobago.	.583	.003	Reject	Positive relationship
H_{03}: There is no significant relationship between owners' savings source of finance and net profit margin of new ventures in Trinidad and Tobago.	.789	.000	Reject	Positive relationship
H_{04}: There is no significant relationship between informal investors source of finance and net profit margin of new ventures in Trinidad and Tobago.	-.484	.017	Reject	Negative relationship
H_{05}: There is no significant relationship between short term debt finance and net profit margin of new ventures in Trinidad and Tobago. .	-.544	.006	Reject	Negative relationship
H_{06}: There is no significant relationship between long term debt finance and net profit margin of new ventures in Trinidad and Tobago	-.498	.013	Reject	Negative relationship

REGRESSION ANALYSIS

The study's primary hypothesis was tested firstly by using simple regression analysis followed by step-wise regression analysis to estimate the value of the impact that the independent variables had on the dependent variables. All regression assumptions for the quality of the data were tested and were found satisfactory. The first regression model is given in table 2.

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Table 2: Model 1 Regression Output

Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-2.260	4.319		-.523	.607
	II	-.090	.060	-.228	-1.502	.150
	RE	.089	.040	.327	2.231	.039
	STL	.013	.200	.012	.066	.948
	LTL	.052	.055	.164	.950	.355
	OS	1.257	.384	.640	3.274	.004
R .855[a]		R Square .731	Adjusted R Square .656		Std. Error of the Estimate 3.14819	
a. Dependent Variable: NPM		b. Predictors: (Constant), OS, II, RE, LTL, STL				

As seen in table 2, at a 95% confidence interval, there were only two significant predictors of net profit margin which were owners' savings (p-value = .004) and retained earnings (p-value= 0.39). Informal investors, short term loans and long term loans were not significant predictors of the dependent variable. An adjusted R^2 of .656 showed that approximately 66% of the model is explained by the variables. To further confirm the model, step wise regression analysis was performed and all of the insignificant variables were excluded from the model. The final model is shown in table 3

Table 3: Model 2 Regression Output

Dependent variable	Regression test	Model
Net Profit Margin	Step-Wise	= -2.431+ 1.297 Owners Savings + 0.079 Retained Earnings
		R^2 = 0.691 , R^2 adj =0.662

The results indicate that new ventures in Trinidad and Tobago can benefit significantly from relying on internal equity sources of finance, such as owners' savings and retained earnings. Owners' savings is the most impactful predictor in the model and is consistent with a prior study that suggest owner's equity contributes positively to profitability (Muriithi, 2014). Furthermore, the regression equation results make it clear that every dollar invested from owners' savings holds the potential to increase net profit margin by approximately $1.30. Similarly, every dollar invested from retained earnings can boost net profit margin by about $0.08. signifying the need for policymakers to support measures for new ventures to encourage the retention and reinvestment of profits. The research findings provided evidence that capital structure has an impact on net profit margins of new ventures in Trinidad and Tobago and is supported by prior studies (Dao and Ta, 2020; Abdullah and Tursoy, 2021; Nguyen et al., 2023). On this basis, the study's main null hypothesis is rejected demonstrating that capital structure choice is key to optimizing profitability among new ventures in Trinidad and Tobago.

CONCLUSION

In conclusion, the study provides valuable insights into the relationship between capital structure and net profit margins in new ventures in Trinidad and Tobago. By carefully managing their financing options and balancing internal and external sources of finance, new ventures can maximize their profitability and ensure long-term success and growth. The study's main objective was to investigate the impact of new ventures in Trinidad and Tobago capital structure on net profit margins. The study accomplished its main objective and provided empirical support that capital structure influenced net profit margins of new ventures in Trinidad and Tobago. This was consistent to previous research conducted by Nassar (2016) and Nguyen et al., (2023). The results of the study further indicated that that internal equity component of new ventures capital structure is positively and significantly associated with net profit margins. However, external components of new ventures capital structure (both debt and equity) is negatively and significantly associated with net profit margins.

The study provides a more nuanced understanding of the capital structure factors affecting net profit margins in new ventures in Trinidad and Tobago by expanding and modifying a prior model from Darabjerdi and Joybary (2014) and testing new predictors. While inconsistent to the findings of Darabjrdi and Joybary (2014) whereby owners' savings and retained earnings were the only predictors of net profit margins in this study, it is safe to conclude that newly emerged firms operate differently to that of their larger mature counter parts explaining the discrepancies found. This finding has important implications for capital structure theory whereby it supports the notion that internal equity sources of finance are crucial in optimizing new venture profitability and is consistent with the pecking order theory, which emphasizes the need for firms to prioritize the use of retaining earnings and internal funds for investment before relying on external financing options such as debt or equity (Myers and Majluf, 1984).This study went on to reveal that the pecking order theory is more applicable to early stage firms in the case of Trinidad and Tobago and advances the literature by challenging the traditional belief that this theory is only relevant to established firms (Brealey, Myers and Allen, 2006).

This study contributed to the literature providing information on the effect of different types of internal and external debt and equity financing options and has provided a basis for further research in capital structure theories, focusing on newly emerged ventures. Based on the results of the study, it is recommended that new venture owners give preference to owners' savings and retained earnings rather than to rely on loans and informal investment to finance their businesses during the earlier stages of the venture life cycle as these internal sources of equity finance are seen to positively affect profitability in new ventures. This finding sheds light on the intricacies of the capital structure theories and their application to different types of firms particularly

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those that are located in Trinidad and Tobago where there is an underdeveloped capital market and a large informal business sector (Sookram and Watson, 2008). It also suggests that early stage firms face unique challenges and opportunities that require different financing strategies compared to established firms.

While this study narrowed the three highlighted gaps in the literature by: 1) testing early stage ventures who were understudied ,2) using different measures of profitability and 3) focusing on developing countries such as Trinidad and Tobago, there were two limitations that can be addressed in future research. Firstly, the study only focused on early-stage ventures in Trinidad and Tobago, which may limit the generalizability of the findings to other countries or to firms in different stages of development. Future research could examine the applicability of the pecking order theory to small firms in other developing countries, or compare the financing practices of early-stage ventures to those of more established firms. Secondly, the study used secondary data sources to measure profitability, which may not capture all aspects of firm performance. Future research could incorporate primary data sources such as interviews to gather more comprehensive information about the financial and operational performance of new ventures. Additionally, the study did not explore other factors that may influence capital structure decisions such as market conditions, legal and regulatory frameworks, and cultural norms, which could also be considered in future research. Overall, while this study made important contributions to the literature on new venture financing practices in Trinidad and Tobago, there is still much room for further research to explore the complexities and subtleties of capital structure decisions in various contexts.

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