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MAPPING THE CHALLENGES OF YOUNG ENTREPRENEURS IN ARMENIA

Bachelor Thesis

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This paper conforms to the requirements for a Bachelor Thesis

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(signature of the supervisor)

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I have written this Bachelor Thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced

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(signature of the author and date)

Table of Content

Introduction	4
1. Theoretical overview of youth entrepreneurship	6
1.1 Entrepreneurship and its definitions	6
1.2 Theoretical aspects of challenges faced by entrepreneurs	10
1.3 Analysis of previous empirical studies on challenges faced by young entrepreneurs... ..	17
2. Empirical analysis: an example of young Armenian entrepreneurs' challenges	25
2.1 Research methodology and sample description	25
2.2 Insights into the challenges of young entrepreneurs: evidence from Armenia	29
Conclusion	51
References	53
Appendices	58
Appendix A	58
Appendix B	60

Introduction

Young people are the future of any country and the success of the economy directly depends on the future generation.

In July 2019, Prime Minister of Armenia Nikol Pashinyan attended the sixth Business Innovation Forum. The event took place in the second largest city of Armenia, Gyumri, and 300 people took part in it, including businessmen, heads of departments of various companies, to name just a few. The goal of the event was to attract foreign entrepreneurs to help Armenian provinces develop economically. During the forum Prime Minister of Armenia Nikol Pashinyan, one more time indicated the importance of the local businesses and that Armenia needs improvements in this area. (Xachatryan, 2019)

Nikol Pashinyan's speech made a splash and showed that the country needs talented young people, their business practices, and their potential contribution to the development of the country. However, in the speech of the Prime Minister, there was not a single mention of the problems that these young people face while opening or running a business. Worth mentioning, according to the study of the "European Business Association (EBA)" (2016) entrepreneurship in Armenia has many problems.

The European Business Association (EBA, 2016), during a study, namely a survey of 140 companies (small and medium organizations), identified many problems of entrepreneurship in Armenia. Key issues were related to the inability to do business, customs & tax fees procedures, and accessing financial resources (EBA, 2016). According to the author, this study revealed the destructive side of entrepreneurship in Armenia.

Today more and more people try to emphasize how youth entrepreneurship is essential for economic development. One of such people is Luis Viguria.

Viguria (2015), who is CEO of YABT (Young Americas Business Trust) and who had more than 14 years of experience of cooperating with young businessmen, stated that nowadays participation of youngsters in entrepreneurial sphere shows that entrepreneurs are a source of new technological advances, economic growth and meanwhile they are trying to bring the best outcomes for their home countries. Furthermore, he mentioned that with given current trends in sustainable development for governments and private sectors, young entrepreneurs are a way to solve current and future development challenges (Viguria, 2015). The importance of participation of young people in economies of countries is undeniable.

With having a population of 2.9 million people and been located in the South Caucasus region of Eurasia today Armenia's economic development mainly depends on exporting mineral resources, such as zinc, gold, and molybdenum. (Atitwa, 2019).

The author of this paper strongly believes that selling resources should not be the only way of how the country can make a profit and strengthening the youth business sector in Armenia would help to stabilize its economy. Additionally, the author of this paper is more than confident that Armenia has talented young people that can successfully run businesses.

This bachelor thesis aims to map the challenges of youth entrepreneurship in Armenia. As specified by "Conception of state youth policy" which was adopted by the Armenian government in 1998 young people in Armenia are defined as between 16-30 years old.

Studying this problem will help to find key challenges in the field of youth entrepreneurship in Armenia, as well as can contribute to the search for potential solutions to these and show what can be done to improve the business environment for young citizens of Armenia. Furthermore, it would help to fulfill the gap of lack of sources on the topic of challenges that are faced by young entrepreneurs in Armenia. The author believes that the

lack of sources on this topic creates uncertainty and acts as a barrier to find solutions for serious obstacles.

Therefore, the research tasks of this thesis are:

- To provide an overview of theoretical aspects related to the term entrepreneurship and entrepreneurial challenges;
- To analyze previous empirical studies conducted in different countries on the topic of challenges that young entrepreneurs face;
- To conduct interviews with specialists and young Armenian entrepreneurs;
- To analyze data collected from specialists and young Armenian entrepreneurs;
- To conclude the challenges of youth entrepreneurship in Armenia.

Chapter 1 and subchapters of it provide a theoretical overview of the term entrepreneurship, classification of general entrepreneurial challenges, and analysis of previous empirical studies in the field of challenges faced by young entrepreneurs in various countries. Chapter 2 and subchapters of it provide a methodology of the original author's research process and the results of the research.

Keywords: youth entrepreneurship, entrepreneurship challenges, Armenia.

1. Theoretical overview of youth entrepreneurship

1.1 Entrepreneurship and its definitions

Every year, the concept of entrepreneurship is becoming more extensive and complex. Today one can witness a large growth in this area and many changes. For instance, in the work of Wiklund et al. (2011), one can easily notice that in the 21st century the topic of entrepreneurship research became very popular and demanding. Wiklund et al. (2011) bring together a large number of entrepreneurship researchers which once again proves that entrepreneurship is the field that is thoroughly examined today. However, in today's world

the concept of an entrepreneur means not only a person who is in the pursuit of happiness and wealth but a person who is trying to develop society, looks for new ways of income, and creates products that make people's lives easier.

Many scientists were deeply studying the term “entrepreneurship”. Furthermore, they have given their definitions to this term. The author of this work would like to focus on the definitions of Drucker (1964); Schumpeter (1965); Kirzner (1973); Shane and Venkataraman (2000); Onuoha (2007) and Johnson (2016).

Drucker (1964) in his work “Innovation and Entrepreneurship” states that for him the meaning “entrepreneurship” is not science or art and only “practice” is the true indicator of entrepreneurship. Moreover, he states that there is a huge connection between innovation and entrepreneurship and that innovation can show how to succeed in the market (Drucker, 1964). While analyzing the study of Drucker, Runge (2014) found out that Drucker also believed that in business, effectiveness is much more important than efficiency. Thus, based on the study of Peter F. Drucker, the author can conclude that entrepreneurship cannot be taught, it can only be learned by practicing, making mistakes and improvements, so-called “method of trial and error”. Another famous Austrian-American scientist gave his personal view on the term entrepreneurship. Schumpeter (1965) also believed that the entrepreneur is closely linked to innovation. According to Schumpeter (1965), an entrepreneur uses market opportunities for his purposes, but at the same time brings positive outcomes to the market in the form of innovation and economic growth. Thus, for him, entrepreneurship cannot exist without innovation (Schumpeter, 1965). The synergy between both definitions can be seen in terms of innovation since both Drucker and Schumpeter linked entrepreneurship with it.

Nevertheless, some professors believed that innovation does not play a substantial role in entrepreneurship. One of them was Professor Israel Kirzner, who in 1973 presented his

work "Competition and Entrepreneurship". Kirzner (1973) considered that an entrepreneur plays a key role in detecting and correcting shortcomings in the price structure and ignorance on the part of economic entities. Furthermore, he believed that vigilance plays a considerable role in entrepreneurship because it allows a businessman to find new ways to make money and understand where he can sell goods at a higher price than the price for which he bought these goods (Kirzner, 1973). While comparing Kirznerian and Schumpeterian approaches De Jong (2010) stated that in Kirznerian's point of view, innovation is not a necessary instrument for a successful business. De Jong (2010) writes that for Kirzner the essential quality of an entrepreneur was that he/she can predict opportunities for entrepreneurial profits.

Defining the term entrepreneurship is an extremely difficult process. As one can see Kirzner saw entrepreneurship differently from Schumpeter and Drucker and did not link it with innovation.

More recently, Shane and Venkataraman (2000) in their study reviewed many opinions and definitions of the term "entrepreneurship". Among them, there were studies of above mentioned Drucker, Schumpeter, and Kirzner. They argue that entrepreneurship involves the connection of 2 phenomena, which are the availability of profitable opportunities and the presence of entrepreneurial people (Shane & Venkataraman, 2000). Worth mentioning that their study is closely related to entrepreneurial opportunities (Shane & Venkataraman, 2000). Shane and Venkataraman (2000) believed in the idea that to have a business a person should at first get the opportunities, which, therefore, would give him/her space for entrepreneurial creativity. It can be seen that Shane and Venkataraman supported the opinion of Kirzner, especially in terms of entrepreneurial opportunities.

The discussions about the term entrepreneurship continued forward. Onuoha (2007) tried to link old business types and new opportunities in terms of trends with considering

market opportunities. In his work, he defined the term “entrepreneurship” as the practice of creating or restoring an old business, considering new trends and opportunities (Onuoha, 2007). Onuoha, like Shane and Venkataraman, believed that to create a business, an entrepreneur needs market opportunities and the right use of opportunities for the success of a business idea. In 2016, Johnson, considering the definitions of many scientists, revealed his definition. Johnson (2016) believes that entrepreneurship is connected with the entrepreneur’s desire to find an opportunity and use it to achieve economic improvement for his business through the use of innovation.

Table 1 is a summary of the main definitions of entrepreneurship which is provided below. The composition includes definitions old to the new order.

Table 1

Collection of definitions of the term entrepreneurship

Author	Year	Meaning of the “entrepreneurship” term
Drucker	1964	Entrepreneurship is not art or science. Entrepreneurship is a knowledge gained through practice, experience, and mistakes
Schumpeter	1965	Entrepreneurship is the process which can be achieved only by using creativity. Innovation is the key factor of success for entrepreneurship
Kirzner	1973	Entrepreneurship is not just a mode of production. It is mindfulness and anticipation of market conditions; it must necessarily precede actions taken in accordance with alertness
Shane & Venkataraman	2000	Entrepreneurship involves the synergy of two phenomena: the availability of profitable opportunities and the presence of entrepreneurial people
Onuoha	2007	Entrepreneurship is the practice of creating or restoring an old business, considering new trends and opportunities
Johnson	2016	Entrepreneurship is connected with the entrepreneur’s desire to find an opportunity and use it to achieve economic improvement for his business through the use of innovation.

Source: compiled by the author based on Drucker (1964), Schumpeter (1965), Kirzner (1973), Shane and Venkataraman (2000), Onuoha (2007) and Johnson (2016).

The concept of "entrepreneurship" appeared long ago and for years has changed its essence. As anybody can see the definition of the term "entrepreneurship" strictly depends on the view of the authors and his perception about it. The author of this paper believes that such an intricate term cannot be described in just one sentence and various points of view should be kept in mind when discussing it. Nevertheless, combining definitions to this term one can notice that entrepreneurship has a strong connection with such factors as innovation, creativity, keeping with trends, and existing opportunities.

1.2 Theoretical aspects of challenges faced by entrepreneurs

Due to the development in the field of entrepreneurship and the fact that over the years entrepreneurs have faced various kinds of challenges, many scientists have been trying to classify the challenges faced by entrepreneurs. Many of them have proposed their theories on this topic.

According to Martins (2004), the challenges of entrepreneurship can be divided into three groups. In her study "Barriers to entrepreneurship and business creation", these groups are "Regulatory challenges", "Cultural and social challenges" and "Economic and financial challenges" (Martins, 2004). These are the main groups of challenges that entrepreneurs face on the market. Nevertheless, according to many writers while analyzing challenges of entrepreneurship psychological challenges should be considered as well. For instance, Kiger (2017) states that there is a large number of psychological challenges that can become certain barriers for entrepreneurs. The importance of this group of challenges cannot be denied and, therefore, the author decided to add the "Psychological challenges" section.

Due to the aforementioned reasons, the author of this paper chose to split the challenges faced by entrepreneurs into four categories: "**Regulatory challenges**", "**Cultural**

and social challenges”, “Economic and financial challenges” and “Psychological challenges”.

The state is always closely associated with entrepreneurship and entrepreneurs. The success of many businesses depends on what regulations the state introduces. Thus, regulations either complicate or make the life of an average entrepreneur easier. **Regulatory challenges** can become a great obstacle for any entrepreneur.

North (1991) in his article “Institutions” stated that institutions play an essential role in creating the guidelines of the game in society and they are the creators of certain limitations on the relationship of people. North (1991) divided the restrictions into two groups: informal restrictions and formal rules. In his opinion, the main aspects of the informal restrictions group were such components as sanctions, prohibitions, traditions, and code of behavior, as well the main aspects of the second group, namely formal rules where such rules as basic law, laws and ownership rights (North, 1991). Moreover, North (1991) believed that the main mission of the state is to create laws that minimize insecurity in society. However, not always new regulations make the lives of entrepreneurs easier. As an example, Martins (2004) stated that one of the problems may be the number of days that will be required to register a business: in some countries, this will take 1 day and in others about 20 weeks. Moreover, Martins (2004) noted that in some countries it is very difficult to leave the market in the event of business failure. It can be very expensive to leave the market in some cases, which negatively affects a person’s desire to create a business and become a part of the market (Martins, 2004).

Some researchers were deeply analyzing the relationship between regulations and businesses too. Cook, Shortell, Conrad & Morrisey (1983) stated that regulations are a type of cost that puts pressure on the company's resources and may even call into question the

continued existence of the company. Thus, Cook, Shortell, Conrad & Morrisey (1983) concluded that regulations can have a huge negative impact on the company in present, as well as can lead to a bad scenario in the future. Certain regulations can dominate the businesses and entrepreneurs and, thus, create certain challenges for them.

Later in 1994 Gnyawali and Fogel supported ideas of Cook, Shortell, Conrad & Morrisey (1983) and described regulations towards entrepreneurship as a negative effect. Gnyawali and Fogel (1994) believed that both potential entrepreneurs and entrepreneurs who are already in the field of business have negative perceptions towards regulations and have mindsets that regulations will bring negative effects to their businesses.

More recent findings show the same tendency as it was in 1994. Begley, Tan & Schoch (2005) found out that the high number of rules and regulations that governments establish may lead to dissatisfaction of potential entrepreneurs and their unwillingness to start a business in such a country. In other words, economies of countries can catastrophically suffer from creating such regulations which can stop a person with his initiative of generating profit via setting up a business.

Worth mentioning that in this case, regulatory challenges have a strong connection with psychological challenges. Regulations with a bad impact on entrepreneurs can cause their negative perception of doing business in certain countries and unwillingness to participate in the market.

Taxes can also become a huge problem for an entrepreneur. It is no secret that the more taxes an entrepreneur pays, the less capital remains with him/her (Time, n.d.). According to Time (n.d.), higher tax rate plays a negative role in terms of depriving the entrepreneur of the amount of money that he could reinvest in the business and he claims that

many politicians and scientists believe that most people will shy away from business if they realize that the state will take the lion's share of their income.

When a person wants to start a business in the country, not only regulatory challenges but also **social challenges** occur. According to Martins (2004), the readiness of a person to conduct business in a particular country plays a decisive role in the success of a business, namely, knowledge of the culture, laws, traditions of the market, environmental structure, to name just a few.

Lack of entrepreneurial knowledge is also a serious social problem, especially for young people. Charney and Libecap (2000), while studying the importance of entrepreneurship education, note that one of the key benefits of learning in this area among students is the creation of critical thinking among promising young entrepreneurs. Moreover, Charney and Libecap (2000) note that the study of entrepreneurship also contributes to the study of such important areas as an understanding of finance, accounting, marketing, and economics. Therefore, the importance of entrepreneurial education is undeniable since it can bring a positive outcome to students.

The author of this paper believes that in many ways, a person's interest in doing business depends on the interest of the state in promoting the field of entrepreneurship in a particular country. Berger (1991) stated that the culture of nations plays a crucial role in people's behavior, political and legal systems, and economic conditions of a country. Therefore, the promotion of entrepreneurial culture can positively develop an entrepreneurial situation in countries. Lack of promotion of entrepreneurial culture can be considered as an unwillingness of the state to support entrepreneurs and this can be a huge social problem (Berger, 1991). Worth mentioning that Martins (2004) writes that encouraging

entrepreneurial culture can be a key motivator for people wanting to do business and can reduce the risk of starting a business in people's minds.

It is no secret that network communications are also very important in business. Martins (2004) notes that a lack of networks such as communication and information is a social and cultural barrier and can harm a person when entering the market. Birley (1985) during the study of the importance of networks in business, divided networks into 2 groups: formal and informal. Birley (1985) believed that formal networks include lawyers and investors, while informal includes people such as family, business contacts, and friends (Birley, 1985). In her opinion, out of the two types of networks, the most important in creating a business is the informal type (Birley, 1985).

An entrepreneur must have at least some capital when establishing a company. Ways to gain capital can be a great difficulty for a person. Therefore, many of entrepreneurs face **economic and financial challenges**.

According to Dzhingarova (2018), nowadays one of the main issues that all entrepreneurs and especially young entrepreneurs face is the problem with getting financed. Dzhingarova (2018) wrote that some businesses need a long-term perspective to generate profit and if it does not generate profit at first it does not necessarily mean that this particular business will not be successful at some point in the future. Vilner (2018) supported ideas of Dzhingarova and stated that challenge with getting financed has a strong correlation with lack of personal capital, few network contacts, and age discrimination. Furthermore, in literature Paulson, Townsend & Karaivanov (2006) stated that there are two varieties of financial constraints that entrepreneurs face: moral hazard and limited liability.

The concept of “moral hazard” was introduced by Phillipe Aghion and Patrick Bolton in 1997. In their work, Aghion and Bolton (1997) argue that moral hazard happens when the

effort of the entrepreneur is directly controlled by the lender. Furthermore, Aghion and Bolton (1997) state that because of the strict control over the actions of the entrepreneur it leads to charging higher interest rates and this encourages the entrepreneur to better not receive financing, as new problems may arise due to this.

The second concept of financial constraint is “limited liability”, which was introduced by Evans and Jovanovic in 1989. Evans and Jovanovic (1989) believed that limited liability is a financial restriction, which means that based on their earnings, lenders may lend up to a fixed amount to act as leverage. Thus, in their opinion, low wealth families, with little or no leverage, can be discouraged from investing to become businessmen or from borrowing the maximum amount of capital they need to escape being limited (Evans and Jovanovic, 1989).

Thus, as one can see both concepts of financial constraints have a strong correlation with psychological factors and the pressure under which a person who already has or wants to start any kind of business can be.

Involvement in the business environment also brings a lot of psychological challenges, which the author will consider in the next paragraphs.

One of the most serious **psychological challenges** is connected to age discrimination. As reported by Dzhingarova (2018) today older people are seen as more serious than young people. Worth mentioning that Dzhingarova (2018) also states that potential financiers trust mature people more and, therefore, it is easier for them to get financing.

The problem of getting discriminated against because of age, so-called “ageism”, was thoroughly studied.

According to Barel, Frémeaux & Quental (2013), initially, the concept of “ageism” was introduced by Butler in 1978. Butler described it as a severe psychosocial illness marked by institutionalized discrimination, stereotyping, and elderly/younger isolation or its

avoidance (Barel, Frémeaux & Quental, 2013). Furthermore, Barel, Frémeaux & Quental (2013) in their study included the study of Palmore, who wrote that he perceives ageism as a concept that is cognitive, as well as effective, whether it is a pro or anti any certain age groups. Therefore, as one can see “ageism” is a huge problem which can affect both sides: the old generation and the young generation.

The author of this paper believes that when a person wants to do business, he/she is under emotional pressure. One of the first problems an entrepreneur faces is risk and uncertainty.

Ageism is not the only problem entrepreneurs face, but there is also risk and uncertainty. Knight (1921) in his work “Risk, uncertainty and profit” paid special attention to such problems as taking risks and uncertainty. He also stated that risk and uncertainty are two completely different problems and each of them must be considered from different angles (Knight, 1921). Knight (1921) believed that risk refers to the situation when an entrepreneur has no idea about the outcome of a business idea but at the same time, an entrepreneur can measure the chances of an outcome. According to Knight (1921), uncertainty is relevant to situations when an entrepreneur does not know the relevant information to establish chances. With being two completely different phenomena, uncertainty and risk can create huge pressure, since huge efforts can still lead to a negative outcome such as failure of a business.

Along with risk, one of the key personal problems of entrepreneurship is the lack of innovation. CEO and Co-Founder of Dectar Company Rajendran (2017) believes that today, innovation is one of the key factors in the development of the country's economies. In other words, the author meant that a lack of ideas can create a psychological barrier for people.

Figure 1 summarizes the key findings of chapter 1.2 and is listed on the next page.

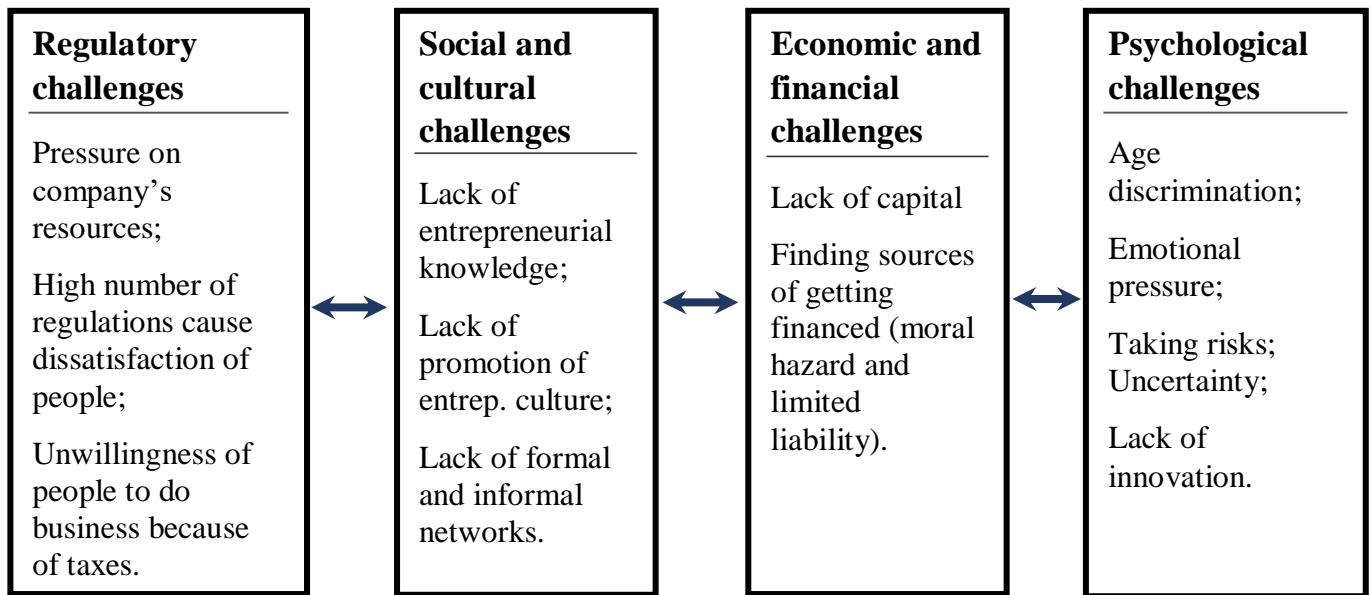


Figure 1. Classification of challenges of entrepreneurship.

Source: compiled by the author based on the literature analysis in chapter 1.2

All four categories of entrepreneurial challenges: Regulatory challenges, Social and cultural challenges, Economic and financial challenges, and Psychological challenges are closely related to each other. All together they form a big barrier for an entrepreneur.

In the next subchapter, the author will consider various empirical studies compiled in different countries on what challenges are faced by young entrepreneurs. Starting from the country Slovakia and ending with the empirical study conducted in Great Britain.

1.3 Analysis of previous empirical studies on challenges faced by young entrepreneurs

In recent years, the challenges faced by young entrepreneurs have become the subject of debates. Using different methodologies, researchers from different countries tried to find out which exact problems are challenging young people to realize their goals, namely running a business. In this part of the work, the author analyzes previous empirical studies on this topic and demonstrates the key challenges of young entrepreneurs.

The author of this paper is convinced that it is important to investigate the challenges of young entrepreneurs in other countries to have a better image of general barriers that are

faced by young entrepreneurs. This subchapter focuses on empirical studies of Majková, Solík & Sipko (2011-2012); Dash and Kaur (2012); Gwija, Eresia-Eke, & Iwu (2014); Anggadwita et al. (2016); Bobić (2017); Mehari and Belay (2017) and Markova (2019).

One of the major issues that young entrepreneurs face is financing. In 2011-2012 Majková, Solík & Sipko (2011-2012) made a research to find out what are the main challenges for young Slovak entrepreneurs. Research work was done in collaboration with The Association of Young Entrepreneurs. In the course of the research, Majková, Solík & Sipko (2011-2012) created an online survey in which 1232 people took part (324 were already young entrepreneurs and 908 young people were not entrepreneurs yet). The research group was divided into 2 parts: the first group included potential young entrepreneurs, and the second group included young entrepreneurs under 34 years old (Majková, Solík & Sipko, 2011-2012). Studies by Majková, Solík & Sipko (2011-2012) showed that 77.64% of young people consider the problem of lack of funding sources and 42.18% see a huge problem in financial support from the state. Moreover, the results demonstrated that both young men and women believe that in the initial stages one of their main challenges is a lack of capital (Majková, Solík & Sipko, 2011-2012). However, 1/3 of respondents think that training is more important than financial resources for a young entrepreneur (Majková, Solík & Sipko, 2011-2012).

This research showed that the lion part of young people faces the same problem which is getting financed. This is a very first step for them and, yet, very important. Even though one of the main challenges among young people is considered to get financed there are cases where government support is even more essential for the young generation.

Another interesting study was conducted in Orissa, India in 2012, which surveyed 100 young entrepreneurs. In it, Dash and Kaur (2012), using survey and interview, tried to find

out the main threats of young entrepreneurs. Special attention was given to the importance of supporting young people by the state and the problem of financing young people. 39% of young entrepreneurs surveyed felt that a lack of government support was the biggest barrier for them, while 57% agreed that they had difficulty in getting financing (Dash and Kaur, 2012). An absorbing point is that still, 43% of respondents did not encounter such a frequent problem as getting financing and 29% identified government regulations as one of the problems, namely tax rates, which were considered as a key problem by government regulations (Dash and Kaur, 2012). Moreover, Dash and Kaur (2012) found that the main de-motivator for young people was a financial risk.

In this research special attention was highlighted to governments and regulations. The research proves that governments should support youth more, make regulations more suitable for them, so these factors would not become de-motivators for them.

The study about challenges for young entrepreneurs was conducted in 2014 in Western Cape, South Africa. The authors of this study collected data using self-administered questionnaires that were distributed to 132 respondents. Gwija, Eresia-Eke, & Iwu (2014) selected 132 participants from 200 registered entrepreneurs. The study showed that 72.7% of respondents believed that entrepreneurial education & training can play a huge role in business success (Gwija, Eresia-Eke, & Iwu, 2014). Furthermore, Gwija, Eresia-Eke, & Iwu (2014) indicated that 71% thought that there was a lack of access to funding, and little more than half of the respondents, namely 50.6%, said that registering a business was even more difficult for them. The main challenges that participants identified (Gwija, Eresia-Eke, & Iwu, 2014):

- A shortage of initial capital,
- The expensiveness of materials,

- Poor market accessibility,
- A lack of government support,
- Cruel business regulations.

The research of Gwija, Eresia-Eke, & Iwu once again showed how huge is the problem of getting financed by young people. Furthermore, the important thing is that it showed that young people believe in entrepreneurial training and have a desire to study it. Many pieces of research also prove the importance of entrepreneurial training among young people.

Many students during their studies have an eagerness to become entrepreneurs. In 2016, a group of people led by Anggadwita identified the barriers to youth entrepreneurship in Indonesia from the perspective of students. Anggadwita et al. (2016) used a quantitative approach and the data was collected via questionnaires where 282 students were surveyed. Furthermore, samples were chosen using a non-probability sampling method with the approach of the convenience sampling system (Anggadwita et al., 2016). Studies have revealed that fear of failure, a lack of social networks, and a lack of available resources are the main challenges to business for young students (Anggadwita et al., 2016). Worth mentioning that Anggadwita et al. (2016) found out the importance of entrepreneurial learning among students and the fact that adequate programs and schedules are a very important aspect of the entrepreneurial success of students. Mostly, the students of this research indicated such threats that can be linked with social and psychological challenges.

In a 2017 study "Youth entrepreneurship in Serbia", Bobić addresses the main problems of young entrepreneurs in Serbia. She chose the combined approach- both qualitative and quantitative approach as the research methodology, and more than 110 semi-structured interviews were conducted (Bobić, 2017). According to Bobić (2017), the

entrepreneurship threats of young people can be divided into 3 groups: access to finance and capital; economic and para-fiscal system; knowledge, and business skills. Bobić (2017) claims that obtaining capital when starting or running a business is a huge problem for young people in Serbia. Worth mentioning that Bobić (2017) believes that this is a key problem of young entrepreneurs, which is closely related to the reluctance to finance young people because of their young age. Moreover, Bobić (2017) suggests that despite the existence of alternative financing methods, they are still not effective for young people. Among the second category of threats, namely, the economic and para-fiscal system, unpredictable changes in the legislation can be noted, high charges that are difficult to be paid and tax procedures that are complicated and expensive (Bobić, 2017). Bobić (2017), considering the third category of challenges, knowledge, and business skills thinks that young Serbian entrepreneurs have a lack of knowledge and skills for business development and do not have access to business networks. Although the Serbian state, through special programs, is trying to develop the desire of young people to do business, these programs are inadequate and insufficient (Bobić, 2017). Therefore, the inefficiency of the state in supporting young entrepreneurs through various programs is seen. In this case, a clash of two things occurs: on the one hand, the state wants to help young people with entrepreneurship issues, but on the other hand, the methods of the state are not effective enough.

In the same year, in 2017, two researchers Mehari and Belay conducted a study in Ethiopia based on the opinions of 3,591 young people aged from 15 to 24 years. The research method was the statistical analysis approach (Mehari and Belay, 2017). They created a study due to the high youth unemployment rate: out of 3,591 young people surveyed, approximately 12% were unemployed (Mehari and Belay, 2017). Among the important threats, Mehari and Belay (2017) revealed a low level of young people's involvement in entrepreneurial training and the fact that young people have a fear of the risk of setting their

own companies and want to get paid while working in companies (Mehari and Belay, 2017). According to the researchers, the key barrier to entrepreneurship for young people is financing, and this creates the insecurity of young people in the success of their business.

The study of Mehari and Belay indicated the connection between financial and psychological challenges. The insecurity of young people was due to the fact of challenges faced with financing.

The more recent study was conducted in London in 2019 by a graduating student Daria Markova. Markova (2019) interviewed six young men and women aged 18-25. According to Markova (2019), all the people surveyed gave a positive assessment to entrepreneurship and were pleased with their experience, but at the same time felt that there is always room for improvement. Among the significant discoveries in her research, Markova (2019) considered that the heaviest threat among young people were related to financing, other people's expectations, fear of failure, marketing, and fierce market competition. However, Markova (2019) was surprised that despite many challenges, all respondents found the strength to overcome these challenges and continue to do what they liked.

Along with the already common threats of young entrepreneurs such as financing and fear of failure, the study of Markova showed new challenges of young entrepreneurs. One of them was marketing and the problems of promoting products and services which respondents had. Furthermore, the new psychological challenge appeared namely other people's expectations.

The table summarizing key findings of previous empirical studies is listed on the next page. Table 2 contains the key findings of every empirical study formed from older empirical research to newer.

Table 2

Summary of the previous empirical studies in the field of challenges of young entrepreneurs

Author & Year	Country	Methodology & Sample size	Key findings
Majková, Solík & Sipko (2011-2012)	Slovakia	Online survey (1232 people)	72.64% see the problem in lack of funding sources; 42.18% believe that there is no financial support from the state; 1/3 of respondents believe that entrepreneurial training is more important for young entrepreneurs
Dash & Kaur (2012)	India	Survey and interview (100 people)	39% of people felt lack of government support; 57% had difficulties with getting financed; 29% identified government regulations as the key barrier; financial risk is the main de-motivator for young people
Gwija, Eresia-Eke, & Iwu (2014)	South Africa	Self-administered questionnaires (132 people)	71% stated access to funding as a barrier; 50.6%, said that registering a business was even more difficult for them; strict business regulations and poor market accessibility were challenges as well
Anggadwita et al. (2016)	Indonesia	Questionnaires, non-probability sampling method (282 people)	The main challenges were fear of failure, a lack of social networks, and a lack of available resources; researchers revealed the importance of entrepreneurial learning among students and the fact that adequate programs and schedules are a very important aspect of the entrepreneurial success of students
Bobić (2017)	Serbia	Semi-structured interviews (110 people)	Obtaining capital as a barrier has a strong connection with the young age of entrepreneurs; unpredictable changes in the legislation, high charges that are difficult to be paid and tax procedures that are both complicated and expensive; lack of knowledge and skills for business development and challenges with access to business networks
Mehari & Belay (2017)	Ethiopia	Statistical analysis approach (3,591 people)	Low level of young people's involvement in entrepreneurial training; fear of failure; the key barrier to entrepreneurship for young people is financing
Markova (2019)	Great Britain	Interview (6 people)	The main threats were financing, other people's expectations; fear of failure; marketing; fierce market competition.

Source: compiled by the author based on Majková, Solík & Sipko (2011-2012); Dash and Kaur (2012); Gwija, Eresia-Eke, & Iwu (2014); Anggadwita et al. (2016); Bobić (2017); Mehari and Belay (2017) and Markova (2019).

Although studies have been carried out in different places starting from Slovakia and ending in the UK, it seems that the key challenges are the same everywhere. Based on most studies, it can be concluded that for young people, the main challenge is obtaining funding. The largest indicators of funding threats were recorded in Slovakia and South Africa. More than 70% in both cases chose this problem as the most serious.

Many young people have also indicated regulatory problems. In a study by Dash and Kaur (2012), about 40% of respondents complained of a lack of support from the state, and in the same study, 29% identified government regulations as a key barrier. Studies by Bobić (2017) and Gwija, Eresia-Eke, & Iwu (2014) revealed such problems among young entrepreneurs as paying taxes and registering a business.

Social and cultural challenges did not pass by the respondents as well. In a study, Bobić (2017) found problems such as a lack of knowledge of entrepreneurship among young people and access to business networks. Lack of business networks was also identified in a study by Anggadwita et al. (2016). Moreover, it is worth noting that many young people believe that studying entrepreneurship can have a positive focus on the future of young entrepreneurs. For example, by Majková, Solík & Sipko (2011-2012) and Anggadwita et al. (2016).

Among the main psychological challenges, the author can single out such a challenge as fear of failure. This problem was mainly encountered in three studies: Anggadwita et al. (2016), Mehari & Belay (2017), and Markova (2019). Admittedly, this problem had a great negative impact on the respondents. Worth mentioning that in the Dash & Kaur (2012) study, the main de-motivator among young people was a financial risk, and in the Markova (2019) study, there was such a psychological barrier as other people's expectations that puts a lot of pressure on young people in doing business.

2. Empirical analysis: an example of young Armenian entrepreneurs' challenges

2.1 Research methodology and sample description

The purpose of empirical research of the author is to map the challenges of young Armenian entrepreneurs aged 16 to 30 years. The author of this study focuses on one research question- what are the challenges of young entrepreneurs in Armenia. According to the author and analysis of previous empirical studies done on the topic of challenges of young entrepreneurs, a more thorough and accurate way of finding answers to this research question is based on the qualitative method, namely semi-structured interviews. The author is convinced that this is the most appropriate research method because unlike the quantitative method, it allows participants to explain their answers to questions more deeply and provides more room for an explanation. In turn, this is essential in the context of this study. Carol (2016) believes that interviews are a dynamic way of investigation which helps to get interaction among respondents and helps to go deeper into the research topic. Along with Carol, Frances et al. (2009) in their research consider that despite being a difficult and time-consuming process, interviews are still one of the best ways to collect data for qualitative research. It is worth noting that the same method of empirical research in its work was used by Markova (2019) whose work the author analyzed in subchapter 1.3 of the theoretical part of the work. After reading her study, the author once again realized that this method, unlike other methods, allows a deeper understanding of the challenges of young entrepreneurs.

The study of the author will include six semi-structured interviews of 2 different types. The first type of interview is an interview with specialists, people who are somehow connected for a long time with youth entrepreneurship, know this industry, understand it, and can draw conclusions. The total number of such interviews is 3 pieces. The second category of the author's interview is an interview with young entrepreneurs. In it, the author learns

about the challenges of young Armenian entrepreneurs with real young entrepreneurs as an example. To maintain a balance between the categories in the second group of respondents, there are also 3 interviews in total.

The author decided to analyze both types of interviews in one section, namely subchapter 2.2. Both points of view (the perspective of specialists and the point of view of young entrepreneurs) will be considered in one section for the integrity of the analysis and to avoid confusion. This approach will help to create a clearer picture of the challenges of young entrepreneurs in Armenia.

In Table 3, the author will demonstrate three interviewed specialists, their gender, occupation, and the amount of time they work with young Armenian entrepreneurs.

Table 3

Sample description regarding specialists

Interview №	Gender	Cooperation with young Armenian entrepreneurs	Occupation
A	Female	11 years of teaching entrepreneurship and 2 years of running a school of entrepreneurship	Founder of School of Entrepreneurship
B	Female	3 years of working in a social entrepreneurship research area	Social entrepreneurship researcher
C	Male	5 years of working as an entrepreneur and an experience in working with entrepreneurs in regions of Armenia	Individual entrepreneur and expert in social entrepreneurship

Source: compiled by the author

The list of interviewed specialists turned out to be very diverse. All specialists with whom interviews were conducted were found through the internet, namely social media “Facebook”. Respondent A is a person who has long studied the topic of youth entrepreneurship in Armenia, was a deputy in the Youth Parliament in Armenia, and founded her entrepreneurship school in which she successfully teaches Armenian youngsters the art of entrepreneurship. Respondent B also researched challenges of young Armenian entrepreneurs

in her research work, finished one of the best Armenian universities namely the American University of Armenia, and is enrolled at Eurasia International University in Yerevan.

Respondent C is a person who works with the regions of Armenia, promotes the importance of youth entrepreneurship, and has been a consultant to the Government of Armenia on youth entrepreneurship.

Table 4 shows the interviewed young Armenian entrepreneurs, namely gender, age, previous entrepreneurship education, the field of business, and years of doing business.

Table 4

Sample description regarding young Armenian entrepreneurs

Interview №	Gender	Age	Previous entrepreneurial education	Field of business	Length of doing business
X	Female	25	American University of Armenia alumni	Small restaurant in Yerevan	4 years
Y	Male	22	Law alumni; took an extra entrepreneurship course	Grocery store in Gyumri	1,5 years
Z	Male	28	No higher education	Auto repair service near Yerevan	7 years

Source: compiled by the author

The list of interviewed young Armenian entrepreneurs was also quite diverse and the respondents were found using “Facebook”. Respondent X is a 25-year-old woman who is a graduate of the American University of Armenia (AUA), who also studied exchange in countries such as Poland and the USA. The idea of her business is a small restaurant in the center of Yerevan and she has been engaged in it for 4 years. The second person the author interviewed, Respondent Y, is a young 22-year-old guy from the second largest city of Armenia- Gyumri. He is a lawyer by training but decided to connect his career with entrepreneurship and created a small grocery store on which he has been working for 1.5 years already. Respondent Z is a 28-year-old guy from a small region near Yerevan, who did

not have any high education, and right after finishing his school education, he decided to establish his auto repair service.

The author of this thesis used the deductive interview method. The questions and structure of the interview were made following the main findings from subchapters 1.2 and 1.3 of the theoretical part. In Appendix A, (see page 58), the author demonstrates the interview plan using which the first category of interviewees, experts, were interviewed.

Appendix B (see page 60) shows a Table with an interview plan for a survey of young Armenian entrepreneurs. The main difference between the two types of interviews is mainly Theme 1. The rest of the questions remained the same with minor changes to preserve the idea of research methodology.

Each interview began with an explanation of the purpose of the author's study. In both types of interviews, 6 parts were used, starting with Theme 1, and ending with Theme 6. Theme 1 is an introductory part in which the author wanted to know the previous experience of the interviewee (both a specialist and a young entrepreneur) and what he/she generally considers about youth entrepreneurship. Further, as in subchapter 1.2 of the theoretical part, the author divided the challenges of entrepreneurs into 4 different categories starting from "Regulatory challenges" and ending with "Psychological challenges". All 4 categories go in order starting with Theme 2 and ending with Theme 5. The final category of the interview is Theme 6 in which the author wanted to know the opinion of the interviewee about what the main challenges are, are there other challenges that the author did not ask about and what can be done to improve the business environment for young entrepreneurs in Armenia.

All the people whose author interviewed at the time of the interview were in Armenia and the author did not have the opportunity to go there. The author decided to interview specialists and young entrepreneurs using online technologies, Skype, and Zoom to be more

precise. Besides, all the interviews were conducted using English and Russian languages. In Table 5 the author will describe each interview, namely the date, a language in which interviews were held, length of each interview, format, and whether the interview was recorded or not.

Table 5

Interview details

Interview №	Date of the interview	Language of the interview	Length of interview	Format	Recorded or not
A	04.03.2020	Russian	50 min	Online, via Skype	Recorded
B	12.03.2020	English	1 hour 5 min	Online, via Zoom	Recorded
C	17.03.2020	Russian	1 hour 28 min	Online, via Skype	Recorded
X	28.03.2020	English	26 min	Online, via Skype	Recorded
Y	03.04.2020	Russian	45 min	Online, via Skype	Recorded
Z	07.04.2020	Russian	38 min	Online, via Skype	Recorded

Source: compiled by the author

The interview process took the author 1.5 months, which included activities such as searching for specialists and young entrepreneurs, an agreement to arrange interviews, an agreement from the interviewee to participate and record a conversation, and an appointment for the interview. All interviews were recorded and stored in the documents of the author for the convenience of subsequent analysis. Equally important is that all the interviews were translated into English for further transcription.

The size of the total audio file is 5 hours 12 minutes, the average duration of one interview is exactly 52 minutes and the amount of total transcript is 72 pages.

2.2 Insights into the challenges of young entrepreneurs: evidence from Armenia

As it was mentioned in subchapter 2.1, the process of each interview began with the author's presentation and an explanation of the purpose of his research, namely why the author chose this topic and what he wants to find out in the course of his empirical research.

Next came **Theme 1**, the purpose of which was to clarify the personal attributes of

respondents and questions were certainly different since the author interviewed 2 different categories of people. The author wrote down the characteristics of interviewees in Part 2.1 in Table 3 and Table 4. However, Theme 1 also had two questions besides individual characteristics, namely "What do you think in general about the entrepreneurial atmosphere for young people in Armenia?" and "Do you often hear about successful young Armenian entrepreneurs?". The author will analyze the answers to these two questions further and will begin with the question "Do you often hear about successful young Armenian entrepreneurs?".

This question was asked only to specialists since when working with young entrepreneurs, the author believed that they would know about the approximate number of successful young entrepreneurs in Armenia. This question is essential since the answers to it can demonstrate how many examples of such people are and a large number of successful young entrepreneurs in Armenia can show a positive trend. All experts agreed that there are many such examples. Respondent A stated that there are a lot of such examples and there is a connection between the success of the young entrepreneur and the fact that he/she studied abroad. She also added that she believes that in 10 years the situation can further improve. It is also interesting that the answers of Respondent B and Respondent C were almost identical. Both of them believe that there are many such examples, and especially in the field of IT. However, Respondent B concluded that there are many examples of successes in the field of consulting as well.

The question "What do you think in general about the entrepreneurial atmosphere for young people in Armenia?" was asked to all six participants in an interview with specialists and young Armenian entrepreneurs. It is very important to know what people are thinking about this area at the moment. Based on their answers, the author made a Table 6. The author

once again wants to emphasize that Respondents: A, B, C are specialists, and Respondents X, Y, Z: are young entrepreneurs.

Table 6

General thoughts about the entrepreneurial atmosphere for young people in Armenia

Interview №	Point of view
A	<i>Society thinks about how to make more money, but many young entrepreneurs do not know about the processes and tools of entrepreneurship. Young people do not have entrepreneurial thinking culture.</i>
B	<i>In general, there are enough resources and opportunities to achieve certain goals, and the small and medium business in Armenia have a solid ecosystem.</i>
C	<i>Due to poor entrepreneurship education programs, youth have a lack of entrepreneurial thinking. However, 2-3 years ago after the velvet revolution, good changes began, but at the moment the atmosphere is not very satisfactory.</i>
X	<i>After the velvet revolution which took place in 2018, the new government of Nikol Pashinyan made essential steps for developing an entrepreneurial environment in Armenia, namely making laws easier for entrepreneurs. The entrepreneurial atmosphere for young people became better and, most important, that it is still improving.</i>
Y	<i>The state creates a good atmosphere for young entrepreneurs, especially recently. There are problems and difficulties, but in general, the atmosphere is favorable and is aimed at increasing the number of young entrepreneurs. The problem is rather in the personal attitude of people towards entrepreneurship, in their knowledge, in their willingness to do business.</i>
Z	<i>The situation is quite average, at least for the moment. Currently, there is a concern and a desire to develop and work in this area. It can be seen that the state and society as a whole are working towards the development of youth entrepreneurship using various methods, but they are not very effective, although at this stage certain changes are visible.</i>

Source: compiled by the author based on the interview answers

The answers turned out to be quite diverse, showing that everyone has their own opinion on this matter. As one sees, many respondents emphasized that the development of youth entrepreneurship exists especially after the velvet revolution which took place in 2018 when Nikol Pashinyan came to power. Two specialists (Respondents A & Respondent C) noted that young entrepreneurs lack entrepreneurial thinking, which is very important for any entrepreneur. However, Respondent B spoke very positively about the atmosphere, noting a large number of resources and opportunities for implementing business in Armenia. All young entrepreneurs (Respondent X, Respondent Y & Respondent Z) also noted the

development of youth entrepreneurship, and only Respondent Z indicated a lack of effective methods of developing youth entrepreneurship in the country.

The next section **Theme 2** was created to identify the challenges of young Armenian entrepreneurs based on the regulations of the government. The first question in this section of the interview was about whether there are laws in Armenia that somehow complicate the work of young entrepreneurs. Furthermore, the author also asked interviewees to give an example of such laws if they exist. All experts unanimously concluded that this statement does not work in the case of Armenia and that laws do not complicate the entrepreneurial environment for young people and currently being adopted laws are aimed at improving the entrepreneurial atmosphere for young people. Respondent A stated:

“This is a myth that has nothing to do with reality. Laws are being adopted that are beneficial to entrepreneurship. However, in society, there is a thinking that the government is always “guilty” and on the contrary, the new government is trying step by step to develop this area.” (Respondent A)

Respondent C also called it a stereotype and the fact that the state gives opportunities and privileges to those who want to start a business. Respondent B said similar things.

It is interesting that all young entrepreneurs whom the author interviewed also stated that they do not believe that any laws pose challenges. Moreover, all interviewed young entrepreneurs solely stated that the state is making efforts to facilitate laws. Respondent Y, being a lawyer by training, gave an example of the fact that since his business is considered as a small business, he is paying a fairly small tax.

Answering the following question, all experts stated that there is no logical connection between laws and the unwillingness to do business among young people. Experts said that the system of laws (ease of laws & low taxes) that currently exists, on the contrary, encourages

young people who are engaged in business and creates a favorable atmosphere for them.

Respondent B said:

“Laws do not affect the desire and unwillingness of young people to do business in Armenia, the problem is rather the old mindset of people and the unwillingness of people to do business by following the laws.” (Respondent B)

Young entrepreneurs had the same position on this issue. Respondent X concluded that she did not have such a challenge, but she believes that it is more about the people and their mindset that the government is poorly performing its functions and is not working to improve the quality of life of its citizens. However, people do not know much about entrepreneurial laws. She said if they knew more about the laws, about tax procedure they definitely would understand that the government does a lot of things to satisfy entrepreneurs. Respondent Z said that if a person wants to do business then this person will always find a way to create a business despite the difficulty of the laws.

Analyzing the challenges of young entrepreneurs in the theoretical part using the example of previous empirical studies, the author noted that many young entrepreneurs are dissatisfied with the tax policy in their countries and believe that their governments should ease taxes. However, as it turned out, such a challenge does not exist in Armenia. All the people interviewed (both specialists and young entrepreneurs) felt that this problem does not occur among young people. Both Respondent A and Respondent C said that the tax system is for the benefit of youth entrepreneurship. Worth mentioning that Respondent B in turn said:

“The tax rate in Armenia is not as high as in Europe. In Armenia, it is low and is not a challenge for young entrepreneurs. The procedure also becomes digitalized and there are good tax conditions for beginning businessmen.” (Respondent B)

Among young entrepreneurs, everyone agreed that they do not see any problems in the tax system. Moreover, Respondent X gave an example of how much tax she pays for maintaining her small restaurant in Yerevan:

“Since I have a micro business I pay only 5% taxes per month. We do not have a severe tax policy in Armenia, especially recently as the government still makes favorable changes in tax procedures for citizens of Armenia.” (Respondent X)

Along with taxes, many young entrepreneurs around the world are challenged by the lack of government support for their activities. The author was interested to know whether the state supports young entrepreneurs. The answers were not as clear as with taxes. Among specialists, only two agreed that the state supports young entrepreneurs (Respondent A & Respondent B). However, Respondent C was of a different opinion. Respondent A brought an example :

“Of course, the state supports young entrepreneurs. There are many grants, many programs for youth, many grants from the diaspora, and recently the state has allocated a grant for the development of social entrepreneurship among young people in Shirak, Lori, and Gegharkunik.” (Respondent A)

Respondent B also stated that she believes that the state supports young entrepreneurs, citing an example of a recent event in which one business won sponsorship from the state. However, Respondent C stated:

“Youth policy is not so developed in Armenia, there is no serious policy towards young entrepreneurs.” (Respondent C)

Worth mentioning that Respondent C added that there is a “Small and medium entrepreneurship development national center of Armenia” which provides many trainings for

young people and helps young people get a loan from a bank. However, in his view, they make a "general" emphasis on young entrepreneurs but do not work on it as a separate sector.

Among young entrepreneurs were the following opinions. Respondent X believes that a small tax already supports her. Moreover, she is one of those who won the grant, so she more than believes that the state supported her. Respondent Y said that the new government certainly brought a new faith in people, but it takes time to prove its efficiency and desire to develop the business sector. However, now Respondent Y to some extent feels the support of the state.

Finishing questions from this section, the author asked interviewees to give an example of a situation when regulations became a challenge for young entrepreneurs. Specialists: Respondent A, Respondent B, and also the young entrepreneur Respondent X were not able to provide specific examples of situations. However, Respondent C managed to give an example when the state supported young entrepreneurs.

Respondent C gave an example of a very famous business in Armenia called "menu.am" which was founded by young people and is an analog of the famous Estonian company "Bolt" and also delivers food to home. By law, in Armenia, it was allowed to eat only in the restaurant. However, the state allowed "menu.am" to deliver restaurant food to homes.

Respondent Y and Respondent Z could not give specific examples of laws that became challenges for them, but both agreed that the problem is rather that no one knows how long the country will have such good conditions for doing business. The political situation in the country is not so stable and therefore no one knows what to expect.

At the end of the analysis of responses to Theme 2, the author would like to summarize the fact that, in general, specialists and young entrepreneurs were satisfied with

the actions of the state highly appreciating the attempts of the Armenian state to create a good ecosystem for young entrepreneurs. The state has simplified its tax policy, which is the reason why all the young entrepreneurs interviewed feel support from the state. It can also be stated that there is no unambiguous connection between laws and the unwillingness to do business in Armenia. Moreover, the majority of respondents voted for the state supporting young entrepreneurs, for which Respondent C gave a good example "menu.am". However, among challenges, the author can single out the old type of thinking of people (that the state wants to deceive people) and the fear of unexpectedly bad changes in the constitution in the future.

The next section of the questions was **Theme 3**, in which the author wanted to learn about cultural and social challenges in terms of interviewees. During the theoretical part, the author found that a low level of knowledge about entrepreneurship has a very negative effect on the level of youth entrepreneurship in countries and is also a barrier for young people to create successful businesses. Therefore, the first question in Theme 3 was asked to understand whether there is a challenge of low knowledge of entrepreneurship in society. And the fact that two of the three experts said in Theme 1 that the level of knowledge of entrepreneurship in society is low (see page 31) already indicated to the author that such a challenge exists. Respondent B said the following about this question:

“I think it is one of the main challenges today. Higher education institutions are ineffective in teaching entrepreneurship and only two universities in the country teach this field at a high level. It is a problem.” (Respondent B)

Respondent A said that this challenge exists, and the next challenge follows from it. In her opinion, some people are versed in this field but do not want to share their knowledge

because of fear of competition. Respondent C said that even though there is a challenge, work is already underway and maybe in 10-15 years this problem will be solved.

Among young entrepreneurs were also interesting opinions. Respondent X said that she did not have such a problem since she studied entrepreneurship at the university. However, she met many young entrepreneurs who experienced the problem of low knowledge of entrepreneurship. Respondent Y and Respondent Z both concluded that when they started their businesses they encountered such a challenge. Respondent Y said that he faced it even though he had completed an additional course on entrepreneurship in Armenia, while Respondent Z believes that because of no higher education he had this challenge at the start of his own business.

To the question about the promotion of entrepreneurial culture in Armenia, the author received mixed answers. In general, the majority stated that they feel that society is working in this area. However, some did not so highly appreciate the effectiveness of the society in solving the challenge of lack of promotion of entrepreneurial culture. Respondent C said the following:

“Promotion exists and there is a huge influence from non-profit organizations that create many projects to promote entrepreneurial culture in Armenia. However, there is no ecosystem for promoting entrepreneurial culture, but it must be created.” (Respondent C)

Respondent A believes that the promotion of entrepreneurial culture exists. Moreover, Respondent B said that this promotion is especially felt after 2018 and considers this challenge not so serious since society has already begun to understand the importance of entrepreneurship.

Respondent X and Respondent Z both stated that the promotion of entrepreneurial culture exists, and work is underway in this area. Respondent X said that the Prime Minister

himself personally promotes the importance of entrepreneurship among young people and Respondent Z indicated that he felt this promotion in 2019 when more and more people started talking about the importance of entrepreneurship. At the same time, Respondent Y said something similar to what the Respondent C specialist said:

“The state already promotes the importance of youth entrepreneurship in social networks and society. Work is being done in this direction, but some systematization is not felt. I believe that the state should join forces with organizations to systematize this promotion.” (Respondent Y)

In theory, one of the most common social problems is the lack of business networks. A question about this was also asked to interview participants. Respondent A said the following:

"Yes, they face such a challenge, because young people are very conflicted and do not think according to the social way of thinking." (Respondent A)

At the same time, Respondent B said that this is not such a big problem since work has already been done on it such as networking events and people understand the importance of business networks. She also believes that people have such a mindset that they should use all their connections. At the same time, Respondent C said that there is such a way of thinking that without connections it will not be possible to create a business, however, young entrepreneurs do not understand that teams and the business model are more important than connections. Young entrepreneurs said that in this case, they did not experience a certain challenge. Respondent Y and Respondent Z had challenges with finding some networks, but they solved this issue easily.

Similar to the end of Theme 1, the author asked interviewees to give an example of cultural and social challenges among young entrepreneurs in Armenia. All experts gave

different ones. Respondent A gave an example of sexism in Armenia, saying that many people in Armenian society believe that a woman should not do business. Respondent B gave an example of the fact that many young people do not want to continue family businesses. Respondent C said that there is a challenge in the team mentality, as many young Armenian entrepreneurs fail to work in a team.

All young entrepreneurs cited as an example, the fact that at first, it was difficult for them to understand entrepreneurial regulations in Armenia. It is worth noting that Respondent X received assistance in a consultation from the Small and Medium Entrepreneurship Development National Center. Respondent Y added once again that there is no system in promoting youth entrepreneurship, which is a huge challenge.

Summarizing social and cultural challenges, the author believes that it can be concluded that lack of entrepreneurial knowledge is one of the most serious problems among young entrepreneurs since all 5 out of 6 respondents said that such a challenge exists. The promotion of entrepreneurial culture exists according to many. However, one specialist and one young entrepreneur (Respondent C and Respondent Y) stated that the methods of the government in terms of promotion were ineffective and both indicated that there was no systematization of this promotion. Therefore, the author admits the existence of ineffective methods of promotion of entrepreneurial culture in Armenia. Lack of social networks, according to the author, is not a serious challenge among young entrepreneurs. Although some experts said that such a challenge exists, work on solving it is being done now. Additionally, young entrepreneurs admitted that they did not have such a challenge, and if there was, then this challenge was quickly resolved.

In the course of the study, it was further important to analyze the economic and financial challenges that exist among young entrepreneurs in Armenia. **Theme 4** begins with

the question of whether there is a challenge of a lack of initial capital for young people. In the process of analyzing previous empirical studies of challenges faced by young entrepreneurs, the author realized that this challenge is the most common among young entrepreneurs.

Despite the prevalence of this challenge among young entrepreneurs in various empirical studies, there was an opinion among specialists that this was not the main challenge among young Armenian entrepreneurs. Respondent A said that there are a lot of sources of obtaining the initial capital and only a desire on the part of young entrepreneurs is required (for example, “Impact hub Yerevan”). Respondent C also considered that this challenge is not fundamental for young entrepreneurs as quite a few organizations are willing to sponsor young people. Respondent B analyzed this topic in her research paper and said the following:

“In the course of my research, I realized that approximately 40% of young entrepreneurs use personal savings as initial capital. My answer to this challenge is yes and no. However, it is also worth considering that many organizations are willing to sponsor young people.” (Respondent B)

Among young entrepreneurs were the following opinions. According to Respondent X and Respondent Y, they encountered such a problem. Respondent X said that she received initial capital from two resources, namely, a grant from the government and parents. At the same time, Respondent Y said that his parents refused to sponsor him and after a long search he found an investor in Yerevan who became his sponsor. However, Respondent Z stated that he had not encountered such a challenge since he received initial capital from his father.

On the difficulties of finding financial resources, the opinions of experts also converged. As in the first question, experts believe that there are many opportunities to get financing. Respondent B believes that a much bigger problem is the lack of knowledge, which is associated with problems of finding financial resources. Respondent C gave an

example of “Granatus ventures” which helps young people get funding. However, he also clarified that there is no network of investors and this could be a challenge for young people in finding financial resources.

In the search for financial resources, both Respondent X and Respondent Z did not find any challenge. Respondent Z received capital from his father and Respondent X easily found out about the possibility of receiving a grant from the state. Only Respondent Y said that at first it was difficult for him to find an investor in Gyumri and he had to go to the capital of Armenia to find such a person. Therefore, at first, it was a serious challenge for him.

One of the challenges is also "Moral hazard" described by Aghion and Bolton (1997). When asked whether such a challenge is encountered among young entrepreneurs in Armenia among specialists, only Respondent C said the following:

"Such a challenge exists since credit rates in Armenia are very high and many young people do not plan the risks due to poor business education." (Respondent C)

Among young entrepreneurs, Respondent X and Respondent Z said that they did not take money from the bank and therefore did not face such a challenge. However, Respondent Y stated that he took the money from the investor and still felt the risk.

When asked about the financial support of young entrepreneurs, experts had different opinions. Respondent A said that there are no special laws on this subject, while Respondent B praised the effectiveness of “Small and medium entrepreneurship development national center of Armenia” and gave an example of a 0-4% loan for rural businesses. Respondent C recalled the existence of state grants young entrepreneurs and also for people with disabilities.

Regarding financial support from the government, Respondent Z said that he did not receive financial support since he did not apply for it, while respondent Y said that he did not consider the possibility of receiving a grant but knew that many young entrepreneurs (especially in the IT sector won them). Respondent X added the following:

"For me and my business, the government played a very important role. They gave me both grants for development and provided me and many other entrepreneurs with a small amount of taxes to pay." (Respondent X)

As an example of a financial problem, Respondent B and Respondent C indicated that the challenge is more likely in the skills of young entrepreneurs to present their business idea. Young entrepreneur Respondent Z said that he had no example of a personal financial challenge. However, Respondent X said that lack of capital, while Respondent Y is a search for financial resources.

This section of the interview was not entirely unambiguous. Although according to the specialist, the lack of capital is not such a serious challenge for young people, 2 out of 3 young entrepreneurs interviewed said that they had such a challenge. As for the search for financial resources, we can say that a certain connection is visible between Respondent C and Respondent Y. Both believe that there is no certain system of investors, and this, in turn, complicates the search for financial resources. Judging by the answers, moral hazard also does not cause huge challenges for young entrepreneurs and financial support from the state is visible. For example, various grants and low taxes.

Theme 5 aims to map the psychology-related challenges of entrepreneurs. According to some experts (Barel, Frémeaux & Quental, 2013), age discrimination is a very serious psychological challenge for young people. With question about whether such a challenge

arises among young people, the author realized that experts generally believe that there is not, and the situation is going better. Respondent B said:

“There used to be such a challenge, but now the situation is changing for the better.

Because of their young age, young people are perceived as more innovative and active.

Therefore, there is no such challenge in Armenia.” (Respondent B)

Young people also concluded that they had faced such a problem before, but since 2018 the situation has gone in a good direction. Respondent Y gave an example that at his first meeting with an investor, he felt a very respectful attitude.

Regarding the challenge "Risk and uncertainty", Respondent A and Respondent B believe that risk and uncertainty in young people are more likely to be associated with an unstable political situation in the country. Respondent C added that there is always a risk in business, and you need to be able to deal with it. At the same time, all young entrepreneurs unanimously said that they had faced such a brutal challenge and still experience a sense of risk. Respondent Z said:

"Honestly, I experienced great psychological problems in the initial stages of my business and the uncertainty about the willingness to do it." (Respondent Z)

Many young entrepreneurs experience pressure from other people as well (family, friends, etc.). Regarding the challenge of “expectations from other people,” all experts said that young people are facing this challenge. Respondent C thinks:

“Adults have such a mentality. Professors, families expect a lot from young people.

They do not even want young people to do business and find work instead.” (Respondent C)

All young entrepreneurs also stated that they faced such a challenge, especially at the beginning of their business. They all experienced great pressure from their parents, friends,

and acquaintances. Often such pressure caused the desire of young entrepreneurs to stop doing business. Respondent Y believes:

“I certainly ran into such a challenge. It felt that many expected a lot from me, and especially my parents. Many friends said that Gyumri is a small city and it will not work to create a successful business without large and serious connections. And my parents and friends were partly my de-motivators in this matter.” (Respondent Y)

On the subject of "Lack of ideas for business," the opinions of experts diverged. Respondent A and Respondent C believe that young entrepreneurs in Armenia are quite innovative and that now many business ideas can be taken from the Internet. Respondent C gave an example of the Armenian business "GG Taxi". However, Respondent B said that such a challenge exists because young people do not understand how important innovation these days is. Of the young entrepreneurs, only Respondent Y stated that he faced such a challenge. He said that he knew that he wanted to create a business but did not know in which industry he should do it.

As an example of a psychological challenge, Respondent A cited the example of a successful young Armenian entrepreneur who is already rich but still attends various pitching events to gain motivation because he lacks it. Respondent B gave an example of the frequent thinking of young people that it is impossible to remain in Armenia and become successful. At the same time, Respondent C found positive aspects of psychological challenges because, in his opinion, they provide an incentive for young people to develop. Young entrepreneurs cited their early responses in this section as an example.

Concluding the analysis of this section, the author may indicate the following outcomes and the fact that psychological challenges often occur in Armenia. Age discrimination has appeared in Armenian society before, but recently, young people have

been seen as "engines of progress" in the country. "Risk and uncertainty" in the opinion of all interviewed young entrepreneurs was their challenge and it put a lot of pressure on them.

Two experts also emphasized that "Risk and uncertainty" are connected with the unstable political situation in the country. Also, interviewed specialists and interviewed young entrepreneurs stated that because of the Armenian way of thinking (expecting huge success from relatives or friends), the challenge "Expectations from others" is a frequent occurrence among young entrepreneurs. "Lack of ideas" sparked controversy. Two experts believe that such a challenge exists, one specialist believes that it is not, and only one young businessman said that he had such a challenge.

The ending section was **Theme 6** which summed up all the interviews. The author will begin the analysis of this section with the second question "Which of the four categories is the most serious among young entrepreneurs in Armenia". Table 7 shows the answers to this question.

Table 7

The most serious categories of challenges for young Armenian entrepreneurs

Interview №	Regulatory challenges	Cultural & Social challenges	Economic & Financial challenges	Psychological challenges
A				✓
B		✓		✓
C		✓		✓
X			✓	✓
Y		✓	✓	
Z				✓

Source: compiled by the author based on interview answers

As one can see, most people (83%) voted for "Psychological challenges". According to Respondent A, the section "Psychological challenges" is the main one, as young entrepreneurs lack the motivation and desire to move forward. According to both experts

(Respondent B and Respondent C), the main challenges are "Cultural & social" (50%) and "Psychological" since they require a change in mentality which is a very long and difficult process. At the same time, in their opinion, "Regulatory challenges" (0%) and "Economic and financial challenges" (33%) are more solvable. According to Respondent Y, "Regulatory challenges" were not a problem for him, but mostly he faced such challenges as financial and social and cultural. Respondent Z said that "Psychological challenges" were the most serious section for him since he had encountered many challenges in practice. Respondent X called "Economic and financial" and "Psychological" challenges the most serious categories in her case.

In the first question of this section, a question was asked about the most serious challenges from the perspective of specialists and young entrepreneurs. Based on the answers, the author compiled the following Table 8.

Table 8

The most serious challenges

Interview №	The most serious challenges
A	<i>No "social entrepreneurship" thinking among young entrepreneurs.</i>
B	<i>Lack of knowledge of entrepreneurship (strategies, approaches, etc.).</i>
C	<i>Way of thinking of young entrepreneurs; Low quality of entrepreneurial education; No systematization of financial support for young people.</i>
X	<i>Low level of entrepreneurial education; Young entrepreneurs do not know entrepreneurship laws on a high level; Risk and uncertainty and lack of initial capital.</i>
Y	<i>Poor knowledge of how to do business in general and how to do it in Armenia; Search for financial resources; Pressure from parents and de-motivation from friends.</i>
Z	<i>Lack of knowledge on how to do business in Armenia; Not such effective promotion of the importance of doing business; Many challenges related to psychology (expectations from other people and the family, risk & uncertainty)</i>

Source: compiled by the author based on interview answers

One can be convinced that one of the main challenges among young entrepreneurs in Armenia is a lack of knowledge about entrepreneurship and many psychological challenges that young entrepreneurs face.

In the next question of this section, the author asked interviewees to name other challenges that the author did not name during the interview. Respondent A said that people have no desire to share knowledge. Both Respondent B and Respondent X said that many young entrepreneurs in Armenia do not know English, which also has negative effect. Respondent C again emphasized the inability to work in a team within young Armenian entrepreneurs. At the same time, Respondent Y said a lack of experience is also a challenge. Respondent Z could not give an example.

The last question during each interview was what can be done in Armenia to improve the environment for youth entrepreneurship.

Table 9

What can be done in Armenia to improve the entrepreneurial environment for young people

Interview №	Point of view
A	<i>An entrepreneurial culture must be created through the creation of entrepreneurial schools, institutions, and foundations.</i>
B	<i>Solve the main problems; Stabilize political uncertainty; Return young specialists to Armenia.</i>
C	<i>Improve interconnected entrepreneurial training in both formal and informal sectors; Creation of a platform for finding investors; Business associations should do business exchange programs to exchange experience among companies.</i>
X	<i>Improve entrepreneurial education; Make more funds for young entrepreneurs; Create support centers that will work with young people so they will not face such risk and uncertainty.</i>
Y	<i>Systematize the promotion of young entrepreneurship in Armenia; Improve methods for explaining the entrepreneurial ecosystem in Armenia; Create a platform that will help young entrepreneurs find ways to get financial capital; Inspirational motivation in young entrepreneurs.</i>
Z	<i>Try to maintain low taxes for entrepreneurs and, as a whole, introduce as many laws as possible which will be aimed at improving the business environment; Engage in a promotion more seriously and try to create an interconnected system; Helping young entrepreneurs psychologically.</i>

Source: compiled by the author based on the interview answers

The main ways of improving the entrepreneurial environment for young people are improving entrepreneurship education in Armenia and creating as many business schools as possible and systematizing promotion for its effectiveness. Also, maintaining low taxes and further improving laws aimed at developing youth business. Moreover, for the convenience of obtaining financing, a special platform should be created. Judging by the answers of young entrepreneurs, they need to deal with psychological challenges through the creation of organizations that will help young people deal with stressful situations.

Analyzing empirical studies, the author came to several conclusions on what kind of challenges exist among young entrepreneurs in Armenia. The following picture has turned out.

In general, both specialists and young entrepreneurs praised the business environment for young people in Armenia, noting a large number of resources and opportunities to become successful. However, a low level of entrepreneurship in society was also noted.

None of the respondents considered the “Regulatory challenges” section to be the most serious. The author realized that after coming to power, the Armenian government was able to reduce business taxes, which had a very beneficial effect on the activities of young entrepreneurs. Moreover, due to the non-existence of any negative laws in Armenia, there is no connection between the laws and the reluctance of young people to do business. Of the challenges, the author can only single out the unstable political situation in the country from which fear arises about bad changes in the constitution in the future.

The "Cultural and social challenges" section was one of the most problematic. Based on the answers of two categories of people, it can be concluded that a low level of knowledge of entrepreneurship exists in Armenia. A lack of good business schools and teaching methods exists. A stable entrepreneurial culture in the country should be created.

This is one of the key problems associated with youth entrepreneurship. Promotion of youth entrepreneurship in society exists but it lacks systematization for greater effectiveness. Non-profit organizations should join forces with the state (e.g. “Small and medium entrepreneurship development national center of Armenia”). Challenge the lack of business networks exists but is not critical and judging by the answers of young entrepreneurs it can be easily solved.

The answers to the section "Economic and financial challenges" show that the challenge of a lack of initial capital among young people exists but it is not so critical. There are many investors and sources to get financing. For instance, grants from the state and investors. However, there may be problems finding financial resources. It will be more effective for young entrepreneurs if a special platform is created to search for investors and, in general, receive financing. The state as a whole financially supports young entrepreneurs by issuing grants. Respondent X was an example. It is also worth noting that there was an opinion that now it is much more important to have a clear business plan and a business idea that investors would like to finance.

The "Psychological challenges" section was the most serious of all. Such a challenge as age discrimination was encountered quite often before, but after 2018 the situation has changed for the better. After the answers, the author realized that at the moment young people in Armenian society are seen by more innovative and serious people. However, "Risk and uncertainty" is very common. Many young people are faced with such a challenge and doubt the correctness of the decision to create a business. The situation is also aggravated by the challenge of expectation from other people. This challenge is the main de-motivator for young entrepreneurs as they receive tremendous pressure from both family, friends, and acquaintances. Also, according to the author, young entrepreneurs do not have enough psychological support from society on this issue. For support, in turn, an organization should

be created to work with young entrepreneurs to solve their psychological problems. Lack of ideas for business is a very personal problem that someone has, and someone does not.

It is safe to conclude that there is no solid business thinking in Armenian society, which is a huge problem for young Armenian entrepreneurs. As specified by specialists, this is a very serious challenge that can be completely solved, but this requires a lot of time and effort both from the state and society.

Further research on this topic should be even deeper. Therefore, it is crucial to understand the reasons that there is no business thinking in the country, the conditions for creating new business schools, and the development of entrepreneurial training programs. Moreover, it is necessary to find out what should be done to create an organization or commission that will provide psychological assistance and will inspire confidence in young Armenian entrepreneurs.

The next and final Figure 2 shows the main challenges of young entrepreneurs in Armenia.

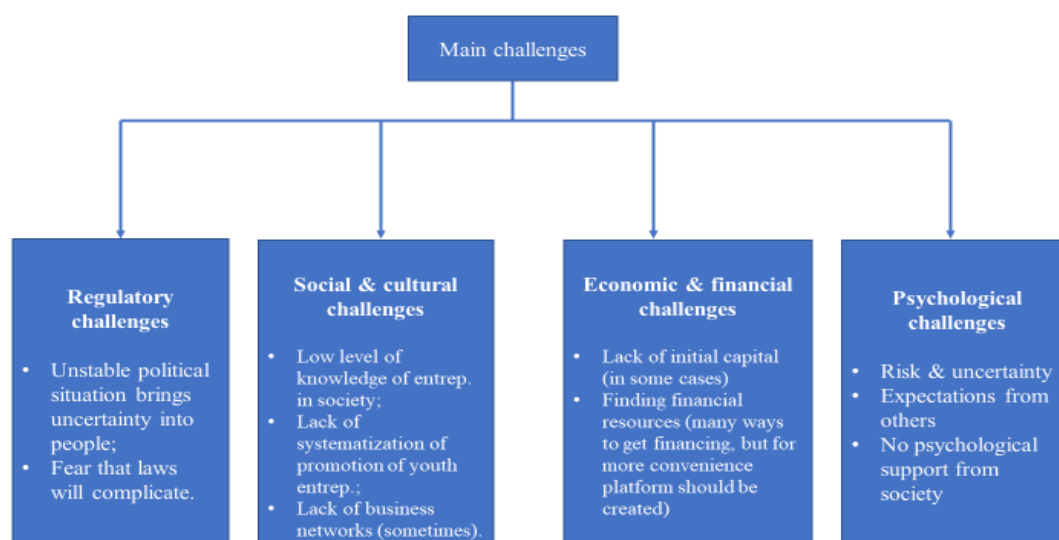


Figure 2. Summing up all the main challenges of young entrepreneurs in Armenia

Source: compiled by the author based on the whole empirical study.

Conclusion

When choosing such a topic, the author realized that in Armenia there is not enough research specifically on the challenges that young entrepreneurs face. The topic was widely discussed in Armenian media, but there were no specific answers to the question of concrete challenges that exist among young Armenian entrepreneurs.

The first part of the study carried out such aspects as definitions of the term entrepreneurship, analysis of the theoretical aspects of challenges faced by entrepreneurs, and investigation of previous empirical studies similar to the topic of the author. Undoubtedly this was a very important part of the work as it served as the basis for the author's research.

An interview is a method for personal research that the author has chosen. As indicated above, the choice fell on this type of research since it allowed interviewees to give deeper answers to the questions posed. In many ways, the author was convinced of the effectiveness of this method based on a Markova (2019) study.

After interviewing three specialists and three young entrepreneurs and analyzing the answers, a clear picture of the challenges of young entrepreneurs in Armenia was built. The author can highlight such challenges as a weak entrepreneurial education in the country and a lack of a business thinking culture. This challenge has a link with the small number of schools teaching entrepreneurship. Even though the promotion of youth entrepreneurship exists in the country, this area also needs to be systematized for greater effectiveness. Financial resources also need to be systematized. In turn, such systematization will help young entrepreneurs find financial resources more efficiently. However, it is worth noting that there are many sources of financing in the country and the systematization of sources will undoubtedly help a large number of people learn about them. The answers of the interviewed people showed that they all one way or another consider psychological

challenges as one of the main ones. In particular, such specific challenges as a sense of risk and uncertainty and expectations from other people. The worst thing is that there is no psychological support from society. Therefore, according to the author, special centers should be created in the country for the psychological support of young entrepreneurs.

As the author wrote above, he had the impression that the Armenian government supports young entrepreneurs by providing grants and making the law more favorable. For example, "menu.am" case. The Armenian government does not take an example from many other states and is trying to support young entrepreneurs with low taxes and grants. This indicates a respectful and caring attitude of the state towards young entrepreneurs. Moreover, it shows that the development of youth entrepreneurship can favorably affect the country's economy in the future. Such a way of thinking already makes progress and helps the industry develop.

It is encouraging that all the challenges among young Armenian entrepreneurs that are described above can be solved and work is already underway on many. The main way for crucial challenges to be solved is a streamlined and systematic work that will have a clear goal, understanding why it is important and a clear idea of how to achieve this goal and make the process as efficient and disciplined as possible.

Like any researcher, the author hopes that his work will be read by as many people as possible, especially people who in one way or another deal with youth entrepreneurship in Armenia. Furthermore, he hopes that this work will not remain on the sidelines and will be useful in the further development of youth entrepreneurship in Armenia.

It all starts small. A clear understanding of the problems and challenges of youth entrepreneurship will certainly help in working to improve this industry. Yet, this is a crucial aspect of Armenia, its economy, and its future.

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Appendices

Appendix A

Interview plan in details (for specialists)

Given the fact that the interviews were conducted in two languages, namely English and Russian, the author also translated all the questions into the Russian language. In this section, a detailed interview plan is shown in English language only.

Theme title	Questions of the theme	Aim of the questions
Theme 1: Knowing more about the interviewee	<ol style="list-style-type: none"> 1. What do you think in general about the entrepreneurial atmosphere for young people in Armenia? Can it satisfy them? 2. How long have you been working with young Armenian entrepreneurs? 3. Do you often hear about successful young Armenian entrepreneurs? 	An introductory question to understand general perceptions of respondents about entrepreneurship in Armenia and their experience of cooperating with young Armenian entrepreneurs.
Theme 2: Regulatory challenges	<ol style="list-style-type: none"> 4. Do you think are there laws in Armenia that complicate the work of young entrepreneurs? Can you give an example of such laws? 5. Do you think that there is a logical connection between the laws and the unwillingness of young people to do business in Armenia? 6. Do you think the tax system in Armenia complicates the work of entrepreneurs? If so, how much? 7. What do you think, does the Armenian government support well young entrepreneurs? 8. Can you give an example when regulations became challenges for them? 	Cook, Shortell, Conrad & Morrisey (1983) concluded that regulations can have a huge negative impact on the company. Gnyawali and Fogel (1994) believed that both potential entrepreneurs and established entrepreneurs have negative perceptions towards regulations. Time (n.d.) thinks a higher tax rate plays a negative role in terms of depriving the entrepreneur of the amount of money.
Theme 3: Cultural and social challenges	<ol style="list-style-type: none"> 9. Do you think the low level of knowledge of entrepreneurship exists among young Armenian entrepreneurs? 10. Do you think there is a promotion of entrepreneurial culture among young people in Armenia? 11. Do you think young entrepreneurs in Armenia face “lack of social networks” challenge? 12. Can you give an example when a young entrepreneur faced this kind of challenge? 	Charney and Libecap (2000) note that one of the key benefits of learning entrepreneurship in this area among students is the creation of critical thinking among promising young entrepreneurs. Lack of promotion of entrepreneurial culture can be considered as an unwillingness of the state to support entrepreneurs (Berger, 1991). Martins (2004) notes that the lack of networks is a social and cultural barrier and can harm a person when entering the market.

Theme 4: Economic and financial challenges	<p>13. Is a lack of initial capital a challenge for young Armenian entrepreneurs?</p> <p>14. Do you think that the search for financial resources is also a serious challenge for young Armenian entrepreneurs?</p> <p>15. In your opinion, do young Armenian entrepreneurs face such challenges as “Moral hazard”?</p> <p>16. Do you believe that the Armenian government financially supports young entrepreneurs?</p> <p>17. Can you give an example of a financial challenge among young Armenian entrepreneurs?</p>	<p>According to Dzhangarova (2018) nowadays one of the main issues that all entrepreneurs and especially young entrepreneurs face is the problem with getting financed. Aghion and Bolton (1997) argue that moral hazard happens when the effort of the entrepreneur is directly controlled by the lender.</p>
Theme 5: Psychological challenges	<p>18. In your opinion, do young Armenian entrepreneurs face “age discrimination”?</p> <p>19. Is “risk and uncertainty” a challenge for young Armenian entrepreneurs?</p> <p>20. Do you believe that they face such a challenge as “expectations from others”?</p> <p>21. Is “lack of ideas” a challenge for young Armenian entrepreneurs?</p> <p>22. Can you give an example of a psychological challenge among young Armenian entrepreneurs?</p>	<p>Dzhangarova (2018) believes that today older people are seen as more serious than young people. Knight (1921) in his work “Risk, uncertainty and profit” paid special attention to such problems as taking risks and uncertainty. Rajendran (2017) believes that today, innovation is one of the key factors in the development of the country's economies.</p>
Theme 6: Final questions	<p>23. From your perspective which challenges are the main ones among young Armenian entrepreneurs?</p> <p>24. From 4 categories of challenges (Regulatory, Cultural and social, Economic and financial, Psychological) which one is the most serious among young Armenian entrepreneurs?</p> <p>25. Can you name other challenges existing among young Armenian entrepreneurs which I did not ask about before?</p> <p>26. What can be done in Armenia to improve the entrepreneurial environment for young people?</p>	<p>Summing up questions regarding the main challenges, other challenges, and improvement opportunities.</p>

Source: compiled by the author

Appendix B

Interview plan in details (for young Armenian entrepreneurs)

Given the fact that the interviews were conducted in two languages, namely English and Russian, the author also translated all the questions into the Russian language. In this section, a detailed interview plan is shown in English language only.

Theme title	Questions of the theme
Theme 1: Knowing more about the interviewee	<ol style="list-style-type: none"> 1. How old are you? 2. In which sector are you doing business? 3. How long are you doing business in Armenia? 4. Did you previously have entrepreneurial education? 5. What do you think in general about the entrepreneurial atmosphere for young people in Armenia? Can it satisfy you and other young entrepreneurs?
Theme 2: Regulatory challenges	<ol style="list-style-type: none"> 6. Do you think are there laws in Armenia that complicate the business environment for you? Can you bring examples of laws that became challenges for you? 7. Do you think that there is a logical connection between the laws and the unwillingness of young people to do business in Armenia? Have you had this such challenge? 8. In your case do you think the tax system in Armenia complicates your work? If so, how much? 9. What do you think, do you get good support from the Armenian government? 10. Can you give an example when regulations became a challenge for you?
Theme 3: Cultural and social challenges	<ol style="list-style-type: none"> 11. Did you have a challenge of the low level of knowledge of entrepreneurship? 12. Do you think there is a promotion of entrepreneurial culture in Armenia? 13. Did you face such a challenge of a lack of social networks? 14. Can you give an example when you faced this kind of challenge?
Theme 4: Economic and financial challenges	<ol style="list-style-type: none"> 15. Did you face a challenge of “lack of initial capital”? 16. Was the search for financial resources a serious challenge for you? 17. In your opinion, did you face such a challenge as a “moral hazard”? 18. Do you believe that the Armenian government financially supports you and other young entrepreneurs? 19. Can you give an example of a financial challenge that you faced?
Theme 5: Psychological challenges	<ol style="list-style-type: none"> 20. In your opinion, did you face “age discrimination”? 21. Did you face a “risk and uncertainty” challenge? 22. Did you face “expectation from other people” challenge? 23. Did you face a “lack of ideas” challenge? 24. Can you give an example of a psychological challenge that you faced?
Theme 6: Final questions	<ol style="list-style-type: none"> 25. From your perspectives which challenges are the main ones among you and other young Armenian entrepreneurs? 26. From 4 categories of challenges (Regulatory, Cultural and social, Economic and financial, Psychological) which one is the most serious in your opinion? 27. Can you name other challenges existing among young Armenia entrepreneurs which I did not ask about before? 28. What can be done in Armenia to improve the entrepreneurial environment for young entrepreneurs?

Source: compiled by the author

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