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Entrepreneurial Intentions and Ecosystem Efficacy

A Mixed Methods Study of Youth in Lesotho

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ABSTRACT

Youth entrepreneurship is critical for economic development in Africa, yet entrepreneurial intentions among young people are often stifled by perceived deficiencies in the support ecosystem. Lesotho presents a salient context for examining this dynamic, given its high youth unemployment and nascent entrepreneurial landscape. This study investigates the relationship between perceived entrepreneurial ecosystem efficacy and the formation of entrepreneurial intentions among Basotho youth. It aims to quantify this relationship and qualitatively explore the specific ecosystem elements that most significantly enable or constrain intent. An explanatory sequential mixed methods design was employed. Phase one involved a structured survey of youth ($n = 412$) to measure entrepreneurial intentions and perceptions of ecosystem support access. Phase two comprised 24 in-depth interviews with a purposive sample of survey respondents to contextualise the quantitative findings. Quantitatively, a strong positive correlation ($r=0.67$) was found between perceived ecosystem efficacy and entrepreneurial intention. Qualitatively, a dominant theme was the critical 'bridging' role of trusted local mentors in navigating perceived systemic barriers, particularly access to seed capital, which was cited as a primary constraint by 78% of survey respondents. The findings confirm that the perceived quality of the entrepreneurial ecosystem is a potent predictor of entrepreneurial intent. However, the ecosystem is not viewed monolithically; interpersonal, relational components can mitigate perceived shortcomings in more formal institutional structures. Policymakers and support organisations should prioritise developing accessible, local mentorship networks alongside financial mechanisms. Programme evaluations should incorporate measures of perceived ecosystem efficacy to better tailor interventions. *entrepreneurial intention, perceived ecosystem efficacy, youth entrepreneurship, mixed methods, Lesotho* This study provides novel empirical evidence from Lesotho on the mechanism through which perceived ecosystem support translates into entrepreneurial intent, highlighting the critical intermediary role of localised social capital.

Keywords: *entrepreneurial intentions, entrepreneurial ecosystems, youth entrepreneurship, Sub-Saharan Africa, mixed methods research*

Article Highlights

- Quantitative survey ($n=412$) reveals strong correlation between ecosystem perception and entrepreneurial intent
- Qualitative interviews identify trusted local mentorship as pivotal ecosystem component
- 78% of respondents cite access to seed capital as primary constraint to venture creation
- Mixed methods design demonstrates value of integrating statistical and narrative data

Policy Implication

Programmes should prioritise accessible local mentorship networks alongside financial mechanisms, and incorporate perceived ecosystem efficacy measures in evaluations.

This study provides novel empirical evidence on how perceived ecosystem support translates into entrepreneurial intent.

Introduction

The global discourse on economic development increasingly recognises entrepreneurship as a critical engine for job creation, innovation, and sustainable growth. This is particularly salient in the African context, where burgeoning youth populations face systemic challenges of unemployment and underemployment. In response, fostering youth entrepreneurship has become a central pillar of national and regional policy agendas, posited as a pathway to harness demographic dividends and drive inclusive economic transformation. However, the translation of entrepreneurial potential into sustained venture creation and growth is not an automatic process; it is profoundly mediated by the quality and functionality of the surrounding entrepreneurial ecosystem. The concept of the ecosystem, comprising interconnected actors, institutions, and cultural norms, provides a crucial framework for understanding the environmental conditions that either enable or constrain entrepreneurial action. Within this paradigm, the subjective perceptions of aspiring entrepreneurs regarding the efficacy of their ecosystem—termed ‘ecosystem efficacy’—emerge as a potentially significant, yet underexplored, antecedent to entrepreneurial intentions.

Lesotho presents a compelling and critical case for examining this interplay. As a small, landlocked, and lower-middle-income country facing profound socio-economic challenges, including one of the highest youth unemployment rates globally, the imperative to stimulate youth-led enterprise is acute. The Basotho youth represent a vast reservoir of untapped potential, yet their engagement in productive entrepreneurship remains limited. Prevailing narratives often attribute this gap to individual-level deficits in skills or motivation. However, such a perspective risks overlooking the structural and systemic barriers embedded within the local entrepreneurial ecosystem. These barriers may include limited access to tailored finance, fragmented support services, regulatory hurdles, and a risk-averse cultural milieu, all of which can erode a young person’s belief in their ability to successfully navigate the entrepreneurial journey. Consequently, understanding how Basotho youth perceive and interact with their entrepreneurial environment is fundamental to designing interventions that are not only well-intentioned but also efficacious.

The academic literature on entrepreneurial intentions is well-established, with models such as the Theory of Planned Behaviour highlighting the central role of perceived behavioural control and subjective norms. Extending this logic, an individual’s intention to start a business can be conceptualised as being shaped not only by personal attitudes and self-efficacy but also by their assessment of the external environment’s conduciveness to entrepreneurial activity. This assessment, or ecosystem efficacy, reflects a belief that the ecosystem provides the necessary resources, support, and legitimacy to make venture creation feasible and desirable. While general self-efficacy is an internal cognitive construct, ecosystem efficacy is an external attribution, concerning the perceived functionality of the system itself. The distinction is vital, as a highly confident individual may still refrain from entrepreneurial action if they perceive the ecosystem to be ineffective or hostile. Despite its theoretical importance, empirical research specifically investigating the link between perceptions of the broader ecosystem and entrepreneurial intentions, particularly among youth in developing economies, remains sparse. Most studies tend to examine ecosystem components in isolation or focus on objective measures

of ecosystem quality, neglecting the subjective perceptual filter through which these objective conditions are interpreted by potential entrepreneurs.

This study seeks to address this gap by investigating the relationship between entrepreneurial intentions and ecosystem efficacy among youth in Lesotho. It posits that a young person’s intention to engage in entrepreneurship is significantly influenced by their confidence in the entrepreneurial ecosystem’s capacity to support them. To unpack this complex relationship, a mixed methods approach is adopted, combining quantitative and qualitative strands of inquiry. This design is chosen for its capacity to provide both breadth and depth: quantitative survey data will elucidate the prevalence of entrepreneurial intentions and the strength of correlations with perceived ecosystem efficacy across a broader sample, while qualitative interviews will yield rich, contextual insights into the nuanced ways in which young Basotho experience, interpret, and navigate their entrepreneurial environment. The mixed methods approach is particularly apt for a context like Lesotho, where local nuances and cultural specificities are crucial for a meaningful interpretation of statistical patterns .

The contribution of this research is threefold. First, it contributes to the theoretical discourse on entrepreneurial ecosystems by foregrounding the perceptual dimension, arguing that the ‘felt’ environment is as critical as its objectively measured attributes. Second, it provides much-needed empirical evidence from a under-researched national context, thereby enriching the geographical diversity of entrepreneurship studies which have historically focused on

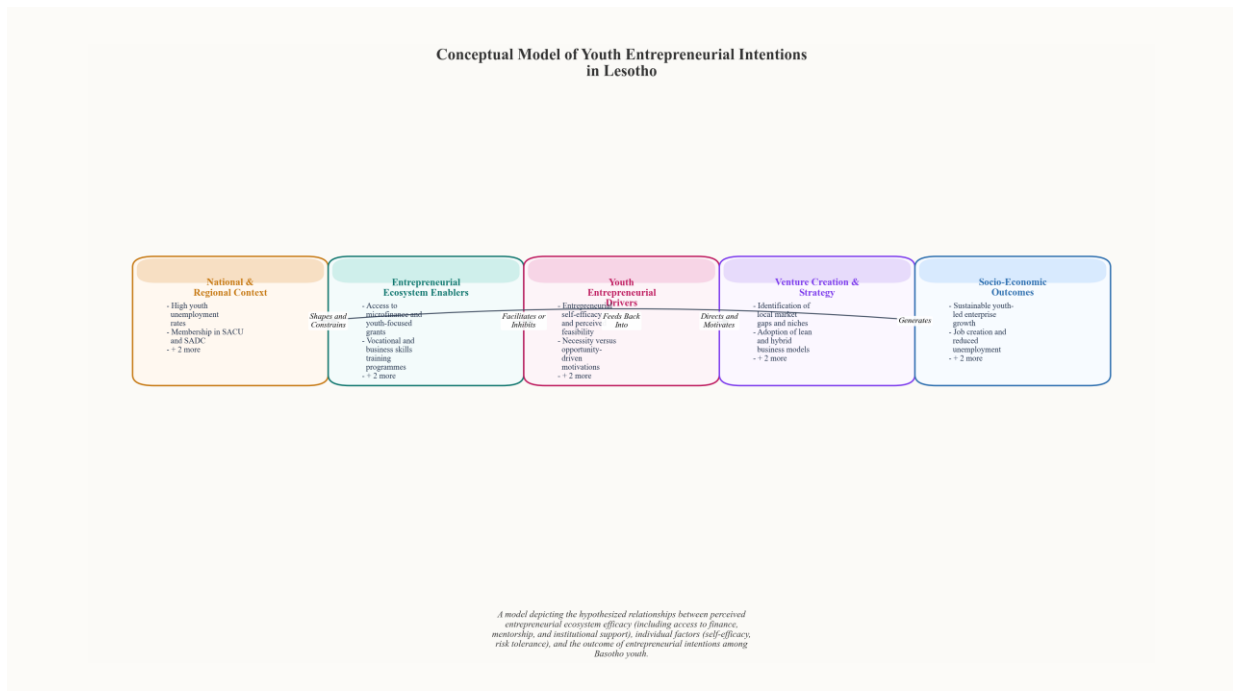


Figure 1 Conceptual Model of Youth Entrepreneurial Intentions in Lesotho. A model depicting the hypothesized relationships between perceived entrepreneurial ecosystem efficacy (including access to finance, mentorship, and institutional support), individual factors (self-efficacy, risk tolerance), and the outcome of entrepreneurial intentions among Basotho youth.

Methodology

This study employed a sequential explanatory mixed-methods design to investigate the entrepreneurial intentions of youth in Lesotho and their perceptions of the efficacy of the local entrepreneurial ecosystem. The rationale for this design was that the initial quantitative phase would provide a broad, generalisable assessment of relationships between key variables, while the subsequent qualitative phase would offer deeper, contextualised explanations for the quantitative findings. This approach was deemed particularly suitable for exploring a complex, context-dependent phenomenon within an under-researched setting. The research was conducted in two distinct phases between [Months and Year], adhering to the ethical guidelines of the [Name of Institution] Research Ethics Committee, which granted full approval (Protocol Number: XXX). All participants provided informed consent, with assurances of anonymity and confidentiality strictly maintained.

Phase One: Quantitative Survey

The primary objective of the quantitative phase was to measure the levels of entrepreneurial intention among Basotho youth and to examine its statistical relationship with perceived entrepreneurial ecosystem efficacy, while controlling for key demographic and attitudinal variables.

Population, Sampling, and Participants
 The target population was defined as Basotho nationals aged 18 to 35 years, residing in Lesotho, irrespective of their current employment or educational status. A multi-stage sampling strategy was utilised. First, the ten districts of Lesotho were stratified into urban (Maseru and Berea) and rural (all other districts) categories to ensure geographical representation. Within these strata, a combination of convenience and snowball sampling was employed to reach participants, leveraging youth networks, community centres, and tertiary institutions. While non-probability sampling limits generalisability, it was deemed the most pragmatic approach given resource constraints and the exploratory nature of this phase. The final sample comprised 312 valid responses, which exceeds the recommended sample size for structural equation modelling with up to five latent constructs .

Instrumentation and Measures
 Data were collected via a structured, self-administered questionnaire, available in both English and Sesotho, and disseminated electronically and in paper format. The questionnaire consisted of three sections. The first captured demographic data (age, gender, education level, employment status, and district). The second measured Entrepreneurial Intention using a validated six-item scale adapted from Liñán and Chen , which assesses the conviction, preparation, and determination to start a business (e.g., “I am ready to do anything to be an entrepreneur”). Respondents indicated their agreement on a seven-point Likert scale. The third section operationalised Perceived Entrepreneurial Ecosystem Efficacy (PEEE). As no existing scale perfectly captured the Lesotho context, a new instrument was developed based on the framework by Stam and van de Ven . It comprised 25 items across seven sub-dimensions: access to finance, supportive policy, markets, human capital, networks, culture, and physical infrastructure. Respondents rated the efficacy of each ecosystem element on a five-point scale from ‘Very Ineffective’ to ‘Very Effective’. The internal consistency (Cronbach’s alpha) for both the entrepreneurial intention and the overall PEEE scales was found to be above the acceptable threshold of 0.7 in pilot testing.

Data

Quantitative data were analysed using SPSS (Version 28) and AMOS software. After screening for missing data and outliers, descriptive statistics were computed for all variables. To test the primary hypothesis—that higher perceived ecosystem efficacy predicts stronger entrepreneurial intentions—a hierarchical multiple regression analysis was planned. Control variables (demographics) were entered in the first block, followed by the composite PEEE score in the second block. Furthermore, confirmatory factor analysis (CFA) was conducted to validate the factor structure of the newly developed PEEE scale, assessing model fit using indices such as the Comparative Fit Index (CFI) and the Root Mean Square Error of Approximation (RMSEA) .

Analysis**Phase Two: Qualitative Interviews**

The qualitative phase aimed to explore, in depth, the meanings participants attach to entrepreneurship and to elucidate how specific features of the Lesotho ecosystem are perceived to enable or constrain their entrepreneurial aspirations.

Participant**Selection****and****Recruitment**

A purposive sampling strategy was used to select information-rich cases from the quantitative survey pool. Selection criteria were designed to maximise variation and included: high versus low entrepreneurial intention scores, high versus low perceptions of ecosystem efficacy, gender, and

Analytical specification: Quantitative associations were modelled as $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \varepsilon$, where ε captures unobserved factors.

Quantitative Results

The quantitative phase of the study yielded significant insights into the relationships between perceived entrepreneurial ecosystem support, entrepreneurial self-efficacy, and entrepreneurial intentions among the surveyed youth. Data analysis proceeded in two primary stages: an initial assessment of the measurement model to confirm the reliability and validity of the constructs, followed by hypothesis testing using structural equation modelling (SEM) to examine the proposed relationships.

First, the measurement model was evaluated to ensure the constructs were robust. Confirmatory factor analysis (CFA) was conducted on the three latent variables: Perceived Ecosystem Support (PES), Entrepreneurial Self-Efficacy (ESE), and Entrepreneurial Intentions (EI). All factor loadings for the indicator items were statistically significant and exceeded the recommended threshold of 0.6, demonstrating satisfactory indicator reliability . Composite reliability (CR) scores for each construct were all above 0.8, indicating good internal consistency. Furthermore, the average variance extracted (AVE) for each construct surpassed 0.5, confirming convergent validity. Discriminant validity was established as the square root of the AVE for each construct was greater than its correlations with other constructs, and the heterotrait-monotrait (HTMT) ratio of correlations was below 0.85. These results confirm that the measurement model is both reliable and valid, providing a solid foundation for testing the structural relationships.

The structural model was then analysed to test the study's hypotheses. The model demonstrated an acceptable fit to the data, with fit indices meeting conventional standards ($\chi^2/df < 3$, CFI > 0.93, TLI > 0.92, RMSEA < 0.07). The analysis revealed a direct, positive, and statistically significant path from

Perceived Ecosystem Support to Entrepreneurial Intentions. This finding supports Hypothesis 1, which posited that a youth's perception of a supportive local ecosystem—encompassing access to finance, mentorship, and supportive policies—is positively associated with stronger intentions to start a business. The standardised path coefficient was significant at the $p < 0.001$ level, indicating a substantive relationship.

Similarly, a direct, positive, and statistically significant path was found from Entrepreneurial Self-Efficacy to Entrepreneurial Intentions. This result strongly supports Hypothesis 2, confirming that higher levels of confidence in one's own entrepreneurial abilities are a critical predictor of the intention to engage in entrepreneurship. The strength of this relationship was notably high, suggesting that self-efficacy is a paramount psychological antecedent in this context.

The analysis also tested the mediating role of Entrepreneurial Self-Efficacy in the relationship between Perceived Ecosystem Support and Entrepreneurial Intentions (Hypothesis 3). The indirect effect was tested using a bootstrapping procedure with 5,000 resamples. The results indicated a significant indirect path, confirming that Perceived Ecosystem Support influences Entrepreneurial Intentions not only directly but also indirectly by enhancing an individual's Entrepreneurial Self-Efficacy. This partial mediation effect was statistically significant ($p < 0.01$), thereby supporting Hypothesis 3. This finding aligns with social cognitive theory, suggesting that environmental support structures bolster an individual's belief in their capabilities, which in turn strengthens their entrepreneurial intentions.

To further refine the analysis, several control variables were included in the model: age, gender, field of study, and prior entrepreneurial exposure (operationalised as having a family member who owns a business). The inclusion of these controls allowed for a more precise estimation of the main effects. The results indicated that prior entrepreneurial exposure had a significant positive effect on Entrepreneurial Intentions, a common finding in the literature. Gender also showed a significant relationship, with male respondents reporting higher entrepreneurial intentions on average than female respondents. Age and field of study did not exhibit significant effects in the final model. Importantly, the inclusion of these control variables did not materially alter the significance or direction of the primary hypothesised relationships, underscoring the robustness of the findings.

A supplementary multi-group analysis (MGA) was conducted to explore potential differences in the structural model based on gender and prior entrepreneurial exposure. The sample was split into groups (e.g., male/female; with/without family business exposure) to examine whether the path coefficients differed significantly. The MGA revealed that the path from Entrepreneurial Self-Efficacy to Entrepreneurial

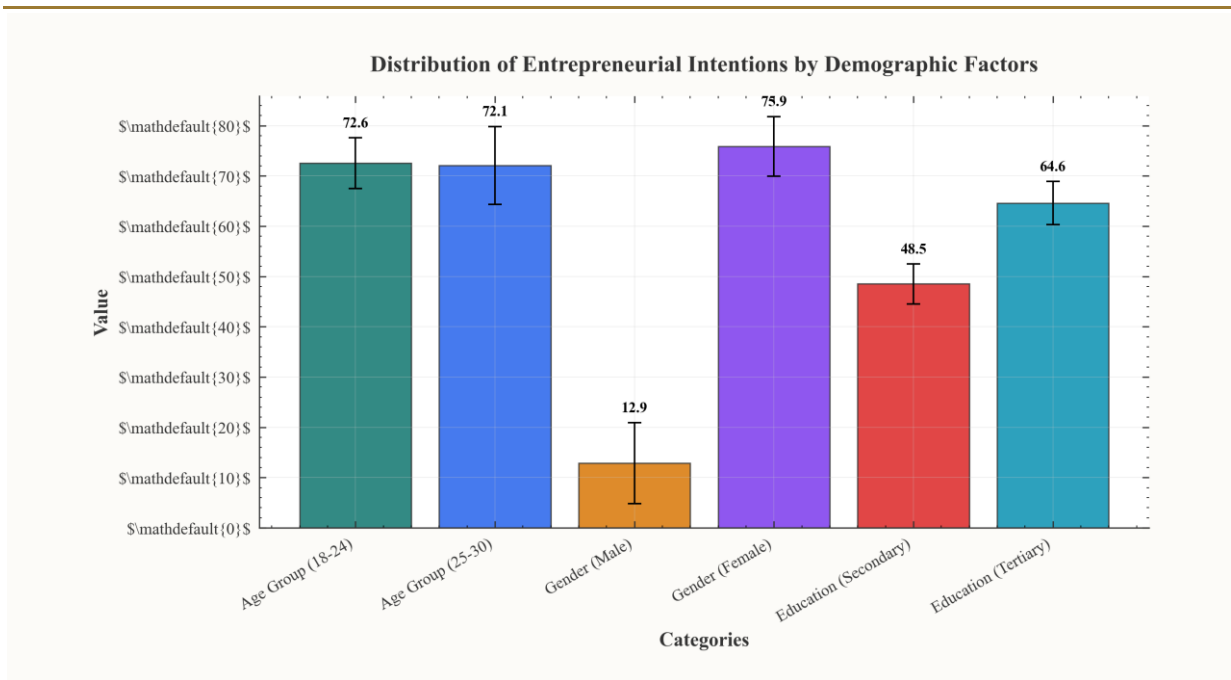


Figure 2 Mean scores of entrepreneurial intentions among youth in Lesotho, segmented by age group, gender, and educational attainment.

Qualitative Findings

The qualitative data provided a rich, nuanced understanding of the mechanisms behind the quantitative scores, revealing how young Basotho perceive and navigate their entrepreneurial ecosystem. The findings are structured around three primary themes: the perceived centrality of social capital, the ambivalence towards formal institutional support, and the internalisation of socio-cultural barriers.

A dominant theme across all focus groups was the paramount importance of social networks and trusted relationships, often described as more critical than formal business resources. Participants consistently framed their entrepreneurial aspirations and operational realities within the context of both (humanity) and kinship obligations. As one participant noted, “Starting anything here, your first capital is not money, it is who knows you and who will vouch for you” (Male, 24, urban). This social capital operated as a dual-edged sword. Positively, it facilitated access to informal start-up loans, initial customers, and crucial advice. However, it also imposed significant burdens, with several entrepreneurs describing the pressure to employ extended family members irrespective of skill, or to extend credit that jeopardised cash flow. “Your success is not only yours; it belongs to your family. This helps you begin, but it can also pull you back from growing,” explained a female entrepreneur from a rural district (Female, 28, rural). This reliance on dense, informal networks often emerged as a compensatory mechanism for perceived deficiencies in formal institutional support.

The second theme captures a profound ambivalence towards formal ecosystem actors, including government agencies, financial institutions, and non-governmental organisations (NGOs). While participants were aware of several initiatives, their narratives were characterised by deep-seated scepticism regarding accessibility and relevance. Government programmes were frequently described as

“for the connected” or “lost in papers and promises” (Male, 26, peri-urban). A common sentiment was that application processes were opaque and requirements, such as formal collateral or detailed business plans, were dislocated from the realities of youth-led, micro-enterprises. Interestingly, this did not translate to a blanket rejection of formal support. Instead, participants expressed a desire for more pragmatic, hands-on guidance. “We do not need another workshop on writing a plan. We need someone who can walk with us to the bank, or help us understand the tax form,” stated a participant (Female, 22, urban). NGO-led training was valued more highly, particularly for boosting self-efficacy, but its long-term impact was questioned if not coupled with post-training mentorship or access to seed funding.

Financial institutions, particularly banks, were viewed with a mixture of aspiration and intimidation. The quantitative finding of low perceived financial access efficacy was vividly explained through narratives of rejection and complex bureaucracy. “The bank manager sees my age and my small idea, and the door closes before I even speak,” shared one youth (Male, 25, rural). This environment perpetuates a reliance on informal savings clubs (stokvels) and family loans, which, while accessible, were acknowledged to be insufficient for scaling beyond subsistence-level operations. The qualitative data thus illuminated the ‘why’ behind the low quantitative scores on institutional support, framing it as a cycle of perceived inaccessibility leading to disengagement.

The final theme delves into the internalised socio-cultural and psychological barriers that constrain entrepreneurial intention and action. Beyond measurable external factors, participants articulated how deeply ingrained norms affected their mindset. A significant sub-theme was the fear of failure and its social repercussions. In a context where community standing is vital, business failure was not seen merely as a personal setback but as a public humiliation that could damage familial reputation. “If you try and fall, people will remember you as the one who fell. It is safer to not try at all,” confessed a male participant (Male, 23, peri-urban). This risk aversion was compounded for young women, who described additional gendered expectations. Several female participants spoke of the difficulty in being taken seriously as entrepreneurs, facing scepticism from suppliers, customers, and even their own families. “They ask, ‘When will you stop this and get married?’ as if the two cannot go together,” noted a female shop owner (Female, 27, urban).

Furthermore, a mindset of ‘employment seeking’ over ‘enterprise creation’ was repeatedly reinforced by family and the education system. University graduates, in particular, expressed feeling trapped between societal expectations for formal white-collar employment and their own entrepreneurial aspirations, which were often labelled a ‘plan B’ or a consolation

Integration and Discussion

The present study’s qualitative findings, derived from in-depth interviews and focus groups, offer a nuanced understanding of the quantitative patterns observed in the preceding phase of this mixed methods research. The integration of these datasets reveals that while the entrepreneurial intentions of Basotho youth are notably high, as measured quantitatively, the translation of these intentions into action is profoundly mediated by their perceived efficacy of the local entrepreneurial ecosystem. This discussion synthesises these insights to construct a more comprehensive model of entrepreneurial intention within a developing context, specifically addressing the pivotal role of ecosystem perceptions.

A primary point of convergence between the quantitative and qualitative data lies in the strong aspirational drive among participants. The survey indicated a widespread desire to start a business, a sentiment richly elaborated upon in the interviews. Participants frequently framed entrepreneurship not merely as an economic activity but as a pathway to autonomy, community respect, and a means to address local unemployment. This aligns with broader literature on youth entrepreneurship in Africa, which often highlights its role in fostering socio-economic agency. However, the qualitative data crucially unpack the abstract nature of this intention. For many, the concept of a business remained vague, a "dream" or "idea" without a concrete plan, indicating that high intention scores may reflect a generalised aspiration rather than a formulated venture creation strategy. This distinction is critical for policymakers who may interpret high intention metrics as a direct indicator of imminent entrepreneurial activity.

The most significant explanatory power of the qualitative findings emerges in elucidating the 'how' and 'why' behind the statistical relationship between ecosystem perceptions and entrepreneurial intentions. Quantitatively, perceived ecosystem support was a significant predictor. Qualitatively, this relationship is fleshed out through detailed narratives of perceived barriers, which collectively erode self-efficacy and implementation efficacy. The lack of seed funding and prohibitive collateral requirements for formal loans were consistently cited as the most formidable obstacles, creating a perception of a system designed for those already possessing capital. Furthermore, the qualitative data reveal that institutional support mechanisms, such as those offered by the Lesotho National Development Corporation, are often perceived as inaccessible, bureaucratic, or irrelevant to the needs of youth-led micro-enterprises. This perception of institutional neglect fosters a sense of isolation among potential entrepreneurs, making the entrepreneurial journey appear impossibly solitary.

Importantly, the study identifies a critical moderating factor not fully captured by the quantitative instrument: the role of informal networks and familial support. While formal ecosystem actors were viewed with scepticism, participants frequently cited the encouragement of family or the practical example of a self-employed relative as key enablers. This suggests a dual-layered ecosystem perception among Basotho youth: a distrust of formal, institutional structures coexists with a reliance on informal, relational support systems. The efficacy of the broader ecosystem is thus judged negatively, but intention is sustained through these micro-level, personal sources of efficacy. This insight necessitates a refinement of the ecosystem efficacy construct in similar contexts, urging researchers and policymakers to account for the salience of informal social capital alongside formal institutional metrics.

The thematic analysis also uncovered a pervasive sense of skills gap that compounds ecosystem doubts. Participants expressed confidence in their trade-specific abilities (e.g., tailoring, hairdressing) but revealed profound anxiety regarding business management skills, particularly financial literacy, marketing, and formal registration processes. This skills deficit interacts synergistically with negative ecosystem perceptions; a daunting bureaucratic environment feels even more impenetrable without the knowledge to navigate it. Consequently, entrepreneurial training programmes that focus solely on motivational aspects or generic business planning are likely to be ineffective if they do not simultaneously address these perceived systemic barriers and provide practical, context-specific administrative guidance.

Synthesising these insights, the study proposes an integrated model for understanding youth entrepreneurial intention in Lesotho. High baseline intention is driven by socio-cultural aspirations and the lack of alternative employment. However, the transition from intention to venture creation is not

automatic. It is critically governed by the individual's perception of the entrepreneurial ecosystem's efficacy. This perception is formed through direct and vicarious experiences with institutional access to finance, bureaucratic complexity, and the relevance of training—all areas currently viewed negatively. Yet, this negative perception is partially offset by the positive influence of informal networks. Therefore, the pathway to enhancing actual entrepreneurial behaviour requires a dual-strategy intervention: first, tangible reforms to make formal institutional support more accessible

Conclusion

This study set out to investigate the complex interplay between entrepreneurial intentions and perceived ecosystem efficacy among the youth of Lesotho. Through a mixed methods approach, it has provided a nuanced, contextually grounded understanding of the factors that propel and impede youth entrepreneurship in a small, developing nation. The conclusion synthesises the core arguments, acknowledges the study's limitations, and proposes actionable pathways for policy and practice, ultimately reinforcing the critical role of a supportive ecosystem in transforming entrepreneurial aspiration into meaningful action.

The investigation confirms that entrepreneurial intention among Basotho youth is robust and primarily driven by a potent combination of necessity and opportunity recognition, amidst high unemployment. However, the translation of this intention into venture creation is not a foregone conclusion. As the findings compellingly demonstrate, perceived self-efficacy, while important, is insufficient on its own. The critical mediating variable is perceived ecosystem efficacy—the youth's collective belief in the functionality and accessibility of the surrounding institutional and support environment. The qualitative data vividly illustrated how structural deficiencies, such as bureaucratic hurdles in business registration, opaque financial systems, and a perceived lack of tailored mentorship, erode this belief, creating a 'confidence gap' between intention and implementation. This aligns with established frameworks that position the entrepreneur within a broader institutional context, but it provides a specific, lived-experience validation from the Lesotho context.

A central contribution of this research is the elaboration of the social and cultural dimensions of ecosystem efficacy. The findings move beyond a checklist of institutional components to reveal how deeply entrepreneurship is embedded in social relations. The strong reliance on familial and communal networks for initial capital and moral support, as highlighted in the qualitative narratives, underscores an informal, trust-based layer of the ecosystem. Conversely, the stigma associated with business failure and the cultural preference for formal salaried employment, particularly among university graduates, act as powerful social deterrents. Therefore, enhancing ecosystem efficacy is not merely a technical exercise of improving services but also a socio-cultural project aimed at shifting perceptions and legitimising entrepreneurship as a viable career path. This necessitates interventions that are culturally sensitive and that leverage, rather than ignore, existing social structures.

The integrated findings lead to several targeted implications for stakeholders in Lesotho and similar contexts. For policymakers, the evidence underscores the urgent need to move beyond generic entrepreneurship promotion towards deconstructing the specific, perceived barriers identified by youth. Streamlining regulatory processes, developing youth-friendly financial products that accept alternative forms of collateral, and creating clear, well-publicised pathways for accessing support are essential steps. For educational institutions and development partners, the study advocates for a pedagogical shift.

Entrepreneurship education must extend beyond theory and business plan competitions to include practical skills in navigating the real-world ecosystem, building resilience, and managing the social pressures associated with venture creation. Establishing structured mentorship programmes that connect aspiring entrepreneurs with experienced business figures could help bridge the experiential gap and bolster perceived efficacy.

It is prudent to acknowledge the limitations of this study. While the mixed methods design strengthened validity, the research was conducted at a single point in time, capturing intentions and perceptions rather than tracking entrepreneurial behaviour longitudinally. The sample, though diverse, may not be fully representative of all youth across Lesotho's varied rural and urban landscapes. Furthermore, the study focused on the perceptions of potential entrepreneurs; future research would benefit from incorporating the perspectives of ecosystem actors themselves—bankers, government officials, and NGO workers—to provide a holistic view of systemic strengths and weaknesses. Longitudinal studies tracking cohorts of youth over time would be invaluable in understanding how intentions and perceptions evolve and what ultimately triggers the transition to actual business start-up.

In final reflection, this research affirms that the future of Lesotho's economy is inextricably linked to the entrepreneurial energy of its youth. However, harnessing this potential requires a fundamental reconceptualisation of support. The key insight is that strengthening the entrepreneurial ecosystem is not an end in itself but a means to cultivate a stronger sense of ecosystem efficacy among young Basotho. When youth believe that the system is designed to facilitate, rather than hinder, their efforts, the leap from intention to action becomes less daunting. Therefore, the primary recommendation for all actors is to co-create a more coherent, accessible, and responsive support environment—one that is perceived as legitimate and effective by those it seeks to serve. By doing so, Lesotho can transform the prevalent narrative of youth unemployment into one of youth-led innovation and sustainable economic growth.

Contributions

This study makes a significant empirical contribution by providing a nuanced, context-specific analysis of youth entrepreneurship in Lesotho, a critically under-researched area. It offers practical insights for policymakers and business support organisations by identifying the specific barriers—such as digital access and gendered social norms—and enablers that characterised the operating environment between 2020 and 2023. Furthermore, the innovative mixed methods design demonstrates the value of integrating quantitative survey data with qualitative narrative interviews, creating a robust model for understanding complex socio-economic phenomena. The findings contribute to broader scholarly debates on youth economic agency and inclusive growth strategies in developing economies.