Factors that Influence the Probability of Being an Entrepreneur among the Young Population of the City of Ibagué

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Abstract

The work addresses the factors that influence the probability of being an entrepreneur among young people in the city of Ibagué, Colombia, in the context of high unemployment rates and labor informality, as well as economic challenges that affect the development of entrepreneurship. Highlighted problems include high business mortality, lack of access to financing, and low business training. The study uses a quantitative approach based on surveys conducted with young people from different social strata and educational levels, employing an ordinal logit model to analyze the data. Among the most relevant factors are education, human and social capital, work experience, and family context. The research suggests that having entrepreneurial family members increases the probability that a young person decides to undertake entrepreneurship. Additionally, those with technical studies or who have lived in Ibagué for an intermediate period (1 to 5 years) show a greater propensity to become entrepreneurs. Finally, the document highlights the importance of effective public policies to promote youth entrepreneurship, focusing on access to financing and comprehensive educational training that drives young people toward business success.

Keywords: Entrepreneurship, Public Choice, and Economic factors. Probability, ordinal logit.

1. Introduction

The high rates of youth unemployment present in the city of Ibagué—29.6% for the first quarter of 2023, along with an informality rate of 56.1% (DANE, 2023)—pose a social problem for which entrepreneurship is a solution with a high probability of being implemented not only by the main actors but also as a social policy of the local government. However, it is necessary to identify and analyze the entrepreneurial intention of young people in Ibagué as a preliminary step to designing and implementing institutional actions and policies.

So far in 2024, the unemployment rate has been decreasing considerably. DANE (2024) expressed that "During the mobile quarter of February-April 2024, the unemployment rate in Ibagué was 15.2%, compared to 18.4% for the same period in 2023. This reduction of 3.2 percentage points is significant, although Ibagué continues to be one of the cities with the highest unemployment rates in the country." In Colombia, the unemployment rate was 10.1% in the second quarter of 2023 (DANE, 2023).

Additionally, Ibagué has a high rate of informal employment, with approximately half of the workforce operating informally (Paredes-Zempual et al., 2021). This reflects labor precariousness and the lack of social protection, aspects often related to the absence of managerial skills necessary to formalize and expand businesses.

Another issue is the high business mortality rate in Ibagué. According to sectoral studies and economic bulletins from the Chamber of Commerce of Ibagué, several factors contribute to business mortality, including lack of access to financing, low business training, and adverse economic conditions. These reports provide detailed figures and analyses that are fundamental for developing public policies and business strategies to reduce the rate of business closures in the region (Chamber of Commerce of Ibagué, 2023).

Thus, the research focuses on understanding the entrepreneurial intention of young people in Ibagué and the contextual factors that inhibit or stimulate it, serving as informational input for institutional strategies within the local entrepreneurial ecosystem. A methodology is employed to investigate the economic, demographic, and social factors influencing the probability of young people in Ibagué becoming entrepreneurs. An ordinal logit model is used for data analysis because the responses are on a Likert scale.

The study determines that young people in Ibagué show a high propensity to be entrepreneurs. Among the most relevant factors influencing the probability of being an entrepreneur are education, human and social capital, work experience, and family context. The research suggests that having entrepreneurial family members increases the probability that a young person decides to undertake entrepreneurship. Additionally, those with technical studies or who have lived in Ibagué for an intermediate period (from one to five years) show a greater propensity to become entrepreneurs.

Some contextual factors specific to the city of Ibagué emerge as inhibitors of entrepreneurial intention, mostly government actions and policies, including the lack of effective provision of public utilities—especially the supply of potable water—deteriorated road networks, and lack of new roads, the need for a better territorial organization for different economic and social activities, concentration of political power, and a deindustrialization process ongoing since the mid-1990s. All of these factors reduce opportunities for young entrepreneurs, who migrate to larger cities like Bogotá.

2. STATE-OF-THE-ART AND THEORETICAL FRAMEWORK

Various studies such as Fairlie & Fossen (2018) distinguish between opportunity-driven and necessity-driven entrepreneurship. They examine how factors like unemployment and market opportunities influence the creation of new businesses; for this purpose, they use empirical data, showing that economic factors and public policy influence the predominant type of entrepreneurship in society. Related to this, Simoes & Moreira (2016), based on a wide range of economic, sociological, and psychological theories to explain the decision to enter self-employment Barrero, Delgado-García, Pérez-Fernández (2024). Among the economic theories, those that consider self-employment as an income alternative in the absence of salaried employment (necessity self-employment) or as an opportunity for better remuneration (opportunity self-employment) stand out. Psychological and sociological theories, on the other hand, address how individual characteristics, personality, and social context influence this choice. Among the factors analyzed are human capital (education, work experience), psychological factors (motivation, risk tolerance), and family background. The authors highlight the importance of context and suggest no single path to entrepreneurship exists. They determine a positive correlation between previous experience, especially in managerial positions or roles with exposure to entrepreneurship, and the probability of opting for self-employment.

Menéndez et al. (2018) explore the factors that affect entrepreneurship and its impact on the economic development of Ecuador. The authors highlight variables such as education, entrepreneurial culture, access to financing, and the regulatory environment. Additionally, they discuss how these variables influence the creation and sustainability of new businesses, as well as job creation and economic growth. The study emphasizes the need for effective public policies that foster a favorable ecosystem for entrepreneurship, to improve the country's economic and social conditions.

For their part, Chirinos et al. (2018) address the issue of sustainable entrepreneurship in the context of small and medium-sized enterprises (SMEs), highlighting their role in economic development. The authors describe how small and medium-sized organizations can adopt sustainable business practices to improve competitiveness and contribute to sustainable economic growth. They highlight the importance of innovation, corporate social responsibility, and efficient resource management as key factors for the sustainable success of SMEs.

From another perspective, Brännback and Carsrud (2016) explore the relationship between cognitive decision-making styles and entrepreneurial intentions, based on the theory of planned behavior and the concept of cognitive maps, which individuals use to organize and process information; influencing the perception of opportunities, as well as risk assessment and decision-making, and therefore entrepreneurial intentions.

Verheul et al. (2012) analyze how gender and personality influence the intention to undertake entrepreneurship and actual participation in self-employment. The authors consider that there are significant differences in preferences and participation between men and women, that social norms and gender expectations can influence self-employment decisions, and that certain personality traits such as self-efficacy and risk propensity are key determinants in

entrepreneurship; recommending the need for personalized interventions that address these differences and create an environment that supports all potential entrepreneurs, regardless of gender. For the study, the authors use data from the Eurobarometer Business Survey for the year 2007, which includes information on self-employment preferences and actual participation in self-employment from a representative sample of individuals in 27 European countries.

Zhao et al. (2010) determine how self-efficacy, risk propensity, and proactivity are related to entrepreneurial intentions and business performance. The authors conclude that extroverted people are open to experience, but above all, responsibility has greater implications in the probability of undertaking and business success; to this is added the emotional stability of individuals.

Liñán & Chen (2009) demonstrate that attitudes toward entrepreneurship, social norms, and self-efficacy are critical factors influencing individuals' entrepreneurial intentions, based on the theory of planned behavior. The study arrives at public policy recommendations, which should be adapted to the cultural context; in countries where social norms are more relevant, efforts should focus on involving families and the community in the process of supporting entrepreneurship; and in countries where personal attitudes are predominant, policies should focus on changing perceptions about entrepreneurship.

Freytag & Thurik (2007) examine the factors that determine entrepreneurship rates in different countries. The authors highlight that entrepreneurship depends not only on economic factors (such as per capita income and unemployment) but also on cultural factors (values, social norms) and institutional factors (regulations, support policies). The authors conclude that a combination of these factors influences entrepreneurship at the macroeconomic level. They find that entrepreneurship rates are negatively related to per capita GDP. This suggests that countries with lower levels of economic development tend to have higher entrepreneurship rates. The authors interpret this result by indicating that in less developed economies, entrepreneurship is more driven by necessity due to the lack of formal employment and recommend that to foster entrepreneurship, policymakers should consider a holistic approach that combines economic reforms, institutional changes, and cultural programs.

Arenius & Minniti (2005), from a psychology-based approach, investigate how individual perceptions (self-efficacy, fear of failure, perception of opportunities) influence the probability of becoming a nascent entrepreneur. The authors use data from the Global Entrepreneurship Monitor (GEM) and find that perceptions are as important as economic or demographic factors in the decision to undertake entrepreneurship. They suggest that public policies should focus on changing individual perceptions and increasing self-efficacy through education and entrepreneurial training programs that reinforce confidence in personal skills.

Reynolds et al. (2004) analyze the prevalence of nascent entrepreneurs in the U.S. based on data from the Panel Study of Entrepreneurial Dynamics, determining the factors that affect entrepreneurship, such as family support, personal motivations, and market conditions. They specifically determine those nascent entrepreneurs who manage to complete the process of creating a company and launching their business are those who have had access to financial

resources and social capital, notably the support of family, friends, and professional networks; likewise, previous entrepreneurial experience and human capital are strong predictors of the likelihood of success in entrepreneurship.

Davidsson and Honig (2003) relate the role of human capital (education, work, and business experience) and social capital (social networks and contacts with entrepreneurs, business professionals, family, and friends) in nascent entrepreneurs. Formal education gives people valuable skills in identifying and seizing business opportunities, as does work experience, especially when related to the sector where one wants to undertake; but previous entrepreneurial experience is more significant, as it provides knowledge of the process required to develop a business. They conclude that both types of capital are crucial for initial success, but that social capital plays a more prominent role in the early stages of entrepreneurship.

Krueger et al. (2000) employ theoretical models of entrepreneurial intentions, including the planned behavior model and the entrepreneurial event model. The authors highlight the importance of personal attitudes, social norms, and the perception of control over entrepreneurial behavior. They argue that entrepreneurship is an intentional process that does not occur spontaneously and focuses on understanding entrepreneurial intentions. According to them, these are fundamental predictors of the likelihood that a person becomes an entrepreneur; therefore, attitudes toward entrepreneurship and individual perceptions, such as self-sufficiency, attitudes, and social influences in the process of forming entrepreneurial intentions, will provide the foundations for the creation of public policies.

Shane (2000) analyzes how prior knowledge, professional experience, personal interests, and individual differences in prior knowledge influence some people's ability to identify and exploit business opportunities. Similarly, the author finds that people who have deep knowledge of a specific market are more likely to identify unmet needs in the market. He concludes that differences in prior knowledge are a key source of variation in the identification of business opportunities.

For Aldrich and Zimmer (1986), social networks play a crucial role in entrepreneurship by providing access to resources, information, and emotional support. For young people, these networks can include mentors, family members, and colleagues.

Entrepreneurial education is fundamental for the development of entrepreneurial skills. Gibb (2002) argues that entrepreneurial education should focus not only on business creation but also on promoting an entrepreneurial mindset that includes creativity, innovation, and risk tolerance.

One of the main barriers for young entrepreneurs is the lack of access to capital. Evans and Leighton (1989) highlight those financial constraints can limit young people's ability to start and grow their businesses. Therefore, the role of governments will be crucial to enable the development of new entrepreneurs. Government and private programs that provide access to financing, such as microcredits and venture capital funds, are essential to support young entrepreneurs (Robinson, 2001).

Hofstede (1980) suggests that cultural differences can influence individuals' willingness to undertake entrepreneurship. In some cultures, business failure can be highly stigmatized, which discourages young people from taking risks.

Young entrepreneurs often face a greater aversion to risk due to a lack of experience and resources. According to Shepherd (2003), fear of failure can be a significant barrier to youth entrepreneurship. Therefore, joint initiatives between universities, government, and businesses in forming business incubators and initiatives that facilitate networking and access to mentors can be very beneficial. According to St-Jean and Audet (2012), mentors can provide emotional support, knowledge, and access to contact networks.

The lack of business and professional experience is a disadvantage for young entrepreneurs; in this regard, Vesper (1990) suggests that mentoring programs can be effective in mitigating this barrier by providing guidance and practical knowledge. Universities should have a fundamental role in giving young students opportunities to approach the business world; according to Kuratko (2005), universities and schools should integrate entrepreneurial education into their curricula to foster entrepreneurial spirit from an early age. This includes specific courses, workshops, and incubation programs.

3. THEORETICAL FRAMEWORK

In recent decades, the importance of entrepreneurs and their ventures has begun to be recognized as a relevant factor in the economic growth and development of countries, for example, Menéndez et al. (2018), Chirinos et al. (2018), Coronado et al. (2018), Martín et al. (2013), Menéndez et al. (2018), and the role played by small and medium-sized enterprises in the economic growth of some European countries, especially Germany, such as Simon, H. (2009), Schumacher, E. F. (1973), Chandler, A. D. (1977), Schumpeter, J. A. (1942), Faltin, G. (2001), Blum, U. (2016).

Schumpeter has had a lasting impact on economics and business management, providing a deep understanding of how innovation and entrepreneurship drive economic growth and structural change. His focus on creative destruction and the role of the entrepreneur remains fundamental for modern economic analysis and innovation policies.

Coronado et al. (2018) focus on social entrepreneurship and its impact on economic development through inclusive businesses in Colombia. Exploring how social enterprises can generate economic benefits by integrating vulnerable groups into sustainable economic activities. They also analyze practical cases and highlight the importance of public policies that promote such initiatives to foster social equity and inclusive economic growth in the country. Similarly, Menéndez et al. (2018), investigate the factors that affect entrepreneurship and how they impact economic development in Ecuador. Analyzing variables such as education, entrepreneurial culture, access to financing, and the regulatory environment, highlighting their influence on the creation and success of new businesses, as well as job creation and economic growth. The study

emphasizes the importance of effective public policies to promote an environment conducive to entrepreneurship, crucial for improving the country's socioeconomic conditions.

One of the most widely accepted theories in understanding why individuals decide to undertake entrepreneurship is the Theory of Planned Behavior (TPB), developed by Ajzen (1991, 2002) as an evolution of the Theory of Reasoned Action. It is based on the premise that human behavior is influenced by three main factors: attitude toward the behavior, subjective norms, and perceived control, which together generate the intention to act, such as entrepreneurship. Additionally, Ajzen identifies that there are real limitations to intention, such as a lack of resources or skills, which can prevent an individual from acting. The TPB clarifies the importance of other related variables, for example, self-efficacy, which is related to perceived control; where self-efficacy is a person's confidence in their ability to perform a specific task (Ajzen, 2006).

4. METHODOLOGY

The research is based on a descriptive method with a quantitative approach, employing a non-experimental and cross-sectional design. The study population encompassed young people from the city of Ibagué. A stratified survey was conducted in the city's shopping centers, as these are meeting places for all socioeconomic strata, taking into account the stratified composition and age distribution of the population.

The quantitative approach allowed for the collection of numerical data and the execution of statistical analyses to identify patterns and evaluate determinant variables in the decision of young people in Ibagué, Tolima Department, to become entrepreneurs. According to Sampieri (2014), this approach is essential to obtain precise and objective information about the phenomenon studied.

To delve into the determining factors influencing young people's decision to become entrepreneurs in Ibagué, theoretical references from economics, economic growth, and the influence of small and medium-sized enterprises on the economic development of countries were considered. The data were analyzed using ordinal logit models, which are widely used in social research due to their ability to handle categorical dependent variables with inherent order. This type of analysis is crucial when data cannot be treated as continuous but there is an order among the categories. According to Agresti (2010), these models allow estimating the probability that an observation is classified in a particular category or a higher one, which is fundamental in studies where responses are organized on ordinal scales, such as satisfaction surveys, political attitudes, and perception surveys, among others.

Moreover, ordinal logit models allow for the analysis of complex relationships between explanatory variables and an ordinal dependent variable without assuming that the distances between categories are equidistant. Long (1997) notes that this type of model is useful when working with Likert-type scales, which are common in social sciences. Responses on these scales reflect perceptions, attitudes, or levels, making it appropriate to use a model that respects the ordinal nature of the categories, avoiding incorrect interpretations.

Another advantage of ordinal logit models is their ability to handle multiple explanatory variables, both continuous and categorical. Williams (2016) indicates that this makes them ideal for analyzing how demographic factors, such as age, educational level, or income, influence ordinal responses. This flexibility is crucial for social researchers who often handle survey data with various sources of variation.

It can be said that ordinal logit models allow for a clear and direct interpretation of the estimated coefficients, facilitating informed decision-making. As explained by Hosmer et al. (2013), the model coefficients indicate how the cumulative probability of being in a higher category of the dependent variable changes, depending on the explanatory variables. This is essential for public or social policy studies, where the objective is to understand how different factors affect attitudes or behaviors.

Non-Experimental Cross-Sectional Design

The non-experimental design allowed for the study of variables in their natural state, without manipulation, through direct surveys of young people in the city of Ibagué. The cross-sectional cut implied data collection at a specific moment (the last quarter of 2023).

The main variables of interest included the propensity to want to be an entrepreneur, being a young person, social stratum, years of schooling, parents' human capital (father's and mother's years of schooling), gender, length of residence in the city, employment situation, and entrepreneurial capital or experience of a family member.

Data were collected through structured surveys designed to assess relevant factors and other variables of interest within the study.

The reliability of the instrument was evaluated using Cronbach's Alpha, obtaining a value higher than 0.9, indicating internal consistency and ensuring the integrity of the information collected.

5. RESULTS

The present study focuses on identifying the relevant factors that influence the probability or desire of young people in the city of Ibagué, Colombia, to be or want to be entrepreneurs. Below are the results of the econometric modeling of the data using the Ordinal Logit model, for which SPSS software was used. This model has advantages in handling ordinal data and statistical efficiency (Agresti, 2013).

Table 1. Case Processing Summary

		N	Marginal Percentage
BETWEEN VARIOUS OPTIONS, I PREFER TO BE AN ENTREPRENEUR	TOTALLY DISAGREE	9	3,2%
	DISAGREEE	8	2,8%
	NEITHER AGREE NOR DISAGREE	51	18,1%
	AGREE	58	20,6%
	TOTALLY AGREE	156	55,3%
SEX	MALE	111	39,4%
	FEMALE	171	60,6%

AGE	People under 26 years old	282	100,0%
SOCIAL STRATE	1	57	20,2%
	2	194	68,8%
	3	30	10,6%
	4	1	0,4%
EDUCATION	NO STUDIES	10	3,5%
	PRIMARY	4	1,4%
	SECUNDARY	64	22,7%
	TECHNICIAN	127	45,0%
	TECHNOLOGIST	1	0,4%
	PROFESSIONAL	76	27,0%
EMPLOYMENT STATUS	EMPLOYED (SALARIED)	17	6,0%
	PRIVATE COMPANY	45	16,0%
	PUBLIC ORGANIZATION	3	1,1%
	SELF-EMPLOYED	9	3,2%
	INDEPENDENT	40	14,2%
	ENTREPRENEUR WITH PARTNERS	8	2,8%
	CREATING A NEW BUSINESS	2	0,7%
	NO EMPLOYED	11	3,9%
	UNEMPLOYED	13	4,6%
	STUDENT	93	33,0%
	OTHER	41	14,5%
WHAT IS THE HIGHEST LEVEL OF EDUCATION YOUR FATHER HAS ATTAINED?	NONE	4	1,4%
	PRIMARY	91	32,3%
	HIGH SCHOOL	146	51,8%
	TECHNICIAN OR TECHNOLOGIST	26	9,2%
	PROFESSIONAL	4	1,4%
	POSTGRADUATE	11	3,9%
WHAT IS THE HIGHEST LEVEL OF EDUCATION YOUR MOTHER HAS ATTAINED?	NONE	55	19,5%
	PRIMARY	52	18,4%
	HIGH SCHOOL	124	44,0%
	TECHNICIAN OR TECHNOLOGIST	16	5,7%
	PROFESSIONAL	26	9,2%
	POSTGRADUATE	9	3,2%
HOW LONG HAVE YOU BEEN LIVING IN IBAGUÉ?	I HAVE ALWAYS LIVED HERE	205	72,7%
	I HAVE BEEN LIVING HERE FOR 1 TO 5 YEARS	23	8,2%
	I HAVE BEEN LIVING HERE FOR 6 TO 10 YEARS	40	14,2%
	I HAVE BEEN LIVING HERE FOR 11 TO 15 YEARS	11	3,9%
	I HAVE BEEN LIVING HERE FOR 16 TO 20 YEARS	1	0,4%
	I HAVE BEEN LIVING HERE FOR MORE THAN 21 YEARS	2	0,7%
	YES	161	57,1%

DO YOU HAVE ANY FAMILY MEMBER WHO IS OR HAS BEENNO AN ENTREPRENEUR?	121	42,9%
Valid	282	100,0%
Missing	0	
Total	282	

In the summary table above, we observe that the number of respondents is 282 young people from the city of Ibagué, of which 60.6% are female and 39.4% are male. Of the total interviewed, 75.9% respond that they agree or totally agree with the statement "Between various options, I prefer to be an entrepreneur," reflecting the predisposition and intention of young people in Ibagué to become entrepreneurs. This contrasts with the 6% of surveyed youths who do not want or do not consider becoming entrepreneurs. Regarding social strata, 20.2% of respondents are from stratum 1, 68.8% are from stratum 2, 10.6% belong to stratum 3, and only one respondent indicates being from stratum 4.

Concerning educational level, 22.7% have completed high school, 45% have a technical level, and 27% have professional training.

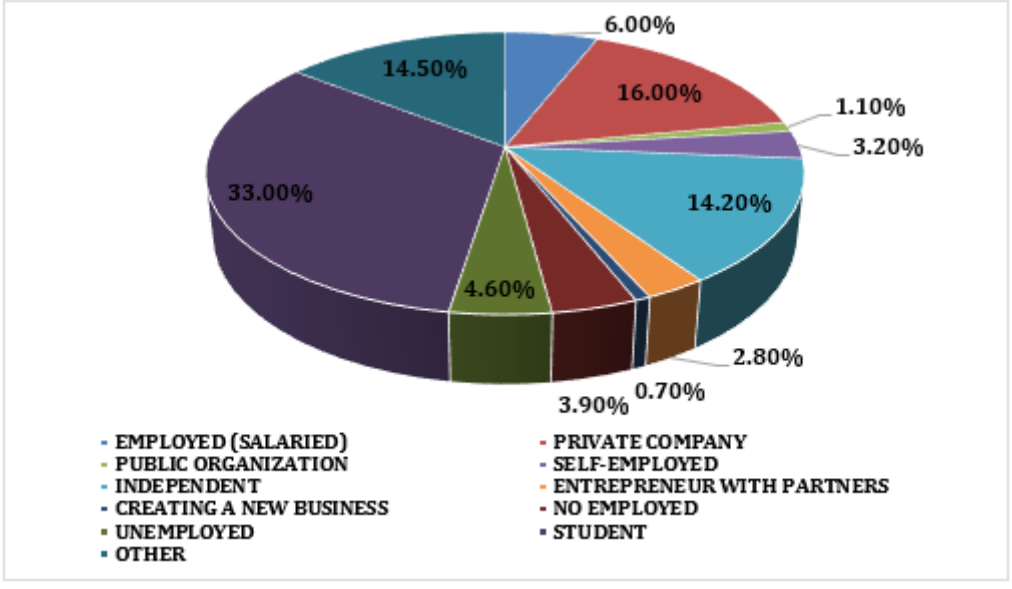
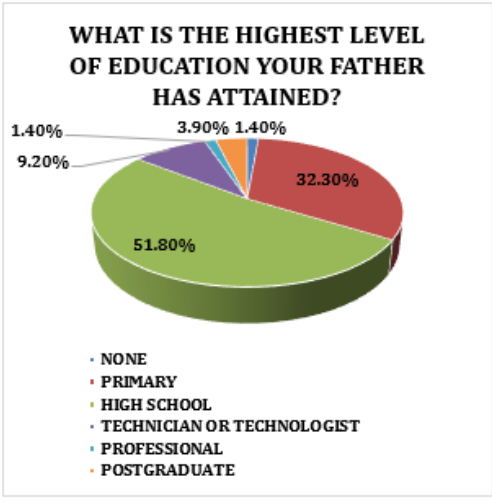


Figure 1. Employment Situation of Young Respondents from the City of Ibagué

Source: Prepared by the authors



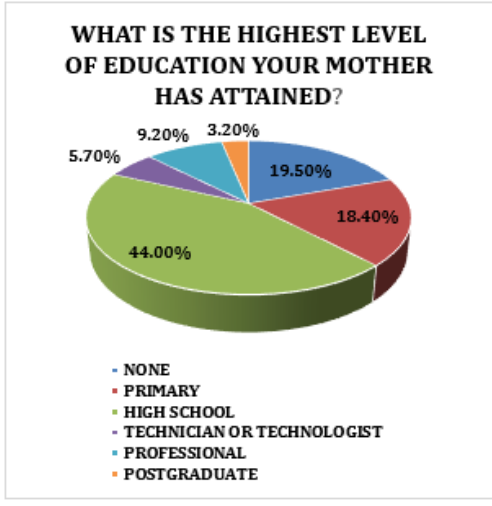


Figure 2. The Highest Level of Education Attained by Your Father and Mother

Source: Prepared by the authors

Below are the tests performed on the Ordinal Logistic model (due to the categorical nature of the Likert scale responses in the survey) to demonstrate its robustness.

Table 2. Model Fit Information

Model	Log-likelihood. -2	Chi-scuare	gl	Sig.
Intercept Only	654,435			
Final	467,627	186,808	35	,000

Link function: Logit.

Source: Prepared by the authors

According to the p-value result, which has a sigma value less than 0.05, we can affirm that the model fits or that the probability values of young people being entrepreneurs fit the explanatory variables.

Table 3. Goodness-of-Fit

	Chi-scuare	gl	Sig.
Pearson	1783,632	481	,000
Deviance	461,611	481	,730

Link function: Logit.

Source: Prepared by the authors

In the goodness-of-fit test, with the Pearson coefficient, there is no problem, but with the deviance, there is some statistical issue since its value should be below 0.05.

Regarding the pseudo R-squared values, we can choose Nagelkerke's; therefore, from a statistical point of view, the independent variables explain 53.6% of the probability of being an entrepreneur among various options for young people in the city of Ibagué, Colombia.

Table 4. Pseudo R-Squared

Cox y Snell	,484
Nagelkerke	,536
McFadden	,282

Link function: Logit.

Source: Prepared by the authors

Below are the results of the parameter estimation of the Ordinal Logit model.

Table 5. Parameter Estimates

		Estimate	Desv. Error	Wald	gl	Sig.	Confidence interval 95% Lower limit	Upper limit
Threshold	[P_16 = 1]	1,512	2,964	,260	1	,610	-4,296	7,321
	[P_16 = 2]	2,229	2,961	,566	1	,452	-3,576	8,033
	[P_16 = 3]	4,325	2,981	2,105	1	,147	-1,517	10,168
	[P_16 = 4]	5,981	2,997	3,984	1	,046	,108	11,854
Location	[P_1=1]	,228	,367	,386	1	,534	-,491	,946
	[P_1=2]	0[a]	.	.	0	.	.	.
	[P_2=1]	0[a]	.	.	0	.	.	.
	[P_3=1]	,958	2,030	,222	1	,637	-3,022	4,937
	[P_3=2]	1,770	1,979	,799	1	,371	-2,110	5,649
	[P_3=3]	1,595	2,065	,597	1	,440	-2,452	5,641
	[P_3=4]	0[a]	.	.	0	.	.	.
	[P_4=1]	-2,085	1,072	3,782	1	,052	-4,186	,016
	[P_4=2]	2,110	1,289	2,681	1	,102	-,416	4,635
	[P_4=3]	,889	,487	3,331	1	,068	-,066	1,843
	[P_4=4]	1,302	,500	6,792	1	,009	,323	2,282
	[P_4=5]	-,044	2,039	,000	1	,983	-4,040	3,953
	[P_4=6]	0[a]	.	.	0	.	.	.
	[P_6=1]	-,946	1,498	,399	1	,528	-3,882	1,990
	[P_6=2]	-,036	1,451	,001	1	,980	-2,879	2,807
	[P_6=3]	-1,857	1,826	1,034	1	,309	-5,436	1,722
	[P_6=5]	-1,405	1,486	,894	1	,344	-4,318	1,507
	[P_6=6]	-2,452	1,380	3,156	1	,076	-5,158	,253
	[P_6=7]	16,857	4720,262	,000	1	,997	-9234,687	9268,401
	[P_6=8]	19,243	8546,174	,000	1	,998	-16730,950	16769,436
	[P_6=9]	-2,618	1,498	3,055	1	,080	-5,553	,318
	[P_6=10]	,098	1,534	,004	1	,949	-2,909	3,105
	[P_6=11]	-1,346	1,384	,945	1	,331	-4,059	1,367
	[P_6=12]	0[a]	.	.	0	.	.	.
	[P_9=1]	-1,534	1,303	1,386	1	,239	-4,088	1,020
	[P_9=2]	1,244	,977	1,621	1	,203	-,671	3,159
	[P_9=3]	1,360	,856	2,520	1	,112	-,319	3,038
	[P_9=4]	1,611	,964	2,790	1	,095	-,279	3,501

	[P_9=5]	4,173	1,501	7,725	1	,005	1,230	7,115
	[P_9=6]	0[a]	.	.	0	.	.	.
	[P_10=1]	5,049	1,554	10,561	1	,001	2,004	8,094
	[P_10=2]	,993	1,032	,926	1	,336	-1,029	3,015
	[P_10=3]	,691	,900	,590	1	,443	-1,072	2,454
	[P_10=4]	-,145	,995	,021	1	,884	-2,096	1,806
	[P_10=5]	-2,713	1,065	6,492	1	,011	-4,800	-,626
	[P_10=6]	0[a]	.	.	0	.	.	.
	[P_5=1]	2,255	1,438	2,460	1	,117	-,563	5,073
	[P_5=2]	2,512	1,520	2,732	1	,098	-,467	5,491
	[P_5=3]	2,221	1,481	2,249	1	,134	-,682	5,124
	[P_5=4]	2,168	1,594	1,850	1	,174	-,956	5,293
	[P_5=5]	20,199	,000	.	1	.	20,199	20,199
	[P_5=6]	0[a]	.	.	0	.	.	.
	[P_11=1]	,750	,372	4,058	1	,044	,020	1,479
	[P_11=2]	0[a]	.	.	0	.	.	.

Link function: Logit.
a. This parameter is set to zero because it is redundant.

The model allows us to observe that the decision of young people in Ibagué to become entrepreneurs is independent of gender and social stratum since the statistical sigma value or p-value is less than 0.05. However, the fact that young people have no education or only a few years of schooling is significant for the probability or decision to become entrepreneurs. This can be explained because, lacking human capital, they have a lower probability of entering the formal labor market and, in many cases, would be located in the informal sectors of Ibagué's economy with very precarious working conditions and no labor guarantees. Therefore, for them, it is a better option to become entrepreneurs and, over time, grow their businesses and achieve better living standards. Similarly, it is determined that young people with high school and technical education have a higher probability of becoming entrepreneurs in Ibagué.

Having a family member who is an entrepreneur is a relevant factor in a young person's decision to become an entrepreneur, as that entrepreneurial family member can serve as a role model, translating into higher probabilities of becoming an entrepreneur if one comes from an entrepreneurial family. Likewise, there can be a transmission of knowledge about operating in specific markets.

Furthermore, a young person who has been living in Ibagué for between one and five years is a relevant factor in deciding to become an entrepreneur. This can be explained from various perspectives: not having family connections in local and regional bureaucracy or political leaders forces young people to undertake or want to undertake since they know that most higher-paying positions are in the public sector and are granted through such political connections.

Regarding employment status, working with partners is a factor that makes young people want to become entrepreneurs on their own. Likewise, being a student is significant, highlighting the relevance of the training and tools educational institutions provide to their students to enable successful formation of future entrepreneurs.

6. Conclusions

The young people of Ibagué demonstrate a strong inclination toward entrepreneurship. However, various city-specific contextual factors act as significant barriers, especially governmental actions and policies. Among these factors are the inefficient provision of essential public services, such as the supply of potable water, deteriorated road infrastructure, and the lack of adequate territorial organization for economic and social activities. Additionally, the concentration of political power and the process of deindustrialization, which has persisted since the mid-1990s, further limit entrepreneurial opportunities. As a result, many young entrepreneurs seek opportunities in larger cities like Bogotá.

Statistical analysis reveals that socioeconomic and educational variables do not have a significant impact on the likelihood of becoming an entrepreneur. This suggests that most young people, regardless of their background, parents' education, or socioeconomic level, share a common aspiration to start their own businesses. This widespread entrepreneurial intention (with 80% of young people interested) underscores the need for education and state services to be oriented toward the viability and growth of youth business initiatives.

To harness this entrepreneurial potential, education must be integrated with local and regional entrepreneurial ecosystems. By fostering an entrepreneurial culture from an early age and supporting the launch and growth of new ventures, education can become a powerful engine of entrepreneurship.

Moreover, regional policies should prioritize access to financing for young entrepreneurs. Current financial education programs and loans for young entrepreneurs are insufficient due to their limited coverage. A diversification of funding sources is needed, including shared-risk investment funds, crowdfunding platforms, and other innovative mechanisms that cater to diverse economic sectors such as environmental sustainability, bioeconomy, circular economy, and the implementation of bioprocesses. These sectors have the potential to promote sustainable economic growth, which would further strengthen the entrepreneurial landscape of the region.

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