



CHAPTER

3

CHAPTER 3

YOUTH SOCIAL ENTREPRENEURSHIP: POTENTIAL AND CHALLENGES

INTRODUCTION

Numerous studies show that today's young people are highly motivated to generate positive social change (Lewis, 2016; Punadi and Rizal, 2017). Social entrepreneurship may have great potential to mobilize youth to engage in efforts to achieve major social objectives, including employment creation, poverty reduction, inclusion and integration. Dedicated to serving the common good, social enterprises established by young people can directly contribute to the achievement of a number of Sustainable Development Goals (Holt and Littlewood, 2014).

What is it that enables youth to succeed or impedes their success as social entrepreneurs? This chapter explores the many factors and circumstances that can impact young people's involvement in social entrepreneurship and their efforts to effect social change through social enterprises. Two key questions are addressed: What activities, settings and conditions (including support structures or the lack thereof) promote or impede the success of youth social entrepreneurship? What do practitioners, researchers and policy experts suggest is most needed in this field?

It is argued in this chapter that young people have significant social assets, including first-hand knowledge of their communities, and that they are naturally disposed and uniquely positioned to



provide innovative solutions to social problems. However, ageism and institutional bottlenecks limit opportunities for young people to launch and develop their own social enterprises, which means that young people's chances of success are often linked to external factors over which they have little or no control. With evidence indicating that tailored support can increase the quantity and quality of successful social enterprises, it is suggested that policies and programmes be strengthened or put in place to support young people throughout the life cycle of a social enterprise. The chapter also examines how intergenerational approaches to social entrepreneurship (such as mentoring) and formal and informal education can help young people fill business-related knowledge gaps they may have due to their age.

The chapter begins with a SWOT analysis – an assessment of the strengths (S), weaknesses (W), opportunities (O) and threats (T) associated with young people as social entrepreneurs and the external forces that can affect youth social entrepreneurship. This is followed by a review of the factors and circumstances that create an enabling or disabling environment for young social

entrepreneurs, based on both empirical research and anecdotal evidence and taking both local and global contexts in account. Finally, the chapter frames the ways in which youth social entrepreneurship offers potential new opportunities for both the youth involved and the communities they serve.

3.1 SWOT ANALYSIS OF YOUNG PEOPLE AS SOCIAL ENTREPRENEURS AND RELEVANT EXTERNAL FACTORS

A robust examination of the factors that make youth social entrepreneurship successful must include a thorough review of the strengths, weaknesses, opportunities and threats operating within and around the model. The SWOT analysis provided below investigates both internal and external variables. Internal factors comprise the strengths and weaknesses that are immediately available to the youth involved and are often closely linked to their individual situations. External factors include the opportunities and threats faced by youth as part of the





broader context in which they live and are usually beyond their control.

The SWOT analysis identifies four factors that play a critical role in youth social entrepreneurship: key internal factors include age (a strength) and experience (a weakness), while key external factors include the labour market and education systems.

3.1.1 Strengths

The characteristics of individuals who successfully engage in entrepreneurship include creativity, resilience, inspiration, risk tolerance and action orientation (Lackeus, 2015). Personality differences and life circumstances notwithstanding, such qualities are often present in young people (Coduras, Velilla and Ortega, 2018).

The significant overlap in the traits of young people and entrepreneurs derives in large part from age-related factors linked to biology and life experience. Age is a proxy for the more important factors of cognitive, emotional and neurological development and a representation of life-course experiences that shape individuals. Age-related factors have been well explored in the scholarly literature of developmental psychology, cognitive neuroscience and education and by practitioners in schools and communities. The qualities that research and experience have found to be common in youth represent assets that can benefit social and economic innovation.

Thanks to advances in neuroscience over the past few decades, researchers now have physiological evidence of how adolescents recruit core brain regions for divergent thinking (that is, how people are able to come up with alternative uses for items), confirming that there is a biological basis for young people being more creative than older people (Kleibeuker and others, 2017).

The biologically driven changes in brain structure during adolescence that strengthen creative,

novelty-seeking and thrill-seeking tendencies also produce a greater willingness to take risks. The heightened dopamine release during this period is linked to hyperrationality, a type of behaviour shaped by increased reward drives that guide literal, concrete thinking in which attention is given to the facts of a situation but not the context in which they occur; young people tend to place more weight on the calculated benefits of their actions than on the potential negative consequences, even though they are aware of the latter (Siegel, 2015). Youth social entrepreneurship aligns well with these aspects of adolescent brain development. In many cases, youth social entrepreneurship triggers enhanced natural dopamine release, making young people feel alive and engaged, which provides them with the motivation to continue (Kruse, 2019).

A number of research findings support the assertion that social entrepreneurship is a good fit for young people. As noted previously, data show a negative correlation between age and entrepreneurial activity (Levesque and Minniti, 2006), with older groups less likely than younger groups to engage in entrepreneurial behaviour. Explanations for this phenomenon primarily point to increases in risk aversion and the personal need for wealth accumulation as individuals age. There is also evidence that young people tend to have a better sense of perceived opportunities for entrepreneurship than do adults, as well as a better understanding of whether their qualities and skills match those needed to think and act entrepreneurially (Bohlmann, Rauch and Zacher, 2017).

Youth tend to be faster learners and more adaptable than adults and are more open to new modes of approaching problems and initiating change (Brown and Lent, 2016). Indeed, one key aspect of entrepreneurial readiness relates to the life experience of young people with new technologies, as technological innovations mirror the rapidly growing and changing virtual landscapes around them. Global Entrepreneurship Monitor (GEM) data also suggest that "time allocations of individuals are sensitive to age and



... in a microeconomic setting, individuals maximize their utility allocating time differently at youth and at adulthood” (Coduras, Velilla and Ortega, 2018, p. 42); more to the point, young social entrepreneurs appear to allocate more time to enterprise creation tasks than do their older counterparts (Levesque and Minniti, 2006).

As demonstrated above, the findings of researchers largely align with those supported by neuroscience, with both highlighting the propensity for creativity, flexibility, positivity, daring and action orientation among young people. In terms of translating these qualities into action on the ground, “it is critical that young social entrepreneurs use their capacity for risk-taking, their ability to keep costs low ... , and their knowledge of social media to their advantage ... [as, among other things], these strengths can provide them with opportunities to mobilize their peers to support their cause. Young social entrepreneurs should question their strategies and aim for tactics which go beyond what seems obvious to the tactics that will have the most impact” (Clarke and Dougherty, 2010, pp. 27-28).

Young people are at a critical stage of identity construction. Psychologists have long underscored the importance of self-belief in a person’s motivation to achieve and ultimate success, regardless of age (Pajares and Schunk, 2002). Identifying as a social entrepreneur (whether or not those words are used) may be linked to higher levels of persistence in the pursuit of one’s goals. Although young people have fewer years of experience through which to develop high entrepreneurial self-efficacy, they tend to be open to other sources of learning, including role models and peers. If the appropriate support is available to strengthen the learning and leadership

potential of young social entrepreneurs, youth social entrepreneurship can contribute significantly to positive youth development.¹⁴

Youth social entrepreneurship can be an avenue for young people to act on their concerns for society and their desire for a meaningful present and future. Many young people are apprehensive about their futures and the future of the world. They realize that they will outlast the adults currently in positions of power yet be forced to deal with the consequences of their decisions. This shared concern often brings young people together to initiate change themselves. Because they understand the need to take the long view on issues such as the global climate crisis, many young social entrepreneurs place a high priority on environmental sustainability. Much like the corporate social responsibility paradigm, youth social entrepreneurship is a constructive model for young people who want to “cast a long shadow on the future” (Prakash, 2015, p. 466).

Ultimately, social entrepreneurship is most effective when the intervention target is informed by local experience. This means that social entrepreneurs are best positioned for success when they have a nuanced understanding — and perhaps even first-hand knowledge — of the social problems they aim to solve. On an individual level, residents (including youth) know their communities better than outsiders do. Researchers have found that a characteristic shared by some of the leading social entrepreneurs is their “intimate understanding of the problems they are trying to solve” (Abdou and others, 2010, p. 14). Essentially, young social entrepreneurs can draw from what may be best understood as a cultural fund of knowledge to implement authentically meaningful change.¹⁵

¹⁴ In the field of youth work, positive youth development is fuelled by the building of healthy personal strengths rather than the removal of negative influences (Hamilton and Hamilton, 2004).

¹⁵ Funds of knowledge are “the historically accumulated and culturally developed bodies of knowledge and skills essential for household or individual functioning and well-being” (Moll and others, 1992, p. 133). It is argued that “while this concept has been pivotal within the field of education, and especially in language and literacy instruction, it has great relevance within youth development work as well. Funds of knowledge counter the cultural deficit model, a long-prevailing belief among educators that underachievement is attributable to students’ socioeconomic status and familial origin” (Kruse, 2019, p. 89).



3.1.2 Weaknesses

Youth who engage in social entrepreneurship typically have comparatively little life experience and professional experience. Although young people may be able to offer a fresh perspective on social problems, their ability to predict outcomes and prepare for ventures is limited, as they have had fewer years to gain the experience upon which sensible decisions are based. This “weakness” may be partially ameliorated by intentional experiences that increase the likelihood of youth engagement in social entrepreneurship. One study of young social entrepreneurs, for example, found that they tend to be individuals who have acquired more perspective-building experiences through activities such as travel (ibid.). Still, a weakness within youth social entrepreneurship is that young people in general have had an insufficient number of years in which to accumulate enough perspective-broadening experiences to fully prepare them for the challenges of youth social entrepreneurship.

In addition to having had fewer lived experiences, young people in social entrepreneurship have typically received less formal preparation, including the kind of support that would strengthen their capacity to anticipate potential problems and prevent missteps. Many have also never independently designed a multifaceted venture. While improvisation is a typical strength for successful entrepreneurs, the foresight to avoid major pitfalls may be best developed through past trial and error as well as through education and training.

Similarly, young social entrepreneurs have yet to accumulate sufficient levels of relevant human capital, and their limited technical knowledge and the lack of certain key competencies and connections affect the probability of their success. Young social entrepreneurs who start ventures without prior training or practice are at a disadvantage in the marketplace. Human and business networks can be a critical factor for the success of a social enterprise (or any venture). However, young people rarely

have human capital they can leverage to broaden market access and increase the likelihood of success.

Young people also tend to be dependent on the older generation, especially economically. Owing to both genuine limitations (including those described above) and cultural perceptions of youth competencies, young people are often dependent on parents and other caregivers into young adulthood. This dependency weakens the youth social entrepreneurship model by constraining young people’s ability to take charge of their plans. It is asserted that dependence can contribute to lower self-efficacy for changemaking, though some research labels this perception a myth (Cammaerts and others, 2014).

In the financial realm, many youth are at a disadvantage in comparison with other social entrepreneurs because educational background and prior work experience often figure prominently in social investment decisions (Hanley, Wachner and Weiss, 2015). Young people lack credit histories and collateral, and they may be seen as a flight risk by potential funders. Limited access to conventional financing often compels youth to rely on informal sources such as family/personal savings or loan sharks, which can seriously undermine growth opportunities and jeopardize the survival of their enterprises. Furthermore, because youth often have limited financial literacy and awareness, they may secure loans or other forms of financial support that are not sustainable or have not been adapted to their needs.

3.1.3 Opportunities

The implementation of the 2030 Agenda constitutes an enormous challenge, and much stronger cooperation between development actors is needed to achieve the Sustainable Development Goals and related targets. There is growing support for the idea that effective solutions can be generated through increased interaction between citizens (including youth), commercial enterprises and



policymakers. As part of this trend, many global corporations have launched social responsibility programmes targeting youth. These and other such initiatives provide opportunities to revitalize global partnerships for sustainable development in a way that offers young social entrepreneurs the chance to contribute to social change.

As noted previously, there is specific value in reaching people at a young age. It is said that youth development is community development, and making it possible for young people to gain experience (including entrepreneurial experience) and engage in productive activities can have significant long-term benefits for both youth and the societies in which they live. Empowering young people and reinforcing their belief in their own capabilities can inspire them to set up their own social enterprises and to engage in continued or additional entrepreneurial activity well into the future (Sen, 2007). Social entrepreneurship can offer young people job opportunities and targeted services and can empower them to be economically and socially active – all of which can have a profound impact on their communities (Abdou and others, 2010). Presently, about 90 per cent of young people worldwide live in low-income regions. Youth unemployment rates are high, and even those who are employed often earn subsistence wages; data indicate that in 2015 more than one third (37.8 per cent) of employed youth in the developing world were living on less than \$2 per day (ILO, 2015).

Youth social entrepreneurship offers a meaningful supplement to traditional education models in helping young people build twenty-first century competencies, which largely focus on “what’s next” versus “what’s now”. These competencies fall into four main categories, often referred to as the “four C’s”: critical thinking and problem-solving, communication, collaboration, and creativity. Twenty-first century skills are not new; they are just “newly important” (Silva, 2009, p. 631), as they are strongly aligned with the current milieu of economic, social and scientific innovation. However, these competencies are

absent in many places. Too often, educational systems discourage innovation, and many students lack access to other resources that would support this competency and others they will need to thrive. Youth social entrepreneurship, whether part of a school curriculum or an out-of-school activity, offers experiences that are authentic, hands-on, and outcome-based. The contributions of such learning experiences to the four C’s are well-documented. Youth social entrepreneurship offers all the advantages and opportunities that have been highlighted in this *Report*, but it also gives young people a competitive edge as they navigate the labour market today and in the years to come (see **box 5**).

Given the substantial numbers of NEET youth around the world, it comes as no surprise that renewed attention is being given to adolescent workforce development. Seen as “an essential component of community economic development in any economic climate”, workforce development encompasses “a relatively wide range of activities, policies and programmes employed by geographies to create, sustain and retain a viable workforce that can support current and future business and industry” (Haralson, 2010). In the present context, this translates into the intentional training of young people to reduce unemployment and to satisfy present and projected future needs in the economy.

The primary aim of workforce development is to generate employment, but youth social entrepreneurship aims higher, providing initial job experience while also building leadership skills and a sense of societal agency. Youth social entrepreneurship focuses on thriving over surviving. Young social entrepreneurs benefit most from integrated support approaches that provide practical training and assistance but also strengthen confidence and key competencies.

Digital technologies represent an area of opportunity with enormous potential for young people and youth



BOX 5.

YOUTH VENTURE

For almost a quarter of a century, the Ashoka Youth Venture programme has sustained an ecosystem that supports youth as changemakers. Drawing from the same “theory of change” Ashoka used to introduce the world to the concept of social entrepreneurship, Youth Venture seeks to provide young people with the skills they need to succeed in today’s rapidly changing world, working with youth and various partners “to co-create tools and programmes that help young people self-identify as changemakers and master critical pathways for thriving as changemakers, such as empathy, collaborative leadership, team-of-teams culture building, and ... creative problem solving” (Ashoka, n.d.).

Youth Venture has local partners in 32 countries that facilitate the implementation of the changemaker development strategy and related activities. Institutional partners include school districts, companies and non-profit organizations, and there is even a home-based toolkit for families. Students at schools using the Youth Venture curriculum can participate in the Dream It! Do It! Challenge, “a series of facilitated engagements that guide young people to launch their own social ventures” (ibid.).

Research has shown that support structures such as this have a positive impact on young social entrepreneurs. In one study (unrelated to Youth Venture), the young people surveyed indicated that, as a result of the entrepreneurial support they had received, they had “improved their leadership skills (76 per cent) and professional networks (75 per cent),” and they felt “more able to act as catalysts for change (73 per cent)”; 62 per cent of the students indicated that they had acquired “improved employability skills”, and 64 per cent said they would likely consider social entrepreneurship as “a long-term career option” (De Simone and Tora, 2016, p. 20).

It is important that the support for young social entrepreneurs match the development stage of the enterprise. A mix of initiatives can provide skill development, peer-to-peer exchange and mentoring, and funding opportunities can help youth social enterprises start up or grow (ibid., p. 6).

social entrepreneurship. Digital financing, for example, can facilitate and accelerate funding for young people starting or growing social enterprises. Many financial service providers have a broad physical and online presence and can reach young people all over the world. Young social entrepreneurs now have access to a wide range of financing options that can be explored quickly and easily. Digital technologies also support the formation and strengthening of partnerships. For young social entrepreneurs, collaborative organizational models can contribute to the expansion of networks and the acquisition of knowledge. This approach requires an intentional

support system but is flexible enough to accommodate both face-to-face and digital interaction.

3.1.4 Threats

Legal frameworks, cultural norms and environmental circumstances can limit the active engagement of youth in the economic, financial, social and political spheres. Some threats to successful youth entrepreneurship are related to realities or perceptions associated with age and experience, while others derive from external factors or conditions. As noted in a report issued by Youth Business International, the kinds of challenges experienced by



young social entrepreneurs depend on where, how and with whom they operate. The paragraphs below explore some of the obstacles young social entrepreneurs face, with particular attention given to financial challenges, the digital divide, the availability of targeted support, and issues surrounding the measurement of social impact.

Financing often represents one of the greatest challenges for young social entrepreneurs. Although the social mission is at the core of the social enterprise, business operations must be financially sustainable. Young social entrepreneurs must therefore work to achieve and maintain financial independence while also pursuing social development objectives (Dees and Anderson, 2006; Boschee and McClurg, 2003).

Although new modes of financing are emerging that may create opportunities for youth social entrepreneurship, limited access to start-up funds is still commonly considered the most pressing challenge for young social entrepreneurs. Simply being young is a distinct disadvantage. Banks are unlikely to offer loans to youth, as most lack collateral and have no track record of financially viable ventures. Many traditional funding sources see young people as high-risk clients who will likely default on a loan. Actuarial analysis undoubtedly forms part of this calculation, but ageism – in this case dismissing young people as incompetent and unable to make responsible decisions – likely plays a role as well (Cole, 2017).

Certain aspects of the regulatory system, such as the legal age for opening bank accounts, can also interfere with young people's access to finance (Storm, Porter, and Macaulay, 2010). The combination of formal restrictions and skewed perceptions of risk and competence makes it very difficult for young social entrepreneurs to access

funding, which in turn reduces the potential of youth social entrepreneurship to promote social change.

Legal and regulatory restrictions relating to enterprise registration and funding platforms can also limit the uptake of social entrepreneurship, especially in the global South. Tax-exempt status is specific to organizations in the United States and some other (mostly Western) countries. Entities without tax-exempt status may have limited funding opportunities on online platforms; young entrepreneurs in developing countries, for example, do not have access to Indiegogo or GoFundMe.¹⁶ Regulatory bottlenecks notwithstanding, there has been a gradual increase in funding options for these young social entrepreneurs, including new platforms that share information on growth opportunities (grants and other types of financial support) and more accessible funding sources for youth, especially those in the global South; among these are Opportunity Desk, Opportunities for Africans, Youth Opportunities, and the Jamaica Social Stock Exchange (see **box 6**). Such funding alternatives are a start but have yet to provide young people in the global South with the same opportunities as those available to tax-exempt organizations and youth in the global North. Making adapted funding options accessible to youth in the global South can provide young social entrepreneurs with an alternative source of grants and seed money. As long as restrictive regulations remain in place, however, these youth will not have equal opportunities for enterprise development.

Unequal access to technology has created a digital divide, exacerbating inequalities in society. Youth living in areas with little or no digital connectivity have limited access to financial and non-financial services. Young people that have Internet access may have opportunities to

¹⁶ GoFundMe is available in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.



extend their social networks, strengthen their knowledge base, and identify financing opportunities to support venture creation and development. Young people with limited or no access to technology, such as those living in remote areas, lack access to such opportunities and may not benefit from the new modes of financing offered through digital platforms or from broader forms of support (including technical support). Travel restrictions — as

reflected in the Henley Passport Index — often constitute another isolating factor for young social entrepreneurs in developing countries.

Evidence shows that programmes aimed at promoting entrepreneurship are more likely to succeed when the design integrates multiple interventions (Kluve and others, 2019). Young people themselves recognize the importance of both general business support and more

BOX 6.

JAMAICA SOCIAL STOCK EXCHANGE

Access to funding is a major challenge for young social entrepreneurs. Creative financial solutions need to be developed in a manner that supports the inclusion of all types of social entrepreneurs, including youth. Jamaica is doing its part through an initiative designed to better connect social entrepreneurs and investors.

The Jamaica Social Stock Exchange (JSSE) is being pioneered by the Jamaica Stock Exchange (JSE) and is a state-of-the-art virtual environment inspired by the operating model of a stock exchange and employing a process which mimics a stock exchange. It is a venue for socially responsible investors — people interested in contributing to improving the quality of life at the “base of the pyramid” through sociocultural and economic enhancement as well as contributing to sustaining the physical environment. With its belief that “sustainable growth in the social sector is good for business” and subscribing to the United Nations Agenda for Sustainable Development, with its seventeen Sustainable Development Goals and five key themes of people, planet, prosperity, partnerships and peace (the 5Ps), the JSSE will be facilitating the localization of the Sustainable Development Goals through the mobilization of social capital.

Investments in this new social capital market, which will be implemented in two phases, will be guided by the trust and confidence reposed in the JSE brand.

(1) Jamaica Social Investment Market

The first phase will be the establishment the self-sustaining Jamaica Social Investment Market (JSIM), which integrates a simplified donation process that allows donors (individuals or businesses) to donate towards projects of their liking. The process is characterized by total transparency and accountability, including financial reporting (on the part of the social businesses requiring funding) and the monitoring and evaluation of each project supported (on the part of the JSSE). The hope is that the JSIM will serve to promote a greater culture of donating in Jamaica.

(2) Jamaica Impact Investment Market

The second phase seeks to build on the first phase with the establishment of the Jamaica Impact Investment Market (JIIM). In this phase, equity will be traded for profit. The same skill sets and technical competencies employed in operating the current JSE markets for profit will be applied in this phase, along with social impact imperatives.

Source: Excerpted or drawn from the Jamaica Social Stock Exchange website (<https://jsse.jamstockex.com/social-exchange>).



targeted assistance such as pro-bono legal advice (De Simone and Tora, 2016). Timely access to operational support can play as pivotal a role as financing in the success and functioning of youth social enterprises (NESST, 2017).

Young social entrepreneurs need access to technical support, including management consulting services, financial and business planning, legal counseling, impact evaluation, marketing assistance and training. They can also benefit from opportunities to network and to attend capacity-building workshops and conferences. When such interventions and a broader enabling environment are not present, young social entrepreneurs may be left on their own – which can have a serious impact on their self-efficacy and on enterprise growth and sustainability.

Social impact is a core feature differentiating social enterprise from traditional commercial enterprise and needs to be measured to assess the value and effectiveness of social entrepreneurial activity. However, this can be a challenge for all social entrepreneurs, including youth, as social impact is multidimensional and not easily quantified (Bornstein and Davis, 2010), and measuring social impact and social value creation requires metrics that are conceptually different from those used to measure commercial impact. To overcome this methodological issue, a number of qualitative performance measures have been developed for social ventures, including triple bottom line accounting (Elkington, 2013), the balanced scorecard for non-profits (Kaplan and Norton, 1992), the family of measures (Sawhill and Williamson, 2001), and social reporting (Zadek, 1998). One of the most prominent among the tools developed to measure social impact is SROI (Arvidson and others, 2013).

The plethora of available measures suggests that investors, donors, public stakeholders and social entrepreneurs want to assess and document the value created by social enterprises, regardless of the complexity and cost (Moody, Littlepage and Paydar, 2015). However,

these metrics are not fully accepted across the social sector, let alone widely used. In spite of the methodological challenges and costs, young social entrepreneurs are compelled to engage in social impact evaluation to demonstrate social value creation, as this can be critical for promoting social buy-in and attracting investment.

3.2 WHAT CAN HELP YOUTH LAUNCH AND GROW SOCIAL ENTERPRISES?

As shown in the previous sections, young people are open and ready to learn, but opportunities to acquire knowledge and put their capacities to the test are often scarce or unavailable. This section focuses on the factors that enable individual young social entrepreneurs to become and stay successful. Research on entrepreneurship generally and social entrepreneurship specifically has identified a number of elements essential to effective youth social entrepreneurship, and these are explored below. The first part of the section highlights enabling factors such as the embeddedness of young social entrepreneurs in local contexts, networking mechanisms, creative financing, human and institutional support, and education and training. The second part focuses on what can be done at the national policy level to better support young social entrepreneurs.

Decades of research on social entrepreneurship have yielded important information and valuable lessons, and much of what has been learned pertains to youth social enterprises. Of particular consequence are the findings related to factors that promote or undermine the success of a social enterprise. One key finding is that social entrepreneurs are most effective when they work closely with communities to find local solutions to local problems (Bornstein and Davis, 2010). The local context is a critical factor in the effectiveness of a new venture and in the replicability of innovation in different locations or



Young women bake bread in a mobile oven in a community bakery in their neighbourhood in Monrovia, Liberia.

communities (Purcell and Scheyvens, 2015). The success of social entrepreneurs is connected to their intimate knowledge of the local context, including social needs, norms and networks. Women represent an important asset in this context. The combination of income generation and social support makes social entrepreneurship an appealing form of empowerment for many women (Datta and Gailey, 2012; Haugh and Talwar, 2016). Interestingly, women's ventures are generally more socially driven than those of men and tend to exhibit better social performance outcomes (Lortie, Castrogiovanni and Cox, 2017).

Another research finding relates to the importance of community formation *among* social entrepreneurs to promote peer-to-peer learning and support. Scholars of social entrepreneurship point out that "collaborative arrangements and partnerships are increasingly perceived

as the lifeblood of social entrepreneurship" (de Bruin, Shaw and Lewis, 2017, p. 575). For young social entrepreneurs, collaboration can provide learning opportunities, a mechanism for mutual assistance, and critical support for purpose-driven enterprises (Praszkier and Nowak, 2011). Collaboration with same-sector or cross-sector partners creates a special synergy and can be a powerful enabling factor for young social entrepreneurs. It is argued that the collective movement may constitute the most advantageous model for collaborative youth social entrepreneurship (see **box 7**).

Collaboration offers a number of advantages for young social entrepreneurs, but other forms of interaction can be equally beneficial. Young social entrepreneurs, like their older counterparts, are encouraged to build robust social networks that can provide conceptual and



BOX 7.

THE COOPERATIVE MOVEMENT

A cooperative is “a voluntary network of individuals who own or control a business that distributes benefits on the basis of use or ownership where ownership is largely weighted equally across individual members” (Altman, 2009, p. 563). Cooperatives are essentially horizontal, people-centred enterprises driven by the desire for shared prosperity rather than individual profit. Social entrepreneurship is driven by similar values and also employs democratic decision-making. The parallels between social entrepreneurship and the cooperative movement are encouraging, particularly given the success of the latter; the International Co-operative Alliance represents over 3 million cooperatives and more than 1.2 billion cooperative members worldwide in all sectors of the economy.

Guidance for youth social entrepreneurship can be drawn from the experience of the cooperative movement. The way in which cooperatives function and generate an impact on individual members can provide insight into the types of support young social entrepreneurs should receive. Evidence shows that the cooperative enterprise model may be especially effective in least developed countries (Fischer, 2016).

A key role of cooperatives is supporting the formalization of the informal economy. Cooperatives have played an important part in supporting precarious workers by giving them the ability to organize and secure recognition of their rights; this has been especially critical for women and youth, as both are over-represented in the informal economy. ILO affirms that “organizing in cooperatives could ... be seen as one step on the path towards formalization. Many cooperatives start as informal group enterprises and later, as they grow and become viable business enterprises, are registered. As legal entities, they become part of the formal economy” (ILO, 2002, p. 92).

In the Global Study on Youth Cooperative Entrepreneurship, it is noted that individuals working in the informal economy can obtain “easier access to credit through savings and credit cooperatives, ... benefit from social protection schemes through mutual insurance cooperatives, ... and overcome ... isolation through a wide range of shared services” (Terrasi, 2018, p. 22). All three of these elements – funding, stability and isolation – relate directly to the main challenges young people face as part of their entrepreneurial experience.

Cooperatives also support their members’ engagement in political affairs by giving them a voice in society. As young people are often excluded from policymaking exercises and platforms, the cooperative model is of particular interest. Through social dialogue, cooperatives can promote principles such as democracy and participation. With their participatory form of governance, cooperatives offer young people a “laboratory” in which they can experiment with innovation and sustainable approaches to enterprise management. The institutional frameworks regulating cooperatives offer young social entrepreneurs a supportive ecosystem in which key issues such as quality employment, the legal status of worker-members, access to finance and other forms of support, bureaucratic concerns, and social and economic sustainability are given the attention they deserve.



International Cooperative Alliance

The Global Youth Forum – Cooperative Entrepreneurship 2020 (#GYF20) took place in Kuching, Malaysia, under the umbrella of the ICA-EU Partnership on international cooperative development (#coops4dev). Young participants from 50 countries attended a wide range of interactive training sessions to acquire the necessary professional skills to better understand the cooperative business model and its benefits. Among others, this event helped creating stronger links between the cooperative movement and other youth-led movements and organisations.



moral support at all stages of enterprise development, facilitate the broad dissemination of information within and between groups, and support the exchange of ideas, leads and business opportunities (Karl, 2001). Social connections in any form provide a set of vital resources and affirm shared norms and values, both of which contribute to self-efficacy. Social capital allows young entrepreneurs to explore opportunities ranging from business advice and moral support to partnerships that lead to joint activities based on common interests and complementary social missions (Westlund and Gawell, 2012).

The value of mentorship is well documented across sectors. The core characteristics of good mentoring include a personal relationship, high expectations, and responsive support. Experienced entrepreneurs who serve as mentors can offer targeted skill development (Hickie, 2011), access to social networks, and much more. A significant challenge for the mentorship model within youth social entrepreneurship is getting the balance right. This type of relationship is often referred to as an intergenerational partnership or adult-youth alliance, but the dynamics of this relationship are not always well defined. It is particularly important that adult mentors “do with” rather than “do for” young social entrepreneurs. In any case, as it is now recognized that mentorship is most effective when it is part of a broad support structure, entrepreneurship education generally, and social entrepreneurship education specifically, has shifted to include more of a focus on the ecosystem needed for success (Ribeiro, Uechi and Plonski, 2018).

Role models of any age can influence the uptake of entrepreneurship among young people (McClelland, 1967). Developmental scientists have identified a positive correlation between exposure to entrepreneurial role models and entrepreneurial self-efficacy (belief in one’s own ability to succeed in an entrepreneurial activity). As previously mentioned, entrepreneurial self-efficacy is an important motivational construct for social entrepreneurs, including young people. Research indicates that

entrepreneurial self-efficacy has a positive impact on entrepreneurial intention (Farashah, 2015).

Visible role models also enhance young people’s interest in promoting positive change in their communities (McDowall and Micinski, 2010). Representations of youth social entrepreneurship in social media and journalistic reporting may thus have a significant enabling effect (Abdou and others, 2010). The opportunities various media provide for observational (as opposed to experiential) learning among young social entrepreneurs further strengthen self-efficacy (Bandura, 1977). Caution is advised, however; as noted earlier in the *Report*, expectations of social entrepreneurial success may be inflated due to the high visibility of “unicorn” and “gazelle” enterprises, which are rare exceptions rather than the norm.

Family members are another important source of guidance, encouragement and support for young social entrepreneurs. Geldhof and others (2014) suggest that young people with entrepreneurial parents are more likely to value entrepreneurship. Research indicates that families are often key stakeholders and may be major actors in youth-led social enterprises. Running a social enterprise involves risk-taking and is psychologically straining (Kibler and others, 2018), and young people need resources and supportive networks to start and grow sustainable social enterprises.

In many areas, families play an important financial role. In *Africa’s Young Entrepreneurs: Unlocking the Potential for a Brighter Future*, it is observed that “own funding and/or funding from family or friends are the primary sources of financing for young people throughout sub-Saharan Africa” (Kew and others, 2015, p. 8); most of the youth surveyed in this study tapped into their own or their family’s savings for start-up capital rather than securing funds through formal institutions or agencies. Primary sources of funding vary considerably across regions, however. Social entrepreneurs in Southern and Eastern Asia, sub-Saharan Africa, and Latin America and



BOX 8.

INCUBATORS AND ACCELERATORS

The critical period between idea formation and positive revenue growth is often referred to as the “valley of death” (Auerswald and Branscomb, 2003), as this is the time when nascent enterprises tend to be most vulnerable to failure. Entrepreneurship ecosystems must include mechanisms that provide targeted support during this period. Start-up incubators constitute an important building block within an enabling entrepreneurship ecosystem, as they provide support for the creation of enterprises, help bring them to market, and facilitate their successful commercialization.

Start-up incubators are very popular with young people. They are typically located in or near a university or science park and provide office space, access to research and information, practical resources and facilities, networking opportunities, links to sources of finance, technical support, and business and legal services (Phan, Siegel and Wright, 2005). They are found in both developed and developing countries; World Bank data indicate that in 2016 there were more than 170 incubators or tech hubs in African countries alone.

Another key building block in entrepreneurship ecosystems is start-up accelerators, which “aim to accelerate successful venture creation by providing specific incubation services focused on education and mentoring during an intensive program of limited duration” (Pauwels and others, 2016, p. 13). Start-up accelerators provide focused guidance and other forms of highly targeted support to start-up enterprises over a relatively short period; this differs from incubators, which provide support over a much longer period. The selection process for an accelerator programme can be highly competitive. The focus is on working with entrepreneurial teams rather than lone entrepreneurs, and accelerators normally take up equity in the start-ups selected for acceleration (Malek, Maine and McCarthy, 2014).

Start-up accelerators are designed to address some of the shortcomings of incubators, and the type of assistance they provide may be especially helpful and relevant to young entrepreneurs. Accelerators are funded differently from incubators and may be able to make impact investment funds available for young social entrepreneurs to pursue their social goals. Start-ups may be funded by large corporations, venture capitalists or Governments, and some use hybrid forms of finance; the type of funding is typically linked to the nature of the accelerator. Types of accelerators include “(1) ecosystem builder accelerators, financed mainly by large companies to improve the competitiveness of their own businesses; (2) deal-flow accelerators, which aim to link venture capital and business angel investors with promising start-up ideas; and (3) welfare accelerators, ... [which are most often] supported by Governments” (UNFCCC, 2018, p. 24, citing Pauwels and others, 2016).

* A comparison of incubators and start-up accelerators that support social good such as climate action is provided in UNFCCC (2018), upon which some of this box draws.



the Caribbean rely heavily on their own resources and on funding from family and friends. Family and friends are a particularly important source of funding in Southern and Eastern Asia, where almost 7 out of 10 nascent social entrepreneurs utilize family funds and more than 4 out of 10 obtain funding from friends. Personal funds and family savings play the least important role in Western Europe, the United States and Australia.

Clearly, family can be a key source of support for young social entrepreneurs, especially in developing regions; however, there are potential downsides to family involvement. Evidence indicates that family pressure and sharing norms affect investment in entrepreneurial activities (Grimm, Hartwig and Lay, 2017), particularly among women (Fiala, 2015), and also influence entrepreneurs' saving strategies (Dupas and Robinson, 2013). In many parts of the world, youth are expected to contribute to the financial well-being of their families, and fulfilling such kinship duties imposes certain pressures on young social entrepreneurs; these youth cannot compromise income generation in their efforts to contribute to the broader social good, and any profits shared with family are funds that cannot be reinvested in the enterprise. The involvement of family members can be a mixed blessing, as they are often key actors in the creation and operation of youth-led social enterprises but may also hinder growth.

Institutions that foster sustainable, inclusive growth constitute an essential part of an enabling environment. Studies of social entrepreneurship have found a positive correlation between support from established institutions and entrepreneurial effectiveness (Korosec and Berman, 2006). The entrepreneurial environment varies widely across countries owing to factors such as the level of institutional protection, legal and administrative burdens, the costs of business registration, the regulatory framework, the complexity of administrative procedures, social norms, and cultural conditions (Martinez-Fierro, Biedma-Ferrer and Ruiz-Navarro, 2016). All of this impacts young people in a number of ways. The level of interest

in youth social entrepreneurship is heavily influenced by the strength of the safety nets provided by the State and families. Factors such as a poor understanding of relevant administrative and regulatory requirements, legal restrictions, insufficient funding, and inadequate or ineffective institutional support can diminish the potential of youth to create and operate financially sustainable youth social enterprises (Mnguni, 2014).

To succeed, social entrepreneurs require support tailored to each stage of the venture creation and development process (Perrini, Vurro and Costanzo, 2010). Enabling factors for venture start-ups are different from those for enterprises moving to scale (see **box 8**). Successful social entrepreneurs know how to locate and access the support needed for the stage of development of their venture. This is important for young entrepreneurs, who are frequently offered substantial support at the outset but may be in greater need of help at a later juncture.

The past decade has witnessed an increase in intentional organizational support for both social entrepreneurs and youth entrepreneurs, and in some cases the two have coalesced; there has been a rise in the number of "enabling organizations that support young social entrepreneurs through capacity-building and opportunities for collaboration ... and through increased financing" (Clarke and Dougherty, 2010, p. 9). The MIT Innovation Initiative's Young Social Entrepreneurs programme, for example, has provided opportunities for young social entrepreneurs to "learn from and interact with leading social entrepreneurs, business professionals, and other youth who are keen on social innovation, while expanding their networks for potential collaborations for good" (MIT Innovation Initiative, n.d.). Generation Unlimited, a global institutional partnership, has reached large numbers of young people worldwide through its UPSHIFT initiative, providing vulnerable and marginalized youth with the tools they need to become successful social entrepreneurs (see **box 9**).



BOX 9. UPSHIFT

Generation Unlimited is a “global partnership working to prepare young people to become productive and engaged citizens” (UNICEF, 2019). One of the strategic aims of Generation Unlimited is to empower a generation of young problem-solvers and changemakers. UPSHIFT is an initiative supported by Generation Unlimited that can help achieve this aim.

“UPSHIFT is a youth social innovation and social entrepreneurship programme designed to build skills and opportunities for young people who are disadvantaged due to (for example) poverty, gender, disability or ethnicity” (UNICEF, n.d.(b)). The programme offers social innovation workshops, mentorship, materials, incubation and seed funding to

equip youth “with the skills and resources they need to identify problems in their own communities and design solutions for them” (ibid.). While the young people build skills for life, employment and entrepreneurship through UPSHIFT, their wider communities benefit from the solutions they develop.



© UNICEF/Lisar Morina/2017

Sejnur (pictured 2nd from right) with the rest of the Golden Hands team during a workshop.

One success story is Sejnur Veshall, a young man from the Roma community in Prizren, a municipality of about 100,000 people in Kosovo. “The Roma community in Kosovo definitely faces a lot of discrimination, and even though I learned to be very

vocal when this happened and always raised my voice against it, many others don’t,” Veshall said, adding that it was actually Roma girls and women who were the most marginalized, often uneducated and “trapped into housekeeping” (Morina, 2017). Driven by a sincere desire to address these inequalities, Veshall underwent UPSHIFT training and, with the help of mentors, devised activities that would help empower Roma girls and women. Ultimately, he developed a project called “Golden Hands” through which girls and women could create and sell traditional decorative plates. “We wanted to teach Roma women an artisanal craft, build their professional skills, and then help them turn this into a business”, he explained. “What Golden Hands is trying to achieve is to make Roma women active in their community and change attitudes towards the Roma people through providing spaces for socialization between people of different backgrounds and communities” (ibid.). Veshall’s team organized workshops that included members of Roma and

continues



Box 9 continued

majority communities as a way of facilitating this community involvement and integration. His final reflection is a testimonial to the changemaking power of UPSHIFT:

With remarkable mentorship and collaboration with the UPSHIFT team, Golden Hands was a success, and everyone in my community was surprised. This initiative designated me a leader, which frightened me so much at first; suddenly, I was not just Sejnur, a random young person, but a leader of a young team that organized events for the community and worked for the betterment of our situation. With the mentorship that the UPSHIFT team gave me, I came to embrace the self-confidence that came with the leadership role. After UPSHIFT, I returned to the community where I was raised, but now with much more confidence, greater access to networks, and the professional experience of running a project – with a greater desire to work more.

UPSHIFT was launched in Kosovo in 2014 and now operates in 22 countries (UNICEF, n.d.(a)), including Jordan, which has a large youth refugee population; Tajikistan, where UNICEF is partnering with the Government, the World Bank and others to scale youth innovation labs; and Brazil, where UPSHIFT is being used as a tool to empower youth who live in major cities. The UPSHIFT approach is highly adaptable and has also formed the basis for the Generation Unlimited Youth Challenge, which seeks youth-led solutions to the problems being tackled by Generation Unlimited. The second round of the Youth Challenge was launched in 40 countries in September 2019 (Generation Unlimited, 2019).

UPSHIFT has reached hundreds of thousands of young people, with more than 5,000 youth-led projects initiated. The following represents a few highlights:

- By May 2019, 7,320 young people had been trained through UPSHIFT in Kosovo. “These young people have initiated 279 youth-led projects, touching the lives (directly or indirectly) of more than 220,439 young people; 25 of these projects have become businesses and a further 31 have become charitable or civil society organizations” (Clarke-Habibi, 2019). Around 43 per cent of the social ventures have been made up of multi-ethnic teams. Almost 170 youth secured employment following UPSHIFT.
- In two years of operation in Montenegro, UPSHIFT supported 70 youth-led projects, reaching 23,000 indirect beneficiaries (more than 25 per cent of the the adolescent population).
- Nearly 20,000 young people participated in UPSHIFT in Jordan in 2018, reporting a significant increase in their sense of belonging, community engagement, and teamwork and communication skills.

A key priority for UNICEF moving forward is to facilitate the integration of UPSHIFT (and social innovation skills more broadly) into government and other national systems with the aim of building transferable skills for life and livelihood while also increasing opportunities for youth civic engagement. This will ultimately create more fertile ground for social entrepreneurship. It is important to plan for scale from the start, working with a coalition of partners, including youth organizations, government agencies and the private sector. While there are significant opportunities for cross-border learning, it is also important to adapt UPSHIFT to each country context, building on the local education system, cultural values, and private sector and entrepreneurship ecosystems.

continues



Box 9 continued

Some key lessons learned from engaging youth from disadvantaged backgrounds include the following:

- Disadvantaged youth are rarely able to access social entrepreneurship opportunities. Relevant support programmes must be proactively designed with and for disadvantaged youth if they are to be successful. Organizations that serve and are trusted by youth will play a key role in this process.
- Factors that often prevent disadvantaged youth from participating in social entrepreneurship and relevant support programmes include the following:
 - » Language limitations (opportunities are often publicized in majority or international languages, with English dominating for global opportunities);
 - » A lack of basic employability skills such as financial literacy and time management;
 - » A lack of digital literacy skills;
 - » Limited or no affordable Internet connectivity;
 - » A lack of access to personal and professional networks;
 - » The need for an income to subsist or to contribute to family responsibilities.

Youth social entrepreneurship programmes need to give serious consideration to how these barriers might be overcome.

Girls and young women (especially those from disadvantaged backgrounds) are often excluded from social entrepreneurship opportunities. To engage them, programmes need to be designed for and with girls and young women. In addition to addressing the obstacles listed above, these programmes will likely need to include an outreach component that focuses specifically on girls' empowerment and works with parents and families to address social norms.



Given the gender digital divide, combining social innovation and entrepreneurship programmes with the acquisition of digital skills is likely to be important.

Programme information may be accessed at <https://www.unicef.org/innovation/UPSHIFT>, where facilitation guides are open source and available for anyone to use. UPSHIFT is keen to work with partners to build evidence of what works in relation to youth social innovation and social entrepreneurship.

Sources: Clarke-Habibi (2019); Generation Unlimited (2019); Morina (2017); UNICEF, n.d.(a); UNICEF, n.d.(b); UNICEF (2019); YouTube (2017).

Sejnur (pictured 2nd from left) with the rest of the Golden Hands team and their mentor at UPSHIFT.



Educational institutions play multiple enabling roles in a supportive entrepreneurship ecosystem. They contribute to the development of essential skills and competencies, offer exposure to critical community problems and opportunities to devise solutions, and deliver entrepreneurial education and training (see **box 10**). They can provide ongoing support through service learning and other viable partnerships. Their research and development capacities are important both for youth social entrepreneurs as individuals and for growing youth social entrepreneurship as a model. When support for social entrepreneurship falls under the umbrella of academia, young people are usually the first to participate.

BOX 10.
**THE IMPORTANCE
OF FINANCIAL LITERACY
FOR YOUNG SOCIAL
ENTREPRENEURS**

Financial literacy is a critical component of the education and training young social entrepreneurs need. Several studies affirm that the difficulties young entrepreneurs face in accessing financial services and products constitute a major obstacle to enterprise creation and development; “the constraint refers not only to access to credit to start a business, but also access to secure places to accumulate assets, insurance and other relevant financial [and non-financial] services”, particularly financial education (UNCDF, 2016, p. 7). Financial literacy is especially important in a context in which digital financial services are becoming more widely used.

While few dispute the value of targeted entrepreneurial support, there seem to be contradicting perspectives on the correlation between traditional academic achievement and social entrepreneurial participation

and outcomes, and the argument extends to the impact of education on youth social entrepreneurship. Some research suggests that successful young social entrepreneurs tend to have a relatively high level of education and to value the link between education and social entrepreneurship, as illustrated by the following:

On average, the globally recognized social entrepreneurs in the Middle East are a highly educated group. All individuals in the group have completed their formal educations, and the vast majority of them have university degrees. ... Most have taken additional courses and training to further develop their skills in a variety of work-related areas. More than one fifth of them have attained postgraduate degrees, including a number of PhDs. Among those social entrepreneurs from more modest backgrounds, most note that their education played an instrumental role in their personal growth and dedication to social entrepreneurship. Some see their own social enterprise as a way to provide educational and developmental opportunities to others who are less fortunate (Abdou and others, 2010, p. 14).

Other studies, however, have found no relationship between the level of education and the likelihood of being or succeeding as a social entrepreneur – and relatively little evidence that educational institutions have played a supportive role (McDowell and Micinski, 2010). In a study conducted by the Foundation for Social Entrepreneurs (UnLtd), only 20 per cent of the young social entrepreneurs surveyed in the United Kingdom said that their schools or universities had “directed them to an opportunity or supported them practically once they had embarked on their venture” (McDowell and Micinski, 2010, p. 3). The remaining 80 per cent said that opportunities and support had come primarily “through other means, including sports and youth clubs, campaigning, faith and



community groups, and ... friends and relatives" (ibid.). Formal education is only one of many means through which youth social entrepreneurship can be promoted and supported.

A formal education does confer certain benefits, particularly in terms of broadening horizons and developing analytical capabilities. It offers insights about the larger context in which a social innovation will reside, such that more effective and more humane solutions can be sought. As a means of personal empowerment for the young people involved in youth social enterprises, formal education can help foster a critical consciousness that will help them navigate their own privilege or lack thereof as they embark on and negotiate their social entrepreneurship journey. The following observation references the situation in the

United States but may be said to apply more generally: "Insofar as any program or youth social entrepreneurship activity aims to disrupt the prevailing disparities in contemporary American society, an understanding of critical perspectives and pedagogies is essential. That is to say, aiming for social change requires a clear awareness of current social order" (Kruse, 2019, p. 85).

Out-of-school-time (OST) experiences can also be an important enabling factor for young social entrepreneurs. McDowell and Micinski (2010) found that their sample of youth social entrepreneurs in the United Kingdom were three times more likely than the general population to participate in internships. Most young social entrepreneurs have "engaged in extracurricular activities in which they excelled, including sports, the arts, and various youth



Photo: IOM / Amanda Nero

Out-of-school-time (OST) experiences can also be an important enabling factor for young social entrepreneurs. Young participants in a project of the International Organization for Migration are learning how to film, speak in front of a camera and use a microphone.



organizations. Many led small-scale social and development activities before establishing their award-winning social innovations” (Abdou and others, 2010, p. 14). OST contexts may constitute a fertile breeding ground for successful young social entrepreneurs.

CONCLUSION

Box 11 offers a summary of evidence-based good practices for supporting youth entrepreneurship and self-employment.

BOX 11.

WHAT WORKS IN YOUTH ENTREPRENEURSHIP AND SELF-EMPLOYMENT?

Governments are giving increased attention to the creation of productive businesses. Statistics on 65 countries from the ILO database on youth employment policies and legislation (YouthPOL) point to a rising share of policies relevant to youth employment that specifically address enterprise development. Entrepreneurship interventions are often undertaken to operationalize policies aimed at supporting youth in their transition from school to productive businesses and in their efforts to stay in business. Nonetheless, an analysis of the school-to-work-transition surveys (SWTSs) for youth from 35 countries reveals stark differences between employers and entrepreneurs/self-employed workers, with the latter often being driven by necessity. Identifying effective approaches for supporting productive entrepreneurship and self-employment thus remains a critical policy issue.

A systematic review of 107 active labour market programmes targeting youth and their impact evaluations yielded information and evidence on what works to improve youth labour market outcomes. A summary of the findings is presented below.

The effects of youth employment interventions, particularly those addressing human capital development, may be more likely to materialize and increase over time. Overall, they tend to have a higher impact when targeting low-income and disadvantaged youth and when implemented in low- and middle-income countries where marginal investments in human capital can lead to significant changes. This demonstrates that country contexts are important in the design and implementation of programmes. Comprehensive interventions that integrate multiple services also tend to have more of an impact in low- and middle-income countries, being better positioned to address the manifold challenges encountered by the young people who live there. The 15 entrepreneurship interventions included in the systematic review mostly offered a combination of business skills training, business advisory services, and/or access to credit or grants and were mainly carried out in low- and middle-income countries.

Evidence shows that youth entrepreneurship interventions tend to have significant positive effects on employment, earnings and business performance outcomes. Among the youth employment interventions assessed in the review, entrepreneurship-focused interventions had the greatest impact on labour market outcomes for youth. However, entrepreneurship-focused interventions also exhibited substantial heterogeneity and the greatest variation in impact. Evidence suggests that results are driven much more by the design and delivery of an

continues

*Box 11 continued*

intervention than by the type of intervention; in other words, the “how” is more important than the “what”. The evidence points to specific design features, such as the profiling of participants and individualized follow-up systems, that allow implementers to better respond to the needs of young people, enhance programme participation, and ensure quality in the delivery of services. Targeting mechanisms to support disadvantaged youth, including those with disabilities and/or in fragile contexts, are among the effective design features of entrepreneurship interventions; such mechanisms may be of direct benefit to young social entrepreneurs themselves and can also help them better address social, cultural and environmental issues in their communities.

Entrepreneurship training can help young social entrepreneurs improve their business and management skills; better understand business mechanisms, practices, laws and regulations; strengthen their financial literacy; and expand their knowledge of business possibilities. These changes do not immediately translate into business creation, enterprise expansion or increased income, however. The acquisition of business skills and relevant training must be supported by an entrepreneurial mindset, attitude and culture – and this can be stimulated early on in the education system by encouraging critical thinking, problem-solving, creativity and risk-taking. A study commissioned by the Youth Employment Funders Group to explore the development of soft skills for youth employment emphasizes that soft skills can be learned, making a compelling argument for continuing to invest in positive developmental experiences for youth.

Evidence suggests that entrepreneurship interventions provide effective support for young people, particularly in business creation, but that further work must be done to promote the uptake of youth social entrepreneurship and to better support enterprise growth, development and sustainability. Youth entrepreneurship interventions appear to be most successful when they address constraints specific to or common among young people. Insufficient financial resources and market competition are the issues self-employed youth identify as most critical, according to SWTS data. Evidence remains inconclusive on mechanisms for supporting existing young entrepreneurs in growing and expanding their businesses and on the link between entrepreneurship interventions and additional job creation. The development of a productive business model is critical for business survival and can affect labour market prospects for other young people, so help and support in this area is crucial. A careful approach must be taken to encourage self-employment in market segments with growth potential and unmet demand. Targeted policy measures (such as business plan competitions) that identify and support opportunity-driven young women and men with the potential to tackle social, cultural and environmental issues and create additional jobs can be instrumental in spurring inclusive job-rich growth and expanded self-employment among youth.

While stand-alone entrepreneurship interventions can have a significant impact in the short term, the effects will remain modest or fade over time if market system deficiencies are not dealt with at the policy level. As part of a comprehensive approach to addressing labour market constraints, attention needs to be given to demand-side issues in order to increase wage employment opportunities in existing businesses, encourage new enterprise creation, and support young people’s entry into productive self-employment.

Sources: Kluge and others (2019); Weidenkaff and Witte (forthcoming); Ignatowski (2017).



Photo: UNDP / iHub



Entrepreneurship training can help young social entrepreneurs improve their business and management skills; better understand business mechanisms, practices, laws and regulations; strengthen their financial literacy; and expand their knowledge of business possibilities.

