



Short summary of the virtual conference on ‘Making youth entrepreneurship a viable path’

18–29 July, 2016

Moderated by **Claudia Pompa**

Introduction

The [World Bank](#) estimates that the global economy needs 600 million new jobs over the next ten years just to keep employment rates constant, while the International Labour Organization (ILO) reports almost 36% of the world's unemployed—nearly 73.3 million people—are young people, and adding under-employed youth to this account trebles the total ([ILO, 2015](#)). Furthermore, over 169 million young people earn less than US\$2 per day, representing more than one third of the working poor in developing countries.

Youth employment continues to be a key challenge in many countries and in different geographical contexts, including the Arab States, Sub-Saharan Africa, and the European Union, with unemployment rates in many of these countries looming 30%. In Latin America, youth are often stuck in the informal sector—six of every ten jobs available to them are in the informal sector, forcing approximately 27 million youth in the region into poor quality jobs. This is worrying, especially considering that Latin American firms in the formal economy are three times more likely than South Asian firms and thirteen times more likely than Pacific-Asian firms to face serious operational problems due to a shortage of human capital.

In this context, youth entrepreneurship can play an important part in facilitating economic development and job creation. While young people often turn to self-employment because they cannot find jobs elsewhere, entrepreneurship can provide them with valuable skills such as critical thinking, decision-making, leadership, teamwork and innovation—all of which remain relevant for the rest of their lives. In general, they gain expertise in areas not incorporated in traditional education, constructing unique careers that resonate outside the typical economic model by pulling in talent from their peers and fostering positive community development.

Summary of the discussions

The virtual conference discussed key skills that young entrepreneurs need to develop and looked at ways to design and implement successful youth entrepreneurship programmes. The conference built upon the observations made in the Virtual Conference on Tackling Youth Unemployment through TVET ([2013](#)). The virtual conference took place in the context of the launching of UNESCO's Strategy for TVET (2016–2021), which has youth and entrepreneurship as one of its priority areas.

The virtual conference was an opportunity for UNESCO UNEVOC members to share expertise and

experience on the topic, discuss best practices, and raise questions that could become new areas of research or further study.

During the virtual conference the following questions were discussed:

What are some of the key challenges that young entrepreneurs, in different markets and from different backgrounds, face? And how can programmes or policies help them address those challenges?

While limited access to capital still constitutes a major hurdle for young entrepreneurs to overcome, other barriers may be just as detrimental to the development of a business. In fact, capital without an adequate support system, know-how and mentorship can quickly become lost investment.

The different types of challenges that were identified can be mainly grouped in:

- Social and cultural attitude towards youth entrepreneurship;
- Entrepreneurship education;
- Access to start-up finance;
- Administrative and regulatory framework;
- Business assistance and support.

While some of the challenges are common across different markets, they presented themselves in different ways depending on the type of economy and context in which young entrepreneurs operate.

What are the key skills that young entrepreneurs need to develop in order to be able to run prosperous ventures? And what role can TVET play in helping develop some of those skills?

Many young people, especially in developing economies, turn to entrepreneurship due to a lack of available job opportunities. While they may not stay on the entrepreneur track, the experience of developing the hard, soft, and technical skills necessary to start and run a business will bring increasing returns on investment throughout their careers. Development programmes that feature skills training, especially those that can be used beyond the end of the project, are more attractive to youth, their families, and their communities.

Key technical, business, and soft skills that young entrepreneurs need to develop in order to be able to run prosperous ventures were identified.

- Technical skills: specific to the business idea of the entrepreneur
- Business skills: business planning, market assessment, marketing, pricing, sales, financial management, etc.
- Soft skills: creativity, communication, team building, innovation, etc.

Agreement on the definition of different skills as well as assessment frameworks and tools needed to measure the development of those skills across different international contexts is key when talking about skills.

How can TVET support different types of entrepreneurs? Should support systems (understood as entrepreneurship skills training, information, mentoring and financial support) differentiate between necessity entrepreneurs and opportunity entrepreneurs? And if so, how? What are some of the characteristics that can influence the design of tailored supports systems for young entrepreneurs?

While most practitioners generally are aware of the importance of a detailed profile of students/participants, in the case of youth, this notion somehow tends to be underestimated. Too often we assume that all youth have the same desires and aspirations across the world: youth are not a monolithic, but rather, a very diverse group and the different approaches and business models they use are a reflection of this. In developed economies, entrepreneurs are usually attracted to the sector due to perceived opportunities, while in developing and emerging economies necessity and lack of alternatives are the main drivers behind the decision to start a business.

Different models to support young entrepreneurs are in place but there is a need to adapt those to the necessities of different types of entrepreneurs. As part of this process, conducting a thorough and comprehensive needs assessment was identified as an important step.

How can TVET institutions work with different stakeholders in order to increase access to experienced and committed mentors? What are key aspects that need to be taken into account when designing and implementing mentoring programmes?

The “soft support” provided by mentors is just as important as the technical skills young entrepreneurs need to start, maintain and grow their businesses.

Organizations face significant challenges when developing and implementing mentorship programmes related to how to make mentorship programmes relevant, flexible and how to fund them appropriately. However, the benefits of implementing this type of programmes are significant as they provide young entrepreneurs with the skills support and access to networks necessary to make their ventures work.

What are some key best practices that we can identify when implementing youth entrepreneurship programmes?

Youth entrepreneurship can offer an innovative alternative for economic growth for young people. However, youth entrepreneurship is still a relatively new phenomenon and there is little definitive evidence supporting or refuting the effectiveness of different support models. As we continue to build the evidence over time we can start to identify key best practices and recommendations when implementing youth entrepreneurship programmes.

Participants had the opportunity to share lessons learnt from working with entrepreneurship programmes, specific interventions that seemed to work best, and provided recommendations to colleagues interested in designing and implementing youth entrepreneurship programmes.

About the moderator



Claudia is a specialist on workforce and skills development, with a particular experience in youth entrepreneurship, vocational training, and small and medium sized enterprise development. She has twelve years of experience as an international development consultant and technical adviser and has worked extensively in Africa, Asia and the Pacific, Latin America, and the Arab States. Her work involved designing, implementing, monitoring and evaluating complex development programmes, particularly focused on entrepreneurship and business development strategies and programmes, across a number of government and non-government organizations.

Participation

Overview

Number of participants	146	Network members:	41 (28%)
Number of countries from which participants came:	58	Male:	92 (63%)
		Female:	63 (37%)