

Youth Entrepreneurship: Approaches for Supporting Enterprise Development

Technical Brief

Introduction

In many low and middle income countries (LMICs) across the world, formal sector jobs are scarce and often inaccessible to those outside privileged classes. In economies like these, self-employment and entrepreneurship may offer the most viable paths to a decent livelihood for young people. Self employment and entrepreneurship have the potential to address market gaps through innovative products or services, or to generate income to meet essential needs. This journey, while promising, can often be daunting. Globally, a growing number of young people are engaging in early-stage entrepreneurial activities, indicating a burgeoning interest in establishing and expanding new ventures ([GEM, 2023](#); [Welker, 2023](#)). A recent survey spanning 54 countries and 208,000 students found that 9% of students aspire to become entrepreneurs immediately after their studies, with an additional 35% planning to do so within five years ([Sieger et al, 2018](#)).

According to the United Nations' World Youth Report on Youth Social Entrepreneurship and the 2030 Agenda, youth entrepreneurship holds the potential to foster both youth development and the acceleration of Sustainable Development Goal (SDG) implementation ([UN, 2020](#)). However, realizing this potential necessitates supportive entrepreneurial ecosystems that harness new technologies to address societal challenges and facilitate policy interventions for building sustainable environments for young entrepreneurs (UN, 2020). Development organizations must comprehend the intricacies of entrepreneurial ecosystems and tailor support to the unique needs of young entrepreneurs, given their significant impact on the global economy. Notably, a recent study by the International Labour Organization (ILO) revealed that micro- and small enterprises account for a staggering 70% of total employment worldwide ([ILO, 2019](#)). As demographic growth outpaces job creation in many regions, **nurturing and empowering youth entrepreneurship becomes imperative for driving economic progress by leveraging the potential of young innovators.**

IYF knows from 30+ years of experience that the key to expanding economic opportunities for young people hinges on aligning market opportunities, financial systems, youth partnerships, and education with their preferences and aspirations. One of IYF's strategies for expanding youth economic opportunities involves promoting entrepreneurship, social entrepreneurship, and the establishment of businesses and social enterprises. This effort entails supporting young individuals as problem solvers to conceptualize, fund, and execute solutions to economic, social, cultural, or environmental challenges.



What is entrepreneurship?

Entrepreneurship encompasses a wide range of activities involving the creation of new products, services, and ventures. It involves identifying opportunities, taking risks, and utilizing resources to bring innovative ideas to fruition. Entrepreneurship plays a crucial role in driving economic growth, fostering innovation, and creating value in society ([Ratten, 2023](#)).

Social Enterprise Development

Social entrepreneurship encompasses innovation, compassion, and business acumen to tackle pressing social and environmental issues. Young social entrepreneurs establish ventures that not only generate economic value but also catalyze positive change in their communities. Through endeavors like sustainable fashion, clean energy startups, and education-focused enterprises, social entrepreneurs are shaping a more equitable and sustainable future.



What is social entrepreneurship?

Social entrepreneurship is defined as businesses that generate profits while seeking to generate social impact (United Nations, 2020).

The core element defining social entrepreneurship is the intentionality of social change or social value creation rather than wealth creation.

One way IYF has supported youth social entrepreneurship is through its YouthActionNet® (YAN) model. This model strengthens and scales the impact of youth-led social ventures by fostering collaboration, providing learning opportunities, and streamlining access to finance through a network of young entrepreneurs. The YAN model caters to registered and non-registered entities, for profit and non-profit organizations, and independent, as well as subsidiary organizations.

Emphasizing partnerships with universities, foundations, corporations, and government agencies, the YAN model facilitates learning, networking, resource access, and enhanced credibility for young entrepreneurs and innovators.

It prioritizes peer-to-peer and self-driven learning, experiential and dynamic learning experiences, relationship and network building, and opportunities for reflection, inquiry, and visioning. These priorities are complemented by structured and unstructured approaches to hard and soft skills development, virtual and in-person learning, and avenues for personal and organizational growth.

Program YouthActionNet® (2001-2019)

The YAN program was IYF's flagship social entrepreneurship program. The 18-year initiative sought to strengthen and expand the impact of youth-led social ventures around the globe. It created one of the world's largest networks of young social entrepreneurs comprising more than 2,100 young leaders in 92 countries. To identify and support the efforts of accomplished young change-makers, the YAN program operated global and local 10–12-month fellowship programs. At the global level, 20 young founders and CEOs were selected annually as Laureate Global Fellows. Each benefited from advanced leadership training, coaching and mentoring, advocacy, and networking opportunities. At the local level, the program supported a network of 24 national and regional youth leadership institutes that provided similar support and services to emerging leaders, while developing the youth leadership sector in their respective countries. While a majority of local institutes were housed in university settings, others were managed by foundations or nongovernmental organizations (NGOs).



Entrepreneurship focus areas & levels of engagement

Both traditional entrepreneurship and social entrepreneurship require access to finance and markets. Within the broader ecosystem, IYF ensures that young entrepreneurs have the requisite capital and market access for business growth. Through these dimensions of youth entrepreneurship, we empower young individuals to become agents of change in their social and economic spheres. Our approach emphasizes micro- and small-enterprise start-up and growth, with technical support areas encompassing business and technical skill development, finance access facilitation, advocacy for an inclusive business environment, business development assistance, and market access.

IYF believes in an ecological approach to entrepreneurship system transformation (see Figure 1). We collaborate not only with young entrepreneurs but also families, communities, support organizations, and policymakers.

Our [Youth Economic Opportunities](#) approach complements IYF's strategic objectives of promoting [Youth Agency](#), [Youth Engagement](#), and [Systems Change](#).

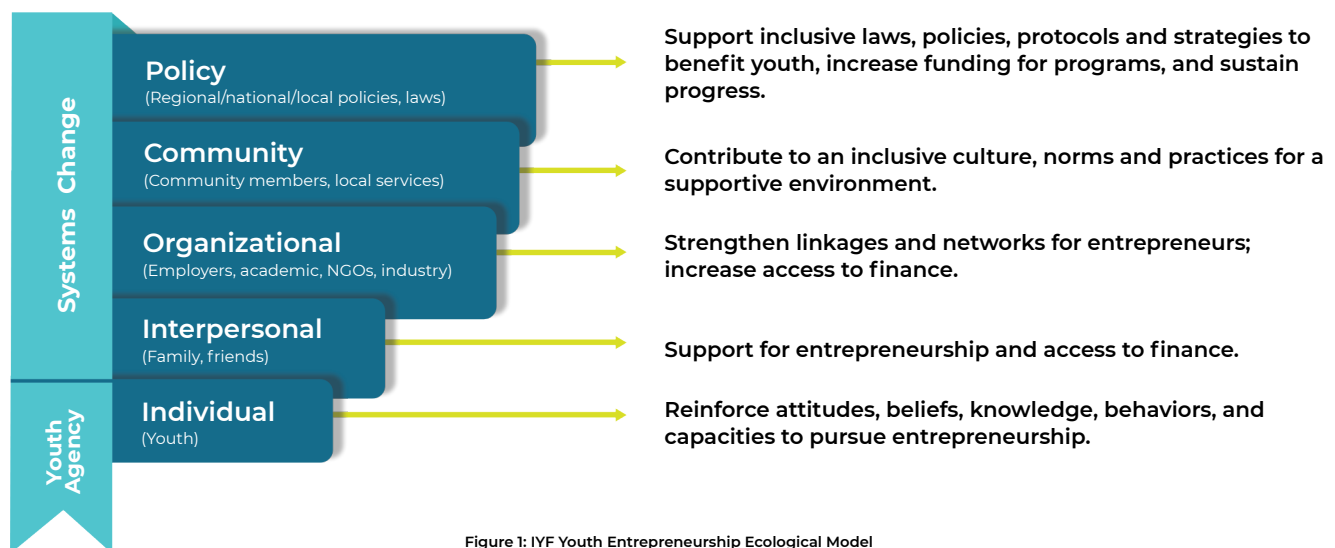


Figure 1: IYF Youth Entrepreneurship Ecological Model

For social enterprise development, our work at the individual level supports both entrepreneurship and civic engagement. Many of the social entrepreneurs engaged by IYF were inspired to pursue social entrepreneurship due to personal experiences with social issues or exposure to them through volunteering or school. At the systems level, our social entrepreneurship initiatives includes advocacy and facilitation of access to networks and resources.

IYF'S Entrepreneurship Toolkit



Highly experiential life skills such as [Passport to Success \(PTS\)®](#) and [PTS Traveler](#)—an online, game-based skills course—with units on Entrepreneurship, Effective Work Habits, and Problem Solving, among others.



Social entrepreneurship curricula including our Social Innovation Bootcamp and YouthActionNet® curriculum, which focuses on six facets of leadership – personal, visionary, political, collaborative, organizational, and societal.



Guidance for NGOs supporting entrepreneurship including our [Creating Social Enterprises Through Strategic Alliances Toolkit](#), [Standards of Excellence for Youth Employability](#), [Entrepreneurship](#), and [Service Learning Programs](#), and [Supporting Young Entrepreneurs: A Practical Guide to Quality Programming](#).



Evidence-based measurement and learning tools for program learning, evaluation, and adaptation.

Securing funding for start-ups is crucial for translating innovative ideas into viable businesses. Startup finance may be utilized for initial business setup and operations, research and development, human resources, and scaling and expansion. However, many entrepreneurs encounter barriers to sustaining and scaling their ventures, particularly in acquiring necessary knowledge, skills, and access to finance. The Youth Enterprise Fund (YEF) addresses this gap.



Funded by the Conrad N. Hilton Foundation, the Youth Enterprise Fund (2022-2024), partnered with LEAP Africa, a youth-focused leadership development organization, to empower early- and mid-stage social entrepreneurs in Nigeria. YEF supported LEAP Africa's Social Innovators Programme alumni, aiming to enhance their impact and sustainability. Moreover, the project employed systems change tools, such as stakeholder diagnostic assessments and power analyses, to map Nigeria's entrepreneurship ecosystem and devise strategies for engaging relevant stakeholders in sustaining and scaling innovative approaches. The collaboration's design drew from LEAP Africa's social enterprise incubation model, akin to IYF's YAN model for social entrepreneurship, which emphasizes personal development to bolster leadership and social change.

Project Results

The project contributed to access to finance, strengthening youth-friendly entrepreneurship approaches, and systems strengthening. YEF provided 10 social enterprises with training, coaching, and mentorship specific to their business needs based on results from organizational capacity assessments.

It established a youth fund to support funding for youth-led social enterprises and funded entrepreneurs with \$100,000 in grants. Its contributions to strengthening the ecosystem of allies, advocates and investors included an organizational capacity assessment contextualized for the Nigerian entrepreneurship ecosystem and development of a transformation plan.

YEF generated valuable insights into how philanthropic and entrepreneurial actors can better discern the needs and potential of young social entrepreneurs at various venture maturity stages. By leveraging an entrepreneurship ecosystem framework, the project examined the ecosystem's domains and how stakeholders can address them to fortify and sustain the system. It explored realigning existing resources, relationships, and roles within local systems to achieve scaled and sustained outcomes. Additionally, the initiative fostered collaboration among diverse stakeholders, advocating for a holistic approach to supporting social innovation.

For partnership inquiries

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