

# YOUTH- INCLUSIVE MARKET SYSTEMS

Empowering Youth to  
Drive Systemic Change



## A GLOBAL OPPORTUNITY

**The International Youth Foundation (IYF) empowers youth to catalyze positive changes in those market systems in which the poor are most reliant.**

Young people ages 15-29 account for a majority of the population in many regions of the world, including 55% of the population in Sub-Saharan Africa, and 52% in the Middle East.<sup>1</sup>

In parts of the world where full-time jobs are scarce, young people often rely on informal employment and micro-enterprises where wages and profits can be inconsistent, unstable, and low or nonpaying.

Despite these challenges, young people are remarkably resilient and enthusiastic about the future. They are also better educated and more technologically savvy than previous generations. Youth are drawing on their optimism and skills in order to survive, and in some cases thrive, by creating opportunities for themselves in complex market systems. Nearly 60 percent of youth in Sub-Saharan Africa, for example, show entrepreneurial propensity or are actively pursuing an entrepreneurial activity.<sup>2</sup>

Through the Youth Inclusive Market Systems (YIMS) approach, IYF is harnessing young people's power to be agents for positive change, to the benefit of the wider market system.

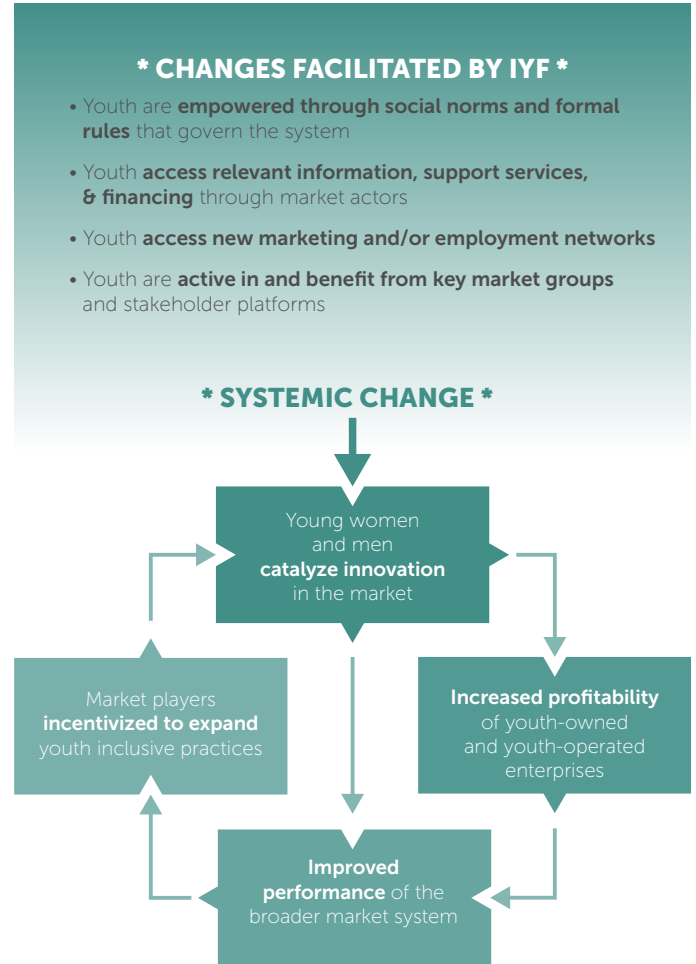


## YOUTH-INCLUSIVE MARKET SYSTEMS (YIMS)

IYF's YIMS approach aims to catalyze the following changes:<sup>3</sup>

- **Youth Inclusivity:** Market systems provide opportunities for youth to drive transformative change, so that these systems ultimately deliver more benefits to young entrepreneurs and other market players.
- **Competitiveness:** Young entrepreneurs upgrade, innovate, and add value to their products and services to match market demand, grow their market share, and create new market opportunities.
- **Gender Equity:** The system addresses different constraints that young women and men face in upgrading their products and services, thereby improving gender equity throughout the system.
- **Resiliency:** Market actors continuously adapt to ongoing shifts in the market, while maintaining and growing youth and gender-inclusive practices.

IYF's YIMS programming often focuses on a few core areas of intervention (see framework at right), in order to generate long-term, sustainable changes in the market system. Ultimately, IYF's assessments inform the design of tailored, market-based solutions that address the unique constraints facing youth in each target system.



### IN PRACTICE: Youth-Inclusive Market Research & Intervention Design

There have been a multitude of market studies in Mozambique's horticulture sector. However, IYF's research in peri-urban Maputo (conducted through our Mastercard Foundation-supported *Via* program) has been the first with a clearly stated youth focus.

Our research found that most small-scale farmers in the sector are older adult women, and they are eager to involve young relatives (of working age) to help them access new market opportunities. Young people are generally disinterested, because they view horticulture production as hard work with limited income potential. Some youth, however, have shown interest in new production technologies such as hydroponics.

Medium-scale vegetable processors—who sometimes contract small-scale farmers—are interested in working with youth to introduce these improved production practices on family farms where yields have long stagnated. IYF is developing a pilot initiative to facilitate a triple-win partnership between processors, emerging young farmers, and older female horticultural producers.



### Market Research & Intervention Design Toolkit

IYF's YIMS toolkit provides practitioners with detailed tools for undertaking youth-focused market systems research and program design, along with guidance on structuring iterative approaches to intervention piloting, refinement, replication, and scale.<sup>4</sup>

Unique in market systems programming, IYF's approach integrates a youth focus into each step of the process:

- **Target Population:** Our global experience reinforces that youth are not homogenous. Prior to conducting any market research we consider variables such as gender, age range, education, poverty levels, geographic area, and entrepreneurial readiness.
- **Subsector Selection:** We employ a rapid but rigorous process of identifying promising subsectors. We use a scorecard—informed by secondary research and key informant interviews—to measure the relevance of a subsector to the target youth population, its ability to generate new opportunities, and the feasibility for IYF to stimulate youth-inclusive systems change.
- **Market Research and Analysis:** Going a step beyond basic best practices, we map the roles of youth in a market system, identify how social norms in the system inhibit and/or create opportunity for youth, and pinpoint the core constraints preventing youth from acting as more transformative change agents in the system.
- **Design, Piloting & Systemic Change:** To unlock new opportunities for young entrepreneurs and other market systems actors, IYF designs research-based pilot interventions that leverage the dynamism of youth and existing market incentives. We promote and facilitate replication of successful pilot models with additional market system actors. Ultimately, we aim to shift the way the market system functions with and for youth.

### System Strengthening Resources

While each market system presents unique challenges and opportunities, IYF has found that youth often face similar constraints in accessing relevant market-based services. In response, IYF has developed the following resources, which we utilize based on assessed needs:

- **Financial Education & Life Skills Curricula:** IYF supports market actors to integrate our flagship financial education and life skills curricula into their service offerings for young entrepreneurs.
- **Youth Entrepreneurship Training Curricula:** IYF has a range of entrepreneurship curricula tailored to different youth needs, including the soft skills of entrepreneurship (e.g., negotiation, networking), general business development and management skills, and entrepreneurship training for youth in the agriculture sector.
- **TVET System Strengthening Tools:** Public Technical Vocational Education and Training (TVET) systems have the potential to play a prominent role in training youth, at scale, to engage more effectively in market systems, but they often have limited capacity. In addition to IYF curricula, we offer a full suite of TVET system strengthening tools that enhance technical training pedagogy, career services, organizational management, and platforms for private sector engagement.

IYF has refined these resources through work with market system actors across the globe, including financial service providers, farming groups and associations, large firms, and training providers.

### Incorporating Youth Voices

IYF engages young women and men in the design of market systems research, implementation, and interpretation of the findings. This instills a sense of ownership, helps ensure accuracy, provides insights into the local population, and ensures we identify the most pressing challenges to address. We also highlight youth role models to promote more rapid youth-inclusive systems change with key market actors.

1. The World Bank, World Development Indicators, 2016; 2. GEMS Global Report, 2014; 3. Adapted from: ACDI/VOCA, A Framework for Inclusive Market Systems Development, 2014; 4. IYF developed the YIMS toolkit in partnership with MarketShare Associates, and with support from the Mastercard Foundation, Mozal, and Fondation OCP.



## SPOTLIGHT ON ZIMBABWE

### Youth-Inclusive Financial Services in Zimbabwe

In Zimbabwe, IYF has engaged financial service providers (FSPs) and other partners to demonstrate that youth-inclusive services can be marketable, profitable, and empower young people to create economic opportunity for themselves and others.

Through the Zimbabwe:Works initiative—funded by USAID, DFID, and Sida—IYF provided six FSPs with support to design and test new youth and gender-inclusive product innovations, such as:

- **Offering lower interest rates for young women**, since they face more financial access barriers than young men, but have better repayment rates.
- **Removing or adjusting collateral requirements**, such as basing loan eligibility on enterprise profitability, or including assets that young women typically own within a household as collateral.
- **Promoting group-based lending**, particularly amongst young women in rural areas, in order to leverage social cohesion to support business development and co-guarantee loans.
- **Enhancing financial education** that FSPs provide directly to young loan recipients, in order to promote improved loan utilization and repayment rates.
- **Leveraging social media and mobile payment platforms**, to more effectively market youth-friendly products, and facilitate quicker loan disbursements and repayments.
- **Developing referral platforms**, in which strong local NGOs that provide business development support to youth entrepreneurs refer “loan ready” youth to FSPs.



*Monica leveraged a youth-friendly loan product to significantly expand her detergent manufacturing and cleaning services company. She used the loan to invest in marketing efforts and purchase supplies, which helped her secure larger corporate clients. Within a year, she created over 50 new full-time jobs, many of which are staffed by young people.*

To date, over 3,600 youth (74% women) have accessed microfinance from IYF’s partner FSPs, with over 1,200 of those young people becoming repeat loan clients. These young entrepreneurs have used loans to access market opportunities, generate increased profits, and create new jobs for young people.

Many of these youth also become consumers of other services, such as savings accounts, and no youth have defaulted on their loans. This demonstrates to FSPs that youth-friendly loan products can be both profitable and good for long-term business.

**All FSPs plan to continue offering youth-friendly products once the Zimbabwe:Works initiative ends**, demonstrating progress towards a more youth-inclusive financial system in Zimbabwe.



## INTERNATIONAL YOUTH FOUNDATION

IYF® is a global nonprofit organization dedicated to empowering young men and women to be productive, engaged citizens. IYF’s work in over 100 countries over 25 years has equipped youth with the training to succeed in school, work, and life. By preparing young people with employability, entrepreneurship, and leadership skills, IYF seeks to ensure that today’s youth generation will have jobs, start careers, and contribute to their communities.

To learn more about IYF’s YIMS approach, contact Emily Bloom, Partnership Development | [e.bloom@iyfnet.org](mailto:e.bloom@iyfnet.org) | +1 410 951 2338