

# The Very Young Entrepreneur Scenario for Africa

*A blueprint for building the ecosystem for  
Very Young Entrepreneurs  
and creating jobs for African youth*

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African Leadership Academy  
Developing the next generation of African leaders



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# Testimonials

“Through the Anzisha Prize, we have observed that young entrepreneurs are more likely to hire other young people. Now, we have evidence that builds the case for supporting and encouraging entrepreneurship at a very young age and helps us better understand how to do that. Certainly, entrepreneurship, especially at such young ages, is not for everyone. But this report is shaping a narrative that positions young people as economic change agents.”

- **Peter Materu**, Chief Program Officer at Mastercard Foundation

“The evidence is clear: very young entrepreneurs have the potential to become primary drivers of job creation on the African continent. Given the reality of unemployment in Africa, it makes sense in the context of the Very Young Scenario to support our very young entrepreneurs. We see the importance of this every day in our work at JA Africa; young people are creating small and medium sized enterprises all over the continent. They are employing themselves and their peers, they are supporting their families, they are creating value for their communities and for our national economies. We owe it to them to eliminate the barriers to their success, which is why we are happy to lend our voice and support to this movement and we call on all other stakeholders – from parents to policy makers and everyone in between – to do the same.”

- **Elizabeth Bintliff**, CEO Junior Achievement Africa

“The Very Young Entrepreneur (VYE) concept can indeed change the African narrative if it is well implemented. The curious and innovative mind of VYEs should be nurtured by all stakeholders in an inclusive manner, so that they can become the much needed vehicle to radically transform our continent. Working with teenspreneurs and undergraduates at the Pan-Atlantic University, Lagos has indeed confirmed the need to create an ecosystem as suggested in the report where success enablers, influencers and role models intentionally make entrepreneurship a choice career option for our VYEs rather than it being the last resort. This is when Africa will witness a new dawn!”

- **Peter Bamkole**, Director, Enterprise Development Centre, Pan-Atlantic University

“Over the past ten years, I have had the joy of working with very young entrepreneurs who are already building Africa’s economy of tomorrow: young people like Belinda Munemo, Andrew Mupuya, and Joseph Munyambanza. What these very young entrepreneurs have achieved by their early twenties is indicative of the imagination, creativity, and perseverance that exists in young people across the continent. We must build an ecosystem that unlocks the potential of these young entrepreneurs, who will envision and create our future. This report makes it clear that such an ecosystem is not just the responsibility of venture capitalists or formal ‘accelerators’ – it is the responsibility of all of us, beginning with parents and teachers.”

- **Chris Bradford**, CEO, African Leadership Academy



"In a world that is moving towards a control of the majority by a few, it is absolutely critical to create a culture where the youth of Africa are economically independent. I have always believed that the solution to Africa's economic progress and prosperity depends on building a sustainable ecosystem to foster entrepreneurship, particularly, supporting business ventures that solve local problems. I cannot over emphasize the importance of investing in our youth as society. Governments will need to provide leadership with policies that are proactive and forward looking, and private sector must direct their enterprise development budgets towards the youth. This VYE Scenario blueprint further lays out how stakeholders can catalyse Africa's future job creators."

- **Wendy Luhabe**, Founder and Chairperson, Social Entrepreneur/Economic Activist

"As we stand on the brink of an uncertain future, it has never been more important to invest in the entrepreneurial capabilities of Africa's youth. We support the findings of Anzisha and ALA that more must be done to enable young Africans to unleash their potential, for they are the solution that our continent needs."

- **Maryana Iskander**, CEO, Harambee Youth Employment Accelerator

"Africa is on the precipice of an unemployment crisis like the world has never seen. An abundance of young entrepreneurs will be essential to unleashing the cyclone of job creation the continent needs to evade this humanitarian catastrophe. The VYE Scenario is a strategic, innovative and actionable playbook for setting in motion the flywheel of prosperity Africa is ready for."

- **Fred Swaniker**, Founder and CEO, African Leadership Group

"With demographic projections, Africa will have the largest youth population by 2050. This rising youth population presents one of the greatest sources of potential and disaster for most African states as youth unemployment continues to persist. The Very Young Entrepreneur Scenario for Africa creates a well-researched blueprint for job creation that is comprehensive and incorporates all the various stakeholders - parents, investors, mentors, private sector, educators and government. It should be required reading for all policymakers serious about avoiding a demographic disaster and achieving a demographic dividend."

- **Sangu Delle**, Chairman and CEO, Golden Palm Investment and author of "Making Futures: Young Entrepreneurs in a Dynamic Africa"

"With so much negative focus on Africa's youth bulge, it's important the radical thinking in reports like this help reframe our thinking about what might be possible."

- **Yinka Adegoke**, Editor, Quartz Africa

"This blueprint comes at time where Africa would need its greatest resource, her young people to rise up and build the future this beautiful continent represents. The valuable insights, research and recommendations make this report important reading for anyone who is seeking ways of building strong youth entrepreneurship ecosystems across Africa."

- **Marlon Parker**, Founder, Reconstructed Living Labs (RLabs)



“If we are to be successful in defining Africa’s path to prosperity in the 21st century, the training and employability of Africa’s youth is a critical necessity. If we are to be able to meet the immense and growing demand for jobs on the continent, developing many more African entrepreneurs is a must, as is the speed at which we create them. This makes the importance and the power of the Very Young Entrepreneur Scenario obvious - it is about teaching young people how to create jobs for young people, and doing so quickly and at scale!”

- **Christopher O.H. Williams**, *President, African Leadership University*

“We share Anzisha’s enthusiasm for the potential of very young entrepreneurs in Africa. Our collaboration on different initiatives and platforms have continued to enrich our shared agenda. This important research study, from which a blueprint for action has emerged, is significant in its service to the sector and further, will provide policymakers with rich data and a robust frame against which to apply their thinking within the legislative environment. Being able to unpack a scenario that places young entrepreneurs at its heart provides a vision of what could be, and is vital to the work of those who seek to identify and nurture entrepreneurial talent on the continent. Congratulations and thanks are due to Anzisha for undertaking this substantive effort.”

- **Yogavelli Nambiar**, *CEO, Allan Gray Orbis Foundation*



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# Introduction

Since its inception in late 2018, the Scenarios for Young African Entrepreneurs project has theorised about what the future might hold for Very Young (15 to 25-year-old) Entrepreneurs in Africa. Leveraging the tool of scenario planning, it explored how entrepreneurship can offer innovative alternatives to drive employment and economic growth in Africa, and what the required inputs from each of the major stakeholder groups might be to facilitate this. The process has ultimately resulted in the **‘Very Young Entrepreneur (VYE) Scenario’**, which proposes investing in entrepreneurs of all ages, but with a focus on entrepreneurs under the age of 25 and successful transitions from school to viable entrepreneurship.

To do this, the Scenario advocates for accelerating youth employment in Africa through mechanisms such as economic growth and entrepreneurship education. The project hosted consultations with 280 stakeholders representing more than 30 African countries that have helped to conceptualise the VYE Scenario and how we might collectively work towards achieving it.

The purpose of this document is to set out Anzisha’s position on the Scenarios for Very Young African Entrepreneurs project, reflecting on insights from the various consultations that have brought us to this point. The document serves as a starting point for stakeholders in considering how they might contribute towards achieving the VYE Scenario. We also suggest a way forward for all stakeholders, including Anzisha, in promoting and actualising the VYE Scenario.

## A note on COVID19

This research work was undertaken and finalized before COVID19 took hold. We believe that as Africa reshapes to respond to the pandemic and build more resilience in our economies, the Very Young Entrepreneur Scenario gains greater urgency rather than requiring reformulation. We appreciate that policy makers will have their mindshare focused elsewhere for some time, but we are confident that policy decisions that better enable very young entrepreneurs and the ecosystem around them can and should form part of any attempts to restructure our economies going forward.

# Current Obstacles and Untapped Potential

The Anzisha team began the project by examining Africa’s current context, including the various forces that have shaped today’s global labour market. Literature indicates that cyclical unemployment,<sup>1</sup> unequal division of labour (particularly in developing economies), technology-led automation of many jobs, and the aftermath of the 2008 global financial crisis and subsequent

global economic downturn are amongst the forces that have impacted the current economic landscape in Africa and the rest of the world. As a result, global youth unemployment rates have risen rapidly and are currently sitting at 13.1%, which is three times higher than the unemployment rate for adults (4.3%).<sup>2</sup>

1. Otherwise known as demand-deficient employment, cyclical unemployment refers to lower rates of employment during recessions that are caused by decreased output

2. Youth Unemployment Decade. (2018). The Global Youth Unemployment Rate is Three Times Greater than Between Adults. Retrieved January 11, 2018 from <http://www.youthemploymentdecade.org/en/repot/la-tasa-mundial-desempleo-juvenil-tres-veces-mayor-la-los-adultos/>



Nowhere is this more tangible than in Africa.

Of the 2.1 billion people who are expected to join the world's population between 2019 and 2050, half will be African,<sup>3</sup> on a continent where access to stable economic opportunities remains limited. According to the World Bank, youth account for 60% of Africa's unemployed population.<sup>4</sup>

Higher education, once seen as a guarantee of better employment prospects, can no longer offer such assurances.<sup>5</sup>

With limited opportunities to find employment in increasingly competitive economies, youth must explore alternatives to support their families and communities. Entrepreneurship offers significant opportunities for job creation. As such, it presents itself as a means of tackling unemployment over the long term.

Studies in Africa and beyond show that long-term economic growth and prosperity require economic participation from new entrepreneurs, while a large body of literature suggests that, over the past two decades, the small and medium-sized enterprises (SMEs) that entrepreneurs establish have been key drivers of employment and, by extension, economic prosperity.<sup>6</sup> Entrepreneurship becomes increasingly important in contexts where new labour arrangements are surpassing traditional jobs, innovative business models are being developed, and there are new ways of doing business.<sup>7</sup> Entrepreneurship thus lies at the nexus of youth unemployment and opportunities for job creation.

Research shows that most entrepreneurs set up SMEs.<sup>8</sup> SMEs play a significant role in driving economic growth. In OECD emerging economies, SMEs contribute to as much as 45% of total employment.<sup>9</sup> SMEs in Ghana employ 82% of the working population.<sup>10</sup> Similarly, statistics from Kenya's 2016 Survey on SMEs found that there were about 1.56 million licensed and 5.85 million unlicensed SMEs in the country. On average, each SME engaged 1.4 persons at inception (rising to 1.6 persons at peak times), suggesting that, for each entrepreneur, at least one additional job is created in the Kenyan labour force. This suggests that entrepreneurship is an effective way of creating employment.

A separate report we recently completed on policies and strategies that support VYEs<sup>11</sup> notes that entrepreneurship is widely recognised as an important contributor to economic development. Slightly more than half of African countries have national SME guidelines. This includes standalone SME policy statements or strategies, or other forms of policy, such as national plans or relevant legislation.<sup>12</sup> African youth are also highly engaged in entrepreneurship. A recent study on young entrepreneurs in Africa compared ten countries, finding that Uganda, Zambia, and Nigeria have very high rates of youth entrepreneurship, with more than half of young people actively starting and running businesses.<sup>13</sup>

3. Mo Ibrahim Foundation. (2019). *Africa's Youth: Jobs or Migration?* 2019 Ibrahim Forum Report. Retrieved December 12, 2019 from <https://mo.ibrahim.foundation/sites/default/files/2019-10/2019%20Forum%20Report.pdf>

4. Ighobor, K. (2017). Africa's jobless youth cast a shadow over economic growth. *Africa Renewal*. Retrieved March 6, 2020 from <https://www.un.org/africarenewal/magazine/special-edition-youth-2017/africas-jobless-youth-cast-shadow-over-economic-growth>

5. International Labour Organization. (2019). *Making Decent Work a Reality for Africa's Youth*. Retrieved February 14, 2020 from [https://www.ilo.org/global/meetings-and-events/regional-meetings/africa/arm-14/programme/WCMS\\_731215/lang-en/index.htm](https://www.ilo.org/global/meetings-and-events/regional-meetings/africa/arm-14/programme/WCMS_731215/lang-en/index.htm)

6. Hussain, M.D., Bhuiyan, A.B. and Bakar, R. (2014). Entrepreneurship Development and Poverty Alleviation: An Empirical Review. *Journal of Asian Scientific Research*, 2014, 4(10): 558. Retrieved January 16, 2019 from [http://www.aessweb.com/pdf-files/JASR-5-2014-4\(10\)-558-573.pdf](http://www.aessweb.com/pdf-files/JASR-5-2014-4(10)-558-573.pdf)

7. Dutta, A. (2017). Effective Entrepreneurial Solutions to Unemployment. *Entrepreneur India*. Retrieved December 13, 2018 from <https://www.entrepreneur.com/article/295664>

8. According to the OECD, SMEs are defined as non-subsidiary, independent firms which employ fewer than a given number of employees. This number varies across national statistical systems. The most frequent upper limit is 250 employees, as in the European Union. However, some countries set the limit at 200 employees, while the United States considers SMEs to include firms with fewer than 500 employees. Small firms are generally those with fewer than 50 employees, while micro-enterprises have at most ten, or in some cases five, workers.

9. Gurria, A. (2018). 2018 OECD SME Ministerial Conference – Opening Remarks. Retrieved January 16, 2018 from <http://www.oecd.org/about/secretary-general/oecd-sme-ministerial-conference-mexico-2018.htm>

10. Amoah, S.K. and Amoah, A.K. (2018). *The Role of Small and Medium Enterprises (SMEs) to Employment in Ghana*. Retrieved January 11, 2018 from <http://article.sciencepublishinggroup.com/pdf/10.11648/j.jiber.20180705.14.pdf>

11. <https://anzisha.info/PolicyResearch>

12. Sourced from 'Policies/Strategies that Support Very Young Entrepreneurs'. Available at: <https://anzisha.info/PolicyResearch>

13. Kew, J. 2015. *Africa's young entrepreneurs: Unlocking the potential for a brighter future*. International Development Research Centre and Global Entrepreneurship Monitor. Retrieved March 5, 2020 from: <https://www.idrc.ca/sites/default/files/sp/Documents%20EN/Africas-Young-Entrepreneurs-Unlocking-the-Potential-for-a-Brighter-Future.pdf>



*Young people on the continent are benefitting from several innovations in the entrepreneurship space, including:*

- **Crowdfunding campaigns**, which allow investment exposure and leverage the use of social networks.
- **Microfinancing models**, where loans are recycled to assist the next entrepreneur after repayment.
- **Credit schemes** targeted at training unemployed youth.<sup>14</sup>

Although they are targeted at youth, many, if not all funding options have a minimum age requirement of 18 years, which means many VYEs are unable to apply. While significant efforts from government and private sectors are stimulating and supporting youth entrepreneurship, there are still challenges regarding youth entrepreneurial activities.

*As outlined in our report on the policy context, these include:*

- Access to financing, investment or working capital;
- Infrastructure challenges;
- A lack of entrepreneurship education or related skills;
- Limited access to (or knowledge of) markets, business development services, networks, and support schemes;
- Regulatory restrictions;
- Paucity of commercial justice;
- Lack of an enterprise culture; and
- Natural resources, such as droughts or a lack of clean drinking water impacting enterprises.<sup>15</sup>

Considering the current environment and having made the case for entrepreneurship as a potential means of tackling unemployment, initial workshops<sup>16</sup> for this report sought to conceptualise different scenarios for the future of employment in Africa.

*The three scenarios are outlined below:*

- **Scenario One: The Status Quo** sees incremental improvements in economic, political, and social conditions in Africa without any significant interventions or changes. Remaining on the current trajectory will see a gradual positive influence on employment but will not have a significant enough impact to absorb unemployed youth in the foreseeable future.
- **Scenario Two: Leveraging Entrepreneurial Experience** proposes accelerating employment through economic growth, higher levels of education, and investment in entrepreneurs, with a focus on older individuals who have already gained entrepreneurship experience. This scenario will have a greater positive impact on employment than Scenario One. However, long-term employment growth is limited by entrepreneurial activity driven by older individuals as they become increasingly risk averse and their timeframe of economic activity is limited.
- **Scenario Three: The Very Young Entrepreneur Scenario** proposes accelerating employment through economic growth, higher levels of education, and investment in entrepreneurs of all ages, but with a focus on VYEs. This scenario requires a longer time horizon but ultimately yields more benefits. Although VYEs lack entrepreneurial experience, skills, and knowledge initially, they have more business opportunities to impact employment more extensively over a longer period.

Based on insights from our research and first-hand experience, Anzisha has focused on mobilising stakeholders to explore and refine the VYE Scenario, which is set out in the next section.

14. Sourced from 'Policies/Strategies that Support Very Young Entrepreneurs'. Available at: <https://anzisha.info/PolicyResearch>

15. Sourced from 'Policies/Strategies that Support Very Young Entrepreneurs'. Available at: <https://anzisha.info/PolicyResearch>

16. See <https://anzishaprize.org/activities/anzishascenario/>



*“Key to using entrepreneurship  
as a means of tackling youth  
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that young entrepreneurs hire other  
young people.”*

# The VYE Scenario

The VYE Scenario proposes investing in entrepreneurs of all ages but focusing on VYEs. Older career entrepreneurs generally start a larger number of businesses and their businesses have a higher chance of surviving.<sup>17</sup> So why focus investment primarily on VYEs?

Key to using entrepreneurship as a means of tackling youth unemployment in Africa is that our research and experience have indicated that young entrepreneurs hire other young people.<sup>18</sup> We have seen this when working with Anzisha fellows, highlighted, for example, by Geoffrey Mulei's<sup>19</sup> story involving the 'It Starts with You' project. Geoffrey's startup, Tanda, currently employs about 58 people in Kenya, about 70% of whom are under the age of 25. Employment generation is one of the main thrusts of this project and all of our activities at the Anzisha Prize; if VYEs hire other young people, employment among youth can grow exponentially. While it might hold true that VYEs will fail more frequently early in their careers, due to inexperience and lack of resources, each business a VYE starts is expected to employ a few individuals. Those employees gain skills through exposure to the business operations and management, increasing the overall quality of the labour force. While the long-term net effect on employment may be muted at the beginning of the VYEs' career, there will be a more rapid impact on skills development for both the VYEs and their employees.

The impetus for the VYE Scenario requires a long-term vision for the future of employment.

When looking at the types of businesses that younger career entrepreneurs tend to launch, data shows that these businesses make a greater impact when they succeed and leave less of a mark if they fail.<sup>20</sup> These figures reinforce Anzisha's first-hand experience; several Anzisha fellows have become serial entrepreneurs and have started more than one business by the time they are in their twenties.

Research also suggests that young entrepreneurs are more receptive to starting businesses using new technologies,<sup>21</sup> as well as being more adaptable to social and economic changes and to challenging the status quo. Unburdened by preconceived assumptions, VYEs can look at problems and possible solutions in new ways, allowing them to be more innovative.<sup>22</sup>

Examples of innovative VYEs on the continent are abundant and Anzisha has had the privilege of working with several of them. One such example in 2019 was Jariatou Jallow, a 21-year-old Anzisha fellow from The Gambia. Jallow founded Yonima Errands Runner, a business errands service that offers business registration, bank account openings, administrative, and other services.<sup>23</sup> The Gambia is 80% unmapped and with people's increasingly busy schedules, Jallow saw a gap in the market to create a technology that offers the services of young errands runners who are familiar with the area.

17. Conner, C. (2012). Do Older Or Younger Entrepreneurs Have The Greater Advantage? Forbes. Retrieved December 11, 2018 from <https://www.forbes.com/sites/cherylsnappconner/2012/09/03/do-older-or-younger-entrepreneurs-have-the-greater-advantage/#660891fa3baa>

18. [https://anzisha.info/VYE\\_Cameroon\\_Cote-d'Ivoire](https://anzisha.info/VYE_Cameroon_Cote-d'Ivoire); [https://anzisha.info/VYE\\_Ghana](https://anzisha.info/VYE_Ghana); [https://anzisha.info/VYE\\_Tanzania](https://anzisha.info/VYE_Tanzania)

19. Add link to Kolawole's video when available.

20. Conner, C. (2012). Do Older Or Younger Entrepreneurs Have The Greater Advantage? Forbes. Retrieved December 11, 2018 from <https://www.forbes.com/sites/cherylsnappconner/2012/09/03/do-older-or-younger-entrepreneurs-have-the-greater-advantage/#660891fa3baa>

21. See [www.rain.co.za](http://www.rain.co.za)

22. Jain, A. (2017). Why Young Entrepreneurs Are Better Positioned to Succeed. Retrieved January 16, 2019 from <https://www.entrepreneur.com/article/298025>

23. See <http://anzishaprize.org/fellows/jariatou-jallow/>



Christian Kassahun, another 21-year-old Anzisha fellow from Ethiopia, co-founded GebeyaNet, an agricultural e-commerce platform that connects smallholder farmers with the market and facilitates logistics and payment systems for them.<sup>24</sup> GebeyaNet provides an agritech solution that aims to improve food distribution as well as reducing transportation costs and food scarcity in Ethiopia.

The process of gaining entrepreneurial experience, receiving mentorship, and experiencing failure and success in their early years also enables VYEs to grow a greater number of successful businesses over time. When they reach the point where they can significantly scale their businesses, VYEs are more likely to have the energy and enthusiasm to drive the business forward. At this point, they will be poised to create business outliers that have a disproportionately positive effect on reducing unemployment.

Literature suggests that VYEs are more inclined than previous generations towards pursuing 'social entrepreneurship'. They want to start businesses that confront social and economic challenges in different areas of society such as health, housing, nutrition, education, gender issues, and empowerment.<sup>25</sup> This, coupled with the potential that youth have to create employment for themselves and others, is a compelling reason to support VYEs.

We believe that the VYE Scenario will have a significant positive impact on employment and skills development on the continent. The *Scenarios for Young African Entrepreneurs* project has taken us through a process that has validated our belief in the power of youth to change their circumstances and their communities through entrepreneurship; we intend to pursue this vision by cultivating the VYE Ecosystem.

## Creating The Ecosystem

The VYE Scenario cannot be achieved by any single agency. It will require the collaborative efforts and resources of several stakeholders to create an environment in which VYEs and their businesses can thrive. Anzisha began developing an Ecosystem model as the vehicle for the

VYE Scenario, and various workshop groups contributed their ideas to the Ecosystem concept.<sup>26</sup> One of the most cogent models is presented below. It emphasises the need to have various stakeholders contribute to achieving the collective vision that is represented by the VYE Scenario.

*Ultimately, our aim is to build a movement that will drive large-scale behaviour change across three key stakeholder groups:*

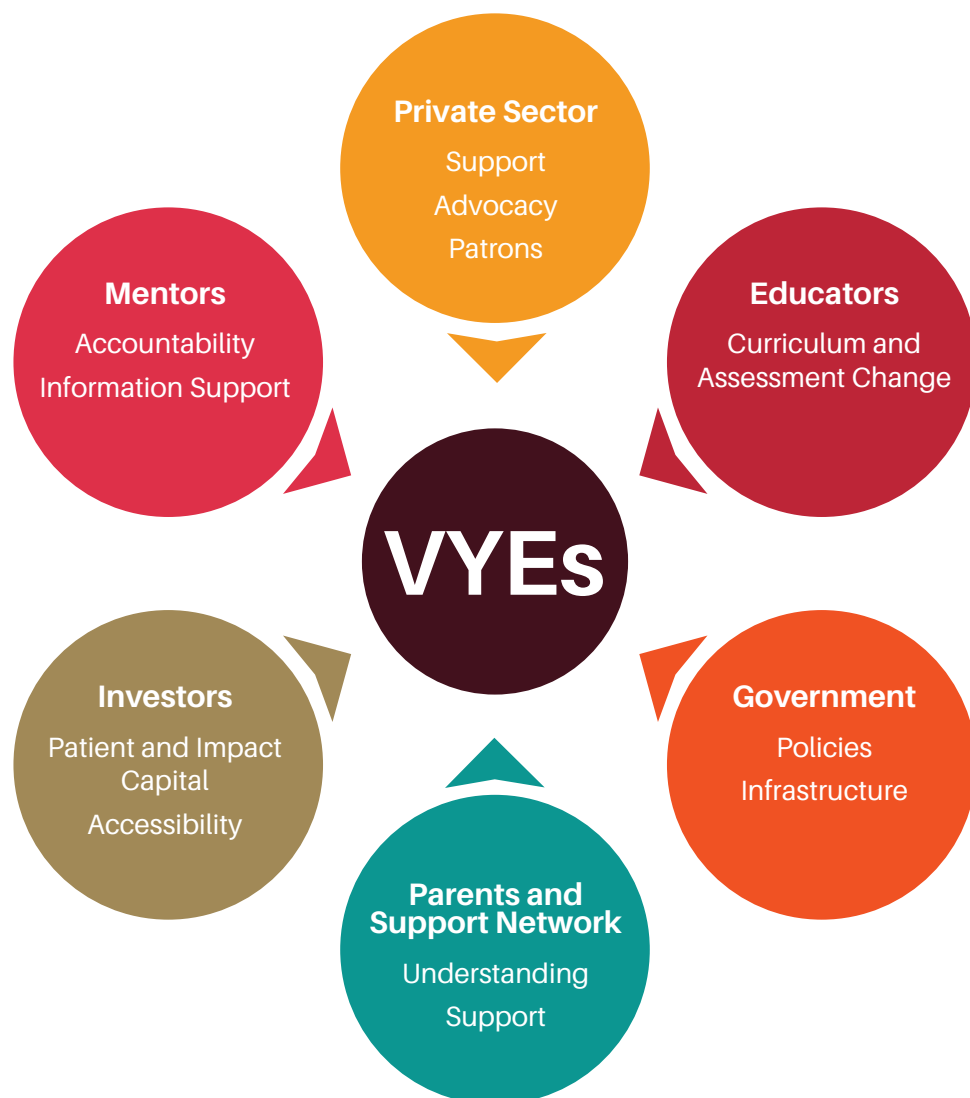
1. Those who must choose this path: ***Young Africans with leadership potential.***
2. Those who most influence career choices: ***Parents and Educators.***
3. Those who can increase the likelihood of success: ***Investors and Policy Makers.***

24. See <http://anzishaprize.org/fellows/christian-kassahun/>

25. Bonnici, F. (2015). Why Africa's young people should turn to entrepreneurship. World Economic Forum. Retrieved December 11, 2018 from <https://www.weforum.org/agenda/2015/06/africas-young-people-entrepreneurship/>

26. <https://anzishaprize.org/activities/anzishascenario/>

**Figure 1:**  
The Anzisha Ecosystem – Stakeholders



In the VYE Ecosystem, VYEs receive support from various actors at different stages of development. *Figure 1* shows six different stakeholder groups that influence VYEs, along with the type of support they provide. *Figure 2* illustrates the cycle that a VYE would experience when engaging with these stakeholders. VYEs receive support and validation from their families, which influences their confidence in pursuing their ideas. With support from their communities and cultural stimuli, VYEs will be able to increase their confidence and

develop discipline. The education system delivers curriculum support that equips them with the skills needed to take their businesses forward, while mentors provide early-stage guidance to VYEs to increase their chances of success. Investors allow VYEs to access capital, increasing their capacity and allowing them to connect with the private sector and to reach their customers. In addition, government provides policy and infrastructure development to support VYEs.



**Figure 2:**  
The Very Young Entrepreneur Ecosystem – Cycle



The workshops that Anzisha hosted in 2019 sought to bring together representative stakeholders from the Ecosystem to discuss the VYE Scenario. As the process unfolded, the workshops were able to drill deeper into the Scenario, exploring how different stakeholders within the Ecosystem might contribute to achieving the VYE Scenario, as well as the various implications for them.

What follows is a synthesis of key insights from each of the stakeholder groups. These insights draw significantly from Anzisha's VYE Scenario Workshop Series that we hosted during the Anzisha Forum in October 2019, a summary of which can be found in Appendix One together with links to the workshop reports.

## Educators

Key to ensuring that the education system supports entrepreneurship and entrepreneurial thinking is to highlight role models who provide inspiration for career paths that are local. There are not enough easily accessible stories of entrepreneurship success on the continent. It is important for young people to be exposed to entrepreneurship in its many forms and to see representations of successful entrepreneurship in their own contexts. This can inspire them to follow similar paths.

More African countries are moving towards including entrepreneurship in formal educational curricula, including school-level, technical and vocational education and training (TVET), and higher education. At the school level, initiatives in co-curricular or extra-curricular spaces provide alternative or additional avenues for young people to pursue entrepreneurship education. These initiatives include online or private educational programmes, skills development programmes and workshops, or entrepreneurship competitions that include some form of mentorship, training or networking. However, the resource requirements, such as fees, to take part in such programmes might result in the exclusion of many young people, simply because they cannot afford to participate.<sup>27</sup>

Studies show that early entrepreneurship education influences an individual's career choices and increases the chances that he or she will pursue further entrepreneurship training later in life. Early entrepreneurship exposure and skills development can cultivate a lifelong entrepreneurial attitude to work, even if the individual does not ultimately decide to become an entrepreneur.<sup>28</sup> Well-educated VYEs will have a greater appetite for innovation and will have a larger knowledge- and skills-base to approach

entrepreneurship systematically. Central to cultivating this is to entrench entrepreneurial thinking and entrepreneurship skills at several levels. This will require buy-in from various stakeholders in the education system.

*Lackéus (2015) notes that entrepreneurial education is often categorized into three approaches:*

- **Teaching 'about' entrepreneurship:** entails a more theoretical approach intended to familiarise learners with the concept, its foundations, and common practices.
- **Teaching 'for' entrepreneurship:** provides budding entrepreneurs the requisite knowledge and skills.
- **Teaching 'through' entrepreneurship:** takes on an experiential approach, where learning takes place through an actual entrepreneurial learning process.<sup>29</sup>

Holistic entrepreneurial education should accommodate all three approaches. First, it will be important to focus on the curriculum. This will involve redesigning curricula to shape students' mindsets so that they are equipped to identify opportunities from challenges that they experience. Here, the focus should be on providing good quality, comprehensive education that prepares youth for the future of work. This includes fostering entrepreneurial thinking and skills through curriculum design, rewarding innovative thinking, and promoting informal education where diverse experiences and activities are opportunities to learn.

27. Sourced from Anzisha Prize. (2020). 'Policies/Strategies that Support Very Young Entrepreneurs'. Available at: <https://anzisha.info/Policy/Research>

28. Meagher, M. (2018). RESEARCH: The Case for Investing in Very Young Entrepreneurs. African Leadership Academy. Retrieved January 28, 2019 from <http://www.africanleadershipacademy.org/research-investing-in-young-entrepreneurs/>

29. Lackéus, M. (2015). Entrepreneurship in education: What, why, when, how. OECD and EU. Retrieved February 20, 2020 from: [https://www.oecd.org/cfe/leed/BGP\\_Entrepreneurship-in-Education.pdf](https://www.oecd.org/cfe/leed/BGP_Entrepreneurship-in-Education.pdf)

Entrepreneurial skills could be inculcated across subjects, while schools might consider starting entrepreneurship education earlier on in students' education. Implementing this would require buy-in from educators and school managers and would depend on available resources, capacity, and the value proposition of the request. Because schools often promote their ability to equip students with 'real-world' skills, it might be useful to highlight the ability of entrepreneurial education to do just that.

A focus on entrepreneurship at school not only requires effective curriculum design, but also educators with the necessary skills to teach entrepreneurship and entrepreneurial skills effectively. Amid serious resource constraints in schools across the continent, it will be necessary to develop continuous professional development (CPD) courses about teaching entrepreneurship and instilling entrepreneurial skills in students. Likewise, pre-service teachers should be exposed to content on teaching entrepreneurship and entrepreneurial skills effectively.

There are several ways that educators can infuse entrepreneurship into educational settings. Key is to ensure that entrepreneurship is implemented as a practice, not only taught in theory.

important if we want to increase students' confidence in these skills after they leave school. There are various ways to pursue this. For example, educators could encourage schools to nominate an Entrepreneurship Club Champion to ensure that efforts are sustainable. Another example would be to encourage schools to partner with local businesses to offer work-integrated learning, on-site visits, as well as school events where local business owners are invited to speak to students. This could be beneficial for both the businesses

and the students. Local businesses could benefit by contributing to the community and potentially expanding their customer bases, while students would be exposed to the realities of running a business. Lastly, educators could encourage students to start their own businesses with support from their school.

The work of the Centre for Entrepreneurial Leadership (CEL)<sup>30</sup> underpins Anzisha's efforts to work collaboratively with educators and other stakeholders in education. CEL has developed a comprehensive curriculum framework, content and tools called the Entrepreneurial Leadership Learning System. Anzisha is committed to identifying and creating partnerships across the continent to accelerate the adoption of experiential learning models for entrepreneurship education. Our tried and tested content and tools are accessible via our website.<sup>31</sup> In addition, Anzisha is also facilitating a growing educator community.<sup>32</sup>

30. <https://anzishaprize.org/activities/cel/>

31. <https://anzishaprize.org/activities/cel/>

32. <https://anzishaprize.org/communities/educators/>



*"We need to reimagine secondary education in ways where it is not just seen as a stepping stone to tertiary education but as a platform from which youth can transition directly into work."*

## Policymakers

A report from Mastercard Foundation notes that ‘ensuring that Africa’s young people secure employment or can create their own livelihoods is arguably the single most significant task facing African policymakers today.’<sup>33</sup> We need to reimagine secondary education in ways where it is not just seen as a stepping stone to tertiary education but as a platform from which youth can transition directly into work.<sup>34</sup> Young people will need to be prepared with the knowledge and skills sought by employers and to succeed as entrepreneurs. Several policy measures will be needed to ensure that secondary education supports students to transition effectively into the world of work in general and entrepreneurship in particular. This includes education policies that push entrepreneurship and business skills development, including promoting skills required to start a business and technical skills in secondary school. These interventions at the education policy level will require policymakers to address systemic issues in education systems from multiple angles, including the provision of qualified teachers, effective learning materials, and training for school management.

Governments and policymakers also play a significant role in creating a conducive environment for VYEs to start and run businesses. Policies and regulations should facilitate entry into entrepreneurship, as well as creating an environment that enables VYEs to start and sustain businesses. Currently, two thirds of African countries have national youth policies,<sup>35</sup> 70% of which include some reference to entrepreneurship.

Our investigations into entrepreneurship policies in Africa have shown that several African countries have made valuable contributions to supporting entrepreneurship through mechanisms such as national SME policies or youth development policies that include a focus on entrepreneurship.<sup>36</sup> It will be useful to build on this momentum through policies that suit the varying contexts of young entrepreneurs across the continent. Equally important will be to ensure that the policies are implemented effectively. Our research in Cameroon and Cote d’Ivoire has shown that current policies, practices, and regulations appear to enhance corruption, which ultimately stifles entrepreneurial growth and job creation opportunities.<sup>37</sup> To overcome these challenges, the policy environment will need to be reimaged in ways that mitigate corrupt practices.

33. Mastercard Foundation. (2019). *Secondary Education in Africa: Preparing Youth for the Future of Work*. Retrieved February 24, 2020 from <https://mastercardfdn.org/wp-content/uploads/2019/07/SEA-Report-Synopsis.pdf>

34. Mastercard Foundation. (2019). *A Unique Opportunity to Maximize the Impact of Secondary Education in Africa*. Retrieved February 24, 2020 from <https://mastercardfdn.org/wp-content/uploads/2019/08/A-Unique-Opportunity-to-Maximize-the-Impact-of-Secondary-Education-in-Africa.pdf>

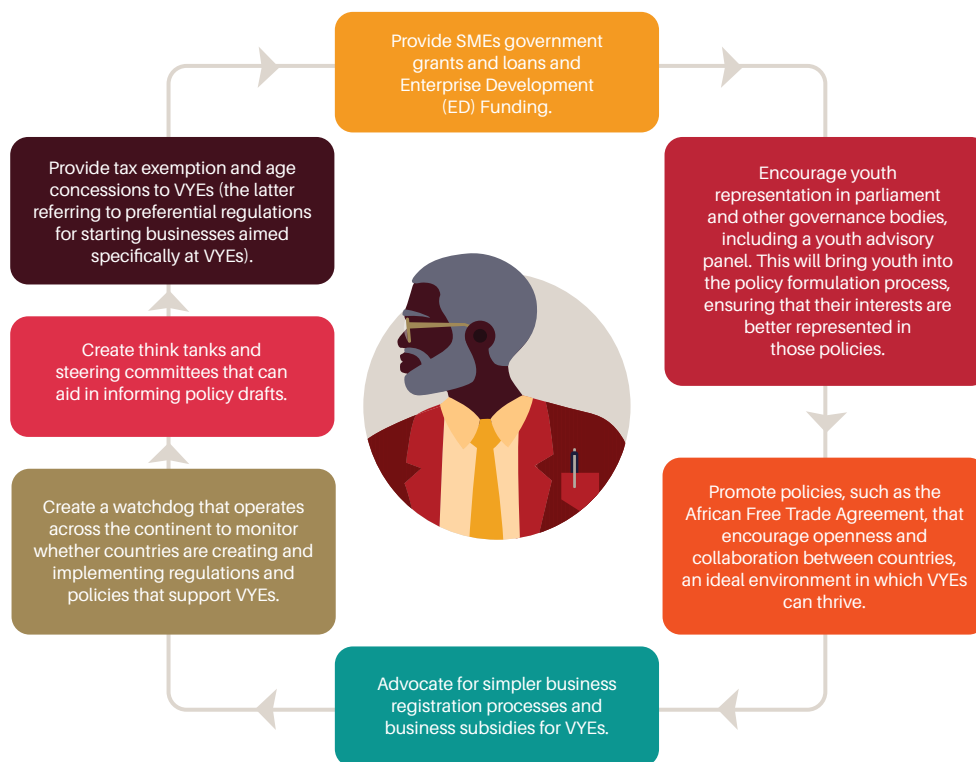
35. <https://www.youthpolicy.org>

36. Anzisha Prize. (2020). ‘Policies/Strategies that Support Very Young Entrepreneurs’. Available at: <https://anzisha.info/PolicyResearch>

37. Sourced from Anzisha Prize and Osmoz Consulting Ltd. (2020). *Youth entrepreneurship for sustainable job creation in francophone Africa: A case study of Cameroon and Côte d’Ivoire*. Retrieved February 24, 2020 from <https://anzisha.info/PolicyResearch>



**Several interventions within the policy environment could assist in this respect, including those listed below:**



Another way that policymakers can assist VYEs with their entrepreneurial ventures is by reducing barriers to entry, for example by reforming legislation that requires an individual to be 18 or over to register as a director of a company. Policies could move toward a demand-driven approach, with appropriate incentives and support to facilitate start-ups and improve these enterprises' growth and job-creation prospects if a contribution to unemployment is a key outcome.

For policies and regulations to support VYEs effectively, the entire system should work towards the same goal. This means that educational policies, trading regulations, and business mandates should create an ecosystem where it is easier for VYEs to start and run businesses. It is equally important to lobby for policies that create a conducive environment for innovation and business development. Encouraging government

investment in infrastructure (including Internet, roads, and schools) and services is key to satisfying basic needs of communities across the continent, not to mention providing the fundamental infrastructure that VYEs need to start and grow their businesses. Improving infrastructure can have an exponentially positive effect on economic growth. For example, in 2016, a 10% increase in fixed broadband infrastructure led to a 1.38% increase in economic growth in emergent nations.<sup>38</sup>

Lastly, policymakers might consider that start-ups often develop quickly and innovate beyond traditional structures, making it difficult for legislative and regulatory procedures to keep pace. Endorsing strong leadership and values that incentivize entrepreneurship will mean that VYEs are able to start and sustain businesses in a safe regulatory environment that nurtures entrepreneurial activity instead of suppressing it.

38. Mingos, M. (2016). Exploring the Relationship Between Broadband and Economic Growth. World Development Report. Retrieved April 1, 2019 from <http://pubdocs.worldbank.org/en/391452529895999/WDR16-BP-Exploring-the-Relationship-between-Broadband-and-Economic-Growth-Mingos.pdf>



*“One of the most powerful influences on young entrepreneurs is that the behaviours and expectations of their parents are often premised on the idea that secondary schooling is a platform for university entry, not work.”*

## Parents and the Social Support Network

Research demonstrates that social capital investment is a critical component of a VYE's success. For example, a study on youth entrepreneurship in South Africa found that higher levels of human and social capital investment resulted in better performing youth-owned enterprises. This suggests that human and social capital drive performance of these enterprises.<sup>39</sup>

As a result of their age, VYEs rely considerably on support from experienced individuals in their inner circles and from those with more diverse skillsets. Those in their social support network, including family, community members, teachers, and mentors, are important role-players for VYEs as they provide financial and emotional support, and professional guidance, as well as enhancing VYEs' chances of achieving business success.<sup>40</sup> Unfortunately, VYEs often face challenges in convincing their parents and others in their networks to support them to pursue entrepreneurship. Reasons include that people in their network may not see entrepreneurship as a viable career option, and VYEs may have financial responsibilities that require a steadier income than entrepreneurship might be able to provide in the early stages.

One of the most powerful influences on young entrepreneurs is that the behaviours and expectations of their parents are often premised on the idea that secondary schooling is a platform for university entry, not work.<sup>41</sup> Just as it is important to show VYEs representations of entrepreneurial success in their own contexts through storytelling, so too is it crucial to employ strategies that persuade parents to support their children's entrepreneurial aspirations by, for example, exposing parents to stories and entrepreneurial activities in day-to-day life (through media campaigns and creating content focused on VYEs' parents). One example is Anzisha's book called 'Parenting the Boss'.<sup>42</sup>

As much as VYEs need support, so too do those who are closest to them and who embark on a parallel journey. Because parents are central role-players in VYEs' lives, it is necessary to consider how their children's entrepreneurial journeys affect them. Creating a parents' support network or community might be an effective way of providing a space for parents to share their experiences. Anzisha is actively working to build a VYE parent community.<sup>43</sup>

## Incubators & Accelerators

Incubators provide crucial training and support for entrepreneurs. They typically focus on helping entrepreneurs and innovators to solidify ideas that could evolve into businesses, patents, or other ventures. Incubators might provide workspaces, peer or expert mentoring, training, and networking.

They do not usually give funding to entrepreneurs or innovators but are often funded by universities or economic development organisations and can spend up to 18 months helping VYEs to nurture ideas.

39. Majola, A.J. (2017). *The impact of entrepreneurial capital on the performance of youth-owned enterprises in South Africa*. Retrieved December 13, 2018 from <http://wiredspace.wits.ac.za/bitstream/handle/10539/23221/170620%20MMENVC%20Final%20Thesis.pdf?sequence=1&isAllowed=y>

40. Bellows & Perry. (2005). *Why Mentoring is Important*. Graduate Mentoring Guidebook: University of Nebraska-Lincoln. Retrieved March 31, 2019 from <https://www.unl.edu/mentoring/why-mentoring-important>

41. Adler, J. *The future of secondary schools - where teenagers transition directly to income?*. LinkedIn. Retrieved February 20, 2020 from <https://www.linkedin.com/pulse/future-secondary-schools-where-teenagers-transition-josh-adler/>

42. <https://anzisha.info/Parentingtheboss>

43. <https://anzishaprize.org/communities/parents/>



Under the same umbrella are accelerators, which are used to accelerate the growth of an existing company. Accelerators provide short term, intensive interventions that could provide seed funding, mentorship, access to a variety of networks and investors, and training.<sup>44</sup>

Incubators play an important role within the larger ecosystem. In Kenya, for example, there is a designated public procurement policy that benefits youth, women, and people with disabilities. It also provides dedicated funding for youth enterprises and a variety of support structures to develop entrepreneurs, ranging from education and training interventions to development opportunities through accelerators, competitions, and incubators. Although these are positive developments, challenges remain, particularly about the sustainability of these efforts.<sup>45</sup>

Incubators provide an effective way of promoting VYEs' success. Business incubators and accelerators can create a nurturing environment for VYEs and their ideas, with the goal of producing financially viable and successful businesses. They expose VYEs to people who have first-hand experience of the benefits and challenges of entrepreneurship. They also provide guidance at critical stages of business development.

The mentorship role that incubators fulfil could enable many VYEs to overcome structural challenges that they face. To support VYEs from diverse backgrounds, incubators will need to reach out and mentor youth in geographically distant areas. This will ensure that they receive the support and encouragement that they need.

In addition to mentorship, there are several ways that incubators can facilitate VYEs' access to entrepreneurship opportunities and skills.

For example, incubators and governments could sponsor data for VYEs, while incubators could hold regular roadshows where they visit remote areas and share information about youth entrepreneurship and how they can assist young entrepreneurs.

Incubators can also play a valuable role in mediating the relationship between investors and VYEs. With investors possessing financial resources and incubators holding deep knowledge about how VYEs' businesses are functioning, the two could work well together, ensuring that funding is used effectively.

Growing numbers of universities around the world are forming their own enterprise incubators where young entrepreneurs can access office space, mentors, and funding advice.<sup>46</sup> These environments are also useful ways for students from different disciplines to interact with one another. Universities and secondary schools provide fertile ground for incubators to take root and nurture fledgling businesses.

Anzisha also provides accelerator support for VYEs through the annual Anzisha Prize Fellowship.<sup>47</sup> Through the Fellowship, VYEs participate in a two-week bootcamp programme, participate in one-on-one coaching sessions with the Anzisha team, have opportunities to participate in shadow initiatives, have access to the Anzisha and ALA community, and are introduced to relevant stakeholders as well as other programmes to support young entrepreneurs. Anzisha conducts ongoing monitoring and evaluation research to better understand these activities and to inform ongoing improvements. Reports on this research can be accessed from the Anzisha Prize website.<sup>48</sup>

44. Sourced from Anzisha Prize. (2020). 'Policies/Strategies that Support Very Young Entrepreneurs'. Available at: <https://anzisha.info/Policy/Research>

45. Sourced from Anzisha Prize. (2020). 'Policies/Strategies that Support Very Young Entrepreneurs'. Available at: <https://anzisha.info/Policy/Research>

46. Pozniak, H. (2017). Seeding the future: how university incubators are helping postgrads' ideas bear fruit. *The Guardian*. Retrieved February 24, 2020 from <https://www.theguardian.com/education/2017/mar/17/seeding-the-future-how-university-incubators-are-helping-postgrads-ideas-bear-fruit>

47. <https://anzishaprize.org/activities/vye-fellowship/>

48. <https://anzishaprize.org/resources/>

## Investors

Financial factors are a primary concern at all stages of business development, as businesses need capital and consistent cash flow to function and grow.<sup>49</sup> Investors have a significant role to play in supporting VYEs – a role that might go beyond injecting capital into their businesses.

Anzisha's research has shown that there many VYEs struggle to access formal financing to start and grow their businesses. Our study on youth entrepreneurship for sustainable job creation in francophone Africa showed that, while about a tenth of entrepreneurs have benefitted from bank loans, access to formal finance remains a major challenge, with approximately 70% of entrepreneurs in Côte d'Ivoire using their own capital and others depending on family and friends. The study also found that young entrepreneurs under age 23 struggle to raise capital for their startups.<sup>50</sup>

Structures and processes that might assist investors to support VYEs include building strong financial and risk modelling, as well as increasing critical thinking in the education system. Facilitating internships and learnerships would also contribute to this, exposing VYEs to how businesses work. Investors might also encourage businesses they

invest in to allow VYEs to shadow or receive mentoring at the company as a condition of their investment – supporting or mentoring VYEs could then be a requirement to qualify for investment.

Public and private financial institutions could adapt their investment offerings to accommodate VYEs and facilitate their success. For example, they could develop a guarantee that is linked to an advisory board that provides human resource, legal, psychosocial, and business advice to VYEs. In this way, investors are likely to increase their returns on investment. In turn, VYEs would be better equipped to deal with challenges that arise during the entrepreneurial journey, providing a direct benefit to investors. Another type of guarantee could be a matching fund, such as ALA and the Omidyar Network's Young Entrepreneurs Fund. The Fund matches, dollar for dollar, any investments into high potential young Africans by angel and early-stage investors.<sup>51</sup> This kind of co-investment vehicle provides a credentialing system where investors are more likely to invest in a VYE who has received capital from other investors.<sup>52</sup>

49. Business Tech. (2018). The Reality of Being an Entrepreneur in South Africa. Retrieved December 7, 2018 from <https://businesstech.co.za/news/business/268435/the-reality-of-being-an-entrepreneur-in-south-africa/>

50. Sourced from Anzisha Prize and Osmoz Consulting Ltd. (2020). Youth entrepreneurship for sustainable job creation in francophone Africa: A case study of Cameroon and Côte d'Ivoire. Retrieved February 24, 2020 from [https://anzisha.info/VYE\\_Cameroon\\_Cote-dIvoire](https://anzisha.info/VYE_Cameroon_Cote-dIvoire)

51. Digest Africa. (2019). What ALA's "The Young Entrepreneurs Fund" means for African entrepreneurship. Retrieved March 6, 2020 from <https://digestafrica.com/young-entrepreneurs-fund-african>

52. For more information on Anzisha's support for investors, see <https://anzishaprize.org/communities/investors/>







## VYEs

There is a strong need for cross-sectoral collaboration to create an environment that nurtures VYEs. VYEs face several challenges, including lack of support from parents and other people in their network and finding it difficult to sell their products or services because people think that they are too young. These issues are often systemic, suggesting a need to approach them from different perspectives.

Because entrepreneurship is not always an obvious career move for young people, it is necessary to promote it as a choice amongst African youth in multiple spaces including media, universities and schools. For example, running entrepreneurial campaigns, such as the Anzisha Prize Tours, provides an effective way of reaching large groups of people and providing information about entrepreneurship and its benefits. The campaigns could include advertising, building learning hubs at schools, universities and in communities, hosting town hall discussions, and arranging meet-and-greet sessions with entrepreneurs in targeted

communities. These campaigns would also allow those running them to identify VYEs and involve them in skills programmes.

Our research in Tanzania highlighted that promoting entrepreneurship as a path is greatly influenced by cultural and social norms. For example, discrimination and security issues often force women and other minorities to move away from entrepreneurship as a viable path.<sup>53</sup> It will be critical to institute measures to ensure that entrepreneurs from diverse backgrounds and contexts feel supported in starting and continuing their journeys.

The workshops and our interactions with stakeholders, together with our research and experiences through the Anzisha Prize, have provided valuable insights into how to operationalize the VYE Scenario. Drawing from these interactions, what follows are recommendations for taking forward the VYE Scenario.

## The Road Ahead

At Anzisha, our mission is to use a variety of prizes, programmes, resources, and our theory of change to catalyse action within the ecosystem that supports VYEs and entrepreneurship as a viable career choice. From 2011 to 2019 we supported 122 very young entrepreneurs under the age of 22 to successfully pursue entrepreneurship as a career. In 2019, they, in turn, had provided at least 214 jobs for other young people and at least 1,133 jobs altogether for the year. But we cannot create the Ecosystem alone.

The actions that we implement to make the VYE Scenario a reality will require us to collaborate in new ways, forge new partnerships, and think differently. We call on all stakeholders – parents, educators, policymakers, VYEs, investors, and entrepreneur support programs – to consider the following next steps in taking the VYE Scenario forward.

53. Sourced from Anzisha Prize, Nkhomo, N.M. and Mtawa, N.M. (2020). *Entrepreneurs and Job Creation in Tanzania*. Retrieved March 6, 2020 from [https://anzisha.info/VYE\\_Tanzania](https://anzisha.info/VYE_Tanzania)

## What you can do!



### **Generate awareness about the VYE Scenario and entrepreneurship as an employment choice.**

- Raise awareness in your networks about the challenges that Africa is facing regarding youth unemployment, promote the VYE Scenario, and encourage stakeholders to contribute their time and skills to youth entrepreneurship.
- Publicise VYEs by showcasing their activities within your network. Encourage people to support VYEs' businesses and share their stories on social media about VYEs across the continent.
- Promote entrepreneurship and encourage the youth to consider becoming entrepreneurs, start businesses, solve problems in their communities, and develop entrepreneurial mindsets.
- If you are an entrepreneur, participate in information-sharing sessions at schools and in public fora.
- Call for curriculum changes, teacher training, and school activities that instil entrepreneurship skills and entrepreneurial thinking from very young ages.



### **Support VYEs and their businesses.**

- Support VYEs' businesses by using their products and services, partnering with them, investing in their businesses, and encouraging individuals you know to do the same.
- Encourage the proliferation of incubators for VYEs and particularly their spread to geographically diverse areas.
- Consider how you, through your own work and network, might contribute towards achieving

the VYE Scenario. Offer your expertise, words of encouragement, and emotional support to VYEs.



### **Spur changes in the regulatory environment.**

- Lobby for policies that support VYEs.
- Hold government accountable for implementing policies and regulations that support VYEs.
- Participate in advisory panels and policy development processes, considering VYEs' needs at all times, be it at the institutional, local, provincial, or national level. Bring youth into these spaces so that their voices are heard.



### **Build the Ecosystem.**

- Develop partnerships with other stakeholders who support the VYE Scenario.

Over the next decade, the Anzisha Prize will focus its efforts on facilitating successful transitions for very young Africans directly into viable entrepreneurship from either high school or university. We will achieve this by building an ecosystem that promotes and supports entrepreneurship as a career. There are stakeholders across the continent who share our vision for the future of youth employment in Africa. Please feel free to contact us, attend our events, and interact with us on social media (information below). We are always open to new ideas and we look forward to working with you and your network to make the VYE Scenario a reality.



The Anzisha Prize  
2019 Finalist

The Anzisha Prize  
2019 Finalist

# Appendix One

## Supporting Research and Publications

A number of preliminary and supporting research activities were undertaken to arrive at a final policy position that had rigour and substance. The following workshops and academic research projects were commissioned over 18 months to inform the drafting of the Very Young Entrepreneur Scenario that you are reading now. They were as follows:

### The Anzisha Scenario Green Paper

The Green Paper provides a contextual background to the #AnzishaScenario campaign, exploring three scenarios in which entrepreneurship is always seen as important to job creation – but one where Very Young Entrepreneurs are prioritized. What would Africa look like in the future if we bet on young people creating jobs for other young people?

### Towards The Anzisha Ecosystem

Following its inception, the project explored what it calls the 'Anzisha Scenario' (now referred to as the VYE Scenario), which proposes accelerating youth employment in Africa through economic growth, higher levels of education, and investment in entrepreneurs of all ages, but with a focus on VYEs. Anzisha held its third workshop on 16 April 2019 – the day after the Very Young Entrepreneur Education and Acceleration Summit. This report summarizes discussions and lessons emerging from the workshop, with a focus on three different ecosystem blueprints identified by workshop participants.



## The Anzisha Forum Workshop Reports

The Anzisha Prize Forum, an annual one-day event that Anzisha hosted on 22 October 2019, focused on VYEs as agents of change in their societies. One of the events at the Forum included stakeholder workshops, which brought together key stakeholders to engage with the work that Anzisha is doing to promote youth entrepreneurship as a means of facilitating employment growth. The stakeholder groups included: Educators; Investors; Policy makers; Parents; VYEs; and Incubators. The reports below summarize discussions and lessons emerging from each stakeholder workshop.

**Educators:**

**Investors:**

**Policy makers:**

**Parents:**

**VYEs:**

**Incubators:**

## Policies And Strategies That Support Very Young Entrepreneurs

Anzisha's report entitled 'Policies and Strategies that Support Very Young Entrepreneurs' aims to take stock of how African countries, and other developing contexts, are leveraging the potential of youth entrepreneurship to accelerate employment and economic growth. The first pages of the report provide a narrative synthesis of current initiatives implemented to support youth entrepreneurs. This synthesis draws from a catalogue of initiatives that support youth entrepreneurship identified through an in-depth desktop research study. The catalogue is organised according to the five focus areas of a conducive entrepreneurship ecosystem for young entrepreneurs proposed by the United Nations Conference on Trade and Development (UNCTAD). These five focus areas include: a supportive policy environment, financial support, entrepreneurship education, facilitating technology exchange and innovation, and creating awareness and networking.



## Commissioned Research

### *The Impact of Entrepreneurship on Job Creation for Young People in Ghana: Do Entrepreneurial Age Differences Matter?*

Authors: Solomon Amoabeng Nimako and Rexford Akrong

The study employs inferential descriptive analysis and an Exogenous Switching Treatment Regression (ESTER) model, applied to a sample of 212 youth and adult entrepreneurs in Ghana. Findings of the study show that most of the respondent entrepreneurs were engaged in the services and trade sectors and had access to institutional and support services at varying degrees. The study revealed that access to credit, training, and participation in business-relevant social groups was low among the entrepreneurs. Although nearly all the entrepreneurs expressed need for credit, older entrepreneurs had more access to credit than younger ones. However, younger entrepreneurs had a comparative advantage over the older entrepreneurs in terms of knowledge of and experience with information and communication technology tools; access to entrepreneurial training; and family support which are vital to business growth and expansion. Entrepreneurs of all age categories indicated a preference to work with younger people. Older entrepreneurs appeared to contribute more to young people's employment than young entrepreneurs did. However, the findings suggest that young entrepreneurs' job creation capacities would triple if they assumed the same characteristics and business environments as older entrepreneurs.

### *Youth entrepreneurship for sustainable job creation in francophone Africa: A case study of Cameroon and Côte d'Ivoire*

Authors: Osmoz Consulting Ltd. in collaboration with Professionnels du Développement de L'Afrique.

This report presents findings from a short study on entrepreneurship in francophone Africa with an emphasis on young entrepreneurs and job creation. Data which was collected from two francophone countries, Cameroon and Côte d'Ivoire. Across the two countries over 700 questionnaires were completed, both online and paper-based, along with 50 face-to-face interviews. Entrepreneurs across both countries continue to operate in difficult but improving business climates characterised by low access to formal finance, difficult government regulatory conditions, corruption and unhealthy tax systems which limit entrepreneurial growth and development. Especially for very young entrepreneurs (16-23 years), the dominant source of finance is from family and friends and from personal savings. Despite the challenging conditions, the study found that entrepreneurs continue to create jobs and contribute to the economy through salaries they pay to employees. Contrary to other studies that suggest that young people are forced into entrepreneurship due to high and growing youth unemployment, most of the entrepreneurs in this study reported being attracted to entrepreneurship by passion and personal drive. The study concludes that while there are many opportunities for growth and expansion of entrepreneurship in Africa, this potential can only be fully maximised with a better supporting environment to attract and support young people in entrepreneurship. Such support goes beyond finances but also includes mentorship and appropriate government policies.

## **Entrepreneurs and Job Creation in Tanzania**

Authors: Nelson M. Nkhoma and Ntimi M. Mtawa

This report is based on an exploratory study conducted in two cities in Tanzania, Arusha and Dar es Salaam, using a mixed methods approach to understand how youth create jobs in Tanzania. The sample consisted of 112 participants and was quite evenly split by gender. Across the age categories we discovered 5 job creating strategies used by entrepreneurs. These strategies were: “Ajira” (normal self-employment or employee jobs), “Nyoka” (Apprenticeship), “Msaada” (household help), “kurithi” (inheritance) and “Vikundi” (Group venture). Kurithi and Vikundi, however, were mostly strategies used by very young entrepreneurs. Entrepreneurs highlighted eight areas in which they need support. These areas are: Entrepreneurial finance, policies that supports entrepreneurship and job creation, local and national government entrepreneurship programs, entrepreneurship education at school stage and after school, changing cultural and social norms on business, media attention to promote positive image of very young entrepreneurs, physical infrastructure that promotes business and support with business knowledge and skills.



## Appendix Two

### Acknowledgements

So many people invested their time and expertise to help us develop the Very Young Entrepreneur Scenario for Africa. We valued the one-on-one conversations with our team and the incisive feedback on drafts of the various reports that were written. We are grateful for the participation in workshops and the breadth and depth of consultations that contributed immeasurably to this final report. To all those individuals — some of whom represented the organizations below — we say: Thank you. This blueprint is as much yours as it is ours.

*(This list is not exhaustive.)*

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FutureproofSA  
Junior Achievement Africa  
Three Arrows  
University of Cape Town  
Hlayisani Capital  
British Council  
Hasso Plattner School of Design  
EMASA  
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Got Game  
Set Up a Startup

Nova Pioneer Academies  
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RLabs  
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The Experience Factory  
Entrafrica  
Sakina Digital  
Innovafemme  
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Vakayi  
African Leadership Academy

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