



Save the Children

# UNDERSTANDING **YOUTH** **SELF-EMPLOYMENT** AND ENTREPRENEURSHIP SKILLS<sup>1</sup>

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## Introduction

Youth in Action (YiA) is a six-year youth livelihood program. In partnership with The MasterCard Foundation, YiA aims to improve the socio-economic status of 40,000 out-of-school young people, both girls and boys, in rural Burkina Faso, Egypt, Ethiopia, Malawi and Uganda. Through the development of youth's foundational skills (literacy, numeracy and financial literacy), transferable life skills and entrepreneurship skills, they are empowered to make informed pathway choices for the future. YiA supports the youth to choose between one of four pathways: enterprise, vocational training, apprenticeship and education. The program also supports them through small start-up grant, mentorship and peer-to-peer support.

In Ethiopia, launched in 2012, YiA aims to reach 9,050 girls and boys aged 14 to 18 with the focus on the enterprise pathway. In this pathway, youth are mentored to identify viable local business ideas - that they choose themselves - develop their business plans, and use the start-up grant to start their businesses. This practical learning opportunity links youth to financial services in their community for additional resources in order to improve their livelihood opportunities.

Save the Children works with international partners in order to advance the learning and research agenda. Hence, the Save-University Partnership for Education Research (SUPER) fellowship was formed to help measure, document, and analyze the mechanisms affecting the project's impact. Academic research fellows conduct in-depth formative studies as part of the partnership. In 2014, Ethiopia decided to document **Change in Youth Financial Literacy** in a SUPER study in cooperation with the University of Science and Technology.

## Objective

This brief presents summary findings of a qualitative research study in Ethiopia's Youth in Action (YiA) program. The aim of the study was to understand the mechanisms that affect youth self-employment and entrepreneurship skills in rural Ethiopia. Specifically, the study explored YiA youth's perception of their self-employability skills, the mechanisms that have influenced their skills and business choices, and the importance of monetary and in-kind support from YiA.

## Methods

The study employed a qualitative approach: Focus Group Interviews (FGIs) and In-depth Interviews (IDIs) with YiA youth. We maximized variation among participants by sampling participants of both genders, different ages, and from different stages in the YiA program. We used thematic analysis to understand the most prominent and oft recurring themes, triangulating themes across respondents and types of data.

Woreda	Cohort	Methods	Total
Habru	C3	1 FGI	8
	C5	5 IDI, 1 FGI	9
	C7	7 IDI	7
	C6	5 IDI, 1 FGI	12
Gubalafto	C4	1 FGI	8
	C7	5 IDI, 1 FGI	13
	C3	5 IDI, 1 FGI	12
	C6	5 IDI, 1 FGI	9
Rayakobo	C3	6 IDI	6
	C7	5 IDI, 1 FGI	13
TOTAL			97

## Findings

As a whole, the study highlights the fact that YiA youth feel that they have learned and gained valuable entrepreneurship skills from the project, skills that have prepared them to be self-employed. Participants acknowledged an improvement in their lives resulting from their involvement in YiA, *“If it was not for the YiA help and my family’s unconditional support, you would have seen me dead on the news among the bodies found in Mediterranean Sea.”* Four major themes emerged from the analysis of FGD and interview data.

### Theme 1: YiA helped develop self-employment skills

When reflecting on the skills that they had gained through YiA, youth from all cohorts and sites noted that YiA had helped them build two types of self-employment skills. First, youth highlighted the transferable life skills that they had learned: self-awareness, personal development, perseverance, communication, flexibility, self-care, and respect for others. Second, youth across the board indicated that they had benefited from the literacy component of the program. Using a female YiA participant words, *“It was extremely humiliating not to be able to write as a young woman...now, I can! Thanks to YiA. I feel proud of myself.”* These literacy gains were seen as integral to the development of good entrepreneurial ventures.

### Theme 2: Appreciation for YiA support in starting a business

Participants in the three woredas indicated that they had received continuous support from a variety of YiA stakeholders. The support ranged from monetary and in-kind support to expert advice, consultation, and moral support. Participants acknowledged that the follow up and support they had received from facilitators, PADet staff, YiA staff, and local agriculture experts had been pivotal in them starting a successful business or self-employment venture.

### Theme 3: Limited options for entrepreneurial ventures

While participants were thankful for YiA support, they were also critical of the program’s focus on the agricultural value chain. Participants felt that they had limited options for entrepreneurial ventures in their communities. Many participants described that their dependence on the agricultural value chain restricted their business options. There was a sense that the demand for non-agricultural businesses was higher than the agricultural work that youth were engaged in through YiA. A female participant from Habru noted, *“I would have benefited so much if I could open a hair dressing salon compared to trading oranges and bananas on the street.”* This was conflated by the fact that youth, and their families, wanted to see a quick return from the entrepreneurial ventures; the seasonality of work in the agricultural sector did not afford this in many cases.

### Theme 4: Persistent structural barriers are still a challenge for YiA youth

Despite the start-up capital and in-kind support that youth had received from YiA, they reflected on the fact that there were some structural barriers that were still challenging for them when starting an entrepreneurial venture. Youth across the board reported that the major challenges they had faced included access to land and space for businesses, insufficient start-up capital, and inaccessibility of loans. Accessing loans required collateral, which YiA youth rarely had. Youth indicated that penetrating the

market as novice business owner was a challenge and that they required more support from their district and local government officials.

## Recommendations

Even though many of the participants expressed their strong desire to be self-employed and some in fact have a well-established business, understanding the constraints to the success of youth self-employment is a critical first step for both the YiA program staff as well as district officials. This is especially important since the YiA program in Ethiopia focuses solely on self-employment as a pathway for youth.

For the YiA youth to be more successful in starting and growing their own business, the program may need to work on the structural bottlenecks. The findings from this study suggest that the program should use the last two years to work with district and local government officials to develop policies that are supportive of new business ventures of young people. This could include policies to make loan services more easily accessible and provide low-cost working spaces for youth to run their businesses. It might also be important to revisit the YiA program approach and allow youth to move beyond the agricultural value chain so they can diversify their earning opportunities.

To read the full study, contact us at: [amhanna@savethechildren.ca](mailto:amhanna@savethechildren.ca)

For more information about the program, visit: <http://youthinaction.savethechildren.ca/>