**Source:**

The Global Entrepreneurship Monitor 2014 Global Report (GEM)\(^1\) and The “Future Potential - a GEM perspective on youth entrepreneurship 2015”\(^2\)

*NOTE: Some content included in this Insights Byte may have been directly sourced from the reports. If you plan to make reference to it, you must cite the original source.*

**Insight & Learning Question(s) Answered:**

How do you design training and other workforce enablement programs to support transitions from skilling to sustained outcomes at scale? What combination of training, mentoring, experiential learning, apprenticeships, networking etc. will have the greatest impact on entrepreneurship outcomes? How does this change with context (e.g. geography)? What role do perceived opportunities and capabilities play in youth entrepreneurial activities?

**Insight Byte:**

**Report findings:**

- Globally, millennials are 1.6 times more likely to want to start a business than generation X and baby boomers; however, individuals in less developed economies expressed *a more positive attitude* towards entrepreneurial measures—such as perceived opportunities to start a venture and perceived capabilities to do it—in comparison to those in efficiency-driven and innovation-driven economies. The same holds for entrepreneurial intentions
- When looking through a regional lens, less than a fifth of millennials surveyed from the ECC region expressed intention to start a business, compared to half from the SSA region. 18 – 34 year-olds from the LAC region also expressed high levels of entrepreneurial intent
- Individuals in African economies tend to report the highest perception of opportunities, perceived skills to act entrepreneurially and entrepreneurial intentions, accompanied with the lowest fear of failure

---

\(^1\) GEM is one of the very few surveys based on the collection of primary data on individual entrepreneurial activities, as well as on social values and personal attributes that contribute to or hinder such activities. The GEM survey covers more than 100 countries (73 participated in 2014) and has collected data since 1999 using standardised tools; this has generated a huge database which can be used by international institutions or by national governments to design evidence based policy interventions, or by some institutions to develop research-based educational programs

\(^2\) It analyses data collected from 2012 to 2014, and sheds light on what drives young entrepreneurs and what impacts on their success – or failure – in five regions: sub-Saharan Africa (SSA); Middle East and North Africa (MENA); South and East Asia (S&EA); Latin America and the Caribbean (LAC) and the European culture countries (ECC)
**Actionable Insights**

In order to create an enabling environment for young entrepreneurs globally, private sector actors have the opportunity to work more effectively toward better:

A) **Education and Training**
   - The report highlights a positive link between training in starting a business and entrepreneurial behaviour. Practical and interactive business and entrepreneurship training programmes at secondary school are an important factor in encouraging effective youth entrepreneurship. It is imperative however, that teachers in these courses are well-trained. Also, since many young people choose an entrepreneurial direction after school, it is also important to increase investment in training programmes in entrepreneurship outside of the traditional higher education institutions.

B) **Access to IT infrastructure**
   - The data show that with the exception of the ECC region and to some extent the MENA region, the internet as a trading space is under-utilised. For example, only 16% of millennials in SSA are selling products or services online. Internet capacity within many of the regions needs to be enhanced to afford the youth the opportunity to develop and expand their businesses beyond localised markets. Many youth businesses are inhibited by high costs, forcing them to trade from home and rely on family and friends as customers. Improving IT infrastructure would allow for a reduction in the cost of technology – this, as well as the potential to reach new markets, could have a significant impact on the sustainability of youth businesses. This implies the introduction of pricing mechanisms adapted to young people’s means.
   - IT infrastructure also has a part to play in terms of education. MOOCs (Massive Open Online Courses) and their technology could be used to deliver low-cost learning opportunities to developing and Africa’s emerging economies where mobile phones are the primary form of communication (showing a 40-fold increase since 2000). Mobile technology makes education accessible to young learners in remote parts of the country as well as addresses concerns about the quality of educators, who can be provided with ongoing support through a range of online platforms. However, in emerging economies, where many of these challenges play out, a data-driven approach may have to overcome numerous barriers, such as availability of broadband access, and even whether there is an affordable and consistent supply of electricity.

C) **Access to finance**
   - Incentives should be introduced for financial institutions to increase their lending to small, youth-owned enterprises as part of their corporate social responsibility policies. The cost of running and growing a business is often difficult for under-resourced youth entrepreneurs, which has a negative impact on the sustainability of their enterprises.

D) **Mentorship and business support**
   - Many young people, especially young women, lack contact with successful entrepreneurial role models whom they can turn to for support and business advice. The youth often do not have work-place experience of their own to draw on, and young entrepreneurs in particular often struggle to build up appropriate professional networks.
   - It is thus important to provide mentorship programmes for young entrepreneurs where the mentors have practical personal experience of running a business. Schemes such as in-service
education and the linking of entrepreneurial training to enterprise development could equip young people with the skills and experience to operate their own businesses successfully. This could have positive effects in terms of profitability, survival of enterprises and long-term employment creation.

**Taking Action: What can you do next with this knowledge?**

- Make use of GEM to learn about different patterns and trends and identify factors which encourage or hinder entrepreneurial activity in different regions, noting that individuals in different economies are likely to have different kind of businesses in mind when they express their perceptions about opportunities, along with related measures on capabilities, fear of failure and entrepreneurial intentions.
- Share these insights with your S2S practitioner partners working in the youth space to see whether they are capitalising on those regional areas where there is a higher youth motivation to start a business and little utilisation of digital tools for entrepreneurial purposes.
- See in what ways, if any, are the S2S programmes helping to improve the youth’s access to IT infrastructure and finance or the effectiveness of mentorship and business support offered to young entrepreneurs.
- If you or your S2S partners have related insights you’d like to share, please leave a comment in the section below for us to “harvest” and share with the network.
- Reach out to Rosanne Williams (rosanne.williams@accenture.com) currently working on CC Insights & Learning projects to learn more about the insights we’re gaining in the domain.

*This Insight Byte has been brought to you by:*

**Ioana Moraru, Insights and Learning team, Corporate Citizenship**

ioana.moraru@accenture.com

Oct 1, 2015