



# INTRODUCTION

**THE** *World Youth Report: Youth Social Entrepreneurship and the 2030 Agenda* explores the complementary role social entrepreneurship can play in youth development and engagement worldwide. The *Report* seeks to synthesize various aspects of the current discourse on youth social entrepreneurship and provide a reference point within the youth development agenda and the broader sustainable development agenda. An overview of social entrepreneurship and a survey of the situation of youth are followed by an assessment of the opportunities and challenges associated with youth social entrepreneurship and targeted policy recommendations.

Estimates indicate that young people between 15 and 24 years of age number 1.21 billion and account for 15.5 per cent of the global population. Projections suggest that the youth cohort will reach 1.29 billion (15.1 per cent of the world total) by 2030 and almost 1.34 billion (13.8 per cent of the overall population) by 2050 (United Nations, 2019c).

According to recent statistics, “the rate of population growth remains especially high in the group of 47 countries designated by the United Nations as least developed, including 32 countries in sub-Saharan Africa [that also have the youngest age distribution in global terms]. With an average growth of 2.3 per cent annually from 2015 to 2020, the total population of the least developed countries ... is growing 2.5 times faster than the total population of the rest of the world” (United Nations, 2019b, p. 10). For these countries as a group, the number of youth aged 15 to 24 is expected to rise from 207 million in 2019 to 336 million in 2050 (*ibid.*, p. 37).

A number of indicators attest to the precarious situation and unfulfilled potential of global youth with regard to socioeconomic



development and inclusion. The commitments linked to Sustainable Development Goal 8 – promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all – will not be met unless action is taken to address the fact that youth are still far more likely than their adult counterparts to be unemployed, underemployed, employed in the informal sector, or among the working poor. NEET rates for youth worldwide are currently around 30 per cent for young women and 13 per cent for young men (ILO, 2019).

Structural barriers make it difficult to improve these indicators. Slow economic development, inequality, and political instability undermine economic and social prospects for youth. The persistent and wide-ranging challenges facing youth worldwide necessitate a comprehensive development strategy – of which youth social entrepreneurship can constitute a valuable part.

Social entrepreneurship has gained wider currency over the past few decades, due in part to the growing importance attached to social capital in business and employment and the declining trust in public institutions. Seeking to fill gaps left by public institutions, NGOs and charities, social entrepreneurship represents a continually growing development factor. However, while social entrepreneurship is on the rise, it remains a comparatively rare phenomenon, and there is considerable interregional and intraregional variation in prevalence rates. This reality, coupled with persistent gender gaps in participation, attests to the unfulfilled potential of social entrepreneurship as a development strategy.

The hybrid nature of social entrepreneurship renders it a particularly attractive model for addressing the unmet economic and social needs and demands of youth worldwide. Social entrepreneurship marries a sustainable economic logic to social imperatives. Manifesting a form of profit with purpose, social entrepreneurship continually reinvests with the aim of social value creation.

Successful youth social entrepreneurship contributes directly to youth development and can also complement other socioeconomic development efforts, responding to the needs of marginalized segments of society.

Fundamentally, youth social entrepreneurship has the potential to act as an inclusive development strategy. It represents both a vehicle for youth development and an outlet for youth engagement in the advancement of the Sustainable Development Goals. In leveraging the talents and capacities of youth, youth social entrepreneurship services the goal of employment while activating youth as agents of change.

Executing an innovative idea with social impact does not represent a straightforward endeavour but rather requires a set of individual characteristics (agency) and a particular type of context (structure). Endogenous and exogenous factors may fortify or undermine the pursuit of youth social entrepreneurship and therefore warrant careful consideration. A critical analysis of relevant challenges and opportunities is a necessary point of departure for policymakers seeking to support youth social entrepreneurship and the success of young social entrepreneurs.

The successful pursuit of youth social entrepreneurship is dependent on the confluence of a multitude of enabling factors, conditions and settings that together constitute what is referred to as an entrepreneurship ecosystem. This ecosystem comprises entrepreneurial actors and networks as well as economic, educational, financial, institutional and technical conditions and structures conducive to entrepreneurial activity. Critically, such ecosystems must integrate new technologies in order to maximize the contribution of youth social entrepreneurship to global development. The present *Report* offers specific recommendations aimed at facilitating the development of nimble entrepreneurship ecosystems that can accommodate such technologies.

**BOX 1.****WHAT IS AN ENTREPRENEURSHIP ECOSYSTEM?**

Entrepreneurship ecosystems are the “sets of actors, institutions, social networks, and cultural values that produce and sustain entrepreneurial activity” (Roundy, Bradshaw and Brockman, 2018, p. 1) and can be said to represent “the combination of conditions that shape the context in which entrepreneurial activities take place” (Kelley, Singer and Herrington, 2016, p. 30). Entrepreneurship ecosystems are not direct, top-down tools for entrepreneurship promotion but rather “complex adaptive systems” that emerge from the “uncoordinated, semi-autonomous actions of individual agents” (Roundy, Bradshaw and Brockman, 2018, p. 3), with Governments serving as both actors in and shapers of the institutional framework.

Entrepreneurship ecosystems vary greatly but include key conditions that may be enabling or inhibiting; these include but are not limited to “financing, government policies, taxes and bureaucracy, government programs, school-level entrepreneurship education and training, post-school entrepreneurship education and training, R&D transfer, access to commercial and professional infrastructure, internal market dynamics, internal market burdens, access to physical and services infrastructure, and social and cultural norms” (Kelley, Singer and Herrington, 2016, p. 30).

While the needs of commercial and social enterprises overlap in important ways, there are significant differences that necessitate support adaptations within the entrepreneurship ecosystem. Young aspiring and nascent social entrepreneurs need additional or modified support mechanisms that address their age and relative inexperience as well as the social development aspects of enterprise creation and growth. What is certain is that an adapted ecosystem is essential to enable young people to become successful social entrepreneurs so that their collective talent and agency can help advance the 2030 Agenda for Sustainable Development.



UN Photo / Matthew Cassel