

# WORLD YOUTH REPORT

## YOUTH SOCIAL ENTREPRENEURSHIP AND THE 2030 AGENDA



## EXECUTIVE SUMMARY

### INTRODUCTION

The *World Youth Report: Youth Social Entrepreneurship and the 2030 Agenda* seeks to contribute to the understanding of how youth social entrepreneurship can both support youth development and help accelerate the implementation of the Sustainable Development Goals. Towards this end, the *Report* first synthesizes the current discussion on social entrepreneurship and anchors it in the context of the 2030 Agenda for Sustainable Development. **Chapter 2** of the *Report* examines the situation of young people and whether youth social entrepreneurship can offer employment opportunities and support youth participation and other elements of youth development. In the **third chapter**, the *Report* assesses the potential of youth social entrepreneurship as a source of support for the 2030 Agenda and youth development in its broadest sense – and examines relevant challenges within this context. **Chapter 4** explores how new technologies can be leveraged to address some of the challenges faced by young social entrepreneurs and to further support youth social entrepreneurship in its efforts to advance sustainable development. The **final chapter** offers policy guidance to facilitate the development of enabling, responsive and sustainable national ecosystems for young social entrepreneurs.

Throughout the *Report*, information boxes and case studies illustrate the impact youth social entrepreneurship can have when entrepreneurship ecosystems are responsive to the needs, characteristics, constraints and ambitions of young people.

### SOCIAL ENTREPRENEURSHIP

Social entrepreneurship – born out of the cooperative movement that began in nineteenth-century Europe – gained traction in the 1980s and 1990s with the emergence of the social innovation and social enterprise schools of thought and practice. In the present context, social entrepreneurship is defined as entrepreneurial



activity undertaken with the explicit objective of addressing societal problems. It is this convergence that informs the unique hybrid nature of social enterprises.

Several factors are responsible for the rising incidence and visibility of social entrepreneurship over the past few decades. Among these are the growing importance of social capital in the business sector and the need to fill widening gaps deriving from the inability of public institutions, non-governmental organizations (NGOs) and charities to meet the increasing demand for social services. Although social entrepreneurship is growing worldwide, prevalence rates vary widely both within and between regions. Measuring global and regional trends related to social entrepreneurship remains problematic, not least because the concept lacks a widely accepted framing definition, due in part to an underdeveloped theoretical base as well as the strong influence of the surrounding context on the nature of social entrepreneurship activities.

Recent estimates indicate that the implementation of the 2030 Agenda will require a much higher level of funding than initially projected, so financially efficient models such as social entrepreneurship that help address key sustainable development challenges merit increased attention and evaluation. Social entrepreneurship seeks to generate profit for a purpose, employing sustainable economic logic to achieve social imperatives, and can complement other public and private efforts – in particular those aimed at responding to the needs of marginalized segments of society.

Social enterprises constitute an effective mechanism for engaging marginalized groups and creating opportunities for a wide range of economic actors. However, as social enterprises regularly serve vulnerable communities affected by complex issues that need to be addressed by multiple partners, accurately measuring their social impact remains problematic.

## YOUTH DEVELOPMENT AND PARTICIPATION

Evidence indicates that social entrepreneurship can contribute to sustainable and inclusive job creation. Unemployment among youth represents one of the greatest global challenges. Recent estimates suggest that 600 million jobs would have to be created over the next 15 years to meet youth employment needs. Finding decent work can be especially difficult for this demographic. It is estimated that 96.8 per cent of all young workers in developing countries are in the informal economy. In many cases, low youth unemployment rates mask poor job quality, especially in developing countries. The proportion of young people not in employment, education or training (the youth NEET rate) has remained stubbornly high over the past 15 years and now stands at 30 per cent for young women and 13 per cent for young men worldwide. Until structural barriers are removed, implementing employment-based interventions targeting young people may just fuel greater frustration. Under the proper conditions, however, social entrepreneurship can offer youth an avenue to explore in their quest for sustainable employment.

As social entrepreneurship leverages young people's talents and capacities, it can support individual development and efforts to effect change. Young people are still regularly excluded from policy and political decisions affecting their lives, and social entrepreneurship offers them an avenue to express their views and have an impact on society. Youth are increasingly demanding greater inclusion and meaningful engagement and are taking action to address development challenges themselves, including through social entrepreneurship.

Although creating and maintaining a successful social enterprise can present clear challenges, social entrepreneurship is appealing to youth, in part because it offers the unique combination of income generation and



social impact. Entrepreneurs by choice and entrepreneurs by necessity both face numerous obstacles, but there are significant differences in terms of contexts and needs. The successful pursuit of youth social entrepreneurship is highly dependent on the confluence of enabling factors, conditions and settings — or what is known as the entrepreneurship ecosystem. The extent to which the potential of youth social entrepreneurship is realized depends in large part on this ecosystem.

## YOUTH SOCIAL ENTREPRENEURSHIP: POTENTIAL AND CHALLENGES

What are the strengths, weaknesses, opportunities and threats associated with youth social entrepreneurship? The *Report* offers a strengths, weaknesses, opportunities and threats (SWOT) analysis of internal and external variables influencing the realization of youth social entrepreneurship as a means to advance the 2030 Agenda.

Characteristics of individuals who successfully engage in entrepreneurship include creativity, resilience, inspiration, risk tolerance and action orientation. This represents a strength in the present context, as such attitudinal and behavioural qualities are often present in young people. It should also be noted that social entrepreneurship is most effective when the intervention is informed by local experience, meaning that social entrepreneurs are more likely to succeed when they have first-hand knowledge of and experience with the social issues they aim to address. Young people are thus best positioned to help address development challenges affecting their fellow youth and other members of the community who have less access to opportunities. Young people's limited life and professional experience can represent a weakness, however. Young social entrepreneurs who start ventures without sufficient knowledge, training or practice are at a disadvantage in the marketplace. The potential of the social entrepreneurship model is also

weakened by the dependence of youth on others and their limited financial capital.

The 2030 Agenda offers an unprecedented opportunity to strengthen relationships between development agents such as young people, the private sector and policymakers to produce effective and innovative solutions. Numerous actors, including global corporations, are increasingly willing to engage with young people and even meet them at the community level to support their endeavours. Youth social entrepreneurship in support of the 2030 Agenda represents a nimble and flexible option that allows a wide array of partners from all sectors to come together with youth and serve communities while generating employment. If this model is to be sustainable, however, it is necessary to identify and address practical impediments to entrepreneurial success among youth. Many countries have legal frameworks in place that may limit the active engagement of youth in the economic, financial, social and political spheres. Various — often arbitrary — legal and regulatory restrictions can seriously restrict the uptake of youth social entrepreneurship in certain countries. Limited access to start-up funds is still considered the most pressing challenge for young social entrepreneurs, however, and inadequate access to technology among youth and other vulnerable populations (the digital divide) further exacerbates inequalities within and across countries.

Action should be taken to leverage key strengths and opportunities and to mitigate weaknesses and threats. Institutional support is needed to foster sustainable inclusive growth and ensure that an enabling environment exists for young social entrepreneurs. Studies clearly demonstrate a strong correlation between support from established institutions and the effectiveness of social entrepreneurship. To succeed, young social entrepreneurs require assistance tailored to their needs and situations.



## LEVERAGING NEW TECHNOLOGIES

There is tremendous potential for young social entrepreneurs to utilize frontier technologies to tackle systemic social issues innovatively and effectively. Indeed, key new technologies can make a significant contribution to addressing societal needs and challenges in all countries, irrespective of development level. As young people are generally among the earliest adopters of trending technologies, they are poised to take advantage of innovations in this area to drive the impact of social entrepreneurship. However, the rapid development and diffusion of emerging and frontier technologies have the potential to exacerbate the digital divide and other inequalities. If not appropriately harnessed, new technologies can pose threats to sustainable and inclusive development. Policymakers developing social entrepreneurship ecosystems should not discount the strong potential and existing social impact of such technologies. In particular, policymakers need to explore how emerging and frontier technologies might form the basis of innovations that could accelerate the achievement of the social objectives of the 2030 Agenda. Indeed, new technologies are already driving profound transformations in the realms of economic and social development and inclusion. Linking youth social entrepreneurship with new technologies represents an opportunity to disseminate and scale up technological solutions that can improve the global welfare while simultaneously developing the largely untapped potential of youth.

## RECOMMENDATIONS

Effective entrepreneurship ecosystems vary greatly but generally include key building blocks and scaffolds such as a solid business regulatory environment, entrepreneurial education and training, various support networks ranging from peer connections and mentoring systems to incubators and accelerators, financial regulatory frameworks and support mechanisms such as financial products and services and financial literacy education, innovation systems, and public information on youth social entrepreneurship and youth development in general. The ecosystems most conducive to successful youth social entrepreneurship are those that offer tailored support. The *Report* offers a series of recommendations that can help policymakers leverage the full potential of youth social entrepreneurship to advance the 2030 Agenda.

## CONCLUSION

The success of youth social entrepreneurship rests on an accurate assessment of its merits, opportunities and challenges and on the implementation of mutually reinforcing support measures. Tailored entrepreneurship ecosystems must be established to help young social entrepreneurs overcome challenges and make an impact. Social entrepreneurship represents one extremely promising and socially advantageous self-employment option for young people but is not a panacea for youth development and in no way releases policymakers from their broader obligation to address the needs of youth in a comprehensive and sustainable manner.



<http://www.un.org/development/desa/youth/world-youth-report/wyr2020.html>