Photo by Mohamed Reefi/CRS

Youth Entrepreneurship

SUPPORTING YOUNG PEOPLE TO START AND GROW THEIR BUSINESSES

CRS' Commitment

Young people, ages 15 to 24, number more than 1.2 billion and represent one-quarter of the world's population. Yet many of them struggle to obtain decent work. Nearly three in four young workers work in informal jobs, and around 39% of young workers are in vulnerable employment, defined by the International Labor Organization as working on their own account or contributing to family work.[1] Moreover, more than 123 million young people are working yet living in poverty. Facing difficulties obtaining formal employment, and whether out of interest or necessity, many young people start businesses at or near subsistence levels. Yet most lack access to entrepreneurship skills development, individualized technical support and the financing to sustain and expand their businesses. Additionally, the businesses that young people start often fail to respond to market demands. Recognizing these challenges, CRS is committed to ensuring the design and implementation of impactful youth entrepreneurship projects. The aim is for young people to leverage market opportunities that enable them to support themselves and their families, have sustainable livelihoods, and contribute to more stable communities.

CRS' Approach

Building on the integral human development and positive youth development frameworks, CRS youth entrepreneurship programs aim to incorporate key components that support young people in starting and growing sustainable businesses.

We begin with a market assessment that includes identifying in-demand entrepreneurship opportunities, mapping relevant ecosystem actors and understanding the targeted youth population to inform the design of the entrepreneurship program. As a perquisite for enrollment, young people receive career guidance to develop self-awareness, understand their local market and develop a career plan that reflects their aspirations and defines their goals and steps for achieving them. If their career plans include starting a business or expanding one they are already operating, we link them to entrepreneurship skills development opportunities, facilitate their development of viable business models, link them to financing options, ensure that they receive individualized technical support and engage market actors to support their business growth and expansion.

Key Components

COMPONENT	WHAT THIS ENTAILS
Market Assessments	■ Identifying local, regional and national economic growth trends. ■ Understanding the business case for in-demand entrepreneurship opportunities. ■ Understanding youth aspirations, assets, skills and needs. ■ Assessing how in-demand entrepreneurship opportunities can be made more accessible to young people. ■ Identifying relevant ecosystem actors and their services as they relate to youth entrepreneurship.
Career Guidance	■ Supporting young people to develop greater self-awareness. ■ Informing young people about feasible, sustainable and in-demand entrepreneurship opportunities. ■ Developing a career plan that defines whether a young person will pursue an entrepreneurship or employment pathway.
Entrepreneurship Skills Development[2]	■ Preparing young people for business start-up or expansion. ■ Providing learning opportunities tailored to youth needs and identified in-demand entrepreneurship opportunities. ■ Developing young people's business skills, life skills and financial literacy.
Viable Business Model Development	■ Supporting young people in developing sustainable business models with potential for growth. ■ Matching young people's aspirations with in-demand entrepreneurship opportunities. ■ Mentoring.
Finance	■ Informing young people about financing options, such as grants, loans and equity investments. ■ Supporting young people to apply for financing options.
Technical Support	■ Providing tailored technical support to young people. ■ Engaging market actors for technical support.
Business Expansion	■ Expanding youth businesses. ■ Replicating promising business models.

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PROJECT HIGHLIGHT

Youth Entrepreneurship in Rwanda:
The Gera Ku Ntego Project

Following market assessments to identify entrepreneurship opportunities and understand ecosystem actors, CRS in Rwanda is partnering with government, Church, financial and private sector entities to support 24,000 rural young people interested in starting or expanding their own businesses. As part of the project, young people form savings groups and develop their entrepreneurship skills through training in life skills, business skills and financial literacy. Participants also enroll in vocational training relevant for their businesses from private sector entities and cooperatives. After completing training, young people receive two years of mentoring and support from private service providers, employment and agricultural officers. Working with them, young entrepreneurs can secure additional funding, legalize their business, and access inputs, markets and transportation benefits through microfinance institutions, cooperatives and government programs. After the first year of the project, 82% of participants were self-employed, 15% had obtained wage employment, and youth-led savings groups had collectively saved $81,000 and borrowed $61,000 for their enterprises.

1 International Labor Organization. Creating decent jobs for youth. (2020) generationunlimited.org/media/3006/file/Action%20Guide%20 4:%20Creating%20decent%20jobs%20for%20youth.pdf.

2 Before enrolling in an entrepreneurship program, young people need to receive career guidance to determine whether they aspire to be entrepreneurs. If that is the case, then they can choose to enroll in an entrepreneurship program.