



AFRICA UNEMPLOYED

Can Young Business Owners Help Africa's Job Market—and Themselves?

BY CHRISTY MACY

The car turned off the main road out of Nairobi and drove down an unpaved street past a lone vegetable stand and small hairdresser shop blaring pop music. Monica Njau, a young Kenyan woman, was waiting for her visitors at the next corner outside a small restaurant. She immediately welcomed the group inside, proudly showing off the large popcorn stand that she owns and operates located at the back of the “New Happy Shop” café. But when she plugged in the machine to demonstrate how it worked, her bright smile wilted. As was the case on many afternoons, the electricity for the restaurant—and for the entire neighborhood—was shut off. No popcorn sales today.

Monica, 23, is one of a growing number of young Kenyans who are struggling every day to support themselves and their families by starting their own business. Her personal story and the experiences of other aspiring young entrepreneurs offer an inside look at how skyrocketing unemployment is impacting the lives of young people and their communities across Africa—and what alternatives exist to help address the crisis.

In Kenya, for example, the rate of joblessness, particularly among urban youth, continues to rise, with young people comprising 72% of the country's total unemployed—reflecting a 12% rise in the last decade. According to Constantine Obuya, Executive Director of the African Centre for Women, Information and Communications Technology (ACWICT), 500,000 Kenyans seek to join the labor market every year, but only 25% are able to secure jobs in the formal sector. “What happens to the other 75%?” she laments. “That is the real challenge for this country.” Lack of relevant education and training is a significant factor in this widening problem. “The school system here doesn't stimulate creative thinking or questioning,” says Anne Ikiara, Executive Director of NairoBits, a Kenyan NGO specializing in IT and web design training. “We should be developing thinkers and people who create solutions,” she adds, “but we don't.”

The sheer number of youth looking for a better way of life, combined with the paucity of jobs in Kenya's private sector, has caused a shift in thinking in Kenya and across Africa:

that getting more young people to start their own businesses is an increasingly viable option to address rising youth unemployment. According to Alex Nyingi, Microsoft's Academic Programs Manager for East and South Africa based in Nairobi, this new trend simply reflects reality. “Most young people here don't have the requisite education, practical skills or experience to get jobs; that's why they need to start a business and create their own.” Thus for many young Kenyans today, trying to launch their own enterprise is not a choice—it's a necessity.

Entrepreneurship is seen by many in the development community as a promising—and underutilized—strategy to help address soaring youth joblessness. Yet even as the ranks of young entrepreneurs continue to grow, success, particularly among disadvantaged youth, is far from guaranteed. For some, the obstacles are simply too great. Others, like Monica, simply refuse to give up.

MONICA'S ROUGH BEGINNING

She had to overcome her own personal tragedies growing up in Kasarani, one of the many slums or “informal settlements” that encircle Nairobi. Her father was unable to keep a steady job due to his heavy drinking. “He brought violence into the home,” she says. Monica's mother on the other hand has battled cancer for the past 15 years and still faces medical bills that often go unpaid. Her family's inability to pay the school fees dashed Monica's hopes to continue her education. After graduating from high school, she went to live in a village far outside of Nairobi to take care of an aging grandmother. “I felt I did nothing for a year; the whole experience really lowered my self-esteem.”

During this difficult period of her life, Monica admits she had few positive role models to inspire her or lift her spirits. “Most of my friends were living on the margins and many just wanted quick money and turned to prostitution,” she says. “Their lives have already come to an end.” Not so for Monica. She has other plans for her life.



Changing Faces of Monica:
Monica Njau, 23, is one of nearly 10,000 graduates of the Youth Empowerment Program (YEP), an IYF/Microsoft-supported IT and entrepreneurship initiative in Kenya, Nigeria, Senegal, and Tanzania. [See box at bottom of page 11 for details.]

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Opportunity Knocks: New Skills Lead To Bigger Dreams

In 2008, Monica felt discouraged—unable to move beyond seasonal low-paying and dead end jobs. One day, as she went about her daily routine of selling fruit and vegetables on the street, she saw a flyer advertising an IT skills and business development program being offered to young women living in Nairobi’s settlement communities. Her spirits raised, she immediately enrolled in the *Youth Empowerment Program (YEP)*, an initiative supported by the International Youth Foundation (IYF) and Microsoft and implemented by local NGOs including ACWICT and NairoBits.

“I was most interested in the entrepreneurship program,” she says, “because it tackles the problem of unemployment that we face here.” As an ACWICT trainee, Monica learned to write up a business plan, promote products and services, and manage the finances of a new enterprise. The program also helped participants gain access to banks and other lending institutions, and after completing the course, fledgling entrepreneurs could take advantage of “incubator” support for their businesses to print up business cards, labels, and posters to advance their enterprise. Those who needed advice could turn to a network of mentors and advisors that ACWICT had formed within the local business community.

Looking back on her classes, Monica reports a real change in her outlook. “This experience opened up my mind; and I learned you don’t have to have a lot of money to start a business, just a lot of skills.” She also learned that her passion is to work in the fashion industry. “This fashion thing was in me, in my blood; at this place, I discovered myself.”

“I’VE BEEN ABLE TO PROVIDE FOR MY SISTERS AND MY FAMILY, AND I’VE CREATED JOBS FOR MY FELLOW YOUTH... BUT WE CAN NEVER DO IT ALONE; WE MUST HAVE A HELPING HAND.”

— Monica Njau

As part of her training, Monica crafted a business plan to open a fashion and design business. After graduation, she immediately put it into action—hiring an assistant tailor to work out of her home. She also attended a number of ACWICT-sponsored “business” fairs where she was able to show off her new clothing line and meet potential clients. It quickly became clear, however, that the quality of her clothing was not yet ready for market, and she would need more specialized training in the design field—and more experience sewing her own clothes. So, back to



the drawing board. Monica had to let her assistant go, and figure out a way to finance the next steps in her plan. She had no other choice but to jump headfirst into a series of small start-ups.

Unfinished Business: “Sometimes I Had To Start Over.”

With 300 shillings (less than US\$4) borrowed from friends, Monica bought and began selling bottles of perfume on the street. Eventually she was able to move her small perfume business into a local shopping center where she employed a part-time salesperson. But disaster struck when the owner of the establishment cheated her out of some of her profits, and six months later, a gang broke into the center and looted everything in sight, including Monica’s merchandise. “It was terrible,” she said. “I had to start over.” Drawing on her resilient spirit, which she says was strengthened through YEP’s life skills training, Monica got her perfume business back on track, but could still not earn enough to afford the design classes. With what little profits she had, she decided to launch a second small business—buying one and then another popcorn machine.

Two years after completing her training, Monica’s dream to establish her own fashion design businesses remains a work in progress. While she has launched two small start-ups, she still struggles to expand the client base needed to become sustainable. On the other hand, the small profit margins from her businesses have enabled her to move closer to her long-term goal. She’s now completed a project planning and management class, and has the money to enroll in a computer-based fashion design course in Nairobi. Meanwhile, she has grabbed on to one more opportunity—this time taking a job as a sales

representative with an insurance company to help make ends meet. Perhaps most importantly to Monica, she is helping one of her sisters to pursue her education—and through her businesses has created a few badly needed jobs in the community. Confounding the odds that have sidelined many of her peers, Monica has now gained at least a small foothold in the local economy, and she remains optimistic about the future.

Unleashing Kenya’s Potential: A Shared Responsibility

Stories like Monica’s demonstrate the daily frustrations but also the small rewards of young entrepreneurs who are struggling to make their way in the world. Her story also underscores the critical importance of basic training opportunities needed to spark and sustain their efforts. The question remains: What is being done to help the other millions of Africa’s marginalized youth gain the skills and experience to participate in and benefit from the region’s growth?

In Kenya, the government is making some progress in this area. Responding to the need for start-up capital, for example, it has recently set up a fund where youth-led businesses can apply for loans. A Ministry in charge of youth affairs and sports was also established to promote youth issues within the public sector. “Vision 2030” is a government plan that commits far greater investments in education and job training programs. The country’s private sector is also becoming more engaged. “We are working with the government so they understand the needs of the private sector in order to scale up the job training and entrepreneurship programs that are effective and relevant,” says Mr. Nyingi at the Microsoft regional headquarters in

Keys to Success:

“To be a truly successful entrepreneur, you have to be able to identify opportunities and be determined to stay with it,” says Constantine Obuya, Executive Director of ACWICT. *“Our program offers young people life skills so they can take control of their lives, learn to adapt different strategies, and access relevant information. We tell them, ‘don’t expect to find success immediately.’”*



It's a Tough Business:
Being a successful entrepreneur is especially challenging for young women. Says Veronica Malala: "There is an uneven playing field here; a lot of people think IT and entrepreneurship are for men only. We have to work twice as hard to be successful." Of the 25% of young people reportedly engaged in Kenya's formal sector, only 29% of them are women.

Nairobi. "We can be a bridge between the government and the business community to do that." He also underscores the growing demand for more "soft" or life skills training that YEP and other programs offer to boost young people's employability. Being able to communicate, write a good résumé, and have a positive attitude, he says, can help job applicants "stand out" in a competitive field.

Numerous programs that do just that already exist in Kenya, but the NGO sector that often delivers the training struggles to meet the growing demand. Far too many youth are still left behind. Working with global companies and international development agencies, however, is helping to expand both the capacity and impact of these youth-serving NGOs, enabling them to reach more young people. "We grew as an organization, we expanded our network, and we improved our visibility in the community, thanks to our alliance with Microsoft," says Anne Ikiara of NairoBits. "We hadn't focused on youth before this program," adds Constantine Obuya of ACWICT. "IYF helped

“IT'S ALL ABOUT FINDING SOLUTIONS AND TAKING RISKS.”

— Veronica Malala

us build up our capacity to reach the unreached, and then helped us strengthen and scale up the program.”

Developing multi-sector alliances—particularly those devoted to youth development initiatives—is not yet a common practice in Kenya. But the advantages of such

collaborations to mobilize greater investments are becoming increasingly clear. "The YEP program," says Mr. Nyingi, "is an example of what I call the cascading benefits of such partnerships, where an initiative brings in new partners, new resources and new expertise to address a real need."

BUILDING A BUSINESS: VERONICA'S WAY

Veronica Malala is married and the mother of three, living in a small but spotless row house in the Nairobi slum settlement of Kawangware. The eldest of fourteen children, she has a can-do attitude toward life and a sly sense of humor. She needs both. Her husband, Kenneth Baraza, is often forced to find work outside the country, placing additional stress on the young family and greater pressure on Veronica to meet daily household expenses. In 2008, dispirited after taking on secretarial and other low paying jobs, Veronica decided she lacked more marketable skills, and at the age of 30 enrolled in the YEP training at ACWICT.

Veronica admits she had no prior experience in either computers or business start-ups, but she excelled at her studies. After graduation, her new IT skills landed her a job at a local cyber café. One day at work, as she was assisting customers, an idea came to her in a flash. Instead of just being an employee, she realized she could do something different. "I can run my own cyber café; I know what I need to do; and I know how to do it!" A few weeks later, she acquired four computers from a relative and opened her own cyber café in her hometown of Mumias, a rural town far outside the city of Nairobi. All did not go smoothly. Incompetent staff and stolen merchandise raised warning flags about leaving her business in other people's hands. Instead, she became more personally involved—and through more aggressive outreach she started to add new IT-related services to her portfolio, including the design and reproduction of school exam packets and teaching materials for government and private schools, and marketing similar items to technical training centers. "It's all about finding solutions and taking risks," she says of her growing success.

Always wanting to do more, Veronica decided to expand her horizons by taking an unpaid internship at Nairobi's Ministry of Agriculture, working as a much sought-after trouble shooter within the IT services division. Says Whycliffe Kisoughdi, her boss at the Ministry: "I was looking for someone who had computer knowledge, someone who could fix problems, and organize the network. Veronica had the IT and soft skills we were looking for." Armed with additional confidence and a year's worth of hands-on experience, Veronica completed the internship and put her business acumen to work by leveraging the new professional contacts she has made along the way. Working as a sub-contractor for the Ministry, Veronica's business is providing IT advice at a series of Ministry-led conferences and helping to build IT networks at some of their 30 training centers. Through these projects, she's making an additional 5,000 shillings (US\$50) per day, and she's not stopping there. As a result of these experiences,

Veronica has now launched another service installing networks for private companies.

Veronica says her growing business is providing critical financial support for her family—enabling her to pay her children’s school fees, support her sick mother, and buy groceries when her husband’s pay from Uganda arrives late. In addition, over the past year and a half, her company has hired three employees. Veronica’s long-term goal is to use her cyber café as a training center to improve the ICT skills of local youth. “Knowing internet and mobile technology is the basis for getting any job these days,” she says. “I’m determined to help these young people gain those skills.”

The Youthful Pillars of Africa

At the 17th Summit of the African Union held in Equatorial Guinea in July 2011, UN Deputy Secretary General Asha-Rose Migiro sent a powerful message to government and business leaders that empowering youth is the key to lasting peace and sustainable development across the continent. “In spite of difficulties in many parts of Africa, young people are rising as agents of change... [demanding] more freedoms and opportunities,” she said. “So let us respond to this call by investing in youth entrepreneurship programs and business start-ups ... and by providing incentives to firms to hire young people.”

Will Africa’s leaders respond to this call for action to empower the region’s youth? Will the international community make the necessary investments to ensure far more of Africa’s young people can access the opportunities to help them realize their potential and revitalize their communities? The enormity of the challenge—and the urgency for action—is clear. Nearly 45% of Sub-Saharan Africa’s population is under the age of 15, and that youthful population will not even peak for another 15 years. And already, at least one in every five of those youth are unable to find a job, and many more who are working are unable to climb out of poverty. Some progress, however, is already being made.

Throughout the region, there is mounting evidence that investments in tested youth employability and entrepreneurship programs are demonstrating significant returns—not only to the young people themselves but to the local economy. There’s also an ever-growing band of young entrepreneurs who are demonstrating that when given the chance, even those from the most marginalized communities can launch their own businesses, and in the process, create jobs, and help fuel growth and progress in their communities.

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— UN Deputy Secretary General Asha-Rose Migiro

Even as Monica strives to reach her dream of starting her own fashion business, she recognizes that her generation, by the sheer force of its numbers, has the power to shape the future. But she also warns that inaction on these issues will squander the enormous potential for young people to be true partners in that future. “We have great talents, but many of us are dropping behind,” she says. “When young people go down, the society goes down, because we are the pillars.” **Y**

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BY THE NUMBERS: The Youth Empowerment Program

From 2007–2010, the **International Youth Foundation** and **Microsoft** worked with local partner organizations to improve the employability prospects and civic engagement of disadvantaged young people ages 16-35.

4 COUNTRIES : KENYA TANZANIA
NIGERIA SENEGAL

9,700
YOUTH PARTICIPANTS

84%
UNEMPLOYED AT
START OF PROGRAM

60:40 Ratio of male to female participants

OUTCOMES

1,067 CONTINUE
EDUCATION

YOUTH IN JOBS: 5,900

61% **873 small**
EMPLOYMENT **businesses**
PLACEMENT RATE