



Session name: 3.2 Entrepreneurship as a Livelihood for young people

Session date: Day 2, 24th May 2022, 11:00 AM -12:30 PM

Session Objective

Youth unemployment has become a structural problem in the Arab region where youth unemployment rates have soared for many years. In 2020, the unemployment rate amongst young women in the region is estimated to be 42.1 per cent, which is now more than double that of young men 19.8 per cent, and much higher than other regions. In the Arab States, only 21.1 per cent of the young working-age population is in employment, and this represents the lowest rate amongst all the regions (globally 35.4 per cent). When young people are in employment, the vast majority are in informal jobs -85.1 per cent. However, young women and young men can and should be strong drivers of economic development, therefore entrepreneurship is deemed by many governments and international organizations a serious option for fighting youth unemployment through job creation, but a holistic support is needed so entrepreneurship becomes an opportunity and not the prolongation of a cycle of vulnerability and limited future.

“Entrepreneurship as a livelihood” acknowledges the differentiation between need-based entrepreneurs vs high growth/opportunity entrepreneurs. The first establish their activity out of necessity/ to maintain their livelihood, such as micro and small businesses, smallholder farmers and fishermen. The latter start a business by choice and focus on emerging market opportunities, they contain high growth potential (start-ups, innovative social enterprises etc.) This reflects that not all entrepreneurship creates employment, and in many developing contexts, it often provides fewer benefits and is less earnings than employment. While global opportunity entrepreneurship is dominant, this is not necessarily the case in MENA (Middle East and North Africa). For example, Egypt ranks last out of 54 countries in terms of opportunity entrepreneurship relative to necessity entrepreneurship (GEM, 2018).

Micro-businesses and small-holder farmers are the majority in many countries of the region. In the State of Palestine, they account for 97% of enterprises, and in Yemen, 90%, in Egypt, they employ around 68% of the working population, whereas Jordan (40%) and Tunisia (37%) (“Private Sector Diagnostic Egypt” 2017). However, the level and quality of employment and GDP generated hardly cover basic needs, and rarely enable growth. They constitute the bulk of the informal sector, which makes up at least a third of Arab countries’ economies -and more than 50% in Morocco, the State of Palestine, and Lebanon. In the Arab region informal employment represents (69%) of total employment. This share is high also in the non-agricultural employment -64%. Informal employment means low social protection coverage rates, extreme and moderate working poverty rates 9 -32% for non- Gulf Cooperation Council (GCC) Arab countries.

While high growth entrepreneurship for youth must be enhanced (see a parallel session on social enterprises or start-up ecosystem), livelihood entrepreneurship needs to be strengthened to enhance its impact on the quality of lives, security, and development; support their growth and sustainability.

Governments and public institutions (including local authorities), private sector and international organizations can support the transition from learning to earning through entrepreneurship, and from livelihood to sustainable growth opportunities. Traditionally, entrepreneurship promotion policies and programs tend to address some combination of entrepreneurship/business training, access to finance, business support services, and access to markets. ([see here](#) relevant adopted policy frameworks).

We wish to explore what gaps remain and how each actor of the ecosystem -public, private, and CSOs- can contribute best to sustain youth inclusion in sustainable entrepreneurship.

Session Objectives:

- A. How can government (central and local), CSO (CIVIL SOCIETY ORGANIZATION) and Private sector intervention support access to entrepreneurship -TVET (Technical and Vocational Education and Training) (Technical and Vocational Education and Training) education, business support services, access to finance- to enhance equal opportunities for entrepreneurship?
- B. How can public institutions' delivery of youth entrepreneurship skills be enhanced?
- C. What are the skills and curricula to enhance young women and young men's livelihood entrepreneurship?
- D. How can entrepreneurship training be sustainable and successful for transition by including the private sector?
- E. How and why can the private sector include in their CSR (Corporate Social Responsibility) strategy the support to youth economic inclusion, through entrepreneurship and employment?
- F. How can entrepreneurship training and opportunities be made available for those further behind?

Session Speakers

Moderator: Ms. Rania Bikhazi, Director, ILO Country Office for Algeria, Libya, Mauritania, Morocco, and Tunisia

PANEL 1: How do governments enhance youth access to entrepreneurship?

Mr. Zakarya Maghni, Advisor to the Minister -Delegate to the Prime Minister in charge of microenterprises, Algeria

Mr. Raed Jabbar Bahedh, Director General of the Labor and Vocational Training Directorate of Iraq's Ministry of Social Affairs MoLSA– Federal, Iraq

PANEL 2: How can the private sector engage in supporting the transition from learning to entrepreneurship for youth and how can the private sector play a more active role?

Mr. Mousa Salameh, Head of Small and Medium Enterprise Department, Federation of Palestinian Chambers of Commerce, Industry and Agriculture – Palestine.

Ms. Safa Abdulkareem Rawia, General Manager, Youth Leadership Development Foundation – Yemen

Ms. Isra Elamin Abdellatif, Director of Communications, CTC Group – Sudan

Session Outcomes

Part 1: First panel discussion about how governments enhance youth access to entrepreneurship.

During the first panel discussion the session moderator Ms. Rania Bikhazi led the discussion on What governments offer to young people to facilitate their transition from learning to launching and managing a business? Mr. Zakarya introduced the Algerian experience in entrepreneurship that was began in 1996, when the first national agency for youth employment and support were established. The role of entrepreneurship at the present time through the Algerian government program from 2022 to 2024 to meet the challenge of unemployment, where the Ministry of Entrepreneurship was established in June of 2020 to support the establishment of youth projects on the ground and guide youth towards entrepreneurship.

Mr. Raed Jabbar highlighted the role of entrepreneurship and vocational training in Iraq, as the entrepreneurship journey began since 2003 through the Business Innovation Program, which is a five-day training program, and a partnership was done with the ILO to develop it into a business learn program. The Youth Enterprise Support Fund was established in 2012 with an amount of \$266 million to provide loans to young people with zero interest rates.

Part 2: Second panel discussion about how the private sector can engage in supporting the transition from learning to entrepreneurship for youth and how the private sector can play a more active role.

Mr. Mousa introduced the role of the chambers of commerce and the role of the private sector in Palestine in developing the skills and capabilities of SMEs, as they form 95% of the Palestinian economy, and the largest proportion of them are young people. A national agency called (Monsha'ti - my facility in English) has been developed to provide all the services needed by SMEs in one place.

Ms. Safa discussed the detected gaps the YLDF (Youth Leadership Development Foundation) searches to absorb through its programs and how does YLDF plays the role of intermediation in the passage from learning to earning (entrepreneurship). In addition, she highlighted how does YLDF engages the private sector in their programs.

Ms. Israa described how does the CTC group supports the development of youth entrepreneurship in Sudan and shared the key take outs and recommendations for the private sector to support youth entrepreneurship and to establish a community social responsibility strategy.

Part 3: Working Groups at the end of the session (Breakout groups)

Top recommendations for the governments:

- Establish entrepreneurial incubators and accelerators in universities.
- Holistic and regenerative review of school curriculum to include specialized entrepreneurship curricula and development of life skills.
- Create digital platforms specialized in providing technical, financial, legal advice and guidance for the development of Small and Medium Enterprises (SMEs).
- Create policies that encourage youth participation in entrepreneurship and provide social security that address the risks and concerns surrounding entrepreneurship.
- Implementing policies that support youth and the establishment of a fund that supports projects through the social development fund.

Top recommendations for the private sector:

- Establishment of banks and funding institutions that fund small enterprises.
- Providing training within companies for young people.
- Creating opportunities for startup businesses to be part of the supply chain of services and products used by large businesses.
- Providing and working on sustainable "social responsibility" projects.