

The role of policy and regulatory frameworks in driving youth entrepreneurship

It is widely accepted that increased youth entrepreneurship is imperative when it comes to alleviating Africa's unemployment challenges, as well as driving the continent's over-arching socio-economic goals.



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“Future of Work” trends and digitisation have already led to a discernible shift towards more entrepreneurial ventures by youth, and the current global pandemic is further catalysing this process. While it is true that the youth themselves recognise the need to consider and actively pursue an entrepreneurial path, their success, however, relies heavily on the regulatory environment they operate within.

Governmental policies, business regulations and other infrastructural concerns play an immensely influential role when it comes to youth entrepreneurship, both in positive and negative terms. For example, complicated or expensive business registration processes are barriers to entry, while incentives to private companies, on the other hand, help boost partnership opportunities for young entrepreneurs.

With the global crisis having a detrimental effect on the already fragile economic climate in Africa, governments can no longer take lackadaisical approach to entrepreneurship. African leaders and policy-makers need to take swift and result-driven steps to review current rules and regulations, and begin driving robust policy reform.

As stressed by the United Nations (UN), as a key driver of change, the world's youth population must be "bolstered by national policies and innovative solutions to the challenges they face".



The scenario of young entrepreneurs in Africa

Evan-Lee Courie 24 Jun 2020



When developing national policies and regulations, and building supportive youth entrepreneurship ecosystems, the following points (among others) need to be taken into account:

- The economic goals of a country, and the role that youth entrepreneurship can play in helping achieve these. As stated by UN Secretary General Ban Ki-moon at a General Assembly event in his discussion on transformation, young people are "in the driving seat of this change"
- Entrepreneurship is not an isolated business activity sector, but a valuable component of forward-driven economic systems. Therefore, entrepreneurial growth should be built into national strategies instead of being viewed as a stand-alone business sector
- Increased youth participation in parliament and policy-related decision-making. Concerning statistics by the World Economic Forum (WEF) show that although under 30's make up more than half the global population, youth representation in parliament is only 2%.
- The involvement of both public and private sector working together to develop solutions. Again, the youth themselves need to be given a seat at the table
- The building of institutional capacity in terms of education and skills development that encourages youth entrepreneurship
- Government-based business incubators with a specific focus on youth entrepreneurial ventures – both in terms of startup needs and the scaling of businesses

It's not just about "creating policies" but also having actionable and practical mechanisms in place for young African entrepreneurs. Organisations and initiatives, both private and governmental, dedicated to policy reform and support of youth entrepreneurship are fundamental to shifting the needle forward.

The Youth Employment Service (YES) is a business initiative, in partnership with the South African government, striving to overcome the country's youth unemployment crisis by creating enterprise development opportunities for youth residing in densely populated and peri-urban communities.

The Youth Enterprise with Innovation In Nigeria (YouWin!) is a collaborative effort from the country's Ministry of Finance, Ministry of Communication Technology (CT) and Ministry of Youth Development aimed at job creation. The programme's goal is to reduce unemployment by supporting young Nigerian entrepreneurs through funding, mentorship and as a platform for aspiring young innovators and visionaries to showcase their ideas to a network of investors and businesses.

Taking a pan-African approach to leadership development, The Anzisha Prize movement seeks to transform the continent's socio-economic landscape by fundamentally and significantly increasing the number of job generative entrepreneurs in Africa. The programme focuses on identifying and mentoring high potential very young entrepreneurs (between 15 and 22 years old), and supporting them within a network that includes investors, policy-makers, educators and parents.

In a report released by the organisation, titled “The Very Young Entrepreneur Scenario for Africa”, The Anzisha Prize lists infrastructural challenges, regulatory restrictions, lack of an enterprise culture and access to funding as some of the major factors impeding youth entrepreneurial growth in Africa.

The Scenario Report also references Anzisha’s “Policies and Strategies that Support Very Young Entrepreneurs” which goes into great depth in discussing the practical policy issues affecting youth entrepreneurship on the continent.

For instance, African countries vary when it comes to the definition of youth: in Rwanda, the “youth” age bracket is between 16 and 30 years old, while in Malawi, it is between 10 and 35 years old. This leads to a lack of consistency in matters such as the eligibility to register a business, apply for finance, qualify for “youth” business grants and so forth. ([Download the full report](#)).

It is clear that African and global bodies are actively working towards revolutionising the African youth entrepreneurship sector.

However, such efforts will require the support and commitment of decision-makers and leaders at national levels in order for aspirational goals to become reality. Timing is of the essence, particularly due to the extreme economic difficulties caused by the COVID-19 crisis. African leaders are urged to take action and tap into the potential that lies with very young entrepreneurs as a means to overcome socio-economic struggles and stimulate future growth.

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