Pathways to Livelihoods and Decent Work

Strategies and Tools for Investing in Young People

Edited by:
John Grierson and Jamie Schnurr

The Livelihoods Pathways Series
Pathways to Livelihoods and Decent Work

Strategies and Tools for Investing in Young People

Edited by

John Grierson
and
Jamie Schnurr

Job Seekers, Cote d’Ivoire

Photo: J. Maillard © ILO
For our daughters

Helena and Sarah Grierson

and

Bronwyn and Caley Schnurr
ACKNOWLEDGEMENTS

This publication is the result of committed leadership, the efforts of many individual specialists and a partnership among institutions.

Takafumi Ueda of the ILO’s Program on Boosting Employment through Small Enterprise Development (SEED) must be acknowledged first, for his leadership, unflagging support and substantive contribution to content. Christine Evans-Klock, Director of SEED, is acknowledged for her strong and constant support for research, activities and advocacy work on youth livelihoods and enterprise development.

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FOREWORD

Youth livelihoods (employment, self-employment and enterprise) and decent work are now at the top of the development agenda. Productive and decent work for young people is a Millennium Development Goal giving testimony to the increased attention needed at the global level. The emergence of these issues has been both assisted and reinforced by the initiation of the UN Youth Employment Network (YEN) led by the International Labour Office (ILO), and the Youth Employment Summit and Decade of Action (YES), led by the Education Development Centre (EDC). These complementary initiatives will contribute to ensuring that youth employment stays on the agenda for years to come.

The lack of livelihoods and decent work opportunities for young people is particularly acute in developing and transitional economies where youth unemployment rates are generally twice that of the adult population. In most of these countries, young women’s unemployment rates are higher than young men’s and fifty to sixty percent of the population is under the age of 30. The rise in the ranks of unemployed and disenchanted young people (NOTE: we live in the age of the female suicide bomber - hence “involvement is very multi-gendered!”) has been linked to their increased involvement in armed conflict and terrorism. These stark facts serve to emphasize the need to support the active participation of young people in productive and sustainable development.

The HIV/AIDS crisis, particularly in Africa, greatly increases the need for suitable youth livelihoods as a result of the rise in orphans and youth-run households. The linkages between the contraction of HIV through risky social behaviour and the lack of decent livelihoods, while not definitive, are beginning to be understood.

The lack of decent livelihood opportunities for young people has social and economic causes and consequences. In order to effectively address these socio-economic dimensions youth employment, livelihoods, enterprise and decent work must be understood and encouraged in the context of the broader issues of poverty, equity and growth. Doing so will require a more thorough understanding of a range of issues and the willingness to act in partnership with others to identify effective practice based on the knowledge and experience of the broader development community. Currently the field of youth livelihoods lacks the types of knowledge and tools that are commonplace in the fields of gender and small enterprise development. While the field of youth livelihoods can learn and borrow from these and other fields it must also pay attention to
the unique economic, social, cultural and political factors which impact on young people and which foster or hinder effective support interventions.

This publication is the second in the Livelihood Pathways series. The series focuses on issues facing young people and on support strategies to promote decent, viable and sustainable livelihoods. This publication draws upon experience from Africa, Asia and Latin America to identify effective practices and understand their interrelationships. Case studies are used to demonstrate how effective practices are applied in successful support initiatives around the world.

The goal of the Livelihoods PathFinder is to contribute to the understanding and application of effective practice in the form of tools to support young people in their quest for decent livelihoods. I anticipate that this publication will constitute an important step forward in mastering the global challenge of providing decent work for young people.

Christine Evans-Klock, Director
Infocus Programme on Boosting Employment through Small Enterprise Development (SEED)
ILO, Geneva
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CHAPTER ONE

Introduction and Background

Jamie Schnurr, Craig Young and Takafumi Ueda

1.0 Purpose and Scope

This chapter is a collective effort of a team of specialists convened by the ILO’s Boosting Employment through Small Enterprise Development Program (SEED) in January 2001. The team was charged with making youth livelihoods development more accessible to practitioners. Youth Livelihoods Development (YLD) lacks a practical framework that consolidates lessons from effective practice and links effective practice with related fields including enterprise development, education and training, human resource development and social entrepreneurship.

The Framework presented in Chapters One and Two is based on surveys of twenty support initiatives in Africa, Asia and Latin America and a literature review. The Framework offers a basis for learning, adaptation and capacity development. It is the first of a set of tools being developed to help practitioners identify and define effective practices and their interrelationships with a view to increasing the investment value and effectiveness of livelihood support activities. The case studies presented in Chapters Three and Four reflect the application of effective practice in a variety of social, economic and cultural contexts.

1.1 Development Context

Youth employment, unemployment and underemployment are receiving considerable attention from governments and policy makers worldwide. This is due to inter alia high un - and under-employment rates; the effects of exclusion (e.g., crime, HIV vulnerability, conflict); and the lack of skilled workers to fill the demands of the rapidly changing world of work. Policy and program responses in developing countries are typically supply driven. Collectively, these initiatives fall far short of an ever-growing need.

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1 Francis Chigunta, Nuim Chowdhury, Simel Esim, John Grierson, Jamie Schnurr, Takafumi Ueda, Craig Young, Martin Kalunga-Banda, Daniel Morales Gomez, and Vijay Valla.

2 Valla, Choudhury and Morales Gomez conducted the field surveys.
The Sustainable Livelihoods Approach

The emerging interest in Youth Livelihoods Development (YLD) is a response to the need to find additional and better ways to offer youth decent work. Though the field of youth livelihoods is well grounded in the concept of sustainable livelihoods development, it does not have sufficiently strong links with the field of enterprise.

Sustainable livelihoods (SL) is a new approach to poverty alleviation. Poverty is commonly assessed using income or consumption criteria. Dissatisfaction with the income/consumption model gave rise to the basic needs perspectives, the need for basic health, education, clean water and other services. More recently, poverty is understood as the absence of the basic capabilities to meet these physical needs, while also participating in community life and influencing decision-making (Farrington et al, 1999).

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. Livelihoods posit that people pursue livelihoods outcomes (health, income, reduced vulnerability etc.) by drawing on “assets” to pursue livelihoods enhancing activities. Opportunities for pursuing these activities are influenced by the structures (government and private) and the processes (institutions, policies, programs and cultural factors) which people face. In aggregate, these conditions determine access to assets and livelihoods opportunities, and the ways in which these can be converted into outcomes (Farrington et al, 1999).

Pursuing a livelihood is a process of reducing vulnerabilities and building capabilities, largely through the enhancement or transformation of (human, social, financial, natural and physical) assets. This conceptualization is inherently positive in that it is “people centred” and takes an individual’s existing strengths as its starting point rather than their needs. It also seeks to understand how moderate increases of support (e.g., effective practices) can leverage large-scale improvements in livelihoods outcomes (Rutherford et al, 2002).

Supporting Multiple Livelihood Pathways

The emerging notion of “livelihood pathways” draws upon recent work by McGrath, King et al that identified six basic pathways to employment, self-employment and enterprise in the informal sector (McGrath et al, 1995). Most youth livelihoods - perhaps as much as 95% - are to be found in the informal sector. More recent livelihoods research work in drawing upon McGrath and King et al notes that the reality in developing
countries particularly for young people is that employment; self-employment and enterprise development are seldom discrete and often intimately interrelated. This diversity is a useful weapon in the war on vulnerability. The quest for a livelihood commonly proceeds in eclectic combinations of employment, self-employment, and enterprise. This is particularly characteristic of young people who are compelled to start work early in life. As a result, livelihoods support must reflect that “employment” is often both a work objective and part of a strategy for self-employment and enterprise (Rutherford et al, 2002).

Limitations of the Sustainable Livelihoods Approach
SL by its nature does not preclude or discourage either market responsive approaches or involvement in growing and dynamic areas of the economy. Indeed, the SL approach has much in common with the notions of “enterprise (as) a manifestation of resourcefulness, imagination and energy” (OED, 1996). The SL approach is primarily concerned with individual, business and household development strategies. The conceptual link between livelihoods and enterprise is strong. However, practical links need to be made stronger. The framework offered here is intended to further develop and refine the livelihoods-enterprise linkage.

Youth Livelihoods Development and the Broader Agenda

Both of these publications identify key strategies to address the challenge of youth livelihoods development. One issue is whether youth livelihoods development is a matter of economic development and growth. Touraine asks: “Is it not artificial and even dangerous to examine the issue by separating it from the real problems, which are essentially economic (Touraine, 1991)?” Another question is whether to identify youth livelihoods for a specific policy or to treat as an aspect of youth employment. Clear answers to these questions have yet to emerge.

The ILO’s work on the concepts of “decent work” and enterprise development, together with the livelihoods approach, provide a conceptual anchor for the effective practice framework presented here. This allows the youth perspective to be prominent and offers multiple entry points to the broader development agenda.
Equity and Decent Work: A Foundation for Growth, Social Development and Poverty Reduction

“Discrimination by age has replaced discrimination by sex….In order to combat and reduce unemployment effectively we must strike a new balance between modernization and social redistribution. As soon as we begin to speak about young people in terms of concrete situations, such as unemployment, rather than in ideological terms, we become aware of the urgent need to create jobs, and therefore to foster growth and manage it in such a way as to mobilize resources more effectively and to achieve greater social equality” (Touraine, 1991).

Experience has shown that without equity, growth cannot be sustained over the medium and long-term (World Bank, 2001). Growth is increasingly dependant on the productive use of knowledge and human capital. Equity and the increased capacity of individuals (young people) to develop and utilize their skills are both needed for sustained growth. The majority of young men and women in developing countries (where in many cases they make up 30-40 % or more of the population) continue to be excluded from full productive participation in social and economic development. In order for developing countries to grow and prosper young women and men need to be active and productive.

Equity is at the root of the ILO’s concept of “Decent Work”. Decent work consists of four elements: employment, social protection and security, workers rights and social dialogue. The first two elements refer to access to resources, opportunities, remuneration, security and conditions of work, the latter two to social relations. The notion of decent work incorporates the fundamental rights of workers, freedom of association, non-discrimination, and absence of forced labour and child labour. Social dialogue refers to the right to engage in discussions with employers and authorities over matters related to work. These issues are central to fostering the active participation of young people in matters related to youth employment and national development.

Young men and women in sub-Saharan Africa are often forced to become economically independent at a relatively young age. Poverty and the consequence of HIV/AIDS compel them to become active economic participants in the household or to leave the security of the family altogether. These circumstances limit their ability to develop their productive capabilities and potential, pursue opportunities and fulfill their aspirations.
The lack of opportunity to fulfill one’s aspirations leads to loss of hope and disillusionment. This in turn results in the erosion of social responsibility, risky social behaviour, violence and conflict, at both local and global levels. Local economies lose productive citizens as both producers and consumers. Global economies are threatened through the spread of HIV/AIDS and conflict. Over time, limited choices lock young people into unproductive livelihoods pathways and further exacerbate the cycle of poverty, crime and conflict. Unemployment is most acute among young people from disadvantaged social and economic backgrounds. Current policies and programs are often focused on young people as a whole, rather than on those who have the greatest challenges integrating themselves into society and the labour market. More attention needs to be paid to the disadvantaged on grounds of both equity and efficiency (O’Higgins, 2001).

**Young People are a Strategic Asset and Resource**
The common cliché is that “young people are the future”. Young women and men are one of the most important strategic assets that developing and developing countries have. Alaine Touraine argues that young people are a resource and that a “developmental” perspective, needs to underpin and guide their “life decision making” (Touraine, 1991). It follows from this that support interventions must assist young people to understand the consequences of short-sighted decisions and assist them to value themselves even in the face of uncertainty and hopelessness.

Globalization of trade, innovation and the use of information and communication technology, are driving rapid change. Accelerated change both threatens to leave many young people behind and requires accelerated investment in the development of human capital to be able to cope with and manage change in productive ways. These interrelated factors underline the need for investments in the knowledge, skills and productive capabilities of young men and women. Effective investments in young people can have an exponential impact on the social and economic development of communities and nations.

Prolonged unemployment at the beginning of an individual’s working life can lead to serious long-term problems. Being unemployed early in life has been shown to increase the probability of future joblessness. Joblessness among the young is closely linked to crime, drug abuse and vandalism; patterns of behaviour that once ingrained influence both young people and their children. High levels of unemployment lead to high levels of alienation, exclusion and social unrest. History has
demonstrated that dissatisfied young people are often the driving force behind political and social turmoil (O’Higgins, 2001).

Across the globe young people are making important contributions as innovators, entrepreneurs, productive workers, consumers, citizens and members of civil society. There are more better-educated young people entering the workforce than ever before. This inflow into the labour market, rather than being viewed as a problem, needs to be recognized as an opportunity for economic and social development (ILO, 2001).

**A Partnership Approach to Integrated, Demand Driven Responses**

The causes of youth unemployment are multi-dimensional. Macro-economic factors largely determine employment opportunities for young and old alike. Young people operate for the most part in the informal sector, and because of this often lack the proper institutional and social support needed to develop their skills and target their aspirations. Society in general perceives youth as inexperienced and lacking the skills to play a productive role in social and economic development. Political support for young people is often weak, with youth policies relegated to under-resourced ministries.

The complexity of these factors requires an integrated approach to investments in policy and programs. O’Higgins and others point to the need for job-led growth and the design and implementation of demand-driven active labour market policies. In order for this to occur it is necessary for governments to work closely with the private sector to maximise opportunities, particularly in education and employment (O’Higgins, 2001).

Investment in the development of effective policies requires the concerted and coordinated efforts of young people, employers, government and civil society. Education and training policies need to be coordinated with economic development strategies. Partnerships need to be formed to implement policies that draw on the strengths of many types of institutions. Governments need to lead with policies. Public private partnerships among civil-society and the business community can offer an effective means of implementing support programs.

**The Need for Effective Practice Knowledge**

There is a dearth of knowledge on effective practice and of information on labour markets, particularly informal ones. Efforts to identify and apply effective practices will only succeed when they can be based upon information about current practices and labour market conditions.
This book is concerned with understanding effective practice investment in youth livelihoods development. Effective practices are underpinned by the following principles:

- Development needs to be people-centred and focused on the development of individual and community assets and resources.
- The notions of enterprise (resourcefulness, energy, imagination) and sustainable livelihoods, (asset and capability enhancement) are complementary. Together they provide a strong conceptual basis for youth livelihoods development.
- Livelihood paths are varied and multi-dimensional. Policies and programs need to help young people navigate the livelihoods landscape.
- Over the long term sustained growth must be equitable if young people are to be fully productive.
- Youth have a basic set of assets and capabilities. The best strategic use of development resources is to encourage them to use their assets and capabilities.
- Demand-driven partnerships among the public and private sectors and civil society can help create livelihood opportunities for youth.

1.2 The PathFinder Effective Practice Framework

The Program PathFinder Effective Practice Framework provides a conceptual overview of effective practice and illustrates how these practices relate to each other. The purpose is to encourage continuous learning and the incremental adoption of sound practices in quest of effectiveness and sustainability. The 2001 Geneva meeting called for a framework for effective practice and capacity building that will support constant improvement and continuous learning. The intention is to develop a practical instrument that reflects current effective practice while providing a mechanism to promote learning and improvement through action and reflection. The PathFinder Framework should encourage the evolution and refinement of effective practices on a broader scale.

How Effective Practices Work

Effective practices build capacity to address challenges, lower barriers and create opportunities for youth. They provide the basis for action planning while challenging individuals and institutions to seek additional internal sources of effectiveness. Most practices affect strategic assets (i.e.: knowledge, networks, human and financial resources). The ability to meet strategic goals and fulfill visions is related to available and
potential assets. The PathFinder Framework provides a set of straightforward, principle-centred activities and values to help build assets in pursuit of sustainable livelihoods. The PathFinder is focused on improving service delivery to enable young people to develop their assets (skills, knowledge, experience and social networks) in order to secure decent and sustainable livelihoods.

Effective Practices are not a Panacea
Effective practices are a distillation of experiences from a range of programs representing different social, economic and political environments. The effective practice approach is a not a one-size-fits-all answer for every problem. Rather, it is a template that “maps” common and critical aspects of successful support initiatives. Individual programs may find the need to adopt and or adapt some or all of the practices put forward. This process of critical adoption and adaptation stimulates open learning and continuous refinement and improvement.

The PathFinder Framework
The search for effective practice is greatly aided by looking “outside” to find inspiration and insights. This broader search is aided by drawing upon the efforts of others. The PathFinder is offered to assist both individual and collective efforts to facilitate more and better investments in youth livelihoods development.

Figure 1.1
The Three Domains of the PathFinder Framework

The purpose of the PathFinder is to increase the usefulness and impact of youth livelihoods support initiatives. The PathFinder incorporates three “domains” (i.e. the world of youth, the economic, political/policy context, and the field of social entrepreneurship) Figure 1.1 (above) illustrates these three domains. Each domain includes one or more “components”. Each component is comprised of a “goal” and a set of “effective practices”. Collectively these three domains consolidate the combination of practices that must interact effectively over time.
The ‘Youth Focus’ domain’s effective practices help ensure the integrity of a support initiative; they ensure an intense focus on youth. Overall, the context domain helps identify opportunities and risks for specific target groups. The Context Domain identifies key factors within the social, economic, and political/policy environments (Fig 1.2, below).

![Figure 1.2 Components of the Context Domain](image)

The Social Entrepreneurship Domain (Fig 1.3, below) helps structure and deliver effective support services. Social entrepreneurship subsumes the internal competencies, processes and practices needed to strategically situate support in order to seize opportunities and create value for youth. Social entrepreneurship includes leadership, networking and partnerships, innovation and strategic management.

![Figure 1.3 Components of the Social Entrepreneurship Domain](image)

Figure 1.4, below, illustrates all three domains and shows their interrelationships.
Table 1.1, below, overleaf, the PathFinder Effective Practice Framework, sets out the respective effective practices for each of the framework’s components.

The following chapter, Chapter Two, examines the PathFinder Effective Practice Framework in greater detail.
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PathFinder Effective Practice Framework

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<td><strong>Component</strong></td>
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<td><strong>Goal</strong></td>
<td>Increase self-determination through greater motivation and responsibility for one’s livelihood</td>
<td>Create an enabling environment for youth by increasing entry points to society</td>
<td>Serve others by creating an organisational culture where team members can excel</td>
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<td>Increase the value of youth in the market.</td>
<td>Increase the value of youth in the market.</td>
<td>Increase capacity to manage relationships in a complex environment.</td>
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<td>Influence the political and policy agenda.</td>
<td>Influence the political and policy agenda.</td>
<td>Increase effectiveness and value generation</td>
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<td><strong>Effective Practices</strong></td>
<td>Recognise and build on aspirations, capabilities and assets</td>
<td>Anticipate and counter social exclusion</td>
<td>Build effective equitable relationships</td>
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<td>Assess community priorities, opportunities and risks</td>
<td>Identify opportunities in growth sectors</td>
<td>Build Communities</td>
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<td>Establish a market niche.</td>
<td>Assess political and policy priorities</td>
<td>Create a culture of creativity and open learning</td>
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<td>Build strategic links to policies and institutions.</td>
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<td>Connect complementary assets and strengths</td>
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<td>Share knowledge and experience</td>
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Industrial designer in the garment industry,
Paraguay

Photo: J. Maillard © ILO
CHAPTER TWO

The PathFinder Effective Practice Framework

Jamie Schnurr, Craig Young and Takaumi Ueda

Chapter One has set the stage by making the case for greater support for youth livelihoods and presented a practical tool (the PathFinder Effective Practice Framework) to help all types of youth livelihood support initiatives design, manage and assess “effectively”. Chapter Two is a detailed examination of each of the component parts of the PathFinder Framework. Chapter Two’s purpose is to give a greater conceptual and practical understanding of the PathFinder Framework.

2.0 Overview of the Youth Focus Domain Effective Practices

Youth livelihoods support initiatives are the focus of the Effective Practice Framework. Support initiatives must balance and reconcile many factors including the social, economic, and political and policy environments that influence youth livelihoods.

Box 2.1, below, sets out a “goal” and three key “practices” that help support initiatives focus on young people as individuals. Support initiatives can do much to help young people identify their livelihood aspirations, increase their motivation and move steadily towards self-determination and self-responsibility.

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<th>Box 2.1</th>
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<td><strong>Youth Focus Domain Effective Practices</strong></td>
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**Goal:** Increase self-determination through greater motivation and responsibility for one’s livelihood.

**Practices:**
- Recognise and build on aspirations, capabilities and assets
- Impart employability skills
- Encourage participation in and ownership of decisions
Recognise and build on aspirations, capabilities and assets
The fundamental objective of the sustainable livelihoods approach is to recognize and build on individual assets (e.g., key motivators, talents, knowledge, skills and networks) (Carney, 1998). The asset base of young people tends to be low, due to lack of both life and work experience. They are often viewed as having few assets and little experience but with much energy and zeal (Chowdhury, 2001). Effective support initiatives focus on their energy and zeal and help them realistically assess their assets, aspirations and opportunities.

Enterprise and entrepreneurship training programs exemplify this practice, through selection processes which emphasise seeking out individuals with a specific aspiration and with the aptitude to use enterprise to pursue their aspiration. There are tested and proven mechanisms that can be used to identify the naturally entrepreneurial (Chowdhury, 2001).

The process of recognizing and developing assets is reinforced in the enterprise development literature as well the emerging literature on human resource and career development. John Grierson identifies the selection of those who aspire to self-employment as one of three key self-employment success factors (Grierson, 1997). This is a particular challenge with youth whose strongest asset is often the intensity of their aspiration.

Broadly speaking, young people have an innate reserve of creativity that is seeking to find self-expression (Chowdhury, 2001). In practical terms, youth focus involves recognizing this innate creativity as an asset, one that can turn an aspiration into a reality. Street Kids International’s self-directed peer-based approach to learning, described in Box 2.3, below, illustrates one application of this approach (see also Chapter Three, Case Study Three).

Human Resource Development Canada (HRDC) has identified skills profiling linked to aspirations as crucial to the successful transition from school to work. Recent research by the Gallup organization in the United States has revealed that individual productivity is directly linked to an awareness of one’s skills, knowledge, strengths and capabilities. The Gallup research highlighted that conventional approaches to training focus on filling skills gaps, rather than on enhancing strengths and talents. Focusing on enhancing skills related to assets and aspirations has been shown to increase productivity compared to training to fill skills gaps (Buckingham and Clifton, 2001).
Impart employability skills
Sustainable employment is only possible when individuals have the skills that enable them to seek out and adapt to a range of livelihood contexts and opportunity – in short to be employable in many circumstances, including, often, self-employment. The work of the poor commonly proceeds in cycles of employment, self-employment, enterprise and myriad combinations of these (Grierson and Schnurr, 2001). Simon McGrath identifies a progression to self-employment that usually involves some degree of basic education, some form of training, often a period of wage employment, and ultimately – but seldom permanently - self-employment (McGrath, 1999).

Employability skills include “generic competencies” and “personal development” (often referred to as life skills) that allow a person to explore multiple livelihood pathways. Examples of these skills include, critical thinking, problem solving, networking, communication, managing risk and working in teams. These skills and aptitudes also include the ability to penetrate labour market barriers using livelihoods or enterprise networks.

Box 2.2
The Development of Employability Skills
UNESCO and the Association for the Protection of the Environment (APE) partnership for the improvement of youth opportunities through non-formal basic education supports environmental income-generation in local communities: i.e. recycling goods, neighbourhood upgrading and enterprise creation. Literacy is introduced or reinforced as a natural means for understanding machine instructions. Numeracy is developed as a means of calculating quantities of recyclable material. Hygiene is introduced as a prerequisite for obtaining clean finished products. Teamwork, mutual understanding, conflict resolution, and drafting common objectives are all natural outcomes of working together. Once young people have achieved a satisfactory level of literacy and knowledge they are split into teams. These teams go to a further “garbage village” in Cairo (Tora) where they, in turn, train other youths in machine use, recycling, literacy, numeracy and hygiene. Instruction is directly linked to the environment young people know and leads to the practical application of newly acquired skills. Young garbage recyclers carry out environmental campaigns in wealthy neighbourhoods, informing inhabitants on the need to separate garbage at source and describing how waste is recycled. The partnership shows how young excluded youth possess useful knowledge and that this knowledge is useful to society and helps lead to improved environmental practices and habits.

Source: UNESCO, 1999
Encourage participation in and ownership of decisions

Participation in decision-making usually calls for experience and responsible and thoughtful input - qualities not often associated with youth. Normal perceptions of young people are reinforced by conventional approaches to youth development; they are welfare-oriented and proceed from a “youth need help and adults know best” perspective. Panayiotopoulos and Gerry find that youth initiatives are rarely sensitive to the sociology of youth or to their specific needs. They note that, “indeed many programs suggest ambivalence toward a Janus-faced youth. On the one hand, many policy makers associate youth with positive attributes, such as capacity to grasp and apply new ideas. On the other hand, youth is associated with undesirable attitudes and patterns of behaviour and consumption, such as a lack of respect for elders, apathy, lax morals and drug abuse”. Youth are often viewed as a troublesome target group, partly as a result of this ambivalence (Panayiotopoulos and Gerry, 1997).

There are formidable barriers to be overcome if initiatives are to manifest their focus on youth by encouraging real participation in and ownership of decision making. Support initiatives need to draw on the creativity and energy of young people. In order to do this they must be alert to the culture of young people. Unless young people are involved in design, implementation and assessment it is unlikely that adequate levels of ownership and responsibility will be achieved.

According to field surveys, participation and ownership are among the principal challenges faced by practitioners. Many respondents had reservations about the viability of eliciting input from young people, even from those with leadership qualities. There was little apparent evidence of being “user or client driven”. However the surveys elicited a rich variety of responses to encouraging participation. Managers and leaders generally felt that youth involvement was important in order to ensure that the content, level and pitch of training techniques, and the types of implementation modalities used, are consistent with the characteristics of the target group. They conceded that this was difficult at the best of times. The acceptable degree of participation always reflected cultural norms and values. In general, evidence of participation ranged from: 1) input into needs and opportunity analysis; 2) input and participation into design and implementation; and 3) input through reflection and follow-up with graduates (Chowdhury, 2001).

The fact that young people are the focus and their livelihoods the intended outcome needs to be kept front and centre. There is an obvious
need for young men and women to take ownership of their livelihoods, given the fact that it is common for young people in developing countries to contribute to household income as well as their own livelihoods. Increasingly, young people are mature beyond their years. This maturity is an asset that can be used to good effect in design, in implementation and in assessment. Youth participation stimulates ownership and commitment, both of which can greatly enhance the effectiveness of youth support initiatives. Treating youth as responsible, active, and able participants, rather than individuals in need of help, moves youth participation beyond participation for its own sake. Operational goals need to be relevant to the aspirations and circumstances of youth. Involving youth in goal definition automatically increases relevance and outcome effectiveness (see Box 2.3, below).

**Box 2.3**

**A Self-Directed, Peer-Based Approach to Learning**

Street Kids International (SKI) and its local partners have found that youth benefited more when a program used youth-centred approaches. Such approaches build connections and support networks while promoting independent goal setting and decision-making.

Youth participants will ultimately need to develop and manage their businesses independently. A self-directed approach helps support youth in developing the skills they need to meet business challenges. The program starts by facilitating a goal setting exercise and then works systematically towards self-sufficiency through planning and problem solving. The development of each new business provides opportunities for using new skills and for modelling business strategies and decision-making styles.

The peer-based approach complements self-directed learning. By bringing youth together to plan and discuss their businesses they are able to support and learn from each other and to solve problems collectively. A peer group can also provide new friends who are going through similar life changes who can reinforce and support the new directions being pursued.

This combination of individual and group-based learning and counselling methodologies helps individual businesses gain the advantages of co-operation and mutual support, while encouraging youth to take responsibility in the long term. Individuals greatly benefit from co-operation. For example, participants can come together to purchase supplies cheaply or to share transportation costs.

*Source: Street Kids International Case Study, Chapter Three, this Volume*
The field surveys of Latin America found that most support initiatives give some attention to youth identified needs and priorities. Differences exist in both degree and in approach. Commonly, youth are involved in needs identification. In some cases youth participate in design, program promotion, and eliciting feedback. Programs like Chile’s *Chile-Joven* evaluate user (youth) satisfaction though this has little apparent influence on design and implementation strategies (Morales Gomez, 2001).

Youth cultures and broader social norms can inhibit youth from expressing their opinions. In both Africa and Asia tribal norms and values exclude youth from community meetings, even when these meetings are discussing their future. In Asia program managers expressed deep reservations regarding both the value and the viability of input from young people (Chowdhury, 2001; Valla, 2001).

The Botswana Brigades’ *Tswelelopele* Brigades Centre reported that youth involvement is mediated through community meetings – i.e., in the *kgotla* (customary, tribal channels). Youth are expected to express their ideas, views, opinions and needs to the *kgotla*. However, seniority plays an important part in *kgotla* etiquette and youth feel marginalized and do not get sufficient chance to be heard. Attendance - and hence participation - falls off as a result (Valla, 2001).

In South Asia youth are cast in the image of role models; people with real experience and knowledge. Youth are seldom brought into the brain-trusts that generate ideas, designs, prototypes and program models. Most respondents found the ideas of youth-focus and youth participation overly idealistic and impractical (Chowdhury, 2001). Street Kids International (Box 2.3 above, and Chapter Three) together with Education with Enterprise Trust (EWET) (Box 2.4, below, overleaf) are important exceptions.

In Bangladesh the LEARN Foundation demonstrates the positive effect of including young people. LEARN focuses on developing skills in information technology. Young people are seen as the logical vehicle to deliver both new technology and training. While they were not involved in design at the outset, they are heavily involved in implementation and expect to be involved in feedback and the program evolution. LEARN is an instructive example of a viable balance between modern sector technology and traditional cultural norms.
Box 2.4
EWET’s Approach to Participation

South Africa’s Education with Enterprise Trust (EWET) involved youth in opportunity and needs analysis and in general participation, even during project conceptualisation. Youth were involved in defining the project concept, in development of materials and in pilot testing. The content, structure, training methodologies and implementation modalities were developed by experts but driven by youth identified needs. Similarly, operational plans are professionally managed but youth driven. Recently young women and men have expressed an interest in being on the EWET National Executive. EWET responded positively. In future graduates of the EWET’s program will be elected to the executive and provide input at the highest levels into EWET’s evolution.

Source: Valla, 2001

2.1 Overview of Context Domain Components and Practices

Social Component Effective Practices

A number of social factors frame the context within which young men and women seek to generate productive and sustainable livelihoods. These factors need to be integrated into the fabric of support initiatives. The social component is the social context within which programs operate. It includes a set of “social variables” that include the family, peer networks, the community and public and private social institutions. Effective initiatives work within and build on this foundation to create supportive and enabling conditions. To achieve these ends programs can be guided by the “goal” and “practices” outlined in Box 2.5 below.

Box 2.5
Social Component Effective Practices

Goal: Create an enabling environment for young women and men by increasing entry points to active participation in society.

Practices:
- Anticipate and counter social exclusion
- Assess community priorities, opportunities and risks
- Mobilise productive resources
Anticipate and counter social exclusion

Young people need an enabling social context to integrate themselves into society and develop their capabilities. Family and access to education and training are some of the key mechanisms which enable this to happen. In most developing countries most young people do not have access to quality education. The majority leave the formal education system by the age of 12 and as a result are excluded from this basic support at the time when they need to be developing their productive capabilities.

Social and economic exclusion is seen as the real plight of young people in all the initiatives assessed. The factors that contribute to social exclusion are contextual barriers that preclude the development of their capabilities and opportunities. Lack of access to basic health education, formal education and training, social networks, and economic opportunity is the direct effect of exclusion. This lack of access represents the breakdown in community support systems and often leads to unproductive and destructive livelihood paths. The results include early drop-out, low self-esteem and a loss of hope (Morales Gomez, 2001). The result is a downward spiral of ever-decreasing opportunity.

Box 2.6
Choices Leading to Unproductive Livelihood Paths

Young girls with limited choices often feel forced into premature sexual relationships in order to earn money or achieve economic and social mobility. This often results in early pregnancy which in turn severely limits their economic options in the short and long terms. These young women become locked into paths that are difficult to break away from or alter, even if they strive to make more healthy and productive choices later in life. The opportunity costs and inherent risks of not intervening early increase exponentially over time, exacerbating the cycle of poverty.

The practice of anticipating and countering social exclusion involves recognizing and addressing the key social factors that inhibit the productive development of a young person. The Latin America initiatives surveyed are all driven by the objective of integrating young men and women into society through the creation of livelihood opportunities. They believe that if they did not understand and address exclusion they will be less likely to succeed in generating healthy livelihood paths. Short-term solutions can be found, but if real barriers and determinants of behaviour are not addressed young people tended to drift back into risky and unhealthy livelihood paths (Morales Gomez, 2001). Anticipating and
countering the effects of social exclusion is central to any program’s ability to teach young men and women to understand the costs of unproductive and unhealthy choices. Box 2.7, below, describes UNESCO’s Special Youth Project’s approach to exclusion.

**Box 2.7**

**Reaching the Excluded: UNESCO’s Special Youth Project**

Exclusion is a perverse state. It forces young people into ghettos where they become mere bystanders to the world of work, education and decision-making. One of the reactions to exclusion is the creation of strong subcultures which both alleviate the sense of exclusion while, paradoxically, also adding to it. Understanding and using these subcultures and their social mechanisms as a springboard for livelihoods is one of the Special Youth Project’s main priorities. This means using culturally derived mechanisms to lift young people out of poverty by allowing them to create their own approaches to development and socio-economic inclusion. Examples include channelling aggression and anger away from confrontation (e.g. gangs, delinquency) and towards constructive pursuits (e.g. basic education, sports, culture, and the struggle for recognition and rights).

A few some basic conditions underlie exclusion. These include the lack of self-confidence, the lack of empowerment, and the lack of ties to others. Lack of self-confidence, when youth doubt their very self-worth, blocks young people’s ability to reverse their own exclusion. A first step in the fight against exclusion is addressing this state of consciousness so that young people feel equal to others and with the same entitlements. Lack of empowerment implies an inability to take matters into one’s own hands, to be subjected to change rather than in control. To reverse this, young people need to acquire consciousness of reality, how that reality works and how it affects their lives. For example, in the realm of civic education it is only when one learns of one’s rights (the legal reality) that one will be willing to fight for them and reject exploitation and oppression. More generally, empowerment is about acquiring the material and educational tools to affect change. The lack of ties to others, physically and psychologically, which translates into a sense of isolation and separateness, is another condition underlying all forms of exclusion. When one does not feel as belonging to any group or community they perceive “others” as rejecting and unwelcoming. Improving communication channels helps create new inclusive public space. The Special Youth Project’s distance education radio programs in Mongolia and village community learning centres in the Lao People’s Democratic Republic are useful examples of approaches to using communications to reduce exclusion.

Source: UNESCO, 1999
Assess community priorities, opportunities and risks
A program must prioritise and align community needs with tangible opportunity and value. This in turn sets the stage for accessing resources and identifying and forming partnerships. This implies that the design, implementation, and assessment of a program must draw upon the input and productive resources of the private and public sectors in the community.

All of the surveyed projects maintained that aligning their interventions with the priorities of the communities they serve is essential to creating value for all stakeholders. In most cases, demand from young people, their parents, the private sector, and from civil society organisations was instrumental in the creation of the livelihood or enterprise program (Morales Gomez, 2001). It is essential that an initiative has the moral and material support of the community and is focused on a priority target group.

The field surveys identified a variety of both unusual and conventional approaches to assessing priorities and opportunities and to identifying available resources. In most cases the process was internally driven and consultative in order to establish ownership and in quest of sustainability. Whatever process used, documentation was needed to convince donors and supporters of the viability and legitimacy of the initiative proposed.

In some cases a formal needs analysis was conducted using an established methodology. This approach, while tending to be thorough and “professional”, carries the risks of being costly and lacking community ownership. However, being systematic does not necessarily imply high cost (Chowdhury, 2001). More formal approaches tended to be used in the development of national programs (Morales Gomez, 2001)

In other cases a more informal process (see Box 2.8 below, overleaf) was used, often driven by the intuition and instinct of a particular individual (inspired by an event or realisation). Informal processes were also found that expressed collectively wishes and insights that were common knowledge within the community. A “social entrepreneur” often drove this more informal approach, one who saw a need that was crying out to be fulfilled and who stepped forward to champion tackling the problem. In some cases these individuals initially acted independently to galvanise and mobilise community interest (Chowdhury, 2001).
Box 2.8
LEARN Foundation Assesses Needs and Priorities

The leader of the LEARN Foundation assesses needs and priorities through observation and by engaging young people and leaders (e.g., teachers) of organisations which represent the interests of young people. LEARN visits as many as 25 rural communities and schools every 6 months. When assessing needs and opportunities, LEARN managers meet with adults and parents to explain their vision and seek through dialogue their acceptance and support.

Source: Chowdhury, 2001

In conventional needs analysis the focus is on “needs” rather than on the opportunities and the resources needed to capture value and benefit. The need for generating livelihoods opportunities for young people is obvious. What is not so obvious are the strategies and resources needed to turn opportunities into productive livelihoods. Some form of assessment is needed to identify and mobilise the resources needed to grasp opportunities and to create the basis for partnerships with both organisations and individuals. Assessing needs, opportunities and resources is not a one-time-only event. Assessment can and should be the result of dynamic and constant interaction among host communities and support initiatives.

Identify and mobilise productive resources
Priorities, opportunities and resources need to be identified and understood in ways that link them together in a mutually supportive relationship. Community input and networking lays the foundation for identifying resources and establishing the partnerships necessary to mobilise strategic resources. Partnerships and resource mobilisation should be integral parts of every initiative’s strategy. Access to and use of resources needs to be co-ordinated in ways that maximise their potential and that leverages access to additional resources. Box 2.9, below, overleaf, illustrates Street Kids Internationals’ approach to mobilising community support in Zambia.
Box 2.9
Mobilising Support through Family and Community

Street Kids International’s Youth Skills Enterprise Initiative (YSEI) draws each intake of new participants from a given community (be it where they live or work). The program is then implemented within that community so that participants are within distance of all services. This enables participants to develop enterprises in a relatively safe and familiar environment, to become contributors to their communities, to develop healthy social relationships (e.g. with the police or other business people) and to act as positive role models for others.

Because parents/guardians are involved wherever possible during the initial stages they feel less threatened by their young people’s potential for business success, and they are more likely to see the benefits of their greater independence.

Implementing organisations must keep in mind that participants are still under the influence of some degree of adult authority and supervision. Parents and guardians, therefore, play a vital role in the development of their children’s businesses. For street youth without adult figures in their lives, a mentor in the community is identified. These can include unrelated community adults, shopkeepers and other adult volunteers.

The YSEI program builds rapport between youth workers and the parents/guardians of participants. Experience has shown that family issues can influence the participants’ management of credit and savings. A formal contract is signed to ensure that parents/guardians understand the program, that they approve of their children’s participation and that they will actively support the business and help protect money and the assets.

Source: Street Kids International Case Study, this Volume

The Partnership Forum in Zambia has developed an approach to identifying community assets and capabilities and links them to prospective opportunities. As described in Box 2.10, below, overleaf, the Forum conducts meticulous research on community needs and opportunities prior to proposing potential partnerships between business, government and the host community. Through this research and interaction they establish their credibility with a wide array of community stakeholders.
Box 2.10
Aligning Community Assets, Capabilities and Opportunities

Partnerships brokered by the Partnership Forum are driven by the need to create value by linking the livelihood needs of community and the community’s capabilities, assets and productive potential with the economic opportunities and the ingenuity of the private sector. Shoprite, the Ministry of Agriculture and Chipata’s Luangeni Farming Community have formed a Partnership which draws on the productive assets of the community, (farming skills, community cohesiveness, access to farming land), and links these with both the physical capital of government (farming implements, and irrigation pumps) and private sector opportunities (a secure market outlet) to provide a market for locally produced fruit and vegetables. Shoprite, a supermarket chain, benefits by not having to import produce form South Africa while creating value and good will in the community. This proactive approach avoids social unrest within the community that occurs when framers lose markets to South Africa imports and young people lose jobs selling farm produce.

Source: Valla, 2001

All programs operate in an environment of social complexity. Good programs learn to draw upon and become a welcome aspect of this social complexity. It is crucial that value is created in the eyes of the community in order to draw from and leverage local resources. The well being of young people is fundamental to community well being; their integration into the fabric of a community is vital.

Economic Component Effective Practices
The aim of an employment or livelihoods support initiative is to increase the value of a young people in the market. This is a challenging task. An ever-expanding majority of young people is seeking livelihoods in the informal sector where productive skills are much in demand. Young people with intermediate levels of education often have higher levels of unemployment than those with little education; schooling does not necessarily translate into value in the market. In Egypt there are an estimated seven million educated unemployed, most of whom are tertiary graduates (Crump, et al, 1999). This all-too-common pattern needs to be understood if the value of youth is to be increased. Increasing the market value of an individual involves increasing the skills and knowledge needed in economic growth sectors.

Increasing knowledge without increasing productive skills fails to serve youth and wastes scarce resources. Increasing the value of young people is a particular challenge, especially in SSA where economic growth
PATHWAYS TO LIVELIHOODS AND DECENT WORK

seldom exceeds three percent (Fluitman, 2001). In most developing countries young people are the majority of new labour market entrants. It is a common scenario to find high population growth, low economic growth and stagnant or contracting “decent work” opportunities, with all three exacerbated by education policies that misdirect knowledge resources.

The PathFinder Framework offers a systematic approach to addressing this situation. The PathFinder will help: 1) recognise the extent and nature of the challenge, and 2) formulate useful responses on a significant scale. Box 2.11, below, outlines the goal and practices of the economic component of the PathFinder Framework.

Box 2.11
Economic Component Effective Practices

Goal: To increase the value of young people in the marketplace.

Practices:
- Identify appropriate opportunities in growth sectors
- Establish a market niche
- Anticipate and respond to demand for skills and knowledge

Identify appropriate opportunities in growth sectors
Economic growth generates new economic and employment opportunities. Some of these opportunities are “pro-poor” (see Box 2.12, below, overleaf). Pro-poor growth sectors are categories of economic activity that are growing in overall output and are generating employment and enterprise opportunities for poor people. Pro-poor growth responds to the capacities and concerns of marginalized peoples. All growth sectors are not necessarily pro-poor growth sectors, especially for young people. Young people have limited experience and limited skills, capital and access to resources. For these reasons many growth sectors have high barriers to entry for young people.

Careful analysis is needed. Many developing country growth sectors are neither particularly pro-poor nor youth friendly, e.g. mining, energy and telecommunications infrastructure, all of which are both capital and skill intensive. Effective practice must seek out and concentrate on those sectors that have good potential to generate many pro-poor and youth friendly job and enterprise opportunities. Housing and construction, woodworking, tourism, many small enterprises based on or in support of
information and communications technologies generally qualify as both pro-poor and youth friendly.

**Box 2.12**

**Pro-Poor Growth**

Pro-poor growth is based on the notion that equity, poverty alleviation, and economic growth can be addressed simultaneously. Making pro-poor growth a reality requires an acute understanding of how national economies, local economies and specific economic sectors work and interact. Certain activities and sectors are more pro-poor than others are. John Mellor finds small-scale non-farm enterprises, largely producing non-tradable, (i.e., locally consumed) goods and services central to pro-poor growth (Mellor, 1999). Pro-poor growth opportunities abound in many sectors, including, low-cost urban housing, rural forestry and many rapidly emerging service sectors such as child-care, hairdressing, security and repair and maintenance of domestic appliances.

Source: Grierson et al, 2003

The vast majority of people in developing countries are employed in the informal sector (Leidholm and Mead, 1999; Fluitman, 2001). New and expanding micro and small enterprises, often informal sector ones, are providing most of the job growth and virtually all pro-poor youth-friendly livelihood and enterprise opportunities. In analysing small enterprise dynamics in Africa, Liedholm and Mead identify a number of sectors with appropriate start-up and growth characteristics. These include textiles, food processing and wood and forestry products (Liedholm and Mead, 1999). Within each of these there are specific niches where sector growth is concentrated. For example, the wood sector consists of two principal sub-sectors: woodworking and wood products, and grass, cane and bamboo products. Woodworking enterprises tend to be larger than grass, cane and bamboo based enterprises. Woodworking accounts for 20 percent of sector enterprises and a third of the employment in the sector. Forty percent of these enterprises grew in the period covered by the survey, compared to approximately 20 percent growth in grass, cane and bamboo enterprises. Most of the enterprises were rural (Mead and Liedholm, 1999). The wood, grass, cane and bamboo sub-sectors offer many youth friendly niches and relatively low barriers to entry.

There is a further useful distinction that must be made, between enterprises whose main contribution is in terms of survival and those enterprises with the potential for growth (Box 2.13, below, overleaf). The tendency is for young people to gravitate towards the more survivalist
enterprises of the informal sector. Sufficiently large numbers of young people will not be able to succeed in “friendly” but stagnant or contracting sectors. Support initiatives must be careful not to retreat into sectors that are youth friendly in terms of skills and capital needed, but that have little growth potential.

**Box 2.13**

**Growth vs. Survivalist Enterprises and Livelihoods**

Survivalist activities are those which people engage in, despite low and often declining returns over time, because they find they do not have an opportunity to do anything better. Activities at this “survivalist” end of the enterprise spectrum make their primary contribution in terms of *poverty alleviation*, i.e. making poor people somewhat less poor. At the other end of the spectrum are enterprises that generate higher and often rising levels of income. These reflect a response by entrepreneurs to an economic *pull*, in that they are responding to market opportunities. Growth activities often make their contribution in terms of *poverty elimination*, i.e. helping poor people move up and out of poverty.

Source: Mead, 1999

The field surveys, case studies and enterprise literature detail many different strategies for identifying growth sectors, youth friendly niches and within these skills and knowledge needs. Growth sector identification and assessment is an ongoing process. Many initiatives use network-based approaches, usually involving relationships with communities, businesses and business associations, and other local and national institutions. The practice of networking and partnership building is covered in detail in section 2.2 of this chapter as well as in Chapter Four.

Additional formal sector growth assessment strategies include research on economic trends and market conditions and statistical analysis of labour market information. Bangladesh’s LEARN program (Box 2.14, below, overleaf) uses ongoing monitoring of local and global research to focus on rural youth friendly opportunities within the information and technology sector.
**Box 2.14**

**Focusing on Youth Friendly Growth Sectors**

In Bangladesh the Learn Foundation and the Grameen Bank’s Phone program combine forces to bring the benefits of information technology to rural communities. Information technology is a growth sector, one where young people have a comparative advantage in specific niches due to their ability to absorb complex knowledge and to serve as agents of technology dissemination to the broader population.

Source: Chowdhury, 2001

**Establish a market niche**

Establishing a market niche means focusing on areas where appropriate economic opportunities exist and are growing, and where value can be created for the community, the market and for young people. It is increasingly recognised that “niches” are market and growth sector based.

**Box 2.15**

**Creating Market Niches**

Zambia’s Partnership Forum brokers partnerships among communities, businesses and government with a view to creating many rural and youth friendly market niches.

The Shoprite (a supermarket chain), Ministry of Agriculture and Luangeni Farming Community Partnership has created many niche opportunities for farmers to grow produce that is in demand in urban areas and for young people to help market this produce.

Source: Valla, 2001

Niche oriented initiatives can target micro-level needs (e.g., training, mentoring); meso-level needs (institution and network building); or macro-level needs (e.g., policy interventions, labour mobility). All three levels of interventions working in harmony are needed in order to achieve broad and meaningful impact.

**Anticipate and respond to demand for skills and knowledge**

Most new opportunities are emerging in growth sectors. Many of these growth sectors will be ‘youth friendly’ or include youth friendly market niches. Livelihood interventions must anticipate the skills and knowledge young people will need in order to respond to these opportunities. This understanding of both markets and the needs of young people is essential if an intervention is to be relevant and useful.
The need to respond to current market needs is neither, well understood nor widely applied in practice. Unfortunately, as Fluitman laments, governments continue to invest their scarce resources in pre-employment training in sectors that are not hiring. Fluitman stresses the need better to understand the realities of local labour markets. Labour market information systems are deficient in most developing countries. However, these countries cannot wait for adequate statistics before acting to redress labour market problems. Despite systemic weaknesses our hands are not empty. The intimate knowledge and good will of insiders, together with common sense can do much to substitute for missing or flawed data (Fluitman, 2001); they can be used to anticipate the skills and knowledge needs of the market. Planning strategically is dependent upon the ability to anticipate niche and sector demand – in terms of sector focus, resources needed and innovative implementation strategies.

The field surveys underpinning this chapter identified many strategies for anticipating demand for skills. In most cases they involved monitoring the demand for skills and knowledge in order to expand or reorient support interventions. Methodologies in common use include tracking the growth rates of specific sectors and tracer studies of those previously assisted (see Box 2.16, below). Innovative assessment mechanisms included using businesspeople as ‘key informants’ in order to measure the health of specific sectors. Other key informant groups included networks of young men and women with established enterprises in a given sector. Local industry leaders and associations are also useful sources of market insight (Chowdhury, 2001).

**Box 2.16**

**CYSEC Tracks Graduate Uptake**

The Calcutta Youth Self-Employment Centre (CYSEC) tracks the level of applicant enthusiasm in each of its trades in order to monitor market trends and absorptive capacity. Whenever the number of “qualified applicants” changes a market survey is conducted to investigate the reason for the change. CYSEC uses the eyes and ears of applicants to assess local markets. The level of applicant enthusiasm is used as a proxy indicator of market demand. Applicant enthusiasm and market research strongly influence course offerings.


Most organisations will struggle to balance market-led proactive decision-making with the normal institutional tendency to “play it safe” (Chowdhury, 2001). The ability to respond quickly to market demands requires flexibility, a degree of decentralisation and suitable resources.
The anecdotal evidence from the field surveys suggests that the larger and more consolidated the program the more difficulty it will have in responding quickly to or anticipating changes in sectors, niches and skills demands (Morales Gomez, 2001).

**Political/Policy Component Effective Practices**

The political and policy dimension of the framework addresses the political and the policy environment in which a program operates. The political aspect of this dimension refers to how power relations in society influence the governance of resources and the public good. The policy aspect refers to the formal expressions of political will that guide the allocation of, access to and use of collective resources. For the purpose of this framework they are deemed to be mutually complementary.

A goal of all support initiatives is to manage the impact of political and policy factors and to leverage and influence the political and policy environments. To achieve this goal initiatives can be guided by the practices identified in Box 2.17, below.

**Box 2.17**  
**Political and Policy Component Effective Practices**

**Goal:** To influence the political and policy agenda.

**Practices:**
- Assess political and policy priorities
- Build strategic links to relevant policies and institutions
- Secure resources and political support

The policy context within which youth programs operate is complex, differs from country to country, and depends on the nature and scope of the initiative. In most cases, initiatives respond to specific policies initiatives intended to address youth unemployment or to compensate for the shortcomings of the education system. From a policy perspective youth is a relatively new area of concern. It is still unusual to find instances where youth policy views youth as an asset or resource that can contribute to economic and social development. More commonly youth is seen to be a challenge or merely a problem that needs to be addressed. Only recently have governments developed more comprehensive youth policies as complementary aspects of other social policies such as education.
Efforts to create links with policy and to influence the political and policy agenda were quite varied. In general practitioners recognised the importance of such linkages but experienced many difficulties in forming viable relationships with policy-making organs.

**Assess political and policy priorities**
Assessing the policy environment and its relationship to the program’s objectives is important for any program. The positioning of a program vis-à-vis policy objectives and political will can have an impact on success. Understanding how support initiatives relate to policies is a necessary step in setting priorities and determining strategy.

Youth livelihoods and employment is a relatively new development tool. Youth livelihoods and employment development is not yet accepted as a priority by most governments, despite its relevance to many development issues. In some cases youth issues are integrated into larger sector policies. Education, sport and recreation, labour, and health policies may have youth components with employment or livelihoods aspects. In many cases, these policies are not well developed and implementation is weak due to a lack of political will, resources and expertise.

Analysis of public sector policies and programs helps identify gaps in service provision, identifies useful links to formal education and helps determine at what level (micro, macro, meso) support initiatives should focus. EWET, Box 2.18, below, uses policy analysis as part of its strategy for making sense of trends in youth livelihoods.

**Box 2.18**
**Making Sense of Trends**

South Africa’s EWET is an interface among: 1) young people seeking livelihoods; 2) policy evolution; and 3) changing economic conditions. Monitoring all three domains helps EWET identify emerging trends. EWET monitors government programs, changes in the global market and their competitor’s activities. Through an Internet-based process of synthesis, data translation and integration EWET conceptualises a range of future scenarios that it can proactively respond to.

Source, Valla, 2001

Many initiatives surveyed conducted detailed analyses of government policies to determine where priorities lay and how to position themselves vis-à-vis government policy. In Latin America programs (i.e., Projoven
and *Chile Joven*) are sometimes instruments of government policy and vehicles for policy implementation.

Most livelihoods programs and initiatives are situated at the community or regional level (see Chapter Three for more discussion of this issue). However, often there is a need to intervene at the meso level in order to offer strategic guidance (advocacy) to policy and government based on what is happening at the micro level. A few of the initiatives surveyed were effective advocates. By being part of government panels they were able to offer advice and influence macro level changes.

**Build strategic links to policies and institutions**

Support initiatives can raise their profile by supporting implementation mechanisms for existing policies, showing under-resourced governments how priorities can be implemented efficiently, and by demonstrating how much can be accomplished by building on what exists. Linkages should be strategic and useful. If they are not yielding results then they should be scaled back and redirected. Managers form linkages with government to enhance policy dialogue, engage in advocacy, gain political sanction and legitimacy and secure material support (Box 2.19, below). They also lobby for the initiation of policies that help the well being of both business and communities.

**Box 2.19**

**Establishing Strategic Links with Government**

EWET established formal links with government from project conceptualisation and maintains these links through regular contact. EWET’s linkages help create synergies between its activities and local government’s policy objectives. As a result local government views EWET as an extension of credible and relevant service provision and provides political sanction and legitimacy as well as material support.

*Source: Valla, 2001*

Several programs surveyed maintained that linkages with government contributed to their success in that they served to ensure alignment with local and national economic and social development strategies. Linkages also helped government officials understand how policy linked activities help address policy identified needs. Such programs saw the linkage as mutually beneficial, with practice informing policy and improved policies resulting in more effective practice.
Box 2.20
Influencing the Agenda through Advocacy

Established initiatives with name recognition can be influential. In India BYST’s Executive Vice-President represents BYST on the National Small Industry Board. CYSEC works closely with the Calcutta Municipal Development Authority and the State Urban Development Authority in expanding the Entrepreneur Development Program throughout West Bengal. In Bangladesh UCEP, a local NGO, influenced the formation of the Board of Non-formal Education in the Ministry of Education.

Source: Chowdhury, 2001

In Latin America, the three programs surveyed were all closely aligned with government policy. The government-sponsored programs (e.g. Chile Joven and Pro Joven Peru) relate directly to the national policy framework. They are seen to compensate for the gaps resulting from persistent poverty, macro economic reforms and inefficiencies in the education and social protection systems (Morales Gomez, 2001).

The policy framework to which programs respond often corresponds to the policies of the main government departments involved in their implementation (i.e., ministries of social affairs, labour, and education). Depending on the level of decentralisation, initiatives operate under national, provincial, or local (municipal) policies. Policy linkages are often directly with policy areas such as economics and labour. The initiatives surveyed in Latin America are addressing primarily labour market issues (i.e., unemployment) (Morales Gomez, 2001).

Secure resources and political support

Often governments cannot implement policies effectively due to lack of resources or inadequate operational linkages. Governments, however, can and must play a leadership role in bringing visibility to youth issues and promoting the practical and intellectual importance of youth as a development entry point. Public officials need to be educated by experienced youth practitioners. In doing so support programs can often leverage the value of government officials. For example, leveraging political partnerships is an essential steps for programs seeking to identify and access opportunities and resources from donors and the corporate sector (Box 2.21 below, overleaf).
Box 2.21

Partnership Forum Uses Market Ingenuity to Leverage Resources

The Partnership Forum in Zambia uses government’s national and local economic development strategies to leverage government inputs and establish linkages that serve the interests of government, civil society and the private sector. As a result government often provides infrastructure (e.g., irrigation pumps) and extension services to the Partnership’s farming ventures. These inputs enhance the Partnership’s ability to broker partnerships among businesses, communities and government.

Source: Valla, 2001

Support initiatives can influence policy through involvement on boards and through ongoing dialogue and lobbying. Youth are generally not well organised and do not have a strong voice. Support initiatives can enhance and articulate the voice of youth at the policy level.

Most support initiatives operate in complex policy and socio-economic environments. In Latin America policy responses to the need for youth livelihood opportunities have traditionally focussed on improving access to education and health care services. Only lately have policy reforms attempted to look at youth in a more integrated manner, linking education and health concerns to issues of employment, social justice, and democratic participation. Recent efforts to creating innovative programs deal with areas as diverse as reproductive health, AIDS and drug use, non-formal education, skills development and vocational training, and community participation (Morales Gomez, 2001).

An important dimension of these emerging approaches is the fact that governments are no longer the only actors in social welfare provision. The private sector, civil society, and market institutions are all playing greater roles. In such a context, youth livelihood policies and programs must take into account a broad range of factors and actors.

The internal dynamics of the youth unemployment problem are such that, despite relative successes, micro approaches, government interventions and sectoral interventions are not enough in themselves. There is a growing realisation that the causes of youth poverty, unemployment and exclusion are rooted in structural factors and responses need more than just the availability of or access to training. Changing labour markets, the attitude of employers, financing opportunities, and overall social conditions affecting poor youth all require comprehensive and co-ordinated action.
The complex social, economic and policy environments in most countries require the continuous involvement of governments in playing a key role in the development of youth programs. Social and economic inequalities are structural and deeply rooted in society. The historical experience shows that market mechanisms tend to exacerbate the social divide, with the greatest negative impacts on the most vulnerable groups. Poor youth, and particularly young women, are too weak in terms of political and social participation to articulate or influence market demands in a significant fashion. At the same time, without government involvement, the magnitude of the problem is likely to surpass the capacity of civil society organisations. Despite their effectiveness at the micro level, these organisations are often fragmented and lack sufficient human and capital resources for large-scale or sustained operations (Morales Gomez, 2001).

2.2 Overview of Social Entrepreneurship Domain Effective Practices

Leadership Component Effective Practices
The process of moving a support initiative toward excellence requires people who can inspire commitment to a process of building excellence and create a sense of urgency and need for change. Leadership is the key driver of all aspects of effectiveness. While effective program operation requires a combination of ingredients and interventions leadership stands out as making the greatest difference. The field surveys and literature review uncovered three key findings with regard to leadership effective practice in youth livelihood and enterprise support initiatives:

- The ‘human’ aspects of leadership play a key role in effective practice largely based on the view that leaders are called upon to serve others;
- Increased leadership capacity can compensate for a lack of technical skills and access to resources; and
- Effective leaders share a commitment to further development of personal character and the inner self.

The goal of inspiring and creating a dynamic organisational culture, one where practitioners and team members can excel at doing what they do best, can best be pursued through the practices and linkages outlined in Box 2.22 and Figure 2.1, both below, overleaf.
**Box 2.22
Leadership Component Effective Practices**

**Goal:** To serve and inspire others by creating an organisational culture where people can excel at doing what they do best.

**Effective Practices**
- Build effective and equitable relationships.
- Create opportunities by spreading ideas and inspiring creativity and innovation.
- Plan and manage change.

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**Figure 2.1
Leadership Practices and Links to Social Entrepreneurship Dimensions of Effective Practice**

**Key areas for effective leaders to focus on:**
- Will, Integrity, Inspiring, Fair & Balanced, Servant
- Opportunities for others and the people they serve
- Support doing the right things with doing things right

**Critical Effective Leadership Practices:**
- 1. Build relationships: Attract the right people in the right roles
- 2. Create Opportunity: Spread ideas, inspire innovation
- 3. Manage Change: Allocate resources effectively

**Opportunity Dimensions of Effective Practice:**
- Networking & Partnerships
- Innovation
- Management

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**Build effective and equitable relationships**

Effective program leaders continually search for, align with and engage the right people and partners in the right roles at the right time.
Relationships are a program’s most important asset and resource. Effective leaders view people as the most important asset, including the untapped knowledge and capabilities they possess. The “right people” include team members at the heart of the program. It also includes those involved in strategic partner organisations, private sector companies, community groups and individuals who will add value to service offerings, strategic assets and opportunities.

The right roles means that leaders understand what kinds of tasks, jobs and responsibilities need to be filled by the right people and organisations, whether internally or externally in strategic partner’s organisations. The right time means that the leaders are able to anticipate when these roles need to be filled by the right people.

The capacity to attract, retain and inspire others is a direct reflection on who leaders are, what they believe in and how they view the world and those around them. This capacity sets the foundation for relationship building both within and outside a program. The capacity to build the right kinds of relationships is important for three crucial aspects of effective leadership practice:

- Attracting the right people to become team members, and encouraging them to grow and learn to be the best at what they do;
- Opening doors to positive networking opportunities and potential partnerships with the right kinds of individuals and organisations; and
- Guiding positive change and improvement throughout the organization.

Relationship building is focused on serving the needs of others rather than on the leadership “position”. Leaders focus on inspiration and open sharing of ideas, knowledge, skills and experience. They manifest qualities like integrity, humility, fairness and strength of character to provide a solid foundation for trust and credibility. Being forceful, controlling and dominant is not part of the picture.

In South Africa’s EWET leaders provide opportunities for their fellow team members to display their leadership skills, whether dealing with a crisis or challenge, implementing a new idea, or supporting a client. Team members are inspired by the opportunity to co-lead and are motivated to rise above their current situation to conquer new challenges.
They are able to share in the joy of seeing that their efforts have made a positive difference to the young people they serve.

This “people-first” approach provides effective programs with a powerful means of realising the full potential of their assets and opportunities. It stimulates the organization as a whole to improve. The opportunity for team members to express their ideas and experience, their talents and their pure potential stimulates a dynamically exciting environment where the vast majority of those who come into contact with the organization seem to be more driven, passionate and inspired to excel.

The organisational cultures and environments of initiatives that practised inspirational leadership were much more conscious of creating opportunities to further develop the potential of their team members, community partners and beneficiaries. They recognised that the further their people grew and excelled in what they do, the greater the benefits from higher levels of talent, commitment and enthusiasm. In turn, the initiative became more powerful in designing and offering effective support solutions.

Effective leaders are role models and recognize that their own behaviour and attitudes influence the young people they serve. They are motivated to grow and learn about themselves both as human beings and as professionals who seek to exploit productive livelihoods opportunities.

Shared or co-leadership presents a new dimension to leaders who are called on to conquer the challenges they face. Effective leaders inspire their team to become their best, find new meaning in their work and lead their peers and those they serve (Box 2.23, below).

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**Box 2.23**

**Creating Value through Relationships**

EWET has been described as a ‘movement’ or ‘virtual organization’ rather than a traditional organization, due to the commitment of the Executive Director to building relationships with as wide a base as possible throughout the community. The Director described one of EWET’s goals as the “art of creating value through alliances”. It is the Director’s ability to build relationships that led to the creation of EWET in the early 1990’s. This ability has spread among EWET’s staff, and among the young women and men who participate in EWET’s programs.

*Source: Chowdhury, 2001*
Create opportunities by spreading ideas, inspiring creativity and innovation and facilitating opportunities to take shape in reality

An organisational culture of innovation is a source of inspiration as well as a driver of opportunity. Effective leaders inspire and create a dynamic environment for innovation to flourish. They tend to frequently discuss matters with team members, solicit their feedback and seek to develop new ideas through them. This approach promotes a sense of “anything is possible”, erases conventional boundaries of thinking and triggers new opportunities for the organization.

Young men and women facing livelihoods challenges are often restricted by both perceived and very real limitations on the opportunities that are available to them. When practitioners use creative possibility thinking they set an example that can inspire young people to break down the barriers created by their limited belief in their own possibilities. It is thereafter that their perspective on possibilities widens. When their perspective opens up opportunities emerge. This is a direct result of effective leadership that inspires a culture of open learning, sharing and innovation (Box 2.24, below).

Box 2.24
Leadership Inspires and Creates Opportunity

LEARN’s founder and leader is very well-informed. One of the keys to his vast knowledge is his relationship with both foreign and domestic private sector players in ICT development. These relationships provide new and relevant market knowledge that can be translated into opportunities for others. The result is a program that has grown into an ICT skills and knowledge training vehicle for hundreds of Bangladeshi youth, many of whom find direct employment through LEARN’s own entrepreneurial initiatives, LEARN’s private sector partners, and their own entrepreneurial ventures.

Source: Chowdhury, 2001

Plan and manage change by creating a climate for positive change

While effective leaders concentrate on doing the right things, they also recognize that they must ensure that things are done right. Effective leadership practice includes the ability to guide the organization through positive change that is well planned, well timed, and well resourced. The agenda for change is set by an effective leader who establishes the basis for team members to execute well-orchestrated plans.
Effective leaders have clear vision, mission, goals and objectives and leverage the ideas, relationships and resources required for their program team to work together to accomplish these objectives. (Box 2.5 below).

**Box 2.25**

**BYST Incorporates the Future into Its Present**

BYST’s leadership, consisting of its founder and Executive Director, senior management, board members and advisors, have discovered that their collective and combined relationships provide a barometer for the future. They have learned to listen to their collective experiences and knowledge and develop the ability to translate them into strategies and plans. BYST has a wide base of relationships with government employees and policy makers, private sector experts, professionals and entrepreneurs, and civil society organisations throughout India.

BYST has evolved practical methodologies to manage its relationships and allocate resources to emerging relevant opportunities. At the heart of this is its capacity to set clear, well defined goals. The goal setting process is informed by critical knowledge regarding changes in the contextual environment and the desire to respond to those changes proactively. Much of this knowledge is derived from the network of expertise and knowledge BYST has built. This network provides leadership with the crucial insights needed to concentrate on the realistic and achievable.

Source: Chowdhury, 2001

**Networking and Partnerships Component Effective Practices**

Effective leadership creates opportunities for programs to build social capital and nurture productive partnerships with individuals and organisations that can add value to their community and enhance their investments in young women and men.

Effective programs and practitioners understand the process of building social capital through networking and relationships. They have learned how to navigate their way through economic, social and political complexities in the program environment and how to develop relationships that generate opportunities and leverage strategic financial, human, social and even physical resources. They understand that there is a dynamic continuum of relationship building activities that can lead to opportunity if strategically managed (see Figure 2.2, below, overleaf). Effective programs manage this continuum, through a team effort of constant learning, sharing and communication. Effective program leaders set the pace and maintain the vision underpinning this process.
Box 2.26, below, outlines the effective practices of the networking and partnership component.

**Box 2.26**

**Networking and Partnership Building Effective Practices**

**Goal:** To increase capacity to manage relationships in a complex environment.

**Effective Networking and Partnership Building Practices:**

- Build communities of relationships
- Connect complementary assets and strengths
- Commit to cohesive action and innovation in a spirit of partnership

**Build communities of relationships**

Networking is a strategic process of identifying and accessing assets to fill capacity gaps. The skills and strategies required for effective networking are needed to build social capital and uncover innovations and opportunities.
Within any given context a program’s strategic options broaden considerably through networking with individuals and organisations in the public and private sectors, and civil society. Vulnerability to economic, social and policy/political factors can be reduced by seeking knowledge, skills, ideas and experience outside the program itself. Networking is an indispensable aspect of program sustainability.

Networking and community building help identify, understand and communicate capacity gaps within a program and within the community. Capacity gaps in the community are potential opportunities to enhance investments in the livelihoods of young women and men. Networking should concentrate on identifying and meeting capacity gaps. The assessed programs demonstrated that networking can be informal, based on a series of well-focused social conversations and meetings. Informal networking helps identify common ideals and values as well as potentially synergistic goals and activities. As relationships move along a pathway toward partnership increased focus on action planning and relationship details becomes more relevant and imperative.

Effective support initiatives recognise that networks often seem invisible. They are aware that all people and organisations are in some way connected to another. Effective leaders understand the interconnectedness that exists in every community and guide their activities toward opportunities that exist in this network of relationships.

Boxes 2.27, below, and 2.28, below, overleaf, illustrate how networking increases the effectiveness of both design and implementation.

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**Box 2.27**  
**Networks Provide the Basis for Outreach**

In early 2000, Peru’s Department for Citizen Participation began hosting community networking events and meetings to identify community-wide assets and capacity gaps related to youth crime, gangs and violence. Relationships were formed with civil society and with the private sector to develop new ideas and form a network of concerned individuals and organisations. The social capital generated from intensive networking generated the support and resources needed to start community programs. More than 1,200 young women and men in Lima became involved in the program, forming a peer network to reduce crime and create productive livelihood opportunities.

Source: Morales Gomez, 2001
Street Kids Initiative’s Youth Skills Enterprise Initiative (YSEI) program demonstrates the positive influence of peers. Youth workers have found that when youth feel they are accepted as valuable members of a group they are in turn more open to learning and sharing with others in order to meet their individual goals. The YSEI program facilitates small self-selected “peer teams”. These teams provide support and guidance youth businesses. Though YSEI’s youth workers guarantee support during their program, participants learn to work in a peer team to share the struggles and rewards of enterprise. The group with whom the participants undergo training, including the self-selected peer teams, provide a peer support network for each participant. The peer group members are an invaluable resource to each other; they help each other master livelihoods and enterprise concepts from a “street-sensitive” perspective.

Source: Street Kids International Case Study, this Volume

Connect complementary assets and strengths

Networks provide value for young women and men. When the vision, goals and values of a network are aligned the cumulative value for program beneficiaries and the community increases. This occurs when network members cross-fertilise key strategic assets (e.g. ideas, expertise and knowledge). The “connecting” process typically takes place between two or more network members that have established a basis for an ongoing relationship and are moving toward formalising how they add value to each others’ goals and vision.

The process of connecting assets and strengths can increase every participants’ competence and the community’s and program’s return on investment in young men and women’s livelihoods. The field surveys showed that effective support initiatives had high capacity to communicate, think critically and strategically about relationships, and recognize strengths, barriers and risks to forming relationships with potential partners (Box 2.29 below, overleaf).

Connecting assets provides a basis for engaging in partnership based on balance and mutual gain. Managing partnerships through “connecting” processes highlights the complexities that exist and calls for a good understanding of each party’s dynamics and desired outcomes.
Box 2.29
India’s BYST “Connects” the Assets of Industry

BYST has a networking and partnership model with several winning features. Through extensive and rigorous networking BYST leverages its social capital to attract experts from the private sector to mentor budding but underprivileged young people with entrepreneurial aptitude. The connecting process blends inputs from Field Officers, specialist volunteers from the private industry, with expert knowledge and members of BYST’s Selection Committee.

Source: Chowdhury, 2001

Commit to cohesive action and innovation

The field surveys revealed that most initiatives accept that effective partnership needs a stable commitment to action. Partnerships without a clearly defined action plan tend to become unstable and their value diminishes. Making a commitment to a partnership can provide a stable basis for each party’s performance and effectiveness to improve.

True commitment to partnership exists when all parties share an understanding of the requirements of the partnership process. Effective leadership is required to guide the process and set the stage for all involved to demonstrate a positive attitude and spirit of co-operation. Co-operation is manifested through a clear understanding and vision of the benefits the partnership can yield. The combination of spirit, vision and commitment will increase the capacity of the partners to maintain their focus on the agreed goals through all stages the relationship (Box 2.30 below).

Box 2.30
The Partnership Forum Illustrates Important Lessons in Leadership and Commitment

In its early days Zambia’s Partnership Forum struggled to access finance for the partnerships it brokered. The organization realised the challenge involved linking the narrow interests of business (profit) and government (political gain) with the common vision of the partnership. Initially, all parties expected an equal contribution from their counterparts though this is was seldom feasible. The Forum’s leadership came to recognise the need for a clearly defined action plan. They learned that clarity, commitment and planning must emerge from leadership. Since learning these lessons, the Partnership Forum has had a series of successes.

Source: Valla, 2001
A partnership commitment requires the partners to operate in a cohesive manner. The actions of each partner must complement and enhance the position, strengths and assets of the others. Frequent communication is essential. Partners learn from each other through comparative modelling and benchmarking. By analysing each other’s performance all partners learn and grow, thereby strengthening and sustaining their capacities.

Partnerships offer new ideas, perspectives and resources that can be channelled into innovative opportunities and approaches to supporting young people in their livelihood pursuits. Partnerships endow initiatives with new assets and can augment these offerings with the core competencies and assets of other organisations, enterprises and individuals. Partnerships can help minimise and manage risks and increase the value and effectiveness of donor contributions.

Partnerships can generate new perspectives and ideas that can trigger innovative concepts worth pursuing and experimenting with. In a sense, they provide the base ingredient for a channel of innovation through which programs can generate ideas, sift out ones that makes sense and then turn these into low cost, low risk strategic experiments that can produce innovations worthy of implementing and sharing.

Involving young beneficiaries is necessary to help maintain focus and keep an “ear to the ground” when seeking and screening ideas for livelihoods development. Young men and women themselves can provide valuable insights that help programs pinpoint and support relevant innovations (Box 2.31 below).

| Box 2.31 |
| LEARN Foundation’s Peer-to-Peer Model |

LEARN creates partnerships among “angel” investors, socially responsive “bulls” (professionals who work pro bono) and “Trojans” (participants). LEARN’s network provides its participants with a wealth of knowledge and insights that they would not otherwise realise. Members of the network have access to and contribute new ideas. The expectation is that after incubation, training and practical apprenticeship the Trojans will become entrepreneurs, often within LEARN’s own enterprises. This circular, peer training model is designed to promote community development through IT, self-employment and rural IT-enabled enterprise, and to build self-reliance, commitment and and empathy for rural digital have-nots.

Source: Chowdhury, 2001
Innovation Component Effective Practices
Innovation is the process of creating value inspired by human creativity and ingenuity made real through entrepreneurial behaviour. It is perhaps the most important generator of opportunity.

The social entrepreneur seeks to develop and implement a new service, new processes and new tools that will add value to individuals, organisations and communities. It is the job of social entrepreneurs to mobilise scarce resources and find new ways to benefit the users of these resources. Innovation is an economic and social concept rather than merely a technical one. Box 2.32, below, outlines the goal and effective practices that promote innovation.

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<th>Box 2.32</th>
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<td><strong>Innovation Component Effective Practices</strong></td>
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**Goal:** To increase effectiveness and value generation

**Effective Practices:**
- Create a culture of creativity and open learning
- Share knowledge and experience
- Refine and transform concepts, strategies and practices

Create a culture of creativity and open learning
Leadership and organisational culture are significant factors in expanding innovation and entrepreneurship in youth livelihoods programming. An innovation culture consists of a blend of methodologies, work practices, thinking and infrastructure. Methodologies alone are not enough. Programs must also have the spirit that ignites the vision, spirit and passion for growth and improvement that animates innovation methodologies. There is a cultural commitment to innovative activities and mindsets that stems from program leadership.

In an open environment people are encouraged to interact with ideas and each other creatively in a supportive environment that promotes experimentation and minimises fear of mistakes or failure. Social entrepreneurs need to stimulate this kind of open environment to source innovative concepts that bring opportunities for progress and the creation of value. Close ties to the private sector help foster a culture of innovation. The private sector is more likely to be aware of and connected to innovative activities and opportunities in the marketplace.
Innovative initiatives tend to be led by dynamic leaders who are proponents of entrepreneurial thinking. BYST’s leader “lives by a code of entrepreneurship” and encourages her clients to “think differently, think entrepreneurially”. Innovation and entrepreneurship are synonymous with success in BYST. This institutional cultural has produced many innovations by their young clients, some of which have become successful, globally ventures. The LEARN Foundation has built a chain of innovation, reaching from the director and his “brain-trust” to young people who are changing the perspective of their communities regarding both technology and the roles of young people.

In the private sector innovation is recognised as essential to survival. The role of innovation in growth, effectiveness and sustainability has not, however, been adequately recognised by livelihoods practitioners. Initiatives with strong ties to the private sector place a higher value on innovation because of their professional and personal exposure to innovation and its effects. Private-public sector partnerships can be a valuable source of innovation for support programs. At its best innovation involves participation from all team members, partners, donors, stakeholders and beneficiaries. Stakeholders can enhance innovation capacity through their beliefs, attitudes and commitment to improvement (Box 2.33, below).

**Box 2.33**

**EWET’s Quantum Learning Approach**

EWET’s Quantum Learning approach is an innovative approach to building a culture of excellence through motivation, recognition and rewards for performance. Quantum Learning’s underlying tenet is that “staff members are limited only by their own capacities as well as their willingness and efforts to increase their own capacities”. EWET’s approach integrates all levels of staff to better equip them to respond to changes in the community and marketplace, and to facilitate personal growth and their contributions to decision-making and service delivery.

*Source: Valla, 2001*

World-wide the pace of innovation is accelerating – albeit in some countries and regions at a much slower pace than others. Despite these differences the demands being placed on young people entering the world-of-work are intensifying and becoming more competitive. Support initiatives must develop the capacity and willingness to innovate. Their degree of sustainability will be a direct result of their ability to innovate and manage change.
Share knowledge and experience
Support initiatives’ based on open learning, sharing and creativity recognize that the ideas people have “in their heads” is their most vital asset. The interaction among people and the exchange of their ideas, knowledge and experience (i.e., their intellectual assets) is often the most accessible source of innovation. Effective initiatives develop the ability to interact with ideas and share intellectual assets without being distracted by negative opinions, contradictory beliefs and other “possibility constraints”.

Experimenting is a crucial aspect of innovation. Without it, small ideas never have the opportunity to be shared, shaped and grow into big opportunities. Human diversity is an important aspect of innovation. Diversity is a source of innovative ideas and concepts. Strategic networking and partnerships stimulate building ‘diversity capital’ and the innovation that results.

Collaboration is an important aspect of sharing ideas and intellectual assets. Positive and productive collaboration works best in an atmosphere of sharing that further encourages innovation to flourish (Box 2.34, below).

Box 2.34
South Africa’s Private Sector Encourages Innovation through Sharing and Open Learning

South Africa’s Sanlam Ltd. and Santam Ltd., two of the country’s largest insurance providers, make significant contributions to increasing livelihoods capacities among youth practitioners and young women and men.

Sanlam places a high priority on sharing knowledge and experience through their ‘Future Business Leaders Week’, a forum for sharing ideas and knowledge among practitioners, enterprises and youth. They support more than 150 young entrepreneur clubs throughout South Africa. Sanlam uses its stature to leverage support from other private sector partners, who are also encouraged to share their knowledge and experience.

Santam works in partnership with the Western Cape School District and the Foundation for Economic and Business Development to provide a specialised program in youth enterprise. Santam makes its knowledge and resources available to its partners who in turn apply their respective strengths and assets to creative ways of providing support service to youth.
**Refine and transform concepts, strategies and practices**

Innovation leads to change. A culture of innovation will drive changes in processes, products and services, relationships, productivity and other aspects of an organization. Yet this must be done carefully in order to prevent making change too rapidly. Changes are likely to be more effective and sustainable when they are introduced incrementally in order to allow stakeholders to adapt to the changes. Increased capacity is often required to refine shared ideas and concepts into formal operational plans. Complex relationships and internal dynamics often make innovation-led change a challenging process. An incremental approach helps create the time and space to generate a broad base of understanding and acceptance.

**Box 2.35**

**Failure can be an Asset**

EWET’s Director recognises that “failure is a by-product of innovation … it provides program managers and social entrepreneurs with an all-important source of experiential knowledge on which to build new ideas and experiments. We simply view failure as unsuccessful experimentation.” The key to understanding failure as a positive lesson learned is to minimise the impact of failure on the individuals through incremental transformation which “enables them to take gradual steps toward success and continuous improvement”.

Source: Valla, 2001

**Strategy Focused Management Component Effective Practices**

A 1998 study by Ernst & Young found that the ability to execute strategy is lacking in all types of organisations (Ernst and Young, 1998). The field surveys found that it is the ability to manage intangible assets that shapes the tools needed for successful implementation of an organisational strategy. The capacity to implement is more important than the strategy itself.

As initiatives implement activities they must learn to cope with and manage the changes that will result. Effective initiatives have well defined structures and processes to help them absorb change while maintaining productivity and sustainability. They have the capacity to learn, improve, innovate and seize opportunities. The basis for this is a stable management structure that is flexible enough to create and respond to opportunities. Rigid structures tend to curb creativity and innovation. Innovation can only flourish within an appropriate management structure. Networking and partnership building also require the capacity to manage complex relationships.
Strategic management capacity includes the ability to build the structures and processes that will facilitate creation of a learning environment – that is, a culture of innovation. This includes the capacity to gather and disseminate knowledge gained from all activities, team members, partners and beneficiaries.

Strategic management capacity includes fiscal responsibility. This means understanding and managing financial resources effectively and balancing growth and opportunity seeking activities with financial due diligence. Because most initiatives plan their activities within defined budgetary parameters, it is essential to make a concerted effort to track and report activities and expenditures in a manner that provides a clear picture to the team, donors and partners.

Effective management helps ensure that stated goals are well executed by the right people in the right place. It plays a critical role in helping the team identify and communicate the initiative’s vision and core purpose and ensures that each team members’ role is aligned with their talents, skills, knowledge and experiences.

Box 2.36, below, sets out the goal and effective practices that support strategic management.

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**Box 2.36**  
*Strategy Focused Management Effective Practices*

**Goal:** Lead and manage change supported by appropriate structures, processes and assets.

**Effective Practices:**
- Developing a learning organization
- Manage knowledge strategically
- Mobilise, manage and align assets and resources, and promote fiscal responsibility

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**Develop a learning organization**

A learning organisation manifests an organisation-wide commitment to continuous learning and improvement – from the inside out. The tone and pace of the steps toward this manifestation must come from leadership. The commitment to continuous learning is both cultural and structural. Once the commitment to learning has been made a diligent process is needed to plan and build the infrastructure (systems, processes, structures) that promotes and makes learning possible.
EWET has made a structural and cultural commitment to learning through its Quantum Learning Program. Quantum has entrenched learning as an integral part of all operations and services to clients. The linkage between being a learning organization and program effectiveness and sustainability is strong. Effective innovation is dependent on a culture of learning. Effective leadership requires the ability to evaluate and learn from activities, successes and failures (Box 2.37 below).

**Box 2.37**

‘Constant Learning Constant Change’

South Africa’s EWET embeds a philosophy and practice of learning at the heart of its organisational culture and structure. Learning practices include the Leaders’ Circle, meetings that encourage staff to discuss and share problems, experiences, insights, effective practices, and opportunities. All issues are openly discussed and resolved by all staff. Neither rank nor position carries weight; all staff members have an equal say in decisions. This allows the project to learn from staff, and builds the capacity of staff to learn about all aspects of the organization. The Leaders’ Circle is a positive process of adapting to change, adopting innovation, team building and leadership. Organisational learning takes place through personal interactions among staff and the communities they serve.

Source: Valla, 2001

**Manage knowledge strategically**

For many programs managing knowledge strategically is either not considered important or beyond their capacity. Nonetheless, most support programs manage knowledge to some degree, often informally, intuitively and perhaps even unconsciously.

Effective knowledge management involves managing the information, experiences and data strategically – in order to enhance other strategic assets in timely fashion. This involves organising information in a manner that adds value and allows knowledge to be applied to many specific needs and applications. The disparate and tacit knowledge that is in every organization, as well as explicit knowledge (knowledge that is tangible and can be copied), and information that is generated on a continuous basis, can be combined into a strategic and valuable program asset. Strategically organising knowledge involves assembling it in a format that is easily accessible and transferable. Knowledge is a strategic tool for enhancing effectiveness in a fluid environment.
The key is in understanding how to match market opportunities with the knowledge assets that help produce them. Initiatives like EWET ask themselves such questions as: “What is it that we must provide to our clients that is unique and valuable to them?” “What are the economic, social and policy/political factors that are going to impact and influence our ability to deliver our service to our clients?” “What is important for us to know and when do we need to know it?” They then build a knowledge management capacity that is designed to answer such questions in a format that is easily accessible by EWET staff, partners, beneficiaries, and when practicable even donors and other stakeholders. Effectively and strategically managing knowledge can turn program knowledge into a valuable community resource and enhance prospects for sustainability.

**Box 2.38**

**Youth Enterprise Program Blends Software and ‘Soft’ Technologies to Increase Capacity**

In Canada the Greater Vancouver Venture Centre (GVVC) provided integrated support services to young entrepreneurs. In order to maximise effectiveness GVVC improved the knowledge flow at the heart of its operations, thereby increasing team capacity and providing added benefits to more than 400 clients per year.

GVVC used custom software to assess each client’s assets, vision, goals, aspirations and challenges, storing this information centrally in a confidential database. Using this software a customised plan for training, coaching, mentoring and self-directed interventions is jointly developed with the client. On a regular basis feedback on client progress is added to the database. This database provided the client with a view of their progress and supports practitioners with insights as to what worked and what didn’t.

Over time a general view of effective practices emerged which provided a powerful knowledge base to help GVVC make better decisions about budgeting and funding allocation, team and resource building, and key areas of focus for supporting livelihoods.

**Mobilise and manage resources, and ensure fiscal responsibility**

Knowledge and other strategic assets can be leveraged to create value and additional resources. This is more likely to happen when a program is clear on its strategic vision and purpose. The key question for programs is “What is our core purpose and reason for being?” Being clear and agreed on the answer to this question helps maintain the relevance of assets and the effectiveness with which they are transformed into useful activities.
The capacity to mobilise strategic assets is a function of leadership’s ability to move staff, partners and stakeholders in concert to grasp the opportunities that are at hand. This process must be managed strategically and with diligence. Mobilising assets means transforming them into action plans and using them to grasp opportunities and drive innovation.

The capacity to align assets and opportunities includes financial management and fiscal responsibility. Effective programs must be able to understand and manage these processes well enough to control the budgetary aspects of their activities and meet their financial commitments and responsibilities to donors, partners and clients.

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**Box 2.39**

**BYST Employs Blend of Human and Technology Resources to Improve Management Capacity**

BYST employs administrative systems that demand due diligence yet allow for flexibility. With the large number of widely dispersed participants, communications and resource management are paramount managerial issues. BYST recognises the need for tools and systems that will ensure good management in pursuit of BYST’s vision and strategy. BYST has developed a client management software tool that enables it to track each participant’s learning and development journey. The system also facilitates regular interactive communication with key local and regional stakeholders, supporters, advisors and participants, in order to determine what resources are needed and where and when to allocate them.

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Chapter Two has examined the component parts of the PathFinder Effective Practice Framework and provided evidence from field surveys and the literature to underpin the concepts and practices encapsulated in the PathFinder. The following chapter, Chapter Three, offers four detailed case studies of youth livelihoods support programs. None of the programs described in the case studies incorporate all of the effective practices detailed in Chapter Two. However, all of them offer useful even exemplary examples of the types of practices that have proven effective in helping young people create sustainable livelihoods. In the process of developing the PathFinder Effective Practice Framework much has been learned from these and other initiatives.
Young workers in a pottery workshop in Amman, Jordan
CHAPTER THREE

CASE STUDY ONE

Business Mentors:
The Bharatiya Yuva Shakti Trust

Lakshmi Venkatesan and Khurram Naayaab

“Mentors script rags to riches stories by nurturing entrepreneurship”, wrote the Financial Express, a leading Indian daily newspaper, recently. “Dial M for Mentor” and “Money and Mentors are the twin tracks of success”, are some of the other headlines that have appeared in the Indian press. Who has generated all this excitement? – Young entrepreneurs and mentors of the Bharatiya Yuva Shakti Trust (BYST), a non-profit organisation that nurtures the entrepreneurial dreams of the underprivileged youth of India.

1.0 Introduction

Mentoring in India is not new. It can be traced back to the 5000-year-old tradition of the guru-shishya parampara, where the guru (mentor) not only educates his shishya (student), but also helps mould the young person’s entire personality in a caring environment. However, with modern education systems having replaced this tradition, the challenge for BYST lay in applying this age-old practice to help young entrepreneurs in the 21st century. “In 1990, when I first saw businessmen and women volunteer their time and expertise to help scores of young people in the Prince’s Trust – Youth Business, UK, I was amazed and impressed. I was also sceptical whether this would work outside of the Prince’s Trust, where perhaps the prestige and personal involvement of the Prince of Wales was the major motivator”, reminisces Lakshmi V. Venkatesan, Founding Trustee of BYST. As BYST enters its tenth year of successful operations, most of these doubts have been put to rest. Indian business men and women from large, medium and small businesses continue to volunteer as mentors. These people are the backbone of BYST’s programs in all major regions of India, both urban and rural.

“I learnt the tricks of the trade from my coach, Brigadier Sahukar, an advisor to J K Corps, who helped hone my business strategies”, says Pradeep Lumba, who has built up his business a hundred fold, in a mere
six years, from Rs. 100,000 to Rs. 10,000,000. In 1992, when Pradeep was venturing out on his own to start Nakshatra Packers, a manufacturer of corrugated boxes, survival was his basic goal. Every bank he approached had turned him down because of his youth and lack of security or collateral – all had a good reason why they could not give him a loan. That only made Pradeep work harder. One year later, Pradeep discovered BYST and got a loan of Rs. 30,000 along with a mentor.

Pradeep has all the doggedness that helps entrepreneurs sustain business. “In my school days, my biggest strength was football. To survive in the football team you have to always be a performer, striking goals when most needed. That’s the kind of single-mindedness I brought to my business”, says Pradeep. However, Pradeep attributes his rapid growth to his mentor. A retired army officer, Brig. Sahukar, had vast experience in the packaging industry. He advised Pradeep on how to choose the right kind of raw materials, gave him tips on marketing and quality control, helped hone his accounting skills and provided him with sound money management strategies. Sahukar’s advice always came with a lot of humour. According to him, “An ideal mentor has to be not just a father but also a grandfather. With good patience, observation and listening skill, he has to deal with the aspiring entrepreneur with a lot of tact”. Early on, Pradeep learnt to reinvest his earnings back into business in-lieu of a flashy lifestyle. “I plough every extra rupee I earn back for the expansion of my business. Later I learnt that was also the strategy applied by software star Narayana Murthy. Money means freedom and you can do whatever you want with it. But building wealth is not easy when you do not know how to deal with money”, says Pradeep. He also learnt valuable lessons about innovation and about being ahead of the competition. Starting out with the pharmaceuticals industry, Pradeep’s capacity for innovation brought him customers in the electronics, food and garment industries.

But the going has not always been easy – Pradeep has had his share of troubles. What Pradeep values in his mentor is his “coming through” when tragedy struck his business. “In 1998, I had just achieved sales of around Rs. 5,800,000 when my packaging unit was burnt to the ground, wiping out everything I had created. I thought it was all over” comments Pradeep. It was the Brigadier’s ability to take problems head-on like a true military man that bailed Pradeep out. “It was also my mentor’s innovative strategies that saw me through that debacle. I rented space in other units and was soon back in business”, says Pradeep who employs

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1 $1 = Rs. 49  
2 An Icon of the Indian IT Industry
17 people today and whose sales turnover now exceeds Rs. 12,000,000. Sahukar’s responds “Being a mentor to Pradeep was always challenging and rewarding, very different but never dull”. Pradeep and Shaukar’s relationship has endured and blossomed over the past 9 years. It has even survived a 1,000-mile move by Sahukar from New Delhi in the North to the city of Pune in West India. What has made Brig. Sahukar keep it up for so long even though BYST requires its mentors to support their entrepreneurs for no more than three years? “Mentors can derive a lot of personal satisfaction from seeing a new venture prosper and from helping in a situation when, without good advice, the venture would have failed”, he says.

2.0 Mentoring

The Need of the Hour
Marc Freedman characterises the sentiments of people like Brig. Sahukar as a yearning by the common citizen to help and to make a difference. However, the sheer magnitude of social problems often stifles this interest to reach out. In his book The Kindness of Strangers, Freedman says that mentoring has emerged as a vehicle for translating this yearning into action (Freedman, 1993). Mentoring is, therefore, important not only for the development and empowerment of young people but also for its effect on the volunteer mentors. Freedman’s book chronicles the rise of the mentoring movement in the United States only (e.g. Career Beginnings, Big Brothers / Big Sisters). There is a growing mentoring movement throughout the globe (e.g. the Canadian Youth Business Foundation, Prince’s Trust, U.K. and the South African Youth Business Trust, to name but a few). The number of mentoring programs has grown dramatically in recent years. This popularity results in part from compelling testimonials by people - youth and adults alike - who have themselves benefited from the positive influence of an older person who helped them endure entrepreneurial, social, cultural, academic, career or personal crises.

What is Mentoring?
The concept of mentoring can be found in virtually every learning forum. In academia the term mentor is often used synonymously with faculty adviser. A fundamental difference between mentoring and advising is that mentoring is a personal as well as professional relationship. An adviser might or might not be a mentor, depending on the quality of the relationship. A mentoring relationship develops over an extended period, during which time a protégé’s needs and the nature of the relationship tend to change. A mentor will try to be aware of these changes and vary
the degree and type of attention, help, advice, information, and encouragement that he provides. In the broad sense intended here a mentor is someone who takes a special interest in helping another person develop into a successful professional.

In general, an effective mentoring relationship is characterised by mutual respect, trust, understanding, and empathy. Good mentors are able to share life experiences and wisdom, as well as technical expertise. They are good listeners, good observers, and good problem-solvers. They make an effort to know, accept, and respect the goals and interests of a protégé. They help establish an environment in which the protégé’s accomplishment is limited only by the extent of his or her talent.

**How Does Mentoring Work?**

Mentoring programs are established to match a suitable adult or older youth – the mentor – with a younger person. Potential mentors are recruited from various sources including corporate, professional, and associated communities, as well as neighbourhood citizens. Nominations for mentors are sought formally and informally through flyers, posters, mailings, presentations and word-of-mouth.

There are two types of mentoring, natural mentoring and planned mentoring. Natural mentoring occurs through friendship, collegiality, teaching, coaching, and counselling. It occurs all the time and always has. It happens when one person (usually senior) reaches out to another, and a “career-helping” relationship develops. Research demonstrates that this type of mentoring often occurs between people who have a lot in common. This is because we are usually more comfortable with those who are most like ourselves.

Sometimes the natural, traditional, informal, pat-a-buddy-on-the-back style of mentoring doesn’t work. The good-old-boy mentor may have the best of intentions, but sometimes even the best of intentions fail without training. Those who assume the role of mentor need to learn how to mentor effectively; the protégés need to learn how to benefit most from the mentoring received. Planned mentoring programs help the mentor and the protégé establish a relationship and work together to accomplish specific goals. Planned mentoring occurs through structured programs in which mentors and participants are selected and matched through formal processes.

Appropriate matching of mentors with young people is at the heart of all programs. Matching can be done formally and informally through
interviews, personal profiles, comparative interest inventories, and get-acquainted sessions. In programs where mentors and youth are given a chance to choose each other, planned mentoring takes on many aspects of natural mentoring.

Business Mentors

Due to government downsizing, globalisation and automation of large companies, young people today are opting for self-employment and entrepreneurship as never before. Of the 800 million young people unemployed or underemployed, most of who are in Asia and Africa, at least 20 percent have the potential to build their own business. Business Mentors can help these young entrepreneurs realise their dreams. Data clearly shows that many youth have a desperate need for advice and positive role models. A recent study by Youth Business International found that 75 percent of young entrepreneurs felt their business mentor had made a difference to their success. With a business mentor, 90 percent of youth businesses studied were still trading in their third year.

Business Mentors provide a supportive environment in which the young person can evaluate success and failure. They get encouragement and support and build confidence and the networks necessary for creating a business. “If it were not for my mentor, I would have been a typical entrepreneur struggling in a competitive climate without being able to take the right decisions at the right time”, says P. K. Shoba, an entrepreneur running a printing firm. Mentors help to increase the skills and knowledge of an individual, help find quick business solutions, cut costs, manage inventory and improve productivity. Mentoring can also be used by the entrepreneur to get help in specific areas like quality certification, sales tax registration and bookkeeping. “More important than the seed business capital assistance from BYST, my mentor provided me with sound business tips, the latest technical know-how and software packages,” recalls Neeta Jain, a young woman entrepreneur in BYST. All this goes a long way to expediting the young entrepreneur’s learning curve. “You may ultimately succeed in business, but only a mentor can make it happen in the shortest possible time” confirms Edward Mathew who has multiplied his auto component business within three short years.

Some entrepreneurs need a mentor just to exert a calming influence when times are tough. T. L. Viswanathan from Chennai, India is one such mentor. He was there for Ganapathy when the entrepreneur went into a deep depression with suicidal thoughts when his pet invention did not get bank support. Mr. Viswanathan taught him meditation and yoga to restore Ganapathy’s spirits before he addressed his business concerns.
Today Ganapathy is a calm, capable young man who has lifted both himself and his business to new heights.

In essence, the mentor allows the young person’s natural business instincts to flourish. They do not try to hammer home particular truths of the business world or mould a business as if it were their own. They help the young person make the most of their ideas, energy, enthusiasm and determination in order to become a successful entrepreneur. Speaking on the importance of instincts Mr. P L Agnihotri says, “... when BYST assigned Edward as my mentoree, during the initial discussions with him I could judge that he has in him the spontaneity of response and this spontaneity was an index of his ability to succeed in business. Moreover his responses showed that he already had in him the seeds of becoming a successful businessman”.

3.0 BYST Answers the Call

Of the 800 million unemployed and underemployed youth in the world, more than 300 million are in India alone. There are have been many self-employment schemes initiated by government, Non Government Organisations (NGOs) and banks over the past 50 years. However, only rarely do they address individual limitations or aspirations; make available seed capital or provide the managerial guidance required to attain self sufficiency and long term sustainability. Above all, there are few avenues for budding entrepreneurs to seek advice on how to get market know-how.

There is therefore not only a lacuna in the existing institutional system in India, but also huge potential to tap the strengths of the private sector and establish working relationships between businesses and the small entrepreneurial initiatives undertaken by young men and women from disadvantaged sections of society.

The Workings of BYST

Young people aged 18–35 who are unemployed or underemployed and who have no alternative sources of funding or assistance can approach BYST. These young people are given loans of Rs. 50,000 to start their ventures provided they have a sound business idea along with the will and determination to succeed. BYST supports ventures both in the manufacturing and service sectors. In the last decade, BYST has supported a wide variety of enterprises: from doll making to desktop publishing; from herbal cosmetics to hi-tech electronics.
Business proposals from potential entrepreneurs are welcome directly and are sought by the Trust through vocational schools, entrepreneurial training institutions and well-established grassroots NGOs. BYST gives assistance to help formulate these proposals. An Entrepreneur Selection Panel comprised of industry experts in marketing, finance, and management does the screening. Once the proposal has been approved, BYST provides a range of Business Development Services along with a Mentor who gives guidance until the venture takes off.

The Indian business community collectively supports the Trust, through donations, professional assistance, sponsorship of events and mentorship, all on a purely voluntary basis. Some of the key Indian businesses supporting the Trust today are TATA, Godrej, Bajaj and Escorts. Multinationals including Diageo (UK) and American International Group (US) have also adopted BYST programs. The Confederation of Indian Industry (CII) provides infrastructure and administrative support.

4.0 BYST Achievements

Over the years a strong partnership has been built with the private sector for fostering youth entrepreneurship at the grass roots level and for turning job seekers into job creators. With over 750 ventures, employing 2500 people in six parts of the country, BYST has been able to demonstrate the viability and sustainability of mentoring over the past nine years. Collectively, these entrepreneurs have generated over Rs. 182 million rupees. Many have become millionaires while one has even achieved the rare status of a crorepati (Rs. 10 million). Time and again, rural entrepreneurs and their mentors have beaten their urban counterparts to win awards and have shown that mentoring is not a fancy Westernised phenomenon, but a truly effective Indian tool to support young businesspeople. Internationally, BYST has helped countries like Sri Lanka, Mauritius and South Africa set-up similar programs.

5.0 Mentoring the BYST Way

BYST's mentoring models have been specifically tailored to suit the needs of entrepreneurs from underprivileged strata of urban and rural society. No one model was found applicable to all situations, hence innovations have been made, particularly to cater to rural youth. Currently BYST uses two principal mentoring models: One-to-One mentoring - usually in urban areas - and Mentor Mobile Clinics, specifically designed for rural entrepreneurs. Other models, including group mentoring and peer mentoring are used as the situation demands.
One-to-One Mentoring
In One-to-One mentoring every entrepreneur is assigned an individual mentor. This type of mentoring is the most common form of support in urban areas where both the mentor and the entrepreneur find it relatively easy to access each other. To make One-to-One mentoring effective requires careful matching of the mentor-entrepreneur pair by the program staff. An unsuitable match can damage the confidence of the young entrepreneur. When looking for a mentor, program staff take into account factors such as the area of expertise of the mentor and physical proximity (see also section 7.3 on matching mentors and entrepreneurs). The initial introduction and possibly the first two or three meetings are held at a BYST office. Sometimes, BYST program staff accompany the mentor to the entrepreneur’s business to increase the entrepreneur’s comfort level.

During the first year the mentor is expected to meet the entrepreneur at least once a month, either at the entrepreneur’s business or at the mentor’s office. During this time, the mentor focuses on issues and problems related to start-up. It is the responsibility of the entrepreneur to keep the mentor informed about business progress and the degree to which the mentor’s suggestions have been taken up. This helps build the relationship, clarify roles and lay the foundation for a long-term mentoring relationship. After the first year, when a good mentoring relationship has been established, the frequency of meetings can be reduced to once every two months. This allows the entrepreneur to grow in an independent environment and think for himself. Subsequent meetings can take place only once a quarter until mentoring support is curtailed in the third year.

In 1977 Edward Matthew applied to BYST for a loan to start a manufacturing business in solenoid coils and valves. As part of the selection process Edward had to undergo a technical evaluation which was done by Mr. P L Agnihotri, a mechanical engineer holding a prestigious position in a large public sector undertaking. Mr. Agnihotri was so impressed with young Edward that he volunteered to become his mentor even though it involved travelling more than 15 Km to meet the entrepreneur at his business in one of the poor localities of Delhi. In Mr. Agnihotri’s own words “…in Edward I saw an entrepreneurial spark, enthusiasm and eagerness to succeed - the potential to become a big entrepreneur. That is why I volunteered to mentor Edward and after four years I am happy to say that I took the right decision…”. According to Edward, “I remember clearly, the first day when I saw Mr. Agnihotri driving down a narrow lane towards my house, where my business was also located. Seeing him, I ran down to greet him and asked one of my
workers to bring cold drinks. By that time my neighbours, many of whom didn’t know what the whole chaos was all about, had gathered to greet Mr. Agnihotri. Mr. Agnihotri waited patiently, until things settled down. Then he went into great detail about the raw materials and the machine that I had bought. The first thing he advised was to move out from my present locality, into a new one. Later he even helped me find a good location for my business.

In subsequent meeting over the next couple of years Mr. Agnihotri taught Edward many things about quality and production line techniques. Edward’s turnover soon started climbing and he expanded his market to neighbouring states. Furthermore the relationship between Edward and Mr. Agnihotri changed from mentor–entrepreneur to a family bond. Today Edward and Mr. Agnihotri attend each other’s family functions. It’s been five years since Edward and Agnihotri were paired. During this period Edward increased his annual turnover from a mere Rs. 0.18 million to Rs. 3 million. Speaking on One-to-One mentoring Mr. Agnihotri opines, “One-to-One mentoring is supplementary and complementary to both entrepreneur and mentor. The entrepreneur should be open to learning while the mentor should be more than willing to share his knowledge and expertise with the entrepreneur”.

**Rural Mobile Mentor Clinic**

When BYST expanded its services and program into the rural areas of India, the One-to-One mentoring model could not be applied effectively in all cases. Most of the rural entrepreneurs are scattered and it is difficult for a mentor to travel from a city where he usually works to the entrepreneur’s business in a village. The hardships for a village entrepreneur to come to town to meet his mentor cannot be overestimated; e.g. meeting a mentor in an upscale city office can be an intimidating experience for a young person. Above all, when a mentor visits the entrepreneur in his own backyard it gives him first hand knowledge of the entrepreneur’s needs. It also signals to the entrepreneur that his mentor cares enough to make the effort. For these reasons in 1994 BYST experimented in Haryana villages with a new mentoring concept - the Rural Mentor Mobile Clinic. BYST’s Rural Mentor Mobile Clinics now operate in 80 villages spread over a distance of 100 km. The project area is divided into four clusters of approximately 20 villages per cluster, in Seekri, Tigaon, Jasana and Fathepur. Each cluster caters to 30-35 entrepreneurs. The Rural Mentor Mobile Clinic consists of a group of five to six mentors drawn from diverse backgrounds such as marketing, engineering, finance, agro-products and general management.
Once a month a group of mentors travels together in a big van to the cluster of villages and visits four to six rural entrepreneurs.

**Group Mentoring**

In Group Mentoring one mentor guides a group of four to six entrepreneurs. Group Mentoring is often used where there is a shortage of mentors and it is not feasible to assign every entrepreneur an individual mentor. There are situations where Group Mentoring is preferred to One-to-One. For example, when mentoring is done for a group of entrepreneurs who are in the same sector or have a high degree of overlap (complimentarily). Group Mentoring particularly benefits protégés who can learn co-operatively. BYST has used Group Mentoring effectively to support a network of entrepreneurs in the printing and garment sectors.

**Peer Mentoring**

An entrepreneur may find it easier, more efficient and less threatening to associate with a peer who has the skill and capability needed. Peer mentoring generally focuses on a specific skill that can be acquired quickly and usually concludes once the new skill is acquired. Often the respective mentor and protégé roles interchange. That is, a mentor for one specific skill may be a protégé in another. In BYST’s experience, Peer Mentoring has been very effective in rapidly changing fields such as Information Technology.

**Keeping Tabs on Mentoring**

BYST’s program staff visit entrepreneurs regularly to track progress. Using Mentor Feedback Forms they keep updated on the mentors’ views. The Mentor Feedback Form gives BYST a useful picture of how the mentoring relationship is faring and often indicates when intervention is required.

6.0 **Special Mentoring Situations**

**Gender Focus**

In future female entrepreneurs might be the bulk of new business start-ups. Today’s mentor has the challenging task of adapting to the growing gender, ethnic, and cultural diversity of young Indian entrepreneurs.

When Anisha Begum, a *burkha* (the veil worn by Muslim women) clad lady, approached BYST in 1994 no one would have believed that one-day she would make it big. During the selection panel it was Anisha’s husband who answered most of the queries. In the event the panel had to
separate Anisha briefly from her husband and talk to her privately in order to ascertain that her business was not just a front for her husband. The panel was impressed with her clarity of thought and her willingness to learn. Anisha was given a loan of Rs. 40,000 to start a business in Herbal Cosmetics. Given Anisha’s retiring nature and the fact that she was more comfortable with women BYST assigned Ms. Sudha Gupta as her mentor. Ms. Gupta is a successful businesswoman running a perfume and chemicals manufacturing business for the past three decades with a current annual turnover of Rs. 200 million.

Anisha was used to looking up to her husband for support in dealing with customers and shopkeepers. During the first few meetings Ms. Gupta tried to instil the confidence that Anisha required to deal with male clients. Anisha has fond memories of her first experience with assertiveness. In 1994 she placed an order for a machine with one of the larger vendors but when she went to pick it up the vendor gave her a defective piece. Anisha was quick to notice the defect and asked for a replacement. She was refused. Anisha was furious but didn’t utter a word in the market place. Instead, she returned to the vendor taking her husband and brother along with her for moral support. The vendor was unmoved – neither man could help Anisha get her machine replaced. Anisha appealed to her mentor. Ms. Gupta, after listening to the full story, taught Anisha how to make her case politely but forcefully. Anisha returned with renewed confidence and succeeded in getting her new machine. In Anisha’s own words, “My confidence level is such that I am able to tackle any situation that arises, thanks to my mentor. Its not that my mentor has taught me to fight per se, its just that she has taught me to be assertive and win”.

After eight years of surviving in the “big world” of business Anisha is a changed lady. Professionally, she is exporting her products to the Middle East, Australia and Russia. Personally, she’s managing to stick up for what she wants, even within her own family. According to Ms. Gupta “…Anisha already had the spark and drive. All I had to do was match the pieces and synergize her assets. The final picture is one I will savour all my life...”.

It is not true that women entrepreneurs always need a woman mentor. There are many instances where people like Mr. Bagai have mentored women entrepreneurs with great sensitivity, as in the case of Sultana, a 26-year-old woman entrepreneur.
Sultana belonged to a large, low-income Muslim group. Against all odds and with stiff opposition from her husband and other family members Sultana started a business manufacturing armatures. Seeing her desire to succeed in life BYST sanctioned a loan of Rs. 50,000. Soon she was introduced to her mentor, Mr. M N Bagai, a Management Consultant. It was not long after Sultana started making progress in her business that her husband joined in. Within three years she had achieved a turnover of Rs. 2 million. Her joy was short lived however. Seeing the growth potential in her business her husband started taking over major responsibilities like meeting with the clients and marketing. He also wanted Sultana to stay at home so that he could manage the entire business. Sultana was now a career woman who would not leave her business and stay at home. Gradually family tensions grew. In time her husband took over the entire business and asked Sultana to leave the home – he wanted a divorce. Sultana narrated the story to her mentor before leaving her husband. Mr. Bagai tried in vain to reconcile the family. Sultana has had to start afresh. The biggest blessing is that her mentor is still with her while she strives to overcome the hurdles of life.

7.0 Finding Mentors

There are three key stages in finding mentors: making contact with potential mentors; choosing the ones with potential and matching them with an appropriate young entrepreneur. Getting each stage right is crucial for the efficient working of a program and successful mentoring relationships.

Formal communication materials such as brochures and leaflets are needed to outline the aims of the program and the role of mentors. This material can be taken or sent to businesses and professional organisations to raise the profile of mentoring in the area.

**Word of Mouth:** All those involved in a program help in contacting potential mentors using their own business networks. “*A fulfilled mentor is the best way of recruiting more to the scheme*”

**Mentor Advisory Panel (MAP):** The Mentor Advisory Panel consists of expert businessmen and professionals who are in a position to identify new mentors through their wide contacts. Each BYST program has a MAP consisting of 8-10 business leaders who are well known in the

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community. This panel plays an important role in identifying mentors, counselling and conducting orientation programs for mentors.

**Small Businesses Associations:** People who work in small business are often excellent mentors in that they are close to many of the issues faced by young entrepreneurs. The best way to recruit them is to go through various organisations. These include the local National Employers’ Association, professional organisations like Rotary and Lions and Chambers of Commerce and Industry. This approach has proved successful with BYST.\(^5\)

**Targeted Campaign:** Some of the most successful sourcing campaigns have identified the type of mentors required and gone directly to companies where they might work. This often involves making presentations to groups of influential business people. Many companies not only acknowledge the need to help the local community but see the benefits that such employee engagement can bring to their staff. Even when they do not produce the mentors themselves they often help contact them.

**Media:** The network is widened further through the use of local and national media (newspapers, radio and television): broadcast stories supported by contact details.

**Profiles of BYST Mentors**
Presently BYST has around 700 mentors and over 1000 resource people, spread over six regions of India. These volunteers come from many walks of life. Some are from large corporations, others are advisors or consultants. Most come from small and medium scale enterprises. In the Delhi region over 80 percent are between the ages of 30 – 60 years. More than 95 percent of mentors are graduates; 55 percent of mentors are self-employed. Many of the mentors (42 percent) are technical experts while others have business management backgrounds.

**Checklist for Matching Mentors and Entrepreneurs**
The following page sets out a Checklist for Matching Mentors and Entrepreneurs (Table 3.1, below, overleaf).

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### Table 3.1

**Checklist for Matching Mentors and Entrepreneurs**

<table>
<thead>
<tr>
<th>Suggested matching criteria</th>
<th>Causes of unsuitable matches</th>
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<tbody>
<tr>
<td>• Gender</td>
<td>• Insufficient time allowed for the mentoring relationship to develop</td>
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<tr>
<td>• Religion</td>
<td>• Mentor moved away</td>
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<tr>
<td>• Race</td>
<td>• Over-expectations of the young entrepreneur</td>
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<tr>
<td>• Age</td>
<td>• Entrepreneur’s perception that mentoring is not relevant</td>
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<tr>
<td>• Skills</td>
<td>• Personality clashes</td>
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<tr>
<td>• Knowledge of targeted business</td>
<td>• Needs of the entrepreneur exceed the knowledge of their mentor</td>
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<tr>
<td>• Language</td>
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<tr>
<td>• Availability for mentoring</td>
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<td>• Availability for panel meeting</td>
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<tr>
<td>• Life experience and background</td>
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<td>• Location</td>
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<tr>
<td>• Mutual interests</td>
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<tr>
<td>• Compatible personalities</td>
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<tr>
<td>• Personal Safety/Security</td>
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<tr>
<td>• Special needs (e.g. disability)</td>
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</table>

### 8.0 Training Mentors

**Mentor Induction**

Mentor induction is an important aspect of the program. Adequate induction of business mentors is essential for many reasons. It is a new concept to many; it aids with retention and boosts morale. All business mentors should attend an induction session, ideally before they are matched with a client. If, due to time constraints, a formal induction course is not attended before the match an induction should be held on a one-to-one basis between the business mentor and program staff. The ideal situation is to select a trainer who has had personal experience of mentoring.
BYST’s Mentor Orientation Program (MOP)
BYST offers Mentor Orientation Programs (MOP) on a regular basis. The MOP includes a module to help mentors deal with entrepreneurs in a professional manner and a module to clarify the role of mentor and to do away with the “mentoring myths” (see Box 3.1 below).

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**Box 3.1**

**Mentoring Myths**

- Mentoring only happens on a one-to-one, long-term, face-to-face basis.
- Mentoring time decreases productivity.
- A mentor needs to be older than the person mentored.
- Mentoring is rare and only occurs for a few great people.
- Mentoring requires more time than most workers can afford.
- Effective mentoring can take place just by matching an experienced adult with a protégé.
- Young people who have bad attitudes, poor work habits or few skills cannot be mentored.
- The person being mentored is the only one who benefits from the relationship.
- The best mentors are those that set out to be mentors.

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**What is in the MOP?**

The MOP orientation is a one-day program using exercises, interactive discussion, case studies and role-play. There is a maximum of 15 to 20 participants per program.

The program is divided into sessions related to mentoring and its relevance to the entrepreneur’s life. Sessions include, “bridging the divide” using group exercises like trust walk and role-plays. Other sessions focus on developing and managing the mentoring relationship and strengthening the counselling skills of mentors. The exercises used include “broken squares”, “mentors in my life” and “my role as a mentor”. All exercises are time bound group exercises. These exercises duplicate practical mentoring situations that a mentor might encounter while mentoring. According to a Delhi Mentor, “I will certainly go away...
enlightened by the concept of mentoring, as I didn’t know that it encompasses so much”. Mr. T L Vishwanathan, Mentor BYST Chennai says “It is a tremendous opportunity to orient our role as mentors and be effective in what we have undertaken to do”. Mr. S Balasubramanian, another Chennai mentor, shares this view saying, “I felt better after the program because I had the rare opportunity to acquaint with people who have similar thoughts as mine”.

Apart from interacting with one another and sharing mentoring practices participating mentors learn the role of the mentor, absorb the overall perspective of BYST and have the opportunity to assess themselves.

Many mentors are enthusiastic volunteers who just want to help entrepreneurs. Such mentors don’t necessarily know the concept and practice of mentoring. The MOP is especially beneficial to these volunteers.

BYST’s Entrepreneur Orientation Program (EOP)
The entrepreneur often misunderstands mentoring. It is necessary to address the myths of mentoring. BYST, through its entrepreneur orientation program (EOP), helps entrepreneurs make the best use of the counselling and advisory services and form realistic expectations of mentors and BYST.

Similar to the MOP, the EOP has a set of exercises aimed at developing skills. It is a one-day program using interactive discussions, case studies and role-plays. Not more than 15 to 20 participants are involved in each EOP. Similar to the MOP, the EOP helps build confidence, solve problems and helps entrepreneurs understand the mentoring concept.

Innovations in Mentor Training
Face-to-face MOP training is now being made available on-line. Through its on-line MOP BYST plans to:

- Make it possible for BYST mentors to train at their own convenience.
- Create a virtual community of mentors to share experiences and best practices
- Set up online training programs for global NGOs and corporations to replicate BYST’s business mentoring model.
- Be in the forefront of developing online training modules for business volunteers/mentors in developing countries.
Benefits to Mentors
The key to a successful mentor – entrepreneur relationship is in recognizing that it is a give and take relationship. Both protégé and mentor benefit in innumerable tangible and intangible ways, including:

Life Skills: Mentoring allows volunteers to hone valuable counselling and listening skills. Overall, the MOP focuses on developing a professional, skilled, empathetic and enriched mentor who can motivate an entrepreneur to succeed in life. According to Mr. P Venkat, BYST Mentor “The mentor orientation program on an overall basis was quite enjoyable and useful...after the program, I personally feel that mentoring is an art of building”.

Coaching Skills: Teaching to share knowledge, transfer skills and build capacity in another is a difficult task. BYST gives mentors a rare opportunity to undergo systematic training through the MOP and get practical experience through guiding their young wards. “I feel the program has been very educational and it would help in mentor-mentee relationship and in other spheres of life” offers Mr. R K Khetan, mentor Delhi region.

Business Acumen: According to Mr. Ajay Kumar Raman, BYST Mentor, “…the hidden fire which I discovered in Atiq made me offer my services with greater commitment to my clients in consultancy leading to my being accepted as a professor of quality management in a Chinese University”.

Networking: By interacting with one another through BYST, mentors in many areas have developed the equivalent of Rotary clubs.

Inspiration / Satisfaction: Being involved in a mentoring program does more than help the volunteer’s professional development. Mentors become involved in their local community and come to understand the frustrations and motivational needs of young people. Being able to share their knowledge and help with a young person’s development can be an enlightening experience. Mentors contribute in a practical and measurable way to the economic health of their local communities. This is summed up concisely by mentor Mohankrishnan: “Perhaps wanting to play the part of a coach, a teacher, a guide; perhaps being able to help someone achieve; perhaps, the proverb “If you want to help someone, don’t give him a fish; teach him to fish instead”; perhaps, the belief that ‘life among other things is a peculiar and complex system of loans; only the loan you take from one, you have to repay another. What you took
from your parents you pay your children. Many have helped you in your life without taking anything in return. Loans which you have received, you have to give these, the same way to someone else; or you die indebted”.

9.0 Public Recognition

Mentors / volunteers should be made to feel part of the organisation and to know that their work is valued and appreciated.

Ways to Recognise Mentors

- Annual mentoring awards and ceremonies.
- Testimonial dinners with local dignitaries and sponsors.
- Certificates, plaques and pins to commemorate anniversaries.
- Including mentors on important task forces and committees.

BYST’s way of Recognising Mentors

BYST, through its annual JRD Tata Young Entrepreneurs Award, recognises mentors of award winning entrepreneurs by presenting them with a plaque and certificate of appreciation. A national competition is held for rewarding entrepreneurs who have excelled in business. One of the criteria for winning the award is the quality of relationship between the entrepreneur and mentor. Thus the award spotlights the mentor’s role as crucial to the entrepreneur’s success. Highlighting the importance of the award Mr. Vijay Kumar Gupta, mentor of an award-winning entrepreneur opines, “Mentoring is an excellent way to keep both the mentors and mentees motivated. Mentors keep giving more and mentees learn to grow and inspire other aspiring entrepreneurs”. Another mentor of an award-winning entrepreneur, Mr. Mohan Singh, says, “As in all humans and fields, recognition and rewarding of efforts is a very essential part of the empowerment of the individual. This in turn can serve as an effective motivational tool for others”.

10.0 Sustainability

One of the important factors affecting the success of the program is its sustainability. If BYST is to sustain itself the program must be able to recruit new mentors, train them and retain them. Perhaps the most innovative aspect of the quest for sustainability is a stage when today’s entrepreneurs will be in a position to become tomorrow’s mentors. According to Pradeep Lumba, BYST’s Hi-flier, “I would like to be one but not right now since I am learning”. Another BYST entrepreneur, Arun Prasath, says, “I would like to extend my help to other
entrepreneurs who are not yet equipped to start their businesses, to give free coaching and training to them. I wish that I could remain as one of the bricks of BYST buildings and extend my help at all times”.

11.0 Lessons Learned in Mentoring

Having been among the first to demonstrate the value-added from mentoring entrepreneurship BYST is keen to see it’s model benefit young entrepreneurs world-wide. Mr. Kofi Annan, United Nations Secretary General, remarked, on visiting BYST-Hyderabad in March 2001, that he was delighted to see the key role of the private sector in BYST’s mentoring model. He asked whether Africa could apply this model and was interested in seeing this concept spread world-wide. This attests to the interest in mentoring at all levels and in all countries.

Perhaps, BYST’s on-line mentor training and other internet-driven mentoring programs can bridge the digital divide between those who know (the mentors) and those eager to learn (young entrepreneurs).

12.0 Future Plans and Challenges

The global growth of BYST’s model has proven that youth entrepreneurship through mentoring is successful in tackling the problem of youth unemployment. Going forward, BYST has two objectives:

- To further “empower young dynamic micro-entrepreneurs, and integrate them into the economic mainstream”; and
- To be a role model, nationally and internationally, for mentoring and nurturing small business start-ups through the active involvement of the corporate sector.

To achieve these objectives, BYST plans to:

Identify, develop and make accessible help for potential young entrepreneurs in the form of:

- Training and education
- Access to finance
- Local information on available resources and networks
- Commercial information
- Mentoring
Build a network of partnerships to identify and prepare young entrepreneurs for businesses. These partnerships will include:

- Training organisations;
- Banks; and
- Local business community support for mentoring, business support and marketing.

Develop a strong international brand with a clearly focussed target group and a coherent business plan. Branding should stress:

- The business bias;
- The use of volunteers;
- Mentoring support in all areas of competence;
- BYST’s commercial neutrality (i.e. there are no vested interests);
- Strong ties with other youth business initiatives in order to:
  - Swap best practices and benchmarks;
  - Build international recognition to facilitate fund raising and partnership building;
  - Further develop effective management characterised by professionalism, transparency, accountability, and honesty; and
  - Strengthen leadership and governance

Develop a diversified funding base including the private sector, international donors and governments in order to ensure BTST’s viability and sustainability.

There are a number of long-term challenges facing BYST. These include:

- Becoming accessible to all potential young entrepreneurs.
- Ensuring that Youth Business remains the initiative of the business community through employee involvement, youth inclusion in supply chains, fund-raising and partnership building, and achieving international brand recognition.
- To develop clear and focussed lines of communication.

Over the next five years BYST intends to double the number of regions served from six to 12 and increase the number of young people assisted from 700 to 2000. This will be achieved by strengthening established initiatives and assisting partners in setting up new initiatives.
Vocational training centre Harare, Zimbabwe

Photo: J. Maillard © ILO
CASE STUDY TWO

Building Effective Relations with Corporate Sponsors:
The Canadian Youth Business Foundation

David Pell

1.0 Introduction

The voluntary sector in Canada consists of an estimated 175,000 organisations providing a wide range of community programs and services. The sector is a vital part of the social and economic fabric. It has assets of $109 billion (CAD) and provides direct and indirect employment to 1.3 million Canadians. More than seven million Canadians over the age of 15 volunteer an average of 149 hours each year. The interests of voluntary sector organisations (VSO) are diverse and cover many aspects of society. The sector include organisations that represent religion, organized labour, professions, political parties as well as issues of concern to a particular community (e.g. employment, environmental pollution).

Although characterized by diversity voluntary organisations share many attributes including a focus on improving the quality of life, and not-for-profit status. They also share a democratic governance structure that is the responsibility of volunteers. There are several types of VSOs. In Canada, non-profit corporations, charities and informal associations that are not incorporated are the most common.

Private corporations are an important source of support for VSOs involved in assisting youth with employment. This chapter, which describes the experiences of the Canadian Youth Business Foundation (CYBF), discusses how a VSO can develop effective and mutually beneficial relationships with the corporate sector. The corporate sector’s perspective and interests is a focus of the discussion. This information is essential if a VSO is going establish an appropriate and viable relationship with the private sector.

2.0 Philanthropy and Corporate Social Responsibility: An Evolution in Thinking and Practice

Philanthropy is defined in Webster’s Dictionary as “affection for mankind as manifested in donations of money, property or work to needy persons or socially useful purposes” (Webster’s, 2000). Historically, the
philanthropic interests of specific companies have defined relationships between the voluntary sector and the corporate sector. In recent years the relationship has become more complex. According to Peter Drucker the most significant change is the disappearance of the passive donor and emergence of the active donor who views the donation as an investment in shared goals and values and expects the relationship to be mutually-beneficial (Drucker, cited in Grace, 2001). Box 3.2, below, demonstrates the complexity of these emerging relationships.

**Box 3.2**

**Timberland Doesn’t Give Money to Charity**

Timberland doesn’t give money to charity. Instead we try to create a return. We integrate the notion of value creation into all our activities. We create values for ourselves as a company, our employees, our shareholders, our customers and the community and the non-profit organisations we co-operate with. The traditional notion of philanthropy is not adequate. It is not smart or wise to approach the social problems of society with the financial leftovers of companies. By integrating our social activities into our business strategies, we provide these social activities with the sustainability that will see them through hard times and harness business to work in another fashion.


Steve Waddell, in examining the evolution of relationships between the voluntary and corporate sectors, noted five types of “descriptive frameworks”:

- philanthropy;
- corporate social responsibility;
- citizenship;
- mutual gain; and
- societal change.

According to Waddell each of these relationships includes a “power” hierarchy, a rationale for the relationship or “relational system” and an activity that characterises the relationship or “key operating forum” (Waddell, 2001).

There is also a legal dimension that influences the type of relationship that will develop between a VSO and a corporation. Often the legal framework is defined in national legislation. In Canada the Federal Income Tax Act and to a lesser degree laws enacted by provincial governments define how private corporations can provide funds and
gifts-in-kind to the voluntary sector. For instance, a VSO in Canada seeking support from a private corporation should be incorporated as a non-profit association or a registered charity. If the corporation requires a receipt for tax purposes the donation must be used to a) alleviate poverty, b) advance education or c) improve society.

In recent years many VSO’s in Canada have experienced financial problems as funds from governments have been reduced and fundraising has become more competitive. As a result, the number of requests for support from private corporations has increased dramatically. Corporations in Canada have responded by increasing the number and size of their contributions. Statistics Canada reported corporate charitable donations in 1988 as $414,197 million (CAD) or 0.64% of corporate pre-tax profits. In 1999 this amount had risen to $975,513 million (CAD) or 0.93% of corporate pre-tax profits (Statistics Canada, 1999). Companies that have increased their contributions have justified this increase by adopting a more business-like assessment of proposals and linking their contributions to the corporation’s goals.

The Canadian trend appears to mirror the global trend. It appears that corporate action is in response to society’s expectations. The Millennium Poll on Corporate Social Responsibility, conducted by the International Business Leaders Forum (IBLF) (formerly the Prince of Wales International Business Leaders Forum), Environics International and others, surveyed 1000 citizens in each of 23 developed and developing nations. According to Robert Davies, Chief Executive of IBLF, “The Millennium Poll demonstrates clearly that public expectations of more responsible business practices are now firmly rooted around the world in emerging markets as well as developed” (International Business Leaders Forum, 2000).

Corporate support in Canada has also increased for organisations that assist youth with employment and career issues. Historically, in Canada, assisting youth with employment issues has been the sole responsibility of government. However, during the past 10 years a focus of government has been the elimination of budget deficits and public debt. As a result, funding programs for youth employment programs were eliminated or given much smaller budgets. In order to make up for this reduction in funding VSOs have increasingly turned to the corporate sector. Their requests for assistance are supported by a growing public sentiment that the private sector should do more to assist Canada’s youth.
Increasingly, Canadians believe that companies that benefit from natural or human resources should invest in projects that help resolve the nation’s social problems. Public opinion has been heard and leaders in the corporate world - if not acting - are at least listening. For instance, Thomas d’Aquino, a spokesperson for the Canadian Council for Chief Executives, the association of the most powerful companies in the country, stated: “If companies do not participate in a constructive way…..to the social good…..then we will become pariahs” (Cole, 2002).

Corporate Social Responsibility (CSR) is a concept that, though not yet well understood, is viewed by the Canadian public as a necessary component of any corporation’s activities. According to the Conference Board of Canada, Corporate Social Responsibility can be explained as “….. the overall relationship of the corporation with all of its key stakeholders. The main elements of social responsibility are community investment, employee relations, environmental responsibility, human rights and financial sustainability. Stakeholders are … individuals, groups or organisations that affect or are affected by an organisation” (Choquette and Khoury, 2000).

Public opinion polls consistently show that the majority of Canadians expect companies to be socially responsible and active in resolving social, economic and environmental problems. Forty percent of the respondents in the Millennium Poll, including the Canadian participants, “considered punishing a company for inappropriate activity”, as well as “rewarding a company when it is perceived as socially responsible” (International Business Leaders Forum, 2001). Many Canadian corporations are aware of this expectation and realise they must be perceived as caring institutions. RBC Financial Group, Canada’s largest private sector financial services company, is a leader in corporate social responsibility. According to G. Nixon, RBC’s President and CEO, “…behaving in a socially responsible manner is not just something we want to do. It is something we know we must do as an essential part of our relationships with our stakeholders and as a strategic investment in the future prosperity of our society” (RBC Financial Group, 2001).

RBC and others realise that CSR has an impact on the bottom line. The Conference Board of Canada reported increasing evidence that if a company is not recognised as having a pro-active approach to corporate social responsibility it will experience serious problems. For example, it will not be able to hire the “best and brightest” university graduates and eventually customers will not purchase its products, resulting in a loss of market share (RBC Financial Group, 2001).
VSOS Provide Link for Public-Private Partnerships
Governments have gradually recognised the value of corporate support for VSOS. The idea of governments and private sector organisations collaborating with VSOS and contributing resources in a co-ordinated fashion has become popular with almost all governments.

Governments view companies like RBC as valuable partners that can contribute financial and human resources to solving national problems. A few North American corporations have responded by supporting VSOS that help them partner with government. Levi-Strauss, the Co-operators Insurance Company and RBC Financial Group are recognised leaders as corporate supporters of NGOs assisting youth with employment issues.

This emerging concept of shared responsibility, where both private corporations and governments share the responsibility for covering the operating costs of a VSO, has not been formally defined. The process of developing effective partnerships and associations is not well understood. The collaborative relationships that currently exist have evolved in an ad hoc fashion. Despite the lack of a well-defined process for establishing collaborative relationships there is increasing evidence that doing so would be worthwhile. According to McIntosh et al, authors of a report on corporate citizenship, multi-stakeholder partnerships are not the answer to every problem. Nor are they easy to achieve in practice. However, when used productively, they can offer many benefits for individual companies and for society at large (McIntosh et al, 1998).

3.0 Building Effective Relationships with the Corporate Sector

Establishing effective relationships with the corporate sector is an ongoing and difficult challenge for VSOS. The conditions for securing corporate contributions are becoming more demanding. Furthermore, these conditions are often in conflict with the eligibility criteria for government funds. For instance, corporations making large donations will often want exclusivity and will not permit competitors to make equal contributions. This can create problems for governments that have an unwritten policy that public funds should not be assisting or appear to be assisting the commercial interests of an individual of a private company.

In Canada government sponsors often require services and materials to be in both official languages (English and French). If the corporate donor does not have a significant market in both communities they may resist having their contribution used for such purposes.
Despite these difficulties The Conference Board of Canada’s Centre for Business in the Community has observed that corporate-VSO partnerships have become a popular inter-organisation strategy. They have identified six characteristics of successful partnerships involving volunteer-managed community economic development organisations:

- A well-defined agenda that is satisfactory to all parties;
- Strong leadership at the community level;
- Mutually agreed objectives and expectations;
- Investment by all partners;
- Links to other economic development programs; and
- A long-term commitment to the partnership.

Despite concerns within the corporate sector that these relationships are very time consuming and need to be more business-oriented the number of partnerships is increasing. It appears that the benefits of partnerships are greater than the challenges. Studies conducted by Stelios Loizides of the Conference Board of Canada found that partnerships appear to have identifiable benefits for both corporations and VSOs, including:

- A better opportunity to mesh business and community needs;
- An expansion of the community leadership role of the company;
- A gain in strength and impact for the VSO program; and
- An increased sense of corporate ownership of its community investment program.

Furthermore, corporations that have tried partnerships believe an effective alliance will enable the supporting company to meet its strategic objectives and enhance the corporation’s image amongst customers and shareholders (Loizides, 2000).

A community relations department or a company foundation usually manages a corporation’s philanthropic relationships. The marketing department or a department responsible for small business usually manages the commercial relationships. Commercial relationships between corporations and VSOs are usually linked to the donor corporation’s revenue goals. Commercial relationships include specific events (e.g. an Awards dinner) or series of events (e.g. touring exhibits) managed by the VSO and funded by the contributing private sector company.
Reconciling Public and Private Interests
The expectations of philanthropic relationship are different from those of commercial relationship. The funds allocated for a philanthropic relationship are not expected to generate a financial return. Rather, they are given in an effort to strengthen the company’s profile as a ‘concerned’ and ‘caring’ organisation. Philanthropic relationships are, however, expected to provide a quantifiable financial return as a result of enhancing the company’s commercial profile or directing customers to the company’s products. In both instances corporations are increasingly requiring VSOs to adhere to agreements that will ensure that the company’s goals are achieved. For example, the VSO receiving the contribution is often not permitted to seek support from a competitor of the donor company. Generally, corporate donors do not want to provide 100% of the funds needed and require VSOs to secure funding from other acceptable sources.

If the VSO is receiving government funding, any relationship with the private sector is usually philanthropic. Canadian governments have been prepared to provide the majority of the funds required by VSOs. However, in return for being the primary contributor, VSOs must agree to a number of conditions including how they will collaborate with the private sector and what types of contributions can be accepted.

The lack of co-ordination between corporations and government at both strategic and operational levels has created a complex and difficult environment for Canadian VSOs. Fortunately both the private and public sectors recognise that changes are needed. Government, for instance, recognise the importance of private sector contributions to VSO programs and encourage the private sector to get involved. The private sector, although willing to play a more supportive role, does not want to be saddled with responsibilities they perceive as belonging to the government. A supporting corporation therefore will be prepared to help but will want the government to continue to take a leadership role in the provision of funds.

Principles to Guide Effective Social Investments
The Centre for Philanthropy and the Conference Board are facilitating a supportive environment for private sector, government and VSO collaboration. They host events, promote leadership within all sectors and conduct research into cross-sector partnerships and the changing nature of philanthropy. Alan Broadbent, Chair and CEO of Avana Corporation and The Maytree Foundation, recommends that the private sector adopt a new approach to working with VSOs. In a speech given to
the Private Foundations of Canada Conference in June 2001 Broadbent recommended the adoption of a set of principles similar to those applied to effective investing and suggested that private sector donors ask the same fundamental questions that investors ask when investigating a business opportunity. Broadbent’s recommendations are summarised in Table 3.2, below.

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<tr>
<th>Business Consideration</th>
<th>Non-Profit VSO Consideration</th>
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<tr>
<td>Profit and competitive advantage</td>
<td>Is the product or service really needed?</td>
</tr>
<tr>
<td></td>
<td>Will it help improve in the lives of many people?</td>
</tr>
<tr>
<td></td>
<td>Can it be provided at a cost that makes sense?</td>
</tr>
<tr>
<td></td>
<td>Does the approach proposed offer a competitive advantage over alternatives?</td>
</tr>
<tr>
<td>Business plan and strategy</td>
<td>Is there a good strategy and business plan?</td>
</tr>
<tr>
<td>Management team</td>
<td>Are the people running the organisation capable of executing the project successfully?</td>
</tr>
</tbody>
</table>

Broadbent recognises the distinctions between investing in a business and investing in a philanthropic venture. In the latter due diligence is more demanding and the risks are greater. Comparative information is often lacking or difficult to find and the people behind the proposal may not have previous experience. When a project has been approved it is important for donors to ensure adequate financing while maintaining an arm’s-length relationship. If the donor needs to be directly involved in the governance of a VSO, they should adhere to a set of principles set out in Box 3.3 below (Broadbent, 1997).

**Box 3.3**

Principles to Guide Donor Involvement in VSO Governance

- Be sensitive to the power differential; address the power issue openly at the outset.
- Be prepared to “wear the results, good or bad”.
- Be there for the long term
Ultimately, actions of private donors are governed by public policy. As a result their actions are accountable to the public.

4.0 Lessons from CYBF’s Experience with the Corporate Sector

CYBF, in comparison with other Canadian VSOs involved with youth employment issues, has received very large contributions from corporations. Their initial planning work and funding for the first 3.5 years (CAD $10 million) was financed entirely by the private sector.

CYBF was established in 1996 as a response to a perceived youth employment “crisis”. Levels of unemployment and underemployment were considered to be extremely high, with the official rate rising above 15% on a national level. There were fears in government and amongst employers that an entire generation would lose the opportunity to have a successful career and that the social backlash would be costly.

The launch of CYBF represented a unique development in the history of the Canadian voluntary sector. It was the first time the private sector had championed the creation of a new national voluntary sector organisation for young entrepreneurs. The seed was planted when a senior executive from a leading national bank, CIBC (formerly Canadian Imperial Bank of Commerce) was introduced to the work of the Prince’s Trust (PT) in the United Kingdom. PT was established by HRH Prince of Wales to assist unemployed youth in the United Kingdom. PT’s successful promotion of self-employment amongst UK youth and the willingness of the private sector and national government to support the Trust convinced CIBC executives of the need to develop a similar organisation in Canada. Funding for the new organisation was secured from several Canadian companies. The RBC Financial Group (formerly the Royal Bank of Canada) agreed to share the responsibilities for operations and funding. The fundraising campaign that followed quickly raised sufficient funds to launch the new venture.

4.1 Establishing Community Partnerships

In order to have a presence in all of Canada’s regions a decentralised structure was developed in which more than 700 volunteers perform a pivotal role as foundation members and advisors to young entrepreneurs. Small regional offices have been established in the east, central and western regions of the country. These offices manage the foundation’s loan and mentoring program. The national office in Toronto acts as an
administration centre as well as managing the foundation’s web sites www.cybf.ca and www.youthbusiness.com.

In order to reach young entrepreneurs nationwide strategic alliances have been established with local colleges, universities and community development corporations. The alliances are structured as Community Partnerships (CP). The foundation provides each Community Partner with an agreement that describes the role of the CP, the role of the foundation and the financial resources available for loans and administrative costs. CYBF staff and the CP establish volunteer Loan Review Committees. Each committee consists of 8-12 volunteers who are familiar with small business experience and know the local economy. Each CP has a part-time co-ordinator responsible for the CYBF program. The co-ordinator reviews the loan applications and submits them to the Loan Review Committee for further review. The Loan Review Committees determine whether an application should be approved, deferred or rejected. The decision of the committee is final if there has been a violation the terms of the agreement. In such rare instances staff can request that the committee reconsider their decision.

Loan applicants are not required to have collateral. Instead they agree to work with a volunteer business mentor who provides advice and guidance. Foundation staff, in collaboration with the CP Co-ordinator, provide the mentor and the loan recipient with an orientation to effective mentoring and on-going assistance on an as-needed basis. “We provide opportunities to many young people who probably would have left the province to look for work” (Ryan, 2001).

Within six years CYBF has evolved into a national organisation with 33 Community Partners serving more than 4,000 young entrepreneurs annually. Youthbusiness.com is Canada’s most comprehensive web site for young entrepreneurs. The mentoring program includes both face-to-face mentor support and on-line assistance through a third web site, Odyssey.

4.2 An Evolving Resource Development Strategy

The resource development strategy developed by CYBF has been critical to its success. Initially the board and its supporters believed the foundation should be entirely funded and managed by its private sector sponsors. CYBF would represent the corporate sector’s commitment to Canada’s young entrepreneurs. Initially, the Executive Director and other senior staff were seconded from the two banks that launched the
foundation. CIBC and RBC agreed to provide an Executive Director on a two-year rotating basis. Additional cash and services-in-kind would be provided by both banks and the other corporate sponsors. However, by the end of the second year weaknesses in this plan became apparent. The cost of lending to inexperienced young entrepreneurs was higher than anticipated. The cost of expansion and compensating the Community Partners was also proving prohibitive. The recession that had generated so much youth unemployment had also created financial problems for CYBF’s Community Partners. Many of the CP organisations had to make significant cuts to their operating budgets and found that the cost of promoting the CYBF loan program exceeded the modest fees paid by the foundation. As a result, some Community Partnerships were not able to give adequate attention to the CYBF program.

Assessing the operational challenges
These operational problems became a source of serious concern for the CYBF Board of Directors who in 1999 decided to conduct a comprehensive review of the foundation’s operations and funding base. Three studies were commissioned. A staff member from RBC reviewed the loan program, while external consultants examined the foundation’s operations and the organisation’s capacity to raise private sector funds.

The loan program review identified several problems including inadequate assessment procedures and inconsistent monitoring of approved loans. The recommendations included a more thorough review of the applicant’s business plan by the Loan Review Committees as well as expanded efforts by staff to recover loans when borrowers default.

The review of the foundation’s operations also identified several problems. The members of the board, staff and sponsors who were interviewed believed that the practice of rotating the Executive Director every two years was not effective. In their opinion, the foundation needed a senior staff person who was familiar with entrepreneurship and non-profit organisation management and who could make a long term commitment to the foundation. The consultant found that the existing relationships with the CPs were not viable and needed immediate attention. They recommended that CYBF consider increasing payments to their partners or hire additional staff and assume responsibility for the work conducted by the CPs.

The examination of the foundation’s capacity to raise funds was encouraging; it appeared that the private sector was prepared to provide additional financial support. However, despite the assurance that private
sector funds could be secured, the board felt that operating costs exceeded available resources and government sponsorship was imperative. They agreed that CYBF should propose a strategic alliance involving the national government and supportive private corporations.

**Forming a public-private partnership**
An agreement for a partnership with the federal government was completed in 2002. This fundamentally changed the foundation’s resource development strategy. The move from a purely private sector organisation to an independent organisation funded by both the private sector and government also had implications for the foundations operations. For example, government’s economic development policies now have a greater influence on CYBF programs.

Board members view the foundation’s new resource development strategy as a public-private partnership. The agreement provides CYBF with an offering for potential corporate sponsors. Every new donation or renewed contribution from the private sector is now matched by the government. As a result, a dollar contribution from the private sector yields two dollars to the foundation.

**Reframing CYBF’s value proposition**
Although the agreement with the government provides CYBF with a more attractive offer for potential sponsors, youth unemployment is now less of a concern for Canadian corporations. Indeed, many Canadian companies anticipate labour shortages due to the large number of “baby boomers” retiring in the next few years. As a result CYBF has repositioned its fund raising strategy by aligning its programs with the current philanthropic and business goals of existing and potential donors. The foundation’s mission has not changed but the focus is different. In place of offering a solution to youth unemployment the foundation now promotes young entrepreneurs as the builders of the “new economy”.

The repositioned CYBF now promotes the foundation as a strategic resource for building the nation’s economy. Although it continues to be an important solution to youth unemployment the foundation’s marketing material barely mentions this aspect of the organisation’s work. CYBF’s marketing strategy describes a contribution to the foundation as a “Solid Investment” in Canada’s future that will result in an enduring “Legacy”. The repositioning of the foundation’s focus from a solution to youth unemployment to building Canada’s future has been vitally important to CYBF’s relationships with corporate sponsors. CYBF’s request for
support is no longer entirely philanthropic. Proposals now include a value proposition that is linked to the interests of supporting businesses.

In addition to a standard reward and recognition program a specific marketing and promotion service is offered to all sponsors who contribute at the Investor or Partner level. These sponsorships involve multi-year agreements (usually three years) for a specific amount of money and non-monetary resources. CYBF attempts to link the business goals of existing and potential corporate supporters with specific outcomes that will result from ‘investing’ in young entrepreneurs. These outcomes include developing relationships with new customers and generating information on youth markets. In each instance, the proposed relationship is crafted in such a way that it responds to both the company’s business goals as well as the interests of young entrepreneurs.

The decision to reposition CYBF’s brand and alter its strategy was the result of a continuous effort to build and manage relationships with the foundation’s supporters. Efforts to ensure that the foundation is aligned with both the interests of its supporters and the needs of young entrepreneurs are ongoing. The experience to date has been valuable and many lessons have been learned. A framework for effective relationship management is slowly emerging and several key practices for effective relationship management have been adopted. These are outlined in Table 3.3, below.
### Table 3.3
Practices for the Formation and Management of Relationships

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Effective communication is vital; many of the outcomes from the relationship are neither financial nor tangible.</td>
<td>Monitor progress and provide supporters with regular updates</td>
</tr>
<tr>
<td>Recognise each relationship as unique: Each supporting organisation has specific “investment” interests; each relationship must be recognised as unique.</td>
<td>Develop a pro-active communication and relationship strategy with periodic reviews to ensure that progress is being achieved and that all parties are satisfied</td>
</tr>
<tr>
<td>Understand supporters’ goals: Request for support must be based on a clear understanding of the potential supporter’s community investment goals.</td>
<td>Develop personal relationships with senior management representatives of supporting companies; ensure that they understand the purpose of the relationship and that they “champion” the project within their companies.</td>
</tr>
<tr>
<td>Be concise: The proposal should be concise and tailored to the interests of senior management.</td>
<td>Celebrate and recognise contributions. Acknowledgement will enhance the corporation’s profile with young entrepreneurs, the corporation’s employees and the public. Use the media.</td>
</tr>
<tr>
<td>Specific and quantifiable goals: The proposal should have specific and quantifiable goals and outcomes.</td>
<td>Track, document and report successful relationships and accomplishments: Each successful relationship is a building block that enhances the foundation’s value in the minds of potential supporters</td>
</tr>
</tbody>
</table>
5.0 Conclusion

Securing adequate funding is an increasing challenge for most voluntary sector organisations in Canada. Government’s contribution is not expected to return to previous levels. VSOs must aggressively explore alternate approaches including the formation of partnerships with the private sector.

CYBF has always benefited from private sector contributions. The foundation’s experience provides valuable lessons for VSOs interested in developing partnerships with the private sector.

CYBF’s strategy should not, however, be perceived as a panacea. The corporate sector is continually looking for opportunities that will provide immediate and visible return on investment. Their interests and priorities change quickly. VSOs will have to be very nimble. CYBF has learned that it needs to continually review its situation and adapt to the changing environment. The foundation must be cognisant of the opportunities and threats to the foundation’s future. In future, it will again have to revise its approach to resource development while remaining loyal to its mission. For instance, the strategy adopted two years ago of promoting young entrepreneurs as a “solid investment” may not be effective much longer. New ideas for revitalising the foundation’s brand and operations will be needed. However, recent experiences of successfully repositioning the organisation and securing new donors, both government and private sector, have given CYBF the knowledge, skills and confidence to be able to respond to inevitable future changes.
Tinsmith working on the street in La Paz, Bolivia

Photo: J. Maillard © ILO
CASE STUDY THREE

Street Kids International: Micro-Enterprise and Credit Support for Street-Involved Youth in Zambia

Rosemary McCarney and Veronica Torres

This case study describes a program that enables street-involved youth to start microenterprises. It reflects the work of Street Kids International (SKI) and many of its partners. It draws on the lessons learned from the Zambia-based project of SKI, the YWCA and the Zambia Red Cross over several years.

1.0 Introduction

Street Kids International (SKI) operates as a capacity-builder among an array of agencies serving children and youth that live and work on city streets in developing, transitional and industrialised countries. In any given year SKI is active in three to five world regions, developing and implementing programs of international and cross-cultural utility in association with local youth workers, their organisations and the youth they serve.

This approach is possible and desirable because marginalized youth in all parts of the world have a great deal in common. Almost by definition, street kids operate outside the reach of most community and national structures – they are excluded. SKI’s program environment is the local agencies that have emerged to reach out to children and youth whose families, communities and public institutions have largely failed them. Street Kids International is convinced that the international community must pay closer attention to street kids as economic actors and not simply as recipients of welfare.

The children we meet work on the streets of the richest and poorest urban environments. By force of circumstances they almost always need to earn a livelihood to support themselves or family members. SKI concentrated on health for many years (“Street Health”), and gradually came to realise that the mental and physical health of street kids is inextricably tied to the choices they make regarding their livelihoods (“Street Work”). Dealing with the health and livelihoods challenges of street kids in isolation did not reflect their reality and their susceptibility to high-risk conduct like the sex trade, drug trading and petty theft.
Treating young people as economic actors challenges many assumptions: that these are children who need to be rescued; that these are children who need to be protected from work; that formal class room education is the right choice for every child; that street children are not smart enough or reliable enough to become entrepreneurs; and that they cannot be adequate heads of households or parents.

Not many years ago we heard the same arguments being used about marginalized women. They were not considered suitable candidates for micro-enterprise and credit. Women were deemed to be uneducated, lacking in business know-how, burdened by child rearing, without assets or collateral, unable to sign legal documents and unable to maintain money apart from their husbands. Doubters were proven wrong over several decades. We are at a similar crossroads today and need to challenge the stigmas that are attached to street-based working children and youth.

Street Kids International works on these issues at three levels:

- with the kids themselves to build their capacity to make smart choices about health and livelihood;
- with organisations dedicated to working with street kids to build their capacity to reach kids where they are and on their terms; and
- with the youth service sector - the court workers, youth workers, police, counsellors and municipal governments whose work, education and training has not equipped them to understand the particular needs of street kids or how to work successfully with this difficult target group.

Street Kids International is committed to sharing effective practice from around the world and advocating for the need to invest in the work of street kids. This Case Study profiles one example of how we evolve and capture effective practices. Many of the lessons learned relate directly to the PathFinder Framework presented in Chapters One and Two. This Case Study presents a set of elements that the SKI Network has shared, discussed, and contemplated for a number of years. Progress has been made; nonetheless these are still early days in the area of economic programming for street-involved young people.
2.0 Background

The objective of this Case Study is to share lessons regarding effective practice from a Zambia-based business start up project for street involved youth, the Youth Skills Enterprise Initiative (YSEI).

YSEI was designed to support youth through training, business management, credit and help with business expansion. Through this support youth are able to break out of the cycle of poverty.

Lending money to youth shares many of the characteristics of lending credit to marginalized women. Success is achieved by attending to the unique needs and characteristics of the population: young members of society who are working and/or living on the streets and trying to meet the daily challenges of poverty. Box 3.4, below, outlines the lifestyle characteristics of street-involved youth.

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**Box 3.4**

**Lifestyles of Street-Involved Youth**

Street Kids International has identified four dominant features of the lifestyles of street-involved youth:

- Street youth struggle with the conflict between the desire for autonomy and the need for dependable, non-judgmental support from society;
- Street youth are able to optimise their street-acquired resilience with minimal levels of formal education in order to pursue new opportunities and change direction;
- Street youth seek the approval and involvement of other youth in ways that support interventions can build upon; and
- Street youth have the creativity and drive to develop strong business ideas that are appropriate to their environment - however, they usually lack the seed capital and other assets required to implement their ideas.

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YSEI was designed in direct response to the strengths and productive characteristics of young people. Table 3.4, below, overleaf, identifies early impacts on participants, families and communities that the project has realised.
### Table 3.4
Impacts on Participants, Families and Communities

<table>
<thead>
<tr>
<th>Participants</th>
<th>Families</th>
<th>Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater financial resources to buy food, medical help, clothes and household essentials</td>
<td>Meals and household supplies supplemented through the participants’ contributions</td>
<td>Increased stability, less unproductive street involvement</td>
</tr>
<tr>
<td>The ability to identify concrete, practical goals for themselves and for their business</td>
<td>Siblings’ school fees subsidised</td>
<td>Participants are positive role models for their peers</td>
</tr>
<tr>
<td>Reduced involvement in high-risk situations</td>
<td>Parents/guardians feel proud of their children’s productive use of time</td>
<td>More products and services are accessible in the communities, often available on credit</td>
</tr>
<tr>
<td>Strengthening of street-based peer support and co-operation</td>
<td>Participants much less dependent on family resources and financial support</td>
<td>Participants are more “invested” in the community and the community in them.</td>
</tr>
<tr>
<td>Improved family relationships</td>
<td></td>
<td>A degree of “de-stigmatisation” among merchants about street youth</td>
</tr>
<tr>
<td>Increased sense of purpose, self-identity and pride</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to return to school</td>
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</tbody>
</table>

### 3.0 The Youth Skills Enterprise Initiative

The Youth Skills Enterprise Initiative (YSEI) was established in 1996 as a joint undertaking of the Zambia Red Cross Society, the YWCA of Zambia, and Street Kids International (SKI). The program was organized in response to the increasing economic needs of street and working youth in Lusaka, Zambia.
The beneficiaries of the Zambia-based YSEI program have the following characteristics:

- Youth between the ages of 17 and 26
- Out of school
- Spending most of their time on the street
- No previous working experience
- Many are victims of physical/psychological abuse

The program is a youth-centred participatory process that addresses the economic, social and health needs of youth.

The primary goals of the YSEI program are to provide street and working youth in Lusaka with the opportunity to earn an increased income and to learn useful business and life skills (see Box 3.5, below).

**Box 3.5**

**Goal and Strategies of YSEI**

The **goal** of YSEI is to sustain a **youth-centred** participatory process that provides street youth in Lusaka, Zambia with opportunities to increase their income and acquire useful business and life skills.

**Key strategies** include:

- Help youth start and manage their own small business through training and counselling,
- Provide credit,
- Enhance youth peer group organisation,
- Accompany youth as they start up their business,
- Promote individual self-improvement,
- Generate support among peers, youth workers and families,
- Assist youth with the broader reality of their lives (i.e. sexual health, decision-making, rights, self-identity), and
- Network with other programs and non-government and government agencies that provide complementary enterprise opportunities and services for YSEI participants.

The YSEI program has mastered many challenges over the past six years thanks to the hard work and dedication of staff. The development of the YSEI program began with a local feasibility study and a pilot project. After formal implementation, there were two extensive reviews to assess
the strengths and challenges. Through regular documentation and application of lessons learned, the program continues to provide life-changing opportunities for local youth. Through the YSEI program SKI has gained first-hand experience of the kinds of skills building and credit programs that facilitate sustainable youth-centred livelihoods.

Overview of Program Components

<table>
<thead>
<tr>
<th>Box 3.6 Overview of YSEI Program Components</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step One: Community Outreach, Needs and Opportunity Assessments</strong></td>
</tr>
<tr>
<td>▪ Community meetings involving youth workers, merchants, police and municipal authorities involve the community in program outcomes.</td>
</tr>
<tr>
<td><strong>Step Two: Information Meetings and Recruitment Meetings</strong></td>
</tr>
<tr>
<td>▪ Introducing youth to the concept of self-employment and to the program.</td>
</tr>
<tr>
<td>▪ Helping them decide if they are suited to micro-enterprise.</td>
</tr>
<tr>
<td><strong>Step Three: Assessing and Selecting Participants</strong></td>
</tr>
<tr>
<td>▪ Identifying youth that are interested in enterprise.</td>
</tr>
<tr>
<td>▪ Supporting the development of viable business ideas.</td>
</tr>
<tr>
<td><strong>Step Four: Skills Training</strong></td>
</tr>
<tr>
<td>▪ Skills training using appropriate business start-up training resources such as the Street Business Toolkit.</td>
</tr>
<tr>
<td>▪ Utilising a participatory, peer-based, and learner-centered approach to help participants develop their business ideas.</td>
</tr>
<tr>
<td><strong>Step Five: Loan Approval and Disbursement</strong></td>
</tr>
<tr>
<td>▪ Approving financial plans and disbursing loans in the form of credit tied to the purchase of the business assets needed for start-up.</td>
</tr>
<tr>
<td><strong>Step Six: Business Management and Loan Repayment:</strong></td>
</tr>
<tr>
<td>▪ Holding weekly meetings with all participants to collect loan repayments and savings deposits.</td>
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<tr>
<td>▪ Facilitating peer group interaction and support, including bi-weekly discussions of youth issues.</td>
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<tr>
<td>▪ Mentoring participants to help them master business challenges.</td>
</tr>
</tbody>
</table>

YSEI program delivery takes three to four months from recruitment through completion of training, with peer support, counselling and mentoring continuing for a year or more. YSEI organises three intakes each year. The optimal group size is 12 to 15, allowing up to 45
participants per year with one staff member. This ratio results in a heavy workload, given the follow-up required. Co-facilitation would make the program more manageable, enhance quality and expand the frequency and duration of follow-up support.

3.1 Core Program Elements

Four key elements form the foundation of the program. These elements are outlined in Box 3.7 below.

<table>
<thead>
<tr>
<th>Accompaniment</th>
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<tbody>
<tr>
<td>Street youth struggle with the conflict between the desire for autonomy and the need for dependable support from society. Street youth engaging in a new business endeavour need ongoing support and guidance from someone with the experience and time to accompany them.</td>
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</table>

<p>| Box 3.7 |</p>
<table>
<thead>
<tr>
<th>YSEI Core Program Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accompaniment</td>
</tr>
<tr>
<td>Skills Training</td>
</tr>
<tr>
<td>Peer Support Networking</td>
</tr>
<tr>
<td>Savings and Credit</td>
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</tbody>
</table>

However, as they tackle the challenges of adulthood, their need for autonomy and independence must also be honoured and valued. Youth workers can provide healthy ongoing support and guidance to youth on an individual and group basis.

In Zambia, youth workers filled a number of roles including credit distribution and monitoring but more importantly they provided accompaniment. From the start of each program youth workers established a strong rapport with each participant, building confidence and trust.

Accompaniment can be provided in many forms. It is important for youth workers to become well-connected with youth's lifestyle, goals, educational background and family history. These factors are influential on their future as an entrepreneur for two reasons. First, as adolescents they are still developing a self-identity. Second, as young entrepreneurs they will handle sums of money for the first time. As a result, they will encounter an expanding array of options regarding life-choices, freedom and responsibilities; options that they may not yet be able to manage alone.
Youth workers can help participants establish their business within the larger context of their life. They need not solve the youth's problems or direct their actions. Instead, they provide a listening ear and empower them with information so that they can tackle issues independently, one step at a time. Youth workers can also anticipate and bring to the surface issues the youth may have never encountered.

Accompaniment plays a crucial role in this type of a program. Street and working youth’s lives are like roller coasters because of their socio-economic reality. Most street and working youth gained their survival skills and resilience from living under extreme circumstances. Accompaniment provides the support to assist young people to become more invested in their communities and better able to integrate themselves into society. It also acknowledges that life and business do not always follow a straight line and that setbacks are normal, rather than hallmarks of failure.

**Skills Training**

Street youth are able to optimise their resilience and knowledge to pursue new opportunities that are compatible with their social and economic conditions.

Street youth have indispensable knowledge, different from what one might acquire in school. They have knowledge from experience: challenging and life-changing experience. They get this knowledge from the streets, from having to address poverty, hunger, violence and the need to cope with minimal resources. They have skills for survival, and the determination to survive - both of which provide a good starting point for entrepreneurship. The challenge of a microfinance program is to recognise that experience and supplement it with the specific skills needed for business success.

Street youth need skills in business planning and management. They also need practice in life skills such as problem solving, communication and goal setting. The YSEI program includes an 8-session course (of approximately 25 hours) which is designed to help youth develop a viable business plan for a street-enterprise. Three additional 3-hour sessions are used to closely examine their plan and their loan proposal. Overall skills training is designed to empower youth to develop the skills, knowledge and attitudes required for successful enterprise and to provide them with a framework for applying the things they already know.
Street youth acquire most of their skills through their resilient way of living. Therefore, youth workers use an interactive and participatory approach to raise their awareness of what they already know. With such an approach, street youth quickly recognise how much information they already have and become motivated to acquire new skills.

"Street Work" is represented programmatically through the Street Business Toolkit (Box 3.8, below). The Toolkit was developed with youth over several years in many countries. It has been specifically designed to reflect the perspective of street kids, to mirror their life situations and to provide a framework within which skills and experience gained on the street can be applied to enterprise.

**Box 3.8**

**SKI Street Business Toolkit**

The Street Business Toolkit is a business learning process created specifically for at-risk and disadvantaged youth. This entrepreneurship course raises their economic literacy and enables them to create or improve income-generating activities. The Toolkit is designed for front-line workers to use directly with groups of youth through local organisations. The Toolkit includes a business curriculum of eight modules requiring 2-3 hours each along with visual aids and a board game. A special feature of the Street Business Toolkit is an animated story called Speed's Choice.

In its years of work with street youth and front-line workers, Street Kids International has learned that stories about street youth are powerful tools for generating dialogue and learning. Young people see themselves in the stories, and use them to think and talk about their lives. The main characters in Speed’s Choice are five youth struggling to make a living on their own. The Toolkit's training builds on the animated story by focusing on specific business concepts using examples from the different characters’ experiences.

The Street Business Toolkit is comprehensive in its treatment of business fundamentals, appropriate for the intended beneficiaries, colourful and engaging for youth, and designed to be delivered in a highly interactive and participatory form. The Toolkit can be used on its own by front-line workers or in preparation for business start-up or more advanced business training.

Street youth need business training that presents business as a realistic option, builds on their existing knowledge, accommodates their levels of numeracy, literacy and formal thinking skills, and that guides the development of their goals and ideas. Front line workers need training materials that have easy-to-follow instructions and guidelines. Local
organisations need a process they can build upon in empowering youth to start or improve their own viable businesses.

**Peer Support Network**
Street youth are constantly seeking the approval and involvement of other youth in their lives on the street; peer groups provide support and protection and become surrogate families. Adolescents are heavily influenced by the beliefs and actions of their peers. This co-dependence can have positive or negative effects, but in all respects it is an influential force on behaviour.

The YSEI program demonstrates the positive influence of peers. During the course youth workers introduce team-building activities that enhance group collaboration, confidence and productivity. "Speed's Choice" builds on this by portraying peers offering ideas, support and collaboration to one another as they start and conduct their business.

Youth workers have found that when youth feel they are accepted and valuable members of a group they are in turn more open to learning and sharing with others in order to meet their individual goals. The YSEI program facilitates the formation of small self-selected “peer teams”. As participants share skills and opinions, they mutually reinforce each other's efforts towards positive change. For adolescents, peer support can be a stronger motivator than adult support or personal desire. Peer support is a sound basis for maintaining motivation and commitment.

Peer teams provide further support and guidance while youth are running their businesses. Though youth workers guarantee ongoing support until the end of the program, participants learn to work in the peer team with whom they share the ongoing struggles and rewards of running a small business. The entire group undergoes training to learn to form the peer support networks within which all participants can be encouraged and supported.

**Credit and Savings**
Street youth have the creativity to develop strong business ideas yet, like all entrepreneurs, they require the assets to implement their ideas.

Due to the reality of their situation, guidance, skills and peer-support are not enough to initiate a small business. Poverty, compounded by the lack of access to credit, is a big obstacle. Without money, street youth are unable to make the investment necessary to buy the initial assets their business needs. Most lending organisations do not trust street youth.
Even when they do receive seed money they are rarely guided in how to generate savings for reinvestment. As a result, their businesses remain small and fragile with little chance of sustainability.

In the YSEI program, credit and savings options are offered to a population otherwise considered hard to serve and too risky to lend money to. The program provides the finance for enterprise start-up and structures loan repayments to allow for the savings needed to support business growth and sustainability.

The program cycle is designed to allow each participant a total of three loans. The second and third loans are larger than the first in order to encourage business growth and diversification. Ideally, after their third loan participants will have the business experience, credit track record and skills necessary to access loans through other lending institutions. Many YSEI participants have reached the program’s credit "ceiling". Partnerships with lending programs offering larger loans are needed for a smooth and successful graduation from the YSEI program.

3.2 Key Support Elements

The experience in Zambia has shown that support programs need to pay equal attention to Accompaniment, Skills Training and Peer Support Networks. These are expressed, in Box 3.9, below, in terms of nine key support elements. Each of these elements is discussed in the following section.

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**Box 3.9**

**YSEI Key Support Elements**

- Start small
- Focus on needs, assets and capabilities
- Employ self-directed, peer-based learning
- Disburse loans in the form of assets
- Substitute peer-teams for collateral
- Provide ongoing support
- Foster community connections
- Encourage involvement of parents and guardians where possible
- Use empowerment through positive incentives

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Start Small
Success depends on setting realistic goals, encouraging street youth to go into businesses that match their levels of skills and money management. In other words, start small and foster continual growth.

The skills training part of the program is designed for individually run microenterprises - small businesses that generally require only basic business skills. Microenterprises require only very small amounts of capital. Hence, the credit and savings component provides small loans with manageable repayment obligations and opportunities to save.

The "starting small" approach forms the basis for gradual and progressive development of business and decision-making skills. It is intended that the businesses will grow and that the participants will opt for larger enterprises as their skills and opportunities allow. Because loan ceilings constrain this transition access to other lending programs with higher ceilings is critical.

Great emphasis is placed on the participants’ choice of business for two principal reasons:

- The business must be feasible, in light of the local economic situation, market demand and competition; and
- The business should be a simple but with sufficient growth potential to reward the participants’ gradual acquisition of business and life skills.

Focus on Participants Needs, Assets and Capabilities
Youth workers understand that the effectiveness of any program is dependent upon a solid understanding of the target group and of the host community. The more the workers know about their participants, the better they can tailor the program.

It is important to undertake a needs assessment with youth before planning a program. Sensitivity to the individual needs of youth needs to be understood at the outset and revisited often. This can most easily be done by encouraging problem solving by youth peer groups as they discuss their business challenges on a regular basis.
Self-Directed, Peer-Based Approaches to Learning

Partner organisations have found that youth benefited more when a program used youth-centered approaches. Such approaches build connections and support networks while promoting independent goal setting and decision-making.

Youth participants will ultimately need to develop and manage their business independently. A self-directed approach can support youth in developing the skills they need to meet the business challenges. The program starts with a goal setting exercise and then works systematically towards those goals through planning and problem solving. The development of the new business provides a practical opportunity for using new skills and for modelling new strategies and decision-making styles.

The peer-based approach complements self-directed learning. By bringing youth together to plan and discuss business they are able to support and learn from each other and to solve problems collectively. A peer group also provides new friends who are going through similar life changes and who can reinforce and support the positive new directions that are being pursued.

This combination of individual and group-based learning and counselling methodologies helps individual businesses gain the advantages of co-operation and mutual support, while supporting youth to take responsibility in the long term. Individual micro-enterprises can benefit from co-operation. For example, participants can come together to purchase bulk supplies more cheaply or to share transportation costs.

Loans Dispensed in the Form of Assets

Participants are challenged to manage and reinvest money while living in poverty. To help with this YSEI loans are disbursed in the form of business assets rather than in cash.

The most challenging point in many micro-credit programs is when the credit and savings component is introduced. This is when participants move from theory to practice in handling money. Participants will be challenged by the need to manage and reinvest their money and supported by their newly acquired money management skills. In order to increase loan repayment rates YSEI disburses loans in the form of credit tied to the purchase of assets. This reduces the need for self-discipline and the challenge of handling large sums of money in the early stages of
enterprise start-up. This approach also reduces the chance of the initial loan being stolen or used by family and friends.

Peer Teams Substitute for Collateral
The YSEI program includes an adapted version of the well-known peer-lending approach used in many adult micro-finance programs. “Peer-lending” substitutes for collateral by creating social incentives to fulfil loan repayment obligations. When participants form self-selected peer-teams they are encouraged to choose others on whom they can rely to support their efforts to become an entrepreneur. Within peer-teams members provide both mutual support and group pressure to meet each other’s loan repayment obligations. The peer group is collectively responsible for the loans granted to its individual members.

If one member of the group cannot make a loan payment the others are responsible for assisting financially and with business advice. The members of each peer-lending group are only eligible for subsequent loans once all group members have repaid their current loans. Peer group pressure keeps the loan repayment rate high and fosters a sense of support and belonging. Peer encouragement positively influences participants' behaviour and performance, including their commitment to loan repayment.

Participants select their peer teams in the later stages of training so that they can become well acquainted and can choose team members with similar work ethics, business ideas and goals. Once peer-teams are formed they sign a binding agreement to co-guarantee each other’s loans and to outline the manner in which they will conduct their business relationship. With this approach the program is able to provide credit and savings services to individuals without assets or collateral.

Participants learn the value of sharing skills and knowledge to empower each other. They learn to manage a business relationship and provide mutual support at the same time. Once the peer-teams are established, it is important to nurture this valuable network. Though the participants are divided into small groups (peer-teams) they can use others outside their group to help solve peer-team issues. Within the peer-team, members have an additional business commitment to each other. Maintaining the cohesion of the Peer Support Network enables continual sharing and learning.
PATHWAYS TO LIVELIHOODS AND DECENT WORK

Ongoing Support
Participants continue to need “accompaniment” support as they move towards greater financial independence. Support in the form of problem-oriented business training and discussions about health and social issues that influence their use of income help them make well-informed decisions.

During the loan repayment period participants often experience significant lifestyle changes. The YSEI program includes continual guidance and monitoring to support them during this transitional time. For three months following training all participants meet weekly with youth workers at a regular time and location. These meetings create a regular, dependable time during which participants know they can seek the support of youth workers. This is also an ideal time for youth workers to facilitate team building and encourage problem solving within peer-teams. Over time youth workers strive to increase peer-team self sufficiency by coaching them in communication, conflict resolution, stress management, and decision-making.

Our partners have found that over the course of the program peer-teams become more independent and the reliance on youth workers decreases. During the weekly meeting youth workers reinforce skills training. Additional problem-solving business training can be provided according to need.

As participants gain more financial control over their health and welfare they often seek informal counselling from their peer network and youth workers. Regular discussions and information sessions meet this need.

Community Connection
When participants come from a single community skills training, peer support networks and youth workers can be nearby and accessible. The YSEI program is designed so that each intake is recruited from a single community (be it where they live or where they work). The program is then fully implemented within that community. This enables participants to develop businesses in a relatively safe and familiar environment, to become valuable contributors to their community, to develop healthy relationships with the members of their working community (e.g. police or other business people), and to act as positive role models for others.
Involvement of Parents and Guardians
Adults feeling less threatened by the notion of youth business if they are involved during the initial stages. Implementing organisations must keep in mind that most participants are still largely under the influence of some of adult authority and supervision. Parents and guardians can play a vital role. For street youth without adult figures in their lives a mentor in the community should be identified (a community adult, shopkeeper, or other adult volunteer).

The YSEI program includes building rapport between youth and parents/guardians. Experience has proven that familial issues influence the management of credit and savings. A formal contract is signed to ensure that parents/guardians understand the program, that they approve of their child’s participation, and that they will support and protect the business and its assets.

Empowerment through Positive Incentives
Street-based youth have a lifestyle that responds to the immediate need for survival. This focus on the present helps them cope with their daily living situation but conflicts with the delayed gratification required for business start-up. Skills training prior to business start-up can be a challenging commitment; contributing regularly to credit and savings requires diligence and self-discipline. Youth workers provide encouragement through accompaniment and positive incentives. Incentives include: periodic provision of snacks and beverages during training sessions; social events; certificates for completing training and loan repayment; and graduation ceremonies that involve the community (police, businesspersons, government authorities) and families. Another practical incentive is access to larger and longer-term loans after successful payment of the initial loan.

4.0 Lessons Learned

Savings and Credit
Initially youth workers visit participants each day and collect all of their daily earnings. This money is then allocated to loan repayment, savings, interest, working capital and a predetermined daily wage. The youth workers keep any remaining funds for reinvestment. This approach provided regular interaction between youth workers and participants and allowed for both business and personal issues to be discussed on a daily basis. In addition, the participants' money was in safe keeping and could not be overspent, stolen, lost, or subjected to family interference.
Unfortunately, there were two significant repercussions. First, the approach was an unrealistic demand on the youth workers' time. Second, the participants felt little ownership of their businesses and perceived themselves as working for the youth workers.

As a result there was a change in lending philosophy. Youth workers began collecting funds on a weekly basis, keeping only loan repayments, savings and interest. Some individuals opened savings accounts at a local bank and began to build formal banking relationships. Under these circumstances the participants clearly understood that they were the owners and managers of their businesses. However, when the youth workers were not consistent in loan collection, many participants overspent or would give their “business money” to their families. In response the youth workers identified a treasurer from each peer-team who was responsible for collecting weekly contributions from all members. In most cases the treasurers proved reliable, in others less so.

In the end it became evident that all payments should be made through one-to-one interaction between participant and youth worker, with careful records kept verifying each participant's loan status. In that team building and training were still required youth workers organised the weekly meetings that have been described earlier. The repayment schedule was changed to twice weekly during the first two or three weeks of the loan repayment period.

Pre-Credit Process
Discussing past experiences is invaluable for each new intake. Discussion enables participants to explore the pitfalls of business during the training and articulate and formulate strategies for dealing with adverse situations. SKI’s partners identified the following as important:

- Insist that mixing personal and business finances leads to difficulties. (Some participants opted to put themselves on a weekly wage.)
- Warn that selling on credit must be handled with care. Participants who have had a successful experience managing credit either required a large deposit or collected instalments daily.
- A clear balance is needed between supporting basic needs and reinvesting in the business
- Emphasise the importance of weekly group meetings with youth workers. During these meetings peer-teams should meet and consult about their business development, make loan repayments and savings deposits, consult youth workers and learn valuable life skills
while acquiring greater independence and shouldering increased responsibilities.

- Stress that successful peer-teams maintain constant and thorough monitoring among group members. Peer-team members should communicate regularly to provide feedback and encouragement, to offer advice and support and to resolve conflicts.
- Demonstrate the relationship between strong peer-teams and individual business success.

**Incorporating a Micro-Credit Programming Element**

There is a broad range of management, administrative and program implications for organisations to incorporate a micro-credit component into their programming. Our partners have noted that the best way to do this is to set up a separate project with its own management and staff. Experience shows that such micro-credit programs expand rapidly. The initial stages are critical and require full-time staff involvement. SKI’s partners have improved effectiveness by:

- Conducting a needs assessment with street-involved youth in their communities,
- Setting up micro-enterprise training program for staff,
- Network with organisations running micro-credit programs
- Network within the youth-serving sector and with funding agencies.

Most organisations now accept that micro-credit is but one of the many services they street-involved youth need. An integrated approach builds success beyond business success and impacts health, education, family stability and community acceptance.

With respect to administration, SKI’s partners note the following conditions for success:

- the co-ordinating team must involve youth workers and program managers from the beginning,
- administrative systems should be in place and de-bugged before program implementation,
- A program of the scale described here requires a least two youth workers to carry out program activities, provide one-on-one support to participants and work with program management.
5.0 Concluding Comments

Much of SKI’s work with economic activities for street kids has parallels with the early days of entrepreneurship and women’s credit. Much can be learned from those pioneering experiences. It is important to set realistic targets and goals. It is necessary to recognise that the process of engagement with street-involved youth is as important as the content of economic programming. It is essential to acknowledge that while economic programming is about wealth creation, street kids are truly the poorest of the poor and the most under-represented population in the world. Economic programming cannot be delivered in isolation from the health and rights issues that street-based working youth confront daily.

Microenterprise and micro-credit should be an entry point to other issues including reproductive health, parenting, literacy and numeracy, training and life-building skills. While arguments for economic efficiency are influential "sustainable livelihoods pathways" for street-involved youth will necessarily result from a blend of smart welfare and wealth-creating initiatives. We should not apologise for this.
Cotton and textile industry, India

Photo: A. Khemka © ILO
Youth Business International (YBI) is a global network of youth business programs that help disadvantaged young people start their own businesses. It does this by mobilising the business community to provide seed funds and support during the critical early stages of business formation.

1.0 The Challenge

World-wide there are around 300 million unemployed and underemployed young people aged 16 to 30\(^1\). At least 20 percent\(^2\) of these young people have the potential to become entrepreneurs, less than 5 percent do.\(^3\)

One way of tackling this wasteful situation is to help young people become self-employed. The business community has the knowledge and experience to play a vital role. Local business volunteers can provide mentoring and support for young people who have a viable business idea but cannot find help elsewhere. The Prince of Wales International Business Leaders Forum (IBLF) and The Prince’s Trust created Youth Business International (YBI) to develop, support and sustain youth business programs everywhere.

2.0 What is YBI?

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\(^1\) ILO figures indicate 50 million unemployed young people between the ages of 16 and 30, 75 million underemployed and 300 million earning below US $1 per day.

\(^2\) Research carried out by MORI in 1993 for The Princes Scottish Youth Business Trust found that 20% of 18 – 30 year olds had the potential to become entrepreneurs. The experiences of the 12 accredited YBI programs support this rule-of-thumb.

\(^3\) The Global Entrepreneurship Monitor report of London Business School and Babson College measures levels of entrepreneurship in 20 countries. The median figure for people of all ages working as entrepreneurs is 6%; young people between 18 and 25 are 40% below this figure i.e. only 4% work as entrepreneurs.
PATHWAYS TO LIVELIHOODS AND DECENT WORK

YBI is a network of independent programs co-ordinated and managed by a small team working within the Prince of Wales International Business Leaders Forum. Its mission is to be a global leader in helping disadvantaged young people become entrepreneurs by building a worldwide network of programs that share a common purpose and common principles. The basic characteristics of a YBI program are:

- Disadvantaged young people are the target group.
- Successful applicants are assigned a volunteer business mentor.
- Access to the local and national business support networks.
- Finance is provided to young people with a viable business plan who are unable to find support elsewhere.

There are a number of recognised steps in progressing from seeking employment to running a sustainable enterprise. These include learning about self-employment, skills training, business plan preparation, raising finance, starting the business and making it grow.

YBI programs focus on those areas where business people can best help, namely: identifying young people with entrepreneurial potential, giving them access to seed funding and supporting and mentoring them during their first two to three years in business.

The results have been impressive. Although YBI is only three years old, over 60,000 young people have started their own enterprises, and 60 percent\(^4\) of these were still in business in their third year; with each business creating work for between one-and-a-half and five additional employees.\(^5\) Well over 9,000 volunteer business people work with these young entrepreneurs. Typical activities include:

**Local panel interviews:** local business people select those with viable business ideas, the right personality and a need for help.

**Business mentoring:** volunteer business people help young business people during the first few years of business.

**Business support networks:** local business support.

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\(^4\) YBI closely monitors business survival. The number still in business in their third year ranges from 60 percent in the UK to 80 percent in India. The main contributing factors are the one-to-one mentoring provided and access to a local support network during the first three years.

\(^5\) YBI monitors the number of jobs created by each young entrepreneur. These range from 1.5 in the UK to 5 in India. Many businesses also provide part-time work for family and friends.
Access to finance: making finance available to those who have difficulty raising funds.

Information and Communication Technology (ICT): using ICT to deliver advice and identify markets.

Building Quality: exchanging good practices and performance criteria data.

YBI’s partner organisations support young people world-wide. They prepare them for enterprise and self-employment, work with training organisations to provide skills and business knowledge, help find funding and offer mentoring advice. Each program develops its own ways of building business support networks, mentoring and providing finance, based on local cultures and needs. The emphasis is on flexibility and a manageable scale of operations.

At the time of writing the central YBI unit was working with a network of over 30 countries, as shown in Table 3.5, below.

<table>
<thead>
<tr>
<th>Accredited Programs</th>
<th>Programs Seeking Accreditation</th>
<th>Potential Programs</th>
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<tbody>
<tr>
<td>Argentina</td>
<td>Brazil</td>
<td>Australia</td>
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<tr>
<td>Canada</td>
<td>Gambia</td>
<td>China</td>
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<td>Guyana</td>
<td>Ghana</td>
<td>Dominica</td>
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<td>Hungary</td>
<td>Indonesia</td>
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<td>India</td>
<td>Jamaica</td>
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<tr>
<td>Mauritius</td>
<td>Oman</td>
<td>New Zealand</td>
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<td>Nigeria</td>
<td>Mexico</td>
<td>Pakistan</td>
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<td>South Africa</td>
<td>Philippines</td>
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<td>Sri Lanka</td>
<td>Saudi Arabia</td>
<td>Poland</td>
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<tr>
<td>Trinidad &amp; Tobago</td>
<td>Swaziland</td>
<td>Slovakia</td>
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<tr>
<td>UK</td>
<td>USA</td>
<td>Ukraine</td>
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YBI’s activities are in three main areas:

Capacity building: establishing new programs and helping existing programs grow by exchanging good practice information and building support networks.
Quality: establishing and maintaining standards through an accreditation system, and through impact assessment and benchmarking.

Advocacy: encouraging the business community at national and international levels to work with civil society and governments to help disadvantaged young people create sustainable businesses.

YBI is financed through sponsorship and fundraising. Individual programs are self-funding. YBI adds value by helping programs identify and work with donors.

3.0 What value does YBI add?

Setting up Programs
During the 1980s His Royal Highness, the Prince of Wales pioneered a youth business start-up model based on mobilising the business community to help disadvantaged young people start and run their own businesses.

The idea created great interest in Commonwealth countries. During the 1990s India, Canada, South Africa, Barbados, Sri Lanka, Ghana and Gambia all started programs. As interest grew YBI was created to respond in a more proactive way to requests for help.

Any organisation seeking to set up a youth business program can obtain help from YBI. The Prince of Wales IBLF was established to make available the knowledge and experience of The Prince’s Trust to any not-for-profit organisation that adopts YBI’s three operating principles. A Handbook that explains the basic steps in the process is freely available on the YBI website. Consultancy support is available from the YBI team, either from the secretariat or from a mature program.

Programs have been launched by a wide variety of organisations and individuals. These include, a national Chamber of Commerce, two of a country’s major Banks, a group of national and international companies, an Enterprise Support Agency, a local International Labour Organisation (ILO) office and several inspired individuals. The only common factor is that each new program has had one or more champions during the critical early years and that each built up a support structure as the basis for sustainability.
YBI is not a donor. However, it has a budget to help start new programs. Typically this is done by providing sufficient funds for the first few loans, or providing matching funding for initial running costs.

YBI does not initiate new programs. YBI responds to requests for help or information. All programs are local initiatives. When they meet YBI’s eligibility criteria, they can become accredited members of the YBI network.

Capacity Building
Since October 1999, on the advice of its Advisory Group of mature programs and corporate supporters, YBI has built a suite of support resources.

Website: With the help of Accenture YBI set up an interactive website (www.youth-business.org) to share best practice, create discussion forums, establish benchmarks, and provide a window on YBI activities for supporters and donors. Through its website YBI has become a virtual organisation, a self-supporting network where ideas, information and contacts are exchanged through the web with minimal facilitation from the centre.

Handbook: A handbook describing YBI’s core principles and how to set up a program, build resources and structure governance is available on the YBI website.

Mentor Guide: PricewaterhouseCoopers (PWC) worked with YBI to produce a mentoring guide based on the cumulative experience of active programs. This Mentor Guide is applicable in any culture or economy as a specialised volunteer workforce model. Templates and training materials linked to this manual are available on the website.

Partnerships: YBI has a network of partners and supporters with a common interest in YBI’s core principles. These include the ILO, which is working on a joint project in the Philippines; Shell Livewire, which has helped many YBI candidates with business planning; Rotary International, which is a strong source of mentors; Diageo, which has provided loan funds; Accenture, which has helped develop the website, and PWC; which has helped with the Mentor Guide. More than 50 companies are involved with YBI world-wide.
Conferences and Workshops: YBI hosts a biennial summit. Plans are underway for regional workshops to exchange ideas and best practices. Newsletters and publications reinforce conferences and workshops.

Consultancy: YBI has a registry of experienced consultants. These experts are available to new and existing programs to help develop systems for governance, identifying entrepreneurial potential, the management of boards and volunteers, fundraising, volunteer recruitment, and relationships with government, business and civil society.

Quality and Standards
YBI is an increasingly recognized brand. YBI protects its brand to ensure that it is trusted by donors and partners. Three activities help achieve this.

Accreditation: Any program that wishes to use the YBI brand and benefit from YBI support has to sign a Memorandum of Understanding with YBI. Signing is contingent upon production of a business plan (that is consistent with YBI’s core principles) and involves an undertaking regularly to report key performance indicators. Accredited programs agree to exchange ideas and information with the YBI network and attend workshops and conferences where new ideas are developed.

Benchmarks: Fifteen key performance indicators are tracked regularly through the website thereby enabling the network and its members to monitor quality and establish benchmarks. This is a vital activity for new programs developing business plans and for mature programs seeking to improve the measurement and management of their operations.

Impact Assessment: A new system for assessing impact has been developed which requires the development of local databases. It will provide arguments to support fundraising and information management, and help improve the usefulness of the help given to young people.

Advocacy
YBI’s advocacy covers a number of areas.

Volunteering: The heart of YBI’s approach is mentoring by business people. The recruitment and management of mentors requires specific skills and, in many countries, change in attitudes towards volunteering. YBI helps promote the benefits of a strong voluntary sector and employee engagement and provides the rationale and contacts to support
volunteering. Rotary International and several multinationals have helped YBI put this message across.

**Fundraising:** YBI is not a donor. However, it is an effective advocate for the benefits of program funding. By making its case to multinationals and international funding agencies, it greatly strengthens local funding proposals. Over the last two years YBI has directly or indirectly helped raise over US $3.5 million.

**Youth Entrepreneurship:** The stronger the case for developing young entrepreneurs the easier it is to find resources. YBI attends conferences and produces papers and publications in order to encourage individual countries to tackle youth unemployment by helping young entrepreneurs create their own businesses. YBI supports individual program support requests by co-ordinating international and national campaigns

### 4.0 How does YBI work?

YBI has developed a number of techniques, guides and processes.

**Guides and Handbooks**
The first YBI programs in India and Barbados learnt from The Princes’ Trust by shadowing their operations and adapting the Trust’s ideas to their own culture and needs. YBI has now produced a series of guides and handbooks that explain the core principles and processes in a form that can be adopted by all countries.

The YBI Handbook is freely available in several languages from the YBI website. The Handbook explains how to set up a program and how one works. The core principles and processes are listed and explained. These include:

- The need for a Board of Directors or Trustees made up of business people;
- The requirement that programs must be not-for-profit and volunteer based;
- The need for mentors to provide sustained help over two to three years; and
- The need to make seed funds easily accessible to new entrepreneurs.
Beyond these few points the Handbook is not prescriptive. It is very flexible, offering a menu of options based on the experiences of existing programs.

Similarly, the Mentor Management Guide is advice on good practice based on the common experience of programs operating in developing, developed and transitional economies as varied as the UK, Canada, India, Ghana, Argentina and Barbados. PricewaterhouseCoopers researched best practices from all these countries and a number of recognised mentoring programs. This Mentor Management Guide is not publicly available but is made available to those who intend to join the YBI network.

Both handbook and guide are supported by case studies, templates, promotional materials, job descriptions, benchmarks and training materials, all available via the Internet. Like the mentor guide, much of this information is password protected in that it belongs to the members of the network. One of the network’s conditions is that all programs must freely share material with all others.

Other material such as a website handbook, fundraising guidance and impact assessment techniques are available from a growing central library.

**Corporate Involvement**
As a not-for-profit organisation, YBI is not a typical NGO. It is a development instrument of the business community. Volunteer business people run its boards and provide mentoring and support to young entrepreneurs. There are many levels of business involvement.

**Strategic Boards:** Providing strategic direction and high level contacts. Participation usually entails four quarterly meetings a year and major promotional event.

**Encouraging employee engagement:** Employee involvement either as mentors (four to five hours per month) or as members of interview panels (requiring only one evening per month).

**Building a local business support networks:** Working with partner organisations to provide a support network for young entrepreneurs and program staff. Support includes business contacts, advice on accounting, marketing and law, bringing new businesses into the supply chains of local businesses, and training.
**Funding:** Providing money for operating costs and/or loan funds.

**Generating resources:** Using contacts to persuade clients, suppliers and partners to donate funds or support-in-kind, make staff secondments, allocate premises for programs or entrepreneurs and award sub-contracts.

The interview panel in Port of Spain, Trinidad and Tobago offers a good example of how high-level local executives get involved. The panel includes:

- Gaston Aguilera Retired, Chartered Accountant
- Malcolm Burns, Managing Director, Courts Trinidad Limited (Furniture)
- Ian McLachlan, Managing Director, Angostura (Drinks Manufacturer)
- Andrew McEachrane, Managing Director, Ansa Finance Limited
- Donna Ramsammy Vice President, Public Affairs, BP AMOCO Trinidad
- David Inglefield, Managing Director (Advertising)
- Nicholas Galt, Managing Director, Trinidad Systems Ltd (Computer Firm)
- Craig Reynald, Managing Director, CCN Trinidad (Newspaper, radio, television)

There are no rules governing which types of organisations can start a YBI program, though programs are unlikely to succeed without strong business involvement. It is desirable for local YBI initiatives to partner with existing youth or enterprise organisations. In Brazil, *Negocios da Juventude* is working under the leading small business support agency, SEBRAE. In India the Indian Chamber of Commerce is closely involved. In Sri Lanka HYBT was started by the Hambantota District Chamber of Commerce. In Hungary the program is run by Eletpalya which was originally set up by Shell to run Shell’s Livewire program. JEMAC in Mexico works closely with the national youth agency, the *instituto de Juventud*. In Ghana, Gambia and Barbados officers from the International (Duke of Edinburgh) Award Scheme started new programs. All have boards comprised mainly of businesspeople, for the most part of the caliber of the Trinidad and Tobago panel.

**Mutual Support**
Mature programs support each other. There is a growing tendency for accredited programs to help new programs start up. Support includes guidance, and “shadowing” or training in a range of subjects including
governance, mentoring, impact assessment and fundraising. Recently the head of the Argentine program visited Florianopolis where the new Brazilian program, Negocios da Juventude, is running a pilot scheme. The Chief Executive of the Canadian Youth Business Foundation attended the first board meeting of Jovenes Emprendedores por Mexico AC (JEMAC) and invited their Executive Director to Canada for further training. In India the CEO of BYST, the second oldest Trust, helped set up the Hambantota Youth Business Trust in Sri Lanka, providing them with guidance and training. In the near future there are plans for Hungary to help Poland, the UK to help the Philippines and Barbados to help Dominica. Through these experiences YBI is building a global database of experienced consultants and trainers. Wherever possible, YBI funds the travel and subsistence costs of start-up exchanges, consultancy and training.

Accreditation

Full members of the YBI network are accredited. Accreditation is done through the joint signing of a Memorandum of Understanding (MoU) between YBI and the member program. The MoU is not a legally binding document but an undertaking to work together within the core principles of YBI. The obligations that the two sides commit to are:

YBI’s Obligations

- Raise global awareness of the challenge of reducing youth unemployment through self-employment.
- Represent the interests of all participating YBI programs and partners to the global business community and international organisations.
- Ensure technical assistance is available to help new programs and work with existing programs to improve performance.
- Publicise the work of YBI through a YBI web site and provide the tools, training and the opportunity to exchange ideas and best practice.
- Monitor results and provide a database and benchmarks for assessing performance and setting standards.
- Identify potential partners and help programs build local partnerships.
- Identify sources of funding and advise on raising resources.
- Research the strengths and values of YBI in order to improve performance, innovate, and to raise awareness of YBI's work.
- Permit the use of the YBI brand to identify accredited programs.
Member Programs’ Obligations
- Adhere to the core principles of YBI.
- Produce a three-year business plan for sustainable growth.
- Provide a copy of audited annual accounts.
- Share good practices.
- Report Quarterly on the fifteen Key Performance Indicators.
- Attend YBI Conferences and Summits.

Quality Control: Maintenance of standards is a vital factor in sustaining the credibility of the network. A quality brand brings many advantages to the network. Donors value the fact that programs are members of an international network; multi-national corporations and international organisations are happy to recommend the program to colleagues in other countries. The ability to raise funds, build partnerships at a local and a national level and advocate for youth entrepreneurship is greatly enhanced by the YBI brand. Common definitions, shared good practice and benchmarking enhance efficiency and effectiveness. Considerable work is being done on quality with a new impact assessment system and a global database.

Partnership: YBI can only work through partnership. Local programs belong to the local business community in partnership with civil society and local and national governments. A major role of YBI is to help participating programs build these partnerships. It does this by introducing them to organisations and corporations interested in youth enterprise. This is reinforced by the YBI brand. YBI is recognised as an effective vehicle for helping disadvantaged young people into work, for building entrepreneurship and for supporting the small and medium enterprise sector. Partnerships take many forms and cover many aspects of the process.

Recruiting Mentors: A strong cadre of mentors is an invaluable resource. Rotary International is a source of mentors in many countries. Rotary’s mission is for business people to help local communities. This is strongly in line with YBI’s mission. In India, the UK, Nigeria and Barbados, Rotarians are closely involved at all levels. In the Philippines, Rotarians are taking the lead in establishing the first pilot program. In the UK, PricewaterhouseCoopers encourages employees to become mentors; they regard mentoring as an excellent method of broadening the experience of their employees who have to go “back to the street” to help young businesspeople.
**Working with young people:** YBI partners help prepare young people for entrepreneurship. In the period before the panel interview there are many organisations that help young people. In most countries, YBI works closely with skills training schools and colleges. YBI works with Shell LiveWire, to help young people write business plans and holds an annual national competition to encourage many more to try their hand in business. The International Award Scheme works with 14 to 18 year olds to help them gain life skills and confidence. In a number of countries they work with YBI to help those award winners that wish to start businesses. In other countries YBI works with churches, schools and universities and with government and NGO youth programs. In Canada YBI is represented by the Canadian Youth Business Foundation.

**Advocacy:** Building an entrepreneurial and volunteer culture is crucial if YBI is to operate successfully. They cannot work alone. They need partners to persuade the business community, civil society and governments to support them. The ILO has helped YBI promote its message. In the Philippines the ILO helped set up a new program and are planning to repeat this in Indonesia. They have helped publish documents explaining YBI. In Trinidad, they are helping with program assessment and expansion plans. The UK Foreign Office has been instrumental in recruiting boards, finding donors, providing good public relations and mentoring local programs. The Financial Times and Time Fortune have provided welcome coverage which has also helped programs to broaden support.

**Funding:** All programs must find their own funding. This is primarily a local activity. However, belonging to the YBI network opens up possibilities. For example, the International Youth Foundation provided seed funding to 14 countries through YBI. YBI helped ensure that the money was used to help young entrepreneurs. Guinness UDV has funded programs in the UK, India and Mexico. They build the results into their Keep Walking campaign, with mutually beneficial results. As awareness of YBI grows the possibility of loan guarantee schemes opens up. In Britain, the European Investment Fund uses The Prince’s Trust as a vehicle for encouraging enterprise among young people. Over the last two-and-a-half years YBI has been instrumental in raising over US $3.5 million. Table 3.6, below, overleaf, demonstrates the range of countries and activities where YBI helped to raise funds.
### Table 3.6
Countries Where YBI has helped to Raise Funds

<table>
<thead>
<tr>
<th>Date</th>
<th>Country</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/99</td>
<td>Argentina</td>
<td>A  Fund from business for pilot projects</td>
</tr>
<tr>
<td>10/99</td>
<td>Argentina</td>
<td>B  Secondment of a Rio Tinto senior manager</td>
</tr>
<tr>
<td>10/99</td>
<td>Oman</td>
<td>A  New loan fund for start-ups.</td>
</tr>
<tr>
<td>10/99</td>
<td>Guyana</td>
<td>A  Launch Funds from the business community</td>
</tr>
<tr>
<td>11/99</td>
<td>All Progs</td>
<td>B  IYF loan funds distributed to all network members</td>
</tr>
<tr>
<td>1/00</td>
<td>Caribbean</td>
<td>B  British Council grant for Technical Assistance</td>
</tr>
<tr>
<td>1/00</td>
<td>Trinidad</td>
<td>A  Launch Funds pledged from business community</td>
</tr>
<tr>
<td>2/00</td>
<td>Hungary</td>
<td>B  Funds raised for MIVA transferred to Etelepalya</td>
</tr>
<tr>
<td>4/00</td>
<td>Handbook and website</td>
<td>C  Handbook production and 1st stage of website costs from government social programs.</td>
</tr>
<tr>
<td>4/00</td>
<td>Lovells</td>
<td>C  Supporters of the German and Caribbean initiatives.</td>
</tr>
<tr>
<td>4/00</td>
<td>S. Arabia</td>
<td>B  Contract with the Saudi Arabian Monetary Agency.</td>
</tr>
<tr>
<td>4/00</td>
<td>Jamaica</td>
<td>A  Launch funds from Gala for the new Jamaican Trust.</td>
</tr>
<tr>
<td>6/00</td>
<td>Ghana</td>
<td>B  Funding from Standard Bank and Barclays</td>
</tr>
<tr>
<td>8/00</td>
<td>Caribbean</td>
<td>B  Traxdata donated start-up loans fund for 3 Island Trusts</td>
</tr>
<tr>
<td>9/10</td>
<td>Argentina</td>
<td>A  HSBC revolving loan fund donation</td>
</tr>
<tr>
<td>10/00</td>
<td>Sri Lanka</td>
<td>B  Funding from Virgin Atlantic</td>
</tr>
<tr>
<td>10/00</td>
<td>YBI Conf.</td>
<td>C  Sponsorship for a YBI conference</td>
</tr>
<tr>
<td>10/00</td>
<td>Georgia</td>
<td>A  World Bank grant for Osswetian refugees in Georgia</td>
</tr>
<tr>
<td>1/01</td>
<td>Switzerland</td>
<td>C  Operating costs and launch funds for developing country start-ups</td>
</tr>
<tr>
<td>4/01</td>
<td>Nigeria</td>
<td>A  Fundraising event supported by the President.</td>
</tr>
<tr>
<td>4/01</td>
<td>PWC</td>
<td>C  Secondment to help write Mentor Management Manual</td>
</tr>
<tr>
<td>4/01</td>
<td>India</td>
<td>A  Funding from the Keep Walking campaign</td>
</tr>
<tr>
<td>4/01</td>
<td>Mexico</td>
<td>A  Funding from the Keep Walking campaign</td>
</tr>
<tr>
<td>7/01</td>
<td>Philippines</td>
<td>A  ILO contribution to Pilot start-ups.</td>
</tr>
<tr>
<td>2/02</td>
<td>Switzerland</td>
<td>C  Operating costs and launch funds for developing country start-ups</td>
</tr>
<tr>
<td>3/02</td>
<td>Mexico</td>
<td>A  Gov’t supplied matching funding for expansion of JEMAC pilot project</td>
</tr>
<tr>
<td>3/02</td>
<td>Europe</td>
<td>B/ C  Matching funding for YBI and a European partner for dissemination of mentoring</td>
</tr>
<tr>
<td>3/02</td>
<td>Ukraine</td>
<td>A  Part of a successful DfID regeneration project.</td>
</tr>
<tr>
<td>4/02</td>
<td>Argentina</td>
<td>A  HSBC grant to <em>Fundacion Impulsar</em></td>
</tr>
</tbody>
</table>

Key:
- **A:** Funds raised locally with YBI’s help to support the Youth Business Initiative.
- **B:** Funds raised and resources directly by YBI and passed to the country organisations.
- **C:** Funds raised to pay for YBI base costs
Communications
YBI has many methods of communication.

Website: www.youth-business.org. The YBI website is the heart of the network and enables YBI to operate as a virtual organisation. The site contains information about YBI, its network of programs and how the business community can get involved in its work. The site includes:

- Youth business programs each have their own page.
- The pressroom contains press releases, newsletters and examples of young businesses.
- The resource area has regularly updated documents and short items relating to the work of YBI.
- An interactive forum shares information, experience and innovation.
- An on-line community for members and partners allows them to contribute materials, ask questions, seek information and advice and be involved in the management of the site.
- Training resources and practical tools are available such as the facility to build and host websites.
- The website resource bank will become a comprehensive library of all existing tools, resources and training materials used by YBI and its member programs.

Information and Communications Technology (ICT)
Individual youth business programs are beginning to use the Web as a means of promoting their organisations, marketing youth businesses, training both mentors and young people and providing on-line advice. This is still in its infancy in most countries; however, the Canada Youth Business Foundation and The Prince's Trust Northern Ireland are developing innovations that might eventually be adopted throughout the network.

The Prince's Trust, Northern Ireland's website (www.wiredup.net) is a special initiative of The Prince's Trust Northern Ireland, designed to support Prince's Trust businesses. It offers small businesses the opportunity to develop their long-term profitability and strengthen their corporate awareness through effective use of marketing and information technology.

The Canadian Youth Business Foundation's website (www.youthbusiness.com) is a comprehensive web resource for young entrepreneurs, offering peer support, advice and counselling, marketing,
promotion and information. The Internet helps overcome the communication complexities of time zones and distance. Young entrepreneurs are early adopters of this medium as a means for communication and support.

**Newsletter:** Regular newsletters are sent to all network members and partners. This is a traditional communications document with news, information and case studies that puts into print the information that appears on the website.

**Conferences:** Every two years YBI holds a Youth Business Summit which combines workshops with a wider celebration of the network and brand in order to raise the profile among existing and potential supporters, partners and donors.

### 5.0 Is YBI a Network?

A network is defined as “any activity that links people who share a common concern for a specific topic or issue; actively sharing and collaborating toward concrete goals and including task-oriented and mutual support arrangements that are capacity building, exploratory and catalytic” (Bernard, 1998).

YBI complies with all aspects of this definition. It has a common set of core principles, namely helping disadvantaged young people become entrepreneurs through seed funds and mentoring. Existing countries share ideas both among themselves and with new organisations and countries. Data, good practices, templates, case studies and contacts are shared. A common brand has been developed and the idea of helping young people in this way is encouraged among existing and potential partners and donors by all members of the network.

YBI could not exist in any other form. It was founded just over three years ago in response to requests for help to extend the model to other countries. The funding requirement for YBI’s small central unit is modest and is generously supported by sponsorship for specific activities such as the biennial Summit and the website. Any country or organisation seeking to set up a program does so through its own autonomous governing body and administration. The network cannot do this for them but offers support and advice once the decision to proceed is made.
Over the last three years the number of countries and organisations wishing to adopt the YBI model has increased from the original eight to thirty-two. Interest continues to grow. YBI has elected to respond to this volume and variety of requests through an efficient virtual network rather than through a cumbersome central management unit and accompanying bureaucracy.

YBI is more than a network of like-minded youth organisations. It interacts with other programs that prepare young people for work and with enterprise agencies that work to help people start and sustain small and micro enterprises. YBI works with corporations who wish to help the societies within which they operate benefit from their knowledge and resources. YBI works with organisations such as Rotary International, the IYF and the ILO to create global partnerships for local support of entrepreneurial youth. All parties contribute to and benefit from the network making the whole considerably greater than the sum of its constituent parts.

6.0 Lessons Learned

YBI is a young global network. There still remains a great deal to be done but certain key lessons have already been learnt.

Add Value: A network will only continue if all participants benefit from the relationship. In many types of associations, the main glue is funding. YBI’s members’ benefits include developing benchmarks, exchanging good practice, identifying partners and jointly advocating for the concept of youth business.

Find Champion: Sustainable programs need a champion. The personality of the champion drives success. All of the enquiries that have evolved into sustainable programs have been driven by committed individuals – champions.

Maintain Focus: The journey from an idea to a viable business has many stages. YBI concentrates on identifying unemployed young people with viable ideas, helping them turn ideas into enterprises and then providing support during the critical early stages.

Maintain Flexibility: YBI is both focused on its core principles and flexible. It works in developing and developed economies representing many different cultures. One of its great strengths is the ability to adapt its principles to local conditions and needs.
Communicate: The main asset of YBI is knowledge. YBI’s success is due to its ability to communicate and refine this knowledge.

Build a Database: The database is a core asset of the network. Considerable work is being done to maintain and expand and enhance this asset.

Key Factors that Contribute to Success
Focus, flexibility and finding champions are all contributing factors. Other factors include:

YBI is business driven: All YBI programs have been created by business people working on a voluntary basis. Initial funding comes from the business community. Business people are willing to volunteer if they have a sense of “ownership”. Young people respond to being treated as adults by fellow business people rather than as recipients of handouts or charity. This attitude underpins YBI’s approach to enterprise finance (seed funding). Young entrepreneurs borrow money as fully-fledged businesspeople even though they do not meet all the normal commercial borrowing criteria.

A global brand delivered locally: YBI is a global network, largely comprised of local business people. The brand is becoming increasingly well known globally and attracting support from a wide range of donors and partners. YBI acts as a facilitator by steering offers of help to individual programs.

Volunteers: The need for YBI programs is enormous; the demand is virtually unlimited. Responding would not be possible without volunteers and pro bono volunteer help from business. The ratio of staff to volunteers varies between 1:10 and 1:25. Most of the innovations, processes and partnerships have been generated by business people working within the YBI network. Their experience and capability underpins YBI's effectiveness. The time volunteered is enhanced by the quality of thinking and advice given freely to young entrepreneurs, YBI programs and the YBI network.

7.0 Conclusions and Next Steps

YBI has been operating for three years and is coming to the end of its consolidation phase. The concept of youth business has been proven in the UK and many other developed and developing countries. The
challenge now is to “scale up” in order to help many more young people. YBI has the opportunity to achieve this through the YBI network. Doing so will require innovation and a great deal of mutual support. Once the process has started, programs help each other grow by sharing good practice, exchanging contacts and co-ordinating partnerships. If this can continue, there is the exciting prospect of helping disadvantaged young people realise their dreams on a global scale.

The need to alleviate youth unemployment and to develop youth entrepreneurship and the SME sector is common to all countries. YBI is a proven approach to developing young entrepreneurs. The pressure on YBI to help more young people and to extend the model to other countries increases daily. The involvement of local business is growing. The limitations are fairly obvious. They are funding, partners and knowledge dissemination. These can only be done at the pace and level needed through the YBI network. Most of the next steps will be in addressing these needs, refining the approach and managing the network.

YBI’s most recent big event was its Summit in Delhi in October 2002 where it launched the strategy for the next stages of its evolution. Apart from plans for growth and development, other issues addressed included:

Advocacy: YBI’s approach is easily replicated. In order to do so candidate programs must raise awareness of the benefits of helping disadvantaged young people through entrepreneurship and persuade donors and supporters to become network partners. The greater the awareness the more funding, volunteers and advice will be forthcoming.

Refining the accreditation process: YBI is exploring peer assessment and monitoring in order to help maintain standards and to increase the flow of communication within the network.

The Web: Working through the web is the best way YBI can grow and become more effective while maintaining a small central team and an effective network.

On-line mentoring and e-commerce: Greater use of communication technologies is expected to enhance YBI’s work.

Specialised help: Many programs have developed special capacities such as working with those with disabilities and with ex-offenders. These skills need to be shared and sub-groups set up to enhance the development of work in these areas.
Carpenter with his child, Zimbabwe

Photo: J. Maillard © ILO
CHAPTER FOUR

Can Enterprise Help Address the Youth HIV/AIDS Crisis in Sub-Saharan Africa?

John Grierson

Summary
This chapter seeks to identify positive relationships between HIV/AIDS reduction and Small Enterprise Development (SED). The purpose is to help counter HIV/AIDS in Sub-Saharan Africa (SSA) by improving the economic aspects of youth livelihoods. The tone is necessary cautionary. No strong direct relationships have been identified. There is however a sufficient body of indirect and anecdotal evidence to offer useful guidance on structuring the enterprise and livelihoods components of HIV/AIDS-focused Sexual and Reproductive Health (SRH) initiatives. The general recommendation made here is to better incorporate well-established Small Enterprise Development (SED) “good practice” into SRH initiatives with enterprise components. A number of effective practices are offered to help implement this general recommendation. Effective practices are expressed in terms of four “tools”:

- **Tool One – Enterprise Context:** The purpose of Tool One is to summarise and display the field of SED in order to place individual SED initiatives within a broadly defined SED framework.

- **Tool Two – Typology of Program Design Parameters:** The purpose of Tool Two is to help define support initiatives with both SED and SRH components in terms of their key operational characteristics.

- **Tool Three – Reproductive Health and Youth Livelihoods “Linkage”:** The purpose of Tool Three is to help conceptualise the point of effective SED-SRH linkage.

- **Tool Four - Design and Assessment Tools:** Tool Four offers a typology of SED-SRH approaches and considers each in relation to four key issues (relevance, cost, equity and asset building). The purpose of Tool Four is to help planners, managers and evaluators consider the implications of adopting any of a variety of possible approaches.
4.0 Background and Purpose

Youth, Enterprise and HIV/AIDS

HIV/AIDS is a global problem with a daunting array of negative social, cultural and economic manifestations. The problem is particularly pronounced in Sub-Saharan Africa (SSA). Current Sexual and Reproductive Health (SRH) thinking and practice is influenced by the notion that poverty reduction positively influences SRH behavior and helps reduce both HIV/AIDS transmission and the impact of HIV/AIDS. One aspect of this poverty strategy for HIV/AIDS reduction involves using enterprise to support the livelihoods needs of African “youth”.

The key terms used in this chapter are defined below.

**Informal Sector Microenterprises:** very small businesses usually having only one or two employees, including the owner. The informal sector is characterized by low capitalisation, limited value-added, simple technology, poor labour conditions, ambiguous legal status and high levels of self-employment.

**Livelihood:** A livelihood comprises the capabilities, assets and activities required for a means of living.

**Self-employment:** The practice of owning and operating a small or micro-enterprise as a means of livelihood; working for one’s own account, often in the informal sector.

**Small enterprise:** Enterprises having 1–10 employees. Small enterprise as used here subsumes “microenterprise” and the “informal sector”.

Small enterprises - particularly those of youth - make an important contribution to HIV/AIDS prevention through alternative lower-risk forms of livelihood, and to care and support of HIV/AIDS sufferers, both through income and through a form of income - enterprise - that is often transferable within and between generations. Though the potential synergies are clear, the relationship between youth, enterprise, and SRH is not yet well understood. The purpose of this chapter is to explore positive synergies between SED and SRH in SSA and to provide some practical guidance (“tools”) to assist planners and practitioners.

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1Generally assumed to be males and females, between 14 - 30 years of age.
The emphases are SED “good practice”, the very small enterprises that constitute the basis for most youth livelihoods, and the as yet imperfectly understood relationship among youth, enterprise and sexual and reproductive health.

**Tools to Tackle the Challenges of Youth, Enterprise and HIV/AIDS**

This chapter approaches the SED - SRH relationship using four Design and Assessment Tools:

**Tool One** helps place individual initiatives within a broad enterprise development framework.

**Tool Two** describes individual initiatives in terms of a composite of parameters.

**Tool Three** explores the nature of the linkage between SED and SRH.

**Tool Four** sets out a typology of approaches and helps reflect on the implications of adopting different approaches.

### 4.1 Seeking Synergies: SED good practice, Livelihoods and Lessons Learned

**Performance Criteria and Designing for the Disadvantaged**

Small Enterprise Development (SED) has long been regarded as crucial to the achievement of broader development objectives, including poverty alleviation, economic growth and the promotion of more democratic and pluralist societies. Donor support for SED has grown substantially over recent decades and donor agencies and practitioners have accumulated considerable experience in SED. There is a sound basis for current notions of good practice and considerable efforts underway to question and refine the state-of-the-art. This ongoing atmosphere of activity and enquiry is stimulating ever-broader applications of SED.

Noteworthy progress has been made, particularly in financial services. The delivery of financial services\(^2\) (including microfinance) has made impressive strides in terms of outreach, scaling-up, efficiency and progress towards sustainability. The methodologies developed and lessons learned offer invaluable guidance for all SED promoters as well as for those in other fields seeking to use SED as a complementary instrument. Donors, recipient countries, and intermediary organizations

\(^2\) Generally speaking, credit and savings. This chapter also refers to grant schemes but does not discuss leasing, venture capital or other increasingly common forms of financial services.
are all concerned with the impact and cost-effectiveness of SED interventions. Sustainability has become a common and important objective in terms of cost recovery, institutional continuity and durable impact.

In the early 1990s, big strides were made in translating the lessons learned from an eclectic array of credit and savings programs into a well-defined set of good practice principles that could be used to guide design, implementation, assessment and funding. The Committee of Donor Agencies for Small Enterprise Development (DCSED) published good practice guidelines for finance in 1995 and for Business Development Services (BDS) (formerly referred to as “non-financial services) in 1997 (DCSED, October 1997). Both have been constantly updated since.

The ongoing quest for good practice principles is shaped by an attendant need for evaluation guidelines. The following four performance criteria represent a broad consensus on the areas that performance criteria should cover:

- **outreach**, in terms of the numbers and characteristics of the individuals, enterprises and organizations served,
- **efficiency**, the cost and rate at which inputs are converted to outputs,
- **effectiveness**, the extent to which activities achieve their specified objectives, and
- **sustainability**, of both impact and (when appropriate) of operation (Levitsky, April 2000).

There is a great deal of practical concern about the appropriateness of these criteria in relation to initiatives for the disadvantaged. There are two distinct schools of thought. One school posits that:

- demand-led approaches favour the better off;
- micro-enterprise is a reluctant state, micro-enterprises are predominantly “survivalist” and unlikely to grow; and
- the poor want and need jobs; hence the focus should be on growth-oriented SMEs that can offer *decent work*.

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3 Understood to include aspects of safety and occupational health, learning opportunities, income growth and career prospects.
An alternative view is that enterprise has much to offer the poor and that SED can deliver useful services to disadvantaged groups if they are designed appropriately.

Both schools of thought must contend with the question of subsidy. Subsidy is not “wrong” per se. From a purely enterprise perspective subsidies are not problematic; “subsidies are a practical business tool during start-up/launch and can play a role in a profitable ongoing business strategy” (Kapila and Mead, 2002). However, from the SED perspective – the perspective of donors, NGOs and most SED support institutions – subsidies are decidedly problematic, in large part due to the threat they pose to sustainability. As a result subsidy is generally viewed with disfavour. However, a more nuanced view to subsidy is emerging, in part because “many of the benefits accruing from (subsidised services) appear to be distinctly public in nature” (Kapila and Mead, 2002).

Overall SED good practice continues to discourage and limit subsidy. Interventions that require only short-term support and have an in-built exit strategy (e.g. many grant schemes) are seen to be better candidates for subsidy. Few of the most common SED approaches manifest either of these characteristics. Many, such as business skills and vocational training, are recognised as useful yet have little possibility of operational continuity without subsidy. As a result of this dilemma emerging good practice focuses on two basic approaches to subsidy:

- minimising external subsidies; and
- developing less distorting subsidy mechanisms (e.g. vouchers).

All SED initiatives must address the subsidy issue. Many do so by adopting a less-than-forthright avoidance strategy. It remains all-too-common to justify the subsidy of quite SED standard approaches by classifying them as either “pilot projects” or “institution building”.

**Growth vs. “Survivalist” Enterprises**

There is a common distinction made between enterprises whose main contribution is in terms of survival, as contrasted with enterprises that are oriented towards growth. This is a useful distinction if the difference is not viewed as a simple dichotomy. In reality enterprises are ranged along an eclectic continuum. At one end are those which people engage in, despite low and often declining returns over time, because they find they do not have an opportunity to do anything better. Expansion in numbers of people engaged in such activities reflects a push of people seeking to earn a living, who have not found other ways of supplying goods or
services that are well rewarded in the market. Activities at this “survivalist” end of the spectrum make their primary contribution in terms of poverty alleviation, i.e. making poor people somewhat less poor. At the other end of the spectrum are enterprises that generate higher and often rising levels of income. These reflect a response on the part of entrepreneurs to an economic pull, in that they are responding to market opportunities. Activities at this “growth” end of the spectrum often make their contribution in terms of poverty elimination, i.e. helping poor people move up and out of poverty (Mead, 1999).

SED projects can have many different goals and objectives, in terms of their clientele, their client’s enterprise expectations and in terms of broader socio-economic effects. As a result there is considerable variation in the types of support services they offer. In all cases, however, the starting point must be a clear sense of the target population and of the types of opportunities that are likely to be available to them.

For the foreseeable future the number of people engaged in micro and small enterprise will continue to grow - in good times and in bad. This reflects the fact that employment opportunities in the modern sector are decreasing, certainly relative to labour force growth, even as social safety nets shrink. People must find some means of income if they are to survive. A minority of these people will find that enterprise is their best option.

Livelihoods, Assets and Traditional Knowledge.
Livelihoods is an inherently positive notion. It is people-centred, it takes as its starting point existing strengths rather than existing needs and it seeks to impart modest increments of assistance in order to leverage large-scale improvements in livelihoods outcomes. The notion of “assets” is at the core of the livelihoods concept. Traditional knowledge is a significant if under-exploited SED asset. There are three important forms of traditional knowledge (vis-à-vis enterprise):

- Knowledge of local production techniques and practices (e.g. traditional medicine and agricultural practices);
- Cultural knowledge that influences how people organise, manage, share resources, participate, relate to power structures and interact with youth; and

4 Resources, characteristics and capabilities that contribute to sustainable livelihoods.
Traditional learning and skills transfer methodologies, in particular at-home and in-school education techniques, peer group learning and support systems (which may have particular relevance in relation to youth), and most importantly, from the SED perspective, traditional apprenticeship and enterprise-based skills transfer practices.

A cautionary word is in order. Traditional practices are weak in technology transfer and tend to reinforce existing social and economic structures. Care must be taken to ensure that equity and environmental issues are adequately addressed.

Networks and Network-Based Approaches to SED
Networks of institutions providing complementary services are often the best way to meet the multiple needs of young people seeking livelihoods through SED. This has been specifically recommended for initiatives assisting working and at-risk children: “…organizations… should not go at it alone…it is more efficient and effective…the link up with others for the provision of complementary services rather than to try to …(provide) a full package of services …” (Haan, 2002). The logic of network-based linkage is similarly applicable to SED-SRH initiatives that seek to combine two distinctly different and highly specialised fields.

Effective networks of support services are a natural outgrowth of interaction among SED promotion agencies, local markets and local communities. Livelihoods promotion and SED programs must become network facilitators in order to become effective SED agencies. They need to adopt operational approaches that stimulate and draw upon two distinct types of networks:

- **Enterprise networks**: comprised of the entrepreneur’s own enterprise and staff, those who train them, their competitors, their suppliers, their creditors and their customers. Enterprise networks are often the basis for the mentoring relationships that are so crucial to enterprise survival and growth. Enterprise networks are essentially economic in character.

- **Institutional networks**: comprised of training programs, complementary support programs and institutions, banks and credit co-operatives, enterprise associations and the wide variety of other educational, social and economic organizations that work to support the interests of youth. Effective networks are often a collective of

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5 A Network is a social, economic or administrative relationship among individuals, enterprises and public and private organisations.
programs with a common interest or approach, such as Youth Business International (YBI) (Street, Case Study Four, this volume). Institutional networks often work best when they are informal, that is when the represent voluntary co-operation in the interests of synergy and complementarily. Institutional networks are essentially co-operative and administrative in character.

Enterprise networks help enterprises establish and sustain profitable operations. Institutional networks allow SED programs to operate efficiently and effectively. SED promotion programs must have a clear operational grasp of the conceptual and practical differences between these two types of networks. India’s Bharatiya Yuva Shakti Trust (BYST), a business mentoring program, is an example of the positive livelihoods outcomes that can result when support initiatives maintain a complementary balance of enterprise and institutional networks (Venkatesan and Naayaab, Case Study One, this volume).

**Lessons Learned: Using Enterprise Effectively**
The following lessons learned are derived from Grierson and Schnurr, 2001 citing *inter alia* Bennell, 2000; Field *et al*, 2000; Gibb and Manu, 1990; Gibson, 1997; ICRW, 2000; Levitsky, 2000; Liedholm and Mead, 1999; Morduch, 2000; Parker 2000; and Rutherford *et al*, 2002.

- Information, education and communication for SRH are effective in awareness raising, however, positive livelihoods alternatives are also needed if satisfactory levels of behavioural change are to accompany awareness improvements.

- Enterprise is an effective but limited instrument; one that is most effective when targeted on carefully “selected” users. SRH is much more of a “mass” instrument. Because of this there is both a limited likely “point of linkage”, and a high degree of skill needed to conceptualise and operate initiatives that effectively link SED and SRH. At this early stage of SED-SRH thinking and practice the piece of the puzzle most needed is a better understanding of the characteristics of the point of SED-SRH linkage.

- Enterprise-led initiatives are more likely to exert an *indirect* influence on SRH and HIV/AIDS (through contributing to poverty reduction), than a *direct* effect (by providing income and the economic basis for behavioural change). It is not yet clear, however, how significant either effect is likely to be.

- There is a broad consensus that the ultimate solution to the youth poverty problem (and, hence, the most supportive context for
addressing the problem) is within the “broader context of policies aimed at enhancing the overall labour absorption capacity of African economies” (Kanyenze et al., 1999). SED-SRH initiatives are likely to be most effective when they operate within a supportive macro-economic environment, notwithstanding that the greatest need is often in countries or regions where macro-economic conditions are decidedly unfavourable.

- In all economies most emerging opportunities are concentrated in growth sectors. This is true of stagnant and contracting economies as well. Many of these opportunities are as yet “ungendered”, particularly in modern sectors that are not based on traditional crafts and trades.

- In business, a degree of failure and “churning” (enterprise births and deaths) is normal and should be anticipated. Bennell reports that 35% is a reasonable start-up/short-term survival rate (Bennell, 2000). This is broadly consistent with extensive anecdotal evidence reported by Grierson (Grierson, 1997). This modest yet realistic likelihood of success and the narrow “point of linkage” combine to suggest that enterprise cannot be expected to exert a “mass” influence on SRH behaviour.

- Broadly speaking, youth is a handicap in relation to enterprise (due inter alia to the modest skills, experience, capital, networks and status that are normally associated with youth). The notion of youth as an “asset” does not mesh comfortably with the practical realities of SED.

- Selection is important. One of the clearest and most emphatic lessons from SED good practice is that clear target group identification and careful selection within a clear target group frame is essential. Virtually all forms of selection have a positive effect. Despite this there is no standard, much less ideal, selection methodology.

- Gender is important. While the recognition of the importance of gender is universal and cross-cultural, specific issues and

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6 Early phase results are often better than the subsequent norm, as are the results of well-established good practice programs. The Calcutta Youth Self-Employment Centre (CYSEC) has over more than 25 years achieved a sustained start-up rate of 65%, and does so at a remarkably low unit cost (Grierson 1997). Few programs can hope to emulate this accomplishment. In general, 35% represents a realistic and broadly applicable rule-of-thumb.
manifestations vary considerably among cultures and among subgroups as well.

- The indirect and social effects of successful enterprise (e.g. enhanced self-esteem, improved status) are deemed to be important, but are not yet well understood.

- There is tendency to over-emphasise “the lack of access to credit” and to place an unwarranted degree of faith in microfinance as the primary SED instrument.

- There is a marked tendency for existing SED-SRH initiatives to favour SED services that lend themselves to generalised or “mass” delivery (e.g. credit rather than training; entrepreneurship training rather than vocational training). There is no evidence in the SED literature to suggest an empirical basis for this tendency to favour “mass” enterprise approaches. The implication is that the nature of the implementing institution, rather than the “demands” of existing and emergent youth entrepreneurs, is a key influencing factor.

- There is a well-known tendency to respond to more needs with more services, often as “packages” of services. The SED literature does not support this all-to-common practice. Greater attention is needed to identifying and evolving effective practices (i.e. better designed, more effective services) rather than deferring to the intuitive logic of “more services” and “packages” of services.

- Approaches that package SED and SRH components are but one way to link SED and SRH. Packaging is seldom the most effective means of linkage. Greater attention needs to be given to linkage based on institutional networking (rather than on multiple service provision through a single entity).

- Many of the common and readily apparent design deficiencies can be traced to the marked lack of user influence on design, implementation and assessment. The socio-cultural specificity and complexity of the target groups (i.e. hi-risk youth in hundreds of cultures and sub-cultures) require significant user participation in all aspects of research, design and assessment.

- There is a dearth of both critical assessment and of tested and proven SED-SRH remedies. The unpublished information available on current activities is for the most part simple descriptions of design aspects and inputs. There is severe shortage of comparative or evaluative material, hence there is little substantive evidence of either outcomes or impact. Common SED-SRH practice does not appear to be guided by hard evidence of what works. There is a
notable shortage of “learning projects”, despite a general commitment-in-principle to on-going assessment, stakeholder involvement and participatory methodologies at all levels.

- Common practice is not generally consistent with good practice, in part because the point and manner of effective linkage does not appear to be well understood, and in part because only a narrow range of SED options is in common use. There is little evidence of meaningful innovation in SED-SRH.

- Effective youth livelihoods and reproductive health synergies may result from indirect linkages rather than direct linkages. Good practice evidence suggests that the most effective indirect form of linkage is simple “networking”.

4.2 Design and Assessment Tools

The relationship between youth, SED and SRH remains both complex and unclear. Four tools are offered to help tackle the challenge of using SED to lessen the spread and effects of HIV/AIDS among youth.

- **Tool One – Enterprise Context**: Tool One consolidates and displays the field of SED in order to help place individual initiatives within a broad SED framework.

- **Tool Two – Typology of Program Design Parameters**: Tool Two is used to define individual initiatives in terms of their key operational characteristics.

- **Tool Three – Reproductive Health and Youth Livelihoods “Linkages”**: Tool Three is used to conceptualise and identify the point of effective SED-SRH linkage.

- **Tool Four - Design and Assessment Tools**: Tool Four presents a typology of four basic program types considered in relation to four key issues (relevance, cost, equity and asset building).

**Tool One (overleaf): SED Intervention Options**

Tool One sets the stage by helping place individual SED initiatives within the broad framework of enterprise development. Broadly speaking, support interventions are of four main “types” with these applied at three basic “levels”.
### TOOL ONE

**SED INTERVENTION OPTIONS**

<table>
<thead>
<tr>
<th>Type of Intervention</th>
<th>Intervention Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MICRO (enterprise)</td>
</tr>
<tr>
<td></td>
<td>MESO (institution)</td>
</tr>
<tr>
<td></td>
<td>MACRO (policy)</td>
</tr>
<tr>
<td>Policy interventions</td>
<td></td>
</tr>
<tr>
<td>Intermediary Institutions</td>
<td></td>
</tr>
<tr>
<td>Relations among enterprises (business linkages and clusters)</td>
<td></td>
</tr>
<tr>
<td>Internal needs of enterprises</td>
<td></td>
</tr>
</tbody>
</table>

Source: Grierson and Schnurr, 2001

*Most SED initiatives are concentrated here*

Tool One highlights the array of available options and locates individual initiatives within a universe of SED possibilities. Despite this rich variety, most SED initiatives concentrate on the delivery of services to individual enterprises. The study underpinning this chapter found that all SED-SRH interventions surveyed offered only typical micro-level SED services, e.g. training, and microcredit (Grierson and Schnurr, 2001).

### Tool Two: SED Design Parameters

There are many ways of categorising SED, livelihoods and labour market support programs. Common typologies tend to categorise initiatives in terms of their target groups, their objectives or the services offered. Tool Two (overleaf) is used to describe individual initiatives in terms of a composite of parameters. Each parameter is presented as a continuum of possibilities. This rich variety is not catalogued here. Again, the emphasis is on the diversity and complexity of SED design and on the largely under-explored array of available SED instruments.

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7 Kanyanze et al., in the ILO’s “Program on Strategies to Combat Youth Marginalisation and Unemployment”, offer a four component typology: 1) systemic reform of training systems; 2) provision of capital, training and other services; 3) active labor market policies; and 4) employment creation.
<table>
<thead>
<tr>
<th>SED INTERVENTION TYPE / LEVEL CHARACTERISTICS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SED intervention level</td>
<td>micro</td>
</tr>
<tr>
<td>Degree of policy focus</td>
<td>low</td>
</tr>
<tr>
<td>Degree of intermediary focus</td>
<td>low</td>
</tr>
<tr>
<td>Degree of enterprise focus</td>
<td>low</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATIONAL CHARACTERISTICS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational approach</td>
<td>self-contained</td>
</tr>
<tr>
<td>Operational focus</td>
<td>on inputs</td>
</tr>
<tr>
<td>Conceptual openness</td>
<td>defined model</td>
</tr>
<tr>
<td>Basic design characteristic</td>
<td>“minimalist”</td>
</tr>
<tr>
<td>Focus of service delivery</td>
<td>“selected”</td>
</tr>
<tr>
<td>Degree of market focus</td>
<td>demand-led</td>
</tr>
<tr>
<td>Type of service focus</td>
<td>microfinance</td>
</tr>
<tr>
<td>BDS focus (if applicable)</td>
<td>hardware (e.g. tools)</td>
</tr>
<tr>
<td>Training focus (if applicable)</td>
<td>skills/capacities</td>
</tr>
<tr>
<td>Skills/capacity focus</td>
<td>general</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TARGET GROUP (TG) CHARACTERISTICS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TG (definition)</td>
<td>general (i.e. youth)</td>
</tr>
<tr>
<td>TG basis</td>
<td>need</td>
</tr>
<tr>
<td>TG (school status)</td>
<td>in school</td>
</tr>
<tr>
<td>TG (degree at-risk)</td>
<td>low-risk TG</td>
</tr>
<tr>
<td>Selection</td>
<td>TG undefined</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SEXUAL &amp; REPRODUCTIVE HEALTH (SRH) CHARACTERISTICS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic SRH focus</td>
<td>life skills</td>
</tr>
<tr>
<td>Specific SRH focus</td>
<td>goods (e.g., condoms)</td>
</tr>
</tbody>
</table>

Source: Grierson and Schnurr, 2001
### TOOL TWO (examples)

#### TYPOLOGY of PROGRAM PARAMETERS

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Continuum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of policy focus</td>
<td>Both micro (enterprise) and meso (institution) level focused: SITE builds human capital in microenterprises (formal and informal vocational training); trains trainers and strengthens enterprise associations.</td>
</tr>
<tr>
<td>Degree of intermediary focus</td>
<td></td>
</tr>
<tr>
<td>Degree of enterprise focus</td>
<td></td>
</tr>
</tbody>
</table>

#### OPERATIONAL CHARACTERISTICS

<table>
<thead>
<tr>
<th>Basic operational approach</th>
<th>Example: The Trickle-Up Program (TUP), global, a conditional enterprise start-up grant programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational focus</td>
<td>TUP’s basic operational approach is its unusual and effective form of networking (i.e. TUP’s unique system of volunteer intermediaries, an approach that serves to sharply curtail overheads while allowing an impressive degree of “scaling-up”). The operational focus is on “outcomes” (grant induced microenterprise start-ups). Conceptual openness is limited – the model is tightly defined. The “design” is minimalist (i.e. specialised); TUP offers a single product: conditional grants. The delivery focus is self-formed small groups (centre-left on the service delivery continuum). The “market focus” is strongly demand-led. The “service” focus is microfinance (grants). There is no BDS aspect (known to this writer).</td>
</tr>
<tr>
<td>Conceptual openness</td>
<td></td>
</tr>
<tr>
<td>Key design characteristic</td>
<td></td>
</tr>
<tr>
<td>Focus of service delivery</td>
<td></td>
</tr>
<tr>
<td>Market focus</td>
<td></td>
</tr>
<tr>
<td>Service Focus</td>
<td></td>
</tr>
<tr>
<td>BDS focus</td>
<td></td>
</tr>
<tr>
<td>Training focus</td>
<td></td>
</tr>
<tr>
<td>Skills/capacity focus</td>
<td></td>
</tr>
</tbody>
</table>

#### TARGET GROUP (TG) CHARACTERISTICS

<table>
<thead>
<tr>
<th>TG (definition)</th>
<th>Example: Business Establishment and Sustainability Program, (BESP), South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>TG basis</td>
<td>TG Definition and Status: Out-of-school youth (between 18-35) with selection focussed on ability (centre-right on the “basis” continuum). Degree of “at-risk” unspecified. The “selection” system is clear, rigorous, complex and lengthy (far right on the “selection” continuum).</td>
</tr>
<tr>
<td>TG (school status)</td>
<td></td>
</tr>
<tr>
<td>TG (degree at-risk)</td>
<td></td>
</tr>
<tr>
<td>Selection</td>
<td></td>
</tr>
</tbody>
</table>

#### SEXUAL & REPRODUCTIVE HEALTH (SRH) CHARACTERISTICS

<table>
<thead>
<tr>
<th>Basic SRH focus</th>
<th>Example: Partnership for Adolescent and Reproductive health, (PALS), Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific SRH focus</td>
<td>The “Basic SRH focus” is on life skills (awareness). (PAL’s experiment with microcredit was not successful.)</td>
</tr>
</tbody>
</table>

Source: Grierson and Schnurr, 2001
Tool Three: Linking SED and SRH.

Tool Three seeks to visualise the point and range of effective SED-SRH linkage. Linkage is complicated by the reality that SED and SRH initiatives tend to have quite different basic characteristics.

SRH initiatives tend to be broad-based and relatively standardised. They seek to influence large numbers of people within a large target group (e.g. youth) with a single basic message (i.e. “safe sex”). SRH interventions lend themselves to massification and large-sale delivery techniques such as “campaigns”.

In general SED initiatives tend to be the opposite. Enterprise programs tend to offer relatively specialised services to “selected” (often self-selected) individuals with specific and varied needs. The nature of enterprise typically demands quick delivery of specialised services at a relatively high level of sophistication. Very few SED support services can be usefully delivered on the same mass basis as “safe sex”. There are, of course, exceptions to this general rule. These include policy interventions (usually a macro level intervention) - and, of course, microfinance (due in large part to the fungibility of money). Notwithstanding these and other important exceptions there is no such thing as mass enterprise or enterprise-for-all. Within any given target group those who can make good use of SED services are relatively few. This sub-group of entrepreneurs must be identified and “selected”; a process that is particularly fraught in this case in that youth is itself widely deemed a substantial barrier-to-entry to enterprise. A few youth enterprise programs, with BYST and YBI prominent amongst them, have pioneered realistic and effective approaches to the challenge of supporting youth enterprise (Venkatesan and Naayaab, Case Study One, this volume; Street, Case Study Four, this volume).

In seeking the point of effective SED-SRH linkage it is important to recognize that scope for mass delivery does not of itself necessarily equate with either need or useful SED delivery capacity. Microfinance, a common SED option, does lend itself to large-scale delivery (when

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8 Who are sometimes formed into groups for practical reasons (e.g. peer-based collateral).

9 The lessons of agricultural extension do not in general apply. In agricultural extension modestly skilled workers can deliver useful standardised support to large numbers (e.g. information on safe fertiliser use). Hence, there may be significant potential for linking agricultural and SRH initiatives (a question beyond the scope of this chapter).
professionally managed). Despite this basic characteristic SRH initiatives do not have an encouraging track record as microfinance providers. There is some dispute about whether or not they should attempt to be. While microfinance (and SED generally) may alleviate poverty and by implication help reduce HIV/AIDS (Chigunta and Mkandawire, 2002) some find that this position is “supported by neither logic nor by the available empirical evidence” (Morduch, 2000). However this heated debate is finally resolved it must be recognised that inherently different product and service delivery characteristics mean that SED and SRH are not easily compatible in operational terms. Visually, this dilemma is shown (below) as a limited point of effective SED-SRH linkage.

**Tool Three: SRH and SED: Point of Linkage**

| “Selected” | SRH initiatives |
| “Mass”     | Effective Linkage |
| SED initiatives |

Source: Grierson and Schnurr, 2001

The single point emphasised by Tool Three is that the range of effective linkage is limited, specific and hard to identify. The available evidence suggests that accurately identifying the point of effective SED-SRH linkage is at best a challenge. The anecdotal evidence suggests that while SRH interventions with SED components are decidedly problematic they may be more inherently practicable than the opposite. Reaching entrepreneurial sub-groups within a mass SRH target group is probably more viable than reaching a mass audience via the much more “selective” mechanism of SED. The fundamental differences in the respective natures of SED and SRH are such that considerable effort and some innovation will be needed to overcome their inherent incompatibilities. There is as yet little evidence to suggest that SRH and SED programs are operationally compatible. The purpose of Tool Three is to highlight the difficulty of identifying appropriate and effective operating modalities.
Tool Four: Design and Assessment Tool
Tool Four provides a framework for assessing the operational implications of each of four generic SED program types. Tool Four is used to consider the operational implications of four basic SED choices in terms of four key issues: relevance, cost, equity and asset enhancement. Each of these issues is discussed briefly below:

1. **Relevance**: Relevance refers to the degree to which an individual initiative reaches and responds to the aspirations of the target group while accomplishing its intended purpose.

2. **Cost**: Cost refers to inputs in relation to measurable outcomes. Cost should be assessed in terms of *inter alia* overall social or economic benefits, the operational viability and continuity of the support provider and in terms of user willingness-to-pay.

3. **Equity**: Assistance is often difficult to access (barriers-to-entry) and difficult to make use of (barriers-to-participation), especially for those who, due to social or economic disadvantage, are in greatest need of healthy livelihoods. Equity should be assessed in relation to the degree to which initiatives reach and serve the target group’s livelihoods and SRH needs while reflecting and accommodating the culture and the customs of those they serve.

4. **Asset Enhancement**: Livelihood development is grounded in the notion that the disadvantaged have an array of assets, and that these assets represent the basis for their livelihoods. Assessment should consider the degree to which interventions seek out and subsequently enhance individual and community assets.

There are many systems for categorising SED initiatives - and much debate about how this should be done. The categories used here (overleaf) reflect the four current commonly accepted categories (i.e. “enterprise needs”, “enterprise-to-enterprise relationships”, “enterprise institutions” and “enterprise policy”) that were introduced in Tool One.
4.3 Closing Comments

The modest level of overall SED-SRH activity is surprising. Many of the approaches in common use are not well supported by either the current SED literature or their own operational evidence. Some “innovations” are decidedly at odds with accepted SED good practice (e.g. regarding single agency delivery of multiple services and non-professional microfinance delivery). Evidence of introspection is disappointingly thin. There is little evidence of learning or, indeed, of specific intent to learn (i.e. openness). Reflecting both the top-down nature of most development machinery and the patriarchal structure of most SSA cultures (though not necessarily SSA youth sub-cultures) few

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10 Reported SED-SRH linkages are rare with the majority of these not bearing up under even superficial examination. Between March and November 2000 the International Center for Research on Women (ICRW) reviewed “existing information on a wide range of programs classified as ‘linked’” (in terms of reproductive health and livelihoods). In the event, only 89 (37.2%) of an inventory of 254 programs initially deemed linked proved classifiable as linked in any form, including “tentatively linked” and “weakly linked” (ICRW, 2000).

youth programs manifest or seek substantive user influence. Many pointedly avoid user control\footnote{Some youth microfinance programs only allow their clients to receive loan proceeds “in-kind” rather than in cash. This is pointedly at odds with what might be called the post-Grameen conventional wisdom that needy people – of all ages – are rational, responsible and trustworthy (i.e. bankable).}.

Few programs offer evidence of having derived their characteristics and values from their users. This is disappointing for at least two reasons. First, it is well established in the SED literature that effective interventions reflect the culture, values and practices of those they serve (Gibb and Manu, 1990). Second, it is widely acknowledged (if not adequately understood) that it is crucial among youth generally and in SSA specifically to understand and respond to the specific characteristics of local youth cultures.

The prominence of the HIV/AIDS crisis seems certain to ensure that the expansion of practice will outpace supporting research. Furthermore, common practice, however inappropriate, seems certain to be replicated, perhaps on a significant scale. Both likelihoods have worrying implications.

In some cases the solution to the challenge of adopting SED good practice can be found by accessing specialised SED services through institutional networking. This is not only a well-recognised and effective practice in its own right, it is the approach most likely to offer scope for quick and effective action on a significant scale. The networking approach, as with all approaches, has its limits. In many cases the institutional networking option will simply not be available. This will present many SSA SRH and youth livelihoods programs with the unhappy dilemma of doing poorly or doing without.

The primary purpose of the “tools” presented in this chapter is to help individual projects and programs, NGOs, support institutions and research initiatives make informed choices, particularly those with only limited access to SED support services and SED networks.
Public stenographer (scribe) in the streets of Lima, Peru

Photo: J. Maillard © ILO
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PATHWAYS TO LIVELIHOODS AND DECENT WORK


163


Webster's Collegiate Dictionary (2000). Merriam-Webster, Toronto


Pathways to Livelihoods and Decent Work

About this Book

Chapter One summarises the issues influencing youth livelihoods and decent work in developing countries and places them within the context of poverty reduction, equity and growth. Chapter One introduces the PathFinder Framework for Effective Practice, a tool to help provide effective livelihoods support to young men and women.

Chapter Two describes the component parts of the PathFinder and illustrates effective practice with examples from Africa, Asia and Latin America.

Chapter Three offers in depth case studies of effective livelihoods support programs. Each of the four case studies illustrate aspects of the PathFinder approach to youth livelihoods and decent work.

Chapter Four investigates positive synergies among livelihoods, enterprise and HIV/AIDS reduction. Chapter Four includes design and assessment tools to help planners and practitioners use enterprise and livelihoods as part of the struggle against HIV/AIDS.