

4 challenges facing young entrepreneurs and what to do about them

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Despite Africa's impressive growth in the past 25 years and its entry into the digital economy, the job market continues to be in a depressed state as youth unemployment continues to rise. Africa has the largest population of young people in the world, some 200 million aged between 15 and 24, accounting for 60% of all of Africa's jobless. This is alarming to say the least because youth employment could drive economic development in Africa if we invest in them.



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The question is “What steps can we take to address this?” Africa needs a way out of poverty, and entrepreneurship may be key. It has the potential to create millions of jobs in Africa and youth entrepreneurs may bring about the positive change we urgently need. And although more and more youth are looking into entrepreneurship, there are many challenges facing this sector like the lack of access to information, finance, networking and mentoring. These four pillars are critical in modern-day entrepreneurship, as well as taking on a virtual presence in the digital economy. Everything around us is connected and entrepreneurs need to embody the virtual world in order to be successful in smart cities of the future. But challenges relating to the four pillars in the virtual world need to be addressed in order to give Africa’s youth a fighting chance.

Mentoring

Young entrepreneurs require mentoring and trust is a crucial element of this. In the past, this relationship would have been established over a period of time or through a structured mentoring process, which is more than a once-off event. But this is not how it works in today’s world.

Mentoring happens in the virtual world where it has become increasingly difficult to build trust without physical face to face interaction. Entrepreneurs are sceptical and unlikely to share details or sensitive information with a mentor on the internet without being able to trust that person first.

Networking

Networking is standard practice for business professionals who want to establish contacts and relationships. It is a process that helps foster the exchange of information and ideas among individuals that share a common interest. Virtual networking is challenging because a growing number of business networks only want to support mature entrepreneurs rather than

youth.

This has resulted in minimal opportunities for young entrepreneurs. There are a few fellowships with a virtual presence in Africa, but they are not enough for the kind of networking that is needed.

Finance

Financial transactions are rarely done on a virtual platform. It requires a physical presence and face to face interaction. However, some initiatives that do have online support provide potential capital providers and this is extremely crucial because funding makes entrepreneurship possible.

Information

Most youth entrepreneurship focused initiatives aim to provide information and advisory services of some kind, while virtual platforms provide specific information. Information tends to be outdated after a short period of time.

The challenges facing youth entrepreneurs in Africa are broad and varied, and this was precisely the reason why the United Nations Development Programme (UNDP) decided to establish a virtual platform for entrepreneurs. The UNDP's Regional Service Centre in Africa engaged Accenture, an innovative leader in digitalisation, to facilitate the implementation of a pan-African entrepreneurship portal called YAS (Youth for Africa and Sustainable Development Goals) to address the four main pillars for the betterment of Africa and its youth.

The objective is to help young entrepreneurs move away from being jobseekers to becoming job creators. This is important because the United Nations estimates that by 2050, the world population will have grown by 2.2 billion people and half of them will be African. This population explosion will have far-reaching implications for Africa's labour force, so it is important to look at the demographic make-up.

The youth are Africa's greatest asset and we have an abundance of them. Youth employment has the capacity to drive economic development and it is therefore critical that all sectors work together to improve access to finance and skills so that these youth have the tools they need to build and develop a sustainable Africa. Can you imagine an Africa where 90% of our youth are employed? Can you imagine what this will do for economic growth? Can you imagine what Africa will look like if poverty did not exist?

ABOUT THE AUTHOR

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