

Youth Think Tank Report:

Spotlight on Youth Entrepreneurship

Supporting small-scale entrepreneurs to expand their businesses and create employment opportunities in Sub-Saharan Africa

Youth Entrepreneurship Research Report
May 2021



Author:



**RESTLESS
DEVELOPMENT**



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ON THE COVER:

WENDY CHELGAT AT HER STORE IN NAIROBI, KENYA. WENDY PARTICIPATED IN THE MASTERCARD FOUNDATION PARTNERSHIP WITH CAP YOUTH EMPOWERMENT INSTITUTE.

Preface

We came together as a team of young researchers in 2019. Given the youth employment crisis, which is affecting millions of young people in Africa like ourselves, we set out to investigate possible solutions.

Previous research in Uganda, done by some of our young researcher peers, highlighted the potential of young people running small-scale businesses to address this challenge. They want to address this crisis, and offer work opportunities to their peers, but they struggle because they face limitations in expanding their businesses. We took this as our starting point, looking into the aspirations of young small-scale business owners in seven countries across Africa and the barriers they face. We learned so much about how we need to rethink these young entrepreneurs.

Restless Development and the Mastercard Foundation supported our collective mission to focus on the views of young entrepreneurs by engaging us as young researchers. This was an eye-opening experience, and one that helped us fulfill our potential while building our professional and leadership skills.

Connecting from Ghana, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia to conduct this research, our diversity was a key strength that we drew on to make this research project a success. We have been inspired by the power young people have — both as researchers and as drivers of employment — when provided the space and support they need to deliver on that potential.

COVID-19 provided us with unique challenges and interrupted our data collection process. However, we came together and developed creative solutions to find the voices we sought.



We were able to reveal this power through the peer-to-peer youth-led research approach that we used. We were able to record rich insights and lived experiences that are often missed in traditional research methods. We captured a detailed picture of the realities of young entrepreneurs often lost in large-scale quantitative studies.

COVID-19 provided us with unique challenges and interrupted our data collection process. However, we came together and developed creative solutions to find the voices we sought. We also turned this challenge into an opportunity to understand how youth entrepreneurs have been impacted by COVID-19 and, as we have learned, how they have remained resilient amidst this crisis.

Our research, and the approach that we used to deliver it, both highlight that young people can offer a solution to the youth employment crisis if we help them address the challenges that their businesses face. Young people can act as valuable experts, offering insights into key policy issues when they are supported to lead the research process.

We urge development practitioners and business sector promoters of youth entrepreneurship to act on these findings. We want them to use this data to inform decisions made when addressing youth employment. We also urge those conducting research on youth issues to meaningfully engage young researchers in the process because they are best placed to understand these issues and to connect with their peers, as this research shows.

We are grateful to fellow young researchers who we undertook this project with, and all the young entrepreneurs who generously offered their time to respond to our questions and shared insights that have remained thin on the ground for a long time. We also give a vote of thanks to the Mastercard Foundation and Restless Development for believing in our potential and empowering us to lead the research process. This report is a testament to their commitment to supporting young people to shape their own futures.

2019–2020 Youth Think Tank Cohort

Executive Summary

The youth population in Africa is currently the largest it has ever been. This is not just a challenge. It also presents an opportunity to harness the power of this generation to solve a number of issues we all face.

We are in the middle of a massive youth employment crisis. In the next decade, more young people will enter the labour market than there will be jobs available to absorb them. Development practitioners, policymakers, and academics have spent the past decade discussing where the solution to this crisis could be. However, they have largely overlooked speaking to small-scale entrepreneurs. Those who are self-employed or have only a few employees, and those who are running small informal businesses selling goods and simple services also represent a large proportion of the work that is done in Sub-Saharan Africa.

Our research shows that it is time to rethink these entrepreneurs and take note of their potential. They have strong aspirations to grow their businesses so that they can employ others. They are ready to help expand employment opportunities in their countries. And they are willing to tackle the problems they face in doing so, whether that is dealing with competition, taking on risks, or weathering a global crisis. They think critically and carefully about their businesses. They need our support, not to create businesses for them, but to work alongside them to add systems, structure, and rigour to the plans and processes they have already set up.

This is what we've learned about them:

Young people can be a part of the solution to the employment challenge when supported to do so

The young entrepreneurs we spoke with care about more than just their own success. When asked about their aims, they expressed hopes to grow their businesses so that they can offer training and work to their peers. This is the legacy that they want to leave behind. There is huge potential in their aspirations.

However, while young entrepreneurs have goals for how they would like to grow their businesses, they do not have detailed business plans that map out how they will connect the day-to-day of their businesses with their grand ambitions. They could benefit from business development services that help them develop these road maps, while acknowledging the visions that they already have.

With support, young entrepreneurs can better understand their markets before seeking business opportunities

Young entrepreneurs put a lot of thought into the businesses that they choose to form. They are not just drawn into whatever is available. Instead, they weigh current demand, preferences, trends, competition, and the fullness of the market. They have a strong understanding of what businesses would work best in their context. Young entrepreneurs show great confidence in starting businesses in areas where demand is great enough to keep profits up.

These young entrepreneurs could use support, however, in developing organized processes to help them capture information they need to compete and grow. Our conversations with the young entrepreneurs reveal that they have a strong passion and vision for their businesses, based on their unique talents. Their business selection was a choice informed by these personal factors as well as many practical ones. Support provided to these business owners must take into account the vision that young entrepreneurs already have for their businesses, rather than treating them as a blank slate.

Young entrepreneurs can grow their businesses by building their competitive advantage

Young entrepreneurs view competition positively, seeing it as driving their learning and creativity. They see the risk that comes with competition as a push to keep improving their businesses. They have developed their own ways to manage competition, relying mostly on building loyal relationships with the customers they have, and reaching new customers through marketing, particularly via social media.

Business owners could use more support to improve their competition strategies, to learn how to judge risk and to market their products, particularly through social media use. Part of this support could be collecting customer feedback and creating marketing ideas to bring in more customers. This could be a first step in growing their businesses.

Young entrepreneurs need access to tailored skill-building opportunities and financial capital from trusted sources to grow their businesses

The young entrepreneurs we spoke with managed to find the money to start their businesses and apply the skills they already have to succeed in running them. But they face several barriers to accessing capital and skills to grow their businesses. They largely relied on informal channels, getting loans from friends and family and building their skills independently from online sources. They find those in their social networks to be more understanding of their needs and more flexible than more formal financing and skill-building options.

Training opportunities for young entrepreneurs should teach financial management best practices that can be applied in their contexts. Business development services should recognize diverse contexts and provide a variety of options so services are tailored to individual needs. Mentors can also help link young entrepreneurs to essential information, services, and opportunities that can spur business growth.

Young entrepreneurs are building their resilience to COVID-19 and adapting their businesses to the 'new normal'

Many young entrepreneurs have continued to strengthen their customer engagement by exploring new ways of connecting with their customers through social media and digital platforms. They also have shown a high level of resilience and are focused less on how COVID-19 has set them back and more on adapting to the new situation. They have shown a high level of confidence that their businesses will not only bounce back but will rebound better than before.

That said, they also stressed that financial support from their governments and more favourable financial products from private institutions could help them recover more quickly. Young entrepreneurs could also be helped to better adapt to the new normal by learning how to improve customer interactions through digital services.

Our research identifies key challenges that young entrepreneurs face in expanding their businesses. We propose areas where support is needed to change this narrative for the better. Our findings challenge the usual ways of supporting small-scale businesses, and we call on the private sector, financial institutions, donor agencies, policymakers, and development practitioners to recognize the power and agency of these young entrepreneurs. They want to be part of the solution to the youth employment crisis. It is on us to support their ability to do so.

Our Youth-Led Research Methodology

We are sharing our findings as 21 members of the Mastercard Foundation Youth Think Tank. We come from, and collected data in, seven African countries: Ghana, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia. We used Restless Development's [youth-led research methodology](#), and we led every step of the research process. Our findings reflect the lived realities of young people, captured by young people.

RESEARCH CONTEXT

In 2013, the World Bank identified that a youth employment crisis was going to occur over the next 15 years. While one billion young people will enter the labour market in that time, only 400 million of them will be able to find jobs, if job creation rates remain constant. So 600 million new jobs will be needed to absorb the extra youth labour, mostly in Asia and Sub-Saharan Africa.¹ Many point to supporting youth entrepreneurship and self-employment as an important part of a solution.² In line with this challenge, we asked ourselves a question:

If all those who are running small-scale businesses were able to expand and employ one or two others, would this help us close the youth employment gap?

This question led us to think about what could be holding this group back. In 2018, we conducted a [pilot youth-led research project](#) looking at the experiences of young people

running small-scale businesses in two Ugandan regions. This research showed that young Ugandan entrepreneurs want to grow their businesses and employ others. But they face limits on the growth of their businesses from competition, changing costs, and taxation policies.³ In this report, we expand on this pilot to ask similar questions of a wider range of young entrepreneurs across Sub-Saharan Africa. We hope to identify what gets in their way and what support they might need to become a source of employment for other young people.

RESEARCH FOCUS

Our pilot research suggests that young entrepreneurs running small-scale businesses are eager to help address the youth employment crisis by growing their businesses and employing their peers. However, to make that happen, we need to identify what challenges they face in meeting these goals. So, we took this as our primary research question:

What challenges do young entrepreneurs running small-scale businesses in Sub-Saharan Africa face in expanding those businesses?

We recognized that business owners have some challenges based on how they decided on their businesses in the past, and how they want to grow and expand them in the future. So we also identified the following secondary research questions to guide our study:

- What considerations do these young entrepreneurs make when selecting which businesses to pursue, e.g., market saturation and risk?
- How do these young entrepreneurs manage and respond to competition?
- Where do these young entrepreneurs get information on potential support, e.g., funding or skill-building opportunities?
- What plans do these young entrepreneurs have for the future of their business, and what barriers prevent them from achieving these plans?

For this study, to ensure clarity and consistency, we composed our own definition of what a small-scale business is. Because income and profits are difficult for some to manage and need consistent bookkeeping skills to properly calculate, we chose not to include a measure of either of these in our definition of "scale". Instead, we used the number of employees engaged in the business as an indicator of business scale — taking zero to three employees as our threshold. We were able to look closely at the constraints that prevent those who are self-employed from becoming employers by engaging with those who have few employees and specifically targeting those who have none. We also did not use a definition of "employee" that is based on formal employment because our businesses of interest are likely to be informal.



DESIGN, SAMPLING, AND DATA COLLECTION

We used a mixed methods design for this study. Our study is mostly qualitative, based on interviews. We followed this design to examine young entrepreneurs' experiences in-depth. We also wanted to analyze key points in their journey, from their choice of business, to where they would like to take it in the future. While this data does not represent all young people, the rich detail we captured provides a nuanced picture of young people's realities. This complexity is often lost in purely quantitative studies. However, we added to these qualitative insights with quantitative survey data collection to strengthen the findings from the qualitative data analysis.

We collected qualitative data through semi-structured interviews using open-ended questions, held between January and November 2020.⁴ Respondents were purposively sampled to make sure that they had experience that was related to our research questions. We put an emphasis on gender balance and variation in business type. Table 1 summarizes the number of interviews that we conducted per country.

MR DAVID OMORI TEACHING A CLASS ON ENTREPRENEURSHIP IN URBAN FARMING AT KILIMO JIJINI IN KENYA.

TABLE 1. SEMI-STRUCTURED INTERVIEW RESPONDENTS BY COUNTRY

COUNTRY	TARGET	ACTUAL
Ghana	40	35
Kenya	40	40
Malawi	40	34
Rwanda	40	39
Tanzania	40	32
Uganda	40	45
Zambia	40	37
Total	280	262

While we aimed to collect 40 interviews per country, we were unable to meet this target in most countries. This was because of the impact of COVID-19 on the data collection timelines and of COVID-19 restrictions on researchers' ability to gather respondents. However, we are confident that this amount of interviews was enough for the research questions that we identified because we saw similar themes coming from the data both within and between countries.

To strengthen the findings of our qualitative data analysis, we consulted a larger number of entrepreneurs through a simple 20-question survey in November and December 2020. Our survey sample is not intended to represent all young people and so it is not based on a rigorous sample size calculation. Instead, it is an indicative sample used mostly for supporting key qualitative themes.

Survey respondents were identified randomly by transect walks along defined paths through key market areas in peri-urban regions, between urban and rural spaces. As with the interview respondents, survey respondents were "small-scale business owners" as defined above. Table 2 summarizes the number of surveys conducted per country and provides a breakdown of survey respondents' gender.

TABLE 2. SURVEY RESPONDENTS BY COUNTRY, INCLUDING GENDER BREAKDOWN

COUNTRY	TARGET	ACTUAL
Ghana	150	164 (95 M, 69 F)
Kenya	150	106 (59 M, 47 F)
Malawi	150	105 (66 M, 39 F)
Rwanda	150	150 (80 M, 70 F)
Tanzania	150	73 (39 M, 34 F)
Uganda	150	138 (83 M, 55 F)
Zambia	150	123 (67 M, 56 F)
Total	1050 (50% M, 50% F)	859 (56.9% M, 43.1% F)

Researchers were not able to reach the targeted number of surveys in every country due to COVID-19 restrictions and the difficulty of gathering respondents.⁵ Additionally, we did not achieve the gender balance in the survey sample that we had hoped for. Researchers found it more difficult to identify young women owning small-scale businesses than young men. Due to time constraints and COVID-19 restrictions, they were unable to find more female survey respondents. So, our findings might be more true for young men than for young women, though not by a large margin.

We received ethical approval from national review boards in each of the countries the study was conducted in before starting data collection. We collected data in local languages. Qualitative data was captured through audio recordings using tablets and later transcribed and translated into English. Quantitative data was collected through a digital survey platform, administered by young researchers.

Unless specifically mentioned in the text as "survey respondents" all other discussion refers to interview respondents.

We focused on getting a high representation of diversity of businesses. So, our data are not able to speak to the specific opportunities and constraints of some types of enterprises. Additionally, we are not able to speak to any overarching limits — such as market saturation and changes in consumer income levels — that could be impacting these business owners. This is because our research methodology prioritizes young entrepreneurs' lived experiences.

COVID-19 Impact and Adaptation

Unfortunately, as with many studies, COVID-19 interrupted our data collection period, and our researchers had to pause their data collection due both to national lockdowns and concerns for their safety. Therefore, they were not able to finalize our data collection as planned. However, this did allow us a unique opportunity that we have used in the analysis. Because part of the data was collected before COVID-19 and part was collected since the pandemic began, we are able to speak to the state of youth small business before COVID-19 and isolate the impact of the pandemic on these businesses. We believe that this makes our findings even more relevant.

Collecting data after the start of the pandemic did mean, however, that we adapted the data collection to minimize risk. Researchers continued to gather participants physically as planned to ensure that we were still able to identify relevant types of respondents, while wearing PPE. However, interviews and surveys were then conducted by phone call to minimize the risk to both the researcher and the respondent. This could have had an impact on how the researcher and the respondent related, affecting data depth and quality. Whereas data would ordinarily have been analyzed with all researchers together, we did our analysis workshop to virtually.

ANALYSIS

We took a deductive approach in our qualitative data analysis, where we identified themes emerging from the data based on codes of interest. We later organized these into specific findings, supported by the evidence of direct quotations.

We transcribed and translated the primary data. We then reviewed and coded the data according to pre-specified key codes of interest taken from our primary and secondary research questions. We analyzed the coded data to find patterns that could be developed into themes. We re-checked the themes against our data to be sure that every emerging theme had a strong basis in our primary data. Finally, we mapped the themes against one another, drawing connections between them, and described them in detail.

We added to our thematic qualitative analysis with descriptive statistics of our quantitative survey data.

The report was then written under the leadership of five dedicated young researchers from Ghana, Malawi, Kenya, Rwanda, and Zambia. They wrote a draft report that was peer-reviewed by the other young researchers. This is in line with our commitment to promoting youth leadership across every stage of the research cycle. It also ensured that the report captures the insights created by young researchers' experience in the field and their direct interactions with respondents.

VALIDATION

According to our youth-led research methodology, we would have strengthened our analysis through workshops held with participants. During these workshops, we would present the research findings to participants to ensure their voices were accurately represented. However, because of COVID-19 restrictions, and because most of our respondents have limited online connectivity, we were unable to hold these workshops virtually.

Instead, we will incorporate elements of this validation process into how we share the findings of this report and, therefore, how we structure conversations about the findings included within it.

Results

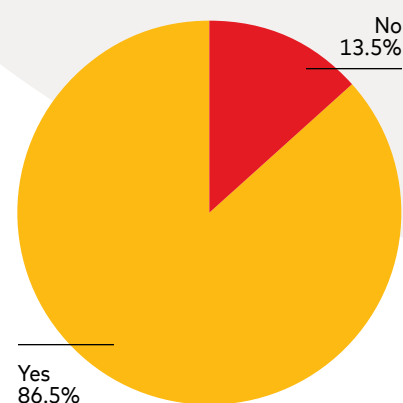
1. Young entrepreneurs do not enter any available business that they've seen.

Instead, they weigh a number of practical factors — demand, capital, skills, etc. — to determine which business would be the right fit for them before establishing it.

An analysis of market demand is the biggest factor in their selection process, while capital is their biggest constraint.

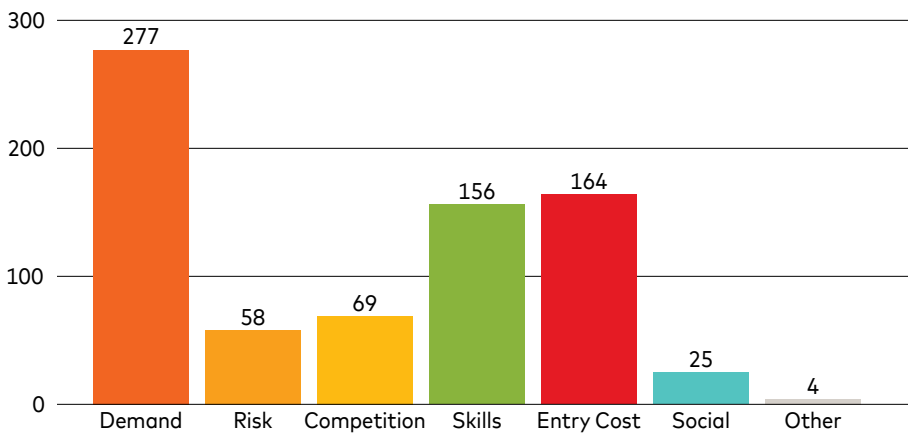
According to our survey data, a large majority (86.5 percent) of young entrepreneurs reported that they followed some process to determine which business to pursue, as Figure 1 below shows.

FIGURE 1. YOUNG ENTREPRENEURS REPORTING THAT THEY FOLLOWED A SELECTION PROCESS TO DETERMINE THEIR BUSINESS



When asked which factor was the most important in informing their selection, young entrepreneurs reported different motivating factors, as Figure 2 below shows.

FIGURE 2. PRIMARY FACTOR REPORTED BY YOUNG ENTREPRENEURS FOR THE BUSINESS THEY SELECTED

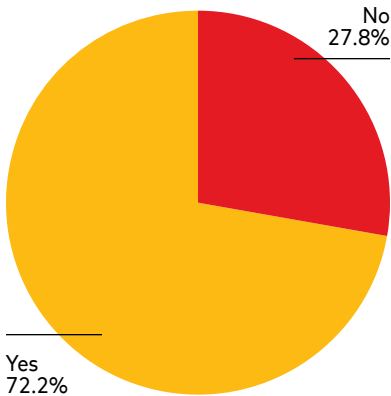


However, high customer demand was brought up most frequently by participants, followed by the cost barriers to setting up the business, and whether they have the necessary skills to do so.⁶ Risk and competition do not play a large role in the business selection process for most young people. This shows that young entrepreneurs have a healthy appetite for both, as later sections discuss. All of these considerations show a very practical, realistic approach to determining which business to pursue.

Risk and competition do not play a large role in the business selection process for most young people.

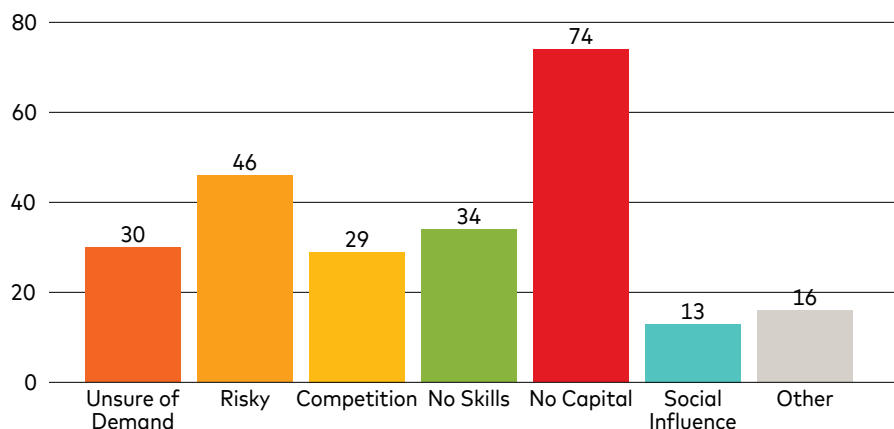
We wanted to know how careful young entrepreneurs are in their business selection process so we asked them whether they considered multiple business options before making their final selection. As Figure 3 below shows, the majority (72.2 percent) of young entrepreneurs did weigh multiple options to determine which would be the most viable in their context.

FIGURE 3. YOUNG ENTREPRENEURS REPORTING THAT THEY SELECTED THEIR BUSINESS FROM AMONG A SUBSET OF OPTIONS



When asked why they did not choose one of the alternatives that they were considering, the answers young entrepreneurs gave varied, as Figure 4 below demonstrates.

FIGURE 4. PRIMARY REASON REPORTED BY YOUNG ENTREPRENEURS FOR NOT CHOOSING ANOTHER BUSINESS OPTION



However, the factor that most clearly stopped young entrepreneurs from exploring some of their alternative ideas was a lack of capital needed to establish that alternative business.

Among the young entrepreneurs that we surveyed, most carefully considered the business that they selected, comparing it to alternatives and weighing the businesses' likelihood to succeed. This was reinforced in our interviews, as young entrepreneurs detailed the process by which they identified and selected their business ideas.

Similar to our survey respondents, a common theme among the young entrepreneurs that we interviewed was the attention that they paid to market demand when determining which business to pursue

When asked what informed their decision to set up the particular business they had, young entrepreneurs regularly mentioned market demand as the factor that informed their business selection. As a Malawian clothes vendor said, "right from the moment I realized the need for me to be doing something, I analyzed the market." Among the entrepreneurs we spoke with, while they mentioned several factors informing their business selection, often demand was the first thing that they considered.

A few entrepreneurs we interviewed said that they identified unmet market demand that they could tap into by offering unique products on the market. For example, a young Zambian entrepreneur mentioned that she "wanted to sell something different, but that was attracting [sic] many people." So, she began selling ladies slacks because there was no other seller — just those selling dresses and skirts. Similarly, a Rwandan florist described, "I analyzed [...] these areas of Kigali Heights and found that there is a potential need for flower shops as there is a mass of expatriates that come here on a daily basis." Both of these entrepreneurs identified an opening for products that consumers demand but that other sellers in the area were not providing.

While these young entrepreneurs are offering unique products, the majority of those we interviewed were offering goods and services that are common on the market, and where they have competition. So, they looked at how they could meet unmet demand a little differently.

More common among entrepreneurs than coming up with a unique offer was determining where market demand was large enough to support more businesses. As a young Zambian entrepreneur selling cell phone accessories explained, "I realized that the need was enormous...regardless of the other suppliers, at the end of the day, sales are guaranteed." Others voiced similar perspectives, stating that when they looked at the market, they "realized that it was huge," as a Zambian hairdresser mentioned. These entrepreneurs selected their businesses after recognizing that the market was not yet full, even if there were others offering similar products and services.

However, entrepreneurs recognized that demand changes over time. They took into account how often consumers need the goods that they offer, and how much room in the market that leaves for them to fill. As a young Malawian entrepreneur said, "I saw this as a fast business. The goods that are sold are the most [sic] things that people need in their everyday life, which make [sic] the market so huge." In this entrepreneur's analysis, regular need on a daily basis ensures that there is continual demand, leaving gaps that they can fill.

This was a common factor that those selling goods considered. As a Rwandan vegetable vendor described, "I searched for something that people like, which is frequently used in households here in Kigali and found that vegetables are the right ones. Many Kigali households would not take a meal that does not contain vegetables." A young Tanzanian selling sardines and eggs made a similar analysis when selecting his business, "I looked at something that is a basic need to people, like if I do this I will be able to sell something every day. I don't want something that takes a week without being sold...A small profit daily is better than one who sells once a week."

For both of these sellers then, selling goods that consumers need on a daily basis ensures not only consistent demand but also consistent profit.

This was not just the case for consumables: those offering durable goods also had a similar thought process. A second-hand clothing seller in Ghana explained in the following way, "If you have noticed, clothing is something needed in everyday life for humans...Whatever situation, you have to get clothing. So, that's what we considered." A Tanzanian clothing seller brought up a similar reason for these products, "The factors that I used was first looking at the business that would rotate easily, and with my little research, I discovered that many people love quality products that are available at an affordable price."

The young entrepreneurs above did not explicitly mention that they were conducting an analysis of demand, although their descriptions do demonstrate this. However, as with the Tanzanian clothes seller above who mentioned the "little research" they did on demand, several entrepreneurs that we spoke with described conducting "research" and "analysis" specifically when explaining how assessing demand influenced their business selection.

The quotations below showcase how entrepreneurs analyzed market demand ahead of establishing their businesses:

Through research, it helped me in establishing my business. Like, I saw the peddlers and retail shops, where I thought it would be better to bring the [service] closer to people. This is because when the peddlers and others sell the product in whole[sale] and I sell in retail, I get the customers who buy in small quantities. So, regardless of them taking my customers, I still remain with retail customers.

- A young Tanzanian sardine seller

I used a business plan...I studied people, meaning customers. So, I did a [sic] research [into] what type of food they like, then I cook according to what type of food they like.

- A Malawian restaurant owner

I analyzed the market, my target group of clients, and found that I can serve them my products, as they would spend a long time waiting for the products to be imported in the country, so this was an identified opportunity.

- A Zambian entrepreneur
importing goods from South Africa

What all of these examples show is that entrepreneurs intentionally analyzed consumer needs to inform what their businesses would offer and how they would operate.



**PHENNY OMONDI, MUTURI NICKSON,
AND PURITY KENDI AT KILIMO JIJINI,
PHENNY AND PURITY'S VERTICAL FARM
IN KIBERA IN NAIROBI, KENYA.**

While not all entrepreneurs identified doing market research by name, others did mention more informal processes that they followed to determine market demand. For example, a Malawian entrepreneur ordering clothes from South Africa explained a more informal process of market research on consumer demand, saying, "Before choosing the business, I had to check with friends that I have to see their likes and dislikes...I decided to run my business by looking at the majority of likes." Among the entrepreneurs we spoke with, this more informal research process was more common than a formal study or business plan.

Common among many of the entrepreneurs was an assessment of how location drives demand for specific goods and services that they could offer. A young Malawian running a printing business explained, "I considered the market place...There are schools around, and these schools have so many students, which are also my customers." A young Zambian entrepreneur agreed with this thinking, saying, "For me, location was the biggest factor...the place I sell from is highly populated." Several others also mentioned how they looked for highly populated areas to establish their businesses to ensure demand for their goods and services.

Young business owners refer to market demand as one of the biggest considerations informing their business selection. From their narratives, they consider many factors to assess demand, including consumer preferences, purchasing trends, and location, among others. In doing so, they showed that they have a strong and detailed understanding of how demand impacts which business they should select.

However, when reflecting on how they measured market demand, the entrepreneurs we interviewed did not all analyze demand in the same way — or to the same level of sophistication. Young business owners would benefit from more support in how to assess market demand. This would increase the strength of the processes they already follow in selecting their business of choice.

For young entrepreneurs producing a product themselves or offering a specialized service, having the skills to do so — often supported by positive role models — was fundamental to their decision to pursue that business

While all business owners mentioned the importance of demand and capital as factors in their business selection process, having the skills needed to perform their chosen business service was a factor that was much stronger among those whose businesses required specific technical skills. Those running businesses such as restaurants and catering services, mechanic and repair shops, hair plaiters, and tailors all mentioned that this was something that they were "good at," "had the skill for," or "studied."

For example, when asked how he selected his business, a Malawian entrepreneur running a phone repair business explained, "It is the skill I have." He then explained how he learned the skill, saying, "As a boy, I patronized a certain shop in my home town. I used to chat with the shop owner who was fixing gadgets. I would just watch, and then I learned." In addition to having the skills to start his enterprise, this entrepreneur described the role that having someone to learn from played in his journey to acquire those skills.

He was not alone, though others described the role models who took a more proactive role in their skill development. Other entrepreneurs in these types of businesses gave detailed descriptions of how role models supported them to gain the skills they needed to enter the businesses they had:

I approached my aunt who had been working in the tailoring business for almost 10 years. She had a strong experience in this sector, and due to my passion for garment designs and sewing, I decided to take an apprenticeship in her business for two years. In that period, I not only learned from her sewing techniques but also market entry systems.

- A Rwandan tailor

There wasn't really someone to help me and guide me in doing these other businesses. At least I found someone to help me with the doormats, and that was why I went for it. I learnt from my aunt because she was the one that used to make doormats...I realized I would sell and make money out of it just like my aunt, and she connected me to some of the people she was selling to and I started selling just like that.

- A Zambian doormat maker

For both of these entrepreneurs, their role models played a prominent role both in teaching them skills but also providing them with the connections to start making an income from these skills. For the Zambian entrepreneur in particular, the lack of access to those who could teach her the skills required for her other business ideas is what pushed her away from considering these alternative businesses. These are just two examples of a common theme among those running businesses that require specialized technical skills.

Interestingly, general business skills were not something that many entrepreneurs mentioned playing a role in helping them establish their businesses. Instead, these skills were much more prominent in the support that they said they needed in order to expand their existing businesses, as a later section will discuss.

Access to money is a key constraint for young entrepreneurs in selecting a business and — more frequently — which ideas they were unable to pursue

It is not surprising that capital is a major factor in which businesses young entrepreneurs are able to explore, and overtakes other considerations. A young entrepreneur operating a salon in Malawi explained just how much capital was a factor in her decision-making process, saying:

"For me to choose this business of salon, it's because it was my talent from [sic] a long time... I also looked at the capital that I had at that time, and the money that I had was enough to start my salon. That is why I confirmed in my heart that this is really my business — because of capital."

In her description, her talent is a factor in her business selection, but talent alone did not inform it. Instead, it was capital that "confirmed" her decision. Without access to the capital needed to establish the business, she would not have been able to do so.

Other entrepreneurs similarly explained that money enabled them to start the businesses they selected. However, more frequently, they spoke of capital as a limiting factor.

Young entrepreneurs were not less motivated to start the businesses they did because of low costs to entry, but rather they were deterred from exploring some of the other ideas that they had because the costs to do so were too high. As a young Malawian entrepreneur stated, "Before I started, I had other businesses in mind, but with the capital I had, I chose this [a printing business]."

When asked about other business ideas that they had considered, those we interviewed regularly mentioned the same experience, as the selected quotations below show:

I had some several [sic] ideas, but money scarcity could not allow me to try them out.

- A young entrepreneur in Malawi

If I had capital, I would have [...] started selling something different, [...] going to the capital city to buy different things like plastic cups and plates and be [sic] selling them here.

- A Zambian ice cream seller

I had other business ideas. I was thinking of starting a car wash, but the capital was expensive and renting a space was also too expensive.

- A young entrepreneur in Kenya

For all of these entrepreneurs, the businesses that they are engaged in were not the ones that they initially had in mind. These entrepreneurs were not alone. Several others also mentioned that they would have followed a different business idea that they had in mind, had they had the capital to do so.

That said, while lack of capital keeps several of the entrepreneurs we spoke with from exploring the businesses they would like in the present, that does not mean that they think things will always be that way. Instead, a common theme among those who are currently limited is that they feel they will not always be. A Ugandan scrap dealer explained as follows:

"The businesses I wanted to do as me [sic] all required a lot of money, and yet scrap, you do not need to start with a lot of money. You start expanding with time slowly. It's about getting where to start from. You cannot say you're only going to run the scrap businesses year after year, you can be looking for capital to start the business you want as a person."

As his profits grow from his current business, this entrepreneur will be judging when he will have the financial ability to shift to the business that he would prefer to be running.

When considering capital as a factor in their businesses, our data suggest that this is less of a "pull" factor for young entrepreneurs towards the business that they have selected and more of a "push" factor, causing them not to consider alternatives that they might have preferred. Better access to capital when they are establishing businesses could give young entrepreneurs more flexibility to choose the businesses they prefer. And more support to expand their businesses could help young entrepreneurs make this shift themselves.

In addition to more practical considerations, passion and talent play a strong role in a young entrepreneur's business selection

While entrepreneurs are selecting their businesses on practical criteria, such as market demand and capital, passion does play a role in their selection. It is not the determining factor, but young entrepreneurs described the role that passion and talent played in informing their business selection. When they narrated the process of selecting their business, entrepreneurs regularly mentioned that the one they chose was "a talent from childhood," as a Ugandan phone repairer commented, or "the love [she] has" for the skill, as a Zambian baker stated.

A Ghanaian entrepreneur selling health drinks explained how useful passion can be in building a business, saying, "It is basically about the passion because for me, if I don't sleep for three days working, I don't mind...It is just about the drive." For this entrepreneur, having a passion for what he is doing is what pushes him to invest his time and energy into his business, even when it is demanding.

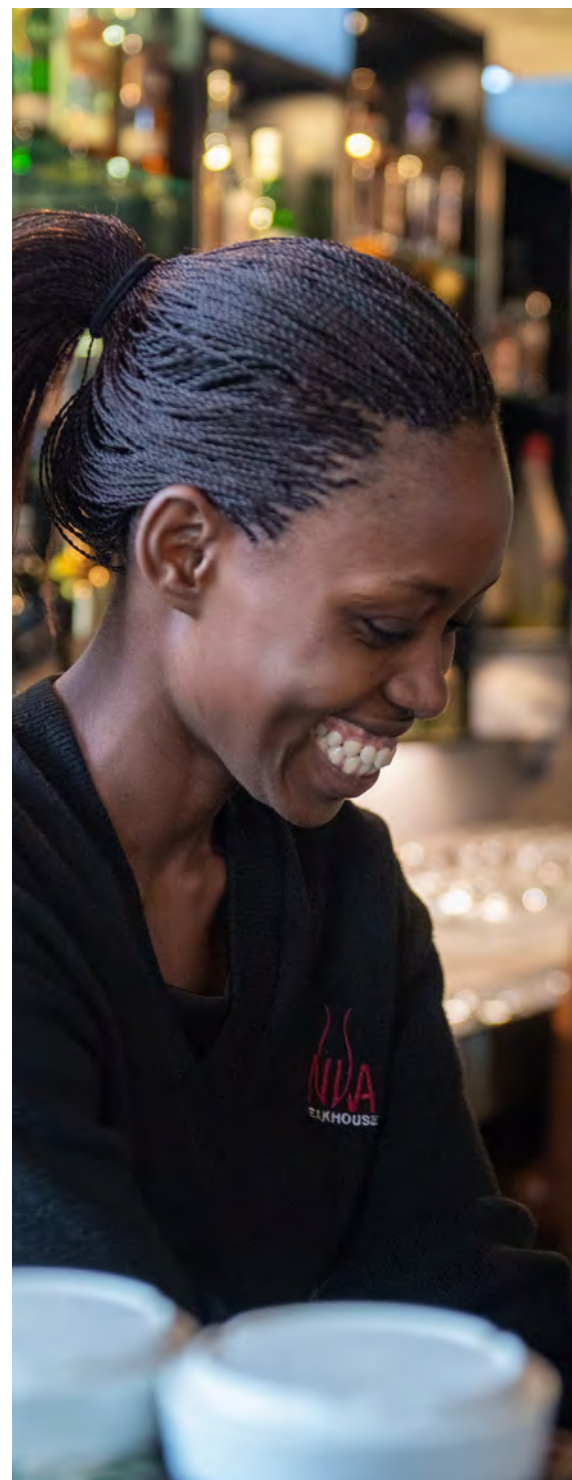
However, that does not mean that some entrepreneurs are only considering their passion when establishing their businesses. Instead, they describe passion as the starting point that they layered other considerations onto, such as market demand. A Malawian entrepreneur explained further, saying:

The idea is, first thing for you to choose a business, we try to first look at passion...Then it gave me an idea that I can [look at] the market which [I] have then to do a small survey and look at what people want, the skill I have and the missing part in the market — how can I fill that gap?

While passion was his starting point, it did not confirm his decision to open the business that he did; instead, it was passion coupled with an assessment of market demand.

Those we spoke with also encouraged others thinking about starting a business to do the same. When asked what advice they would give to others, young entrepreneurs regularly expressed that they should follow their passion. As a Rwandan tailor advised, "Everyone has a passion, something that drives you crazy, that you enjoy doing. So, that's where they can tap into because, in times of challenge, the passion pushes you beyond the limit to work harder."

Similarly, a Kenyan entrepreneur stressed, "Go for what you enjoy doing. That's where you find success and happiness...Your love for it [your business] will reflect in your work, and it is what will bring customers to you." In both of these statements, these entrepreneurs see the tangible benefit that having passion can bring to business performance. They believe that passion makes someone try harder for their business — and that this is something that customers recognize. Therefore, there can be a direct impact on the strength of the business that comes from nurturing a young entrepreneur's passion.



NICOLE ANSONI AT HER RESTAURANT, INKA STEAKHOUSE IN KIGALI, RWANDA. NICOLE PARTICIPATED IN THE MASTERCARD FOUNDATION INITIATIVE, HANGA AHAZAZA, THROUGH THE AMI, GROW YOUR BUSINESS PROGRAM.

2. When asked what their hopes are for the future, young entrepreneurs have high expectations for the growth and reputation of their businesses. However, the legacy that they want to see is not just about personal advancement, but rather about building the skills of their peers and offering them employment opportunities.

Young entrepreneurs have high aspirations for the growth of their businesses, but do not necessarily have detailed plans of how to achieve these

When talking about how they hoped their business would support their lives in the next two years, entrepreneurs focused on it supporting their personal needs and the education of their family members. As a Malawian entrepreneur expressed, "I want to have a good place to stay and have money to help my family and relatives in paying them [sic] school fees." A Rwandan entrepreneur shared the latter hope, saying that she hoped to help her "family, helping them to get an education, covering their needs." These modest hopes — to meet basic needs and support relatives — were common among our respondents.

However, what was also common among those we interviewed was the grand visions that young entrepreneurs have for the growth of their businesses. In particular, they mentioned wanting to widen their businesses' distribution and to attain national and international recognition for their businesses.

Several entrepreneurs said that they wanted to widen their business operations, to produce more goods, and to have multiple locations. "More branches," "more stores," "more outlets", and "more centres," were common dreams they talked about. For example, a Zambian entrepreneur commented, "I would like to open stores in other towns. We have people that buy goods online, but they can't travel to my store. I want to take the store to them." A Rwandan dry goods seller similarly expressed, "[I want to] open 4 more [stores] in Nyarubande and Busera cells. There is a big clientele there." For both of these business owners, demand is not a constraint to their expansion; instead, their dreams of expanding their businesses are based on filling the unmet demand that they have seen.

For those entrepreneurs, growing their business operations is their aspiration in itself, but for others, it's only the means to meeting their eventual dream — to have a business or a brand that is widely recognized. As a Zambian menswear seller expressed:

I want to build an empire so that even when my kids grow up they continue running it. I see that it is going to be big, and it is something that people will think of as legit. They respect the brand, and the customers should know that when they get to this store, they can get what they want.

For this entrepreneur, growing operations is the way for her business to become a respected brand among consumers, something that she can be proud of and that she hopes her children will be as well.

This aspiration to become known among consumers as a respected brand was not unique to that entrepreneur. Others often mentioned wanting the same. As a Ghanaian fruit juice vendor explained, "I would just like to walk in the streets of Accra and see bottles of my product in the gutter, then I would know that yes, I have reached corners." Another Ghanaian food vendor also stated that she wanted "the part where we become a household name." Both of these entrepreneurs will feel that their businesses have been successful when they are known.

Several entrepreneurs said that they wanted to widen their business operations, to produce more goods, and to have multiple locations.

This was common among interview respondents, several of whom expressed that they wanted their businesses to be known throughout the nation, and even internationally, as shown in the selected quotations below:

Success to me may mean being recognized nationally as a company and be able to even reach the international market.

- A Malawian running a photography company

It would be a success for me to find my name in the top chocolate makers in the world. Until then, I don't consider being a successful entrepreneur at making chocolate.

- A Ghanaian chocolate maker

I want to create a legacy... I want the brand to maybe be worldwide. It has to be everywhere.

- A Ugandan entrepreneur

I would see success as having international recognition... To be able to come up with a product that may be purchased worldwide.

- A Malawian entrepreneur running a tailoring company

For these entrepreneurs, then, being successful means growing a big business with a large footprint, and having a reputation nationally or internationally is a strong indicator of having done so.

Almost all (91.5 percent) of the business owners that we surveyed reported that they wanted to expand their businesses, and the majority (78.3 percent) stated that they had a step-by-step plan guiding them on how to do so. This was also the case for those we interviewed.

To a large extent, when asked if they had a plan in place to grow their business, interview respondents said that they had a plan. They also understood the importance of having one. As a Ugandan tailor explained, "I will sit down with my colleagues...and plan everything. Because if you don't plan, you won't do anything."

However, when asked to outline what their business plans are, few could go into significant detail to describe how they planned to grow their business to meet their ambitions. Instead, they mostly described loose and informal plans. As a Zambian hairdresser expressed, "I have a notebook on my phone, and I write down all the things I want to achieve." Separately, when asked to describe his business plan, a Ugandan caterer said, "For sure, strategy, am not yet keen upon that, but I am planning." However, when probed for further details about this business plan, he was unable to explain more.

These responses were common among those we interviewed. Many entrepreneurs had a lot of clarity about where they would like their businesses to be in the future but were not equally clear about how to get there. While they reported that they do have plans to grow their business, when probed, this was more about the end goal than an advanced breakdown of how to grow their business.

Therefore, if young business owners are not expanding their businesses, it is not for a lack of ambition. Instead, they could use more guidance on how to come up with a road map to intentionally reach those goals. Developing practical step-by-step business plans should be part of any business development service provided to young entrepreneurs.

For some young entrepreneurs, their ambitions were not with their current business but instead with using the profits from their current business to invest in setting up the businesses that they preferred but were not able to engage in at first

Because capital is a key constraint that prevents some young entrepreneurs from running the business they would prefer, some described that they hope to use the profits generated from their current business to pursue the business they initially wanted rather than growing their current business. As a Rwandan clothes seller said, "I am saving for another business I want to create — which is decoration — so I don't have the intention of expanding this one." A Ugandan fruit seller echoed this, saying, "I started selling fruits on the roadside because I did not have enough money to rent a shop. When I get some money, I will open a shop that sells fruit juice instead. There is money there." Other business owners similarly described their ideal businesses that they would rather shift into once they have the financial ability to do so.

For these business owners, they might not have been able to establish their ideal businesses in the short-term — but they have not forgotten about them. Instead, they are planning to engage in them in the long-term.



CHINEYENWA OKORO ONO RUNNING HER BUSINESS, NOVAIC EXPRESSIONS, IN ACCRA, GHANA. CHINEYENWA IS A YOUNG AFRICAN LEADERS INITIATIVE FELLOW AND AN ANZISHA PRIZE FINALIST, BOTH MASTERCARD FOUNDATION PARTNERSHIPS.

In addition to their personal business goals, the young entrepreneurs we interviewed showed a high level of altruism, expressing that they wanted to support the growth and livelihoods of their peers in order to give back to their communities

Similar to our previous Ugandan pilot study,⁷ our respondents in this study did not just want to use their businesses to improve their own lives; they also wanted to improve the lives of other young people.

Overall, in their responses, they showed a high level of altruism. As a Rwandan dry goods seller said, "Success to me is living a better life, while helping others to live a better life, too." A Kenyan entrepreneur also expressed that success is not success unless it is shared, saying, "Once you have succeeded, and no one can attest that they have succeeded through you, you haven't done anything."

The definitions of success that these entrepreneurs hold, then, is that it is used to support the success of others. Most common among the ways that they wanted to do this was by sharing their skill sets and by creating work for other young people.

Young entrepreneurs expressed that they wanted to use the skills that they have built to train others. As a Zambian entrepreneur said, "I would also love to train other people, at least I give [sic] them some skills. I think that can help also." A Rwandan tailor echoed this, and had thought through how she might do so, saying, "I would also establish a sewing tutor class, probably on the weekends, where individuals can join me and learn the best practices in sewing." Should these entrepreneurs be successful, they expressed that they wanted to use their skill sets to help others build their own skills.

Looking deeper into why these entrepreneurs wanted to support others, some focused on how they did not want others to face the same challenges that they had when starting their businesses. A Ghanaian entrepreneur mentioned this, saying, "I have plans of training people in my field, because I believe that whatever struggles I went through, somebody shouldn't go through that."

For others, it was that they wanted to pay forward the favour that others had done for them by supporting their growth when they were starting out. A Zambian entrepreneur who received support from others on her business journey stated, she wants to "teach others the job so that they can learn and be able to make a living out of it — and hopefully teach others as well." She expected that in the future those she trained would also support the skill growth of others.

Despite the competition that they face, these entrepreneurs are not threatened by the success of others that they support — even in the same line of business. As a Ugandan entrepreneur said, "What I call success is to train something like 10 people every [sic] after six months ... To me, that will be a success ... [When I will] have people who own shops, some even [that] want to be bigger than me now, which is good for me. I like it." For this business owner, then, even if those he trains have a bigger business than his own in the future, that will be a success, not a concern.

Young entrepreneurs expressed that they wanted to use the skills that they have built to train others.



These entrepreneurs are so focused on sharing their skills because they see them as the pathway to supporting others to make a living. As a Kenyan agribusiness entrepreneur explained, “If I can come in and help train others and help them set up their own business, then I’ll be doing justice to so many people — not only promoting self-employment, but also through that they can also create job opportunities for other people.”

He was not the only one to express such a thought. Several other entrepreneurs echoed this, as the selected quotations below show:

First of all, when I succeed in business, it is not building myself. I have to make sure I empower others also ... So, my success in business is to create employment for my fellow youth. When I employ my fellow youth, I am also impacting the community.

- A Kenyan entrepreneur

I also believe that [with] time I will be able to employ many young people and change their lives. I am also looking forward to paying taxes and contributing to the overall development of my country.

- A Rwandan entrepreneur

In both of these entrepreneurs’ perspectives their desire to extend employment opportunities is related to a broader desire to give back to their communities and their countries.

As the above section shows, young entrepreneurs have high aspirations for their businesses and for themselves, but they do feel that their goals must also include empowering and employing others. As a Zambian entrepreneur stated, “I want my business to grow so that I can empower others...If my business can grow, I would be able to employ some more people to help me so that we can all mutually benefit, and they have an income.” As a Rwandan tailor

WOMEN CARRY BRICKS IN NORTHERN GHANA. THESE WOMEN ARE PART OF A COLLECTIVE FOUNDED BY DORCAS ASIGE APOORE, MASTERCARD FOUNDATION SCHOLAR ALUM AT CAMFED.

similarly expressed, “I want to accumulate wealth from this business while also changing lives. You see, these girls I employ came from disadvantaged backgrounds. Helping such people obtain a means of living, it’s a win to me.” For these entrepreneurs, a desire to grow their business and their wealth coexists with a desire to support others’ employment.

In a context where there is a large employment gap and a high rate of underemployment, these entrepreneurs could pose part of a solution, but their potential is largely overlooked. Their desire to share their skills with others could be better harnessed to build the employment and self-employment potential of their peers. Their desire to employ others suggests that they are ready to be part of the solution to the employment gap. But they need to be supported to expand their businesses beyond their current operations.

3. Despite facing competition from other businesses, young entrepreneurs have a positive view of how competition impacts them. They rely on the relationships they develop with their customers to set them apart. They also seek additional skills in social media marketing to expand their customer network.

The young entrepreneurs we interviewed showed a healthy appetite for competition

Overall, young entrepreneurs that we spoke with often viewed competition positively, seeing it as a challenge that improves their businesses. As a young Ugandan entrepreneur stated, "Competition is actually helping more [sic] for the industry to grow."

Another Ugandan entrepreneur shared this perspective, explaining further that:

Without competition, you might feel okay with where you are and that will delay your progress. Competition causes you to provide quality because, if you don't, you are likely to lose customers. Competition makes you value your profession or business more because how your competitor will treat the same product will drive you to give more attention to yours just to surpass him.

For this entrepreneur, responding to competition allows him to give his business an edge by making sure that he does not settle for running his business at a certain level. Other entrepreneurs also mentioned that competition is the motivator for them to continually improve their business.

For this reason, several entrepreneurs also saw competition as the driver for innovation. As a Kenyan salon owner said, "When you have competition, it helps you be more enterprising — to have new ideas." A Zambian hair and makeup stylist similarly stated that competition encourages her to "learn new things and new styles" to meet customer demands. For both of these entrepreneurs, competition in particular is what pushes them to keep thinking creatively about what they can offer their customers.

Young entrepreneurs look positively on competition in part because they display a high level of confidence in their ability to manage it. For example, a Malawian entrepreneur said:

Competition is not that big of a problem because it also keeps us in form. We know that if our competitors are doing something, if we fail to catch up, then our business will fall...But in terms of competition, we believe that we can persevere.

Similar to his peers, this entrepreneur expressed that competition pushed him to strengthen his business and he also felt that he could succeed against it.

Similarly, a Ghanaian lingerie seller explained, "There is competition, but I always say, if you believe in your brand, [...] then you are good to go." Her perspective demonstrates a high level of confidence that having faith in her business was what would allow her to respond effectively to competition.

Among their responses, some young entrepreneurs described competition as a "game." For example, a Ghanaian juice vendor explained, competition "is supposed to make you into a better version of yourself. So, I just try to study the competitors, study the market, and be ahead of the game." Another young entrepreneur running a printing enterprise in Malawi described competition similarly, saying, "Business is a game, you know. If you play your cards well, you win; you miss the target, you lose and you fall." Viewing competition as a game serves to make it less intimidating. In this perspective, you can win at competition if you have the right strategy.

Young entrepreneurs' positive view of competition mirrors the healthy appetite that they also showed for risk and for the potential for failure that comes with it

When asked whether they would take a risk if they came up with a creative new business idea, young entrepreneurs overwhelmingly said they would do so. A Zambian cosmetic seller best summarized the perspective of several others, saying, "Business is always about risk-taking. You need to try new things to see how [sic] that can take you. You need to be a risk-taker if you want to achieve more." For those who responded that they would not, it was still not because of the fear of taking a risk, but rather they preferred to see their current business succeed first.

In responding to this question, some young business owners highlighted that their current businesses already involve a fair amount of risk. As a Ugandan entrepreneur mentioned, "Risking is already there [in her business]. So, if you want to do something nice, [...] then you have to go for it." A Zambian hairdresser repeated this point, saying, "Everything is a risk...Before you invest, study the risk and know if you are okay losing or winning." Both of these entrepreneurs see risk as a factor that is just part of running a business. Because they already expect risk when starting a business, they are not intimidated by it when running their businesses.

Risk inevitably means that failure is possible — but several of the entrepreneurs we spoke with had a positive outlook even towards failure. For example, a Ghanaian food seller responded to this question, saying, "I don't think our problem should be the fear of failure.

If it fails, that means you'll find another way to make it work." Another Ugandan entrepreneur shared this perspective, saying, "I learn from [my] mistakes." These young entrepreneurs, then, not only assume risk but also see potential failure as an opportunity to learn and to innovate. Overall, our respondents do not avoid risk.

Dealing with both competition and risk requires grit and strength, which our entrepreneurs display in their responses. This suggests that these entrepreneurs are ready and willing to compete with other businesses and take on risks, but might need more support with developing the competition strategies and risk assessment techniques that can inform how they do so.

Amidst this competition, some entrepreneurs mentioned the ways that other business owners in their area come together to organize and support each other

Competition between them does not necessarily remove the possibility of collaboration between entrepreneurs operating in the same area. A Rwandan mobile money agent explained how her competitors help her, "Sometimes, I might have a lot of money on the phone, and the MTN agent next to me has some money in cash. In the case, we do exchange, and the same the next day...we help each other." Through reciprocity, these mobile money agents help each other to succeed instead of competing.

In one case, an entrepreneur described how the sellers in her area collaborate to compete better. As a Kenyan snacks seller explained:

So, at the place where I have my eatery, we have other eateries, but we don't sell the same things. That is why we are able to sell. We have an understanding. I sell snacks, another sells meat, the other sells food, rice...So, we don't sell the same stuff. It is a fairly small-sized area; so, the population is not fairly large for people to be competing when selling the same things. That is why we have that policy around our place... That's how we coexist.

As she described, the sellers in her area have come together to manage competition, developing an informal policy that no one can sell the same goods, to ensure a level playing field.

While these are isolated cases within our dataset, this suggests that competition does not prevent collaboration and that instead collaboration could be a competition strategy that other business owners use as well.

Despite the different ways that entrepreneurs position their goods and services on the market, the benefit of treating customers well in order to grow their customer base was something almost all entrepreneurs mentioned

Almost all of our respondents said that they experienced competition, particularly those businesses that are located in areas with a high number of similar businesses, as demonstrated by the quotations below:

Competition is a big challenge for me because you will find us fighting for the clients. You see that here the shops are so close to each other.

– A grocery shop owner in Rwanda

There are many of us selling the same things...We end up fighting for customers because there are a couple of us in this market that are selling these items.

– A salon owner in Malawi

In the street, there are many running this business. Like, you would pass by like five people or more doing the same business.

– A Tanzanian entrepreneur

With a high number of sellers offering the same products and services in the same area, young entrepreneurs have to think carefully about how to compete if their businesses are to succeed.

Amidst this saturation, several entrepreneurs mentioned having a “special touch” that helped their businesses attract customers to their business in particular. A cosmetic seller from Zambia mentioned this clearly, saying, “Lately, I have started seeing other people stocking up their shops with similar products as me. But it doesn’t affect me because I believe that I have my own special kind of touch to business.” While other entrepreneurs mentioned this “special touch” in different words, they often did mention something special that they bring to their business, even where others have the same offer.

When speaking about this “special touch” almost every entrepreneur said that this was how they interact with their customers, in contrast to the specific things they do to compete, like having lower prices. They described the emphasis they place on treating their customers well and developing positive relationships with them. Below are some selected quotations from our interviews that illustrate how their peers also stressed the importance of showcasing customer service skills:

Customers need to be treated with care, but some people don’t do it...Our personality makes our business different.

– A Malawian secondhand clothes seller

Our clients always talk about the courtesy we give them. We make them feel very comfortable to express themselves. We let them decide what they want. The quality of our pictures is great, but that is just icing to the cake.

– A Zambian photo studio operator

In the words of the first business owner, customer interaction is what sets her business apart, and it forms the basis of how she competes with other sellers. The young Zambian entrepreneur expands on this, explaining that customer services skills are more important in his competition strategy than the high quality product that he offers his customers. The open environment that he creates for customers to explain their wishes is what makes them feel there is a “special touch” to the services that he provides.

A Kenyan baker explained why customer interactions are so important in conducting business:

Business is all about people and relationships. It’s how you relate with your fellow human being, how you talk to them, how you treat them, and how you present yourself to them. From then on, they will have a distinctive image of you, and if it’s good, they will want to associate themselves with you, and if it is bad, they will shy away.

In her explanation, the human dimension of doing business is so important because a business relationship is not any different than any other social relationship: the same rules apply as with other social interactions, where how you relate to people governs whether they want to continue interacting with you.



A YOUNG WOMAN PARTICIPATES IN A DIGITAL LITERACY CLASS AS PART OF THE MASTERCARD FOUNDATION PARTNERSHIP WITH CAP YOUTH EMPOWERMENT INSTITUTE IN KENYA.

Young entrepreneurs who we spoke with mentioned that this emphasis on customer care is the basis for both a sale in the present and customer loyalty in the future. As a Tanzanian fruit seller explained, a business needs a "person [who] is full of charm, good in communication, to attract the customers and also retain them into permanent customers."

Some entrepreneurs mentioned that the relationships that they have developed with their customers are so positive that their customers do not go to others, even if they are not around. As a Tanzanian entrepreneur said, "Competition is not affecting me, largely because I know how to talk to my customers. I have developed a good relationship with my customers in such a way that if I am not present, they call in to request for the products." A Ugandan bar owner similarly said, "When I do not work, my customers say they came, and I was not around. They do not say that 'we went to the other bar'. So, everyone has their own customers." In both of these entrepreneurs' experience, their customers remain loyal to their businesses, even amidst competition.

Therefore, it is no surprise that young entrepreneurs value their customers. As a Tanzanian seller in Kariakoo market expressed, "I keep a phone database of my frequent and most adored customers. I also incentivize having a vast number [sic] of feedback ... so that we can improve the product. So, this helps us to be somehow different." The loyalty of his customers and the detailed feedback that they can give is something that he sees as useful to supporting both the sustainability and growth of his business.

Customer loyalty was recognized by other sellers as well who described how difficult it was to attract the customers of another seller who had developed a relationship with them. As a Malawian dry goods vendor expressed, "Customers may be loyal to one seller. So, it may be hard to get that seller's customers." A Zambian salon owner agreed, saying, "It is very difficult to get someone's customers and work with them...What I do is just to [sic] work with my customers and those people that they recommend to me." In her perspective, trying to take another business owner's customers won't work; so, instead she focuses on growing her business through the customers who are already loyal to it.

This is something that other young entrepreneurs mentioned. They described that loyal customers are not just important for maintaining a given customer base but also for growing it because loyal customers often refer others. For example, a Rwandan carpenter explained, "We want our customers to feel special so that, whenever they see our products, they admire them and probably recommend us to other customers. I usually depend on the clients in securing other clients." Another entrepreneur similarly stated, "Whenever there is a client, I insist that they have to recommend me to other businesses or individuals. Our strategy is that we try all means to get referred to other potential clients by our current clients." For both of these entrepreneurs customer referrals are the primary strategy that they use to build their customer base.

The young business owners that we interviewed see the particular value of strong customer relationships as a competition strategy, in comparison to more traditional means and no matter what type of business they are running. So support provided to young entrepreneurs should focus on providing more systematic techniques to help build a customer base and use it effectively to encourage the growth of their businesses.

Similar to market demand, competition and customer access are factors that young entrepreneurs take into account when determining how to set up their businesses

Some young entrepreneurs that we interviewed explained that they assessed competition in detail when deciding how to establish their business. A Zambian entrepreneur explained, "Competition is something we considered, and it did influence our decision. We did a competitor analysis, where we found out that our competitors were running short." She continued to describe the shortcomings of each of her other competitors in detail and, thus, where her business had an edge.

A Rwandan firewood seller similarly described how competition for customers impacted how he determined where to target his business, saying, "Many [others] target business or schools, while for me my first target is households or individuals. In terms of market share, I would say that I have a significant market share." In his case, identifying gaps in the types of customers that his competitors were targeting ensured that he could carve out space amidst the competition for himself.

Others were less detailed in how they assessed competition. However, an analysis of how to manage competition was a common theme in how young entrepreneurs determined how to establish their businesses. It is clear that entrepreneurs make a detailed assessment of how best to compete before solidifying how their business will do so. That said, as with assessing market demand, because these entrepreneurs are working in a variety of ways to differing degrees, they could use additional support in increasing the rigour of the procedure behind these analyses.

Even before COVID-19, young entrepreneurs were embracing the potential that social media marketing provides to reach a wider customer base — but mentioned that using social media was not a strict replacement for other traditional marketing approaches

Because having loyal customers is so central to their competitive strategies, it is not surprising young entrepreneurs compete by trying to reach more customers through their marketing. The young entrepreneurs we interviewed focused less on crafting clever marketing messages and much more on reaching a wider range of potential customers through the marketing channels that they consider.

Though some entrepreneurs used more traditional marketing channels such as physical marketing materials and word-of-mouth, those we interviewed more commonly referred to the growing potential of using social media to market their businesses. Below are some selected quotations that summarize what most young entrepreneurs mentioned:

WhatsApp has a huge impact, and it is very easy and convenient. People nowadays are always active and most of them use social media so I meet customers there. I show them what I have and when other items will be available.

– A secondhand clothes seller in Malawi

I market my business through my customers and via my Facebook page. I do advertise there and make sure that whatever hairstyle I give my customers, I post it there, and I put it on my page and on my WhatsApp status.

– A hair stylist in Zambia

For now, we are on Instagram. We have our own website. We are on Twitter. We are on Facebook. We are everywhere so people call. Our numbers are around too so people call and place orders.

– A young Ugandan entrepreneur

These entrepreneurs find social media advertising both useful and convenient. In fact, the latter two find it so convenient that they can easily market their products and services on multiple social media channels at the same time to broaden the number of potential customers that see their products.

Several entrepreneurs said that it was obvious that they would use such digital marketing tactics, because "the digital world is where the market is," as a Zambian entrepreneur explained. These are the "modern ways of doing business," as a Malawian hairstylist mentioned. These business owners did not just feel that marketing on social media offered a new approach but instead, they felt that it increasingly offered the right approach to marketing as more of their customers had also become more digitally leaning. A young Rwandan restaurant owner described that this was pushing her to advertise her business on social media, saying, "I go with how the future and technology is going. I don't want to be left behind."



GEORGE OTIENO PARTICIPATED IN SKILLS TRAINING THROUGH CAP YOUTH EMPOWERMENT INSTITUTE IN KENYA, IN PARTNERSHIP WITH THE MASTERCARD FOUNDATION.

Because customer relationships are so important for their businesses, young entrepreneurs are also finding social media a useful tool in building and maintaining customer relationships.

However, young entrepreneurs are not simply using social media to get the word out about their businesses; they also mentioned that it presents a useful tool for engaging their customers. As a Kenyan entrepreneur said, "I try to communicate as much as possible with my customers." Because customer relationships are so important for their businesses, young entrepreneurs are also finding social media a useful tool in building and maintaining customer relationships.

That said, some entrepreneurs whom we interviewed expressed that, while social media offers some advantages, it cannot always replace or replicate more traditional marketing channels. For example, a young Ghanaian running a lunch delivery service explained, "We tried [social media]. It gave us more visibility, but definitely, our target is the CBD [central business district]. So, it's better [through] advertising, like business-to-business, actually going there." For this business owner, social media alone is not sufficient to reach their desired clients.

Instead, young entrepreneurs most often report using an integrated approach — combining social media marketing with other more traditional marketing approaches. As a young Malawian entrepreneur selling kitchenware explained, "Sometimes I post them [pictures] on WhatsApp and Facebook. Sometimes, it's physical: I can go out there and tell my customers that I have things in stock." Other entrepreneurs similarly expressed that, while they had begun to use social media more often to advertise their business, they did not completely shift away from other marketing strategies because the market, or their customers, were not ready for a fully digital offer.

Embracing technology in marketing is not just the preference of those with larger or more advanced businesses. Even those running small-scale businesses focused on selling goods and providing simple services are embracing digital marketing solutions, as are the customers that they are hoping to reach. Those seeking to support their growth could offer further instruction on best practices for how to use social media not just for brand promotion but also for customer conversion, while providing advice on how to effectively integrate these marketing approaches with the others they are using.



A WOMAN WEAVES A BASKET IN NORTHERN GHANA AS PART OF A COLLECTIVE FOUNDED BY DORCAS ASIGE APOORE, MASTERCARD FOUNDATION SCHOLARS PROGRAM ALUM AT CAMFED.

4. Young entrepreneurs need access to skill-building opportunities and financial capital to grow their businesses. However, several barriers prevent them from accessing them through formal channels; instead, they rely on independent skill-building from online sources and informal loans from friends and family.

Though young entrepreneurs we interviewed were confident of the specific skills that they have built to run their chosen business, they reported that they needed more business skills, but lack the time and the resources to pursue further skills training

When asked what skills they needed to expand their businesses, a few entrepreneurs mentioned that they would need deeper technical instruction in the skills needed to operate their specific business. It was far more common for respondents to feel that their technical skills were sufficient but that they needed a deeper command of business management skills, particularly around financial management and accounting.

For those we spoke with, these skills were necessary to best develop the businesses they have built. As one entrepreneur — who mentioned needing more financial management skills — expressed, his need was “not exactly how to make money but how to manage the money [he had] made.” A Ugandan caterer expanded on this, saying that financial “skills would help me [...] remove unnecessary expenditures and the rest. If I got these skills, I would be in position to know as well as utilize available resources to the best of my knowledge.” Therefore, for this respondent, financial management skills would help him not just manage his finances but also use them more effectively.

A few respondents mentioned that their skills gap in this area is wide enough that they struggle to truly know how successful their businesses have been. For example, a Malawian entrepreneur selling eggs and vegetables commented, “I could learn how to run a business. I would know what it means to make a profit or a loss.” Another entrepreneur similarly explained, “I need to widen my knowledge in recording the transactions and analyzing them and calculating the profits and losses.” Both of these entrepreneurs expressed a need for additional support to understand the health of their businesses.



However, even those who felt that they have been managing so far expressed that they need deeper instruction in this area to know how to achieve best practice. When referring to the current state of his financial management skills, a Ghanaian entrepreneur said, "Most of the things we are doing are just off the top of our heads. There is no laid out structure." He felt that with further instruction he could add more rigour to the financial management processes that he had already established.

Similarly, as a Rwandan dry goods seller expressed, "I heard from my friends that they use some documentation system to record their financials while tracking them...A friend told me that the kind of documentation that I use is outdated." While this entrepreneur's system has been working for her so far, she is aware of a gap between how she manages her finances and the more systematic, structured process she could learn from those with more expertise.

It is not only that these entrepreneurs felt that they needed these skills themselves; they also thought that others in similar businesses needed these business skills as well. As a hawker in Rwanda expressed, "I believe if all hawkers had proper management skills, we would have upgraded our businesses. We lack accounting skills, and this is limiting the expansion of our businesses." In her perspective, those running similar businesses need these skills as much as she does.

Apart from financial management, the only other skills training that entrepreneurs regularly mentioned was their desire to learn more about marketing, particularly digital marketing

When asked what skills they need to expand their businesses, young entrepreneurs regularly said that they needed more training in how to market their products, as most were just doing what they saw work. As a Zambian menswear seller stated, "I think I need to learn marketing. It is not something that I have learnt at school." Another entrepreneur stressed how important marketing is to a business, saying, "[I need] an ability to market products because there is no point of coming up with a product and not knowing how to sell it."

Following the conversation above, business owners specifically mentioned that they need skills in digital marketing in particular. A Ghanaian entrepreneur selling fruit drinks stressed why social media marketing skills are so important, saying:

"You know everything is getting digital. Especially in Africa, things are going digital very fast because we are catching up with the chronological world...Gradually, we are moving from the era [of] billboards; gradually we are moving from the era of the TV advert, radio advert, and all that, and now we are entering social media marketing."

Others similarly stressed this transition. Based on this perspective, marketing training focused only on traditional marketing channels would not meet the demands of these entrepreneurs.

In the absence of formal training in marketing, a few entrepreneurs mentioned that they found their existing customers to be a reliable source of information on how to market their goods effectively. A Zambian entrepreneur explained how she does so, saying:

"I give them chance [sic] to learn from them and to teach me...They are the ones that move around stores, and they know what goes on, and they give me ideas on what is happening outside my store. There is too much to learn from customers. Customers know what they want."

This entrepreneur employs a clever strategy of getting information from her loyal customers on the competition and how they are selling their products to improve how she markets what she sells.

Entrepreneurs that we connected with were not just aware of their skills gap in financial management; the majority also reported that they knew where to go to access further skills training. 64.9 percent of entrepreneurs that we surveyed mentioned that they had this information — and similarly, most of the entrepreneurs we interviewed reported the same, and several even mentioned specific institutions.

So, if entrepreneurs recognize the need to build their financial management skills, and if they have the information on available training opportunities, what is holding them back from accessing them? As expected, financial barriers play a big. As an entrepreneur in Malawi put it, "You need to find someone, pay them, and then they will teach you. They cannot teach you for free. The main barrier is lack of money." A Rwandan respondent echoed this, saying, "A friend told me that there are institutions that teach accounting skills on a part-time basis. I think that was the best option, but only to find their fees expensive." In the end she decided not to take the class.

In the absence of the financial ability to pay for such courses, business owners explained that they are trying their best to build their skills independently, building on the foundation they already have. As a Ugandan entrepreneur stated, "the cost of programs and courses in accounting and marketing are very high. So, currently, I am teaching myself bookkeeping using borrowed accounts books." A Malawian business owner mentioned making a similar decision, saying, "Learning from professionals who teach these kinds of skills requires a lot of money. That is why I chose to focus on sharpening the skills I already know."

However, it is not just financial resources that prevent entrepreneurs from exploring additional training opportunities. Several mentioned that they also do not have the time to invest in doing so because it would take them away from their businesses.

A Ugandan tailor explained that he knew where he could access further training, but that "if I say let me go for lectures, I think I'll be taking a lot of time in it." Similarly, a Malawian makeup artist mentioned that she was unable to invest in going for further training though she knew where she would do so because "the time for classes is the same time I do my business here. So, time is also a challenge." These mentions were not unique; instead, they were echoed by several of their peers.

Entrepreneurs explained the trade-off they face between pursuing training and growing their businesses. As a Tanzanian hawker mentioned, "The first challenge is poised at proportioning my time. I can't proportionally divide and manage my time in getting to trainings and at the same time [running my business]." For this entrepreneur, the opportunity cost of pursuing further training to expand his business in the future is being able to operate it in the present.

Entrepreneurs suggested that training programs should align to the time commitments that work best for them. For example, a Kenyan chicken vendor stated, "If it would be a day or two training, I can't say no, but if it would be one that requires time commitment, then that would be a big challenge." Short-term courses that would not take him away from his business for long would be ideal. Our data suggests that his peers have similar preferences.

Entrepreneurs show a high appetite for gaining additional skills, particularly in financial management and accounting. However, even for those who are aware of training opportunities, those opportunities are not accessible to them because of the fees and time commitments. Therefore, training programs designed to support business owners should be designed to better meet their needs, not just in terms of which content areas they focus on but also how they are delivered.

It is possible that such programs are available but that entrepreneurs are not aware of them. Just because a high percentage of entrepreneurs are aware of some training opportunities does not mean that they are aware of all those that could be available to them. Where such programs already do exist, more should be done to ensure that those who need them are aware of them.

Most often, entrepreneurs mentioned that they preferred to learn these additional business skills through mentorship but instead have largely relied on teaching themselves from what information they can find

When asked how they would best like to gain the skills needed to expand their businesses, several young entrepreneurs expressed that they would like to do so by connecting with mentors. As a Tanzanian respondent expressed, "I love to get consultations, trainings, and mentorship from established players or supporters of the business, especially on marketing and sales plus how to administer my business in general." Similarly, a Kenyan entrepreneur stated, "I really feel like if I'm able to get maybe mentorship, [...] where I can be taught to manage people and also manage resources, [...] I think I will go a long way."

Their peers expanded on this to explain why mentors in particular are so valuable: because they can draw on their personal experience and understanding from having built a business themselves. As a Ghanaian entrepreneur stressed, "Sometimes it is not just about what you go and read, it doesn't really work like that. People bring up their experiences and how things differ from how you see them on the internet, and I think that is good advice that can help you to do things differently." Because the mentors they seek would be more familiar with the experience of building a business in a similar context, entrepreneurs felt that their advice more would be more reliable and applicable than that of others who might not understand their specific realities.

As a Ghanaian entrepreneur stressed, "Sometimes it is not just about what you go and read, it doesn't really work like that. People bring up their experiences and how things differ from how you see them on the internet, and I think that is good advice that can help you to do things differently."

The ability to draw from their own direct experience makes mentors even more helpful to young entrepreneurs than just as a source of practical experience. As a Rwandan entrepreneur explained:

"I would go for individual experienced entrepreneurs. They have real world experience that institutions can't have. Entrepreneurs empathize, and they can help you to craft everything based on their experience and possibly link you up with different networks that you need."

In this one statement, this entrepreneur mentions several advantages of mentors: that their experience is more practical; that they can better understand their peers' needs; and that they can also play a bridging role in connecting those they support to people and opportunities.

It is precisely because of these advantages that entrepreneurs we spoke with often valued mentorship above other training opportunities. As another entrepreneur in Rwanda said:

I found that my peers who are already in business are more exposed, and possess much information, tactics, and even tricks that would help you succeed. I would not undervalue the professional trainers, but at least I would say that peer-to-peer learning is so [sic] better.

This perspective was common among other young entrepreneurs — that someone who could understand their day-to-day reality was best poised to provide support. Therefore, in contrast to other training programs, young entrepreneurs show a preference for learning from the experience of established mentors. This is a modality that more skill-building platforms should consider.

While young entrepreneurs often mentioned that they would prefer to learn from mentors, this was not the way most of them reported they are learning. Instead, the most common way that young entrepreneurs we spoke with are building their skills is informally through the information that they can find from a variety of sources, particularly online. As a Zambian clothes seller explained, “I don’t know of any trainer I can follow. Mostly, I just go online on YouTube and learn a few things from there.”

Several entrepreneurs saw online learning — especially through social media — as useful because of how much information is available there. As a Ghanaian entrepreneur rearing chickens mentioned, “When I have a problem, any challenge, I just go online. I type in the problem. Especially YouTube will give you a whole lot of examples.” A Malawian entrepreneur echoed this, saying, “Right now phones are everywhere, and information is available on the internet.”

Because of how accessible information is to entrepreneurs online, some see it as the “best source of information,” as a Ugandan makeup artist stated. A Ghanaian fruit juice vendor expanded on this, saying, “The resource and material [on business skills] are available online. There is nothing that you want to learn now that you can’t learn. You just need an internet connection, [and] you’ll be fine.” What these statements also show is the high level of confidence that these entrepreneurs have of the quality of the information that can be found online, and that for any problem, an answer will be available.

It is not just that information is readily available online and through social media platforms; entrepreneurs also perceive the information available there to be of high quality. For example, a Rwandan entrepreneur expressed that, through Facebook pages, she found “crucial business information related to finance management and marketing.” Referring to the information that she has found as “crucial” shows that she sees its worth and usefulness.

Very few respondents reflected on the limitations of self-taught online learning in their interviews. However, one Rwandan clothes seller did mention a drawback that she had experienced, saying, “There are a wide variety of tutorial videos on YouTube. I take so much time and go through them, even though it becomes difficult to learn it with no practical means.” This content might be broadly accessible, but that does not mean that entrepreneurs find it as easy to practically apply what they have learned.

Mirroring the conversation above on the barriers that prevent entrepreneurs from engaging in more training programs, another Ugandan business owner explained that there are ways to get information but that time and concentration remain key factors that prevent him from engaging more, saying, “Am getting it [business skills information] on TV, mass media, [and] basically, magazines you read; you listen to the financial literacy programs around. But again, concentration is low because you have a business to run, as well.”

While there is a lot of information available online, and while entrepreneurs show a high investment in receiving information from these channels, this does not mean that all of the information available online is of high quality or applicability to their context. Instead, business owners could benefit from a little more guidance in which sources to consult. This could help reduce business owners’ search costs so they do not have to peruse the wealth of available information to find the specific information that they need, thus allowing them more time to focus on their bottom line.

PURITY KENDI AT HER VERTICAL FARM, KILIMO JIJINI, IN KIBERA, KENYA. PURITY IS A MASTERCARD FOUNDATION SCHOLARS PROGRAM ALUM AT EARTH UNIVERSITY.

Some entrepreneurs expressed that they would only be interested in formal training opportunities that would give them certification of their skills such that they could prove them to customers

When asked if they would want to pursue additional skill training to round out their business skills, a few entrepreneurs mentioned that they would do so only if they were to receive formal certification of their skills at the end of the training. For example, a tailor in Malawi explained, "I have heard information on such things [skill development opportunities], but what is left for me is to get a certificate to show that I'm a professional." Another Malawian entrepreneur, a makeup artist, expanded on this, saying, "When you become a professional, people do not have doubts in what you do." She stressed that the certification received in schools specifically acted as an external signifier to confirm that you had gained that skillset. These entrepreneurs felt that being seen as a "professional" instilled greater confidence in customers of their abilities.



A Rwandan firewood dealer stressed that this type of signifier — certification of skills — could open doors for an entrepreneur:

I need knowledge that is accompanied by certifications. In tenders or big projects, they often request certifications as proof that you hold the relevant expertise...Even though they would charge higher fees, but it's worth it to get the certification that would open up for [sic] many opportunities.

In this respondent's perspective, more opportunities are available for those who have documented proof of their skills. He would be willing, therefore, to pay more to ensure receipt of this certification in order to tap into the value of those other opportunities.

While the impact of certification on building customer confidence might not be the same in all contexts, it still can serve as a strong validating symbol that an entrepreneur has acquired the skills that they have.

Though young people are aware of financial options to meet their capital needs, they are hesitant to explore loans because of the bureaucracy involved in applying for them and risk involved in taking them on. Instead, they prefer to access capital from those in their social network, who can be more empathetic to their needs

When asked what their biggest challenge to expansion is, most young entrepreneurs said that they struggled most with access to capital. A Ugandan tailor confirmed that capital was the biggest challenge that he faced, saying, “The first challenge is money... If you have no money, I am sure you won’t do anything because money is the first thing in life.”

This aligns with our survey data. As Figure 5 below shows, entrepreneurs overwhelmingly (73.1 percent) mentioned that access to capital was the biggest barrier that they faced to expanding their businesses — above and beyond managing competition or accessing business skills training.

Though they report that they need access to financial capital to support their business expansion, the majority (69.2 percent) of young entrepreneurs that we surveyed did state that they were aware of institutions that they could go to in order to access a loan or grant.

However, our interview respondents expanded on this discussion to explain that awareness of where to access this support is not the biggest barrier that these young entrepreneurs face. A Ugandan caterer explained how accessible information on financial services is, saying:

From the radio programs. Online — you read around, at least you get some information. And even from friends around...They will tell you, ‘you get a loan’...They tell you about the procedure. But the procedure is not good. It’s full of bureaucracy.

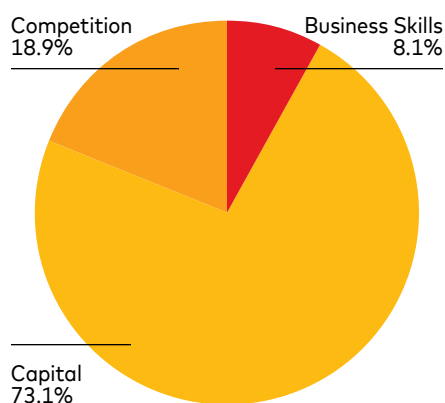
As this business owner mentioned, there are multiple channels through which business owners, like himself, have learned where they could access business loans, but the process of accessing these loans is too difficult. A Rwandan entrepreneur similarly echoed, “These financial institutions make things harder. The process of acquiring a loan is not friendly and yet so not [sic] friendly for young people.”

The prohibitive number of requirements that a business owner must go through in order to access a loan was something that several entrepreneurs remarked on. As a Rwandan business owner explained, “Nowadays, the banks are so serious and strict when it comes to collateral, security.” A Ugandan tailor similarly expressed, “You have to have security to go for it [a loan]. Right now, I have no security, but I need a loan.” Particularly for young businesses, entrepreneurs similarly mentioned that they lacked the collateral or security to assure the bank of their capacity to repay a loan.

Amidst all of the requirements that they must meet, some entrepreneurs report that they feel so defeated by the loan application process that they are not interested in seeking a loan at all. As a Ghanaian entrepreneur mentioned, “Their [banks’] requirements before they give you a loan is ridiculous. You might not even meet half of the requirements. So, obviously, it is a no-go area for me.” Again and again in our interviews, respondents regularly mentioned that they — and their peers — could not access loans because they fail to be able to show the requisite collateral, bank statements, or related documentation.

However, the complications of processing a loan request are not the only thing holding young entrepreneurs back from seeking one. Instead, several also mentioned that they would not want to take a loan at all because of the risk. As a young Ghanaian business owner expressed, “I think it is scary taking a loan from the bank because I am young. I am not ready to get into such a commitment. It’s too risky.”

FIGURE 5. BIGGEST BARRIER TO THEIR EXPANSION, AS REPORTED BY YOUNG ENTREPRENEURS



When probed further, it was particularly the collateral that entrepreneurs felt was too much of a risk to put forward in order to secure a loan. As a Malawian entrepreneur said, "What I have heard from other people is that a person could fail to raise the amount, and his or her business is taken away." In order to qualify for a loan, these entrepreneurs mentioned that they might have to put part of their business on the line as security — but that the risk of defaulting and losing it was too much for them to consider a loan in the first place.

For several of the business owners we spoke with, this risk of taking a loan is simply not something they think about. Instead, they often pointed to the examples of those in their lives who have taken a loan and struggled as a result of doing so. The quotations below from our respondents provide some illustrative examples:

A loan? Not really. I do not think it would be a good idea. I am not really into loans. I know a lot of people that have gone down because of loans.

– A Zambian menswear seller

I have that fear that is associated with the bank loans. Sometimes, I found myself imagining the scenario: In case I fail to pay back the loan, would my only one house be sold?...I have a friend whose house had been sold by a bank last year, and this had created that fear in me.

– A Rwandan tailor

For several of the business owners we spoke with, this risk of taking a loan is simply not something they think about. Instead, they often pointed to the examples of those in their lives who have taken a loan and struggled as a result of doing so.

My mum had a bad experience...She went for a loan to put into her business. The interest was high. From the beginning, she didn't know the interest...When you calculate the time frame after she's done, she would have paid more than 50 percent interest. So later she was just complaining...I just realized the bank thing wasn't so much of a good thing.

– A Ghanaian food seller

In the case of these business owners, those around them have struggled to repay their loans, either at the expense of their collateral or as a portion of their profits. When weighing the risk, especially when it was close in their experience, they determined that it just wasn't worth it to take a loan.

Entrepreneurs instead expressed that they would prefer to get loans from those in their social network — from their families, friends, or from local SACCOs (Saving and Credit Cooperatives). As a Ugandan entrepreneur said, while securing loans from a bank can be difficult, "When you go in a local level, you go in this SACCOs with friends, at least they can assist you.... At least they may give you a half of what you need, which can help you also grow the business slowly."

In part, entrepreneurs said that they could access money from those around them with greater ease and reliability than from financial institutions. As a Rwandan clothes seller stated, "I would go to my friends, even though I would raise a small amount compared to what the bank can provide, at least I would be assured that I will get them." As a Ghanaian juice vendor explained, he would rather "take a loan from [his] mom, [so] I don't have to go through all of that." In both of these entrepreneurs' experiences, then, securing a loan from a relative or from friends is more likely to happen than securing a bank loan. So, even if the amount is smaller, it is more preferable to do so.

However, it is not just that taking a loan from these sources is easier; entrepreneurs mentioned that it is more desirable because these sources give financial support on more favourable terms. Speaking of taking money from her friends, a Rwandan dry goods seller commented that, "Even though that [sic] they give a small amount, but they don't impose on me fierce obligations."

This is not just true of their friends; the entrepreneurs we spoke with also mentioned that SACCOs have more flexibility in the way they set out repayment plans than banks. As a Ugandan makeup artist explained, "Loans from SACCOs are more considerate, compared to loans from banks. They can give you a grace period, a reasonable grace period with you paying without an [sic] interest. You can decide weekly, monthly or to pay it at once."

Entrepreneurs think this flexibility comes from a greater empathy for their business situation — that those in local SACCOs are more familiar with their context and their business. As one entrepreneur mentioned, "I would rather borrow from a SACCO because they know me and understand my business." Another Ugandan entrepreneur reciprocated this, saying that in SACCOs as compared to banks "at least they can trust you...When you go into a small SACCO with friends who understand you, at least they may be lenient." In these entrepreneurs' perspectives, with increased understanding comes increased flexibility, as opposed to financial institutions who only think about the bottom line.

Entrepreneurs prefer to access financial capital from those they trust — and who also trust them — because the terms that they give are more likely to be favourable than those a bank would offer. Therefore, enhancing the financial inclusion of business owners is less about deepening their awareness of available options and more about designing products and procedures that are more accessible and that expose them to less risk.



DORCAS ASIGE APOORE, A MASTERCARD FOUNDATION SCHOLARS PROGRAM ALUM AND FOUNDER OF A WOMEN'S COLLECTIVE IN NORTHERN GHANA.

5. Though their businesses were often negatively impacted by COVID-19, young entrepreneurs showcased a high level of resilience, and were often focused on adapting their businesses to the "new normal".

While many young entrepreneurs in our survey were impacted by COVID-19 restrictions and expressed a need for financial support to revive their businesses, an almost equal number of young entrepreneurs displayed a high level of resilience, and focused on adapting their businesses to the new context

When asked how their businesses were impacted by the COVID-19 pandemic, the young entrepreneurs we surveyed were impacted in different ways, as Figure 6 below shows.

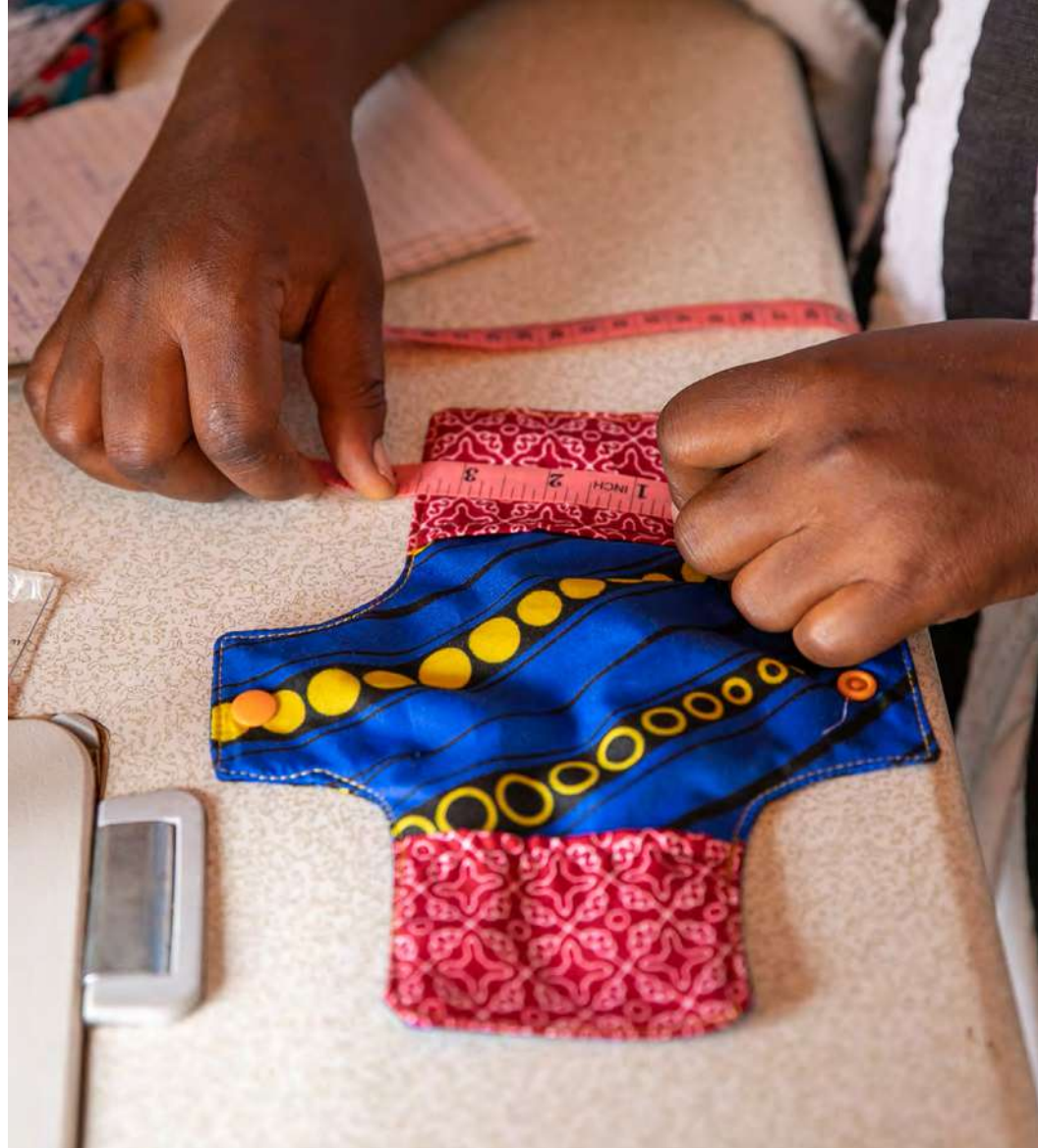
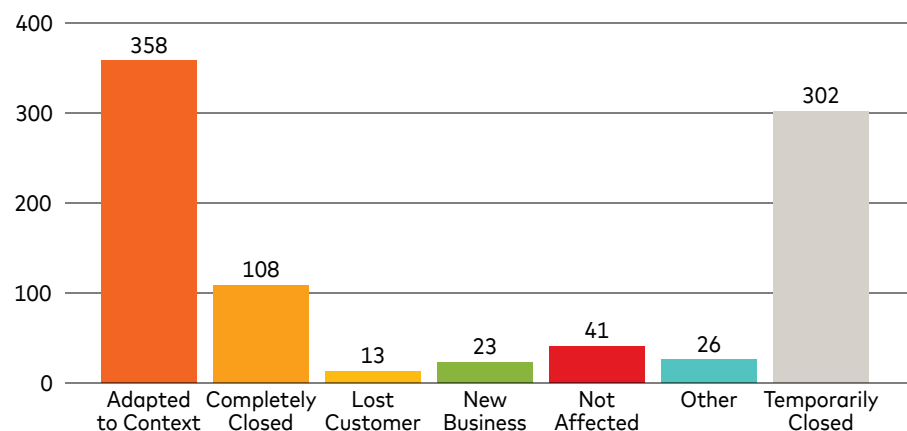


FIGURE 6. PRIMARY IMPACT OF COVID-19 ON YOUNG ENTREPRENEURS' BUSINESSES



A WOMAN MAKES A SANITARY PAD AS PART OF A WOMEN'S COLLECTIVE IN NORTHERN GHANA. THE COLLECTIVE IS RUN BY DORCAS ASIGE APOORE, A MASTERCARD FOUNDATION SCHOLARS PROGRAM ALUM AT EARTH UNIVERSITY.

Among those we surveyed, experience of business closure, whether temporary or permanent, was the most common experience, affecting 50.2 percent.⁸ However, the second most common experience they mentioned was that they adapted to the new context, as 41.1 percent reported. This showcases the high resilience and flexibility of entrepreneurs in the sector.

When asked what support they would need to revive and rebuild their businesses, unsurprisingly the most common response among survey respondents (48.2 percent) was the need for financial support. Many did not go into further detail about the financial support that they would need. Those who did described needing financial assistance for restocking their business inputs, particularly as they had spent their savings on operational costs that could not be deferred (such as rent) and on other personal basic needs. As a young Ugandan entrepreneur explained, "Capital is key for me at this time because I need to clear rent, clear debts, and restock. Most of the savings I had were wasted during the total lockdown."

According to these young entrepreneurs, this support need not be in the form of handouts or grants. Instead, some asked for loans at reasonable terms, readjusted to the context, either provided by or negotiated by the government. As one survey respondent said, "It's obvious that businesses need funds to revive. My cooperative has started to provide loans, but the government should support us, too."

While respondents acknowledged that governments might not have the means to provide this assistance, they suggested that governments can play a critical role in pushing for more favourable terms for small businesses. As a young Rwandan entrepreneur stated, "I don't know if financial support would be available, but at least the government might advocate for us to get loans on affordable interest rates." Doing so could not only ease the process of small businesses securing loans to rebound from COVID-19's impact, but could also address the challenges of accessing loans that business owners faced even before the pandemic.

As a young Rwandan entrepreneur stated, "I don't know if financial support would be available, but at least the government might advocate for us to get loans on affordable interest rates."

While the majority of respondents in the survey mentioned that the primary supports that they need are the eradication of the pandemic, a relaxing of restrictions, or financial support, others focused on the ways that their resilience could be supported both as individual entities and together as a sector.

At an individual level, young business owners expressed that learning to adapt to the new context would be most important for businesses to revive and succeed. "Businesses should be trained to innovate new skills and strategies," a Tanzanian respondent explained. Survey respondents suggested that this could best be done by drawing on the mentorship and advice of successful small business owners, just as entrepreneurs wanted before the pandemic.

Respondents also saw resilience as something that could be supported at the collective level across small businesses through collaboration. As a Rwandan entrepreneur expressed:

Businesses should collaborate to find the best solutions. I think we can come up with strategies on how we can support each other — be it financial support or skills exchange. We have to sit down and find internally how we can support each other and later bring external assistance, if we found [sic] that things are beyond our capacity.

Others also stressed the importance of business owners supporting each other.

While entrepreneurs we interviewed were more often negatively impacted by COVID-19, some reported that they were positively impacted by the pandemic — particularly those providing digital services and essential goods

Young entrepreneurs that we interviewed most commonly described the negative impact that the COVID-19 pandemic has had on their businesses, largely because of the way that restrictions impacted their customers. However, this was not the experience of all business owners. Some instead explained that COVID-19 either did not impact their businesses or even had a positive impact on their business because of increased customer demand. Unsurprisingly, this experience was particularly concentrated among those whose businesses were already digital and for those providing essential services.

Among entrepreneurs who we spoke with, the most common challenge that they mentioned experiencing as a result of the pandemic was decreased customer demand — mostly because of the restrictions placed on gatherings and movement. As a young entrepreneur from Tanzania expressed, "As you know, many people locked themselves away, moved out of town to their villages, and many people did not buy the products that I sell." They described how restrictions on movement meant that customers could not reach them, but also that restrictions on which businesses could operate stopped them from serving customers anyway. Particularly hard hit were those whose businesses require that customers can travel and gather, such as those in the tourism, hospitality, and entertainment industries.

Where those who depended on physical interactions with their customers struggled, those entrepreneurs offering digital services reported that they were not impacted by the pandemic because these spaces did not face any restrictions. As a Ghanaian entrepreneur offering digital advertising solutions explained, "COVID-19 favoured the digital space. We were not left out...While people were complaining, I was in my room and doing a lot of things."

A young Ugandan providing social media marketing services for vendors echoed this experience, saying: "Social did not stop... It has not affected me as an individual, but it has affected my people who are bringing in these products. To me, it has made more money for me, definitely." While the vendors that use his services have been impacted, this entrepreneur found himself not only not disadvantaged — but positively impacted by the increased demand for his services. Similarly, a young Zambian entrepreneur producing graphics mentioned, "When I compare to the past days and years, this is the time I have had more customers."

The opportunity in digital services provided by the pandemic was something that other business owners took advantage of. A young Kenyan entrepreneur described how he took advantage of the new demand for digital services that COVID-19 created:

I had already started looking for ways to fly out for greener pastures. Then COVID came and hit us. So, what I decided to do was I would rather come up with a business idea as an internet service provider, since people were at home either working or studying.

COVID-19 therefore helped him select his business idea by revealing an unmet need — buying internet packages from big suppliers and using radio to transfer it to others' devices.

The other challenge that business owners often mentioned with respect to their customers was decreased demand because customers came to view their goods as luxuries when COVID-19 affected their incomes. As a Ghanaian chocolate seller explained, "It is more like a luxurious product... People lost their jobs and a whole lot so you can't expect somebody to be indulging in chocolate when the person's basic needs have to be met." A Kenyan clothes seller repeated the same impact, saying, "Most people prefer buying what they'll eat and paying maybe rent, rather than buying...You know, right now, by the way, clothes are luxuries." When COVID-19 impacted their customers' incomes, those offering goods that are not necessities found their businesses to be affected first.



KEVIN KIBET MOCHAMA AT HIS DEMONSTRATION FARM IN KENYA. KEVIN IS AN ANZISHA FELLOW, A PARTNERSHIP WITH THE MASTERCARD FOUNDATION.

Unsurprisingly, then, those whose businesses provided what customers perceived to be "essential goods" were not impacted.

Those selling essential goods — particularly agricultural goods — emphasized that they were not impacted by COVID-19. According to a Kenyan agribusiness entrepreneur, "In my line of business, COVID-19 did not affect us that much because we are on the essentials, and you know that is the privilege that comes with being a producer." This was a common experience among those in this sector: that it was not that the restrictions did not apply to those providing essential services but instead that the demand for their products was not affected because they are essential.

Others explained that, similar to those providing digital services, they instead saw their businesses positively impacted by the increased demand for their products. A Tanzanian maize dealer expressed, "The Corona virus issue has not made people stop eating food; rather it has added me more customers...Many people were spending their days at home, and this therefore led to an

increase in the demand for food." Because of the changes to their lives due to COVID-19 restrictions, he saw the demand for his products increase.

Another young entrepreneur shared this experience and explained the opportunity that this increased demand created for her, saying, "People will always eat. So, you'll never go wrong if you produce food." She explained that because of the consistent demand for her products during COVID-19, she was able to expand into new projects. Because of this opportunity, she expressed that, "COVID-19 was actually a good thing."

Therefore, while COVID-19 negatively affected several entrepreneurs' businesses, all businesses were not uniformly impacted. Instead, there were some "winners" in the pandemic. Interestingly, some of the factors of demand that young entrepreneurs thought about when starting their businesses, like providing necessary commodities that households need on a regular basis, still held true during the pandemic.

The other challenge that business owners often mentioned with respect to their customers was decreased demand because customers came to view their goods as luxuries when COVID-19 affected their incomes.

While it was more common for the young entrepreneurs that we spoke with to be negatively impacted by COVID-19, what was just as common was that they showed a high level of resilience — particularly through adapting their businesses to the new context

While others spoke purely of how COVID-19 has negatively impacted their business, some who were impacted displayed a very positive outlook on their business, even amidst the impacts they've felt. A Ghanaian entrepreneur running a lunch service said, "There is actually even the silver lining in every storm. This is actually a great time to see how, like, resilient your business is... 'cause if you're able to survive in this time, then, like, you're set." Similar to the positive perspective that young business owners show towards competition, this entrepreneur conveys that she sees COVID-19 as a test of how sustainable her business is — a positive challenge that she can learn from to improve her business.

This positivity is something that some other entrepreneurs also expressed, displaying a high level of confidence that their businesses will be able to rebound from these shocks. As a Kenyan shoe seller described, since COVID-19 his business had not yet rebounded, but, "Around November, I will have reached the exact target, whereby we will be back to normal. After December, maybe I will be talking about bigger plans." A Ugandan entrepreneur also expressed confidence that her business would rebound with time, saying, "I think the losses we have incurred... make it hard to go back to normal immediately... But two years down the road, things will be back to normal or better off than what they are now." Though both of these entrepreneurs predict different timescales for their businesses to rebound, they both feel that their businesses will not only recover back to their pre-COVID-19 levels but could in fact grow.

Again, similar to their view of competition, others expressed that this challenge has moved them to innovate. For example, a Ghanaian entrepreneur who described how COVID-19 led to losses in his business mentioned:

In my case, I wouldn't say I did something special, but I was rather determined, and I knew it will [sic] be over; so, I have to keep on. Additionally, [I took] this opportunity to rather develop new ideas instead of just sitting down and relaxing... So, by the time COVID-19 is over, I would have a lot of things to do or handle.

In his perspective, the pandemic has given him the opportunity to reflect and adapt in a way that has allowed him to consider new ideas.

DEBBIE AJEI-GODSON AT HER OFFICE IN ACCRA, GHANA. DEBBIE FOUNDED FARMINISTA, A SUPPORT SERVICE FOR SMALLHOLDER FARMERS.



Several entrepreneurs described how they are already starting up these new ideas that they've had by adapting their businesses to the "new normal". Most of these adaptations involve improving the way that business owners connect with and treat their customers.

For those entrepreneurs who continue to meet their customers in person or to provide physical goods, they explained that they have invested more in ensuring that their customers feel that they are taking the COVID-19 guidance seriously. As a Ghanaian entrepreneur mentioned, "We had to go the extra mile to make sure that the stuff that we were picking up, the people we were using to do our deliveries, were following health standards." A fruit juice vendor similarly stated, "First of all, you need to know your customer...For some customers, they are worried about the safety measures because it is food and everything. So, you just have to reassure them." In both of these cases then, showing adherence to these safety measures helps them maintain their positive relationships with their customers.

It was more common though for those adapting their businesses to replace more of these physical interactions with virtual ones by conducting more of their business virtually. A Ugandan entrepreneur describing how he had adapted his business mentioned, "The main thing I have done is go online. Yeah, I researched about the online thing, and I have actually ventured into it." Several others echoed that, explaining that they have invested in building their online presence and "try to get in contact with more people around" through their social media platforms, as another Ugandan entrepreneur mentioned.

Those using these digital solutions encouraged other business owners to do the same. One young entrepreneur mentioned that most business owners they have seen are not doing so and are just waiting for customers to visit their shops. Instead, she stressed, "Right now, we have new things: selling online, talking to your customers online, interacting with them. Basically, everything is now online. It is something we must embrace." While entrepreneurs were already embracing social media and other digital marketing solutions prior to COVID-19, the pandemic's reduction of physical interactions only pushed business owners further into exploring digital solutions to interact with their customers.

However, it is not just that young entrepreneurs have an increasing acceptance of digital and e-commerce solutions; they also explained that their customers have begun to accept these approaches more during COVID-19, as well. A Kenyan shoe seller who had invested more in conducting her business online described the changes that she has seen in her customers:

After things opened up, and now people started accepting the digital space... In the number of purchases, I have seen people now have more trust in online business compared to before...Also, in terms of payments, people are now more trusting of online payment.

According to several entrepreneurs, these shifts in customer trust in e-commerce is what has enabled them to explore and invest in more digital solutions.

There are several themes that were common among business owners before the pandemic that have added to their resilience to it. There is some similarity between the way that young entrepreneurs view risk and competition, and the way that they view the challenges presented by the pandemic. That is, they are able to see both as drivers for improvement because they demand adaptability. As customer engagement was the backbone of young entrepreneurs' business strategies before the pandemic, it is not surprising that they have adapted by remaining focused on strong customer interaction. They often did so through the same means that they were already beginning to pursue pre-pandemic, through social media and other digital options. However, the pandemic pushed them to innovate more with these platforms, and increased customer confidence in them.

Conclusion: Rethinking Small- Scale Business Owners

There are various assumptions held about small-scale business owners, particularly those in “less sophisticated” businesses informally selling low-cost goods and simple services. It may be easy to assume that they have entered these businesses and taken on the risks associated with running them because they have no other options. And while this might be true to some extent, the realities of their experiences are far more complex.

The young entrepreneurs we spoke with challenge us to think about them differently, to acknowledge their agency and their potential. They have high aspirations, supported by a positive outlook towards challenges like competition, risk, and a global pandemic. They also have the confidence to believe that they can overcome many of these challenges. They have grit and an ambitious spirit that makes them resilient.

They also think more critically about their businesses than they are often given credit for. They use an analysis of consumer demand and competition to inform which businesses they select, even if they might appear to simply be common businesses on the market. Without additional structured support, they have taken skill-building into their own hands;

developed financial systems that work for them; and have been creative about customer outreach, engagement, and conversion. They are ready and willing to try new skills, methods, approaches, and technologies to support their growth.

This thinking must structure the support that is provided to these entrepreneurs. Business development services designed to support their growth should not assume a blank slate. Instead, they should focus on strengthening what is already there.

They should take stock of the analysis, skills, and processes that entrepreneurs have informally developed. They should focus on layering systems, rigour, and best practice into the structure that these entrepreneurs have already built. These young business owners already have a strong vision for how they want their businesses to grow. So success will be diverse, dependent on the individual business and the individual running it. Because of where they are and where they are headed, no two pathways will look the same. So business development services should offer a variety of options that can be tailored through a service structured like a consultancy.

Recommendations

Small-scale business owners are already doing a lot to succeed. However, they could use additional support to take their businesses to the next level. That support is not about altruism. Small-scale entrepreneurs want to be part of the solution to the youth employment gap. They want to help others transition into work and self-employment by sharing their skills and providing jobs to other youth. However, they will only be able to do so if they can expand their businesses beyond their current operations.

Based on our findings, we call on other actors to support young entrepreneurs in the following ways:

Organizations and Development Practitioners should ...

Focus on supporting small-scale businesses through business development services. These services should be structured as a menu of options that business owners can select from to meet their specific context and needs. At a minimum, this menu of options should include skill building opportunities in: market demand and competition analysis as well as risk assessment techniques; financial management, accounting, and business planning; and customer engagement and strategic marketing, including digital and social media solutions specifically. These services should be delivered as a consultancy service and supported by successful peer mentors. They should also be delivered through flexible approaches, sensitive to the financial and time constraints of business owners.

In the absence of other accessible financial product options, organizations and development practitioners should develop SACCOs where they are not available and strengthen existing SACCOs where they are, so that they can offer financial capital to their members.

Private Sector Actors should ...

Lend their experience, skills, expertise, and connections to their small-scale business peers by partnering with those offering business development services and providing technical insight into the menu of options provided and acting as mentors in the delivery of these services. In particular, they can share innovative techniques that they have used to manage competition, market their products and services, and increase the usefulness of digital and social media platforms. They should also share success stories of how they have remained resilient in the face of COVID-19.

Financial Institutions should ...

Look at easing the restrictions on their current products, and analyze the risks that are associated with them for small-scale entrepreneurs. They should also look at how to design new products specifically tailored for these business owners. This will not only increase financial inclusion but also open a new market for financial institutions that they are not currently reaching.

Governments should ...

Support the efforts of other actors, developing an ecosystem that encourages others to meet the actions above and that encourages the growth of small-scale businesses.

They should support businesses to recover from COVID-19 by providing incentives and grants to small-scale businesses hardest hit by the pandemic, where possible.

And they should negotiate with banks and other financial institutions on behalf of small businesses to reduce the complexity of their loan application processes and to reduce their interest rates. They can start these conversations while using the impact that the pandemic has had, but should see that these adjustments continue beyond COVID-19 recovery to ensure greater financial access long-term.

Donors should ...

Fund projects and programs in line with these recommendations. They should move their strategic priorities from promoting business start-up through initial business training and start-up grants to supporting the growth and expansion of existing businesses such that they can employ others.

2019-2020 Mastercard Foundation Youth Think Tank Biographies



Dzidzor Esi Boni

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Dzidzor is an economics graduate from the University of Ghana. She currently works with a research organization that provides evidence-driven social and market research services.



Isaiah Junior Osei Duah

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Isaiah is a final year student studying optometry at the Kwame Nkrumah University of Science and Technology. He also serves as Deputy Academic Board Chair of the Student Representative Council at his university.



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Bonface is an engineering graduate from the Technical University of Kenya. He currently serves as a project officer supporting young tech innovators at the UN Sustainable Development Solutions Network.



Isaac Opiyo Wabwire

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Isaac is a final year actuarial science student at Kenyatta University. He is a co-founder of InsureTech Startup, which promotes safe driving through real-time insurance ratings.



Harriet Kachimanga

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Harriet is a communication and cultural studies graduate from the University of Malawi. She is currently a public relations intern for Malawi Council for the Handicapped and is also working as a freelance communications consultant.



Martin Masiya

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Martin is a young entrepreneur and founder of Solly's Energy, a renewable energy start-up. He is also an advocate for youth skills, youth employment, and young people's participation in renewable energy.



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Naomi is an aquaculture and fisheries science graduate. She is currently working as a junior extension officer on an aquaculture value chain program funded by GiZ.



Ghislain Irakoze

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Ghislain is an international business and trade student at the African Leadership University. He is also the founder and CEO of Wastezon, a mobile-app company that facilitates solid waste transactions between households and recycling companies.



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Liliane is a business information technology graduate. She is currently pursuing her Master's Degree in business administration at the University of Rwanda. She is passionate about using her technology skills to change the world.



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Olive is a logistics and operations graduate. She is currently a volunteer with the African Union Youth Volunteer Corps Program. She is passionate about advocacy, women's empowerment, and research.



Alfred Mlamba Minango

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Alfred is a Business Development Associate working for Selcom Tanzania, a leading fin-tech company in his country. He is also a co-founder of Robo-Advisory, a personal wealth management platform that helps young people make investment decisions.



Edison Lucas Mollel

25, Tanzania.

Edison completed his studies in electrical engineering from the University of Dar es Salaam. He is currently working as an Assurance Associate at PricewaterhouseCoopers Tanzania. He is also a youth activist, advocating for young people's capacity building in various skills.



Zuhura Sakaya Abdul

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Zuhura is a final year accounting student at the University of Dar es Salaam. She is a RLC EA YALI Alumni, in the business and entrepreneurship track. She is also a founding member of Youth for Change Tanzania.



Joseph Ssempebwa

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Joseph holds a certificate in Project Management from Rochester Institute of Technology. He is the founder of Rising Roots, an agricultural innovation hub, and Doctor Pilau, a fast-food business.



Tworo Aziz Kassim

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Aziz is an electrical engineering graduate from Makerere University. He is an advocate for good governance and societal equity. He is passionate about using renewable energy and clean technology to create a sustainable future.



Winnie Nalubowa

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Winnie is currently a graduate student, pursuing a Master's of Science in rural development at Ghent University. She is passionate about policy development, research, and improving farmers' livelihoods.



Comfort Choolo

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Comfort is a trained Computer Engineer and certified Network Associate. He serves as Managing Director of Namboo Business Solutions, a tech start-up he co-founded that provides smart security, networking, and software development solutions.



Grace Gondwe

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Grace is currently a management trainee with Zambia Airports Corporation Limited. She also serves as a policy and research specialist for BeRelevant and coordinates research for Academics Stand against Poverty — Eastern and Southern Africa Chapter.



Purity Musatila

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Purity is a telecommunications engineering graduate from Copperbelt University. As an advocate for menstrual health and hygiene, she co-founded Tuisunge Zambia, an organization that makes and distributes reusable sanitary pads to young girls in community schools.

ENDNOTES

1. World Bank, "World Bank Development Report: Jobs," (2013). <<http://documents1.worldbank.org/curated/en/263351468330025810/pdf/73068-v1-english-revised-PUBLIC-PUBDATE-10-15-12.pdf>>
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3. Restless Development, "What Does Success Look Like? Supporting Young People to Meet Their Living Aspirations," (2019). <<https://restlessdevelopment.org/wp-content/uploads/2020/07/LIR-Report.pdf>>
4. There was a break in the data collection between March and August 2020 due to COVID-19 restrictions. We resumed data collection in September 2020, after ensuring it was safe for our young researchers to do so with the appropriate procedures and Personal Protective Equipment (PPE).
5. Target achievement was particularly challenging in Tanzania because, in some cases, respondents refused to conduct the survey with researchers who were wearing PPE and we prioritized the safety of researchers over achievement of survey targets.
6. Social factors such as family and peer influence do not appear to be the most obvious factors influencing their decision, though that does not mean that these factors do not play some role.
7. Restless Development. "What Does Success Look Like?"
8. While a few young entrepreneurs reported that their businesses were not strongly impacted, those were largely respondents whose businesses were classified as essential services or those in Tanzania, where COVID-19 restrictions were minimal.



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