

Leveraging the Expertise of Private Sector Corporations

Breaking the Barriers to Youth Entrepreneurship

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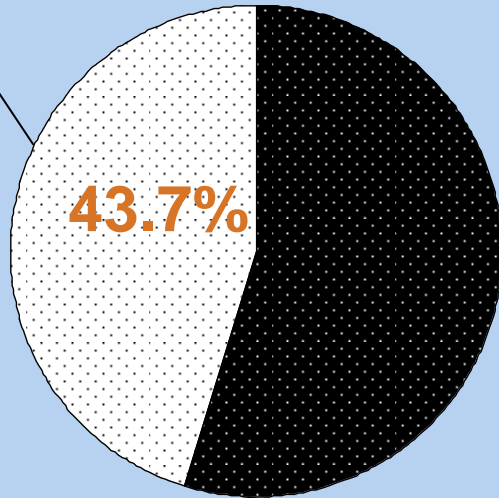
Youth Business International

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Youth Employment: A Global Challenge

Proportion of unemployed young people



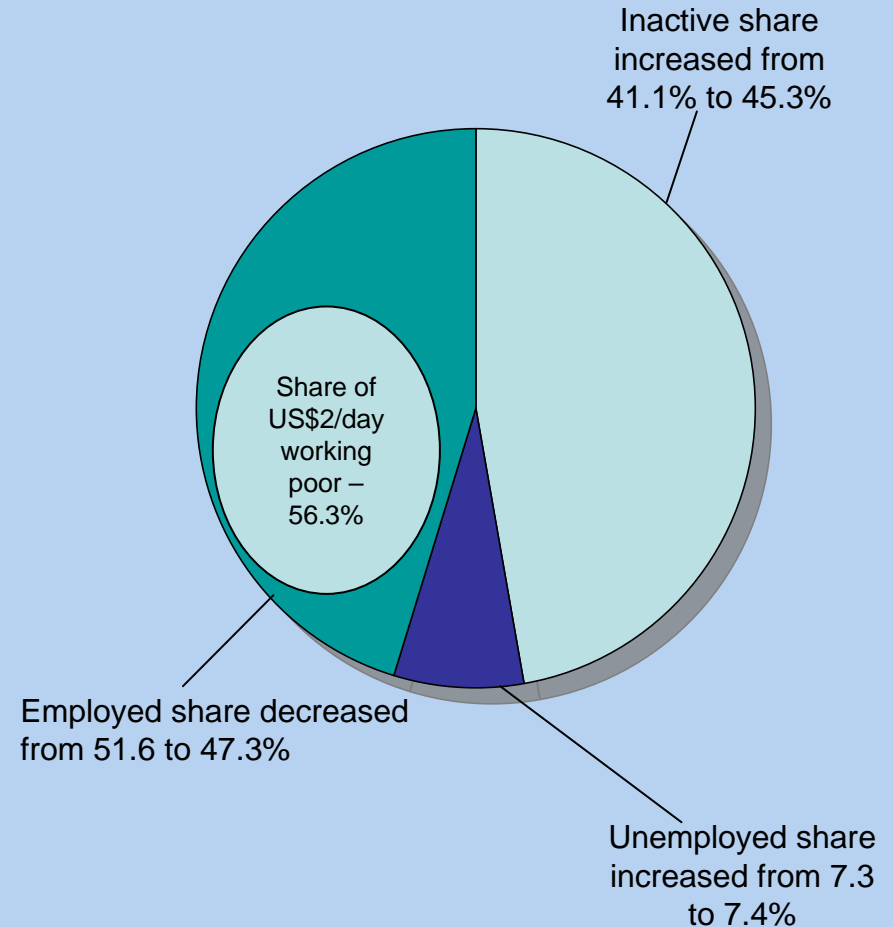
- Youth make up almost half of the world's unemployed (43.7%)
- 1 out of every 3 youth in the world is either unemployed, inactive* or earning less than US\$2 a day.
- In 2005, unemployment reached its all time high of 85 million

ILO Report 2006

Note: The term 'inactive youth' refers to young people who are neither in education nor actively searching for a job.

Unemployment – ‘the tip of the iceberg’

- **2005:** 400 million young people adversely affected :
 - 85 million unemployed
 - 300 million working poor
 - 20 million inactive* youth
- Additional constraints result in:
 - ‘forced entrepreneurship’
 - Precarious and temporary jobs with low pay



ILO Report 2006

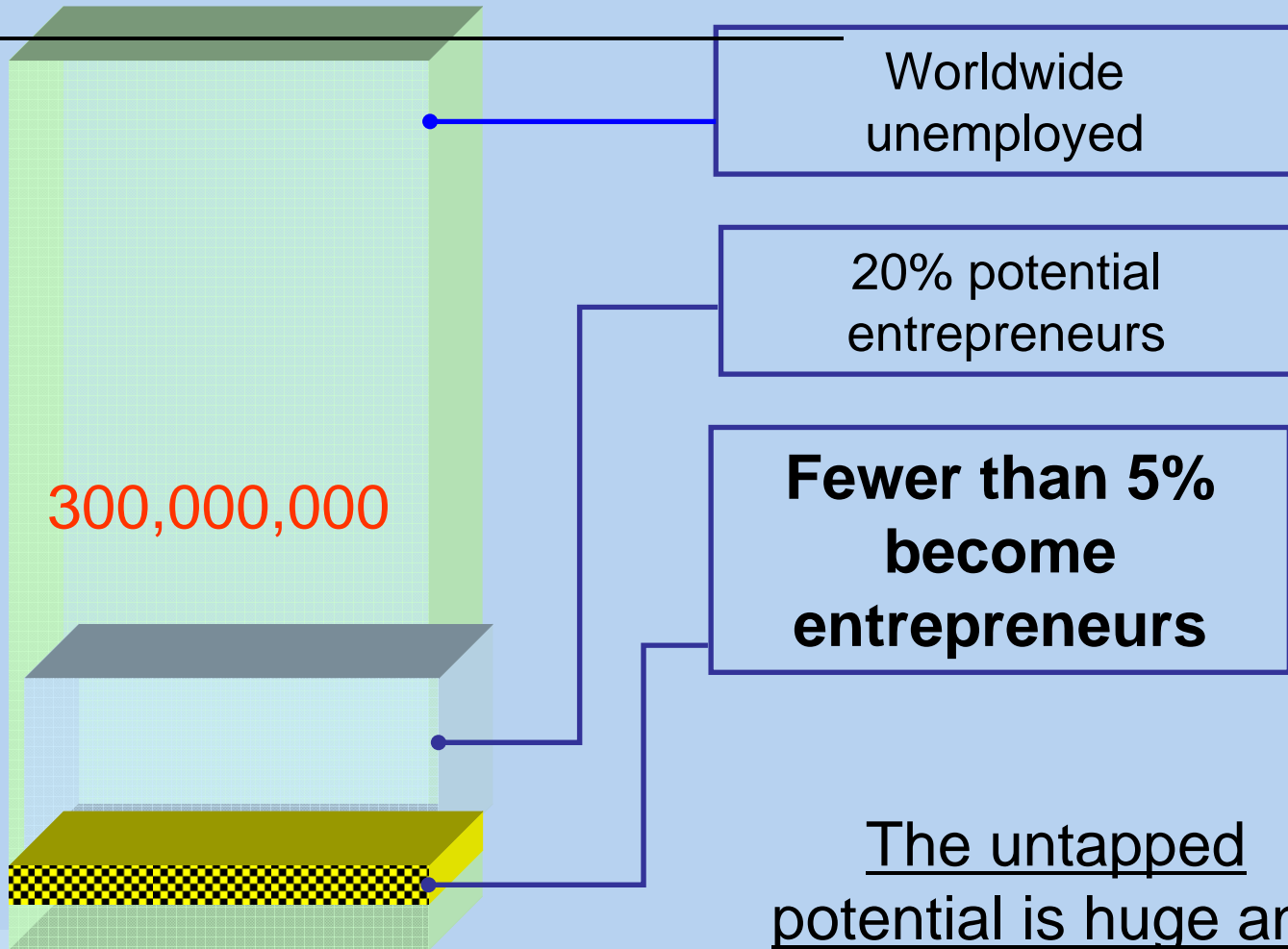
The 'decent work opportunity deficit'

Youth (15-24 years)	1995	2005
Unemployment		
Young people unemployed	↗ + 14.8% 74 million	↗ 85 million
Increase in:		
Youth population	↗ + 13.2%	↗
Youth employment	↗ + 3.8%	↗
Ratio of youth to adult unemployment	2.8x	↗ 3.0x
Working Poverty		
Young people living on:		
- Less than \$1 a day	29.5%	22.7%
- Less than \$2 a day	62.5%	56.3%

Employment Challenge

- 1.5bn aged 12-24, 1.3bn in developing countries
- More than 1bn young people will reach employable age in the next 10 years
- Number employed in 'big business' static or declining
- Number employed in government and academia generally static
- Employment growth coming largely from SME
- Need entrepreneurs to develop SMEs

The Potential



Source: Based on ILO findings

Challenges for young entrepreneurs

- Access to capital
- No track record
- No collateral
- No business experience
- Cultural attitudes
- Lack of local role models
- Lack of advice
- Levels of bureaucracy

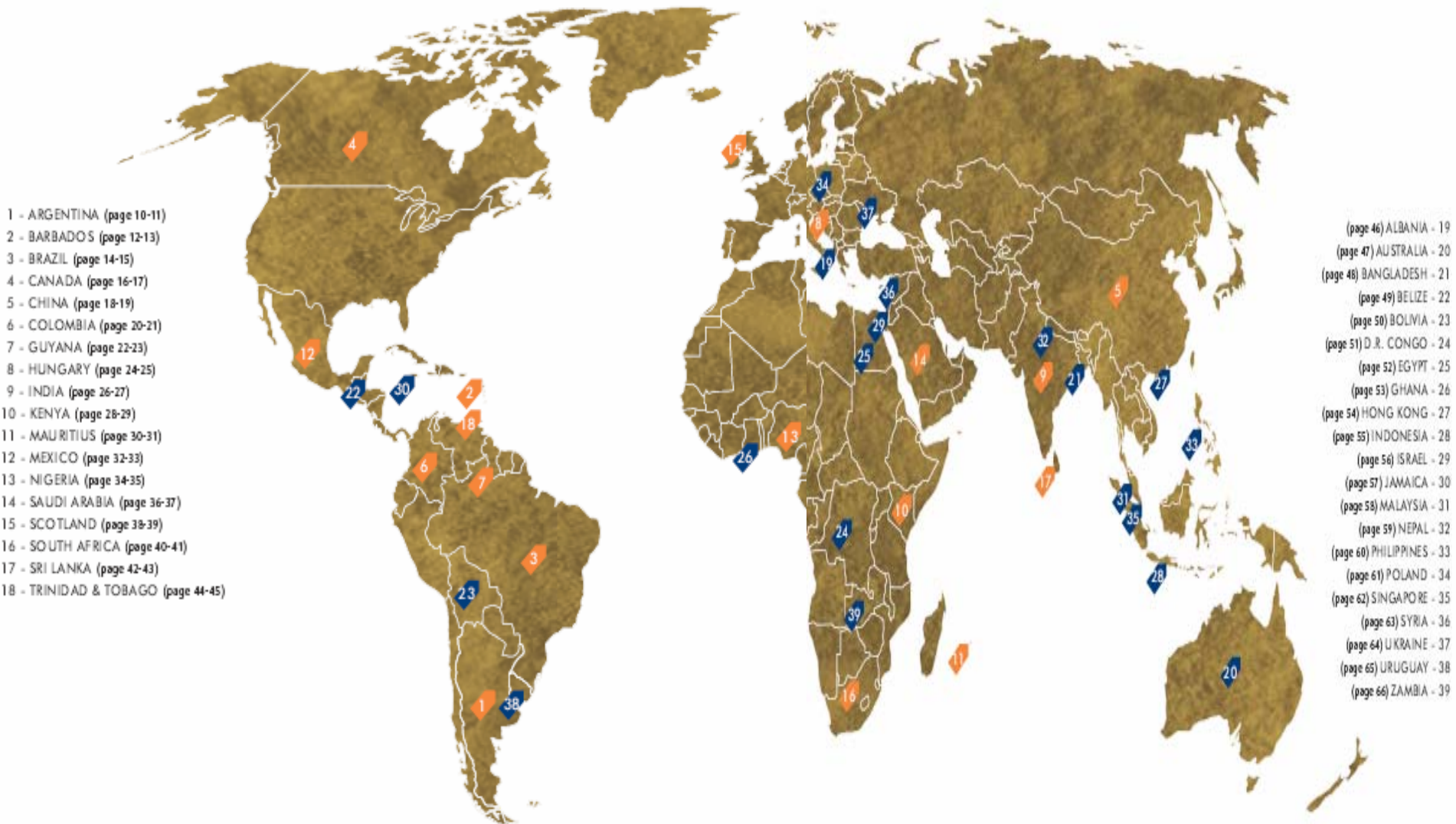


YBI Network Vision

To be the recognised leader in enabling young people to establish sustainable businesses.

YBI Network Mission

To provide effective support to entrepreneurial youth who are lacking the means, to start and grow their own businesses, thereby generating employment, alleviating poverty, and contributing to the growth of local sustainable economies.



YBI Network: Value Proposition

- M.D.G. # 8: Develop a Global Partnership for Development
Target # 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth
- YBI holds the Youth Entrepreneurship Secretariat for the UN's YEN
- YBI Network creates sustainable (growth) businesses that create employment in challenging environments
- YBI operates in some of the poorest countries in the world and only helps those entrepreneurs who do not have the means to help themselves
- YBI Network complements 'Standard' Microfinance

YBI

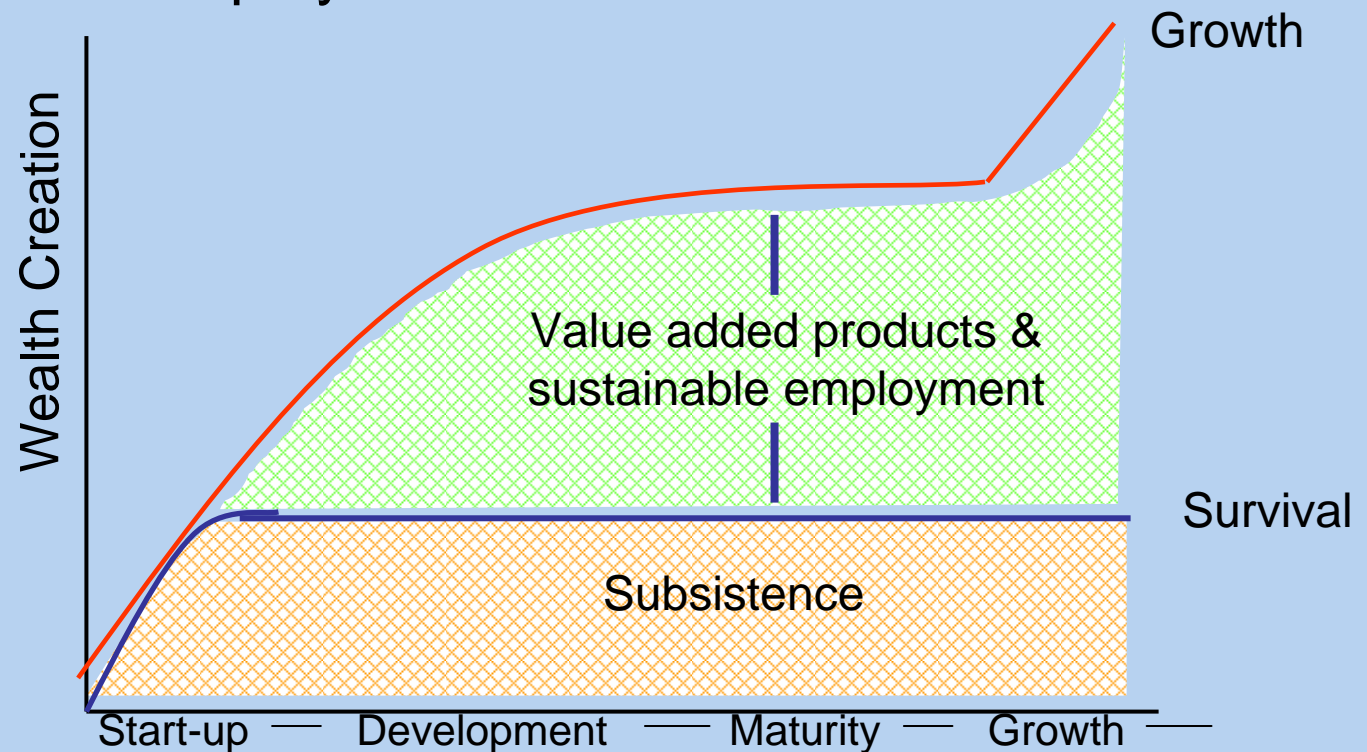
- 18-35 years, 50/50 gender split
- Loan size - \$800 - \$15,000
- 'Collateral': Mentoring
- Purpose: Growth Businesses
- Interest rates: Bank Loan rate

Standard' Microfinance

- Generally older and predominantly female
- Loan size - Generally less than \$800
- 'Collateral': Peer Group
- Purpose: Variable, mostly Consumer
- Interest rates: Above Bank Loan rate

Subsistence to Growth

YBI focuses on converting subsistence into growth, wealth, sustainability and employment creation



Impact

- Small and Medium-Sized Enterprises (SMEs) account for 80% of all new jobs in the EU
- 85% new businesses created worldwide are 'in-family' with family capital and know-how
- For those without the opportunity, the YBI Network replicates the in-family approach with loan capital and volunteer business mentoring
- Halving the world's youth unemployment rate would have added an estimated 4.4% to 7% to the world's GDP in 2003' (ILO)



How do YBPs operate?

- Local Youth Business Programmes:
- Work with young people (aged 18-35), who want to start up a new business but cannot access help from elsewhere
- Provide access to start-up loan funding with no collateral / security
- Provide access to a volunteer business mentor
- Provide access to business networks
- Provide access to pro-bono advice



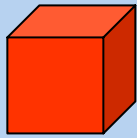
Jenny Kierstead, Breathing Space Yoga Studio Inc, Canada

YBI's Credentials

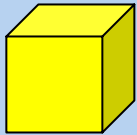
- The methodology of YBPs is based on that established by the Prince's Trust which has created over 70,000 entrepreneurs since 1979 in the UK.
- Established partnerships with Multinational Corporations and Multilateral Agencies
- Sustained high new business survival rates (over 72% of youth businesses trading in their 3rd year)
- YBI helps minimise the delivery costs of funding and services to each entrepreneur and maximise their effectiveness



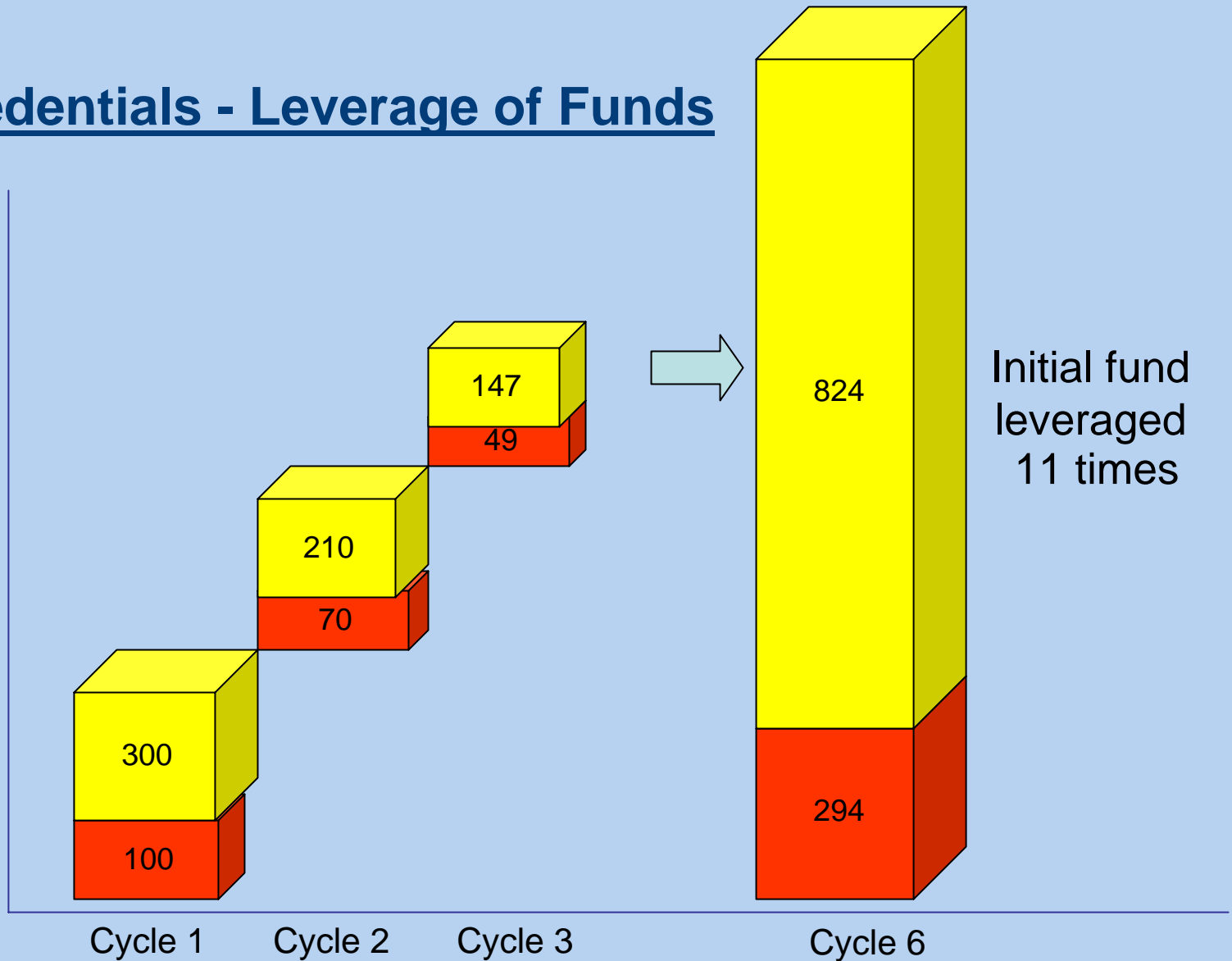
YBI Credentials - Leverage of Funds



Cash



Added value of advice and Gifts-in-kind*



NB: Assumption that 70% of the seed funding is recycled
* - Excludes frequently available matching funds

The dangers of Social Exclusion

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are needed to see this picture.



Global Corporate Citizenship

Supporting Youth Entrepreneurship particularly through mentoring is attractive and 'on message' for many multinationals

The Business Case

- Reputation & Brand
- Employee Motivation
- License to Operate
- Competitiveness & Market Positioning

Key Stakeholder Groups

- Employees
- Government Bodies
- Customers
- Local Communities

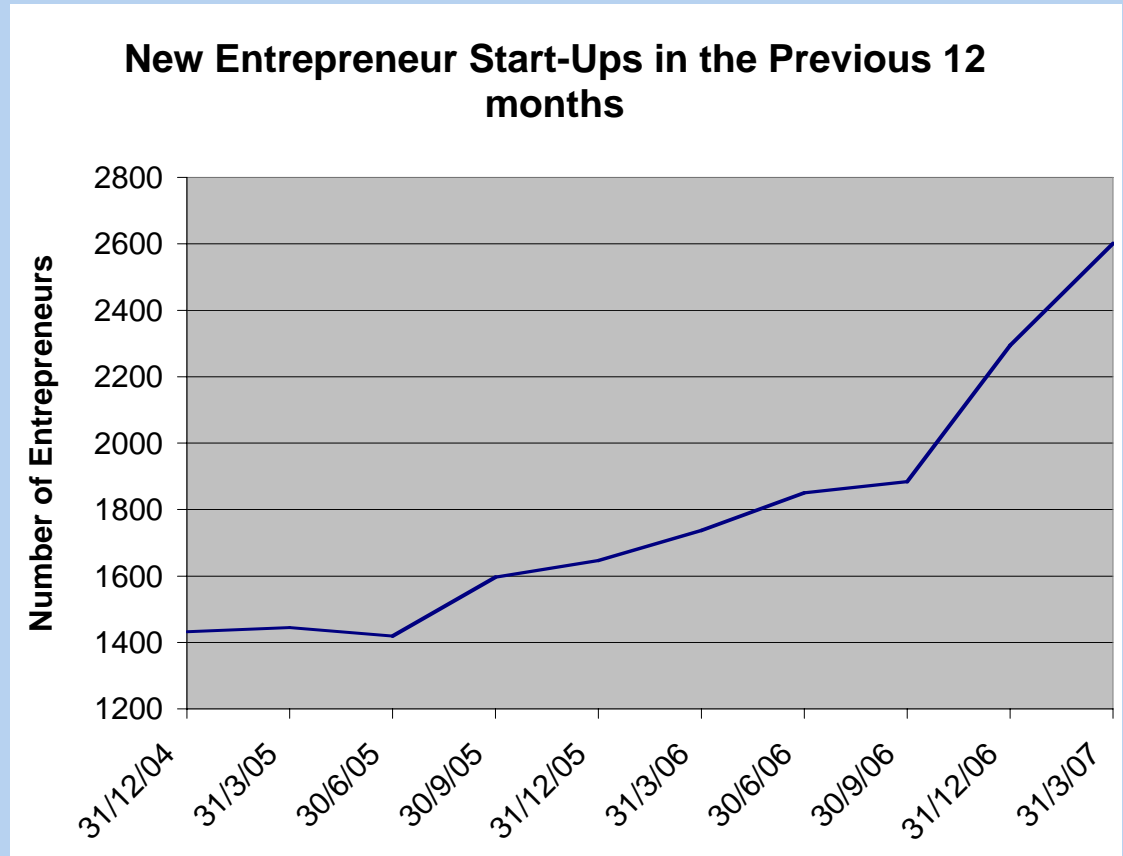
...and tends to have a local catalytic effect

Zablon Karingi Muthaka, YBI Entrepreneur of the Year 2006, Beta Bins Waste Management, Kenya

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The YBI Network - YBPs' Successes

- Number of new businesses started in total: 17,332
- 3 year business sustainability: 72%
- Job creation: 2.6 per business
- Average loan: \$5,500 (developing countries approx \$1,800)



Working in Partnership

- With business
- With community organisations
- With local and national governments
- With the International Community
- With other NGOs and training organisations
- With our local Youth Business Programmes

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www.youth-business.org

