

WORLD YOUTH REPORT

YOUTH

SOCIAL
ENTREPRENEURSHIP
AND THE
2030 AGENDA



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**United
Nations**

Department of
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Technical Note: In this publication, unless otherwise indicated, the term "youth" refers to all those between the ages of 15 and 24, as reflected in the World Programme of Action for Youth. The term "young people" may be used interchangeably with the word "youth".

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Department of
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EXPLANATORY NOTES

ABBREVIATIONS USED IN THE REPORT

AI	artificial intelligence	SDGs	Sustainable Development Goals
CSR	corporate social responsibility	SMEs	small and medium-sized enterprises
DAI	Digital Adoption Index	SMS	short message service
ECLAC	Economic Commission for Latin America and the Caribbean	SROI	social return on investment
GDP	gross domestic product	STEM	science, technology, engineering and math
GEM	Global Entrepreneurship Monitor	SWOT	strengths, weaknesses, opportunities and threats
GPI	Global Peace Index	SWTS	school-to-work-transition survey
ICT	information and communications technology	TVET	technical and vocational education and training
ILO	International Labour Organization	UNCDF	United Nations Capital Development Fund
ILOSTAT	ILO Department of Statistics	UNDESA	United Nations Department of Economic and Social Affairs
IoT	Internet of Things	UNDP	United Nations Development Programme
ITU	International Telecommunication Union	UNESCO	United Nations Educational, Scientific and Cultural Organization
JIIM	Jamaica Impact Investment Market	UNFCCC	United Nations Framework Convention on Climate Change
JSE	Jamaica Stock Exchange	UNHCR	Office of the United Nations High Commissioner for Refugees
JSIM	Jamaica Social Investment Market	UNICEF	United Nations Children's Fund
JSSE	Jamaica Social Stock Exchange	UNIDO	United Nations Industrial Development Organization
KILM	Key Indicators of the Labour Market (ILO)	UnLtd	Foundation for Social Entrepreneurs
km/h	kilometres per hour	YDI	Youth Development Index
NEET	not in employment, education or training	YouthPOL	ILO database on youth employment policies and legislation
NGO	non-governmental organization	3D	three dimensional
OECD	Organization for Economic Cooperation and Development		
OST	out-of-school time		
R&D	research and development		
ROI	return on investment		

NOTES ON REGIONAL, COUNTRY AND AREA GROUPINGS AND SUBGROUPINGS

The terms “country”, “more developed regions” and “less developed regions” are used for statistical convenience and do not necessarily express a judgement as to the developmental stage of a particular country or area. More developed regions are comprised of all countries in Europe and Northern America, as well as Australia, New Zealand and Japan. The term “developed countries” refers to countries in the more developed regions. Less developed regions are comprised of all countries of Africa, Asia (excluding Japan) and Latin America and the Caribbean, as well as Melanesia, Micronesia and Polynesia. The term “developing countries” is used to designate countries in the less developed regions.

For analytical purposes, unless otherwise specified, the following country groupings and subgroupings have been used in this *Report*:

Subgroupings of Africa: **Northern Africa:** Algeria, Egypt, Libya, Morocco, Sudan, Tunisia, Western Sahara. **Sub-Saharan Africa:** Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d’Ivoire, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Mozambique, Namibia, Niger, Nigeria, Réunion, Rwanda, Saint Helena, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Togo, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

Subgroupings of the Americas: **Latin America and the Caribbean:** **Caribbean:** Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, Sint Eustatius and Saba, British Virgin Islands, Cayman Islands, Cuba, Curaçao, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Puerto Rico, Saint Barthélemy, Saint Kitts and Nevis, Saint Lucia, Saint Martin (French Part), Saint Vincent and the Grenadines, Sint Maarten (Dutch part), Trinidad and Tobago, Turks and Caicos Islands, United States Virgin Islands. **Central America:** Belize, Costa Rica, El Salvador,

Guatemala, Honduras, Mexico, Nicaragua, Panama. **South America:** Argentina, Bolivia (Plurinational State of), Bouvet Island, Brazil, Chile, Colombia, Ecuador, Falkland Islands (Malvinas), French Guiana, Guyana, Paraguay, Peru, South Georgia and the South Sandwich Islands, Suriname, Uruguay, Venezuela (Bolivarian Republic of). **Northern America:** Bermuda, Canada, Greenland, Saint Pierre and Miquelon, United States of America, Antarctica.

Subgroupings of Asia: **Central Asia:** Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan. **Eastern Asia:** China, Hong Kong Special Administrative Region, China, Macao Special Administrative Region, China, Democratic People’s Republic of Korea, Japan, Mongolia, Republic of Korea. **Southern Asia:** Afghanistan, Bangladesh, Bhutan, India, Iran (Islamic Republic of), Maldives, Nepal, Pakistan, Sri Lanka. **South-Eastern Asia:** Brunei Darussalam, Cambodia, Indonesia, Lao People’s Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Viet Nam. **Western Asia:** Armenia, Azerbaijan, Bahrain, Cyprus, Georgia, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, State of Palestine, Syrian Arab Republic, Turkey, United Arab Emirates, Yemen.

Subgroupings of Europe: **Eastern Europe:** Belarus, Bulgaria, Czechia, Hungary, Poland, Republic of Moldova, Romania, Russian Federation, Slovakia, Ukraine. **Northern Europe:** Åland Islands, Channel Islands (Guernsey, Jersey, Sark), Denmark, Estonia, Faroe Islands, Finland, Iceland, Ireland, Isle of Man, Latvia, Lithuania, Norway, Svalbard and Jan Mayen Islands, Sweden, United Kingdom of Great Britain and Northern Island. **Southern Europe:** Albania, Andorra, Bosnia and Herzegovina, Croatia, Gibraltar, Greece, Holy See, Italy, Malta, Montenegro, Portugal, San Marino, Serbia, Slovenia, Spain, the former Yugoslav Republic of Macedonia. **Western Europe:** Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, Switzerland.

Subgroupings of Oceania: **Australia and New Zealand:** Australia, Christmas Island, Cocos (Keeling) Islands, Heard Island and McDonald Islands, New Zealand, Norfolk Island. **Melanesia:** Fiji, New Caledonia, Papua New Guinea, Solomon Islands, Vanuatu. **Micronesia:** Guam, Kiribati, Marshall Islands, Micronesia (Federated States of), Nauru, Northern Mariana Islands, Palau, United States Minor Outlying Islands. **Polynesia:** American

Samoa, Cook Islands, French Polynesia, Niue, Pitcairn, Samoa, Tokelau, Tonga, Tuvalu.

ILO's regional groupings have also been used in the *Report*. They can be found at <https://www.ilo.org/global/regions/lang--en/index.htm>

World Bank's regional groupings can be found at <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

The *Global Entrepreneurship Monitor 2015 to 2016: Special Topic Report on Social Entrepreneurship* draws on interviews conducted in 2015 with 167,793 adults in 58 economies. More information can be found at <https://www.gemconsortium.org/report/gem-2015-report-on-social-entrepreneurship>



EXECUTIVE SUMMARY

INTRODUCTION

The *World Youth Report: Youth Social Entrepreneurship and the 2030 Agenda* seeks to contribute to the understanding of how youth social entrepreneurship can both support youth development and help accelerate the implementation of the Sustainable Development Goals. Towards this end, the *Report* first synthesizes the current discussion on social entrepreneurship and anchors it in the context of the 2030 Agenda for Sustainable Development. **Chapter 2** of the *Report* examines the situation of young people and whether youth social entrepreneurship can offer employment opportunities and support youth participation and other elements of youth development. In the **third chapter**, the *Report* assesses the potential of youth social entrepreneurship as a source of support for the 2030 Agenda and youth development in its broadest sense — and examines relevant challenges within this context. **Chapter 4** explores how new technologies can be leveraged to address some of the challenges faced by young social entrepreneurs and to further support youth social entrepreneurship in its efforts to advance sustainable development. The **final chapter** offers policy guidance to facilitate the development of enabling, responsive and sustainable national ecosystems for young social entrepreneurs.

Throughout the *Report*, information boxes and case studies illustrate the impact youth social entrepreneurship can have when entrepreneurship ecosystems are responsive to the needs, characteristics, constraints and ambitions of young people.

SOCIAL ENTREPRENEURSHIP

Social entrepreneurship — born out of the cooperative movement that began in nineteenth-century Europe — gained traction in the 1980s and 1990s with the emergence of the social innovation and social enterprise schools of thought and practice. In the present context, social entrepreneurship is defined as entrepreneurial activity undertaken with the explicit objective of addressing societal problems. It is this convergence that informs the unique hybrid nature of social enterprises.

Several factors are responsible for the rising incidence and visibility of social entrepreneurship over the past few decades. Among these are the growing importance of social capital in the business sector and the need to fill widening gaps deriving from the inability of public institutions, non-governmental organizations (NGOs) and charities to meet the increasing demand for social services. Although social entrepreneurship is growing worldwide, prevalence rates vary widely both within and between regions. Measuring global and regional trends related to social entrepreneurship remains problematic, not least because the concept lacks a widely accepted framing definition, due in part to an underdeveloped theoretical base as well as the strong influence of the surrounding context on the nature of social entrepreneurship activities.

Recent estimates indicate that the implementation of the 2030 Agenda will require a much higher level of funding than initially projected, so financially efficient models such as social entrepreneurship that help address key sustainable development challenges merit increased attention and evaluation. Social entrepreneurship seeks

to generate profit for a purpose, employing sustainable economic logic to achieve social imperatives, and can complement other public and private efforts — in particular those aimed at responding to the needs of marginalized segments of society.

Social enterprises constitute an effective mechanism for engaging marginalized groups and creating opportunities for a wide range of economic actors. However, as social enterprises regularly serve vulnerable communities affected by complex issues that need to be addressed by multiple partners, accurately measuring their social impact remains problematic.

YOUTH DEVELOPMENT AND PARTICIPATION

Evidence indicates that social entrepreneurship can contribute to sustainable and inclusive job creation. Unemployment among youth represents one of the greatest global challenges. Recent estimates suggest that 600 million jobs would have to be created over the next 15 years to meet youth employment needs. Finding decent work can be especially difficult for this demographic. It is estimated that 96.8 per cent of all young workers in developing countries are in the informal economy. In many cases, low youth unemployment rates mask poor job quality, especially in developing countries. The proportion of young people not in employment, education or training (the youth NEET rate) has remained stubbornly high over the past 15 years and now stands at 30 per cent for young women and 13 per cent for young men worldwide. Until structural barriers are removed, implementing employment-based interventions targeting young people may just fuel greater frustration. Under the proper conditions, however, social entrepreneurship can offer youth an avenue to explore in their quest for sustainable employment.

As social entrepreneurship leverages young people's talents and capacities, it can support individual development and efforts to effect change. Young people are still regularly excluded from policy and political decisions affecting their lives, and social entrepreneurship offers them an avenue to express their views and have an impact on society. Youth are increasingly demanding greater inclusion and meaningful engagement and are taking action to address development challenges themselves, including through social entrepreneurship.

Although creating and maintaining a successful social enterprise can present clear challenges, social entrepreneurship is appealing to youth, in part because it offers the unique combination of income generation and social impact. Entrepreneurs by choice and entrepreneurs by necessity both face numerous obstacles, but there are significant differences in terms of contexts and needs. The successful pursuit of youth social entrepreneurship is highly dependent on the confluence of enabling factors, conditions and settings — or what is known as the entrepreneurship ecosystem. The extent to which the potential of youth social entrepreneurship is realized depends in large part on this ecosystem.

YOUTH SOCIAL ENTREPRENEURSHIP: POTENTIAL AND CHALLENGES

What are the strengths, weaknesses, opportunities and threats associated with youth social entrepreneurship? The *Report* offers a strengths, weaknesses, opportunities and threats (SWOT) analysis of internal and external variables influencing the realization of youth social entrepreneurship as a means to advance the 2030 Agenda.

Characteristics of individuals who successfully engage in entrepreneurship include creativity, resilience, inspiration, risk tolerance and action orientation. This represents a strength in the present context, as such attitudinal and behavioural qualities are often present in young people. It should also be noted that social entrepreneurship is most effective when the intervention is informed by local experience, meaning that social entrepreneurs are more likely to succeed when they have first-hand knowledge of and experience with the social issues they aim to address. Young people are thus best positioned to help address development challenges affecting their fellow youth and other members of the community who have less access to opportunities. Young people's limited life and professional experience can represent a weakness, however. Young social entrepreneurs who start ventures without sufficient knowledge, training or practice are at a disadvantage in the marketplace. The potential of the social entrepreneurship model is also weakened by the dependence of youth on others and their limited financial capital.

The 2030 Agenda offers an unprecedented opportunity to strengthen relationships between development agents such as young people, the private sector and