

InFocus Programme on Skills, Knowledge and Employability

*Youth Business International:  
Bridging the gap between unemployment and  
self-employment for disadvantaged youth*

Rachel Chambers  
Anna Lake

---

## Foreword

Youth employment problems continue to pervade both developed and developing countries, with a disproportionately large number of young women and men exposed to unemployment or else limited to precarious or short-term work. As a result, many drop out of the workforce, or fail to enter it. Socially disadvantaged youth are particularly affected, thereby perpetuating a vicious circle of poverty and social exclusion. In developing countries, where the vast majority of young people live and where very few can afford to be unemployed, the problem is more one of underemployment, low pay, and low-quality jobs in the large informal sector. Consequently, productive employment for young women and men is high on the International Labour Organization's agenda for decent work. Its efforts are guided by the recognition that effective policies and programmes are essential to improve the living standards of young people and facilitate their full integration into society.

The ILO has taken many initiatives to promote policies, programmes and action on youth employment. Most recently, the ILO's Director-General, Juan Somavia, joined the UN Secretary-General, Kofi Annan and the World Bank President, James Wolfensohn, in establishing a high-level policy network on youth employment. This network draws on the most creative leaders in private industry, economic policy and civil society, to explore imaginative approaches to the youth employment challenge. The objectives of the policy network are three-fold: (a) formulate a set of recommendations on youth employment which the Secretary-General will propose to world leaders for action; (b) disseminate information on good practices and lessons learned from specific past or ongoing youth employment policies and programmes; and (c) undertake a series of youth employment initiatives.

This working paper presents the case of Youth Business International (YBI), a technical member of the UN/ILO/World Bank Policy Network on Youth Network. YBI organizes a wide range of innovative approaches to the promotion of youth entrepreneurship. Working in over 20 countries, YBI has assisted over 50,000 young people in starting a business through a range of outreach services, including business mentoring, provision of start-up capital and the exchange of best practice among young entrepreneurs. Promoting entrepreneurship among the young is widely recognized as a principal means to address the youth employment challenge by assisting young people in realizing their full potential as active participants in business society. The experience of YBI, we feel, can make a significant contribution to the Youth Employment Network and serve as a useful guide for those seeking to support young people in becoming successful business people.

Pekka Aro, Director  
InFocus Programme on Skills, Knowledge  
and Employability  
ILO, Geneva

Richard Street  
Executive Director  
Youth Business International



---

## Contents

	<i>Page</i>
Foreword.....	iii
Summary.....	vii
1. Introduction .....	1
2. Who delivers the programme?.....	3
3. The path to self-employment .....	4
4. The distinguishing features of YBI programmes .....	5
4.1. Outreach.....	5
4.2. Preparation and signposting .....	5
4.3. Mentoring.....	6
4.4. Business support network .....	7
4.5. Information and communication technology .....	7
4.6. Access to finance .....	8
4.7. Loan panels .....	9
4.8. The businesses.....	9
4.9. Measures of success.....	10
5. The young people .....	11
5.1. Target groups.....	11
6. Youth Business International.....	13
6.1. Youth business support.....	14
6.1.1. Capacity building: .....	14
6.1.2. Advocacy: .....	14
6.1.3. Quality control: .....	14
6.2. The YBI web site .....	15
7. Partners.....	16
7.1. Business partnerships .....	17
7.1.2. The case for involving business.....	17
7.2. Government partnerships .....	18
8. Funding .....	19
9. The outcomes.....	20
10. Conclusion .....	21
10.1. Next steps.....	21

---

Appendix 1. Programme development of youth business initiatives .....	21
Appendix 2. Accreditation agreement.....	22

**List of figures**

1. Flowchart of the YBI programme .....	3
2. BYBT partnership network .....	5
3. A pie chart to show business types in the UK.....	9
4. The key areas of YBI's work.....	12

---

# Youth Business International: Bridging the gap between unemployment and self-employment for disadvantaged youth

## Summary

There are currently over 300 million unemployed and underemployed young people aged 18 to 30 years around the world. At least 20 per cent of these young people have the potential to become entrepreneurs, less than 5 per cent do. One way of tackling this unacceptable waste of energy and talent is to help young people into self-employment.

Youth Business International has been established to facilitate the development of programmes to stimulate youth entrepreneurship around the world. These programmes are for young people who are unable to find help elsewhere and who are unemployed or underemployed. The business community plays a vital role by providing mentoring and local business support along with flexible access to finance for young people with a viable idea and an entrepreneurial aptitude.

The principles upon which the YBI programmes are based were developed in the UK by The Prince's Trust and have now been adopted in over 20 countries. They have been successfully adapted to a wide range of cultures and economies. Mature programmes are now running in six countries and the remainder are running pilot schemes or starting new programmes. Over 50,000 disadvantaged 18 to 30 year-olds have been helped to start their own business with over 60 per cent of them still trading in their third year.

This paper describes the distinguishing features of the YBI programmes and how they are tackling the challenge of helping young people into employment:

- **Outreach** – Helping young people to think about and prepare for self-employment.
- **Business mentoring** – Mobilizing volunteer businessmen and women to help young people through the first few years of their new business.
- **Business support networks** – Providing specialized help and advice to the young entrepreneurs through a business support network.
- **Information and communication technology** – Using the Internet as a means of communicating advice and support to young entrepreneurs, and allowing them the opportunity to trade their goods or market their services online.
- **Flexible access to finance** – Ensuring start-up finance is easily accessible to young people who would otherwise have immense difficulty raising capital.
- **Quality** – Through membership of the YBI network, practitioners exchange best practice and performance criteria.



---

# Youth Business International: Bridging the gap between unemployment and self-employment for disadvantaged youth

## 1. Introduction

There are currently over 300 million unemployed and underemployed 18 to 30 year-olds around the world. One way of tackling this unacceptable waste of energy and talent is to help young people into self-employment. At least 20 per cent of young people have the potential to become entrepreneurs and less than 5 per cent do. With over 1.3 billion young people entering the labour market in the next 30 years, helping them start in business is a challenge that will have to be tackled by all of sectors of society. In the area of youth entrepreneurship, the business community is able to make a particularly strong contribution.

The objective of Youth Business International (YBI) is to mobilize the global business community to help those young people who are unable to find help elsewhere to become entrepreneurs and set up their own businesses. This paper will look at the ways in which YBI has bridged the divide between unemployment and self-employment for disadvantaged young people, working with the business community to support them through the first 2 to 3 years of trading.

YBI's programme has three core principles:

- To work with disadvantaged young people.
- To provide access to financial support to those young people with a viable business proposition but who are unable to find support elsewhere.
- To provide successful applicants with a volunteer business mentor and full access to the organization's local and national business support network.

Success for a YBI programme is defined not only in terms of sustainability of the business but also the enhanced employability of the young person through experiential learning and the distance travelled from dependency to self reliance.

The programme works with the business community through local, national and international partnerships that are facilitated by YBI and The Prince of Wales International Business Leaders Forum (IBLF). The IBLF comprises corporate members committed to promoting international leadership in responsible business practices. It counts some of the world's largest companies among its membership, many of which work at the grassroots level with YBI to promote youth entrepreneurship.

The YBI core principles were first developed by The Prince's Trust in the UK in the 1980s. In the last few years these ideas have been taken up by a number of countries around the world. Mature programmes are now running in 12 countries (Argentina, Barbados, Canada, Guyana, Hungary, India, Mauritius, Nigeria, South Africa, Sri Lanka, Trinidad and Tobago, and the UK) and pilot schemes are running in 9 countries (Brazil, Gambia, Ghana, Jamaica, Mexico, Oman, Philippines, Saudi Arabia and Swaziland) with a further 9 potential programmes. Appendix 1 lists these countries and their status.



---

#### **Key facts**

- Over 55,000 youth businesses have been started up throughout the world since 1986.
- 60 per cent of these businesses are still trading in their third year.
- For every £1 used to start up a business, another £3 is mobilized in the form of support from the business community from volunteer mentoring, pro bono work and gifts in kind.

---

## 2. Who delivers the programme?

YBI works through partner organizations to deliver its programme of support to young people all around the world. Each country has developed ways of building business support networks and providing finance and training, based on their local culture and needs. The emphasis is on flexibility, with the programme being delivered countrywide, regionally or locally depending on whom has been chosen to take it forward.

### Countrywide programmes:

- The Prince's Trust in the UK was established in 1983. The Trust operates in England, Wales and Northern Ireland through 11 regions, with 50 offices and 39 area management teams. Over 44,000 young people have received finance, mentoring and support from the Prince's Trust since 1983.
- Bharatiya Yuva Shakti Trust (BYST), a not-for-profit NGO, was launched in Delhi, in April 1991. BYST operates in 5 regions and has supported 570 entrepreneurs who have created over 3,000 jobs. The businesses range from handicrafts to high-tech electronics and computers. Many of them are fast-growth companies with 5 per cent of the entrepreneurs becoming rupee millionaires.
- The Youth Business Initiative in Nigeria is currently being established. While the pilot is taking place in Lagos, YBIN aims to disseminate the programme throughout Nigeria within 10 years. The pilot will be federal in nature – representatives of tribes from all parts of the country will be included – and the roll out to the rest of the country will be a sustainable, steady process over the following decade.
- The Guyana Youth Business Trust (GYBT) is a programme of the Institute for Private Enterprise Development (IPED) a national microcredit company. GYBT is differentiated from its commercial activities through the system of business support and mentoring offered to its young participants over and above the start-up capital loaned to them.

The programmes operate in a wide range of economies. The core principle of business mentoring has international relevance and applicability in different economies. Although the terminology is different, e.g. the mentor is known as a “guru” in India and a “buddy” in New Zealand, the relationship can be replicated worldwide. The culture of volunteerism among the business community can be stimulated in most countries as mentoring provides the opportunity for business people to recycle their skills and share their experience with the wider community.

### Developed economy:

Canada Youth Business Foundation (CYBF) has established more than 800 young people in business since it began in 1993 with the support of Canada's two largest banks. It focuses on the disadvantaged although this is not a condition for support. Canada is a wealthy country, but the gap between rich and poor is wide and there is a lot of deprivation amongst certain communities, e.g. the Aboriginal people, rural dwellers and residents of the inner cities. To bring its programme of support to young people throughout Canada new working practices have been adopted such as “social franchise”, whereby local enterprise development organizations have contracts to deliver CYBF's programme, and through extensive use of the Internet (see ICT section below).

### Transitional economy:

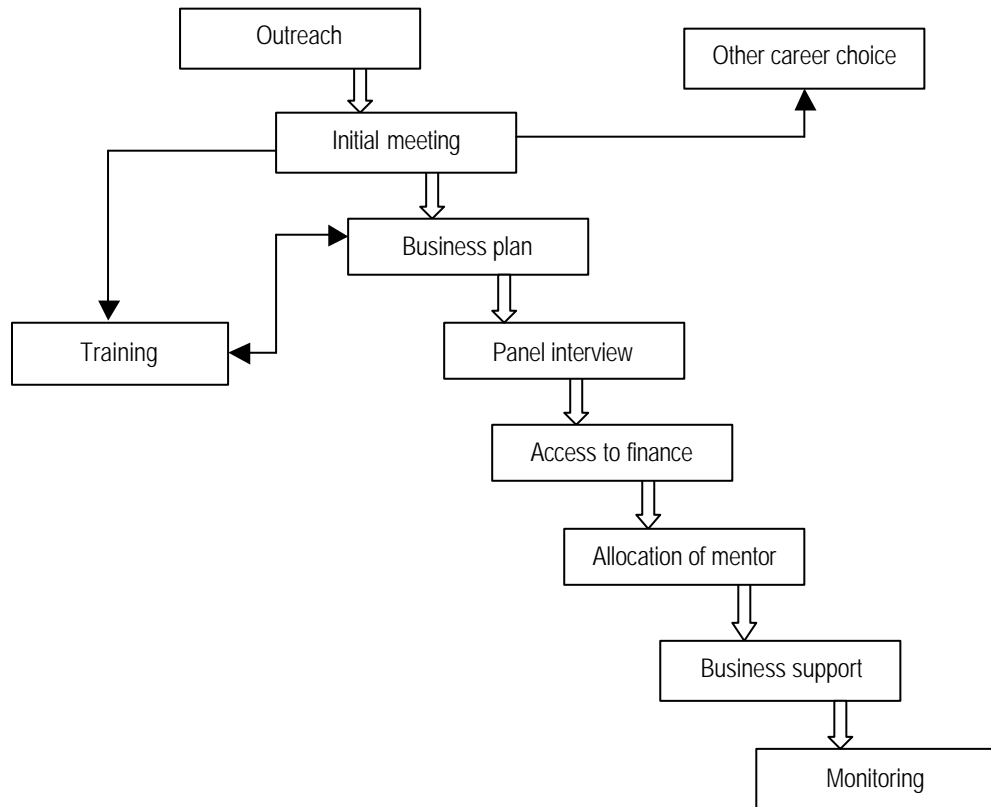
In Hungary young people are excluded from the banking system and so the need for start-up finance is particularly acute. Eletpalya is the Hungarian operation of Shell LiveWIRE International, a programme that introduces young people of all backgrounds to the possibility of starting their own business and to business planning. It has taken on the YBI programme as another service to its young participants due to the frustration that so many good business ideas were not being utilized for want of finance and further support during the first few years of trade.

---

### 3. The path to self-employment

The process of taking the young person from unemployment through to self-employment is shown through the flowchart in figure 1 and the unique features explained in detail in the text below.

Figure 1. Flowchart of the YBI programme



The process is inherently flexible. It is possible for different parts of it to be adopted by partner organizations, and adapted to the many different cultures, economies and regions of the world.

**Flexibility of the YBI programme:**

A new programme in Australia is being piloted at present that focuses only on business mentoring and support. This followed thorough research into existing enterprise generation schemes in the country from which it became apparent that the government-funded New Enterprise Incentive Scheme (NEIS) would provide adequate start-up finance for young entrepreneurs. A niche was identified for the provision of mentoring and business support to disadvantaged young people to develop their skills and business plans, thus enabling them to meet the tough criteria of the government scheme.

---

## 4. The distinguishing features of YBI programmes

### 4.1 Outreach

An important role of YBI programme staff is locating, encouraging and preparing young people to begin planning to start their own business. In both developed and developing countries young people are put in touch with the YBI programme through a variety of media such as TV advertisements, posters, newspaper articles and talks in colleges and vocational training institutes. Particularly in the context of developed countries there is a need to target groups of marginalized youth. This involves sending youth workers out into deprived communities, prisons, etc., to introduce young people to the idea of business start-up and the help that they can access through the programme.

#### South London (UK) outreach:

The Prince's Trust (UK) has created a dedicated team of youth workers who have set out to establish links with the young disenfranchised black women in the communities of South London. They put posters up and then attended community centres to talk about the help available from The Prince's Trust and as a direct result have received many more applications for support from the young people they contacted.

### 4.2 Preparation and signposting

In recognition that young people need a continuum of support to take them through to self-employment, the work of a YBI programme involves “signposting” i.e. directing the young person towards the range of training opportunities and resources that are available in their local community. This can take the form of skills training, business-skills training, business planning, and self-esteem building. Local partnerships between a programme and other “help” organizations make signposting a two-way process with young people thought to have the potential to become entrepreneurs being directed to the YBI programme by other bodies, such as schools, training colleges, youth development organizations.

#### Preparation of youth in Gambia:

In Gambia EMPRETEC skills training centres feed through young people to the Gambia Youth Business Trust (GYBT). The same management are involved in both GYBT and the training centres meaning that young people are already known for their potential as entrepreneurs and their commitment and reliability. Many have also participated in a process of building their skills and self-esteem through the President's Award Scheme (whose secretariat, The International Award Association, is partner to YBI at an international level). GYBT has created over 70 young entrepreneurs since it started in 1995.

#### Partnerships at work in Barbados:

In Barbados a two way signposting process takes place. The young people are directed to Barbados Youth Business Trust (BYBT) by partners in linked organizations such as the Government of Barbados's Vocational Training Board. Should the young person need more training when they contact BYBT, such as business skills, they are then signposted on to other organizations providing these services. BYBT is embedded in the community, through its network of local partnerships which offer support in different ways, see figure 2 below.

**Figure 2. BYBT partnership network**

<b>Training providers</b>	<b>Donations in kind</b>	<b>Financial donations</b>	<b>Partners</b>
■ Youth Enterprise Scheme	■ YBI	■ Government	■ YBI
■ Barbados Institute of Management and Production	■ Ernst & Young Services Ltd.	■ CIBC (financial services)	■ Rotary International
■ Barbados Vocational Training Board	■ Chancery Chambers	■ Barclays Bank	■ Organization of American States
■ Barbados Youth Service	■ Cable and Wireless	■ Nation Publishing	■ Ministry of Commerce and Business Development
■ Barbados Community College	■ Neeland Massey	■ Dura Systems Ltd. (IT Company)	■ Junior Achievement Programme
■ Polytechnics	■ Nation Publishing House	■ Cable and Wireless	■ Barbados Investment Development Co-operation
■ University of the West Indies	■ Broad Street Journal	■ International Woman's Association	■ Ministry of Youth Affairs-
■ Pinelands Creative Centre	■ Caribbean Broadcasting Corporation	■ Life of Barbados (insurance)	■ Caribbean Export
■ (Life skills training centre)	■ British High Commission		■ Small Business Association
	■ Caribbean Examination Council		
	■ Goddards Enterprises		
	■ The Advocate (newspaper)		
	■ Moore Paragon Caribbean Ltd. (Printers)		

<b>Partnership in Jamaica:</b>
An inner city NGO working in downtown Kingston called Area Youth Foundation (AYF) works with young people to raise their self-esteem and life skills through performing arts. Graduates of AYF with the ability and drive to become entrepreneurs are sign-posted on to the Jamaica Youth Business Trust, which can help them start their own businesses. The first of these, Mr. Egg, has a successful chicken farm and egg vending business.

### 4.3 Mentoring

All young people receiving help from a YBI programme are allocated a business mentor who provides one-on-one counselling for their first three years in business. The mentor's role is that of supporting the young people by giving them technical advice when appropriate, but, more importantly, emotional support and encouragement. Business mentors usually spend around 5 hours a month with the young person and report regularly on their progress. This also allows the opportunity to identify what additional support they may need. Few business mentors will be able to meet all the needs and questions a young

---

person may have, however a business support network is set up to meet these business needs (see section 4.4).

All mentors are volunteers from the business community and are recruited from various sources such as service organizations like Rotary, chambers of commerce, graduates from the YBI programme, corporate volunteer schemes and personal contacts of other mentors. Despite their level of knowledge and experience in business, mentoring may not be familiar to them as it is not a well-recognized business skill. In recognition of this many of the YBI programmes also train prospective business mentors in the techniques of how to work with inexperienced, marginalized young people. YBI worked with PricewaterhouseCoopers to produce a pack of mentor management and training materials, based on current experiences and best practice from around the world.

Although the primary beneficiary is seen as the young person, the mentor gains hands-on experience of the reality of starting and running a business. This has been recognized by several companies who encourage employees to mentor as part of their personal development. Through involvement in mentoring, companies become increasingly aware of and involved in the communities in which they operate contributing to a growing awareness of corporate social responsibility.

**Bharatiya Yuva Shakti Trust (India) mentor**

Mr. T.L. Viswanathan is an eminent businessman and Rotarian, and a mentor for BYST. It was in one of the Rotary club meetings that he heard about the Trust. He is also the Chairman of the Entrepreneur Selection Panel that decides and sanctions the loans (see section 4.7). Both his entrepreneurs, Ganapathy and Balamurugan have been successful in their particular fields. His input as their mentor has been particularly relevant in the areas of problem solving and product innovation.

#### **4.4 Business support network**

New businesses often need expert help so each YBI programme builds up a local support network of businesspeople, companies and other entrepreneurs who provide the young people with specialist advice and resources. The mentor signposts the young person to this network when required. Support may take the form of subsidized or free exhibition space, advice on areas such as law, marketing, export and ICT, or gifts in kind such as office space or equipment. For volunteers from the business community this represents a different kind of contribution that can be made to the progress of the young businesses, if they do not have the time or aptitude to be a mentor. Another key area of support that companies can provide is to introduce these new young businesses into their supply chains, thus giving them their first contracts and helping them learn the importance of essential business principles such as quality and customer service.

**Pro bono legal advice:**

The British law firm Lovells gives free legal advice to Prince's Trust businesses in the UK and is planning to replicate this in Germany and Hungary.

"New businesses need particular help with employment and property law, small mistakes can lead to big problems in the future and this can be avoided with some basic legal advice. For the young people this explodes the myth that lawyers are intimidating." Yasmin Waljee (Pro bono coordinator, Lovells).

#### **4.5 Information and communication technology**

The YBI programmes are beginning to use the Internet as a means of promoting their organization, marketing the youth businesses, training both mentors and young people and

---

providing on-line advice. The use of the Internet is still in its infancy in most countries, however, the Canada Youth Business Foundation and The Prince's Trust Northern Ireland web sites (see below) demonstrate the breadth of opportunity provided by the Internet for the YBI programmes to aid the young businesses. Not all countries are able to make use of the Internet due to the quality of telecommunications infrastructure and the availability of the necessary equipment – in many countries this is out of reach of disadvantaged youth. Some of the YBI programmes are therefore providing access to ICT resources or signposting to ICT training centres to introduce and improve knowledge of the Internet.

**The Prince's Trust, Northern Ireland [www.wiredup.net](http://www.wiredup.net)**

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

- **Free marketing** – the programme offers businesses supported by The Prince's Trust a complete marketing and IT business development programme.
- **Free design service** – the programme offers businesses a complete Corporate Identity Service.
- **Free web site design** – the programme provides Prince's Trust supported businesses with a free web package up to the value of £1000.
- **Free training service** – the programme offers business a complete training service including IT advice, IT training workshops, IT marketing seminars.
- **Reduced rate IT equipment** – the programme has negotiated cheap computers and other equipment for the young businesses.

**Canada Youth Business Foundation [www.YouthBusiness.com](http://www.YouthBusiness.com)**

Canada currently has the most comprehensive resource on the Internet for young entrepreneurs, offering peer support, advice and counsel, marketing and promotion and information at [www.youthbusiness.com](http://www.youthbusiness.com). The Internet has become a valuable communication tool for CYBF particularly because the problem of time zones and geographical distances creates difficulties in maintaining contact with the young entrepreneurs. Young entrepreneurs are also early adopters of this medium as a means for communication and support. At present the site is predominately being used by those looking to start a business, with approximately 20 per cent post-start using the site. This translates to 5000 active users currently, with 20 000 pages viewed per month. On-line lending and on-line mentoring are being tested at the moment.

## **4.6 Access to finance**

The focus of the YBI programme is on allowing young people with potential which would otherwise go untapped to create their own business and livelihood. Finance for business start-up is a key factor and is often lacking. The core principle of YBI is that the programme provider ensures that the young person has “access to finance”. This can mean government finance, bank loans or a loan or grant from the local YBI programme. Local conditions determine how finance is accessed, e.g. availability and terms of commercial microcredit, availability of government funds for business start-up, and access to banks for the poor.

If the YBI programme gives out loans or grants then local conditions will determine the type of finance and the terms on which it is provided. It is a decision of the board of the local programme as to what form this finance takes. In some countries the interest rates on the loans are similar to those offered by commercial institutions. In others, the YBI programme offers subsidized finance and payment holidays. In addition they may not demand collateral or guarantees and may show tolerance if young people default on repayment. Many Boards take the view that subsidized finance provides the only opportunity for young people who are very unlikely to have savings for collateral or any

---

other means of guaranteeing the loan to access start-up capital. These terms recognize that young businesses might have teething problems and should not be penalized for this and that the young person should not suffer unduly should their business fail. External support from the mentor is seen as a way of ensuring that the young businessperson is prepared for progression into the “real world” – the commercial finance market. The close relationship between the mentor and the young person is also a powerful link to facilitate loan recovery.

#### 4.7 Loan panels

The decision to support a young person from business plan through to business start-up is made by a loan panel. The panel comprises businesspeople from the local community who volunteer their services on a regular basis to assess the applications. As well as looking at the business plan, they judge whether the ideas and the personality of the young person are suited to creating a viable business. The panel members open the door to the wider business community, as they are able to make recommendations to the new business through their specialist knowledge of the area and of similar local businesses. They may also “marry” the young person to a mentor with suitable character, knowledge and insight into their sector of business.

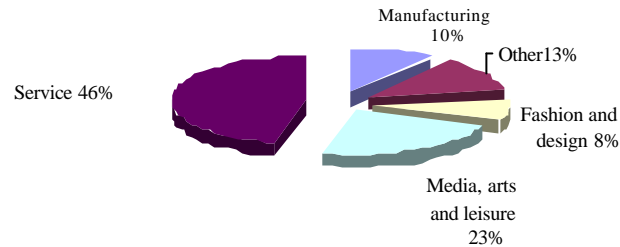
The loan panel in Port of Spain, Trinidad and Tobago	
■ Gaston Aguilera	Retired, Chartered Accountant
■ Malcolm Burns	MD, Courts Trinidad Limited (Furniture)
■ Ian Mc Lachlan	MD, Angostura (Drinks manufacturer)
■ Adrew Mc Eachrane	MD, Ansa Finance Ltd.
■ Donna Ramsammy	VP, Public Affairs, BP AMOCO Trinidad
■ David Inglefield	MD, Advertising Company
■ Nicholas Galt	MD, Trinidad Systems Ltd. (Computer firm)
■ Craig Reynald	MD, CCN Trinidad (Newspaper, radio, television)

#### 4.8 The businesses

The types of business started are very varied, demonstrating that the process is replicable across a spectrum of industries and that mentors are able to identify or understand the varying needs of different business sectors. Local conditions are an important determinant in the types of business started, for instance in Barbados many of the businesses target the tourist market, one of the main industries on the island. These businesses include basket weaving, T-shirt printing and giftware manufacture.



Figure 3. A pie chart to show business types in the UK



## 4.9 Measures of success

Measures of success can vary from country to country. In India a “successful” business employs at least 4 people, while in UK the “most successful” 10 businesses have a combined turnover of £78 million per year. On average 60 per cent of the new businesses started by YBI programmes are still trading in their third year. This is the global average, though there are regional variations such as the high number that survive for the first three years in India (95 per cent) which can be explained by the stricter vetting process for applicants to the Bharatiya Yuva Shakti Trust. YBI measures success in terms of sustainability of the business, but also recognizes that a “good result” may not just be that a business is still trading. Of the businesses that cease to trade, 50 per cent of their young owners have been able to move to a career in conventional employment or further education. A young person with increased skills and motivation who has personally achieved a great deal is viewed as a success by all concerned. Although this increase in employability is hard to measure, anecdotal evidence shows that the experience of starting one’s new business greatly enhances the confidence and self-esteem of the young people.

### Granda Janaka: Sri Lanka

At the age of 16 Mr. Janaka had to take over responsibility for his family and their 7-acre farm. In 1999 he approached the Hambantota Youth Business Trust for a loan to buy buffaloes for breeding. After much help and advice he and the Trust approached a Government Breeding programme and, with a loan of 40,000 rupees (£400), he bought two buffalo heifers for artificial insemination, dug a new well and built a cattle shed. He now runs a model smallholding with simple irrigation, growing chillies, grapes, aubergines, limes and feedstock for the buffalo.

### Financial success in the UK

In 1986, James Sommerville and Simon Needham established ATTIK, a brand communications company, including brand identity, web site design, print design and broadcast design. The company is one of the success stories of The Prince’s Trust with an annual turnover of £15,000,000.

### Internet-based young business case study.

Two young entrepreneurs in Hungary won the Eletpalya Business Start Up Award, for supplying auto spare-parts through the internet at [www.webautosbolt.hu](http://www.webautosbolt.hu). Thanks to the publicity they received through the event, they started a web design business as well named DiNero Web Design Studio [www.dinero.hu](http://www.dinero.hu).

---

## 5. The young people

Although it is a core principle of YBI to enable “disadvantaged” young people to become entrepreneurs the term can be interpreted in different ways according to local circumstances. All are unemployed or underemployed, are economically disadvantaged and cannot access help from other sources.

### 5.1 Target groups

As local programmes develop they have sought to target young people who are less likely to go and seek out support for their business idea. These include people in rural communities who are often isolated from such programmes and do not have access to the business community as city dwellers do. Working with young people in rural communities creates challenges such as how to get business mentors to them and how to provide business support services for them.

#### Rural

The Indian solution to the problem of mentoring young people in remote rural sites is “mobile mentoring”. A small group of mentors tour the rural regions once a month, visiting all the young businesses in the area and offering them support and advice. In Belize rural youths are encouraged to take up self-employment training opportunities in niche areas that will allow them to go back to their villages and be productive.

Women are often targeted by microcredit initiatives however in some societies female entrepreneurs experience prejudice and the hurdles to success are higher, therefore business support services to help their businesses grow and flourish are particularly important. In Muslim societies where women are not able to enter the workplace, self-employment such as working in an ICT business from home, represents one possible acceptable way for a woman to work. The mentor programmes for female entrepreneurs have to take account of particular religious and cultural norms of their country.

#### Women

Barbados Youth Business Trust (BYBT) gives support to trainees of the Barbados Vocational Training Board. These are mainly women being trained in garment making who are acquiring the skills to be self-employed but need support to start their own business.

Likewise disabled people can experience prejudice and problems such as accessibility of workplaces, when seeking employment. Starting their own businesses represents a means of overcoming some of these problems as it allows the possibility of working from home, with more flexible hours and more suitable working conditions. Many of the YBI programmes are particularly receptive to applications from disabled people.

#### Disabilities

The Prince’s Trust Disability Initiative operates on a regional basis throughout the UK, working in partnership with disability organizations. The operation is carried out as a single person support initiative and officers of all divisions of The Prince’s Trust undergo training from the Regional Disability Manager (RDM) which is ongoing and includes disability awareness training, disability etiquette and appropriate case studies.

Ex-offenders experience great difficulty finding work once released from prison. They can benefit from specifically targeted programmes to introduce them to self-employment as a means to provide a livelihood. In the UK, re-offending rates have been found to halve when ex-offenders find work once released from prison.

---

### **Ex-offenders**

In the UK, The Prince's Trust works in prisons to target the young people while still in custody and give them advice on business start-up. They are encouraged to carry out market research while still in custody and to attend the loan panel if possible. They are then able to leave prison and start their business almost immediately. In other countries such as Argentina, Belize and Barbados ex-offenders have not been specifically targeted but they have been supported and accommodated when they have come to the initiative of their own volition. In Argentina, Fundación Impulsar are working with "Patronato de Presos y Liberados", the government department for placing ex-offenders in work. In Belize the programme focuses on ex-gang members as they prepare to re-enter society during their last few months in prison.

Special programmes also have to be developed for marginalized and minority groups who are often outside conventional support structures.

### **Minority/marginalized groups**

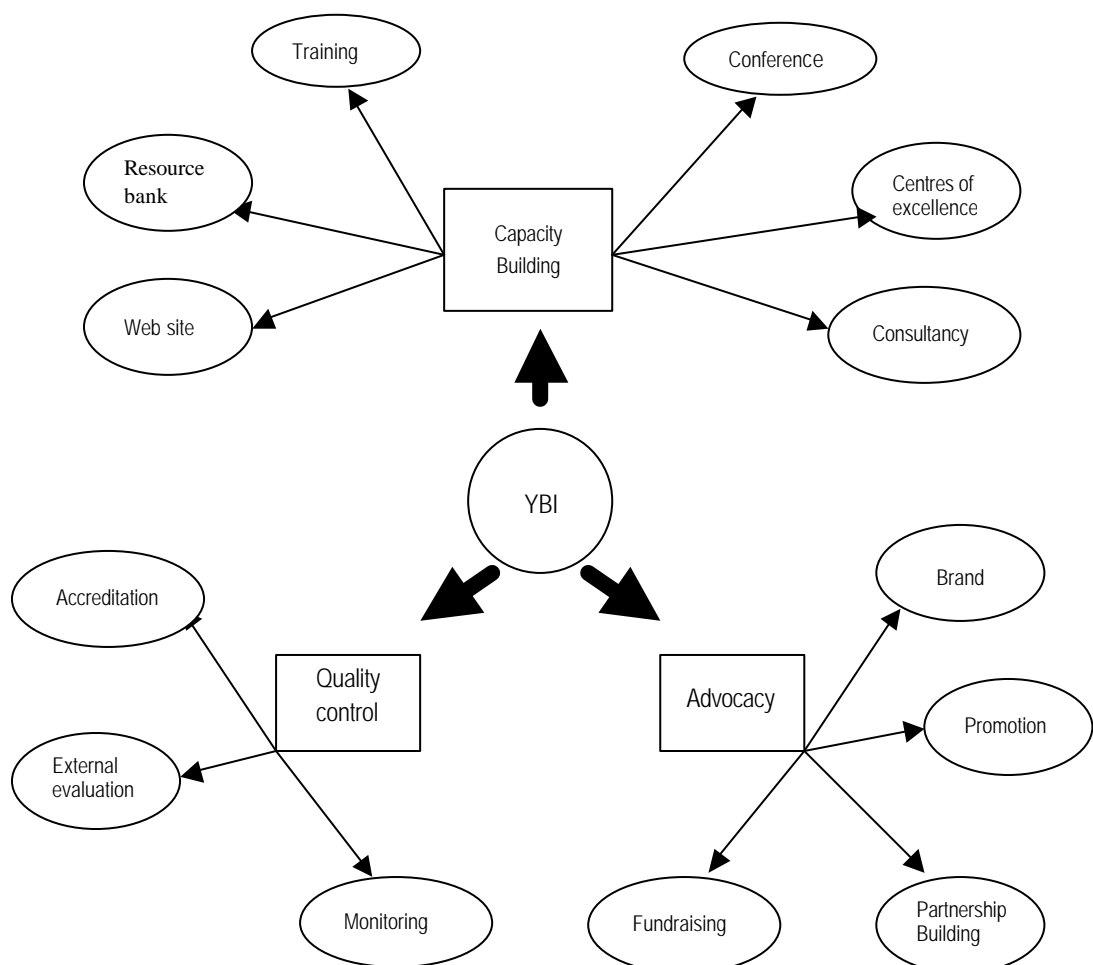
Canada Youth Business Foundation (CYBF) is beginning to target ethnic groups. A new programme is being established called the Aboriginal Youth Business Foundation, which will bring CYBF's business support services to the aboriginal people in northern Canada who at present cannot access them. CYBF has worked closely with leaders from the Aboriginal community to develop this programme.

---

## 6. Youth Business International

YBI acts in a coordinating role for the network of its programmes. Experience has shown that such an international network requires coordination from a central point so that information and innovation can be shared and representation can be achieved at the international scale. The key areas of work are capacity building, advocacy and quality control (see below). To achieve this YBI works through a small management team of three, using the web site as the main communication and information-sharing tool. International coverage is achieved through centres of excellence that give technical assistance to start-up initiatives. These centres of excellence which include Canada, the UK, Barbados and India are the YBI programmes that have been running for a period of time and have subsequently built up a level of expertise, and work ethic suitable to the cultural norms of the regions. YBI also works through consultants that are currently based “on-the-ground” in the Caribbean and Middle East and who provide technical expertise for the programme start-ups. In addition, global coverage is achieved through YBI’s position as a programme of the IBLF, whose partnerships, networks and regional staff act on YBI’s behalf.

Figure 4. The key areas of YBI's work



---

## 6.1 Youth business support

### 6.1.1 Capacity building:

- **Conference** – The Youth Business Summit is the YBI international conference which takes place biannually, the last one was London 2000, the next is Delhi, November 2002.
- **Centres of excellence** – India, UK, Barbados, Gambia and Canada acting as mentors for new organizations and leading the way in scaling up YBI's operations.
- **Consultancy** – YBI has three consultants currently working in the field, one in the Caribbean, one in West Africa and one in South Africa (two of whom are ex-Prince's Trust and the other ex-Shell).
- **Training** – There are two facets to YBI's training programme, one is shadowing experienced staff at one of the centres of excellence and the other is having a senior member of staff from one of the centres of excellence do "on-site" training.
- **Resource bank** – The YBI handbook is accompanied by an extensive "appendix" of information about the YBI programme, derived from experience all around the world. This is contained in the web site ([www.youth-business.org](http://www.youth-business.org)).

### 6.1.2 Advocacy:

- **Partnership building/brokering** – YBI seeks strategic partners on the international level, as well as encouraging and facilitating local partnerships. See "Partners" section below.
- **Promotion of "youth business"** – YBI is involved in advocacy at both the international and national level of entrepreneurship as a career option for young people and the value of enterprise to both the young businesspeople and also the economic health of the country.
- **Fundraising advice** – YBI works with the local programmes to help develop and encourage sustainable fundraising. This can take the form of identifying potential donors, assisting with applications or suggesting innovative means of attracting funds. The "Business Start-up Initiative" is an example of the latter. Companies sponsor a number of young people through business start-up, including loan finance, administrative support etc and then adopt the young business and follow its progress. See "funding" section 8 for more information on this subject.
- **Brand development** – YBI is developing its brand to create a global source of expertise in promoting youth entrepreneurship.

### 6.1.3 Quality control:

- **Accreditation agreement** – in order to join YBI's network of local programmes, an organization needs to be accredited by YBI. This is achieved through on-site visits and meetings, and the signing of an accreditation agreement, see Appendix 2.
- **External evaluation** – YBI visits each of its international network members once per year as part of an informal evaluation process. This will be developed through the centres of excellence, so that local programmes can evaluate each other.

- 
- **Monitoring** – the YBI database (see section “Outcomes”) is compiled quarterly thus enabling YBI to keep track of progress on each programme.

## 6.2 The YBI web site

### [www.youth-business.org](http://www.youth-business.org)

**Phase 1** of the site was published in June 2000 and is a corporate-aimed introduction to the work of YBI. The site contains information about YBI, its network of local programmes and how the corporate sector can get involved in its work. Features of the site include:

- The YBI programmes each have their own page of information (“around the world” section).
  - The pressroom contains information about events, press releases, newsletters and a pool of examples of young businesses that have been supported by the YBI programme. This is regularly updated.
  - The resource area contains an expanding collection of documents and short items relating to the work of the youth business programmes. It is regularly updated.

**Phase 2** of the site is being planned by YBI and its business partner Accenture, with the following objectives:

- The site will provide an interactive forum for information, experience and innovation sharing.
- An on-line community for YBI’s network of international members and partners where each can contribute their own materials, questions, information and advice and be involved in the management of the site.

**Phase 2** of the site will have the following facilities for the youth business programmes:

- The site will provide training resources (e-learning) and practical tools for the use of the YBI programmes such as the facility to build and host their own web sites.
- The web site resource bank is being extended to create a comprehensive library of all existing tools, resources and training materials used by YBI and its member programmes.

---

## 7. Partners

One of the key roles of YBI is building strategic partnerships at the local and international level to create an enabling environment in which youth enterprise can thrive. The partnerships and relationships established at the international level provide input and add value in different ways. At the local level these partnerships are being used by the YBI programmes to “open doors” on the ground thus further improving their work. YBI cements these relationships by encouraging their use and development and by providing a conduit for information sharing. At the national level, partnerships with international bodies with access to national governments has meant that government policy can be influenced to break down the barriers to young people entering the labour market through self-employment. Information sharing, innovation and raising the profile of youth employment and entrepreneurship at the international level further strengthen the relationships that are built at the local and national level.

### **Rotary International (RI)**

Rotarians are currently working with YBI programmes in Canada, the UK, India, Barbados, South Africa and Sri Lanka to provide valuable support and business mentors for the young entrepreneurs. The Indian case is so successful that there are currently more Rotarians acting as mentors than there are young businesses. There is also a high level of cooperation at the international level to share experiences and lessons learnt, with YBI contributing to the RI Conferences on Population and Development in Zurich and Brasilia.

### **International Award Association**

The International Award operates in 60 countries, in Gambia, Ghana and Barbados there is a partnership with the local YBI programme. Young people who have been motivated through participation in the award have the opportunity to start their own businesses through the YBI programme. A memorandum of cooperation has been signed between the International Award Association and YBI.

### **International Youth Foundation (IYF)**

YBI are working with the International Youth Foundation to share best practice in engaging the corporate sector in youth enterprise programmes. IYF has also funded YBI business start-ups all over the world, but is looking for a sustained cooperation in the Americas as the next joint initiative.

### **Commonwealth Youth Programme (CYP)**

The Commonwealth Youth Programme works towards a society where young people are empowered to develop their potential, creativity and skills as productive and dynamic members of their societies. CYP is currently working with the Guyanese governments to enable policy changes, to break down the barriers to young people entering the labour market through self-employment, and enabling banking laws.

### **Shell LiveWire:**

The LiveWIRE programme helps young people to develop their business plan, with the help of training materials and local mentors. It operates in many of the countries where there are YBI programmes and feeds some of its young people through to the programmes. In Hungary the LiveWIRE programme Eletpalya also runs the YBI programme.

---

## 7.1 Business partnerships

At the core of YBI's work is the partnerships that have been formed with the business community which have been further facilitated through YBI's position as part of the International Business Leaders Forum. The business community is central to YBI's work, as it is business people that act as mentors to help the young businesses develop and thrive. Business people also take on leading roles within the programmes and are involved in the decision process by which young people receive support. YBI have acted to engage the business community, by introducing them to the concept of youth business, and the ways that they can become involved, such as Diageo in Pune, India, and Rio Tinto in Argentina (see below). Many of the companies have an agenda to invest in the communities in which they operate, but need guidance in order to create effective programmes. YBI contributes toward the IBLF's mission to further corporate social responsibility and bring its message to a wider audience, by engaging the "unconverted" business community through a tangible programme which involves recycling business skills and knowledge, and can contribute to the successful function of the business in that community. YBI is currently looking at ways of linking young businesses into the supply chains of multinational corporations.

### Diageo in Pune:

Diageo is currently working with BYST in India, through its global subsidiary UDV. UDV provided the funds to replicate the successful BYST programme in the area of Pune. Many UDV staff act as mentors and management trainees are also involved with promoting the partnership to other companies and potential supporters. With the help of a cash loan and practical advice, 64 young men and women now run their own business, and this has resulted in over 200 new jobs for the local people of Pune.

### Río Tinto in Argentina:

Río Tinto seconded one of its senior managers from its Borax operation in the northern state of Salta to run Fundación Impulsar, a new YBI programme. Mr. Jorge Rodríguez Lascano was Director of Fundación Impulsar for its pilot period, 1999-2001, in which time 15 young businesses were started up ranging from a nursery school to a cycle-tours company. Jorge is making plans to expand the Foundation to other states of the country.

Other business partnerships include Accenture on Internet strategy, PricewaterhouseCoopers on the development of mentoring management and training materials, HSBC on leveraging bank loans, Deutsche Bank on enterprise, and Lovells on pro bono legal support.

### 7.1.2 The case for involving business

#### The company has the opportunity to get involved in the following ways:

- Initiating a YBI programme in a new country, region or city.
- Managing a programme as a member of the board of trustees (or equivalent senior management board).
- Seconding staff to the executive team of the programme.
- Providing the programme with access to facilities such as office space, IT equipment.
- Participation in a local loan panel that determines which young businesses to support.

#### The company benefits in the following ways/the business case is:

- Earning the right to operate in the host community.
- Enhanced reputation and brand image.
- Improved employee recruitment, retention and motivation.
- Helping create wealth and reduce unemployment.
- Combating over-dependency on the corporation as the principal employer in poor areas.



- 
- |  |  |
|--|--|
| ■ Mentoring young businesses.  | ■ Contributing to the diversification and sustainability of local economies. |
| ■ Providing expert advice to young businesses, e.g. on legal or marketing issues.  | ■ Building an entrepreneurial culture.                                       |
| ■ Offering the young business subsidized or free facilities, e.g. exhibition space, shop space, web site development, etc. | ■ Strengthening supply chains.   |
| ■ Including the young businesses in the companies supply chain.  | ■ Reducing the adverse social impact of the downsizing.                      |

## 7.2 Government partnerships

The support of the host government can be vital to the success of a new YBI programme in certain countries. YBI has sought to engage government through its contacts and, at the highest level, through its patron His Royal Highness, The Prince of Wales. In Nigeria HRH's personal contact with President Olesegun Obasanjo was an influential factor in his decision to become patron of the Youth Business Initiative in Nigeria. This was also the case in South Africa, with the Nations Trust's patron, President Mandela. On a day-to-day level government support can mean that new programmes are able to register and operate without obstacles, and be included in the nation's youth policy and networks of youth agencies. In China the link with government is vital as the All-China Youth Federation, a quasi-governmental organization, coordinates all youth programmes in the country. YBI is working with the Federation to look at establishing a youth business component to its activities as it is trying to instil an entrepreneurial culture among China's young people. Governments can also be a source of funding and resources, see section 8 "Funding" overleaf.

---

## 8. Funding

Funds are of crucial importance to the YBI programmes, to guarantee that access to finance and resources are available to the young people, to administer the programme and to ensure it is sustainable (see section “Access to finance”). Lack of resources is the most common reason that programmes have an uncertain long-term future. Funds to support the YBI programmes have been accessed from a number of sources:

- **Business** – the corporate sector support can take the form of funds for the administration of the programme, the revolving loan fund, or gifts in kind such as free office space, travel, etc.
- **Foundations** – family or corporate foundations for youth and/or enterprise initiatives.
- **Partners** – in Australia, the partner is the government NEIS scheme (mentioned above) – the fact that the government finances business start up reduces the overall cost of the programme.
- **Governments** – are a good source of matched funding. Care has to be taken that programmes are not perceived as government initiatives as this can discourage business people from volunteering as mentors.
- **Banks** – increasingly banks are helping to take on part of the start-up cost by matching what the YBI programmes lends to the young person, e.g. HSBC Argentina has agreed to set aside funds to match what Fundacion Impulsar gives to its young businesses, thereby lightening the foundation’s financial burden.
- **Revolving loan fund** – many funders find it attractive to give money for a revolving loan fund where the funds are reused.
- **Multilateral donors** – funding from multilateral agencies is a source of support for the YBI programmes, e.g. Inter American Development Bank and the European Union.

---

## 9. The outcomes

For the young person, success takes many forms:

- Employment.
- Increased skills and business experience.
- Feeling of self-worth.

Many go on to mentor other young businesses, sharing their experience with young people in a similar situation to their own, e.g. a new youth business initiative is being established by an Antiguan who was originally helped into business by The Prince's Trust in the UK.

The benefits of stimulating youth entrepreneurship pass to both the young people and also to the business community and the community at large. As young people venture into self-employment they are helping grow the small and medium enterprise (SME) sector. The growth in number of small businesses contributes to a stronger entrepreneurial culture, which is vital for a country's economic development. As more young people are aided through the process, they become involved in the wider economy and this often has the "knock-on" effect of making young people more motivated and active in their societies. Whilst not every business is successful in the long term the young people are also increasing their skills and thus increasing their employability – the quality of the workforce as a whole is impacted by this programme. As these young businesses are steered towards success, extra employees are required, creating further employment opportunities.

---

## 10. Conclusion

Working with the network of partners and mobilizing the skill, knowledge and experience of the business community, the various YBI programmes around the world are providing an effective and simple means of developing entrepreneurial talent among young people. They are given the means and encouragement to create sustainable businesses that contribute wealth and employment to their communities.

YBI's mission is to improve the efficiency, sustainability and effectiveness of existing local programmes and to help and encourage new ones to become established. It does this by acting as an advocate and adviser of any organization or partnership that seeks to help young people break out of unemployment or underemployment through self-employment.

### 10.1 Next steps

YBI needs support to achieve scale and sustainability in providing help to disadvantaged young people seeking employment and self-fulfilment. It must continue to:

- Raise awareness among the global business community of the power and potential of business mentoring and local support to help young entrepreneurs.
- Build the capacity of the business community to help young business “start-up and grow”, through volunteering and mentor training.
- Identify local champions to organize and coordinate the business community to help young people. YBI will require support to identify and support organizations willing to take up the challenge of helping disadvantaged young people start up in business.
- Develop methods of working with organizations providing micro-finance to make it easier for young people to access start-up finance.
- Monitor the quality of the mentoring and business support methodology provided by YBI programmes. YBI is developing an accreditation and monitoring process to maintain the quality of the work of their partners (see Appendix 2).



## Appendix 1

Programme development of youth business initiatives (at March 2001).

Country	Programme development	Total no. young people started in business
Argentina	Mature programme	15
Australia	Pilot beginning 2003	–
Barbados	Mature programme	86
Belize	Pilot programme	3
Brazil	Pilot programme	–
Canada	Mature programme	800
China	Pilot beginning 2003	–
Gambia	Pilot programme	68
Germany	Pilot beginning 2002	–
Ghana	Pilot programme	25
Guyana	Mature programme	15
Hungary	Mature programme	6
India	Mature programme	559
Jamaica	Pilot programme	3
Mauritius	Mature programme	5
Mexico	Pilot beginning 2002	–
New Zealand	Pilot beginning 2002	–
Nigeria	Mature programme	–
Oman	Pilot programme	5
Philippines	Pilot programme	–
Saudi Arabia	Pilot programme	–
Scotland	Mature programme	5 996
South Africa	Mature programme	680
Sri Lanka	Mature programme	22
Swaziland	Pilot programme	35
Trinidad and Tobago	Mature programme	2
UK (excl. Scotland)	Mature programme	44 000
Ukraine	Pilot beginning 2002	–
US (Atlanta, Georgia)	Pilot programme	–

---

## Appendix 2

### Accreditation agreement

This document is a memorandum of understanding that YBI signs with any organization or partnership that wishes to become part of the YBI network.

### Introduction

Youth Business International (YBI) is part of The Prince of Wales International Business Leaders Forum which helps programmes around the world provide business mentoring and support and access to finance to young people wishing to start up in business.

The Prince of Wales International Business Leaders Forum (IBLF) is an international educational charity registered in the UK, whose President is HRH, The Prince of Wales.

(Organization) is a (type of organization) registered in (name of country) which helps young people to start up their own businesses using processes based on the core operating principles of YBI.

These are:

- They work with young people.
- They select successful applicants and provide them with a volunteer business mentor and access to the programmes' local and national support network.
- They provide access to financial support to those who have a viable business proposition and are unable to find help elsewhere.

### The role of the parties

#### *The role of YBI:*

For organizations that adopt and implement these core-operating principles YBI shall:

- Raise global awareness of the challenge of reducing youth unemployment through self-employment and promote the ideas of YBI.
- Represent the interests of all participating YBI programmes and partners to the global business community and other relevant international organizations.
- Ensure technical assistance is available to help new partners set up programmes and to work with existing programmes to improve performance.
- Publicise the work of YBI programmes through a YBI web site and provide the appropriate tools, training and the opportunity to exchange ideas and best practice.
- Monitor the results of participating programmes and provide a databank and benchmarks for assessing performance and setting standards.
- Identify potential partners and help YBI programmes build partnerships at a local level.
- Identify potential sources of funding and advise programmes on raising resources.
- Develop research into the strengths and value of YBI programmes to help improve performance, innovate and to raise awareness of the need and value of YBI's work.

- 
- Permit the use of the YBI brand to identify the programme as accredited by YBI.

### ***The role of (youth business programme):***

In return, participating programmes shall:

- Provide a Business Plan indicating how they will apply the YBI core principles and maximize the availability of assistance to young people (young people are normally defined as 18-30 years old, although regional variation is acceptable). An outline Business Plan template is attached at Appendix 1.
- Provide quarterly reports on the key performance indicators identified in their Business Plan. The main indicators required of a typical programme are listed in the Business Plan template.
- Share and cooperate with other YBI programmes to build up a resource bank of good practices, documentation of processes, training materials, case studies, lists of partners and any other relevant materials.
- Attend regional and international YBI conferences to develop and share best practices and contacts.
- Provide a copy of their Annual Report and audited accounts.

### ***General Conditions***

#### **Memorandum of understanding**

The MOU is binding in honour only and is not a contract.

#### **Signature**

Signature of this agreement can take place once the programme has completed its first business plan that demonstrates its concurrence with the core principles and has started up its first five young entrepreneurs.

#### **Notice**

In the event of any departure from the YBI core operating principles by the youth business programme or failure to maximize the availability of assistance to young people, YBI shall first consult with the programme to redress the problem. If the breach persists YBI shall terminate this agreement and cease to list the programme as a participating organization. If a programme consistently fails to meet realistic performance targets YBI reserves the right to terminate the agreement after a suitable period has elapsed.

#### **Partnership and joint venture**

No partnership or Joint Venture is created by this agreement, and neither party can commit the other financially or otherwise to third parties.

Date: (Signed) .....,  
Richard Street,  
Director, Youth Business International,  
The Prince of Wales International,  
Business Leaders Forum.

Date: (Signed) .....,  
Director (Youth business programme).