



POLICY BRIEF

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Skills mix for young entrepreneurs: The right way to go

“This defines entrepreneur and entrepreneurship - the entrepreneur always searches for change, responds to it, and exploits it as an opportunity.”— Peter F. Drucker, *Innovation and Entrepreneurship: Practice and Principles*

Executive summary

Provision of skills training has been identified by Government of Uganda as one of the major initiatives to be undertaken to make youth more enterprising while addressing the skills mismatch employers are grappling with. A review of evidence on skills provision shows that a combination of skills training yield higher impacts on labour market outcomes and training in one is not sufficient. In addition, training targeted at every stage of entrepreneurial development (mind-set, incubation, start-up, growth and expansion) are vital in sustaining businesses venture over the long-term with emphasis on peer-to-peer mentoring.

1. Introduction

With growing youth unemployment challenges, the Government of Uganda is grappling with how to make the youth more enterprising as a means for self-employment. Consequently, the government has identified skills training both formal and informal as possible means of encouraging young people to become more enterprising. Thus, government in the Vision 2040 highlights inappropriate skills/skills mismatch as one of the explanations for youth unemployment and underemployment in Uganda. Providing young people with the right skills through training to enhance the country's human capital is seen as a pre requisite for economic and social transformation.¹ However, skills training should also be able to develop entrepreneurial capabilities and mind-sets. The linkages between skills training, mentoring/on-job-experience/apprenticeship/vocational training and gender, in the youth entrepreneurship

context, are vital as training is often described as critical in fostering participants' transition to the labour market, at least in the short run. Strategies and interventions to attain this goal as a means of enhancing entrepreneurship are well outlined. Evaluation evidence in support of this analogy exists. However, is training alone in one area of life skills enough to enhance entrepreneurship among the youth as a means of addressing the unemployment challenge, skills mismatch, and enterprise growth? This brief provides evidence from scientific studies undertaken that evaluate which training mix fosters youth entrepreneurship growth. We review evidence from studies conducted in Uganda and Sub Saharan Africa from 2000 to-date. The brief distils lesson learned that are intended to inform future interventions towards youth entrepreneurship development in Uganda.

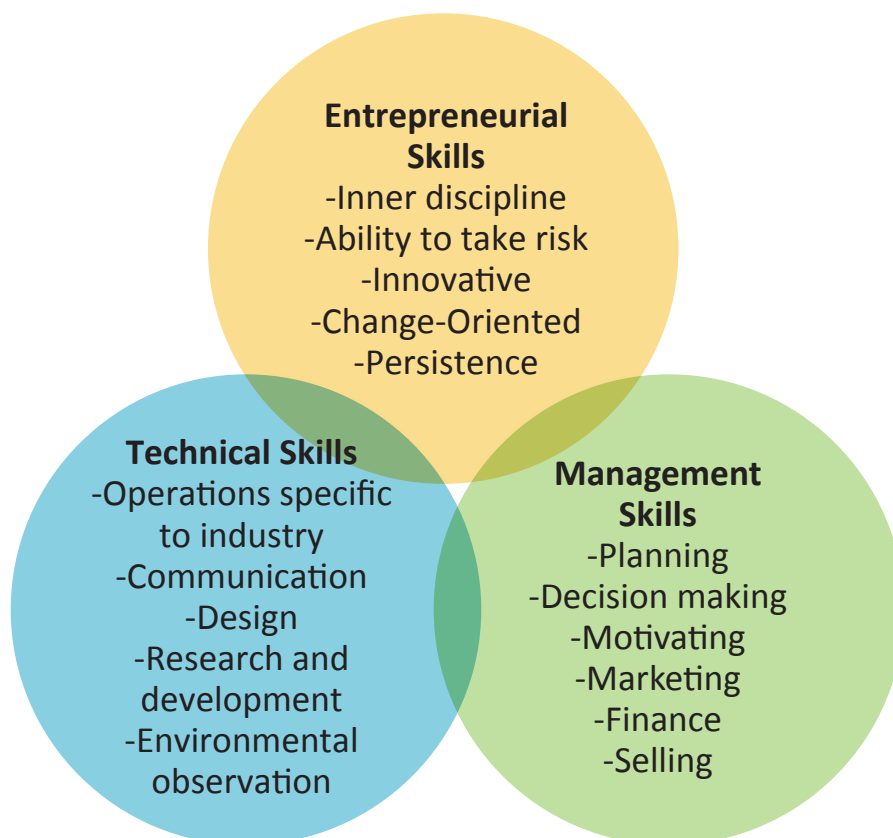
2. Rationale

The published literature regarding the skill-sets required to be an entrepreneur groups the skills set into: Entrepreneurship Skills, Technical Skills and Management Skills (Figure 1). The level of education and training required to develop each of these skills will be highly dependent upon the level of human capital that individuals might already possess before embarking upon their entrepreneurial journey. Indeed, it has been argued that developing these skill-sets will engender enterprising persons who should be equipped to fulfil their potential and create their own futures, whether or not as entrepreneurs.²

“smart” in the training packages they provide to achieve and sustain programme objectives. Findings from papers reviewed³ show that:

- In Kenya, there was a 14 percent likelihood of getting a job among youths who receive ICT training, life skills training and on-job experience/apprenticeship/mentoring with additional gains in their weekly incomes.
- However, training if not interlinked is not effective on having sustainable impacts

Figure 1: Entrepreneurship Skills-Set



Source: Cooney, 2012

3. Findings

Promising results have been obtained from impact evaluations that have been conducted on skills training programs to date. The potential benefits of training for entrepreneurs and entrepreneurship ventures are large. However, it is important for programmes targeting entrepreneurship to be

on incomes, employment or savings. This was noted in Liberia, where ex-combatants were provided with only agricultural skills and start-up tools. The interventions had no impact on hours worked and earnings for lower income earners. The program was supply driven, teaching agricultural skills to ex-combatants were not interested in

undertaking agriculture. This shows that identifying young entrepreneurs' interests/needs and understanding their attitude towards certain business ventures is important for programme success.

- More evidence from Kenya, shows that skills training impacts positively on youth with business start-ups or those trying to get a formal job while business skills have an impact on youth with higher education levels. However, for the youth with low education, entrepreneurship training was preferred as it was directly linked to self-employment.
- Targeting vulnerable teenage girls in Uganda, evaluation findings show that simultaneous provision of vocational and life skills training reduced exposure to risky behaviours among the teenage girls as their knowledge on reproductive health outcomes such as HIV/AIDS had improved significantly.
- Lastly, another study in Liberia, finds that self-employment increased among girls who obtained business skills but this came at a high cost as the programme design involved providing cash prizes, stipends and bonuses of USD120 for each day of attendance hence attaining very high programme participation rates. Nonetheless, since the programme provided training for six months in job skills targeted for specific sectors and support (including micro-enterprise advisory services and internship/mentoring and job placement assistance), employment among the girls who received job training skills increased by 70 percent.

5. Conclusion

Our findings point towards one major shortcoming in youth programmes being implemented in Uganda. If youth skills training components in programmes, to foster job creation, are not demand driven, they often fail to achieve desired

outcomes. Simply put, demand driven trainings are more likely to be successful compared to the supply driven trainings and that training content matters. Evidence highlights a critical issue, the 'one-size fits all' training programmes will not work if they are not targeting the right entrepreneurs and the nature of entrepreneurship ventures they are most likely to get involved. Education levels do matter for a certain category of training-especially business skills training. For Uganda where the majority of youth have at most primary education, business skills training modules have to be over simplified and supportive mentorship programmes are vital for effectiveness. In conclusion, skills training that is targeted has a higher impact if it has clear set baseline indicators and results oriented with actionable outcomes for monitoring and evaluation. In addition, training should also aim at changing mind-sets.

Lessons learned

Intuitively, in present-day promotion of entrepreneurship as a means for job creation, a combination of different skilling training programmes can have greater outcomes if the design targets different components of the entrepreneurship supply chain. But the development of these skills is not enough in themselves and all policy programmes must fulfil the following conditions if any progress towards having young motivated entrepreneurs is to be achieved:

- At first, young entrepreneurs must be willing and be motivated to grow the business.
- Peer-to-peer mentoring/apprenticeships from successful entrepreneurs is a critical element of any training programme (mentors must also be motivated to work in this role) especially among the low educated youth. Possibly, from the review of existing studies, the role of mentoring/ on-job experience and that mentors must be people who have already achieved success within the field identified by the growth-orientated

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entrepreneur cannot be underscored.

- The necessity driven and motivated young entrepreneurs should be provided with increased access to networks, finance and international markets.

Endnotes

- 1 Government of Uganda. (2013). Uganda Vision, 2040, National Planning Authority.
- 2 Cooney, M. T. (2012). Skills Development for SMEs and Entrepreneurship. Dublin Institute of Technology
- 3 EPRC-ILO. (2015). Youth entrepreneurship in Uganda: A Context Analysis of Policy, Stakeholders and Evidence (forthcoming draft).

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