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Entrepreneurship: A Useful Strategy In The Toolbox To Reduce Youth Unemployment.

Abstract

With a majority of African nations diversifying from traditional sources of income, entrepreneurship is increasingly seen as a key to economic growth. So far, entrepreneurship has yielded huge returns for entrepreneurs, and according to experts, there lies great untapped potential to drive the African continent and the world into its next phase of development.

A study released in June 2015 by Approved Index, a UK-based business networking group, ranked Africa as among the top of the entrepreneurship chart. The group sees entrepreneurship as a 'necessity' at a time of high employment, saying: "When unemployment is high and the economy is weaker, people are forced to start small businesses to provide for themselves and their families."

Today, entrepreneurship is seen as one of the most sustainable job generation tools in Africa.

The importance of entrepreneurship was underscored at the July 2015 Global Entrepreneurship Summit (GES) held in the Kenyan capital Nairobi, attended by US President Barack Obama, entrepreneurs from over 100 countries and a group of American investors, among others.

Speaking at the summit, President Obama lauded entrepreneurship for its promise for Africa with participants at the GES agreeing with him that entrepreneurship is one of the key ingredients in the toolbox to address youth unemployment in Africa, the region with the youngest population in the world.

"Entrepreneurship creates new jobs and new businesses, new ways to deliver basic services, new ways of seeing the world — it is the spark of prosperity," Mr. Obama told the summit. "Governments are not doing enough. The private sector is trying, but most goods brought into the African market are from China. This denies the youth the much-needed manufacturing jobs, which are more labour intensive," he says.

Entrepreneurship, if well managed, can create more jobs on the continent and increase the middle class which is essential in sustaining economic growth. There is need to integrate entrepreneurship training in formal education in Africa to prepare the youth for the future.

For entrepreneurship to strongly impact Africa's economy, governments must tackle some of the greatest challenges that impede its progress, including lack of funds, relevant mentorship and poor government policies. In addition, can governments should consider giving the private sector incentives through tax relief to create more jobs. Laws and regulations should favour entrepreneurs.

Biography:

Raphael Obonyo is a public policy analyst and widely published author in Africa and around the world. He has served as a consultant with the United Nations and the World Bank. An alumnus of Duke University, he has authored and coauthored numerous books, including Conversations about the Youth in Kenya. Obonyo is a TEDx fellow and has won various awards.

Raphael Obonyo
Public Policy Analyst, Kenya.

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