Fostering Democracy in Uganda: The Unexplored Contributions of Young Entrepreneurs

Prince Karakire Guma

Article at a glance

• Youth entrepreneurs play a significant part in building Uganda’s democratic society by contributing to the country’s political and economic development, but their stories are often unknown or untold.

• Youth in Uganda have a history of serving as social change agents. In the 1990s they contributed to post-conflict nation building at both local and national levels, and Ugandan youth today actively participate in the country’s civil society.

• In order to sustain and deepen the involvement of youth entrepreneurs in Uganda’s democratization process, society must continue engaging and supporting their efforts through various means.

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Introduction

The fact that entrepreneurship is significant in building democratic societies may hardly seem like a startling observation to many. Questions that drive my curiosity, however, have to do with the contributions of young entrepreneurs in third-world Africa that are highly unexplored, as life in such countries tends never to be written, documented, or formally communicated. It is for this reason that I feel moved to articulate some personal reflections and experiences on what I am convinced could potentially enrich the range of new emerging paradigms that are currently inspiring democratic transitions and transforming social transformations all over the world.

Uganda makes a perfect case study for two major reasons. The first reason has to do with her categorical record and characteristics that are synonymous with third-world Africa. With a population of over 35 million people, Uganda has an estimated 31 percent of the total population living below the national poverty line, and the youngest age structure in the world, with up to 77 percent of its population below 30 years of age, of which up to 85 percent are unemployed. For a country with a legacy of death, destruction, and fear resulting from decades of civil wars, rogue regimes, economic crises, and the recent Lord’s Resistance Army (LRA) insurgency in northern region, Uganda faces numerous intractable challenges. Within these obstacles, a population that is severely handicapped by the tragedies of the past is the marginalized youth.

The second reason concerns how the intersection between youth entrepreneurship and democracy has played out over the years. This intersection is largely predicated upon strict austerity measures propelled by the Structural Adjustment Programs (SAPs) of the late 1980s and sustained by continued economic liberalization and marketization into the 2000s under the National Resistance Movement (NRM) regime. The austerity measures have contributed to a gradual transformation of the Ugandan entrepreneurial terrain through a process that has weakened the state apparatus and heightened the place of youth at the center of public life. The question to ask would then be: how has this development ignited and asserted the primacy of young entrepreneurs as social change agents over the years? The answer depends on deciphering youth’s contributions towards fostering democracy in Uganda.

Contributions

I manage an enterprise (SEAD Project) that excites me because of its opportunity to let me explore the depths of the country’s least fortunate and most remote locations. I have had a good fortune to witness first hand, a number of entrepreneurs who are determined to remain grounded in solving real societal problems. I have met many people who are familiar (albeit unconsciously) with the practice of entrepreneurship not just as business but also as a tool for social change.

My explorations in the marginalized areas have opened me to many positive stories about individually and institutionally-led transformations in Uganda. And their stories vary — whereas some portray stories about community improvement, others express stories that show interest and responsibility in socio-political development. Because their stories are often completely unknown and their contributions are utterly unexplored, following is a discussion of their contributions.

Post-conflict nation building

It is interesting how market voids that followed the implementation of structural programs in the 1980s and 1990s were filled by a new breed of young entrepreneurs. What is even more interesting is how the veritable explosion of these young people, from the fringe to the center of the socio-economic and political arenas, has enhanced their nation-building role over the years. This explosion explains why youth today are actively influencing and taking part in the Ugandan national construction process. Thanks to them, entrepreneurship is slowly but steadily maturing and entering into the daily practice of our political systems and is relatively emerging as a strong and formidable constituent, vying for legitimacy in representing the broad masses.
Active participation at local and national levels

As Ugandan youth have acquired a stake in how their country is run, they have gained a voice that elected officials are able to take seriously. Their long exclusion from the formal political and economic life means that they often have little stake in maintaining the old order and much to gain from the new incentive structures. This explains for instance, why young entrepreneurs have instigated decentralized grassroots movements at local sub-county and village levels. One form of such grassroots movements is the LCs (Local Councils), a pseudo-local government system which is meant to foster participation of ordinary citizens in public affairs and strengthen the democratization agenda.

At present, a sizable number of young entrepreneurs have taken up LC posts at village, sub-county, and district levels which have given them the opportunity to influence social transformations within their societies, but also to portend for socio-economic and political changes. Often times they will attend (and sometimes organize) consultative community gatherings, and contact or pressurize leaders, urging them to take a particular action or no action at all.

Some young entrepreneurs are actively participating in youth leagues and other party structures through which they have been able to forge attachments with incumbents and sometimes engage in pro-democracy movements. Famous among these is the Uganda Young Democrats (UYD), an affiliation of the Democratic Party (DP). Others have gone even further to serve at the highest level, often in advisory capacity. It is apparent that the current NRM government attaches great importance to budding entrepreneurs who possess strong political appeal in their constituencies. The downside to this trend, however, is that the time and energy required to develop political resources sometimes limits the capacity to be creative and innovative, which affects the core competencies of their businesses.

Civic Activism

With Ugandan youth representing over half of Uganda’s registered voters, they are inarguably a political constituency to be respected and a civic asset to be valued. They play a very instrumental role in the electioneering process where they participate, but also influence specific outcomes in their societies. Youth, however, are sometimes put off by the episodic nature of the elections and the government’s persistent reluctance to implement electoral reforms.

Unable to be satisfied, youth resort to informal means of political activism such as demonstrations, strikes, on-line political blogging, and protests. Such forms of civic activism entered their modern phase with the formalization of protest movements such as Action for Change (A4C) and For God and my Country (4GC), inspired by the Arab Spring. The potential of youth lies in their ability to create a semblance of participation that in reality would cause individuals to engage with real socio-political transformation. In other words, they are able not only to participate as activists but also to inspire activism.

New-age political engagement

Political engagement and expression intensified after the airwaves were liberalized in the early 1990s, leading to an ever-growing proliferation and expansion of different forms of media, such as print, television and radio. It’s a common trend for young entrepreneurs to occasionally write press releases, conduct media interviews, and take part in discussions through phone-ins to radio and television stations. Some budding entrepreneurs have mastered the art of using print and electronic media to engage public officials and political figures such as members of parliament. They are also increasingly adopting the use of digital media and social networks (such as Internet, blogging, Facebook) to make known their interests and viewpoints on key political issues.

Private-sector association initiatives

Over the years, I have come across plenty of young entrepreneurs combining their activism and entrepreneurial ingenuity to launch and drive for-profit associations in high spirits, creating solutions to economic growth and sustainable development through the simple ideas. I have observed, joined, and sometimes supported young people to develop such
associations, especially in the post-conflict areas of Northern Uganda. Through these associations, young entrepreneurs have gained a stake and voice and have been able to amplify their collective political voice as well as those of the ordinary citizens.

Civil society awareness-raising and social mobilization

Due to the nature of my work, I have offered counsel, guidance, and support to fellow youth in local communities seeking to establish structures meant to formalize awareness-raising campaigns and social mobilization. Through these structures, young entrepreneurs are able to revolutionize systems by amplifying the political voice of ordinary citizens in a multiple ways – through foregrounding transparency in political and other processes, rendering censorship useless, and galvanizing support around the issues of the day. An example case is the role played by the SEAD Project in providing platform for popular participation through grassroots movements, and allowing fair debate through inter-school debate competitions, student essay prize, and working groups on an ad-hoc basis. Such are the contributions, strides, and efforts of young entrepreneurs in fostering democracy in Uganda.

Reflections on Moving Ahead

Despite their strides and determination to transform Ugandan society, young entrepreneurs operate within an inconsistent and uncertain socio-economic and political climate. A butterfly flaps its wings and it starts to rain. It’s a scary thought. But it’s also wonderful. We as young entrepreneurs are expected to “flap our wings” and somehow, move ahead despite the rain. As a social scientist working in third-world Africa, contemplating the social problems of my society, I acknowledge that stakes are high. But then again, as part of the growing movement of young entrepreneurs, I believe in our abilities in turning around problems and hopeless situations into innovative and sustainable opportunities of change and hope. Nevertheless, much more can still be done to ensure a deeper involvement of young entrepreneurs in Uganda’s democratization process.

Funding: Every time I have attended a group discussion on (youth) entrepreneurship, at least one person in the gathering mentions how they require funding to transform their innovative ideas into action or to scale-up their social ventures. Often times, I reiterate a Ugandan proverb that says, “Water has been begged for does not quench the thirst.” However, the financial situation is deeply understandable and has in fact been worsened by the resurgence of the world financial crisis causing serious repercussions for business growth. Subsequently, some young entrepreneurs are beginning to regard civic and political engagement as a luxury that can hardly be afforded when sustaining business and meeting basic daily needs is an ongoing struggle. This is not a good precedent. This void must be filled.

Mentor-ship: One of the most enjoyable parts of my job is often providing mentoring for early-stage and prospective entrepreneurs. Throughout my experience, I have come to the realization that taking the first step for youth, whether in entrepreneurship or political participation, is more like plunging into a cold swimming pool. Just like the African proverb that says, “It takes a village to raise a child.” young entrepreneurs require a village of entrepreneurship and social change mentors and models to grow.

Recognition: In what is a typical case of ‘the unexplored contribution’, young entrepreneurs are barely recognized by local scholarship and media cheerleaders. Most times when they reflect on an African, and particularly Ugandan entrepreneurship, only the names of established entrepreneurs are noted. There is even hardly a modest footnote on the young, budding or promising business entrepreneurs. So I ask: why are young entrepreneurs hardly recognized, even as they are arguably the leading agents of social transformation? Is it because as micro efforts, they appear insignificant, and small and immaterial? Whatever it is, budding entrepreneurs need to feel recognized and appreciated. Besides, “from little things, big things grow.”

Engagement: Most government programs/services suffer from what I would call adult-centrism: a severe lack of active youth participation. It is unfortunate that even the programs that specifically
target youth such as Youth Entrepreneurship Scheme (YES) and Youth Entrepreneurship Venture Capital Fund (YEVCF)\textsuperscript{14} suffer from severe lack of youth participation. As a result, they fail to create the kind of transformative functions they were intended to complete. Just like the African proverb that says, “The one who has diarrhea is the one who opens the door,”\textsuperscript{15} youth know best what they want and would rather they took the initiative in solving their own problems.

**Cultivating viable local organizations:** Local organizations are known to be prominent channels for not only promoting youth participation and cooperativeness, but also organizing aggregate interest, resources, and energies. Examples include worker movements, youth movements, and cooperative associations. In order to help young people organize themselves, the government needs to develop a favorable and rather flexible and tolerant framework that would provide an adequate and conducive environment to develop political participation of young entrepreneurs. This will strengthen young entrepreneurs, thereby allowing them to actively and adequately participate in critical decisions of major national policy issues that affect them.

**Looking beyond best-practices:** There is a Ugandan local proverb that says, “A person who never travels believes their mother’s cooking is the best in the world.”\textsuperscript{17} This proverb is particularly poignant for this essay because it suggests a rebuke to the topic. As we study the richness of what we have termed “best practice,” we ought to be conscious of the richness of other practices that are less well known yet very impressive examples that can potentially be introduced elsewhere. It is high time we looked beyond “our mothers’ cooking” in search of the untold, unwritten, and undocumented stories.

**Conclusion**

Youth entrepreneurship can serve as an antidote to the greed, war, and feckless policies that have persisted in Uganda. Young entrepreneurs are not just as wealth seekers but are agents of social change as well. This is important because in the future, when we – as entrepreneurs – look back in reflection, we will be consoled most by our contributions to social change and transformation. We will celebrate more the movements that grew not only in the urban cities of first-world West but also in the villages of third-world Africa. However, before that happens, experiences have to be shared. But first, they must be explored.

**References**


\textsuperscript{4} The National Resistance Movement (NRM) began as the political body associated with the rebel ‘National Resistance
Army’ before Yoweri Kaguta Museveni came to power in 1986. The NRM is commonly referred to as the Movement, and is largely associated with right-wing conservative ideologies. Information on the austerity measures propelled by Structural Adjustment Programmes can be found in Guma, P.K., 2012. Public Sector Management in Uganda - Beyond Orthodox Reform: Recent Trends; Future Considerations.

The SEAD (Social Economic Advancement for Development) Project is an action-oriented initiative that seeks to facilitate lasting change by: identifying and applying practical solutions built on local wisdom and resources (through popular participation and fair debate); allowing innovative young visionaries to demonstrate their ideas (through inter-school debate competitions, student essay prize, and working groups on an ad hoc basis); and building grass-roots movements to enable engagement within the political process (through community and change agents). The initiative has helped communities in rural areas plan, implement and manage public-sector projects i.e. schools, HIV education programs, and water wells. Our efforts have benefited over 100,000 Ugandans in rural areas; and created and inspired over 250 dedicated change agents including young, educated, middle class citizens here and abroad. For more information, refer to: The SEAD Project, (August, 2012) ‘The SEAD Project Newsletter’.

Local Councils (LCs) are forms of locally elected government within Ugandan districts. While initially established as rebel support structures in the areas controlled by the National Resistance Army (NRA), they proved effective in funneling food and supplies to the (NRA) combatants that they were implemented in every district following the victory of the NRA and Museveni’s taking of the presidential office in 1986.

Uganda Young Democrats (UYD) is a section with in the Democratic Party (DP) – one Uganda’s oldest political organization. It is basically is a collection of young political activists mainly between he ages of 20 and 40.

The Action for Change (A4C) was formed in 2011 by the opposition as a pressure group protesting rising commodity and fuel prices. It organized a range of demonstrations to compel government to intervene by creating measures that would ease taxation and reduce the cost of living to bearable levels. A4C gave rise to the Walk-to-Work campaign, meant to share in the plight of many who cannot afford public transport fares. Twice a week, for four months, opposition leaders attempted to reach their places of work on foot. These attempts attracted crowds of supporters who attempted to accompany the leaders. However, stung by a ban from government in April 2012, the group on the 20th of the same month announced it would temporarily hold its activities under a new name: For God and My Country (4GC), Uganda’s motto. And since then, till now (December 2012), 4GC has co-existed alongside A4C.

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Building Entrepreneurial Ecosystem for Fostering Entrepreneurship: Lessons from Nepal

Surath Giri

Article at a glance

• Local solutions to challenges faced by entrepreneurs in Nepal are worthy of sharing with other developing nations to help build an entrepreneurial ecosystem in other countries.

• Among many reasons, the main hurdles for Nepali entrepreneurs from reaching their full potential are the stigma associated with profit-making, an unfriendly business environment, and a lack of support mechanisms.

• Building an entrepreneurial ecosystem requires a multi-dimensional approach with cooperation among like-minded organizations and people to address different aspects of entrepreneurship development.

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Introduction

Anyone working on economic development of developing countries is bound to realize, sooner or later, that entrepreneurship does not get the recognition and support it deserves for its role in economic growth and poverty alleviation. In fact, it can also be argued that role of entrepreneurship in less advanced economies, like Nepal, is among the least studied subjects in the implied discourse. Yet, developing countries are teeming with entrepreneurs who are investing their time, energy, and skills in solving the problems that besiege their societies. Over 400 million individuals in developing countries are owners or managers of new firms. India and China alone are home to an estimated 200 million plus entrepreneurs.\(^1\) But despite the ubiquity of entrepreneurs in these societies, the problems and hurdles they face in starting, expanding, and sustaining their ventures are numerous and much different from the hurdles that are addressed in the majority of the literature on entrepreneurship available today.

Aspiring young entrepreneurs from Nepal have their own share of hurdles. Stigma associated with profit-making, an unfriendly business environment and a lack of support mechanisms are among the major challenges faced by these entrepreneurs.

Business and Profit: A stigma

If you ask a businessman or a small firm owner in Nepal how much they make from their ventures it is more than likely that you get a vague answer along the lines of “It has been enough to make my ends meet.” The tendency to answer this way comes from the long held stigma about business and profit-making. In many of the developing countries like in South Asian societies, entrepreneurship is tantamount to profit-making which in turn is tantamount to cheating and robbing people. It is more so in Nepal where 80.6 percent of the population follows Hinduism.\(^2\) *According to Hinduism every human being is Amrutasya Putraha, a child of immortality and a spark of divinity. The purpose of life is to attain liberation which essentially is freedom from re-birth and the chain of cause and effect. One should live to understand reality and not for transitory material pursuits.*\(^3\)

Added to this is the caste system which prevails despite efforts from government to abolish it. The caste system, which has segregated jobs and professions along the hierarchy of the caste a person belongs to, is still a major impediment to youth from rural areas of the country who shy away from considering entrepreneurship as a career option.

The socialist school of thought dominating the political economic discourse of Nepal since the advent of democracy in 1951 has only exacerbated the negative perception towards entrepreneurship. The academic curriculum of high schools and universities are devoid of any mention of entrepreneurship which is one of the many reasons why very few youth consider entrepreneurship as a career option during their studies and rather focus on getting a secure job, especially a government job. A popular Nepali song called “Sarkari Jagir” highlights the importance of getting a government job in Nepal in which the singer says “when I went to ask her hand in marriage, her parents told me ‘first get a government job’.”

Policy Regime: Not So Business Friendly

The policy regime and the business environment is another setback for aspiring young entrepreneurs in Nepal. An open economy and a secure business environment are essential components for creating a vibrant entrepreneurial economy but Nepal’s current policy regime leaves much to be desired. The Doing Business Report 2013\(^4\), which gives valuable insight on the entrepreneurial climate of nations around the world, ranked Nepal 108th out of the 185 countries studied on the ease of doing business. According to the report, Nepal fares badly when it comes to starting a new business (105th), paying taxes (114th), trading across borders (171st), enforcing contracts (137th), and resolving insolvency (121st). Lack of an environment conducive to formal businesses as well as lack of any incentive for small and medium scale businesses to operate formally has meant that around 96.2 percent of the total active population of the country is being employed by the informal sector.\(^5\) Many small-sized enterprises choose to remain in the
informal sector which has impeded the growth of economy in Nepal.

The Economic Freedom of the World Report, which measures the degree to which the policies and institutions of countries support economic freedom and entrepreneurship, ranked Nepal 110th out of the 144 countries studied in its 2012 report.\textsuperscript{6} According to the report, Nepal scored 3.33 out of 10 in the Hiring and Minimum Wage regulations, 4.13 out of 10 in hiring and firing regulations and 2.05 out of 10 in the mandated cost of worker dismissal. Similarly, Nepal scored 3.22 in the extra payments/bribe/favoritism category, making it one of the most corrupt countries in the globe. The height of corruption can be ascertained from that fact that people are forced to pay bribes even while paying taxes.\textsuperscript{7}

Support mechanism for aspiring entrepreneurs: A void

Another hurdle aspiring entrepreneurs face in Nepal is the lack of support mechanisms for the various stages of their entrepreneurial journey. Since entrepreneurship is not included talked about in academia or anywhere else, there is a lack of avenue where aspiring entrepreneurs can learn about it. Instead, they are forced to rely on their own while starting and operating ventures. Similarly, getting access to credit from financial institutions is very difficult whereas the guidance they require for various practical aspects of business like marketing, expanding business, and dealing with employees is also hard to find. Hence, entrepreneurship is a lonely profession in societies like ours which discourages aspiring entrepreneurs.

Fostering entrepreneurship: Multidimensional approach

So far, this essay has discussed about the major hurdles that aspiring young entrepreneurs in Nepal face. However, these hurdles have not stopped Nepalese youth from finding creative solutions and interventions to foster entrepreneurship. Nepalese youth, along with the support of various organizations, are building an entrepreneurial ecosystem that seeks to overcome the multitude of hurdles aspiring entrepreneurs face along the way. Entrepreneurial ecosystem refers to supportive organizations, institutions, and individuals that an entrepreneur needs during the various stages of their journey. A proper entrepreneurial ecosystem is an amalgamation of such individuals, institutions, and organizations that have an interest in bringing more entrepreneurs in a society and can contribute significantly to the success of an entrepreneur. Such an ecosystem is in the process of being constructed in Nepal and it is the young entrepreneurs themselves, who have been contributing and building the ecosystem.

Awareness and attitude change: The primary obstacle for Nepalese youth to engage in entrepreneurship has been the lack of awareness about it and the negative attitude associated with business and profit-making. Some social organizations in Nepal are working to change this scenario. Samriddhi, the Prosperity Foundation, has been running a residential workshop on entrepreneurship and economics for university level students. Named Arthalaya, this 5-day school trains university students to consider entrepreneurship as a career option along with making them aware about the policy regime required for an entrepreneur-friendly economy and the contribution of entrepreneurship in economic development.\textsuperscript{8} The program has trained more than 400 students, out of which over 40 people have started their own ventures. More importantly, the participants have expressed a significant change in their attitude towards entrepreneurship.\textsuperscript{9} Being personally involved in the program, I have witnessed the process of attitude change that young people go through, and have observed that attitude change alone ignites entrepreneurial-ambition among youth by providing them with encouragement and easing their conscience. Similarly, Entrepreneurs for Nepal, a network of aspiring and established entrepreneurs, conducts monthly meetings where aspiring entrepreneurs meet with an established local entrepreneur and hear his/her success stories and cautionary remarks on what pitfalls to avoid. The event has been highly popular among hundreds of young people joining the interactions. The group
has been able to reach out to more than 7,000 people within and outside the country. The group has also created an online presence on social networking sites where aspiring entrepreneurs share their stories and queries with each other.

**Start-up Capital and mentorship:** Traditional financial institutions in Nepal do not yet recognize entrepreneurship as a potential and prolific investment opportunity, forcing aspiring entrepreneurs to rely on their family and relatives or seek informal borrowing with exorbitant interest rates in order to raise funds for starting their ventures. To overcome this hurdle, Biruwa Ventures has been helping aspiring young entrepreneurs start-up their ventures by providing office space and networking opportunities, and helping them with legal and registration related issues.\(^\text{10}\) Founded by three Nepali students who returned to Nepal after completing their studies in United States, the venture has turned into a sustainable practice by providing the necessary services to entrepreneurs for a small charge.\(^\text{11}\) The group has also been investing in ideas that it finds lucrative, turning itself into a venture capital firm in the Nepalese context.

The next step of the entrepreneurial ecosystem is mentorship that is necessary for young entrepreneurs to succeed in their ventures. Entrepreneurs for Nepal (E4N) has been organizing one day workshops, called Boot Camps where new entrepreneurs get trainings and advices on practical aspects of business such as accounting and marketing. Similarly, the Sounding Board program provides an opportunity to young entrepreneurs with new ideas to get constructive criticism and practical suggestions for their ideas.\(^\text{12}\)

### Supporting entrepreneurship examples from Nepal

<table>
<thead>
<tr>
<th>Arthahayla - School of entrepreneurship and economics</th>
<th>A five day workshop promoting the spirit and skill of entrepreneurship and educating young people about economic freedom and policy regime. Run by Samriddhi, The Prosperity Foundation, with support from various private companies and organizations, the workshop takes a two tier approach to inspiring entrepreneurship among youth.</th>
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<tbody>
<tr>
<td>Start-up Capital and mentorship:</td>
<td>Twenty-four participants from different universities from across the country are selected for each phase of the program. The participants go through theoretical sessions like Economic Freedom, Importance of Rule of Law, Voluntary Exchange and Morality of Markets, Limited Government and its role in enterprise development. The participants also are required to run their own businesses during the course of workshop. This two tier approach helps the participants acquire the basics of entrepreneurship and importance of economic freedom along with the first hand experience of running a business.</td>
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<tr>
<td>Last Thursdays with an Entrepreneur</td>
<td>Entrepreneurs for Nepal, in partnership with Biruwa Ventures and Samriddhi, The Prosperity Foundation, runs Last Thursdays with an Entrepreneur. Every last Thursday of the month, hundreds of participants are invited through networking sites to hear a successful local entrepreneur’s story. The entrepreneur shares his success as well as failures which provide inspiration and gui defnes for the aspiring entrepreneurs. The event serves as a networking opportunity for young entrepreneurs. The beauty of the event comes from the fact that it has been running with very little resources and youth can replicate the event with little effort.</td>
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<tr>
<td>Source: <a href="http://www.e4nepal.com">www.e4nepal.com</a></td>
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<tr>
<td>Biruwa Ventures</td>
<td>Founded by three Nepalese students who returned to Nepal after their studies abroad, Biruwa Ventures has been assisting new entrepreneurs in their entrepreneurial journey by providing technical support, such as business registration, fundraising, and mentorship. In the two years since it was launched, Biruwa Ventures has provided training to nearly 60 young entrepreneurs and directly supported seven new ventures, including IT companies and a tomato farming initiative.</td>
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**Social Entrepreneurship and Recognition:** Any discussion about entrepreneurship in developing societies would be incomplete without touching on social entrepreneurship. ChangeFushion Nepal, an organization set up with the primary objective of supporting social entrepreneurship, has helped social entrepreneurship start-ups by providing capital, mentorship, and awards administered through its Youth Action Fund. Similarly, Samriddhi, Biruwa Ventures, and ChangeFushion Nepal have been teaming up on a yearly basis to celebrate Global Entrepreneurship Week in an effort to create awareness and recognition of entrepreneurship by honoring prominent and innovative entrepreneurs of Nepal during the celebration. Another initiation
called Surya Nepal Asha Social Entrepreneurship has been honoring social entrepreneurs with significant contribution in job creation and poverty alleviation. The recognition of entrepreneurs as engine of growth goes a long way in inspiring young people to become entrepreneurs.

**Business Expansion Support:** The entrepreneurial journey does not end with the establishment of a venture. Expanding and sustaining a venture is a primary challenge many entrepreneurs in Nepal face. Realizing the need of the hour, a few banks in Nepal have started providing access to credit to small-scale entrepreneurs for the expansion of their ventures. The realization has, however, a lot to do with the increasing interest in entrepreneurship created by aforementioned activities of various organizations working together to create the entrepreneurial ecosystem.

**Entrepreneurial Climate Reform:** Despite the various activities led by social organizations, a vibrant entrepreneurial society would be impossible without the necessary policy changes and reform in the entrepreneurial climate of the overall society. Gari Khana Deu, a nationwide campaign demanding rule of law, security of life and property and freedom to enterprise initiated by a coalition of business sector, civil society and other stakeholders of the reform, has been highlighting the overall issues faced by entrepreneurs and general public alike. Similarly, Samriddhi has published a report entitled Nepal Economic Growth Agenda, highlighting the major policy bottlenecks that prevent the growth of Nepalese economy’s major sectors and advocating for the recommendations the report has made.

### Conclusion

From observing the entrepreneurship development scene in Nepal, a few lessons can be drawn for entrepreneurship development in other developing nations. Entrepreneurship development requires a multi-dimensional intervention in the various aspects of the entrepreneurial ecosystem. A one-size fits all approach or a onetime intervention is likely to fail because aspiring young entrepreneurs need support at every stage of their entrepreneurial journey. More significantly, young people themselves can create this entrepreneurial ecosystem as observed from the experience of Nepal. It is necessary to understand that a single group of people or a single organization may not be able to create and contribute to the whole entrepreneurial ecosystem and hence, cooperation among organizations or groups of people working to address problems of different aspects of entrepreneurship development is necessary.

### Notes

2. [http://countrystudies.us/nepal/33.htm](http://countrystudies.us/nepal/33.htm)
12. [https://www.facebook.com/groups/e4nepal/?ref=ts&fref=ts](https://www.facebook.com/groups/e4nepal/?ref=ts&fref=ts)

A graduate at Asia Institute of Political Economy at Hong Kong University and currently a student of economics at Tribhuvan University, Surath Giri currently works as a Research Associate for Samriddhi, The Prosperity Foundation where he is passionate about contributing to bringing freedom and prosperity to Nepal. Surath has co-authored different studies and policy briefs in various sectors. He has published more than 22 articles on political and economic issues and also works as a reporter for Khabar South Asia, a South Asian news portal. He is also a prominent Nepali blogger and has been blogging regularly on political, economic and social issues since 2009.
Youth Social Entrepreneurship for Building a Stronger India

Nivya Murthi

Article at a glance

• India, a country with over half of the population under the age of 35, is full of young people with the energy to help build a stronger democracy through social entrepreneurship.

• Enthusiastic and active youth are needed to transform India, which is striving to achieve a balance between the country’s growth and addressing social issues.

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**Introduction**

*Youth, more than ever, are at the forefront of global social, economic, and political developments.*

The most effervescent group in a society is its youth who play a vital role in transforming a nation, effectively manage conflicts, and build the foundations of democratic and peaceful societies. Being the backbone of a country, youth welcome changes, brim with vibrant ideas, accept things that need to be different, and are great sources of optimism. But in most cases, youth are underrepresented and play a lean role in the process of public policy making. Youth with great ideas can often accomplish what government or large organizations cannot. Any nation can steer ahead by properly harnessing the energy, intelligence, and resources of youth. This essay focuses on the role of youth in transforming the Indian society through an entrepreneurial approach.

**What is Entrepreneurship?**

Entrepreneurship is the ability to create and build something from practically nothing.

The term is derived from the French *entreprendre* which literally means “to undertake,” indicating the minimum characteristic of an entrepreneur. An entrepreneur applies his or her knowledge, skills, and competencies to create, organize, and manage an enterprise while generating wealth, employment, and impact the society positively. Some relate social entrepreneurship with not-for-profit organizations and for-profit social ventures, while others refer to business owners who integrate social responsibility into their work. Therefore, social entrepreneurship is about mixing business insight and social responsibilities to positively impact lives and strengthen social fabric in various sectors such as health, education, sports, culture, and infrastructure. Social entrepreneurs take risks and are often seen as the change agents as they measure positive returns to the society. As initiators they seize opportunities, embrace innovations, improve systems, and arrive at sustainable solutions for the betterment of society.

**Why Entrepreneurship?**

India is one of the largest working democracies in the world and it is a young nation with 70 percent of its population is below the age of thirty-five. “The young do not know enough to be prudent, and therefore they attempt the impossible, and achieve it, generation after generation.” The Indian youth is socially responsible and work hard to see a change for India to attain that is educated, healthy and egalitarian.

Many educated Indian youth have already realized the necessity of utilizing their skills for the betterment of the society in the past few years and are really impressive. They aspire for entrepreneurship rather than conventional employment to empower people. They drive their ideas to reality and have realized that social progress and profit are not mutually exclusive. The youth social entrepreneurship in India is emerging primarily because of what the government has not been able to do. The government is very keen on promoting social entrepreneurship as against in some countries, when someone takes it into their own hands to start a facility for education or healthcare or empowerment, the government often puts in place barriers to prevent it from happening and so there are no inherent barriers to entrepreneurship in India.

India has a wide range of inequalities in economic terms and also in the quality of life and well-being of citizens. The richer seem to get richer while the poor, downtrodden, and those at the Bottom of the Pyramid, are being neglected. This social inequality characterizes the existence of unequal opportunities and rewards for different social positions or statuses in the society. Therefore, the social entrepreneurs significantly try to fill in the gap and impact the economy by playing roles in wealth creation and employment generation which broaden the social, economic, cultural, and environmental goals critical for India’s growth and development. They are seen as role models and people developers instilling new confidence, assume self-imposed responsibilities by purposefully developing peoples’ skills.
Entrepreneurship in India

The concept of Entrepreneurship has been seen in India for a long time has been practiced by the traditional trading communities for a long time, and it is thriving now. The Indian approach of “Jugaad” – a Hindi word translated as “being adept to somehow find a solution based on quick thinking and fix the demand of the hour at the lowest possible prices with a refusal to give up” is considered an entrepreneurial trait and is being accepted as a management technique. Entrepreneurship in India has been intensified in recent times with the rise of the educated middle class after the economic liberalization in 1991.

Social entrepreneurship is the way of engaging the youth voice in solving social problems. Young entrepreneurs belonging to various backgrounds have come out in large numbers to change the climate of Indian society. They have stepped into numerous sectors including education, health care, rural development, protection of women and children, safeguarding human rights, community regeneration, and poverty alleviation. With innovative technologies, the technopreneurs make a better living possible for everyone.

Youngistan Young, Smart and Enterprising

“Because you are young
You are torn between a world of hate
and a world of dreams
So much to lose
So much to gain
So much to fight for
So much to change.”

India has the most advanced social entrepreneurs in the world. Indian youth is a spark that needs no ignition and they start their own drive with a unique vision. With an estimated population of 1.2 billion, every one in three Indian is bereft of even basic necessities like nutrition, education, and health care, and many are still blighted by unemployment and illiteracy. With their personal passion to contribute to the nation and risk taking abilities, the youth taking up entrepreneurship envision betterment of lives in every walk of life rather than leaving societal needs to the government or business sectors. They solve the problem by changing the system. Though inexperienced, they are radical and innovative in their approach. The change makers see themselves as an alternative to governments which are tangled in the nests of corruption and policy paralysis. Their restlessness and urge to make a difference transform them into entrepreneurs, reaching out to people, fostering ways to create employment, and being mindful and engaging in social change. They help the needy make conscious decisions which could revolutionize their lives. Since entrepreneurship is not subjected to any governmental organizations, the services become more accessible to people. This way these social ventures aid the transformation as they are created in response to the inadequate services the governments give.

The age profile of start-up young entrepreneurs in India is in the age group of 20 through 30 years old. About 65-70 percent of top business school graduates in India prefer entrepreneurship to secured salaried jobs. Nearly one-third of them are operating in more than 100 localities, and almost one-third are serving more than 50,000 Bottom of Pyramid beneficiaries annually.

Interestingly, the young women have also taken up entrepreneurship on par with their male counterparts and are equally successful.

Youth Social Business Models in India

On the following page are examples of social business models in India led by young entrepreneurs between the age group of 21-40:
India’s social enterprises have moved up from infancy to youth. The industry took off in 2005-2006 and has grown dramatically since then. Most social enterprises target the Bottom of Pyramid (BoP) as consumers rather than as producers making people in BoP self-sustainable. Grants from foundations, incubators, fellowships and competitions have been a crucial source of capital for early-stage enterprises. Finding and retaining good talent, raising capital, and building the value chain are challenging the sustainability and scale for social enterprises though the greatest challenge is making the social business model investor ready.

The Indian social enterprises are definitely making positive impact on the society but with a population of 1.1 billion and diverse geography and heterogeneous people, the impact remains largely regional. Despite these challenges, the social-focused startups continue to thrive in India as they try to bring low-cost services such as banking, healthcare, and finance to underprivileged sections of society. Rural, small-town, and lower-income consumers constitute a large market waiting to be tapped, and it is necessary for social entrepreneurs to get past language, literacy, and geographical barriers. Initially, Social Entrepreneurship was considered as corporate philanthropy, is now viewed as means for self-sustainability. It has evolved and will keep evolving with time and needs of the world.

The Future

The young and ambitious social enterprises in India have many obstacles on their path as they set out to change the society. This industry needs extensive innovation and the youth pool is full of potential which, if tapped, can be a gold mine. But still, work has to be done to attract Venture Capitalists or Angel Investors to India. Besides these, the government should work hand in hand with these social ventures and ensure necessary resources reach them.
Conclusion

Many young entrepreneurs in developing economies like India have taken brave attempts to blend profitability and social cause to make a difference. But, to transform a country like India, which is striving to achieve a balance between the country’s growth and addressing social issues from energy efficiency to climate change, more big dreamers are needed. Youth social entrepreneurship is the next big thing expected to influence India. With the entrepreneurial energy in its youth, India can surely look ahead for a bright future. The impact of their work and attitude should gradually influence social action, co-operation, a sense of duty, and renew the democratic process.

“Be the change you want to see in the world”.  
-Mahatma Gandhi.

Notes and References

3 http://ozgurzan.com/2011/02/06/etymology-of-entrepreneur/
6 According to Deval Sanghavi, president of Dasra, a non-profit organisation which bridges the gap between those investing in social change and those spearheading the changes. http://knowledge.insead.edu/csr/social-entrepreneurship/social-entrepreneurship-emerging-in-india-1898
7 In economics, the Bottom of the Pyramid is the largest, but poorest socio-economic group. In global terms, this is the 4 billion people who live on less than US$2.50 per day. The phrase “bottom of the pyramid” is used in particular by people developing new models of doing business that deliberately target that demographic, often using new technology. This field is also often referred to as the “Base of the Pyramid” or just the “BoP”. http://en.wikipedia.org/wiki/Base_of_the_Pyramid
8 Economic Growth is a narrower concept than economic development. Economic Growth can be measured by an increase in a country’s GDP (gross domestic product). But Economic development is far wider concept. The definition of economic development given by Michael Todaro is ‘increase in living standards, improvement in self-esteem needs and freedom from oppression’. (http://www.whatis economics.org/economic-development)
13 Technopreneur is a compound word made up of technology and entrepreneur referring to entrepreneurs who use high end technologies in their business approach. (http://www.nou.edu.ng/noun/NOUN_OCL/pdf/pdf2/ENT%202021.pdf in the section 3.4)
14 Stan in Hindi means ‘a place’ roughly translating Youngistan to Young India. A term used in media/Advertisements in India to refer the Young nation of India.
17 On the Path to Sustainability and Scale-A Study of India’s Social Enterprise Landscape, IntelleCap, April 2012 in page number 7.
18 Parivartan means ‘change’ in Hindi.
19 Sarathbabu Elumalai is Indian entrepreneur, social worker and politician and CEO of Food King Caterers, Chennai. His story is a true motivation for people aspiring to rise up in life through sheer hard work.
http://en.wikipedia.org/wiki/Sarathbabu_Elumalai
http://indiatoday.intoday.in/specials/youthsummit/chennai/e-sarathbabu.jsp

** Refers to his election manifesto when he contested for the General elections in India in 2009 and also in the Assembly elections of the Indian State of Tamilnadu in 2011.
http://www.moneycontrol.com/news/business/turning-entrepreneurfood-king-was-tough-sarath-babu_568332.html

SKS Microfinance Limited (SKS) is a non-banking finance company (NBFC), regulated by the Reserve Bank of India. SKS’ mission is to eradicate poverty by providing financial services to the poor. The company operates across 19 of 26 Indian states. http://en.wikipedia.org/wiki/SKS_Microfinance

Vortex Engineering is an India-based company making self-service transaction systems (such as ATMs) for banks. It is the winner of Technology Pioneers 2011 of the World Economic Forum. http://vortexindia.co.in/

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) refers to a job guarantee scheme for rural Indians and is the world’s largest welfare program, run by the Government of India. The scheme provides a legal guarantee for at least 100 days of paid employment in every financial year to adult members of any household willing to do unskilled manual work related to public work at the statutory minimum wage of 120 (US$2.00) per day in 2009 prices.

Shri Mahila Griha Udyog Lijjat Papad, popularly known as Lijjat, is an Indian women's cooperative involved in manufacturing of various fast moving consumer goods to create a sustainable livelihood using the only skill they had i.e. cooking. http://www.rediff.com/money/2005/apr/15spec.htm

Suminter India Organics, is India’s pioneer supplier of organic produce to the United States and Europe. http://www.suminterindiaorganics.com/impact.php


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