

# Why aspiring young entrepreneurs hold the key to SA's future

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At just under 21 million, South African youth make up the country's largest demographic. Referred to by World Bank vice president for Africa as being the continent's most 'valuable asset', African youth represent untapped potential. They are, in a very real sense, the future leaders, innovators, scholars and entrepreneurs who will play a central role in determining the trajectory of socioeconomic development in South Africa. The extent of that role, however, relies on whether the youth are provided with the support needed to counter ills such as economic exclusion, limited education and training, restricted access to funding as well as inequality.



## A snapshot of youth entrepreneurship in SA

Research conducted by the Global Entrepreneurship Monitor, which analysed data from five regions, including sub-Saharan Africa, found that young people show greater levels of entrepreneurial intention than adults. Across all the regions analysed, young people were found to be 1.6 times more likely to have entrepreneurial ambitions than older generations.

*“ Young people hold the key to South Africa’s future success and we must support them. ”*

– David Morobe, Business Partners Limited

Despite these encouraging odds, young, aspiring entrepreneurs in South Africa face a number of seemingly insurmountable obstacles. Among them include the devastating impact that the Covid-19 pandemic had on the operational capabilities of millions of local small businesses. Post-pandemic, emerging entrepreneurs are up against other unique challenges such as the mounting energy crisis, the rising cost of living and the turbulence of an economic downturn.

In light of Youth Month, David Morobe, executive general manager for impact investing at Business Partners Limited says: “Young South Africans are in the best position to solve the unique problems that face emerging generations. History has taught us that very often, the greatest examples of resilience and courage emerge during times of extreme adversity. As a nation, we are confronted by multiple challenges, but with a sustained and collaborative drive to support young entrepreneurs, we can help build the leaders who can address our biggest hurdles.”

## More jobs for a growing population

Arguably the greatest challenge faced by South Africans is unemployment. According to the most recent data by Stats SA, the unemployment rate is far higher among young people than their senior counterparts. More specifically, the current rate

of underemployment among those aged 15–24 stands at 6.3%, compared to the national rate of 4.9%. Here, ‘underemployment’ refers to inadequate working opportunities in terms of the time available to employed individuals.

This, as Morobe points out, is indicative of a broader issue. South African youth are not only struggling to find employment, but they are also not obtaining work opportunities that optimise their full potential.

“Given that small businesses play such a vital role in GDP-growth and job creation, one of the solutions to the current record-high unemployment may very well lie in the hands of young entrepreneurs. This is particularly relevant within the context of South Africa’s growing youth population – the young business leaders of today could be the employers of the young workers of the future,” he adds.

### **The youth as drivers of innovation**

As digital natives who have grown up using technology, young people are the best candidates for driving innovation. In recent years, several examples of this have emerged in spaces such as Fintech and e-commerce, where there is no shortage of good business ideas.

“We at Business Partners Limited have had the opportunity to see the immense abilities that young entrepreneurs have in finding creative ways of solving multi-dimensional problems,” says Morobe.

### **A tool for personal and professional empowerment**

Problem solving, as he advises, also provides an opportunity for exploring another dimension of opportunity for youth entrepreneurship – its ability to serve as a tool for social upliftment. By owning their own businesses, young people can gain a greater degree of agency over factors such as their working hours, their working conditions and the achievement of their personal financial goals.

Morobe concludes: “For many disadvantaged youths across the country, entrepreneurship is a way out of poverty, not only for themselves but for their families and communities. If we can succeed in building a larger constituent of young business leaders, we can build a powerful workforce of individuals whose greatest assets are innovation, self-confidence, strong conviction and belief in their abilities. Young people hold the key to South Africa’s future success and we must support them.”

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