



Young Female Entrepreneur, Grand Bassa County Photo: Rose Hemmer-Vitti, Mercy Corps

PROSPECTS LEARNING PAPER NO. 6: YOUNG FEMALE ENTREPRENEURS

Learnings from Prospects' Youth Investment Fund Grantees

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The Employment and Entrepreneurship sub-program under Prospects Liberia provides young entrepreneurs, aged 18 to 35 years, business skills training and the opportunity to apply for a microgrant (USD 250 to USD 750) to start up or expand a business through a Youth Investment Fund. Data captured throughout the program indicates that significantly more women than men seek and receive the small business grants. Given this information, the Prospects team sought to understand what motivates young women to pursue entrepreneurship. Nine focus groups (six female and three male), held in Bong, Grand Bassa, and Montserrado Counties, explored the factors driving young women and men to entrepreneurship. Conversations revealed that most young entrepreneurs pursue business for one of three reasons; out of necessity, because they possess a passion for business, or to use it as a stepping-stone to achieve other goals. This learning paper explores the motivations, successes, and concerns of the young grant recipients.

PROSPECTS, LIBERIA

Prospects is an urban youth livelihood program with a mission to empower young Liberians to find meaningful, market-driven employment or self-employment through increased skills, self-confidence, and economic opportunity. The program, funded by the Embassy of Sweden in Liberia, seeks to address constraints to both labor demand and labor supply. It accomplishes this by building the self-confidence of youth and training them to succeed as employees or entrepreneurs before connecting them to market opportunities, either through workforce placement or micro-venture development support.

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Background and Context

Liberia is recovering from the economic impacts of the recent Ebola epidemic, which compounded ongoing economic malaise resulting from a 14-year civil war that left a generation of youth with little education, few economic opportunities, and strained social ties. With few educational resources to draw on and a decimated post-conflict economy, youth, who account for approximately 28% of the population, are beset with high levels of unemployment and few skills that are relevant to the country's labor market.¹



Despite an average annual GDP growth rate of more than 6% over the last 10 years, in spite of near negative growth during the Ebola epidemic, youth unemployment remains high. Though reliable and consistent employment statistics are scarce, the National Census of 2011 found that 84% of Liberians are engaged in non-wage employment. Notably, a 2013 Work4Youth Survey conducted by the ILO found that 79% of Liberia's working youth fall within the category of 'underutilized labor,' and 78% are considered in 'vulnerable employment,' characterized by low wages, periodic or seasonal work, and insecure working conditions.

Understanding that the youth demographic in Liberia is large and diverse, and that youth have individual aspirations for their lives and vocations, Prospects's Employment and Entrepreneurship (E&E) sub-program pursues a two-pronged approach to economic empowerment.

First, E&E focuses on promoting youth employment through the provision of trainings in career planning and work readiness. Developed with the input of Liberian employers, these trainings inform youth of vocational opportunities as well as the soft skills required to succeed in the workplace. Prospects then connects young people to employment opportunities and on-the-job experience by placing young people in temporary employment to promote learning and real connections to employers. By engaging youth in work culture, youth are better positioned to seek out and take advantage of formal employment opportunities that meaningfully contribute to their lives and well-being.

¹ USAID, "Youth Fragility Assessment," April 2009.



Secondly, understanding that there are not enough jobs in the Liberian economy to employ all young people and recognizing that young Liberians are innovators themselves, Prospects promotes youth self-employment and entrepreneurship. Through trainings on entrepreneurship and business-skills, youth formulate business ideas for meaningful and long-term self-employment. Prospects supplements this training through the provision of business mentoring and seed capital to youth with promising business plans. Through these activities, youth have the confidence and skills to lead their own economic activity, engaging commercially with members of their community and contributing to the economic health of their families.

Youth Investment Fund (YIF) grants range from \$250 to \$750 USD depending upon the details outlined in the young grantees' business plan. Throughout the course of implementation, data from the E&E sub-program showed that significantly more young women are successful in obtaining a YIF grant than young men. Of all Prospects E&E beneficiaries (engaging in one or more activity), 9% of women were successful in winning a grant whereas only 5.4% of men were successful ($p < .01$). This begs the question, why are more young Liberian women engaged in business?

In order to explore the question, the Prospects' team set up a number of focus group discussions with young grantees to understand what motivates young women to pursue entrepreneurship. Nine focus groups were held in the three urban centers in Bong, Grand Bassa, and Montserrado counties. In each of the counties, two female focus groups and one male focus group included a total of 109 beneficiaries across the three counties or just over 20% of all YIF grantees. The focus group questions sought to understand the overarching aspirations of young people, how owning a business fits into those aspirations and the gender dynamics that drive both young women and men into owning their own business or pursuing other options.

Before diving into the the focus group discussion findings, it is important to understand the type of businesses YIF grantees are engaged in. A vast majority of the business focus on petty trade done either through pushing wheelbarrows around the city center, carrying goods on heads, or in the market through establishing an open-air table. A few of focus group discussion participants indicated that they were able to open a more formal shop or storefront with the micro-grant; however, this was a very small proportion. Examples of small businesses include; selling dry goods, imported clothes, kitchen supplies, or establishing a more formalized printing or photo studio.

Focus Group Discussion Findings

Young Grantee Aspirations

In each of the focus groups, youth talked about their aspirations in life, whether they had changed over time, and what steps take towards achieving their dreams. The goal was to understand how and if owning a business fit into these life dreams and aspirations. Despite a diversity of responses, three categories of youth motivations emerged from the conversations. Firstly, the youth that always dreamed of owning a business and were in the process of pursuing a passion of theirs. Secondly, there were the young people



“My dream was to be an agriculturalist; things became hard, my father died. My mom had no one to help her so I started a garden to sell vegetables.”

— Young Female Entrepreneur, Bong County

that are using business as a stepping-stone and financial resource to continue pursuing their true dreams through education. Lastly, those who started a business

out of a necessity to sustain their lives.

A number of youth expressed the fact that running their own business had always been their dream. For some, their parents passed down a business mentality after witnessing the businesses providing school fees and basic resources for their households. For others, the passion came about through seeing others succeed in business. Of the youth that expressed a passion for business, many of them detailed plans of how to expand or improve their businesses through offering additional products, employing others, opening additional branches, or taking their business international. The grant offered them an opportunity to see their dreams come to life and the trainings provided them with effective management tools to run their business. These young people were passionate about their business and the opportunity it brought to their life.

When asked if their dreams changed over time, six of the nine focus groups mentioned not having the money for school fees to pursue their first passion. As such, the perception is that business is an opportunity to earn the money to continue their education or another opportunity. Of these six groups, four were female and two were male groups. Some of the youth that see petty trade as a stepping-stone to pursue education are still completing high school and live with their parents. These youth felt the constraints their parents were experiencing in providing all the resources to attend school. Although both young men and women experience the barriers to pursuing education, a higher frequency of men indicated that they would use business as a way to empower themselves, whereas many more young women spoke as business as a way to provide for their basic needs.

A number of youth indicated that business was never part of their life plans but that circumstances mandated a way to provide for themselves and their family. For these youth their motivations stem around the necessity of an income to sustain their life. With limited job opportunities and skills, business is perceived as the easiest thing for young people to fall back on. A higher number of young women mentioned business as a survival mechanism. Often having responsibilities and children to provide for, women feel like business enables them to fulfill their responsibilities.



“When I look left and to my right there is no one to help me so I started my own business.”

— Young Female Entrepreneur, Bong County

Motivations

There is a significant difference in percentages of women and men receiving YIF grants. About 59% of YIF grantees are women whereas 41% are men, representing 9 and 5.4 percent of the total E&E beneficiaries respectively. The motivations of young women are key to understanding this gender difference. Each young grantee has a story when it comes to the motivations behind starting their business. From all the responses, a few trends emerged throughout the conversations representing the reasons that young people are motivated to apply for grants to either start or expand a business.

Out of the nine focus groups, the need for young people to find a way to provide for their family's basic needs came up in all but one. Many youth indicated that there came a time in their life when they had to start looking for money on their own to help provide for school fees and other household necessities. For some the responsibility started at a young age, beginning business as a child or while still in school to assist with family expenses. The only group that did not bring up the necessity of owning a business to sustain their life was the group of young men in Bong County who instead focused the conversation around their passion for their businesses.



Passion was something that came up in a number of the conversations, all of the young men spoke about the personal draw they had towards their business area. A great deal of passion for the business came from beneficiaries who dreamt of doing business or knew that business can help them achieve other goals. Only two groups of young women did not mention passion driving them to be involved in business. Those groups focused rather on the practicality of being able to provide for their children and pay school fees.



“I wanted to earn my own money, to be strong, to be independent.”

— Young Female Entrepreneur, Montserrado County

Two key trends stood out for young women that did not appear as often for young men, independence and the inability to rely on others. Five out of the six female focus groups brought up the feeling of independence and empowerment that young women have when they own their own business. Linked to the ability to be independent,

young women lamented over their inability to rely on others for support, all of the female focus groups indicated that they could not always rely on others for support. This craving for independence by young women could be a result of the fact that young women are significantly more reliant on others to support their livelihood. E&E baseline findings indicated that 43% of young men did not rely on anyone else to support their life whereas only 25% of young women were able to state the same ($p < .05$). The focus group discussions also validated these findings as only one young man mentioned the inability to rely on others as a motivation to pursue business.

The focus groups showed two paths, while driven by individual stories the trends paint a picture of young men driven by passion to business whereas necessity and a craving for independence drive young women.



“There isn't any work in the country. I have to have a business in order to sustain myself and my children.”

— Young Male Entrepreneur, Grand Bassa County

Young Women: A liability?

In each of the focus group, discussions there were heated debates about gender roles, gender strengths, and gender dynamics that Liberian youth face. Both young men and women helped to paint a canvas of the reality shared by Liberian youth.

In about half of the focus group discussions, women were presented as a liability; something that young women and men agreed was a stereotype that needs to change. Women expressed that relying on men put

them in a position of disempowerment, requiring that they tolerate a wide range of behaviors from men. Many young men and women see business as a tool to empower young women to make her own decisions, empower herself, and remove the burden of relying on others. A young male entrepreneur in Montserrado County said, “women want to do business so that they don't have to run behind men for money.” The consensus was that young women that sat at home and relied on a man for support were more vulnerable and more likely to be ‘bluffed’ (fooled) by a man. To Liberian youth, women earning money realize an increase in respect, however young men cautioned this by stating that some women would start to act like a ‘boss at home’ if she began earning an income. Seen as going against traditional gender roles, some young men indicated that this is a major disruption within the household. Women, while expressing the empowerment and independence realized through business, also acknowledged that it could create some issues within the household. Despite the potential disruption, most young people felt that women earning an income aids in reducing some local gender issues within the household.

The focus group asked the YIF grantees about the business strengths or weaknesses of young men and women. Women were first to indicate that young men often lack the patience to make money through business. They stated that young men are much



“Women are interested in business because men aren't helping us. They are bluffing [fooling] us.”

— Young Female Entrepreneur, Grand Bassa County

more interested in making ‘fast money’. Two of groups of young men also indicated that women have more patience when it comes to business. They indicated that young men often get distracted with the next opportunity and do not remain satisfied for long. Both groups reflected they feel waiting around a market for a sale is a woman’s job and that young men have more ways to get money. Despite this, everyone agreed that some young men are very serious and passionate about business and thus become very successful.

Gender dynamics were a contentious topic in each of the focus group discussions. Both women and men highlighted the struggles that young people face in this society and how it forces young women to be more responsible for their own livelihoods. One young man in Montserrado County expressed that “some young men are careless and won’t feed their woman or children;” a sentiment shared throughout the counties and genders. A number of groups reflected that young men will often have children with multiple women, rarely supporting any of them. Both young men and women indicated that young men often run away from children, leaving the women responsible for all of the expenses. With all of the household responsibilities handed over to young women, they often fall back on business to sustain their family. It was recognized that women should be supported in business, as that is how the future generation will be empowered to get an education. Despite all of the struggles that young women face a number of them indicated that it is also critical for young men to engage in business. Women expressed concerns that young men are jobless and frustrated which further perpetuates the problem of the inability of men to support their families. Women felt that the more men that are empowered to provide for themselves and their families the more society as a whole benefits.

Other Opportunities

Across the board, young people expressed the need for additional opportunities in the country. All of the focus groups reported a need for vocational skills training and a concern that young men have additional opportunities for work than women do. Women expressed that having a skill offers additional security. Youth expressed concerns that economic shocks, such as an emergency or a family member getting sick, would

require young people to liquidate their business, eliminating their primary source of income. Most of the YIF grantees felt like technical skills would enable them to get back on their feet more quickly.

Each beneficiary at the focus groups responded to whether or not they would be able to start or expand their business if they had not received the grant from the Youth Investment Fund. When asked this question young men were much quicker to respond that although it would take time, they could find some money to start up a business. All three of the young men's groups reflected a majority of beneficiaries feeling as though they could seek out other opportunities. Some mentioned falling back on hard labor to raise money; others expressed support from family, a few mentioned savings as methods of raising funds to explore new ventures. Only the young women in Montserrado expressed that they would be able to start or expand their business without the support. With access to income being significantly more accessible to young men it makes sense that they feel as if they have more options to earn and save the money necessary to start a business. The E&E baseline study found that where 33% of young men received an income through daily hire or hustle jobs only 20% of young women did ($p < .05$). Of the youth that earn an income from daily hire positions, 22% of young men do so through manual labor and 3% through driving motorbikes. Both of which were seen as inaccessible to women during the focus group discussions. The ability of young men to leverage other opportunities to start a business was clear, either way it boils down to a combination of two factors, the confidence of young men and the limited opportunities of young women.

A number of focus groups, including all the male focus groups and half of the female groups, indicated that the training that they received with Prospects was equally, if not more so, important than the seed funding itself. Young men reflecting on the ability to raise money through other opportunities expressed that their businesses still would not have been as successful without the increased knowledge around business management and record keeping. Young women, while still expressing the need for funding, also indicated that the success of their businesses is attributed to the training and coaching they have received under Prospects.

Conclusion

The youth demographic in Liberia comprises myriad life experiences and personal aspirations. The focus group discussions provided insights into the economic decisions of young people and interventions for practitioners looking to support young Liberian women and men.

Business is a good opportunity for young Liberian women. Whether or not it has been an individual's dream, business provides young women with a way to sustain their lives. While their male counterparts have more opportunities through physical labor and more skills training, young women are traditionally more involved in business and can easily engage into the market. While women partake in business, it is clear that they will continue to support other advancement opportunities through continued education for either themselves or their children. Business also offers young women the opportunity to gain respect in their personal relationships and their communities.

The young men that are interested in business have a strong passion for it. A number of the young men in the focus group discussions spoke about the YIF grant being an opportunity to grow their business and enable them to hire other youth or support other youth owned businesses. The level of passion that the young men exemplified can further support the growth of the private sector, creating even more employment opportunities for young Liberians.

The combination of seed capital and training is critical. A number of focus groups, including all of the female focus groups, mentioned the benefits of learning business management skills to help make their business

successful. A number of the young men's groups even indicated that the trainings helped them even more than the financial support.

Overall, business is a good opportunity for both young men and women with the understanding that more young women are driven to it out of necessity. Because of that, the skills and trainings are critical to enable those without the inherent passion for business to be successful. Women often fall into business out of fear of being a liability to another person or being forced into a position they do not want to find themselves in. Women crave the independence that business offers them; additional business support through trainings, microgrants and coaching can ensure that they are successful in their endeavors.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.

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