

Are youth-owned Enterprises thriving or just surviving?



By Paul Selah

In 2017, Uganda was proudly ranked as the world's most entrepreneurial country by Global Entrepreneurship Monitor (GEM), recording the highest number of Youth Entrepreneurs with 55.6% of the youth population involved in new or established businesses.

What makes a country entrepreneurial?

According to the CEOWORLD magazine Entrepreneurship Index, 2021, the factors include innovation, competitiveness, infrastructure, labour skills, access to capital, and openness to business. Among these factors, we would say, Uganda covers almost seventy per cent.

Uganda has put up various structures and frameworks to bolster youth entrepreneurship namely; The National Youth Policy, The National Development Plan, The Youth Venture Capital Fund, The Youth Livelihood Programme among others. However, the country still faces the challenge of business growth.

With that in mind, let us look at the survival of Ugandan businesses viz a viz their growth.

According to an article in the Guardian, most ventures in the East African Nation of Uganda remain small-scale and informal. Staying informal means avoiding taxes and registration costs but it also leads to missing opportunities like bidding for government contracts that could offer financial security and a path for growth.

A case in point is the Young Achievers Group, a group of ambitious youth based in Kirinya, a local suburb in Kampala, Uganda. The group came together and was able to learn how to make building materials like pavers, louvres, cab stones, and blocks.

Having attended the Improve Your Business training conducted by Wezesha Impact, a Non-Profit Organisation that equips youth in Africa with skills and tools for Entrepreneurship and work. The group gained knowledge on how to register their business and managed to register their company called Kinawataka Technical Construction Company Ltd.

Tenywa, a leader of the team says, "We had to register the business so that we can be able to win big contracts." According to the Guardian, while almost 10 per cent of Ugandans started a business in the last year, a fifth of individuals aged 18 to 64 discontinued business in the past year.

So, what could the challenge be?

One of the biggest challenges young entrepreneurs face is low growth expectations and a lack of innovation that can make their products vary from others. What most Ugandans do is create an additional business other than expand the existing one.

Most young entrepreneurs also cite access to capital as one of the biggest barriers to starting a business or growth yet they hardly talk about the need for Entrepreneurship skills.

Addressing the need for entrepreneurship skills, the Youth Employment Network of the United Nations, International Labour Organisation, and World Bank emphasise the need for investment in entrepreneurship skills as a way of promoting Youth entrepreneurship, especially in developing countries.

Entrepreneurship is also believed to be a mindset hence the need for a mindset shift among the youth in Uganda.

"Entrepreneurship starts with ideas, not money. If you have a skill or developmental idea, money will come if you sell your idea or skill to people who have money can help you," says Mondo Kyateka the Assistant Commissioner of Youth and Children in the Ministry of Gender, Labour and Social Development.