

LESSONS LEARNED
& FINAL REPORT
from the
STRYDE PROGRAM

2011 – 2019

Empowering Youth in East Africa

Youth Livelihoods

technoserve.org

TechnoServe
Business Solutions to Poverty

Introduction

Youth are incredibly enterprising, innovative, and driven when provided with an enabling environment of support.

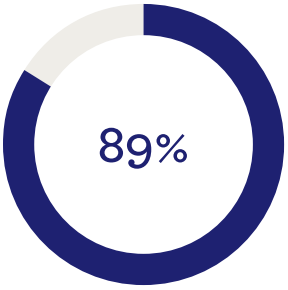
Over 70% of the African youth population remains in rural areas where formal employment opportunities are limited. Despite the promising economic expansion of the East Africa region, many rural youth and their communities have been left behind. New job opportunities and prospects rarely reach rural areas, and for those that do, youth often lack the necessary education, skills, and knowledge to pursue them. Programs seeking to create an enabling environment for youth must focus on and understand the complexities of rural economies and how to prepare program participants with the soft skills and technical skills needed to take advantage of available opportunities.

In the absence of formal employment, youth are required to maintain a portfolio of ventures which focus on agriculture and microenterprise. These ventures are combined into a suite of activities designed to hedge against financial insecurity while also meeting social obligations and responsibilities. Although youth are individually unique in their decision making when it comes to the income activities they choose, we can observe a predictable path toward financial stability that is dictated by the resources and assets available. With the right support, programs such as STRYDE can help youth capitalize on their existing resources and launch with confidence into new phases of growth that create opportunities for meaningful livelihoods.

STRYDE positioned itself to assist in connecting youth to new income-generating activities and the development of life skills. The results and impact of STRYDE help to show that by acknowledging the complexities of rural environments, it is possible to develop youth programs that are scalable, replicable, and effective in any region or context.



Overall average increase in income for youth participating in the program (from $58 to $107 per month)

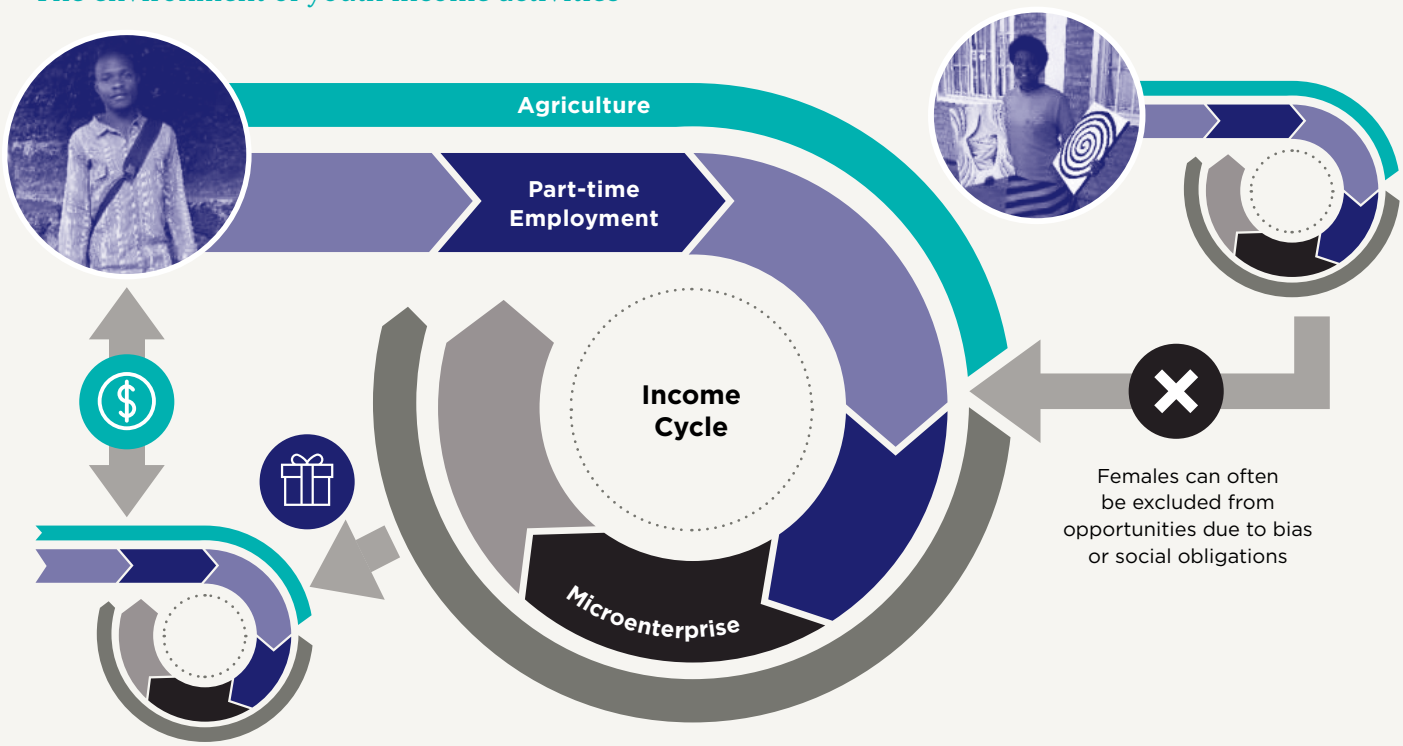


Percent of youth engaged in at least one income earning activity after the program

Youth incomes rely on a portfolio of activities which help to hedge risk in uncertain rural economies.

Very few youth can find formal full-time employment in rural areas. In addition, income earning activities may vary by season or last for only a short time, making it difficult for youth to plan and save. With limited or unstable job opportunities, the majority of youth engage in mixed livelihoods and generate income from a portfolio of diversified activities. Of the 89% of youth who were earning income after the STRYDE program, most maintain 2-3 different sources of income. These activities typically included a strong focus on agricultural production and microenterprise.

The environment of youth income activities



Social Obligation

When not generating income, youth are often involved in a wide range of social activities beyond leisure. Whether contributing unpaid time to peers or family, participating in church activities, or attending to household responsibilities, youth can spend significant amounts of time on activities that do not generate income. Women, in particular, are encumbered by these obligations, including duties for child-rearing. These social obligations are both an advantage and a disadvantage. In some cases, social obligations may require youth to provide funds, labor, and other resources to those in their social network, which can hinder their ability to commit resources toward starting or scaling new enterprises. In other cases, social connections and obligations provide youth with access to valuable resources, such as capital, in the form of personal loans or group savings



Youth programs in rural areas should emphasize the benefits of microenterprise and provide support for youth to start new businesses.

Youth select income-earning activities by searching for available opportunities and considering which have the highest earning potential and allow for optimal use of their time. Less than 20% of all youth income activities were related to employment (Figure B), including seasonal, part-time, and full-time jobs. Although these employment opportunities offer high wages, they ultimately do not provide the highest overall earning potential (Figure A) due to the limited number of jobs in rural areas. With the right support through programs such as STRYDE, microenterprise offers both the highest rate of income growth and the highest overall earnings.

The importance of entrepreneurship skills training and microenterprise is often overlooked in youth training programs because the nuances of how businesses operate in rural economies is not well understood. Microenterprise affords youth with an ability to create opportunities where they did not previously exist, reduce risk, diversify into new products and offerings, and take control over how they spend their time. For example, a youth who owns a small storefront or fruit and vegetable kiosk might traditionally be classified as one business. In practice, this shop is much more likely to maintain multiple income earning activities spanning a variety of products and services, such as preparing food for meals, selling airtime, or stocking an assortment of non-perishable commodity items. These activities and income streams are not arbitrary and have been carefully vetted and proven by the youth business owner through iterations and customer feedback. More importantly, multiple services and products ensure that youth can optimize their time across high and low sales periods - for example, focusing on bread and milk in the mornings to capitalize on consumer demands for breakfast, then shifting toward prepared food and a vegetable grocery later in the day. Similarly, many tailors might experience periods of high demand when school uniforms are being made but may focus on other businesses or agriculture during lower demand times of the year. This flexibility and control over both opportunity and time helps microenterprise earnings to outpace other activity types.

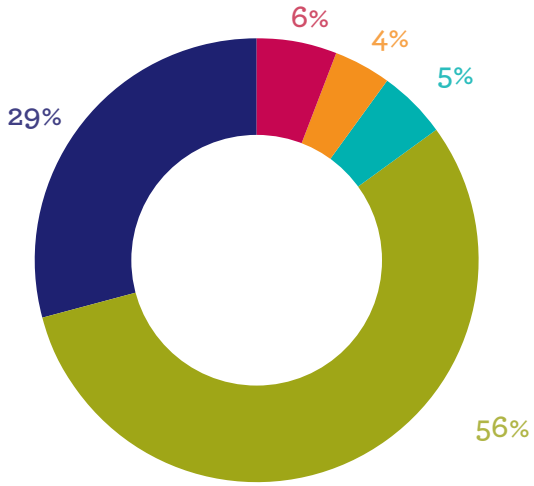
FIGURE A

On average, microenterprise earns more money than employment



FIGURE B

Most youth had at least some agricultural income, while jobs remained scarce



Agriculture is a gateway to higher earnings and an attractive investment that can help grow wealth and stabilize incomes.

Although agriculture may have a lower overall earning potential (Figure A), it has the advantage of lower upfront capital costs, lower barriers to entry, and (in most cases) does not require full-time attention. For youth who are not yet earning income, agriculture can be an entry point into self-employment. For top earning youth, investments in livestock, land, and crops at a larger scale offers opportunities to grow new income while managing other ventures.

Stigmas around agriculture are known to exist, but contrary to this belief, STRYDE encouraged youth to invest in agriculture as an important component in their livelihoods. Following training, the majority of youth actively pursued agricultural activities regardless of income level. As shown in figure C, youth value agriculture, first and foremost as a pathway to higher earning opportunities and later as investments which stabilize and grow incomes. Youth programs should actively encourage youth involvement in agriculture above a subsistence level as a fundamental aspect of wealth creation and as an important component to Africa's future food security.

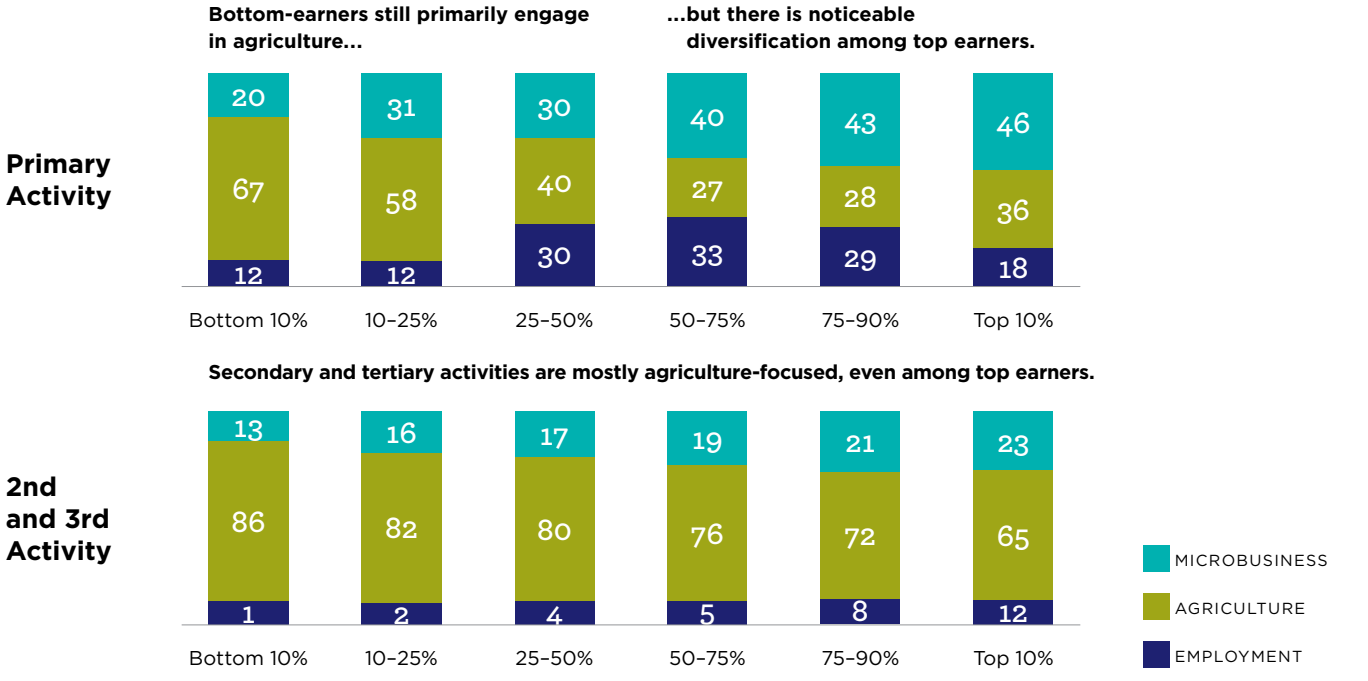
CASE STUDY



Bonny heard about STRYDE while in church and wasted no time signing up for the training with a few of his friends. Today, thanks to the skills learned from STRYDE training, Bonny is a successful tomato farmer. Last season he sold his harvest for $77 and bought a bull that he uses to plough his farm. "The entire village has noticed that I no longer spend all my time at the shopping centre chatting and playing cards like before," he says. "Now if you want to find me then come to my farm." In the future, Bonny plans to start a small-scale tomato processing plant as a means of adding value to his own tomatoes and those of other farmers in the area.

FIGURE C

Youth prioritize different activities as income grows but agriculture remains important throughout all phases.



Youth who learn multiple skills and diversify into multiple activities grow income faster than those focused on only one job or skill.

Youth can grow income through the expansion of existing activities or through diversification into new activities. Although it is often easier to expand an existing activity than to start a new one, a limit to the rate of expansion may exist within the environment of rural economies where many businesses are commodity-focused. An optimal strategy for income growth should include diversification, where financial stability is achieved by expanding the number of income earning activities that span multiple skills or services, rather than focusing on a singular job or business.

Youth who are diversifying and expanding at the same time are earning the highest income, regardless of whether youth were earning prior to training. These results are encouraging for programs working in rural areas, and indicate that all youth can find meaningful work with the right support and by focusing on growing a portfolio of activities. Youth who are focused on growing a single income activity are limited in their overall growth potential, and programs should be designed around providing the support necessary to help youth diversify as soon as possible.

Youth who are able to diversify into new activities and also expand existing activities earn the highest income



Diversification drives income gains but more importantly provides income stability.

The STRYDE program was designed to help youth create new opportunities and income activities. Throughout training and aftercare, youth added to their portfolios of work, ultimately raising the average number of income streams from 1.7 to 2.3 for all engaged youth after the program (Figure D). This increase in activities contributed to an average overall income increase of 84%.

One important aspect of these results is a recognition that all income activities are not prioritized equally by youth and do not provide equal income. Regardless of demographic characteristics or the percentile of earnings, more than 50% of a youth's total income typically comes from one activity (Figure E). This does not diminish the importance of diversification in stabilizing earnings or hedging against risk. However, Figure E does help to explain why those with higher earnings tend to prioritize microenterprise as their primary activity. Microenterprise has the highest earning potential and when placed as the primary activity, makes the greatest contribution to overall wealth. Youth programs should encourage participants to pursue a focus on microenterprises and invest in other activities, such as agriculture, as a secondary, stabilizing income stream.

FIGURE D

Changes in youth income activities before and after STRYDE

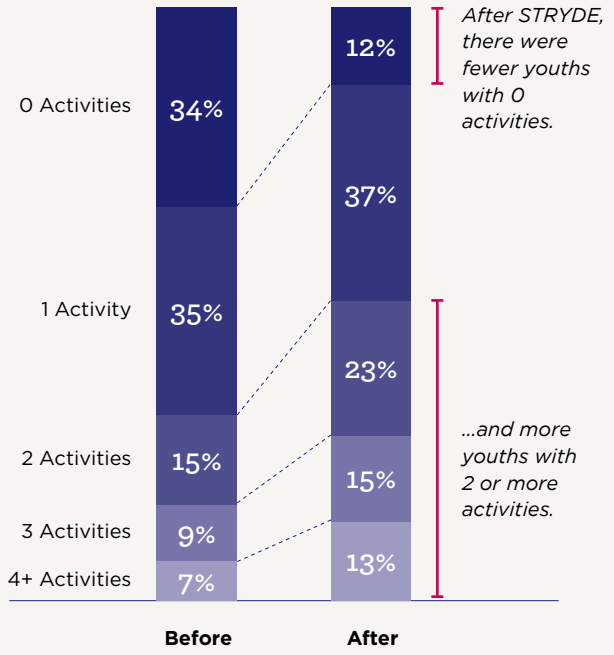
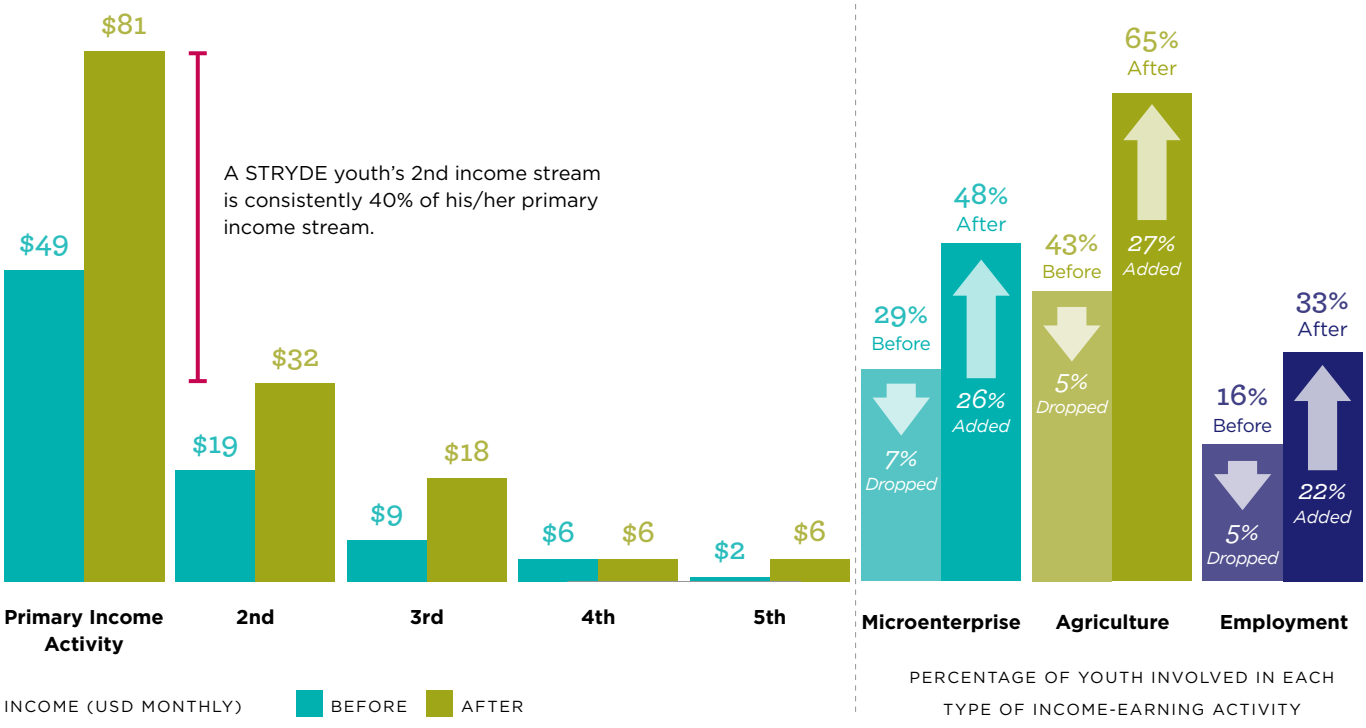


FIGURE E

Youth shifting toward a focus of microenterprise drives income growth, since the primary activity is typically more than 50% of a youth's income



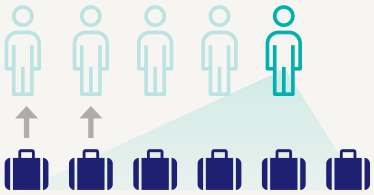
Youth who start new businesses create jobs

Youth are entrepreneurs and job creators when given the resources needed to start new businesses. In the most recent survey of STRYDE participants in all four countries, 7,031 youth who were sampled reported the creation of more than 7,200 new jobs since the end of training.

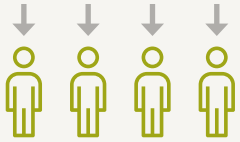
Although the ratio of new jobs is approximately one job created per youth, in practice only 1,402 of the 7031 youth surveyed were job creators. Youth creating new job opportunities employed an average of 6 other people with some reporting they employ as many as 25-50 people.

These results are encouraging because they imply that STRYDE's impact extends to substantially more youth than those who directly participated in training. Job creation as a result of the STRYDE program also speaks to a secondary benefit of encouraging youth to pursue microenterprise and agriculture. Instead of focusing on the supply side of the labor market and training youth in specific skills, encouraging youth to pursue available opportunities in business and agriculture actually increases the demand side of the labor market, thereby helping to solve the challenge of limited employment.

1 in 5 youth are job creators

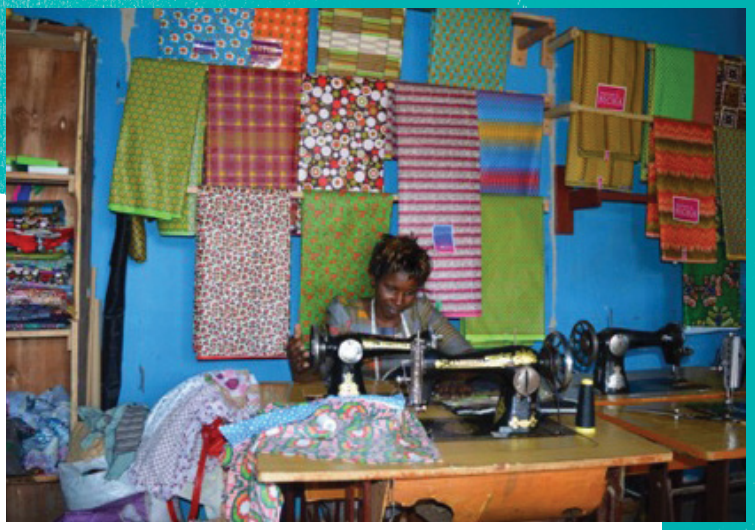


Creating six jobs, on average



Many of these go to non-STRYDE participants, increasing the programs impact and reach

CASE STUDY



Immaculee Ndagijimana struggled to find work and after considering different career paths, Immaculee decided to become a tailor. However, she was barely making enough money from her business to cover basic costs, and as a single mother, she knew she needed to figure out a better way to provide for her family.

Immaculee joined STRYDE and learned techniques to improve and grow her business. Immaculee's tailor shop is now so successful that she trains 15 to 20 women each week in dressmaking. "After the STRYDE training, I secured a contract to train some of the participants for a small fee of $70 for six months," she says. The income she generated from these trainings allowed her to expand her shop and buy supplies. "I was also able to improve the condition of my parents' house and pay for my siblings' school fees," she says.

Youth rely on social-based groups for savings and when accessing finance

It is widely understood that a significant barrier to youth engagement in high earning activities, such as microenterprise, is a lack of access to capital and loans. Starting and growing new activities is resource-intensive, especially for youth with new businesses and limited cash flow. Although some progress has been made in improving access to finance (A2F) in rural areas, most youth lack a credit history and are unfortunately still limited in accessing traditional loans. Recognizing these limitations, the STRYDE program focused on helping youth access capital through growth in savings (both personal and community-based), investments in assets such as land and livestock, and through partnerships with lenders such as 4G Capital, who provide short term working capital loans for starting and growing new businesses.

STRYDE youth took on more loans following the program (Figure G), but the vast majority of these loans came from savings groups and social networks, rather than through brick and mortar banks. Youth consistently doubled their savings and assets, helping support the case that mechanisms for A2F which are external to traditional banking are a critical component in creating business opportunities for youth and should be embedded in all youth programs focused on skills training entrepreneurship, and livelihoods.

+101%

Overall average increase in Assets
(from $702 to $1,408)

+86%

Overall average increase in Savings (from $97 to $181)

+43%

Overall average increase in Loans
(from $115 to $164)

FIGURE F

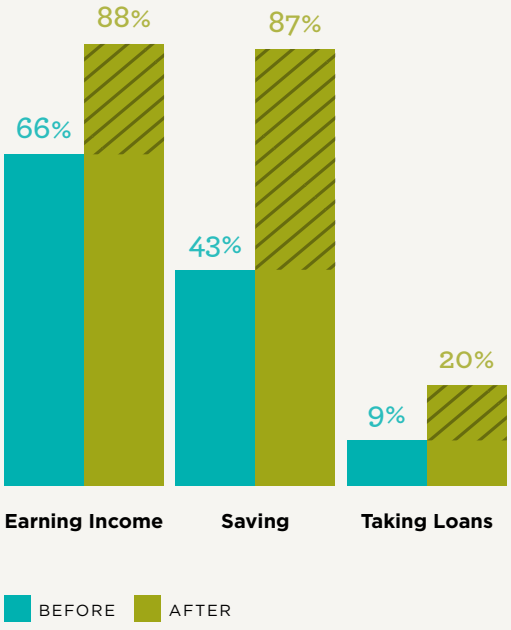
Participant's intended purpose of their savings following the program



Savings are primarily intended for creating or expanding income activities.

FIGURE G

More youth earned, saved, and took loans



Methodology

TechnoServe and Mastercard Foundation pursued this study to better understand the branching pathways that youth take in search of fulfilling and dignified work. The report relied on quantitative and qualitative data, collected through STRYDE's daily operations and separate data collection specific to this study. For the Gender and Partnerships sections, the researchers executed customized surveys with beneficiaries and vocational institution partners. Indicators relating to youth income growth are drawn from Status Tracking Tool (STT) surveys completed across the course of the program. At baseline, STRYDE participants shared demographic and economic details when they enrolled in the program. Approximately two years later, TechnoServe conducted follow-up surveys with a sample of 10-15% of those youth. Where possible, additional surveys took place 3-4 years after baseline. This data was analyzed to produce most quantitative measures in this report. To validate quantitative findings, the research team also conducted key informant interviews and focus group discussions with STRYDE beneficiaries, partners and other stakeholders.

Partners

In 2011, TechnoServe and the Mastercard Foundation partnered to help rural youth in East Africa transition to economic independence through the STRYDE program. The first phase of STRYDE equipped 15,000 rural youth in Kenya, Rwanda, and Uganda with the skills and knowledge necessary to capitalize on new economic opportunities through skills training, aftercare, and mentoring. The second phase of the program, STRYDE 2.0, was based upon the successes and lessons from the first phase. An additional 53,000 youth took part in training, including new geographies in Tanzania and northern Uganda. A key component of STRYDE 2.0 was the program's focus on sustainability and engagement with local partners and training institutions. The program sought to align incentives of system actors, such as Vocational Training Institutions (VTIs), to build capacity and enable critical functions of the STRYDE model to continue indefinitely. Launched in August 2014, STRYDE 2.0 continues to provide training, with nearly 40% of the program's participants trained by partner organizations.

mastercard foundation

Mastercard Foundation seeks a world where everyone has the opportunity to learn and prosper. Through its Young Africa Works strategy and Canadian EleV program, the Foundation works with partners to ensure that millions of young people, especially young women, access quality education, financial services, and dignified work.

Developed in consultation with young people, policymakers, educators, and entrepreneurs, Young Africa Works aims to enable 30 million young people in Africa over the next 10 years by:

- Improving the quality of education and vocational training so youth are equipped with the skills employers need;
- Leveraging technology to connect employers and job seekers and drive growth; and
- Enabling entrepreneurs and small businesses to expand through access to financial services

For more information and to sign up for the Foundation's newsletter, please visit http://www.mastercardfdn.org/ Follow the Foundation on Twitter at @MastercardFdn

TechnoServe
Business Solutions to Poverty

TechnoServe's approach to international development is based on systemic change rather than quick fixes to address the symptoms of poverty. It is an international nonprofit organization that promotes business solutions to poverty in the developing world. TechnoServe operates in 29 countries worldwide and works with enterprising people to build competitive farms, businesses, and industries by linking people to information, capital, and markets. Since 1968, the organization's work is rooted in the idea that given the opportunity, hard-working men and women from all backgrounds can generate income, jobs, and wealth for their families and communities.

TechnoServe has been a catalyst for youth enterprise in both rural and urban East African settings through its flagship programs: Young Women in Enterprise (YWE), Girls on the Move, Smart Dukas and Strengthening Rural Youth Development through Enterprise (STRYDE). These experiences have given TechnoServe deep expertise in designing and implementing youth empowerment training programs, in addition to an awareness of the need for facilitative models that work through long-term local actors to achieve significant scale and local system change.



For more information on the STRYDE program, please reach out to:

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