

A woman with braided hair, wearing a pink cardigan and a blue patterned top with a green scarf, stands in a field of yellow flowers. She is holding a large bouquet of yellow flowers in her left hand and a single stem in her right hand. The background shows a vast field of similar flowers under a cloudy sky.

'WE WORKED AND OVERCAME HARDSHIP'

Stories of change from youth participating in youth group microenterprises in Ethiopia

EMPOWER
YOUTH
FOR WORK



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OXFAM

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SUMMARY

Empower Youth for Work (EYW) is a five-year programme, funded by the IKEA Foundation. The programme focuses on enabling young people (especially young women) in rural climate-affected areas of Pakistan, Bangladesh, Indonesia and Ethiopia to seek and obtain economic independence. To realize these goals, the programme applies a holistic approach to drive young people's economic and overall empowerment through: 1) working on agency, capacity and skills; 2) linking young people to existing and new economic opportunities, including access to finance; and 3) creating an enabling environment by influencing social norms and policies that facilitate young men and women's economic and overall empowerment.

In Ethiopia, the EYW programme is implemented in the Oromia and Somali regions in partnership with local implementing organizations and different stakeholders. Among other activities, the programme is working with the government to link youth groups with microfinance institutions so they can receive loans to start their own businesses.

To gain insights into the initial impact of participating in these youth start-ups on the skills and livelihoods of young people, the EYW programme conducted research in the Oromia region. The research findings indicate that although the youth businesses are only at the initial stages of making profit, all individuals and their families are already benefitting in various ways from their newly acquired incomes. In addition, most of the youth have diversified their businesses, indicating that they are developing an entrepreneurial mindset and searching for economic opportunities in their respective areas of work. Moreover, the communities they live in have become more supportive and inclusive towards youth who are participating in the start-ups. The research also shows the important function of youth groups in building the skills of participants.

Although the young people are positive about the training received, we see possibilities for improvement, including facilitating market linkages, ensuring regular follow-up and technical support, and creating linkages with different local and government sectors for field support and to ensure sustainability of the youth start-ups.

The EYW programme in Ethiopia concluded from the research that the youth start-ups show potential, and that the programme's support to a guarantee fund appears to be an effective strategy to increase socio-economic empowerment among young men and women.

1 INTRODUCTION

The Ethiopian government is encouraging young people to start small businesses in order to reduce the rate of youth unemployment through the guarantee fund. Young Ethiopians who want to become entrepreneurs need to organize themselves in groups in order to access microfinance from the guarantee fund. Furthermore, youth groups are trained by Technical and Vocational Education Training (TVET) institutes at district level in business start-up and management skills. The Empower Youth for Work programme¹ (EYW) in Ethiopia is working alongside the government system to support young people to organize themselves and get access to the credit and training that exist in Oromia and Somali regions.

Oxfam's partners support new and existing youth groups in setting up groups, designing their business plans, and accessing microfinance and training. Each youth group consists of 5–12 young people who together get a loan to develop their business according to a business plan. The loan provided has to be used for a common purpose, and the profit is divided equally among group members. Some groups include young women and men (mixed groups) and some are women-only groups. Within each group, there exists a management structure that the youth design themselves. In the Oromia region, this work has already been running for over one year. Fifty-six youth groups, supported by the EYW programme, have gained access to microfinance as well as training and have started to become independent businesses. New groups continue to enrol in the programme. In the Somali region, project implementation started more recently, with fewer tangible results to date. In light of this, the EYW programme in Ethiopia focused this research on the experience from Oromia, in a bid to learn from the initial impact of our work and use the findings to improve support to the next cohort of start-ups in Oromia and to the new start-ups in Somali region.

To gain an insight into the initial impact of youth start-up participation on group members' livelihoods, the EYW programme in Ethiopia conducted research focusing on the individual experiences of participants, asking them how it has improved their skills and livelihoods. Youth also reflected upon how their environment (family and community) responded to their youth start-up activity and how this has influenced their participation in the community.

¹ Empower Youth for Work (EYW) is a five-year programme focusing on enabling young people (especially young women) in rural climate-affected areas of Pakistan, Bangladesh, Indonesia and Ethiopia to seek and obtain decent work. Working with a wide range of stakeholders (including young people, government and the private sector), the programme applies a holistic approach to address issues of gender-based discrimination, sexual and reproductive health, and quality education. The programme activities promote climate-friendly practices and support young people and their communities in adapting to the effects of climate change.

2 METHODOLOGY

The research was a collaboration between Oxfam, Oxfam's partner Rift Valley Children and Women Development Organization (RCWDO) and youth volunteers. Young people participated meaningfully in all phases of the research, from design through to analysis and programme response formulation. They were supported and coached continuously by Oxfam and partner staff to reach their full potential as researchers. The research was carried out over four months (June to September 2018). More information regarding the research method, sampling and analysis is provided below.

In this report, we present experiences of the members of youth start-ups that have been active for the past year in the Oromia region, focusing on the initial impact of the activity on their daily lives and the factors that have contributed to their success and challenges. To gather experiences, 'Stories of Change' interviews were collected from youth participants in the first cohort of start-ups supported by the EYW programme in Ethiopia. Youth enumerators collected 30 stories about the initial impact of the start-up membership on young people's daily lives, and the internal and external factors that contributed to the groups' successes and challenges. These groups are working in a number of areas including cattle fattening, crop production, dairy production and grain trading.

All interviews were summarized and analysed in an analysis framework, combining deductive and inductive analysis approach. Building on the first analysis and findings, youth, enumerators, partners and Oxfam staff validated and reflected on the key findings to inform programme implementation, and developed specific recommendations.

The research has several limitations. It was not intended to be exhaustive – that is, we would expect more information to come up if more interviews are conducted. Moreover, it is difficult to disaggregate data by sector. However, even based on this limited sample we do see patterns emerge across the whole group of respondents, and where possible we disaggregate by business type.

This research can give us an overall picture of which external and internal factors contribute to the initial impact of participation in a start-up on a young person's livelihood – based on the first-hand experiences of youth enrolled in the EYW programme in Ethiopia. Through these insights, we can also identify nuances between different types of businesses and between women and men. The EYW programme in Ethiopia will use this, alongside its technical, contextual and experiential knowledge, as input to sharpen its programme strategy in Oromia and Somali regions.

3 A GUARANTEE FOR THE FUTURE

This chapter presents the findings of the research. First it provides an insight into the improvement in soft skills and technical skills that youth gained through participation in the start-ups. Second, we reflect upon how the environment (family and community) responded to youth involvement in start-ups, and how this has influenced the participation of youth in the community. Third, we explore the initial impact that participation in a youth start-up has had on the livelihoods of young people, and how this improves their resilience.

3.1 INDIVIDUAL GAINS IN TERMS OF SKILLS

3.1.1 SOFT SKILLS

All men and women in the youth groups reported having gained soft skills through their participation, such as learning to work in a group, communication skills and a positive work attitude. ***“My understanding about work has changed a lot. I used to expect employment by the government only. But now, since my attitude has changed, I have created my own job and I am working” (male, grain trading group).***

Almost all individuals also reported having experienced behavioural change. Women in particular explained that they had seen a positive behavioural change in themselves, both in general and towards their family.

“*In the past, because I stayed at home and used to only work for my family, I was in terrible conflict with my family. But now, since I use my time to work [outside the home], my behaviour has changed as well.” (Female, grain group)*

Most men reported that since getting involved in the start-up they have given up unhealthy habits such as chewing *khat*, drinking alcohol, smoking cigarettes or wandering aimlessly in the streets. ***“I had been chewing khat and smoking cigarettes with my friends. But now I am concentrating on my activities” (male, grain training group).***

Many young people said that they had supported and learned from each other by being part of a start-up group. Most group members explained that they have shared responsibilities, decision making and good communication in their groups. ***“I have understood how much working in a group can benefit us, as helping each other is more rewarding than isolated individual efforts” (female, grain group).***

In general, many women were positive about the participation of women in the groups. Men and women

“Women members are given light work assignments based on their circumstances. For example, they are not given the assignment of spraying chemicals on the farm. Watering work is also left to males.” (Male, crop group)

explained that within the groups they work together equally, benefit equally and share tasks equally. However, specific roles are assigned to women and men; for instance, the cashier and secretary are often women, and women are given less physically demanding assignments. Moreover, it seems that young men have more knowledge about their group's business, because young women have less time to spend on the business as they have a heavier domestic care burden.

3.1.2 TECHNICAL SKILLS

Almost all men and women in the youth groups reported having gained technical skills through their participation. These include business skills such as trading, selling and buying, and monitoring income and expenses.

“Before, my husband used to fool me by saying he had sold the grain for 500 Birr, whereas in actual fact he had sold it for 1,000 Birr. Now I also attend market and am able to know the price. He cannot fool me anymore. I have improved my knowledge.” (Female, cattle group)

A few young people mentioned that they had gained entrepreneurship skills, such as understanding of market prices, market linkages, and how to do market assessments.

“ I have learned about entrepreneurship. This organization (RCWDO) taught us about bookkeeping. For example, we have acquired skills on handling income and expenses.” (Male, grain trading group)

Moreover, almost all men and women explained that they had learned technical skills from each other or from the training provided by the programme. These include taking care of cattle, preparing cattle feed, growing and trading grains and vegetables, and learning modern agriculture methods. Other technical skills and knowledge gained related to sanitation, health and nutrition. ***“I have acquired skills on how to produce fruit and vegetables (such as cabbages, onions, tomatoes) using modern farming techniques. I also know about ploughing using a tractor. I have gained skills in applying agrochemicals, such as those used to eliminate weeds and prevent frost damage. I have used the chemicals and benefitted from the outcomes” (female, vegetable production group).***

While respondents were enthusiastic about the technical training they had accessed through the EYW programme, Oxfam and partners emphasized in the validation workshop that there is a need for continuous and more in-depth training based on systematically designed needs assessments. Youth said that they have gained technical skills; however, partner organizations felt that the groups need to deepen their knowledge about their practices to make their businesses more resilient. Regular follow-up and technical support is also needed. Furthermore, it is important to improve the market linkages of the youth start-ups and connect them to successful businesses, (research) institutions and transport opportunities in their respective areas to scale up and improve the sustainability of their businesses.

3.2 CHANGES IN COMMUNITY ATTITUDES TOWARDS YOUTH

Many young men and women stated that they have gained increased social acceptance in their communities. In particular, they reported gaining respect, acceptance and a changed position within the

community. Many also reported improved participation in the community, especially in social activities and gatherings.



Attitudes of the community towards me have changed. Previously the community believed that women should be limited to the home, doing household chores rather than engaging in more public work. Now however, the community has seen that women can go out to engage in activities [that were] wrongly perceived to belong to men only. Women can do work which requires them to be involved on an equal basis with men, and become profitable. The community has gained awareness that there is no sector in which women do not participate.’ (Female, cattle group)

Two young women have become role models in their communities, and advise fellow youth and community members about starting their own business; they also speak out against early marriage. Some other women and men reported that they share the knowledge and skills they have gained with community members.

Women in particular reported positive change in the attitudes of community members towards women’s participation in the labour market. In addition, both young men and women reported improved relationships with their family members since getting involved with the group.



The relationship I have with my husband has greatly improved. We have no issues to quarrel about. We discuss things and settle our differences in a calm manner, unlike in the past. When I was a housewife we quarrelled on a daily basis. He used to decide everything without my input, and he used to sell and buy without consulting me, which is why we argued. I think the respect he has for me has increased now. We go to market together, and we discuss and decide jointly when to sell and when to buy.” (Female, cattle-fattening group)

3.3 IMPACT ON LIVELIHOODS

3.3.1 ECONOMIC CHANGES: INCREASE IN SAVING CULTURE

Participation in a youth start-up has led to economic changes, including an increased culture of saving among the youth. Almost all young men and women reported that they have started saving money: individually or in a group, within the *kebele* (neighbourhood) and at a bank. Most started to save after receiving advice from Oxfam’s partner, RCWDO. Some youth also reported that their requests for credit were more readily accepted due to their participation in a start-up.

“After we started this business, if I requested credit they willingly gave it to me because they believe I can pay it back. If I simply stayed at home, they would not have been willing to give me credit. [...] Now they give me credit because I work.” (Female, grain trading group)

3.3.2 ECONOMIC CHANGES: IMPROVEMENTS IN LIVELIHOOD/INCOME

Most young people are benefitting from their new income, as are their families and sometimes their friends and community. In particular, young women have benefitted from being able to buy household commodities such as coffee, water, salt, sugar, soap and paraffin. Many men and women also reported being better able to buy clothing, cattle and shoats, fertilizer and seeds, and a greater variety of food.

Some men and women from grain and cattle groups reported that the programme has contributed to their ability to construct a house or rent land.

Participation in a youth start-up has also contributed to economic improvements related to education, enabling some group members to send their children to (private) school, pay their own school fees, go back to school or and support others to pay school fees.



I used to send my kids to a public school because my income was so little. Since I began this business, I have been sending them to the school where they get a quality education for a fee.” (Female, grain group)

3.3.3 ECONOMIC CHANGES: BUSINESS DIVERSIFICATION

Another important economic change mentioned by start-up participants is the diversification of business, both within the group and at individual level. As was reflected in the validation workshop, the advantages of diversifying businesses within the group are threefold. First, it helps the youth to invest the loan they receive throughout the year to improve the stability of their income. Second, it prevents the youth from being idle outside the farming and harvesting season. Third, it minimizes the risk of loss in business. For example, some youth from the cattle-fattening group shift seasonally to crop or vegetable production.

“When the grain trade had ended [for the season], we sold two trucks full of onions and tomatoes. We sold it quickly. We took the action to use the money rather than keeping it idle.” (Female, women-only grain trading group)

Often the initiative to diversify the business is taken as a group, but sometimes it is initiated by individual members as a way to invest their share of the profit.

“Beside working on association duties with diligence, I also have my individual economic activities like buying and selling goats and sheep, from which (at times) I earn a profit.”

One of the challenges the youth indicated is that government funding offices give priority to businesses related to agriculture and manufacturing rather than service sector businesses. Despite this, some of the youth group members formed a sub-group and started side businesses like coffee and tea shops, since their interests lie more in service-oriented businesses or they see a demand in their area. ***“Six of us have created a women’s group and rented a room in town where we are selling food, coffee and tea” (female, mixed group, crop production).***



We have some problems regarding market linkage. We are working to overcome this... The white cabbage seed we bought for 15,000 Birr was cultivated and produced, but we only sold the produce at cost. But this does not mean our produce lacks the required quality. Our produce is of a high standard. Our sales declined because the road leading to our locality broke down.” (Male, vegetable production group)

As most of the agriculture-related businesses are in remote rural areas, another challenge the youth groups face is selling their product for the right price and at the right time, as they lack market information and linkages. They use brokers to sell their products, and therefore receive less for their goods than they could by selling directly. This was mainly expressed in the validation workshop with

the youth group members. They also mentioned that they sometimes face a loss because their products perish within a short period of time after the harvest.

4. CONCLUSION AND PROGRAMME RESPONSE

With this research, we aimed to show the initial impact that participating in start-up groups had on the skills and livelihoods of youth in Oromia. The youth in the study also reflected upon how their environment (family and community) responded to their youth-start up activity, and how this has influenced their participation in the community. The findings show patterns that emerged from individual stories of change. These insights will help us to improve our programme in the Oromia region and for the next cohort of youth groups in Somalia region.

The research showed the important function of youth groups in building participants' skills. The combination of soft and technical skills training seems to have been beneficial: the soft skills training helps youth to build a constructive attitude to working life, while the technical skills training enables them to work in a way that meets market demands. The approach of the guarantee fund, i.e. that it provides loans to groups rather than individuals, seems to be beneficial in increasing young people's skills in collaboration. Youth also reported that the set-up of mixed groups makes them more aware of gender equality, and that together they learned more technical skills through peer-to-peer education.

On a critical note, we see that there is still room for improvement regarding gender equality issues, especially in relation to the balance between care responsibilities and work life. Often women were able to dedicate less time than men to the start-up business due to their greater share of unpaid care and domestic work. Although the respondents stated that they participate equally in the start-ups, in mixed groups the unequal time division between men and women may put women at a disadvantage with regards to decision making.

Since the youth start-ups have begun to see their first successes, the young people's communities have become more supportive towards them. Respondents confirm a greater feeling of acceptance and more opportunities for participation in community life. This was particularly the case for young women: the research showed that the examples of women involved in successful businesses increased positive attitudes in the community towards female economic empowerment.

With successful start-ups come improved livelihoods. Although the profit margins are small for the start-ups, and the emphasis is on building skills and getting people ready to grasp economic opportunities, the small profits are appreciated. The income helps youth group members to contribute to household commodities, buy some necessities for themselves, and start securing their futures by saving and contributing to house construction. This shows how a small increase in household income can mean a lot to youth in Oromia.

The EYW programme in Ethiopia concludes that the youth start-ups show potential, and confirms that the programme's support to the guarantee fund appears to have been an effective strategy to increase socio-economic empowerment among young women and men.

4.1. LESSONS FOR PROGRAMME IMPROVEMENT

The lessons drawn from this research for future programme improvement include:

- Although the youth are very positive about the training received, there is potential to improve the programme by: 1) Providing continuous and more in-depth entrepreneurship and technical trainings based on systematically designed needs assessments; 2) Paying attention in training to market linkages and the value of produce. The programme will also create awareness among the youth on available market information; 3) Providing regular follow-up, technical support and linkages with local and government institutions for tailor-made support and learning, to ensure the success and sustainability of their businesses. Provision by the programme of mobile Business Development Support (BDS) will also play a key role in addressing these challenges.
- Women's participation in the groups is much appreciated by all group members; however, we see that in reality women can spend less time on their business due to their disproportionate care responsibilities. Therefore, more attention is needed to ensure the full participation of women by promoting better division of care tasks. The programme aims to influence responsible stakeholders to introduce new technologies which will help women to reduce the time they spend on household work. Additionally, the programme will train and advise young women and men, and focus on strengthening its influencing activities by using female role models to increase women's participation in youth start-ups.
- Most of the youth diversified their business within the group or at the individual level. This indicated that the young people are developing an entrepreneurial mindset and searching for economic opportunities in their respective areas. From this, we learned that there are different types of business which are profitable and attractive for the youth to engage in, beyond those that are prioritized by the government. The programme aims to keep assessing the feasibility of these businesses while providing continuous BDS and technical support, and mobilizing partners and government stakeholder offices. The programme will also influence the government to prioritize profitable businesses by using the examples of the youth start-ups as evidence.
- The youth businesses are only at the initial stages of making profit. However, the young people and their family members have already benefitted from the small amounts of income they are earning from their activities. This has enabled some group members to buy household commodities, clothes, and more varied food for the household, or to send their children to a better school. The income has also contributed to asset-building among the youth, such as constructing a house or buying land. From this we can conclude that the youth focus more on saving and spending, rather than repaying the loan. The programme will therefore continue to follow up on the start-ups and, in collaboration with the microfinance institutions, will support young people to ensure that they start and continue to make loan repayments.

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