



## Entrepreneurship, Youth Employment, and Violent Extremism in Côte d'Ivoire

By François Pazisnewende Kaboré, Southern Voices Network Scholar  
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violence.<sup>2</sup> CVE efforts address the root causes of extremism through community engagement.”<sup>3</sup>

Since then, violent extremism has become a major concern in Côte d'Ivoire. Massive and long-term youth unemployment is a risk factor for violent extremism, as unemployment may breed anger and alienation, and has been linked to extremist violence. Entrepreneurship can be part of a comprehensive solution to tackle violent extremism by encouraging self-employment and job creation. Youth are interested in entrepreneurship, but a lack of access to entrepreneurship education in universities and to a supportive ecosystem prevents more young

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people from becoming job-creating entrepreneurs. A dedicated strategy from the “triple helix” of government, universities, and businesses can help mainstream entrepreneurship education in universities, provide young entrepreneurs the support they need, and ultimately address the unemployment crisis and the violence it breeds.

## **Côte d’Ivoire: The Economic Context**

From 2012 to 2014, in the aftermath of the civil conflict, Côte d’Ivoire enjoyed an average economic growth rate of 9.5 percent per year according to the 2016 World Development Indicators (WDI).<sup>4</sup> Unfortunately, an analysis of the growth distribution suggests that the economic growth has mostly been driven by foreign direct investment (FDI) and government investment in infrastructure in a way that has failed to address extreme poverty.<sup>5</sup> This non-inclusive growth has resulted in rising inequality since the end of the conflict. Inequality was already significant before then, with the country’s Gini coefficient reaching .4318 in 2008, the most recent year for which data is available.<sup>6</sup>

Indeed, the population of Côte d’Ivoire is both young and poor. Young people comprise 77.3 percent of the Ivorian population: 41.8 percent of Ivorians are younger than 14 years old and another 35.5 percent are between 15 and 35 (one common definition for youth).<sup>7</sup> Moreover, poverty is endemic. Despite a small decline in the poverty rate from 2011 to 2015, a

## **Economic Solutions to Violent Extremism: Self-employment and Job Creation through Entrepreneurship**

Entrepreneurship is one of the best solutions to the unemployment crisis and to the violence it can foster for three main reasons: (i) the public sector cannot absorb all the labor force, (ii) entrepreneurship leads to positive agency and inclusion, and (iii) demand for it exists: youth long for self-employment.

### **The Public Sector Cannot Absorb All the Labor Force**

Only 3.3 percent of Ivorians with jobs work in the formal private sector, while the public sector employs up to 22.1 percent of the labor force.<sup>16</sup> The Ivorian public sector is already extremely large relative to its capacity; it cannot provide jobs for the many millions of young people seeking them.

By comparison, in the European Union, small and medium-sized enterprises (SMEs), defined as enterprises with less than 250 employees, represent 99 percent of all businesses and provide two thirds of total private sector employment.<sup>17</sup> In the past five years (2010-2015), SMEs were responsible for around 85 percent of net job creation in the European Union. Small and medium enterprises are a crucial part of many economies around the world, and are the kind of businesses needed to absorb Côte d'Ivoire's young labor force. Even if only the most successful become entrepreneurs and job creators, many more would benefit from the jobs created by new businesses.

### **Entrepreneurship Leads to Positive Agency and Inclusion**

One added value of entrepreneurship, compared to a wage job, is that it strengthens agency and economic inclusion for those who become economic leaders and job creators.<sup>18</sup> An entrepreneur has to be alert to economic opportunity, as she or he combines factors of production in order to reap economic profit. If people become violent because they are angry and they feel left out or unfairly treated, developing entrepreneurship induces them to change their mindset, to be alert to economic opportunities, and to see solutions and opportunities where most would see problems. This makes entrepreneurship a strong and sustainable solution to violent extremism. Obviously, not everyone would make a good entrepreneur. However, education policy should ensure that everyone with the potential to succeed, as an entrepreneur, benefits from the right environment to embrace entrepreneurship.

### **Many Youth Long for Self-employment**

A change in the perception of entrepreneurship may be taking place, as many youth in Côte d'Ivoire express a desire to become entrepreneurs and job creators. The significant portion of the population that works in the informal sector (44.6 percent) is evidence that people consider self-employment and private sector jobs viable alternatives. In a recent empirical study conducted in 2015 in Abidjan (in both public and private universities and business schools), we found that 47 percent of interviewed students would like to create jobs for themselves and for others as entrepreneurs in the private sector.<sup>19</sup>

Yet, not all who work as entrepreneurs chose to do so in the first place. Indeed, interviews conducted with entrepreneurs in Côte d'Ivoire and Burkina Faso suggest that a good number of people fall into "default entrepreneurship." That is to say, they end up being entrepreneurs out of necessity, for reasons including a lack of formal education and alternative options, rather than as part of a deliberate choice.<sup>20</sup> It is thus no surprise that this "default entrepreneurship" leads mostly to "subsistence entrepreneurship," as these



## **Conclusion: From Default to “Choice Entrepreneurship”**





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