



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

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Côte d'Ivoire is plagued with an extremely high rate of unemployment and inactivity among youth (ages 14 to 34), with more than two thirds being unemployed.¹ Unfortunately and counterintuitively, increased education by itself is not a solution, as the majority of graduating students end up unemployed. Moreover, growing concerns about violent extremism raise the question of the link between unemployment and violent extremism. This year, Burkina Faso and Côte d'Ivoire experienced terrorist attacks in Ouagadougou and in Grand Bassam, respectively. These attacks prompted a high-level meeting between the ministers in charge of security for Burkina Faso, Côte d'Ivoire, Mali, and Senegal to discuss how to coordinate countering violent extremism (CVE) measures, which are defined as “the preventative aspects of counterterrorism as well as interventions to undermine the attraction of extremist movements and ideologies that seek to promote violence.”² CVE efforts address the root causes of extremism through community engagement.”³

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).⁴ 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.⁵ 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.⁶

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).⁷ Moreover, poverty is endemic. Despite a small decline in the poverty rate from 2011 to 2015, a staggering 46 percent of the population still lives below the \$1.50 per day poverty line.

Côte d’Ivoire has a significant unemployment rate, particularly for youth and especially those youth who have a higher education.⁸ As of 2013, 66.7 percent of youth were either unemployed or inactive, meaning that they do have jobs but do not formally qualify as unemployed, according to the definition of the International Labour Organization (ILO).⁹ A youth who has attained a tertiary degree is actually two to three times more likely to be unemployed than a youth who has a primary education or less.¹⁰ Between 2011 and 2012, unemployment for youth with higher education increased by 34 percent for males and 45 percent for females.

This high rate of unemployment is a concern not only because of the poverty it drives, but also because of the psychological impact that unemployment can have. Unemployment not only deprives the unemployed of an income, but also of social status and networks. Research from South Africa suggests that unemployment is associated with boredom, loneliness, uncertainty about the future, financial concerns, emptiness, and conflict.¹¹ This in turn can contribute to a sense of anger and alienation, which several studies suggest is one of the critical links between unemployment and susceptibility to violent extremism.¹² Violent extremism has become a central policy concern in Côte d’Ivoire, as the recent terrorist attacks at Grand Bassam showed that networks involving radicalized youth extend from Mali to Côte d’Ivoire through Burkina Faso. The Ivorian government was able to identify the terrorists, who were mostly youth. In such a fragile regional context, a very young, poor population coupled with rising social inequalities and a fractured society leaves Côte d’Ivoire at high risk for the rapid spread of violent extremism.¹³

More generally, the economic situation of Côte d’Ivoire is recovering and the country is regaining its former status as the powerhouse of the West Africa Economic and Monetary Union, evidenced by the return of the African Development Bank and the 2015 presidential elections. Despite those successes, the path to political and social reconciliation is still long.¹⁴ Although justice is important for reconciliation, the trial of former president Laurent Gbagbo at the International Criminal Court in The Hague does not appear to have strengthened the reconciliation process. The political atmosphere is improving but still volatile, and thus far religious lines have not been as divisive as political ideologies.¹⁵

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.¹⁶ 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.¹⁷ 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.¹⁸ 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.¹⁹

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.²⁰ It is thus no surprise that this "default entrepreneurship" leads mostly to "subsistence entrepreneurship," as these

default entrepreneurs lack entrepreneurship education, means, or access to a supportive ecosystem. By definition, a default entrepreneur is someone who fell into entrepreneurship as the only option to earn a living. Typically, there is no entry cost for default entrepreneurship. Preparing these men and women properly will help them transition from subsistence entrepreneurship to more successful, deliberate, and job-creating entrepreneurship.

Encouraging Entrepreneurship to Create Jobs and a Sense of Agency

Student Perception of Jobs/Entrepreneurship

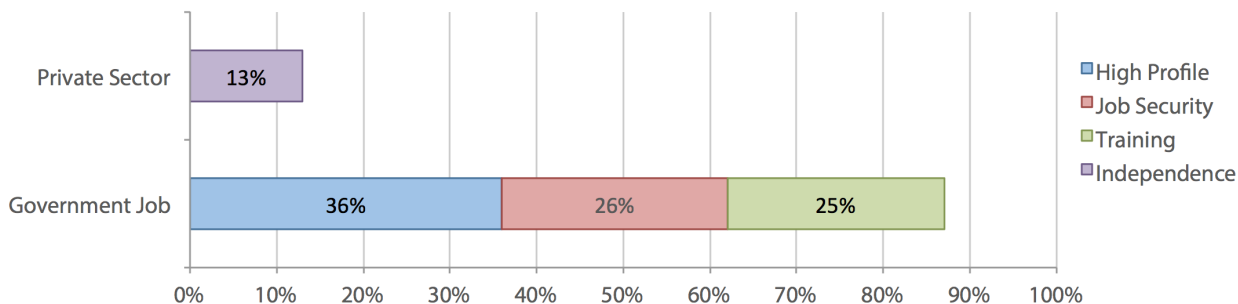


Figure 1: Student preference for government or private sector jobs, and the most important reason for that choice.

Still, students may not fully appreciate the possibilities of entrepreneurship. In the aforementioned survey, despite the fact that a substantial percentage of Ivorian students expressed an interest in becoming entrepreneurs, only 13 percent of the students interviewed highlighted the socioeconomic independence of entrepreneurship as important to them. Government jobs, in contrast, were considered socially prestigious (36 percent of respondents) and seen as providing job security (26 percent of respondents). Not surprisingly, 25 percent of the students would prefer to be in the public sector because they feel that their training does not prepare them for the private sector. To encourage young people to become job creators, efforts must be taken to overcome the disadvantages to entrepreneurship that students perceive.

The research showed that the nature of business education matters: taking an entrepreneurship course does not have a statistically significant impact on a youth's choice to become an entrepreneur. However, an ecosystem of support for entrepreneurship does have a measurable positive effect on the intent to become an entrepreneur. According to my research, being prepared for entrepreneurship induces a 50 percent increase in the probability of choosing to become an entrepreneur. Preparation for entrepreneurship includes not only courses, but also practical training, meeting with active and successful entrepreneurs, mentoring, and possibly financial support such as seed money. Budding entrepreneurs will have different backgrounds and will require different methods of support from within the ecosystem.

Building an entrepreneurship ecosystem to address most, if not all, barriers to entrepreneurship, including lack of skills, access to credit, and more, is required to effectively harness entrepreneurship. It also requires the "triple helix" of government, universities, and businesses to work in synergy. These three sets of institutions all help design the rules and the business climate and each play related roles: the government enforces regulations, universities contribute with education and skill-building, and enterprises (along with the government) help in financing and in ensuring a demand-driven design of education curricula. The African and Malagasy Council for Higher Education (CAMES), a continent-wide accreditation body for higher education, outlined the concern for demand-driven education in its strategic development plan for 2015-2019.²¹

Conclusion: From Default to “Choice Entrepreneurship”

Good entrepreneurship education could curb the plight of unemployment and violent extremism in Côte d’Ivoire by helping creative youth move from “default entrepreneurship” to “deliberate entrepreneurship.” Almost half of all students consider becoming entrepreneurs, and entrepreneurship education increases the likelihood of entrepreneurial intent (i.e., the plan or strong desire to become an entrepreneur). Therefore, unless entrepreneurship education is available, students who wish to become entrepreneurs may end up doing so without proper preparation. For entrepreneurship to be mainstreamed within the education system and made fully effective, all stakeholders (students, teachers, parents, etc.) within the triple helix of universities, government, and business should be involved in implementing the following policy options:

For Policymakers: (a) entrepreneurship education programs should not only consist of one introductory entrepreneurship course, but of building an ecosystem that promotes entrepreneurship. Such an ecosystem includes skills-building through education, mentoring, tutoring, seed money, and more. (b) Entrepreneurship should be mainstreamed in all higher education curricula so that all students are given the opportunity to embrace creativity and entrepreneurship. (c) A consequence of the first two points is that those who end up being entrepreneurs will be “deliberate entrepreneurs,” not “default entrepreneurs.”

For the African and Malagasy Council for Higher Education (CAMES): The promotion of an entrepreneurship ecosystem requires revisiting both the formal and informal education curricula in higher education as supported by the current vision of CAMES. Similarly, CAMES should envision including entrepreneurship training in the evaluation criteria of education curricula.

For Donors: The tyranny of numbers demands that donors show programmatic impact on as many people as possible. This creates a tendency to value quantity over quality, and short-run outcomes over more long-term and sustainable outcomes. However, donors could ensure that funded projects include clear and substantial budget lines dedicated to creating the ecosystem of entrepreneurship necessary for entrepreneurs to thrive.

For a set of policy recommendations related to the role of entrepreneurship in creating jobs and fostering peacebuilding, see the accompanying Africa Program Policy Brief No. 8 by François Pazisnewende Kaboré.

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- 1 *Enquete Nationale Sur La Situation De L'Emploi Et Du Travail Des Enfants (ENSETTE 2013)* (Côte d'Ivoire: Ministere D'Etat, Ministere Du Plan et Du Developpement, November 2014). http://www.ins.ci/n/documents/travail_enfant/Enquete%20nationale%202013.pdf
 - 2 White House Office of the Press Secretary, "FACT SHEET: The White House Summit on Countering Violent Extremism," *White House Fact Sheet*, February 18, 2015. <https://www.whitehouse.gov/the-press-office/2015/02/18/fact-sheet-white-house-summit-countering-violent-extremism>
 - 3 A terrorist attack was perpetrated in Mali on November 20th, 2016, claiming more than 27 lives. See "Réunion quadripartite des ministres en charge de la sécurité de la Côte d'Ivoire, du Mali, du Burkina Faso et du Sénégal (Communiqué final)," *Abidjan.net*, March 25 2016. <http://news.abidjan.net/h/586946.html>
 - 4 The World Bank, "National Accounts Data: GDP growth (annual %)" 2015, retrieved from <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CI&view=chart>
 - 5 See The World Bank, *Country Overview, Cote d'Ivoire*, last modified April 2016. <http://www.worldbank.org/en/country/cotedivoire/overview>
 - 6 On a scale of [0-1], a Gini coefficient of 0 indicates perfect equality, and 1 indicates the highest possible level of inequality (or perfect inequality). For comparison, according to the 2015 World Bank World Development Indicators (WDI), in 2012 Sweden had a Gini coefficient of .273 while the United States had a .411 Gini coefficient in 2013.
 - 7 Ba Ibrahim, *Annuaire des Statistiques Demographiques et Sociales* (Abidjan, Côte d'Ivoire: Institut National de la Statistique, January 2012). <http://www.ins.ci/n/templates/Pub/annuaire%20demo.pdf>
 - 8 The International Labor Organization (ILO) defines an unemployed person as one (i) without work, (ii) actively looking for work, and (iii) ready to take a job offer.
 - 9 *ENSETTE 2013*.
 - 10 "Young Employability and Insertion Support Programme: Côte d'Ivoire Appraisal Report," *African Development Fund* (Abidjan, Côte d'Ivoire: African Development Bank, November 2013). http://www.afdb.org/fileadmin/uploads/afdb/Documents/Côte_d_Ivoire_-_Youth_Employability_and_Insertion_Support_Programme_PAAEIJ_-_Appraisal_Report.pdf
 - 11 Hans de Witte, Sebastiaan Rothmann, and Leone Jackson, "The Psychological Consequences of Unemployment in South Africa", *South African Journal of Economics and Management Sciences* Vol.15 No. 3 (2012): 235-252.
 - 12 Fethi Benslama, *Un Furieux Désir de Sacrifice: le Surmusulman* (Paris: Seuil, May 2016).

"Les causes de la radicalisation islamiste selon Fethi Benslama," *Le Pointe Videos*, June 17, 2016. http://www.lepoint.fr/video/les-causes-de-la-radicalisation-islamiste-selon-fethi-benslama-15-06-2016-2046904_738.php

"Understanding Political Violence Among Youth: Evidence from Kenya on the links between youth economic independence, social integration, and stability," (Washington, D.C.: Mercy Corps, June 2011).

Youth and Consequences: Unemployment, Injustice and Violence (Washington, D.C.: Mercy Corps, 2015).

Mohamed Yahya, "What pushes young people to extremism?" *United Nations Development Programme blog*, March 18 2016. <http://www.undp.org/content/undp/en/home/blog/2016/3/18/what-pushes-young-people-to-extremism/>
 - 13 Augustin Loada and Peter Romaniuk, *Preventing Violent Extremism in Burkina Faso: Towards National Resilience and Amid Regional Insecurity* (Washington, D.C.: Global Center on Cooperative Security, June 2014).
 - 14 Daniel Lopes, *Côte d'Ivoire: la Voie Etroite vers la reconciliation* (Brussels: Group for Research and Information on Peace and Security, June 2016). http://www.grip.org/sites/grip.org/files/NOTES_ANALYSE/2016/na_2016-06-17_fr_d-lobes_0.pdf

- 15 Obviously, the extent of violent extremism, as measured by the number of casualties of terrorist attacks, is much smaller than in countries such as Somalia. But for a country that is aiming to achieve the status of an emerging economy by 2020 and which has been experiencing 8.5 percent economic growth in 2016, the marginal economic impact of violent extremism is much higher. For instance, the African Development Bank returned its headquarters to Côte d'Ivoire (from Tunisia) because of improvements in the socioeconomic environment. Another serious terrorist attack in Côte d'Ivoire would have major economic implications, especially for investment attractiveness., which is why the government is treating CVE as a top priority. In early June 2016, the Minister of Security had the opportunity to share the experience of Côte d'Ivoire at the United Nations meeting for heads of police on CVE: "Sommet des chefs de police à l'ONU : Hamed Bakayoko partage l'expérience ivoirienne en matière de lutte contre le terrorisme," *Abidjan.net*, June 3, 2016. As a matter of fact, violent extremism has affected youth to the point that even university campuses are no longer safe, and it became such a national security concern that the local United Nations special representative promised to support the government: see "Côte d'Ivoire: l'ONU s'engage à lutter contre la violence universitaire," *Abidjan.net*, June 1, 2016.
- 16 This number is derived from the statistic that 25.4 percent of the workforce are wage workers from the *ENSETE 2013* report. If all formal private sector employees are wage workers (3.3 percent of the economy), then that means the remaining proportion, 22.1 percent of the workforce, is employed by the government.
- 17 "Entrepreneurship and Small and medium-sized enterprises (SMEs)," *European Commission* (last modified September 22, 2016). <http://ec.europa.eu/growth/smes/>

Also see "What is an SME?" *European Commission* (last modified September 22, 2016). https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en
- 18 For an in-depth understanding of entrepreneurship, see David A. Harper, *Foundations of Entrepreneurship and Economic Development* (New York: Routledge, 2008).
- 19 I thank the two students—Jael Konan from CERAP and Gnougon Ouattar—who helped in the data collection. Gnougon Ouattara defended an M.A. dissertation at the National School for Applied Economics and Statistics (ENSEA), using the same data.
- 20 A team of three researchers, including two students from Georgetown University, conducted interviews with entrepreneurs in Burkina Faso on the theme of entrepreneurship, gender, and agribusiness.
- 21 "CAMES' Strategic Development Plan 2015-2019," *African and Malagasy Council for Higher Education (CAMES)*, April 2013. <http://www.lecames.org/index.php/accreditation/plan-strategique-2015-2019>

In an audience with the Secretary General of the CAMES in Ouagadougou in April 2016, he insisted on the need to have universities work with both governments and the private sector to develop a demand-driven higher education that promotes job creation, in the framework of public-private partnership (PPP).

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