

**Entrepreneurship and Youth:
The Critical Role of the Christian Community in Development**

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I. Abstract

Entrepreneurship and Youth: The Critical Role of the Christian Community in Development

Pastors and their churches play leading roles in community development worldwide, in direct response to God's command to serve the disadvantaged. As globalization extends the reach of the market, new opportunities and challenges exist for these leaders, who seek to obey through holistic ministry. In particular, pastors and churches could be involved in an integral way, encouraging their members, particularly youth, to engage in entrepreneurial activity based on biblical principles. As community members, they are able to utilize existing resources to facilitate solutions that are dynamic, sustainable, and driven by God's love.

This paper explores these possibilities by focusing on a case study of youth entrepreneurship in Haiti. Written by the President and CEO of Deep Springs International (DSI), this paper analyzes an attempt by DSI, a 501(c)(3) non-profit organization focused on providing a holistic development program geared towards youth entering the workforce, to empower pastors and community leaders in Haiti to spearhead the provision of those resources and skills and encourage entrepreneurial activity among youth. DSI's key innovation is the holistic integration of sustainable solutions to the problems of lack of safe water, unemployment, lack of job-relevant education and spiritual poverty. The approach is to facilitate the creation of incubators for youth businesses by establishing partnerships between schools, MFIs, public health NGOs and the community. Youth are enabled to establish businesses, supported and encouraged through the growth stages by complementary community business centers. These centers draw on the community's existing human resources by involving community business leaders and pastors in leadership.

In its conclusions, drawing on primary and secondary research on youth entrepreneurship and best practices around the world, this paper emphasizes the importance of developing sustainable, independent business centers to serve the needs of youth entrepreneurs. Pastors and their churches, this paper argues, are and can become key figures in developing and launching these business centers. This approach provides Haitian youth with greater access to job-relevant education and income generating activities, and in so doing points to a universal template for youth entrepreneurship programming based on a holistic approach that has the potential to impact youth around the globe.

The Christian response to poverty should not only be immediate aid to the desperate, but a hand-up in development of capable, passionate, young adults who have the potential to change their world. The centrality of the church provides an optimal position for family, community, and country change. Holistic development, driven by community faith efforts, will grant young adults opportunity for job-relevant education worldwide.

II. Introduction

Successful community development necessitates the involvement of the entire community. Programs targeting certain groups must acknowledge that a vital support system must be engaged for sustainability to occur. As the focus of this paper is on youth development, a prime example is the need for community leaders, pastors, parents, and fellow youth to support and engage in development programs geared towards youth. In particular, as a Christian community, the local church is responsible for their youth not only in the realm of spirituality and faith, but in their productive work as contributing members of society.

This paper is divided into four topics culminating in a description of the proposed youth entrepreneurship intervention. It is clear that young adults are key assets of any community and are particularly valuable players in economic development. Therefore, the first topic examined is the existence of an abundance of young people in rural developing nations who have limited opportunities for gainful employment. Their latent potential is enormous, with assets including time and energy, as well as the intelligence needed to gain knowledge for employment and development. By engaging in development from the perspective of young adults' needs and abilities, organizations and community members can harness the "immense waste of human resources that could contribute to economic and social progress" (Schoof, 2006). This leads to the second point which examines the concept that decent work shifts young adults from social dependence on their family and community towards self-sufficiency. This shift often allows an escape from the cyclical problems of poverty facing youth around the globe (Schoof, 2006). The second section of the paper discusses youth entrepreneurship as playing a prime role in this escape.

Third, in order to escape poverty effectively and sustain gainful employment, young adults need community support. One of the major roles of pastors and their churches is to support and grow a community of believers that is not only spiritually healthy, but also economically viable. A pastor and his church typically provide support for parishioners in the form of prayer, guidance, and financial resources in times of need. In the fourth section, this paper presents the concept that it is additionally important for pastors to promote entrepreneurial activities among the youth of their congregation, with the strong support of their parishioners. Church members engage in youth entrepreneurship as mentors, educators, and living examples of ethical business ownership. Therefore, young adults are a prime target for entrepreneurship development programs, coupled with the support of their community and in particular, the crucial role of pastors and their churches.

III. Youth in the Global Community

A. The Highly Valid Target Population of Youth:

Youth are a significantly valid target population for development programs, as this large percentage, over 1.5 billion worldwide (Global, 2006), has strong potential to effect change in communities worldwide. Because youth comprise forty percent of the global population (Global, 2006), they present a prime target for community development programs, as there is great opportunity to change the pattern of a community by breaking the cycle of poverty at its roots.

In the developing world, an inhibiting dilemma for youth is that they often start work before they develop skills valuable to their employers, trapping them in a cycle of low-level employment and lack of access to additional educational opportunities. It has been estimated by the International Labor Office (ILO) that about 88.2 million young people between the ages of 15 and 25 are unemployed (Global, 2006). One of the major challenges facing governments today is the reduction of youth unemployment (Schoof, 2006). Admittedly, some jobs for youth exist within micro-enterprises; however, youth do not have access to the job-relevant education needed to attain these positions. Typically, youth are only able to obtain jobs that are low-paid, unstable, and lacking benefits and advancement potential (Global, 2006).

Skilled labor increases economic growth and development, as LDCs are able to enter the production cycle at higher levels, where there are greater realized profits. For example, USAID has recognized microfinance provision as one of six effective practices to bring youth from readiness to access in terms of building youth capacity for sustainable livelihoods¹.

Unfortunately, services that are widely available to adults such as microfinance organizations (MFIs) normally do not serve youth. MFIs typically will not lend to those under the age of 18, due to the higher cost and risk.² Furthermore, it is often impossible for youth to obtain loans due to the high interest rate. For example, the lowest annual interest rate charged in Les Cayes, Haiti is twenty-six percent.

Research shows that youth are in a unique place in life, as they are developing their decision-making skills, continuing to learn, entering the labor force, cultivating character and a healthy lifestyle, and learning to exercise their leadership (McNulty, 2005). The true development of human capital comes through broadening opportunities for youth. Youth will become the decision-making change agents capable of entering an extremely economically driven global society. Indisputably, youth have a great potential, if empowered, to contribute to their societies.

B. Holistic Needs of Youth:

Youth have different emotional, physical, spiritual, social, and economic needs than adults, implying that programs for youth must specifically help them deal with their day-to-day challenges. Youth will not respond optimally to a microfinance program if their specific needs

¹ See (James-Wilson, 2006) for the full document "From Readiness to Access: Building the Capacity of Young Men and Young Women to Contribute to Household Sustainable Livelihood Strategies," published by USAID providing helpful information regarding the necessary competency of young adults to contribute to their economy.

² See (McNulty, 2005), for information regarding MFI practices of lending to youth.

are not met. Instead of simply focusing on providing one service, youth programmers must look at all the needs of youth to ensure a holistic program is being provided. If youth receive quality resources and skills in the crucial growth stage, they have a better chance of becoming positive, contributing members of society (Making, 1999). A business center, providing a variety of youth-specific programs and run by the local church, may be able to fill this gap.

In order to provide these critical resources and skills, youth programs must be equipped with a holistically informed framework, one which gives appropriate consideration to every facet of a youth's development. While available literature does not pull information together from various existing frameworks, in an examination of several available youth program frameworks,³ it was possible to compile the following list of parameters to consider when designing a youth program:

a. Target maximum youth participation.

- Contact with youth often occurs through allowing youth to participate in the design and implementation of new programs, which serves a dual purpose of providing market driven services and permitting youth to have a stake in the success of the program.

b. Examine community resources.

- Engaging additional participants, services, and resources, including local businesses, government, educational, religious, and legal institutions, which also enhances the ability of youth to become successful

c. Definitively state goals.

- Clearly articulate what positive outcomes for youth are desired.

d. Pursue mentorship.

- The availability and commitment of a strong role model positively influences the success of a young entrepreneur.

e. Collaborate within communities.

- Program institutions ought to share responsibility with parents, families, schools, religious institutions and other institutions in the community. No single unit can adequately address all of these issues single-handedly.

IV. Entrepreneurship and Youth

A. Introduction

Youth entrepreneurship is a fairly new yet growing field in the world of development programs. *Entrepreneurship* has many definitions; however, the following definition, compiled by Ulrich Schoof, is intended to embrace the wider benefits of entrepreneurship and does not limit the concept to simply starting a business.

“Entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity.

While concepts such as “innovation” and “risk taking” are usually associated with entrepreneurship, they are not necessary to define the term” (Schoof, 2006). There are several key elements of importance in this definition. The first is that the young entrepreneur recognizes

³ Frameworks provided by the following institutions: a) Making Youth Programs Work, 1999 b) The Influence of Role Models on Entrepreneurial Activities, 2006.

an opportunity to either add value to an existing process, or develop a new process that has intrinsic value. The youth acts on this idea, making their dream a reality. The definition notes that there does not need to be a new entity created, but rather only entrepreneurial activity. This allows the definition to focus on the person as defining entrepreneurship rather than the business itself defining entrepreneurship. Schoof contributes further to the discussion of youth entrepreneurship by defining the age category and level of maturity common among youth programs. He defines those ages fifteen to nineteen as being in the formative stages and thus labels them as 'pre-entrepreneurs.' The next stage, growth, includes those aged twenty to twenty-five and are labeled 'budding entrepreneurs.' Finally, those aged twenty-six to thirty-nine are in their prime stage and labeled 'emergent' (Schoof, 2006). When developing a youth program, it is important to understand the age group you are targeting as each level has different capabilities and needs.

Additionally, when considering youth entrepreneurship, it is important to understand the various types of relevant entrepreneurship. Two are highlighted here as the most common types utilized and made available to youth. The first is *economic* entrepreneurship, which entails creation of enterprise for the private sector. It is characterized by wealth creation and the generation of profits. The second type is *social* entrepreneurship, which is increasingly common in the world of business. While it is like economic entrepreneurship in that profits are created, it is distinct because these profits are a means to an end, contributing directly to a social cause. Social programming is described as an attractive form of entrepreneurship for youth because "youth have the passion and energy, the strategic social positioning, and the natural tendency towards problem-solving" (Schoof, 2006). In the case of this paper, as discussed in more details further on, the concept of social improvement is important, if not crucial, in community development. The hub of a community in rural developing countries is often the local church, thus necessitating that social change and entrepreneurship stem from this vital source.

B. Current Status of the Field of Youth Entrepreneurship Programming

The majority of international youth entrepreneurship programming occurs under the auspices of microfinance institutions. Because availability of capital is crucial to the success of any entrepreneurial venture, an entrepreneurship program for youth must be linked to, if not housed within, a microfinance organization. Microfinance institutions are documented as having a large opportunity to positively impact the state of youth employment worldwide through savings services as well as indirect and direct lending.⁴ Youth represent only 24% of the total number of MFI clients, most often taking out loans rather than utilizing savings or insurance products (McNulty, 2005).

The majority of MFIs does not cater or adapt their products to youth, as they associate youth with high risk and cost. Those MFIs that do lend to youth often provide holistic services, including training in business, basic life skills, information technology and counseling in health awareness and trauma. About 60% of MFIs require training, often market driven, before they will give a young person a loan (McNulty, 2005). Market driven training is specific to the community and specific job field the youth will be entering. Many MFIs simply do not have the human capital to staff a facility capable of handling youth services, which leads to the solution of partnering with additional organizations. Other cited issues include small market size, low

⁴ See (McCaughly) for greater detail regarding the impact of direct and indirect lending on youth

competition, political opposition from child advocates, and legal issues such as a minimum age requirement of 18 years for legally binding contracts (Nagarajan, 1999).

Within youth MFI programming, there are only a few types are described that do not fit under the umbrella of microfinance. EQUIP3/ Youth Trust is a USAID-funded partnership of youth serving organizations (YSOs) that specializes in providing technical assistance for the building of the capacity of organizations developing sustainable, holistic youth development programs.⁵ A prime example of holistic programming has occurred in Zambia, where Street Kids International has implemented a business start-up program for girls age 17-26 who previously spent their time on the streets. The program has been successfully providing business start-up coaching in addition to micro-credit skills. It utilizes a peer lending circle for motivation and support for each participant for eight years (Preparing Youth) Another global organization, Opportunities Industrialization Centers International (OICI), has been able to set up forty-six skills training centers in collaboration with affiliate OICs in eighteen countries around the world. They utilize local board and staff members to provide non-formal skills training to young men and women, such as vocational technical skills, agricultural production, small enterprise development, health and nutrition, and access to credit. Through their program, youth become self-reliant and involved in the workforce in their country (Preparing Youth).

Another important youth program is the Programa Local Economic Autogestión located in Honduras. This is a training and credit project established in 2004 for the purpose of creating and supporting 100 micro-companies for rural young people. This program included technical and financial support to youth through the Banhcafé Foundation in conjunction with the Spanish agency, Cooperation International and the Latin American Foundation for Development – FIDE. By November 30th, 2006, they were well on their way to having financed fifty-seven micro companies for youth. Impacts included sustained micro-companies run by young men and women, as well as contributions to community development, like generation of additional jobs and income. There was also a notably positive change in how young people were viewed in the community (Programa, 2006).

These organizations and programs give us models and lessons from which to draw as we look at various facets of youth entrepreneurship programming. Each has unique practices serving distinct populations. Youth microfinance is a complex and challenging key aspect of youth entrepreneurship. Addressing the holistic needs of youth in this field presents its own demands, necessitating the following brief discussion.

C. The Specific Needs of Youth in Entrepreneurship

Youth attempting entrepreneurial activity have specific needs divergent from the general population. Some needs in these two groups are identical, such as financing, but each area presents its own unique challenges. For example, youth do not often have collateral for a loan, making it difficult to obtain financing from an official institution. The three major factors affecting youth employment and entrepreneurship are 1) job/employment creation (aggregate demand economic growth including macroeconomic policies, appropriate regulations, promotion of entrepreneurship and enterprise creation); 2) Working conditions (regulations, legislation, and

⁵(Reflections, 2005). In order to facilitate this process EQUIP3 has documented a set of questions that a YSO should examine before implementing a program entitled, *Reflections on Youth Livelihood*.

the business cycle; and 3) employability (training and education) (Schoof, 2006). These factors will be discussed later in this section in relation to barriers and incentives. It is necessary to speak briefly about one of the building blocks on which youth entrepreneurship rests, motivation.

Youth entrepreneurship would be virtually impossible without the existence of motivational factors for youth. According to Youth Business International (YBI) and The Princes Scottish Youth Business Trust by MORI (1993), both found that 20 percent of youth (16-30 and 18-30 respectively) have the potential to become entrepreneurs. There are two types of motivation affecting the occurrence of youth entrepreneurship: necessity and opportunity. For the majority of youth in developing countries entrepreneurial activity is driven by the economic necessity to provide income for themselves and their families. Opportunity motivates individuals who have alternative options for employment, but choose to be self-employed (Schoof, 2006). The Global Entrepreneurship Monitor (GEM) utilized data from 34 countries, determining that young individuals in low-income countries have the highest level of entrepreneurship activity (Schoof, 2006). In addition to economic necessity, youth in these nations often do not attend secondary school, giving them excess time to start a business at an earlier age. Factors affecting motivation include personal attitudes, self-interests, and individual strengths. An additional crucial factor is the availability and participation of mentors.

Mentorship for young adults attempting to enter the entrepreneurial field provides the needed support, encouragement, and motivation. Young adults who are able to be exposed to the long run potential, the vision, of entrepreneurship gain greater perspective into current opportunities for action resulting in future reward (O'Connor, 2006). Virginia Gobeli states that "youth development has as it's mission, the socialization of young people- to provide the challenges, experiences, support and help young people need to develop to their fullest potential, mind, heart, hands, and body" (2006). This statement implies interaction; and not just at a basic level. To provide for the needs of youth, caring adults will have to invest time, energy, and capital into young entrepreneurs. Gobeli goes on to state the importance of mentoring young adults to become responsible citizens with ethical competence and participation, contributing positively to their communities (2006). As discussed later, this need for mentorship can be filled by members of the church community, granting ethical and holistic support.

There are many barriers to youth entrepreneurship such as lack of entrepreneurial education, business support, regulatory framework conditions, social acceptance, and access to financing.⁶ Schoof, in his work *Stimulating Youth Entrepreneurship: Barriers and Incentives to Youth Enterprise Start-Ups*, has provided a wealth of information on the subject which is summarized here. In this section three will be discussed, as they are relevant to the concept of the youth business center proposed at the end of this paper. The first is that of entrepreneurial education. A key aspect of this barrier is not only book knowledge, but understanding the concept of risk taking. "Entrepreneurship education is found to contribute significantly to risk-taking, the formation of new ventures, and the propensity to be self-employed" (Schoof, 2006). An additional constraint in this area is that even when educated, many young adults find that there is a lack of education to business linkages, meaning that their education does not necessarily

⁶ Youth Business International has published the *Roadmap for Youth Entrepreneurship* [available <http://www.youth-business.org/docs/events/publications/Roadmap.pdf>] which documents in detail barriers to youth entrepreneurship, giving sources and links to organizations that are working against each barrier.

guarantee them a position in a company. This is especially true in countries, such as Haiti, where the supply of educated young adults is much higher than the demand.

Second, and perhaps the most prominent, is the barrier of access to financial capital. Schoof lists many key constraints; however, the most remarkable ones include lack of personal savings and resources, lack of knowledge of possibilities, and lack of successful micro lending funding. These three combined often make it virtually impossible for young adults to receive the capital they need to start their ventures. Many turn to family and friends for support, but often this is not enough to launch a successful venture with capacity to grow. Schoof also provides some solutions to access issues such as providing start-up and business capital through grants, 'free money,' facilitating debt financing, and fostering equity finance (2006). This information points to the necessity of either the organization or a partner organization implementing a micro lending program accessible to youth.

The last barrier to discuss is the lack of business assistance and support (BAS) and business development services (BDS). Schoof comments that, "the more business assistance a young entrepreneur obtains in the start-up and new business phase the better his or her chance of creating a successful and sustainable business. Support services, including mentors, support networks, business clubs and incubators can hold the key to transforming one-person youth start-ups into successful small and medium businesses" (2006). Again, a list is provided by Schoof with key factors including lack of business connections, tailor made business training, mentoring capacities, workspace, and exchange networks. Solutions included provision of business skills training, guidance and counseling services as well as provision of working infrastructure (2006).⁷

The last topic to be addressed in terms of the specific needs of youth in entrepreneurship is the need for diagnosis of the readiness level of any one group of youth for entrepreneurial activity. This may be obvious but not all groups encountered can be met with the same level or type of programming. Lewis and Massey (2003) have compiled a diagnostic framework for young entrepreneurs to determine the readiness level of youth dependant on available resources, support, and potential (Schoof, 2006). [See Appendix A for diagram] This diagram assists youth programmers by depicting four levels of youth readiness: A. Enterprise Able, B. Enterprising, C. Pre-Enterprise, and D. Enterprise Aware. Pre-enterprise is the lowest level, designating youth having low readiness and low intention (motivation). The second level includes both enterprise able (high readiness but low intention) and enterprise aware (high intention, low readiness). The last group, enterprising, has high readiness and high intention. Each group has different needs which will change as the youth move from readiness to access.

⁷ To note at this point is that no one organization can provide for all the holistic needs of youth. Partnership with local and international organizations, community groups, and churches can provide the variety of functions needed for a comprehensive program. See The Youth Livelihoods Guide by David James-Wilson <http://www.equip123.net/docs/e3-LivelihoodsGuide.pdf> for more information.

V. Role of the Church, Pastors, and Community Leaders in Youth Development

Youth development programs require the investment of the community, especially the attention of religious leaders. Any program is not only logistics, resources, and personnel: It is also social investment. Gobeli quotes an African proverb, “It takes a whole village to raise a child” (2006). This well-known expression has great meaning to youth development programs, as it reminds implementers to utilize the immense resources of the community at their fingertips. Gobeli also states that “communities cannot long survive if their young people fail to thrive and young people will fail without the support of their community” (2006). There is a mutually beneficial relationship that must exist between youth and their community. Young adults also need a variety of relationships in order to develop holistically. They need their parents, peers, community leaders, pastors, role models, inspiration and personal support. The more relationships that they are exposed to, the more opportunities a young person has to learn about quality living (Gobeli, 2006). Relationships between members of a society in the third world are particularly important as the youth do not have access to an abundance of resources and opportunities. There is typically a misconception that the poor are unable to coach and support their young people to make rational economic decisions. Research (EQUIP3 2005, EQUIP3 2007, USAID 2005, 2006, Save the Children 2006, UNESCO 2001) has determined, however, that households are “actively engaged in helping youth plan their futures and make practical decisions about continuing education, vocational training and the use of microfinance services and products” (James-Wilson, 2008). The social capital that the community invests in youth-enhanced social networks, resulting in increased productivity of groups and individuals (Outon, 2008, p.3). In particular, pastors have a crucial role in the developmental process of youth in their communities.

Pastors and their churches in many developing nations function as a central community hub, acting as a significant source of spiritual guidance, camaraderie, and financial support. Pastor Etienne, a small community leader in Les Cayes, Haiti, commented that,

“Being a pastor in Haiti is different than anywhere in the world. While most [other] pastors spend their time in their offices, Haitian pastors have a varying role. They have to know their members and spend a great deal of time visiting their parishioner’s houses. The pastor has to go to their people, visit them when they are sick, observe how they live. The elders also visit the sick but the parishioners are not content until the pastor has come” (personal communication, 12 Sept, 2008).

The role of Pastor Etienne in his community is that of a role model, a friend, and a constant support on which community members may call. The community depends upon him and upon the church for financial support. When a family needs aid, they go first to the church, before asking friends and family. In addition, as Judy Foster, development worker and leader of American University in Les Cayes, adds that “people listen to their pastors.” This makes it important, according to Foster, for AIDS prevention programs to utilize the network and support of the local church to spread their messages (personal communication, 12 Sept, 2008). With the knowledge of the immense power and support available to youth from the local church, one can conclude that the church should also be involved in youth entrepreneurship. Pastors have a distinct role to aid their people not only spiritually, but in the work of everyday life. In what follows, this argument is further developed to demonstrate this vital calling.

VI. Role of Church, Pastors, and Community Leaders in Youth Entrepreneurship

A. Entrepreneurship and Religion

In discussing the role of pastors in youth entrepreneurship it is important to first establish that the Christian church has a role in the economic world. Stackhouse, in *Capitalism, Civil Society, Religion and the Poor*, comments that there are “three decisive characteristics of economic life in the global era: the theological character of technology, the ecclesiological character of the corporation, and the stewardly character of management” (2002). He clearly sees that religion has a place in the economics of today’s world, citing Weber’s protestant work ethic as being pioneering in showing how religion shapes public (economic) life. In economics, and specifically in entrepreneurial activity, there is necessity for moral and religious convictions. One’s work ethic must demonstrate fairness, customer service (perhaps deemed care and love of the other), obedience to the law, honoring contracts, and accepting liability. These practices demonstrate moral and spiritual dignity as well as fulfilling the logic and laws of sound economics (Stackhouse, 2002). In addition, religion shapes the values and beliefs of a person, instilling in them sound morals which affect their economic relationships (Schoof, 2006). It is the role of the church, and specifically the pastor to complete the instillation process, aiding the development of positive contributing entrepreneurial members of their community.⁸

B. Entrepreneurship, Churches, and Pastors

Churches and their pastors have a duty to serve their parishioners in all areas of life, including their work life. Stackhouse comments that “those who receive the vision of the promised reign of God [believe in the redemption of humanity and a New Jerusalem], are to employ every means to make it actual...” (2002). Pastors have a conviction to bring their people to redemption, which includes excellence in economic life. There is the chance that a parishioner may mistake a support of economic activity for the pursuit of riches and materiality. A pastor should not be encouraging entrepreneurial activity for personal wealth and gain, but rather for the improvement of individuals and their communities, utilizing their gifts to positively impact others. The church is convicted to instill in entrepreneurs integrity, honesty, diligence, fairness, and stewardship. Of additional importance is the encouragement of a sense of responsibility to contribute to the social and economic development of their communities (Stackhouse, 2002). Entrepreneurs need to understand the morals and principles in which they believe in order to effectively manage their organizations. Being grounded spiritually ensures their basic ability to function as honest citizens. Pastor Etienne provides a concrete example of a leader who is invested in the economic lives of his parishioners.

In his small church in Les Cayes, Pastor Etienne is leading his parishioners on a faith journey that includes their daily work lives. He commented that in the past he did not talk about business in church, but within the last three years, he has started to speak on the subject more frequently. He tells his congregation that it is indeed difficult to make living in Haiti, that everyone must

⁸ This paper only briefly touches on the deeper theological/scriptural/ecclesiastical arguments supporting the involvement of the church in entrepreneurial activity. There are benefits and dangers to having a church host and sponsor business activities, but a thorough examination of these is beyond the scope of this paper.

work hard and strive to help. Pastor Etienne cites scriptures, such as Deuteronomy 15:10, saying “God will bless you in all your work and in everything you put your hand to.” He has helped to start several group lending programs at his church for amounts of 30, 50, 200, 300, 500 and 1000 HD (1US= 8HD). One of the biggest challenges he faces is cultural. Pastor Etienne stated that he has to emphasize and promote the concept that work is good for a person, especially in Haiti where there is such great need (personal communication, 12 Sept 2008). Coicy Franky, a translator and mason in Les Cayes added that “I need to try to do something every day to show the community it needs to work hard” (personal communication, 12 Sept 2008). Pastor Etienne is a prime example of a pastor that is leading his parishioners in all areas of their life, including the important area of entrepreneurship.

C. Mentorship and Empowerment

The pastor is not the only member of a congregation and community that is responsible for encouraging an honest entrepreneurial spirit in young adults. The community has the unique role of mentoring and empowering young adults in their journey to adulthood. It has been found that there is a strong relationship between having a role model and expecting to own a business in the future. In particular, the more significant relationship a young adult has with a successful entrepreneur, the more likely they will become an entrepreneur themselves (Schoof, 2006). In 2006, a study was conducted at two Midwestern universities regarding the influence of their role models on career decisions. It was found that between 35-70 percent of entrepreneurs had an entrepreneurial role model (Scherer, 1989). It was especially inspiring if the young adult was able to actively participate in the work of the business. As mentioned above, cultural mentality must be shifted in many developing nations to include a work ethic. If a young adult spends a significant amount of time with a role model who has a deep conviction for hard work, truly earning their profits, the youth can be inspired to follow suite. Mentors also have the unique role of empowering young adults through mentality shifts and positive reinforcement.

Entrepreneurial talent is not only based on technical skill development but on empowerment. Role models and mentors are able to guide and develop youth through character and relationship building. O’Connor comments that “The empowerment stage was where students found sources of inspiration, innovation, and renewal that gave them a sense of hope, motivation, and direction...to find new relationships, networks, practices, behaviors, and projects” (2006). Instead of expecting opportunity to come to them, youth who are empowered are able to find and seize opportunities, either existing or created. This can be seen in a real way in Haiti, where many youth can be found waiting for opportunity instead of actively seeking their own goals and initiatives. Franky commented that for many youth, hard work and business on a small scale is perceived as below them. A cultural mentality shift is needed in this case, one in which the youth are empowered to see beyond this falsification of entrance into economic life. Not only are pastors involved in this, but as explained above, the entire community must be involved. Empowerment is derived from local business owners, peers, and family members who demonstrate a solid work ethic, encouraging young adults to follow suit. Local churches have the distinct opportunity to impact the lives of young adults through entrepreneurial support and encouragement.

D. Potential Solution: Youth Business Center Located at Church

The need for youth entrepreneurship activity is evident in many developing nations, including that of the impoverished nation of Haiti. There is latent entrepreneurial talent, lack of access to capital, systematic corruption and an absence of small to medium size enterprise models (SME). There is an abundance of young adults who have completed secondary school or even college/trade school but are unable to obtain gainful employment. Most young adults are in Group C, pre-enterprising, according to Lewis and Massey's diagnostic. In order to move young adults to Group B, enterprising, where they have high readiness and high intention, a great deal of activity must occur. They must gain entrepreneurial education, be introduced to role models, gain access to capital, and for many, learn to change their cultural mindset. While this is a daunting task, it is not only conceivable, it is believable that the solution for holistic youth entrepreneurship support may be found in the local church (with local partners). As a prime center of community life in development nations and a hub of Christian mentors, it is the ideal location for the promotion of sound entrepreneurial activity. This is the reason why DSI, in consultation with the community, has proposed that a youth business center be developed at the local church to provide specific entrepreneurial services⁹.

This proposed idea is being carried out by Deep Springs International (DSI), a non-profit organization seeking to encourage entrepreneurial activity among youth in Les Cayes, Haiti¹⁰. Instead of launching into a full-scale operation, DSI is starting a small lending program for five or more youth in Pastor Etienne's church. Three distinct roles have been delineated: Relational, Financial, and Educational. The relational role is filled by the pastor, who, as the main contact for the program, acts as the key role model, giving ongoing support and guidance to youth. The pastor also provides accountability and spiritual instruction. The financial role includes conducting the accounting for the loan program. Those filling this role will keep individual records for each borrower, tracking savings, borrowing and repayment. The educational role includes organizing monthly seminars in relevant business and entrepreneurship topics. This role is crucial as those responsible are to primarily enlist the local congregation and community to conduct seminars (experts in a related field). These seminars serve as a key point of contact between the youth and their potential mentors. The ongoing seminars and courses will be related to crucial business functions such as marketing, accounting, financial and management. The participants will pay a small fee for this service to contribute to the funding of the center as well as to give value to the material they learn. Lastly, those in the educational role will research and connect with local business resources available to the youth in the lending program.

Currently in Les Cayes, the lowest interest rate for a microfinance loan is twenty-seven percent per year. This is quite high, compared to United States business loan rates. The fact that the government of Haiti has mandated a 10 percent minimum sheds some light on the matter, though it still can not account for the substantial gap even between this minimum and the current rate. It has been explained that the high rate is necessary to cover costs of inflation, which is currently very high in Haiti, some sources stating as high as 18 percent per year. Furthermore, the amount of risk a microfinance institution incurs is substantially higher than United States lenders, as the controls they use, commonly known as the five "Cs" of lending, are quite difficult to employ with any success in Haiti. All causation discussions aside, this rate is unattainably high for

⁹ See Appendix B for a Criteria for Youth Programming used in designing the Youth Business Center

¹⁰ Please see Appendix C for full program outline document

young adults starting small businesses. There is a great need for a low-interest micro-finance program in order to give young adults the accessible capital needed. At present, DSI seeks to fill this role on a very small scale.¹¹ Youth participating in the program are required to demonstrate responsibility and money management skills, as it is required that they save 500 GDs (about \$12.50 US) before being able to borrow. They must produce and document their own business plan, demonstrating knowledge of the industry and economic analysis of their potential success.

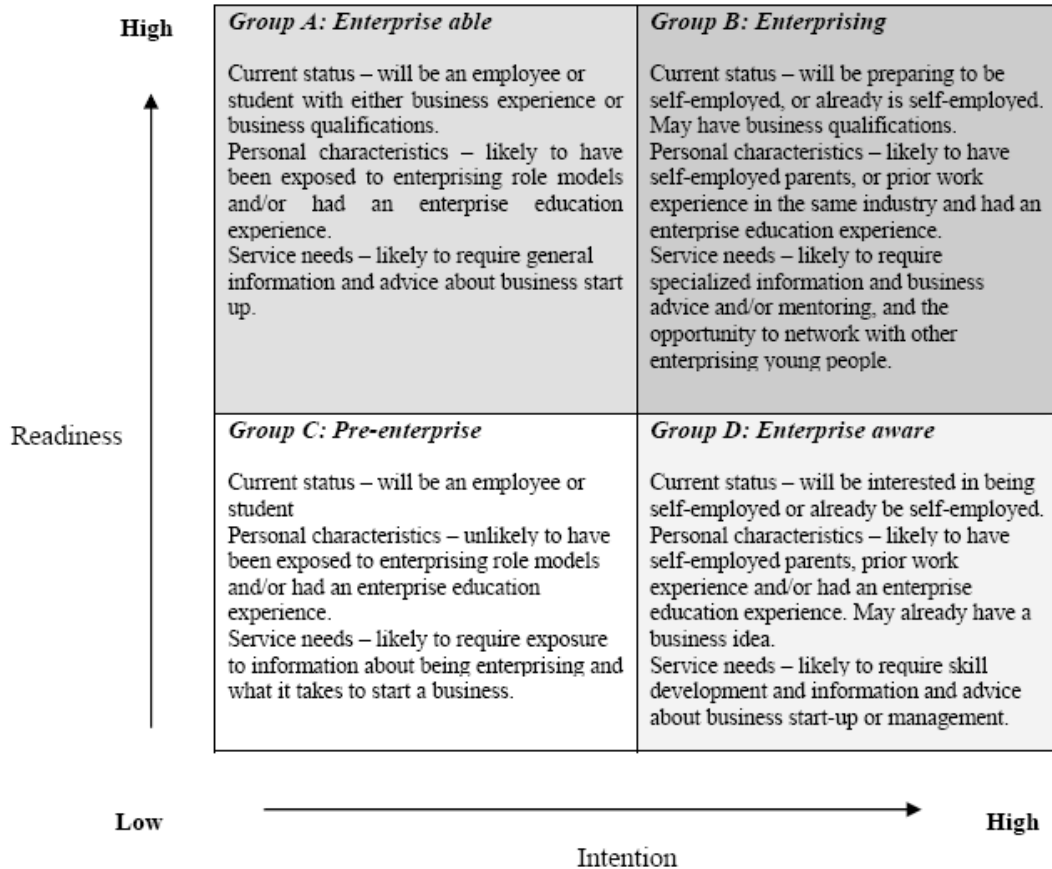
Although programmatic details are important, it is crucial to return to the key point that churches provide a natural ground on which to build quality competent youth entrepreneurs. The concept of youth business centers at local churches is far from being a complete and well explored field. In DSI's case, the entire program may go on to include access to resources including computers, internet, textbooks, office and work space, an official mentoring program, enhanced congregational involvement and much more. What is basic to the idea is the overarching involvement and support of the local church and pastor. Youth are at a pivotal time in their lives, able to be modeled and impacted for God's greater glory. The church should be convicted to aid in any way they can, including that of entrepreneurial activity. It is the hope and quest of Deep Springs that through the work of the local church, young adults in Haiti may reach their full potential as educated, mentored, and empowered contributors to the growth of economic activity in Les Cayes. The church promises to hold the key to this quest.

¹¹ It should be noted that in an ideal circumstance this service would be provided by a trusted local microfinance organization. It is not wise to spread the services of one organization too thin as there will be issues with quality and control.

VII. Appendices

A. Diagnostic Framework for Young Entrepreneurs

Figure 1: Diagnostic framework for young entrepreneurs



(Schoof, 2006)

B. Criteria for Youth Entrepreneurship Education by Consortium for Entrepreneurship Education.

CRITERIA FOR EFFECTIVE PRACTICE

Based on our experience, effective in-school, after-school or community-based youth entrepreneurship education should...

A. Encourage young people to be entrepreneurs, by:

- providing opportunities for youth to start and operate enterprises of an appropriate size and scope, in which they are personally invested in a manner that is significant to them.
- reinforcing the concept that successful entrepreneurs take calculated risks based on sound research and relevant information, including economic analysis.
- requiring youth to develop a plan for a business that addresses its financial, marketing and operational aspects.
- portraying in a realistic way the relationship between risk and reward in the entrepreneurial process as it operates in the free enterprise system, and provide opportunities for young people to understand basic economic concepts such as savings, interest, supply and demand, etc.
- generating an understanding of a variety of industries, including, among others, finance, retail, service, and technology.

B. Encourage responsible enterprising behavior, by:

- demonstrating entrepreneurship's place in the for-profit, not-for-profit, and public sectors, as part of school-to-career efforts, community service, and overall economic development strategy.
- emphasizing the need to operate enterprises and organizations in a legal, ethical, and socially and environmentally responsible manner.
- involving adults from the surrounding community in addition to the primary instructor for the program. These adults may serve as mentors, advisors or role models for youth.
- utilizing an action-oriented curriculum that provides age-appropriate experiential learning opportunities for which program leaders/instructors operate as coaches or facilitators. Wherever possible, youth should be responsible for leading their own inquiry-based learning opportunities. Such student-directed activities might include, but are not limited to: planning, creating and operating businesses, field trips, negotiation exercises, and group problem-solving. These approaches may be used along with other teaching methods as appropriate, such as research, fact-based learning, guest speakers and lecture.

C. Operate accountably, by:

- documenting, reflecting upon, and evaluating the program's work in order to practice continuous improvement and measure its results and impact.
- seeking to include young people of all backgrounds.
- having measurable outcomes that provide value for the participants and community served.
- modeling responsible entrepreneurship, by acting ethically as initiators and change agents within the institution or community."

C. Deep Springs International: Youth Business Center/Microlending Program

October 2008- March 2009

Les Cayes, Haiti

Purpose:

- ❖ To start working in the Les Cayes community
- ❖ To exemplify the basic principles of the concept of a Youth Business Center.
- ❖ To engage local leaders in youth development
- ❖ To encourage local youth in productive work activities

Program:

- ❖ Microlending and business skill program for 10+ young adults, age 18-30
 - ❖ Located at Pastor Etienne's church
 - ❖ Provide capital in the amount of \$62.50-\$250 US
 - ❖ Conduct monthly seminars in small business and entrepreneurship skills
-

Loan Structure:

- ❖ 2,500-10,000 GDS (\$62.50- \$250 US)
- ❖ 2-6 month duration
- ❖ Repayment at 1% per month (12% per year)
- ❖ Repayment once per month

Requirements for Loan:

- ❖ Application Process
 - Personal Information
 - Business Documentation: Purpose and Plan
 - Legal Requirements Documentation
 - Approved by lending committee
 - Granted an ID#
- ❖ Demonstrated Savings: 500-1000 GDs saved [10% of loan amount]
- ❖ Seminar Attendance: Each borrower must attend one seminar per month during their 6 month agreement

Deep Springs Commitment:

- ❖ Program Plan, Forms, and Documents
- ❖ Capital Available for Loans: \$500
- ❖ Administrative Beginning Budget \$50
- ❖ Train Haitian Personnel
 - Accounting
 - Lending Guidelines
 - Mentorship Guidelines
 - Seminar Topics
- ❖ Monitoring and Evaluation

Church Commitment:

- ❖ Announce program to congregation and local community
- ❖ Enlist help from congregation and community to support young adults in the program
- ❖ Provide space for the seminars each month

Key Personnel:

- ❖ Relational:
 - Key role model gives ongoing support and guidance to youth, acting as the point-person for the program
 - Provides accountability and spiritual instruction
- ❖ Financial:
 - Conducts accounting for the loan program
 - Keeps individual records for each borrower, tracking savings, borrowing, and repayment
 - Conducts “office hours” one day per week in order to facilitate loan repayment
 - Sends bi-weekly financial reports to Deep Springs International
- ❖ Educational:
 - Organizes monthly seminars in relevant business and entrepreneurship topics
 - Enlists local congregation and community members to conduct seminars (experts in a related field)
 - Investigates additional local resources available to the youth

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