



African Philanthropy Network
THE VOICE AND ACTION FOR AFRICAN PHILANTHROPY



Voice from the Youth Social Impact Entrepreneurs in Zanzibar on their Response to the Impact of COVID 19 Pandemic



1. Introduction

Pamoja Youth Initiative (PYI) is an independent youth-led non-governmental, non-partisan, and non-profit organization dedicated to empowering Zanzibar youth to realize and utilize talents and potentials in propelling socio-economic and political development in Zanzibar. Pamoja Youth Initiative registered as a non-profit organization on January 21, 2015, with registration number L2344 under Zanzibar's Societies Act Number 6 of 1995. Pamoja youth initiative's mission is to be the center for youth involvement and participation to realize and utilize their potential for the development of society. Pamoja Youth Initiative envisions a society whereby youth can use their potential to develop community.

Africa Philanthropy Network (APN), in collaboration with Pamoja Youth Initiative, organized and conducted a Focus Group Discussion. The focus group discussion aims at understanding the impact of COVID-19 on Youth Social Entrepreneurs in Zanzibar. The focus group discussion focused on the context of the social impact entrepreneurship sector, understanding the strength, weaknesses, opportunities, and threats towards the operating and enabling environment of the social impact entrepreneurship sector, and learning about concrete action and strategies for the social impact entrepreneurship sector to thrive. The focus group discussion was held on June 27, 2022, at the Pamoja Youth Initiative offices in Unguja, Zanzibar.

2. Background

According to socio-economic repercussions of the COVID-19 pandemic are hitting young people everywhere faster and harder than other age groups. Young Africans face multiple shocks, including disruptions to education, training, and on-the-job learning; employment and income losses due to lay-offs and reduced working hours; and more significant difficulties in finding good quality jobs. They are also more vulnerable because of high youth working poverty rates and because they are overrepresented in less secure forms of work and sectors most at risk of disruption due to COVID-19.

The youngsters, both men and women in Zanzibar, face social and economic problems, including a lack of employment opportunities. Even though youth aged 15 to 35 years dominate 35% of the total population in Zanzibar (PHC 2012), there are not enough jobs to absorb them, and there is a very high youth unemployment rate of 21.3% (ZILFS 2014). The low level of youth mobilization on entrepreneurship and employability skills led youth to engage in risky behavior like theft, gangsters, and kidnapping. As a result, youth tend to depend on their relatives to sustain their lives since there are no conducive structures and policies complemented with the required skills-set to empower them to come up and implement their innovative ideas for employment opportunities. Due to a lack of jobs, many youths have employed themselves in entrepreneurship and sustain their daily lives.

Youth social entrepreneurs in Zanzibar faced numerous challenges accelerated by the COVID-19 pandemic. Hence APN, in collaboration with Pamoja Youth Initiative, conducted the FGD to understand the impact of COVID-19 and the response of youth social entrepreneurs towards COVID-19.

3. The Purpose and Objectives

The purpose of the FGD was to share experiences and gain knowledge on how policies put in place by the state to respond to COVID-19 impact on youth social entrepreneurs in Zanzibar. Specifically, the FGD had the following objectives:

- a. to consult youth social impact entrepreneurs on;

- b. to understand the specific context of the social impact entrepreneurship sector, and
- c. to learn about the strengths, opportunities, challenges, and threats regarding the social impact entrepreneurship operating and legal environment; and to identify concrete actions and effective strategies for promoting the enabling environment for social impact entrepreneurship to thrive.

4. The Participants

Twelve (12) male and female youth social impact entrepreneurs participated in the FGD that was held on 27th June 2022 at the Pamoja Youth Initiative Office in Unguja Zanzibar. The discussions were conducted using participatory techniques to allow for every participant to share their views. The list of participants is presented in Annex 1.

5.0 Summary of the Discussion

The analysis of information from plenary discussion is summarized as follows:

Participants were asked to respond to the following question: How do you see the current state of the social entrepreneurship in Zanzibar? As compared to three years back? Is it evolving? If yes how? If no why?

Discussion:

The discussion and contribution of social impact entrepreneurs depicted that social impact entrepreneurship was faring well before COVID-19 though the situation was different with the impact of COVID-19. Whereby participants had different opinions to suggest or indicate how the problem was before and the current situation.

- a. *Before COVID-19:* Respondents explained that before COVID-19, they were receiving funds from the Government. From the Government support, respondents shared that they were able to run and sustain their entrepreneurship activities. They added further that the Government supported them to conduct an exhibition which gives entrepreneurs room to exhibit their products and services to the community, which is the leading market target. Respondents added that under the Ministry of Industries, the Government is running different entrepreneurship challenges, which motivate youth to engage in entrepreneurship and boost creativity and innovation.
- b. *In times of COVID-19:* Respondents were of the opinion that the entrepreneurship sector is no longer doing well due to COVID 19 pandemic. The FGD participants stated that lack of sustainability and resilience make it difficult for them to navigate after COVID-19 due to insufficient capital to resume the operations they used to do.
 - Participants explained that their income dropped during and after COVID-19, and they are currently struggling to get back to where they were before the pandemic outbreak. Respondents suggested that now, the sector faces a complex operating environment. Instead of the high creativity, they placed on their work. Still, their products and services are not excelling on the market.
 - Influx of people into the entrepreneurship sector; participants indicated that COVID-19 forced people into entrepreneurship as there was high redundancy and shut down of businesses; hence

people turned into entrepreneurship as a way of obtaining income and sustaining their daily life needs.

- Stagnant of the sector and market dropdown; Participants explained that the sector is not performing well and it is their passion and persistence that keeps them doing what they do.

6.0 The Analysis of Strengths, Weaknesses, Threats, and Opportunities

<p>Strengths</p> <ul style="list-style-type: none"> • There existing organizations that provide funds and grants to entrepreneurs to help start up activities, business development, management and marketing. • National entrepreneurship policy in place and it provides an opportunity for advocating towards recognizing and formalizing social impact entrepreneurship. • Availability of Government funds, if accessed it will avail capital for start-ups' 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Entrepreneurs are working in silos; there is no collaboration between entrepreneurs them • The capacity-building programs provided by entrepreneurship supporting organizations don't always meet the needs and demands of the sector. Important Issues like registration, legal responsibilities, Tax and insurance, leadership, and financial management are neglected. • Absence of a start-up policy is the weakness that inhibits the sector's growth. SIEs are required to register and comply with policies that subjects them to high taxes and a lack of recognition.
<p>Opportunities</p> <ul style="list-style-type: none"> • The availability of financial institutions that work with youth social impact entrepreneurs and provide loans • Government set aside funds to financing youth work. • The availability of Human resources in the field is the opportunity for excelling • Creativity and innovation on new products to meet the community's unmet needs. • Existence of digital technology and social media is an excellent opportunity for the sector's growth and development of individual social entrepreneurs. • The existence of entrepreneur's groups lead to access of information about available resources and other relevant opportunities. 	<p>Threats</p> <ul style="list-style-type: none"> • Lack of enough capital threatens the sector's growth and prospering of the social impact entrepreneurs. • Lack of commitment to long term plans for creating an impact on the community. There is higher economic gain motive. • Bureaucracy, costly and time-consuming legal registration requirements. • Poor networking and weak sector focused associations, such as Zanzibar Startup Association (ZSA) in advocating for enabling an environment and support learning for capacity development of social impact entrepreneurship. • Lack of trust and low acceptance by community of services and products offered is a threat to the sustainability of the market and resilience of the work of social entrepreneurs. • Entrepreneurs pay a heavy tariff posing a big threat to the growth of their business. • On another hand, lack of tax education is challenge for compliance.

7.0 Recommended Actions and Strategies for a Way Forward

Participants were provided with an opportunity to propose what should be done to increase resilience of the organization to respond to crises and future pandemics. The FGD participants stated the following:

- a. Advocating for startup policy: Participants suggested that they need a strong network that will work in collaboration with an entrepreneurship supporting organization towards advocating for startup policy.
- b. Copy right policy: participants emphasized a need for copyright policy to protect the creativity that social entrepreneurs are investing in their work, and
- c. Establishment of coordination board: respondents thought the way forward is to establish a strong coordination board of social entrepreneurs, which will advocate for having enabling environment for social entrepreneurs in Zanzibar.

Annex 1: List of Participants