Policy Brief

Strengthening data ecosystem for inclusive youth entrepreneurship in Asia Pacific

Strategic Intelligence Brief 3

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Inclusive youth entrepreneurship refers to the involvement of young people from diverse backgrounds, including those from marginalized communities, regardless of their background, have the opportunity to succeed as entrepreneurs. This is important because entrepreneurship can be a powerful tool for social mobility and economic development (GEM, 2020).

This notion of inclusivity requires policymaking and the creation of a conducive environment that aims to offer all people an equal opportunity to create a sustainable business, regardless of their background, gender, or other unique identities (OECD, 2023). Oftentimes existing systems consciously or subconsciously sideline vulnerable or marginalized communities resulting from rooted social, political, economic, and/or cultural discrimination and exclusion; hampering their ability to participate fully in socio-economic activities (NCCDH, 2023).

While there are many opportunities for inclusive youth entrepreneurship, there are also several challenges that need to be addressed. Besides ensuring that youth engagement in policy and program formulation goes beyond traditional tokenistic practices, which remain inefficacious.

> There is a need to strengthen the inclusive data ecosystem that generates data that is nationally representative, especially for vulnerable youth groups. Analysis by the Global Partnership for Sustainable Data (2022) notes that **investing in data-driven decision-making delivers significant returns; delivering an economic return of approximately USD 32 on every 1 USD invested.**
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> Data input is a critical tool for mainstreaming 'informed and evidence-based' policymaking & interventions; that are tailored to the needs of all stakeholders involved. Jungcurt (2022) rightly reiterates the need for inclusive data for development, noting that _"people who have been left behind also suffer from data marginalization…with some groups being invisible in national statistics."_ Therefore, in order to promote inclusive economic growth, entrepreneurship & employment, and help create a more equitable and sustainable future for all (UN, 2023), understanding the inclusive data ecosystem is key.

State of Data Ecosystem in Youth Entrepreneurship in Asia and the Pacific

The youth entrepreneurial activities in Asia and the Pacific vary across the region. Therefore, to foster youth entrepreneurship, governments need to re-align policies and programs (Guelich & Bosma, 2019). This calls for catering to the specific needs of young entrepreneurs. As noted in the introductory section, data can support this need for targeted action. However, for data systems to function meaningfully, it is important to identify the current gaps and barriers that impede progress.

Existing gaps in the Asia and Pacific's current datasets, include, but are not limited to:

- **Lack of comprehensive data:** There is a lack of comprehensive data on youth employment and entrepreneurship compared to adult entrepreneurship, in many countries in the region. This makes it difficult to identify trends and gaps in the ecosystem and develop evidence-based policies and programs.
- **Lack of up-to-date data and accessible data sources:** Timely and reliable data are essential for evidence-based decision-making, yet many countries in the region face challenges in generating and updating data regularly. This can be attributed to factors such as limited statistical capacity, inadequate funding, and fragmented data collection systems (UNDP, 2019).
- **Limited disaggregated data:** The absence of disaggregated data is a significant gap. Existing data often fail to capture the nuances and diversity within the youth entrepreneurship landscape, such as variations across gender, geographical location, and socioeconomic backgrounds. This limitation inhibits the identification of specific challenges and opportunities faced by different youth entrepreneur groups and impedes the formulation of targeted policies (UNESCAP, 2018).
- **Limited data on informal employment and entrepreneurship:** Many young people in the Asia Pacific region work in the informal sector or engage in informal entrepreneurship, which may not be captured by official data sources. This makes it difficult to understand the scale and nature of informal employment and entrepreneurship and develop interventions that support this sector.
- **Limited data on social and environmental entrepreneurship:** There is a lack of data on social and environmental entrepreneurship in the region, which may be an important tool for addressing social and environmental challenges and promoting sustainable development.
- **Limited data on the impact of interventions:** There is a lack of data on the impact of interventions aimed at promoting youth employment and entrepreneurship in the region. For example, there is limited research on the role of entrepreneurship education in promoting youth entrepreneurship. This makes it difficult to evaluate the effectiveness of different policies and programs and identify best practices.

Several barriers exist that enhance these gaps and hinder the establishment of an inclusive data ecosystem in the Asia Pacific (ILO, 2022; UNESCAP, 2020), limiting the availability and accessibility of data on youth entrepreneurship:

- **Inadequate data collection systems and methodologies** hinder the availability of comprehensive and representative data.
- **Insufficient resources,** technical capacity, human resources, and coordination among relevant stakeholders contribute to these data gaps
- **Legal and privacy challenges:** Data collection processes must comply with legal and ethical frameworks, including privacy regulations; these legal and bureaucratic hurdles at times stagnate data collection processes, particularly when dealing with sensitive information related to youth entrepreneurs.

- **Digital divide:** Despite the ease of access that comes with digital modes of communication, unequal access to technology and internet connectivity is a significant barrier to data collection in some regions and populations (which lack digital literacy and/or are off the grid).

Efforts are underway by organizations like the International Labour Organization (ILO) and UNESCAP to address these barriers and promote an inclusive data ecosystem in the region. Majorly, their initiatives focus on capacity building, knowledge sharing, and promoting data collaboration among stakeholders (ILO, 2022; UNESCAP, 2020).

Recommendations & Way Forward

In order to overcome the identified barriers to include youth entrepreneurship via improved data systems, it is important to increase efforts in research on young people (employment and entrepreneurship), improve the collection, use, and sharing of data and evidence (disaggregated by the diverse identities of young people associate with) (OECD, 2022), and ensuring the scope covers both the formal and informal sectors and stakeholders. The aforesaid is summarized as follows:

1. **Identification of the specific needs and challenges** faced by vulnerable youth groups, such as those from low-income backgrounds, those with disabilities, and those from marginalized communities. This can be undertaken through reflections by stakeholders and recognizing patterns of inclusion and exclusion.
2. **Ensuring greater disaggregation of data** (e.g., by gender, wealth, urban/rural, ethnic/ linguistic, migrant, disability, care status, etc.) to ensure critical contextual inequalities are addressed by policymakers and implementers (UNICEF, 2020).
3. **Tracking progress and measuring the impact of policies and programs** aimed at promoting inclusive entrepreneurship and employment; to ensure that resources are being used effectively and that policies and programs are having the desired impact.
4. **Promoting transparency and accountability in the development and implementation** of policies and programs aimed at promoting inclusive entrepreneurship and employment. Ensuring that the needs of vulnerable youth groups are being taken into account and that policies and programs are being developed in a way that is fair and equitable.
5. **Promoting innovation and creativity in the development of policies and programs** aimed at promoting inclusive entrepreneurship and employment. By understanding the specific needs and challenges faced by vulnerable youth groups, policymakers, and program developers can develop more effective and innovative solutions to address these challenges.

Having identified the key objectives for enhancing inclusive youth entrepreneurship that is data-driven, it is critical to understand the pathways to their achievement. Leveraging data through a systems approach can be a powerful tool for promoting inclusive youth entrepreneurship in the Asia Pacific region. Systems thinking is critical for inclusive youth entrepreneurship data because it helps to understand the interconnected and interdependent nature of different factors that influence entrepreneurship outcomes for young people. In order to effectively support youth entrepreneurship, it is important to recognize that it is not just a matter of individual effort or ability, but rather a complex system of social, economic, and environmental factors that interact to determine success or failure (OECD, 2019).

By using systems thinking, we can better understand the different stakeholders involved in youth entrepreneurship, including young entrepreneurs, investors, policymakers, and educators, and the various ways they interact with each other. It helps to identify the different factors that influence the success of young entrepreneurs, such as access to capital, education, and training, mentorship and networking opportunities, regulatory frameworks, and social and cultural norms.

Moreover, systems thinking can also help to identify potential barriers to inclusive youth entrepreneurship, such as discrimination, bias, and systemic inequalities that can limit access to opportunities for certain groups of young people. By analyzing the system as a whole, we can identify leverage points for change and design interventions that address these barriers and create a more inclusive ecosystem for youth entrepreneurship.

Figure 1 illustrates ways in which a 'systems thinking approach' can help achieve an inclusive data ecosystem:
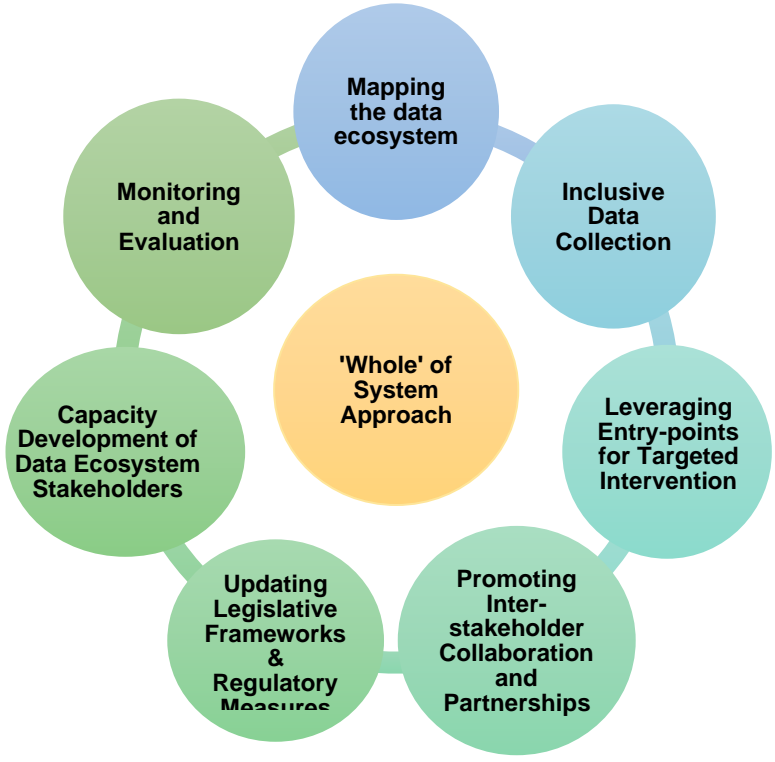
1. **Mapping the Data Ecosystem:** in order to identify gaps and opportunities for intervention, it is critical to map out the various stakeholders, institutions, and policies that shape the youth entrepreneurship ecosystem in the region. The national data collection entities should evolve from the role of a 'data producer' to a data coordinator (UNDP, 2018); which requires ensuring input from the entire data ecosystem by providing accessible channels, and broadening the scope and efforts of data acquisition and analysis.

> Youth Co:Lab and Islamic Development Bank (IsDB) (2022) developed actionable guidance to policymakers, development practitioners, researchers and young people interested in conducting an assessment or facilitating dialogues on the state of youth entrepreneurship in any geographical context. The guidance is based on the pilot assessments and lessons learnt from national studies conducted by Youth Co:Lab, IsDB and country partners in Bangladesh and Indonesia (2020).

2. **Collecting and analyzing comprehensive data:** following the identification of key ecosystem components, retrieval of data can be ensured, including data on youth entrepreneurship, including data on demographics, business models, industry sectors, funding sources, and other relevant factors. This data can be used to identify up-to-date trends and gaps in the ecosystem and inform policy and program development. It is worth noting that in addition to quantitative data gathering, it is important to use qualitative methods as well, such as interviews, focus group discussions, and participant observation allowing for capturing the lived experience of youth entrepreneurs. This can be especially helpful in channelizing the experiences of marginalized or vulnerable youth populations that may be disregarded in conventional methodologies.

3. **Identifying leverage (entry) points in the ecosystem**: inclusive data collection and involving the entire data ecosystem can allow the flagging of entry points for effective interventions for maximum return. As this can involve targeting policies or programs at specific stages of the entrepreneurship journey or focusing on specific sub-sectors or industries.

4. **Promoting collaboration and partnerships between stakeholders within the ecosystem:** this includes liaison between young entrepreneurs, investors, policymakers, and educators to ensure that interventions are coordinated and targeted to the needs. This could be manifested through establishing structures and mechanisms for coordination and cohesion.

5. **Updating legislative frameworks & regulatory measures:** establishing a conducive environment for data acquisition, and management and creating mechanisms for liaison between stakeholders require amiable legislative and regulatory frameworks in place. Frameworks that reduce barriers to the flow and accessibility of information and data, and help formulate networks that support youth entrepreneurs (OECD, 2019). Additionally, it should also include creating national development and statistical plans that prioritize inclusive data systems (DI, 2022). This will allow for "clear mandates and well-defined roles" that can ensure the addressing of existing data gaps (UNECE, 2022) and the validity of planned interventions.

6. **Capacity Building:** including institutional, administrative, and technical capacities, skills (e.g., enhanced data literacy), and networking among stakeholders including policymakers, and youth entrepreneurs to effectively partake in the data-driven evidence generation (GIHUB, 2023). In order to graduate from conventional methods of data generation, all stakeholders involved must be upskilled to effectively and sustainably implement novel approaches. These support measures can be provided through mentorship and dedicated training programs.

7. **Monitoring and evaluation:** to ensure that the impacts of interventions are effective and sustainable, monitoring & evaluation, and a grievance mechanism at all stages of policy and program formulation are crucial. This requires data input and data-driven decision-making from initial program/intervention design, to implementation.

Conclusion

Addressing the data inclusion needs identified in the brief is crucial in order to create a more inclusive and supportive ecosystem for youth entrepreneurship in the Asia and Pacific region. As proposed a 'whole-of-system approach' provides a working foundation on which the data ecosystem of the region can be built. This necessitates: (1) mapping out the ecosystem, and understanding the dynamics and role of individual components in silos and vis-à-vis the 'system'; and (2) application of novel all-encompassing methods of data collection and analysis, in lieu of conventional approaches that are oftentimes restricted in their scope. This can allow the identification of entry points for effective policy and programmatic intervention, the promotion of collaboration and partnerships through networking, and the monitoring and evaluation of the impact of ongoing interventions. For the ecosystem to function sustainably as a well-oiled machine, it is vital to update the legislative and regulatory environment that supports inclusive data acquisition approaches and ensures the flow and accessibility of data and information. Moreover, it is essential to assess the capacity needs, including institutional, administrative, infrastructural, and human resources; reforming systems, and upskilling stakeholders to adopt and effectively participate uniformly across the board for the generation of representative data.

The case study provides an apt snapshot of the increasing importance of data-driven policymaking in Asian countries and the challenges that impede progress.

Case Study: "Data-Driven Policymaking in Cambodia: Progress and Challenges"
(Rathyrea, 2022)

"The public policy process in Cambodia involves three main stages: formulation, implementation, and monitoring and evaluation. Data for this process include (1) national data such as the census and the national survey by the National Institute of Statistics, (2) administrative data produced by government agencies, and (3) research data collected by development partners and NGOs.
Data has a growing role in public policymaking in Cambodia. This is majorly due to (a) the country's commitment to reforms needed for development & economic growth, (b) the growing influence of young technocrats and professionals in key ministries, and (c) the rapid propagation of young internet users who share their views online, that have increasingly presented itself as a key data source, influencing

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