

- **How effective is Welsh Government approach to promoting youth entrepreneurship?**
- **What steps can be taken to improve or strengthen support for potential young entrepreneurs in Wales?**

## About us

My organisation A LEAP delivered the contract for the Big Ideas Wales events pilot, as part of the Youth Entrepreneurship Strategy. I also received the Graduate Start up Support bursary shortly after I founded the company (as a 'young person' myself) in 2009. We provide a range of commercial training and consultancy services, and use the profits as well as a proportion of grant funding to run programmes for young people (principally those aged 16-25) to develop their own community projects, businesses and campaigns.

We produced a very brief report at the end of the Big Ideas Wales events pilot, some of which may be of interest to the committee, particularly the sections on 'barriers' and the case studies of young people's experience. To deliver the events, we worked with extremely diverse groups of young people from a very wide range of communities across Wales. We therefore feel that the principles that underlie the evaluated methodology for the events could be applied to a wide range of other activities to promote entrepreneurship. I would be more than happy to provide a copy of the report, with permission from BETS, if they are unable to locate it.

## Entrepreneurship and a rights-based approach

The greatest strength of the Welsh Government's approach to policy with children and young people is the emphasis on rights. I believe that enterprise should be seen as a natural extension of this approach. If someone is to have their rights and entitlements met, they must be free to pursue their own personal development, to explore the world around them, to contribute to their community (including contributing to any services they receive). In order to do this, they must be in a position to take action to improve their own circumstances and the condition of their community. This is what I would consider to be the broader meaning of enterprise and, to me, this is complimentary to Welsh Government's rights-based approach.

**I believe the rights-based approach should be retained and strengthened in this area of Welsh Government's work.**

## Different meanings of entrepreneurship

'Promoting youth entrepreneurship' could mean many different things. For example:

1. Helping young people with outstanding and potentially high-growth business ideas to access the mainstream finance and industry knowledge necessary to take their idea to market.

2. Promoting activities for young people that use 'business' as a way of providing an opportunity to develop their transferrable skills, to add to their academic achievements and to provide useful material for UCAS forms, CVs and interviews.

3. Enabling more people to be enterprising, to allow individuals to develop their confidence, creativity and talents.

In my view, the current Youth Entrepreneurship Strategy seeks to address each of the above all at once and that, at times, these objectives can be confused. The third of these, I believe, is the form of promoting entrepreneurship that would offer the greatest social and economic benefit to the people of Wales.

The pursuit of the first or second form of 'promoting entrepreneurship' described above can actually undermine the third. For example:

1. The business start up support that is provided as part of the Youth Entrepreneurship Strategy is, for very good reason, focussed on identifying and supporting outstanding business ideas. My experience is that the advice provided is of a high quality, but that young people need to have a level of confidence in their idea and themselves for this advice to be useful. If they are not yet ready, then the experience of contact with one of the providers can shatter what confidence they do have.

2. 'Entrepreneurship' activities delivered in schools, FE and in the youth work field frequently draw upon the popular 'Dragon's Den' and 'The Apprentice' for inspiration. However, the image of 'business' that these programmes project is entirely unappealing to many young people. In fact, many traditional 'business' terms, such as 'networking' or 'marketing' have fundamentally negative connotations for some young people. Where these negative connotations are reinforced, those young people are discouraged from accessing the programmes that would otherwise be well placed to help those young people pursue their ideas and personal development through enterprise.

Both of the above issues disproportionately affect young people who face disadvantage.

**It is my view that the Youth Entrepreneurship Strategy should give primacy to the third of these forms of promoting entrepreneurship, and that all other forms of promoting enterprise would benefit from taking this perspective.**

## **Unrecognised enterprise and the entrepreneurial environment**

There are many examples of enterprising activity amongst young people that goes entirely unrecognised as such.

This includes small-scale community campaigns, music and artistic events, peer support projects, informal sports tournaments, blogs and magazines. Activities such as these are set up and run by young people across Wales (and elsewhere), frequently with little or no support or recognition in any official way. Sometimes this lack of support is part of the founding ethos – 'we will do it ourselves.' However, it is often the case that because these activities are not seen as being 'business' ideas that it is felt (by both providers and young people) that they would not benefit from the support that is available.

The forms of 'enterprising' activities described above may not seem directly relevant to 'entrepreneurship.' However the process of 'start up' and development of the idea is identical whether you intend to generate a profit or not. Also, many of the individuals and their ideas will transfer from one sector to another. The growth of the 'experience' economy as a form of business services is one example where learning from the creative industries and third sector can be commercialised.

Some forms of anti-social and criminal activity amongst (a very small minority of) young people is also, frankly, 'entrepreneurial' in nature, albeit with negative impacts on individuals and the wider community. Efforts to extinguish this sort of 'enterprise' are entirely counter-productive if this energy is not harnessed in other ways.

There are two reasons why this lack of recognition has an adverse affect on promoting entrepreneurship in Wales:

Firstly, the support being made available to young people who are looking to pursue activities traditionally thought of as 'business' would benefit many young people, particularly young people who are less confident or less likely to want to engage in the 'Dragon's Den' form of enterprise, and yet they are not currently being encouraged to make use of it.

The second reason is far more important. This is that the most important condition required for enterprise is the existence of an entrepreneurial environment sustained by vibrant networks of people. By not bringing together the many different forms of entrepreneurial activity, a huge opportunity is being missed for mutual support and encouragement.

I would encourage you to consider any other account of how to promote entrepreneurship, or how to succeed as an entrepreneur, and you will find that they will place mutually supportive relationships at their heart.

**It is therefore my view that opportunities for young people to mix (i.e., actually interact, not just presentations and/or 'Q and A') with their peers, with established entrepreneurs, and with the wider community, should form the core of activity for promoting youth entrepreneurship.**

## **Culture, politics and keeping young people in Wales**

Many young and ambitious young people from Wales choose to leave for large cities in England. We need to get much better at promoting the opportunities that Wales provides to our own population – as a home for progressive thinking, an excellent place to be if you want to work towards a more equal society and a place where creative pursuits are given real value and recognition. People with ambition want opportunities to be seen, to present their ideas to a wider audience, to take responsibility for tackling problems that no one else has managed to fix. Every blank wall and every boarded-up, dilapidated public building, for example, is a huge missed opportunity in that respect.

**I believe better use of public space in Wales could be an enormous boost to youth enterprise, and enterprise in the community more widely, by providing more opportunities for people's enterprising pursuits to take place and to be seen.**

## **Enterprise and youth unemployment**

Considered in the broader sense, enterprise is directly related to youth unemployment and under-employment of young people.

The means by which young people succeed in entrepreneurship are exactly the same as the means by which they succeed in the labour market – their own personal and social skills and principally their ‘people skills.’ Encouraging young people to be enterprising will help to develop exactly the same skills they will need to improve their employability and their likelihood of finding work.

Any activities that seek to promote enterprise have to overcome many of the same barriers as those who hope to promote employment – namely those related to social exclusion. The experience of unemployment, as well as other forms of social exclusion, can be extremely isolating. I have seen how promoting youth enterprise – i.e., helping young people find a way to pursue their own ideas and personal development through enterprise – is and could be a powerful way of overcoming that isolation. This is a principle on which many of my organisation’s activities are based.

A barrier to initiatives in this area can be the benefits system. I have argued in the past, along with others, that a temporary raising of the threshold at which additional earnings should be declared by those in receipt of benefits, as part of a structured ‘entrepreneurship’ programme, could have been one way of overcoming this barrier. This may be one area that Welsh Government would wish to investigate, in conjunction with DWP, in light of the change to Universal Credit. It is my view, however, that there would be many different possible solutions to this problem with or without the cooperation of the DWP.

## **The Enterprise and Business Committee’s Inquiry**

I would welcome the opportunity to discuss any of the above matters further with the committee or its members.

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