



**Response to the Enterprise and Business Committee's inquiry into:**

## **Youth Entrepreneurship**

**May 2013**

Chwarae Teg exists to promote, support and develop the role of women in the Welsh economy. We do this by raising awareness of the positive contribution women make to economy and society and sensitising Welsh Government strategy and policy to the barriers facing women who wish to fully participate in the labour market.

Figures show that women are under-represented in business in the UK, starting enterprises at a lesser rate than men. We believe that working with young women could help to reduce this gap. We welcome the opportunity to contribute to this inquiry and would be keen to work with the committee and the Welsh Government to take our recommendations forward.

### ***Key points***

1. To ensure effective monitoring of effectiveness and reach, business data that can be disaggregated by gender, age, disability and ethnic group should be collected and made available as a matter of urgency. This would allow targeted interventions to be developed to increase the representation of minority groups where there is evidence of need.
2. Women are under-represented in business and targeted interventions at an early age would help to reduce the gap between males and females.
3. More role models from under-represented groups and social enterprise should be made available through the Dynamo scheme. We also believe that there is a value in promoting success amongst young entrepreneurs and social entrepreneurs, particularly those from under-represented groups such as women, BME groups and those with a disability.

## ***Consultation Questions***

### **1. What are the experiences of young entrepreneurs in Wales?**

- 1.1 Young entrepreneurs in Wales are fortunate to have access to a wide range of initiatives to encourage them to think about enterprise as an alternative to employment, to develop their ideas and to take them forward. Initiatives and resources include Big Ideas Wales, Dynamo role models and entrepreneurship shadowing.
- 1.2 There is also funding available for graduates through the graduate start-up support programme and for unemployed 16-24 year olds through the young entrepreneurs bursary provided by the Jobs Growth Wales fund.
- 1.3 It is important that data collection and monitoring is carried out on all of these schemes to identify any gaps, for example, if females are accessing opportunities at a lesser rate than males. This should also apply to other equalities groups such as those with a disability. This will allow for targeted support for those who face additional barriers.

### **2. What is the scale of Welsh Government resource and funding targeted at the promotion of youth entrepreneurship? Is it sufficient?**

- 2.1 We welcome the Welsh Government's support for youth entrepreneurship and allocation of budgets towards this. We believe that there are some excellent advice and support structures provided for young people and hope that initiatives will continue to be financed.
- 2.2 Access to resources should be monitored as far as possible to ensure that those from under-represented groups, such as girls, make full use of the support available to them. Where appropriate, services and materials should be 'gender-lensed' to ensure that they do not favour or exclude any gender and engage males and females by equal measure. Chwarae Teg is able to provide support with gender-lensing and would be happy to support the ongoing development of resources.

### **3. What progress has been made in implementing the Welsh Government's Youth Entrepreneurship Strategy and Action Plan?**

- 3.1 We welcome the Welsh Government's commitment to youth entrepreneurship through their strategy and action plan. Figures suggest that work to promote enterprise as a career option to young people have been successful. For example, the Global Entrepreneurship Monitor (2012) reports a steady rise in TEA rates amongst young people in Wales which they consider to be "particularly striking".<sup>1</sup>
- 3.2 Chwarae Teg believes that it is right to encourage enterprising minds from an early age and we are glad to see young people being encouraged and supported to take their ideas forward. Chwarae Teg is keen to ensure that girls are supported through the initiatives available and would be happy to promote projects and opportunities through our work.

### **4. How does the Welsh Government's approach to promoting youth entrepreneurship incorporate issues such as equality, social enterprise and regional variations in skills and training opportunities?**

- 4.1 Overall, figures show that women start businesses at approximately half the rate of men although evidence suggests that initiatives to increase the number of women in business are having some degree of success. The latest Global Entrepreneurship Monitor UK report showed that whilst 'females had significantly lower TEA rates than males in all home nations, the ratio of female to male early-stage entrepreneurial activity varie[d] markedly across them' with Wales having the "highest ratio at 60% of female to male rates".<sup>2</sup>
- 4.2 Whilst the increase in women's representation is encouraging, there is still work to be done to achieve parity of females and males. Chwarae Teg has recently been delivering engagement workshops to women interested in starting a business on behalf of the Welsh Government. Our experiences tell us that there remains a need to target and tailor services for women to help them overcome the additional barriers they face. In particular, services should take into account the needs of women from minority groups such as those from BME communities or those with a disability. Our evidence also suggests that service provision across Wales is inconsistent, leaving those in certain areas such as rural Wales excluded.<sup>3</sup>

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<sup>1</sup> Hart, M. and J. Levie (2011) *Global Entrepreneurship Monitor: United Kingdom 2011 Monitoring Report*, GEM UK

<sup>2</sup> Ibid.

<sup>3</sup> Chwarae Teg (2012) *Post project report for follow up work on the delivery of engagement events for women, October – November 2011*, Cardiff, Chwarae Teg

- 4.3 Specific issues for unemployed young women should also be considered when planning initiatives. For example, our briefing paper on female youth unemployment shows that caring responsibilities act as a barrier for many young women who are Not in Education, Employment or Training (NEET).<sup>4</sup> Service providers must be aware of any additional support needs to ensure that these young women are not excluded.
- 4.4 Business data that can be disaggregated by gender, age, disability and ethnic group must be collected and made available in national data sets as a matter of urgency. This would allow targeted interventions to be developed to increase the representation of minority groups where there is evidence of need.
- 4.5 Chwarae Teg supports the Dynamo Roles Models project and believes that there is potential to increase representation of role models from under-represented groups. We also believe that there is a value in extending the role model initiative to highlight business success amongst young people and particularly those from under-represented groups.

## **5. What opportunities are presented by increasing youth entrepreneurship as a means of tackling youth unemployment and inactivity?**

- 5.1 Enterprise can provide a valuable alternative to employment for those who want to work and are unable for whatever reason. We welcome the support provided to unemployed young people who want to start their own business through the Jobs Growth Wales fund. We hope that figures of those taking up this support are being monitored to ensure all groups are included.

## **6. To what extent is entrepreneurship embedded within secondary education, further education and higher education institutions in Wales?**

- 6.1 Research suggests that “between 15% and 20% of students who participate in a mini-company programme in secondary school will later start their own company”.<sup>5</sup> Creating opportunities to explore enterprise and social enterprise at a young age presents opportunities to build social and professional capital. Chwarae Teg believes that significant progress has been made in embedding entrepreneurship within education through the Welsh Baccalaureate and other initiatives.

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<sup>4</sup> Chwarae Teg (2012) *Barriers to Employment for Young Women in Wales*, Cardiff, Chwarae Teg

<sup>5</sup> C. Jenner, 'Business and Education: Powerful Social Innovation Partners', *Stanford Social Innovation Review* (Aug. 27, 2012)

**7. What is the evidence base for the Welsh Government’s approach to supporting and encouraging youth entrepreneurship?**

- 7.1 The Welsh Government is to be commended for its Youth Entrepreneurship Strategy. The vision fits well within the *EU Entrepreneurship 2020 Action Plan: reigniting the entrepreneurial spirit in Europe*.
- 7.2 The evidence base appears not to include data for under-represented groups and we believe that for a strategy to be wholly successful, such an analysis should be carried out with actions planned to ensure the inclusion of all groups.

**8. How does the Welsh Government monitor and evaluate its youth entrepreneurship activities? What impact has it had on the number of people starting a business?**

- 8.1 The Welsh Government must ensure that data is collected and monitored by gender, age, disability and ethnic group to ensure that all groups have access to services and gaps can be filled through targeted interventions.

**9. What examples of good practice in youth entrepreneurship policy can be identified within Wales, more widely within the UK and internationally?**

- 9.1 The Entrepreneurship Action plan is seen as a “blueprint for decisive action to unleash Europe’s entrepreneurial potential”.<sup>6</sup> Chwarae Teg believes that the Welsh Government has already taken significant action to embed entrepreneurship education and would be well placed to contribute to the development of a “pan-European entrepreneurial learning initiative and guidance framework”.<sup>7</sup>
- 9.2 Wales is already meeting the key actions identified in the Entrepreneurship Action Plan and has presented evidence to the EU DG for Enterprise and seen as an exemplar region.<sup>8</sup> The Welsh Government must now maintain momentum and measure the impact of enterprise activities across the curricula in Wales.

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<sup>6</sup> European Commission (2013) *Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee and the Committee of the Regions, Entrepreneurship Action Plan 2020: Reigniting the entrepreneurial spirit in Europe*, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0795:FIN:EN:PDF>

<sup>7</sup> Ibid.

<sup>8</sup> This was acknowledged in a presentation of the EU plan at a cross-party at the European Commission office, Wales 26 February 2013

- 9.3 There is a good deal of best practice within Wales and in the UK that could be replicated across Wales. For example, Enterprise in the Valleys is an initiative being delivered by Neath Port Talbot County Borough Council. This project engages with young people who have disengaged to develop their skills through planning and running events. More information about this project can be found here: [www.enterpriseinthevalleys.co.uk](http://www.enterpriseinthevalleys.co.uk)
- 9.4 Over the border, we believe that Hull City Council also carry out some innovative work with young people to support them to start their own businesses. More on this work is available here: <http://www.youthenterprise.co.uk/youthentclub.html>

## **Conclusion**

The lack of gender disaggregated data in this area makes it difficult to provide a gender focused response to this inquiry. Figures show that women are under-represented in business in the UK, starting enterprises at a lesser rate than men. We believe that working with young women could help to reduce this gap. The availability of data that can be disaggregated by gender, age, disability and ethnic group is crucial for the identification of gaps. Role models are also key to increasing representation of minority groups in business. We believe that there needs to be greater diversity within the Dynamo role models scheme and a representation of young entrepreneurs and social entrepreneurs. Chwarae Teg is very keen to increase the number of females in enterprise and would be happy to work with the committee and Welsh Government to make this happen.

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