

Youth Entrepreneurship Strategy Inquiry – National Assembly for Wales

A. How effective is the Welsh Government's approach to promoting youth entrepreneurship?

B. What steps can be taken to improve or strengthen support for potential young entrepreneurs in Wales?

Issues that the Committee is considering as part of these terms of reference include:

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

Young entrepreneurs in Wales have an enormous range of support potentially available to them. This is often the envy of other UK regions with free advice, training and funding available.

University and college students are able to access appropriate support through guidance and signposting provided by funded enterprise education staff based within each institution. Again, this enterprise champion type model is the envy of educational institutions throughout other UK regions.

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

The overall scale of Welsh Government resource and funding for the promotion of youth entrepreneurship is reasonable. It is understandable that the promotional budget has been cut over the years from the high-profile and effective business start-up marketing campaigns run between 2000 and 2006. However, there are still mass awareness activities carried out within further and higher education promoting youth entrepreneurship.

Some of the promotional materials previously provided by the Welsh Government – for example, the Silver Book aimed at young people starting a business – have proven excellent resources for promoting entrepreneurship. The University would be happy to work with the Welsh Government to advise on suitable materials to be used in future campaigns. Likewise, we would be happy to support the ongoing development of the Big Ideas Wales website, that has the potential to be an extremely useful online resource for young entrepreneurs.

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

From an educational perspective, there has been significant progress in implementing the Welsh Government's Youth Entrepreneurship Strategy and Action Plan. The funding made available to colleges and universities through initially the Knowledge Exploitation Fund, and more recently the Dynamo funding, has encouraged a real interest in the area. This has helped to put business start-up firmly on the strategic agenda for colleges and universities across Wales.

The more recent move to regional entrepreneurship educational hubs has been very effective in driving innovation, raising the quality and ensuring consistency of provision across colleges and universities. Institutions are constantly pushing the boundaries and devising new ways to engage students and graduates with

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entrepreneurship. There continues to be enormous scope to drive the youth entrepreneurship agenda through education and across Wales.

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?

Historically, Welsh Government initiatives such as Potentia (pre-start business programme) worked very well through providing bespoke support for young people whilst working with business support provision to improve their support (including materials) for young people. However, since the demise of that EU-funded programme, there is a risk that support for certain target groups and industry sectors (including social enterprises) could be overlooked.

Within education, there is a duty of care (as per institutional equality policies) to ensure that all individuals can access the entrepreneurship education provision on offer and all reasonable adjustments are made to enable this.

It would be interesting to find out the demographics for people currently starting businesses through mainstream business support (e.g. ethnicity, age range, disability, etc.). This would provide the data required to assess how inclusive the Welsh Government business support provision is.

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

There is an enormous opportunity to tackle youth unemployment and inactivity through increasing youth entrepreneurship. Within education, there is a growing commitment for colleges and universities to prepare individuals for employment and this is now increasingly recognised as including self-employment (as per the Cardiff Metropolitan University Corporate Strategic Plan). The competition between universities for each student along with high tuition fees means that students expect to have a return on their investment (i.e. a successful career in their chosen field).

The social enterprise agenda continues to generate interest from students and graduates with many interested in starting community or social ventures. However, these individuals often do not see entrepreneurship support as being relevant for them. There is some work within universities in England to offer dedicated social enterprise support (in collaboration with UnLtd) and these projects have worked well. Preliminary discussions are underway for Cardiff Metropolitan University to be the pilot university partner to trial a similar programme in Wales.

Outside of education, the work carried out by organisations such as the Prince's Trust have shown the value of using entrepreneurship as a tool to engage previously unemployed and economically inactive individuals. Young entrepreneur bursaries appear effective but it would be interesting to find out the types of individual accessing these grants (i.e. are they unemployed graduates or long-term unemployed young people?). Typically, those furthest away from employment and business start-up require the greatest support but are less likely to survive and/or

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become high-growth. However, they are also most likely to contribute the least to the economy.

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

The extent of embedded entrepreneurship varies greatly from institution to institution. From a school and college perspective, the Welsh Baccalaureate team enterprise activity ensures at least some exposure to entrepreneurship experiences. However, as Estyn reports show, this is sometimes a missed opportunity due to ineffective teaching particularly at a secondary school level.

From a university perspective, entrepreneurship is increasingly being integrated into curriculum areas or as an additional module option. For example, in Cardiff Metropolitan University there is an optional business planning module embedded within some curriculum areas. This has also led to some business start-up referrals to the Centre for Student Entrepreneurship within the University.

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

The original case for encouraging youth entrepreneurship dates back to the Entrepreneurship Action Plan (EAP). As Wales' GDP was declining in relation to other UK regions, entrepreneurship was seen as a way to create jobs and boost the Welsh economy. There are some conflicting statistics regarding the number of young people starting businesses in Wales. However, there is evidence that suggests there is increasing interest and confidence from young people in Wales to engage in entrepreneurship. Indeed, the number of Welsh graduates involved in early stage entrepreneurial activity is higher than most other UK regions.

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?

Within colleges and universities, there is rigorous monitoring and evaluation of youth entrepreneurship activities. Clear quantitative and qualitative information is reported at least quarterly in line with strict requirements set out by Welsh Government. However, once students or graduates are referred to external business support provision it is very difficult to track their progress and often the individual disengages from the support. The HEFCW-funded Enterprise Support Programme has helped significantly at Cardiff Metropolitan University as this provides an internal referral point for initial qualifying of business ideas and preparing the individual for working with business support provision.

Ultimately, it is almost impossible to assess the true impact of entrepreneurship education on business starts as many college and university graduates work for some years to gain experience and funds before starting a business. For example, there is a spike in business start-ups between ages 25-34 but it is very hard to ascertain how much of this is linked to their previous entrepreneurship education.

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

Some identified good practice includes:

- Regional hubs (previously consortia) events and activities across colleges and universities – Wales
- The Ignite programme – Wales
- Student Enterprise Ambassadors - Wales
- Dynamo role model programme – Wales
- Graduate start-up bursary (£6000) - Wales
- Co-working communities such as Indycube and ICE - Wales
- Gazelle Colleges Group – UK
- Enterprise Educators – UK
- National Centre for Entrepreneurship in Education (NCEE) including the International Entrepreneurship Educators Programme - UK