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Nottingham University Business School

MBA Programme

Management Project - Individual Report

“Youth Entrepreneurship – The role of Entrepreneurship in  
Opportunity Development in UK job market”.

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## Introduction

“We must develop strategies that give young people everywhere a real chance to find decent and productive work which will allow them to become independent and responsible young citizens”

-Kofi Annan, UN Secretary- General, International Youth Dar (2003)

(Ref: Arzeni. S and Mitra. J, 2008)

UK has high rate of unemployment among young people. Entrepreneurship has been increasingly recognised as a source of creating jobs and empowerment, but not much attempts have been made to look it from the viewpoint of creating livelihood through entrepreneurial activities. It can also be looked upon as a tool for employing youth during recession and under severe unemployment in UK. Young people can forge a livelihood through creating an enterprise which further leads to many economic and social opportunities. Joblessness acts a push factor which propels youth to become ‘necessity entrepreneurs’ (GEM 2005).

Entrepreneurship is considered as an innovative methodology to integrate youth into today’s labour market. It is accepted as an important means, an additional strategy to create jobs, improve livelihood and make young people economically independent (Schoof. U, 2006).

The main aim of the report is thus to stimulate the benefits of youth entrepreneurship as a career, further on understanding the obstacles, role of mentoring in entrepreneurship and the policies and programmes to support it in UK. The report, therefore, draws the data from a variety of sources upon which the analysis is based.



## **1. Literature Review**

### **2.1 Youth Entrepreneurship (YE)**

To understand YE, it is important to understand: what 'Youth' means? Who is an entrepreneur and what entrepreneurship means?

United Nation defines 'Youth' as those between 15-24 years of age. According to Schumpeterian, the *entrepreneur* is known as the agent of innovation and *entrepreneurship* is known as the ability to device, plan and implement the innovation. This is conceived as social and economic transformations which are promoted by entrepreneur and pushes the economy and also evolves with time. *Entrepreneur* can also be viewed as a 'self-employed economic agent who means anyone who starts or manages an independent economic activity which creates his employment and jobs for others' (Blokker.P and Dallago. B, 2008).

Thus Schnurr and Newing (1997) define '*Youth Entrepreneurship*' as 'application of enterprising qualities by a youth, such as innovation, creativity and risk taking by using appropriate skills which is necessary for success in a specific environment and culture.'



### **2.1.1 Transition in Youth Entrepreneurship**

Chigunta (2002) categorised YE according to age and also categorized it by transition stages which are as follows:

- 1. Pre Entrepreneurs:** The youth aged between 15-19 Years lie in the formative stage of entrepreneurship. They are in the transition stage from home or education to work.
- 2. Budding Entrepreneurs:** The youth aged between 20-25 Years lie in the growth stage of entrepreneurship. They have gained some prior experience, skills and money which enable them to run their own enterprise.
- 3. Emergent Entrepreneurs:** The youth aged between 26- 29 years like in the prime stage. They have valuable experience in business and have higher level of maturity and are more likely to run their enterprises.

### **2.1.2 Role of YE in self –employment**

According to many entrepreneurship authors, there are many view points between the relationship between entrepreneurship and unemployment which are sometimes contradictory.

Blanchflower and Meyer (1994) talk about the income decision which are confronted by young people to start up a firm and become entrepreneurs. Jovanovic (1982), suggest high



unemployment is associated with low degree of entrepreneurial activities, whereas Audrestsch (1995), talk about low rate of entrepreneurship as a consequence of low economic growth which in case reflects higher unemployment.

Entrepreneurship is increasingly accepted as a useful alternative for **income generation** among young people (Ryan, 2003). In order to overcome unemployment YE is also regarded as an **additional way of integrating youth into the labour market**.

According to a study by Barclays Bank (1997), found UK as a flourishing 'youth enterprise culture', and discovered that among YE aged between 18-24 years- 65% worked from home, 40% worked alone, 14% had single employee and 17% employed six or more. They also found that most of them had an annual turnover of £100,000 and involved investing £5000 to set up a business (White & Kenyon, 2000). Entrepreneurship unleashes economic and social potential of young people which is further discussed.

### **2.1.3 Social & Economic Opportunities for Young Entrepreneurs**

Starting your own business creates many social and economic opportunities for youth which they can harness. It can be further categorized into economic and social entrepreneurship. Where *Economic Entrepreneurship* means opening up enterprises in private sector, the value is wealth creation and profit generation for the ones who start the business and most of young entrepreneurs engage in this. Whereas, *Social Entrepreneurship* refers to financial sustainability and social return on investments. It can also have the angel of dealing with social problems and public good (Schoof. U, 2006).





Two reasons for supporting YE as they create many socio-economic opportunities are:

1. Markets work ineffectively: As there is no sufficient competition and consumers are not well informed, there is a difference between social & private returns. This leads to information assimilation and financial gaps (Storey, 2003).
2. Public policy makers always desire social outcome that market fails to provide which means business are always focused on profits(private return), whereas policy makers are interested in increasing employment (social return). The Price's Trust was urged to meet the social goals.

In this way, YE leads to lots of social and economic opportunities which are as follows:

- Creation of employment for young people through self-employment and creating new jobs through new enterprises. This reduces youth unemployment rate.
- Young creative people lead to new innovation, which develops new economic opportunities and trends.
- Creation of small enterprises situated in 'niches' can act as competition in local economies.
- In terms of social aspect, it leads to job satisfaction among youth in terms of material as well as increased self-sufficiency (Blanchflower & Oswald, 1998).



#### 2.1.4 Motivating for starting Business

It has been said that the youth in today's time is better educated and ready to take risks than the youth in the past. According to the research carried out in 1993 by Prince's Scottish Youth Business Trust- YE exposes a substantial level of hidden entrepreneurial talent. The research discovered that 20% of youth in the age between 18 to 30 year had great potential to become entrepreneurs. The risk taking capacity has increased in young people and they have a great drive to become entrepreneurs as they are well educated and are independent from their families (Haftendorn. K., 2008).

There are various reasons why young people engage in entrepreneurship- living circumstances, attitudes, preferences, strengths and interests are few of them. According to OECD (2001), youth in UK especially the graduates are primarily motivated by desire for independence and flexibility and not by money.

- a. *Necessity Vs Opportunity motivated entrepreneurship:* Entrepreneurship is also driven by economic necessity when there is unemployment and there is no other alternative for income generation. This is the *necessity driven entrepreneurship*. Whereas, *Opportunity driven entrepreneurship* is from the desire to pursue business opportunity. It is not related to income generation but strives on networking and skills attainment. In general it is observed that both motivations overlap.



- b. Personal attitude, self-interests and Individual strengths and skills: Social entrepreneurs have a desire mainly to change and improve society which are based on their values and beliefs (Schuyler, 1998). Some want to be their own boss, have independence, flexibility, earn money, earn reputation, design vision and ideas or sometimes continue their family traditions.

### 2.1.4 Studies till now on YE

There have been various studies/ surveys which have been already conducted on youth participation in enterprise activities.

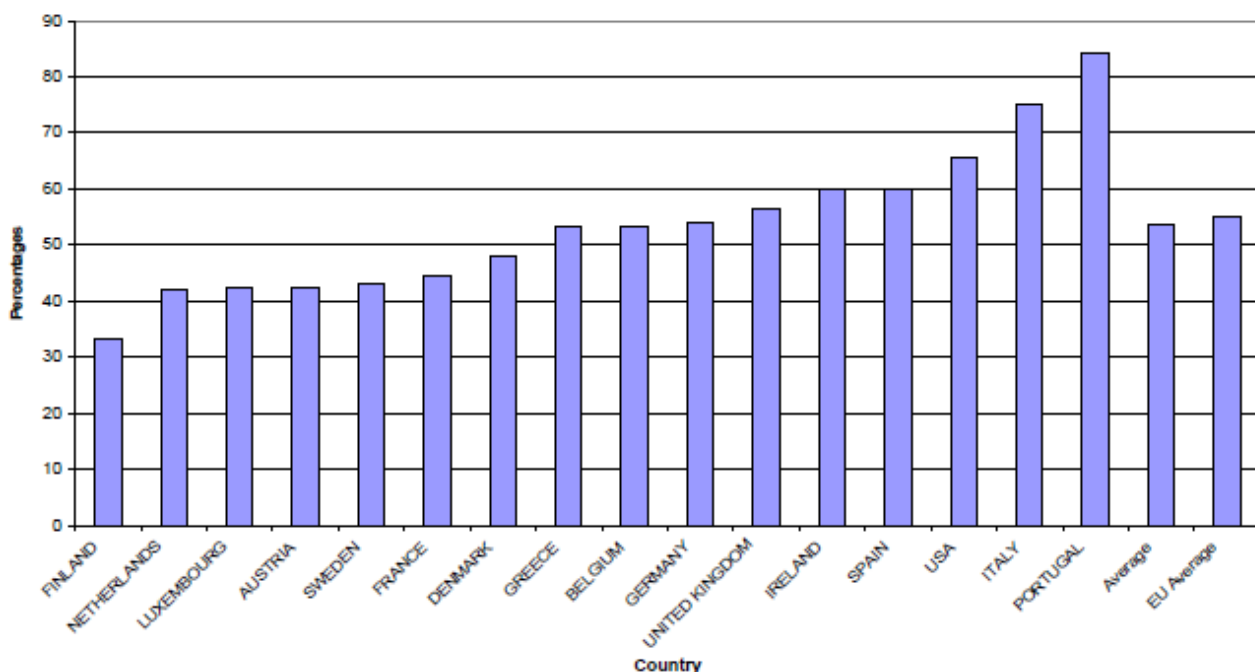


Figure 1: : Young People's (15-24) Preferences for Self-Employment in the EU and US (2002)

Reference: Euro barometer 2002

As seen in Figure 1., it shows that UK has a 55% rate in young people (15-24), who prefer self-employment, which shows a strong entrepreneurial culture and show that young people are positive about self-employment (Greene. F.,2005). This supports entrepreneurial activities



Further on, Figure 2. Shows UK adults (18-64) susceptibilities towards entrepreneurship.

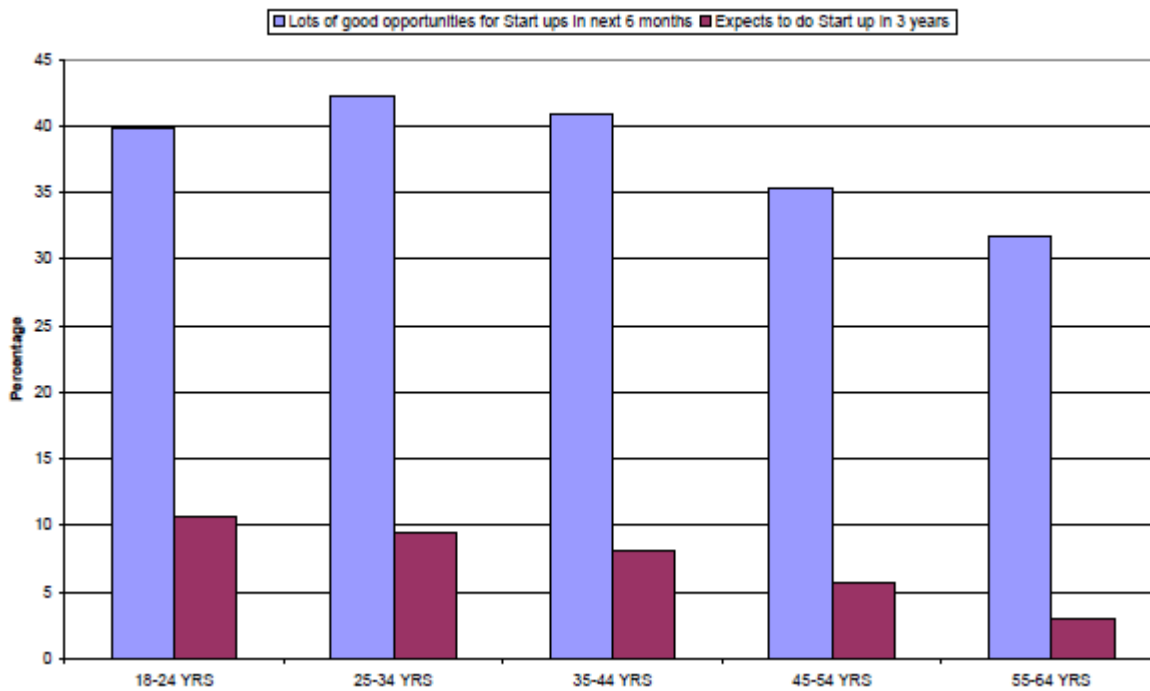


Figure 2: UK GEM 2003: UK adults (18-64) Propensities towards Entrepreneurship

Reference: GEM 2003

Here it is seen that young people aged between 18-24 in UK perceive less opportunities for starting up a business in 6 months of time, but are more likely expected to set up a business in next three years when compared to other age groups.

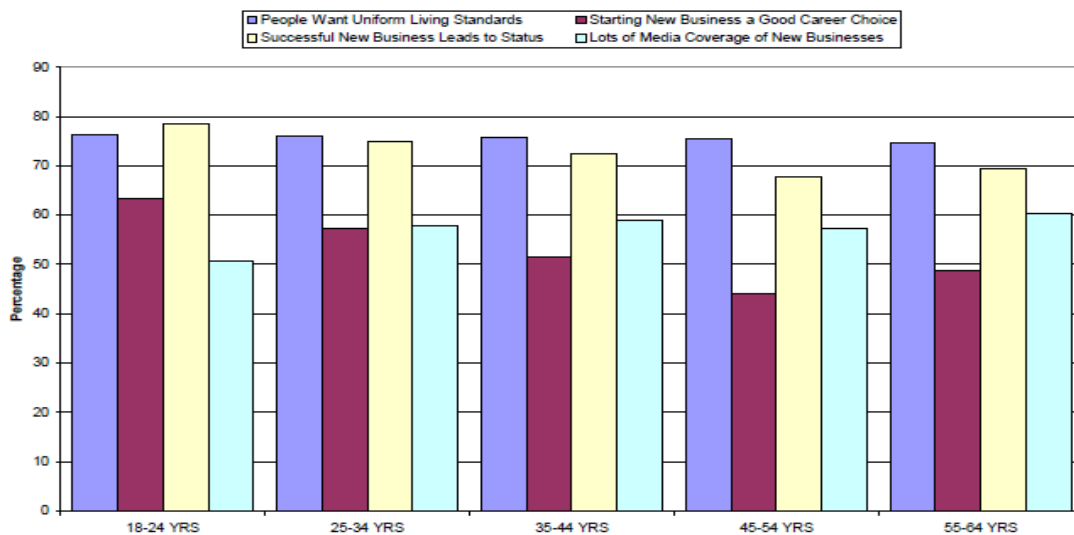


Figure 3: UK GEM 2003: UK adults (18-64) Attitudes towards New Businesses

Reference: GEM 2003



Lastly, Figure 3. shows UK adults attitude towards new business, and tells that young people in the age group of 18- 24 years believe that entrepreneurship presents a good career choice and that also brings good status and believe that there is less media coverage of new businesses.

Therefore all the three studies support good youth participation in enterprise activities in UK and also convey their attitude towards it.

## **2.2 Challenges faced by Youth entrepreneurs**

Further let's look into the existing barriers and particular constraints that impede young people from starting their own business and later also discuss the incentives that make starting a business more viable alternative.

### **2.2.1 Key Constraints and Incentives (Risks & Rewards)**

#### **Key Constraints or Risks Faced by Young Entrepreneurs in UK**

Young entrepreneurs face great difficulties and challenges as they are left alone to find their own way. They face a great deal of challenges with regard to gaining access to **financial resources** and setting up the institute with **fewer incentives** and lack of **post start-up support**. Entrepreneurs also face the **instability of macroeconomics policies, changes in regulation, business uncertainty, high taxes** and sometimes **less cooperation from bureaucratic structure** (OECD-EBRD, 2003).



They also face the *challenge from the state and financial sector* as they usually favour large enterprises rather than SME's (Hellman et al, 2000). Banks are generally seen averse to providing loans to small businesses as they feel young entrepreneurs lack business reputation and can't provide indemnity to underpin loans (Blokker.P and Dallago. B, 2008).

Young entrepreneurs also face constraints such as *limited experience* (Storey, 1994) and *have little access to networks* which is 'know how' and 'know who' (Birley, 1985).

Figure 4. Shows that 30 % of young people (15-24 age group) in UK did not strongly agree fear of failure as a constraint in starting a business, 62% feel administrative procedures as a barrier to entrepreneurship, however 70-80% find accessing finance as a major constraint.

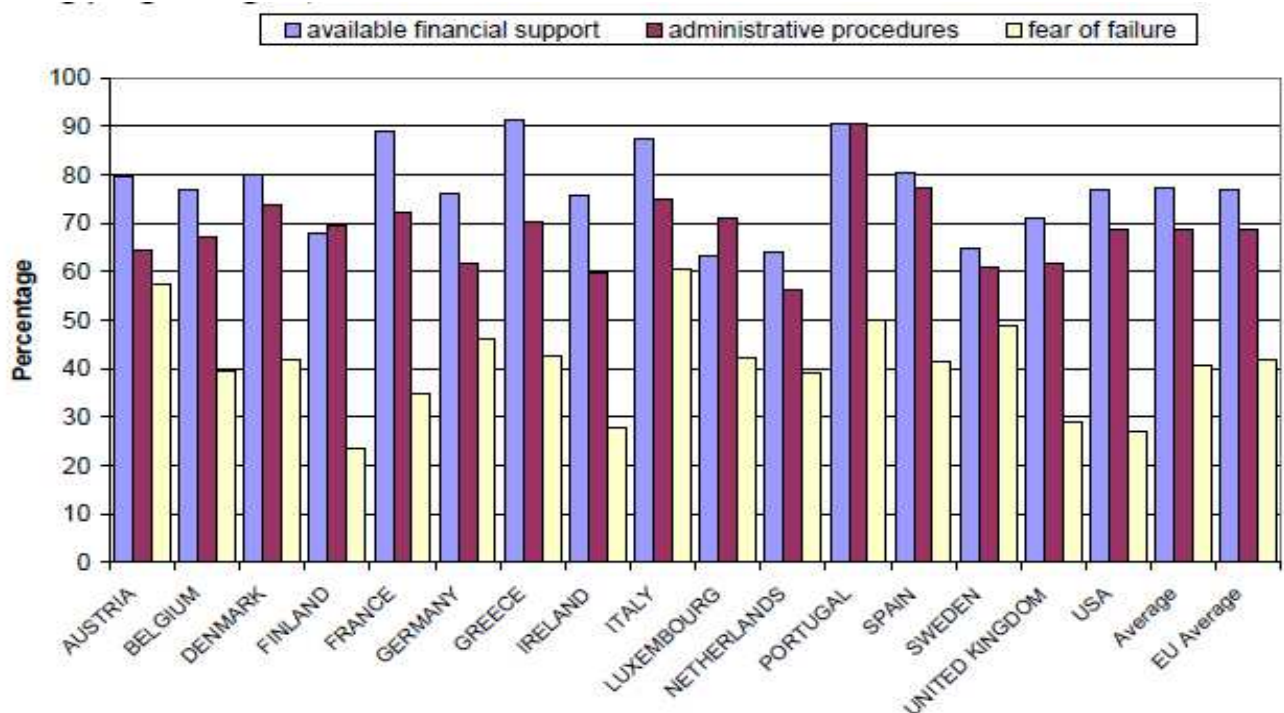


Figure 4: Young People's (15-24) perceived barriers to entrepreneurship: Fear of Failure, Administrative Procedures and Available Financial Support.

Reference: Euro barometer 2002.



Figure 5. also shows specific data for UK where it states that fear of failure is one issue which is a concern for all age groups, whereas young people have been identified as having less knowledge and fewer skills to set up a business if compared from the other age groups (Greene. F., 2005).

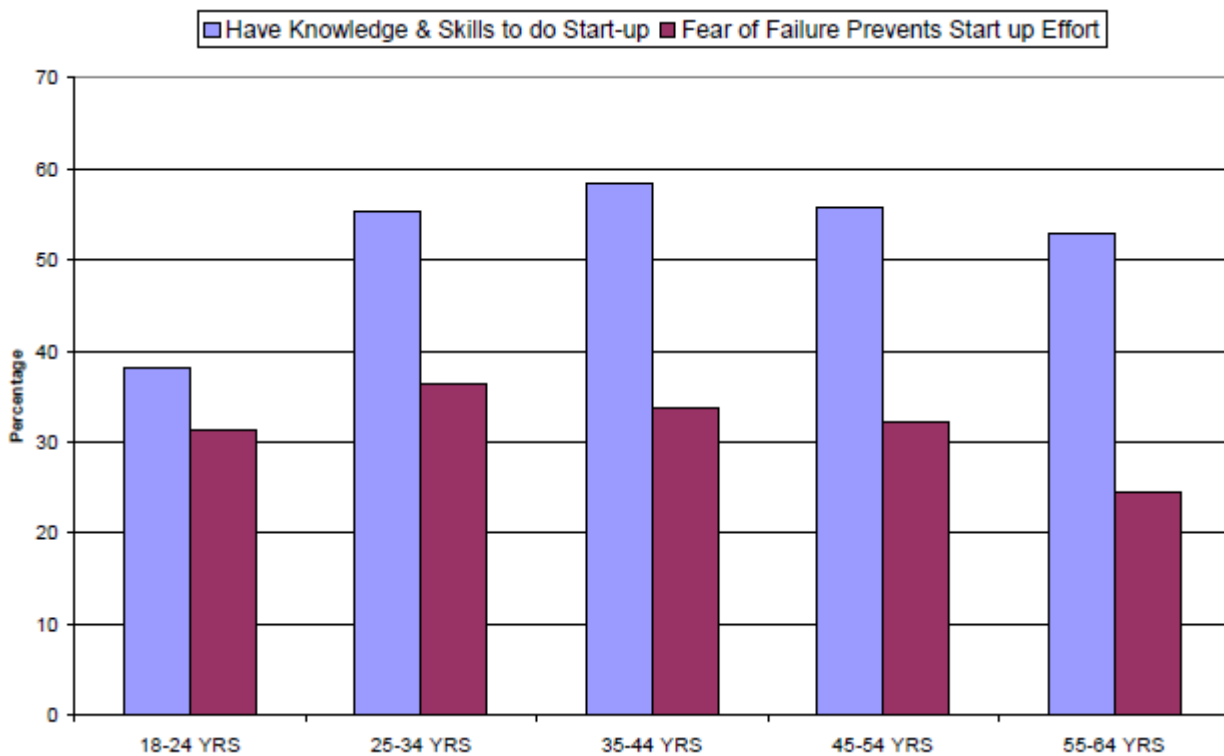


Figure 5: UK GEM 2003: UK Adults Knowledge, Skills & Fears of Failure

Reference: GEM 2003



## **Key Incentives or Rewards enjoyed by Young Entrepreneurs in UK**

Entrepreneurship helps young people achieve economic independence along with making social contributions which further raises their self-esteem. There are also two popular schools of thought to this, first being that *opportunities are discovered*, and second being that *opportunities are created* (short et al, 2010).

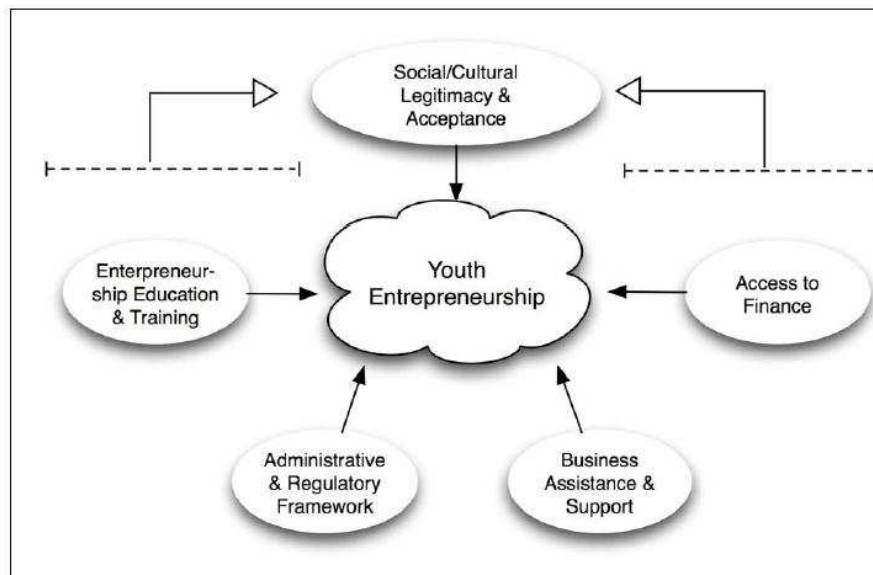
Schumpeter (1934), defines opportunity discovery as 'a chance to meet market need through creative combination of resources to further deliver superior value.' According to Kirzner (1997), opportunity discovery is mainly based on surprise, luck and majorly relies on alertness which happens accidentally. Whereas, Dimov (2007), argues that entrepreneurial opportunities do not come in a readymade format or 'jump out', but they emerge as a process and with time shapes and develops.

### **2.2.2 Factors influencing YE**

There are five crucial factors that foster YE which are as also seen in Figure 6:

1. Social & Cultural attitude towards YE
2. Entrepreneurship Education
3. Access to start-up finance
4. Administrative and regulatory framework
5. Business assistance and support





**Figure 6: Factors influencing YE.**

Reference: Schoof. U, (2006)

### 2.2.2.1 Social & Cultural attitude towards YE in UK

Gibb( 1988), defines 'Enterprise culture' as set of values, attitudes and beliefs which operate within a particular environment which lead to entrepreneurial behaviour and also the ambition of being self-employed. Under this the other factors which can be clubbed are the social legitimacy; perception of entrepreneurship; role of family, parents, relatives and friends; success, reputation and credibility of YE in society; awareness, knowledge and familiarity with concept of YE. The risks appraisal in YE faced by young people is the stigma of failure, loosing social status and loosing life time job.

According to Barclays Bank Survey in UK- youth are generally 'not taken seriously and there is vast age discrimination by suppliers and customers' which are the biggest problems faced by Youth.



### 2.2.2.2 Entrepreneurship Education (EE)

*“A country’s competitiveness starts not on the factory floor or in the engineering lab. It starts in the classroom” – Henry Ford.*

EE is important in supporting young people to develop entrepreneurial skills, behaviour and attributes. It also helps in developing awareness and realising entrepreneurship as a career option. EE also trains young people with attitudes which means taking more personal responsibility and equip them with skills such as flexibility and creativity. There has been numerous developments in creating new entrepreneurship curricula, study programmes, initiatives and many research activities have also been taking place. According to a study conducted by Gallaway et al (2005) found that the students who studied entrepreneurship at universities were more likely to aim a career in it.

Apart from these there are few constraints and shortcomings regarding EE which are as follows:

- a) **Lack of Introduction and adoption of enterprise education:** It is not fairly applied at primary, secondary, technical and vocational and higher levels. EE should be also included at school level and not only at college. It should also be present in other areas of studies rather than just in management studies. It is important to teach the spirit, confidence, trust and leadership.
- b) **Inadequate curricula and study programmes:** mostly the curriculum in entrepreneurship courses encourage to become better managers rather than



entrepreneurs. They are mainly focused for appropriate working in corporates and public sectors.

- c) Wrong learning methods:** There is a lack of practical, experiential and team learning.
- d) Lack of proper trained/ educated teachers:** Teachers in schools should be trained well and should have practical experience. Tools, Resources and information should be available to YE in schools also.
- e) Lack of business and education linkages:** There is a weak linkage between educational institutes and business community in terms of partnerships and classroom learning in combination with structured on the job experience.
- f) Lack of Infrastructure:** Due to financial constraints, schools can't provide access to software's, hardware, internet access etc.

### **2.2.2.3 Access to start-up finance**

The most crucial factor is the availability of adequate start-up finance. This has also been proved by the survey conducted by Euro barometer (2004). Various constraints faced by youth to start-up finance are- lack of personal savings and resources; lack of security and credibility for debt financing; strict credit scoring regulations; complex procedures of documentation; long waiting periods to decide on funding application; lack of knowledge and knowhow on start-up financing possibilities; lack of micro lending or funding. Therefore the largest source of funding for YE are their personal savings, assets, salaries or money from friends and family (Heidrick, 2002).



The study by RSA (Royal Society for encouragement of arts, manufactures and commerce) on YE in UK and the survey on finalist in Shell LiveWIRE awards confirm – that after foregoing salary and personal savings, friends and family are the third most important source of start-up capital (RSA-study - Darby, 2001).

#### **2.2.2.4 Administrative and regulatory burden**

The costs of legislating are higher than what entrepreneur gains in productivity (World Bank, 2005). Various challenges under this are- business registration; tax administration; investment approvals; getting business licenses; patent regulations; long term leases etc. These are costly and are time consuming and YE have less experience in these matters.

According to survey of small businesses in UK by Federation of small businesses – found most of the government funded businesses were not used because of there is less awareness among YE about them (Darby, 2004). They also found that YE are more attracted to unusual sectors and need tailored support services.

#### **2.2.2.5 Business assistance and support:**

Tailored mentoring programmes for YE are insufficient. Besides mentoring, exchanging experiences and ideas and communication with YE is also very important. According to the survey conducted by The Prince's Trust, found that 90% of businesses who had mentors were very successful, making the survival rate higher.



### 2.3 Mentoring Young Entrepreneurs

Mentoring Young Entrepreneurs plays a crucial role in their personal as well as business success which happens at three stages – start-up, midpoint and endpoint. Mentoring reduces dependency and increases self- confidence among young (Cull, J, 2006).

A mentor can also act as an essential asset to a company which has just started up and is growing. The help in warning off problems, help in creating solutions and can also act as a sounding member of the board. It is said that mentors few wise words can save a business from major errors and mistakes, which come from mentor's experience (Cull, J, 2006).

When discussed about mentor and mentee, two methods which are used are '*pulling*' and '*pushing*'- *Pulling* is the ability to offer a safe place where mentee feels secure to share their ideas, agenda, interests and goals by process of listening, asking appropriate questions and drawing solutions to problems. Whereas, *Pushing* is ability to offer stimulation, ideas, challenge, knowledge, tools and wisdom (Cull, J, 2006).



### **2.3.1 Role of Education institutes**

From 2002-2010, providing enterprise education in schools and universities in UK has increased to mainly enhance business, financial awareness and literacy (Davies, 2002). The Centre for Youth Entrepreneurship Education states that “Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities”.

UN Declaration and Conventions have also declared the importance of education and training for creating an entrepreneurial society. After the Intergovernmental conference on Education and Economy in a changing society which was held under OECD (Organization for Economic Co-Operation and Development) held in Paris in 1988 stated that:

“Changes are needed in the education method to nurture competence in being enterprising. It is a vital qualification needed by youth which means they have the ability to be creative, flexible and solve problems.”

ILO successfully created and implemented KAB (Know About Business) programme who’s main objectives were:

- To create positive attitude towards self-employment and also target stakeholders for enterprise development.
- Create awareness of YE as a career option.
- Provide education and knowledge regarding the challenges in starting and operating a business (Haftendorn. K., 2008)



### **2.3.2 Role of Government**

Government provides schemes which offer finance and mentoring to 18- 24 year olds, where they receive advice, guidance and training to develop a successful business plan. PTB (Price's Trust Business Plan) & PSYBY (Prince's Scottish Youth Business Trust), in England, provides support to young people as a lender of last resort. It has invested £23 million which has facilitated 7,800 young people in starting their own business (PSYBT Annual Report, 2004).

There has also been the introduction of Growth Fund, which invests over £475,000 in 37 businesses with around 600 volunteers. Their duties are mainly – panel members assessing business plans and the aftercare advisors mentoring businesses. 62% receive visits from their mentors and 80% of the loans are found repaid (Cull. J, 2006).

### **2.3.3 Role of Organizations**

A good example of an organization which helps young entrepreneurs is *Young Entrepreneur Society Ltd.* Founded by Carly Ward in 2009 was first supported by The Prince's Trust and later by Fredericks Foundation. As a Social Enterprise the main objective is to reinvest surpluses into business or community. They also provide mentoring too young to make a successful start-up (Young Entrepreneur Society, 2012). Another organization is 'Rockstar Youth' which mentors youth on principles to enterprise creation and accelerates growth and investment (Rockstaryouth.co.uk, 2012).



## **2.4 Policies & Programmes for Promoting Youth Entrepreneurship**

To tackle youth unemployment, policies and programmes are created which trains young people for self-employment and helps them to achieve it also. Young people as a group also require more attention and time than adults which require trained and experienced mentors.

Government, education institutes, NGO's etc. can effectively promote YE in many ways as mentioned below which would lead to wider social benefits.

- They can provide instant information, create awareness and educate youth on YE.
- Make youth aware or mentor of the potential risks and rewards so that they can make a conscious choice for entrepreneurship.
- Propagate entrepreneurial attitudes among young people and provide unambiguous training in business and entrepreneurial skills.
- Promotion programmes for YE need to help young people translate business idea into a convincing business plan, provide knowledge on how to run a business on daily basis, provide them with management and technical skills, educate them on legal and administrative issues and train them with financial and accounting skills.
- They can also provide logistic support which is essential for a start up in terms of providing them premises and usage of equipment's at some conditions through different channels (OECD, 2001).
- Lastly and most importantly provide some financial access for start-ups. Local government, business angels and organization and established mentors can provide support by providing micro- credits, credit guarantee schemes, and venture capital funds.





**Entrepreneurship Policies (EP)** acts as sustainable means

for economic growth and generating employment. Lundstorm & Stevenson (2002,5) define EP as “aiming pre- start, start-up and post-start-up phases of entrepreneurial process, designed and delivered to address motivation, opportunity and skill.” This keeps in mind to encourage young people to consider entrepreneurship as a vital option to get started and enter early stages of business. This definition focuses on the role of entrepreneurship education and training and provides entrepreneurial skills and attitudes to shift youth careers from ‘job for life’ to ‘portfolio careers’ (Schoof. U, 2006).

UK embraces many YE policies and schemes to overcome unemployment and promote small business development to encourage young people. Many policies have been made to bridge the gap between world of work and education (Straw & Blair, 1991). Some of the schemes in UK are

- *In 1980's – 90's:* School compacts, Technical and Vocational Educational Initiative, Education Business partnership.
- *Schemes by Voluntary Organizations (Young enterprise) & UK Government:* Mini enterprise in school projects, Enterprise awareness in Teacher education, Education & enterprise initiative, By 2005/6 - 5 days of entrepreneurial learning for secondary level students a cost of £60 million (HM Treasury, 2002).
- *University Based Schemes:* Graduate enterprise programme, Enterprise in higher education, Science enterprise challenge.
- *Best schemes:* Prince’s Trust, Shell Livewire, The new deal for young people.



### 2.4.1 Initiative by Educational Institutes

"In universities we have a melting pot of many different talents and people with big vision. We could be doing a lot more to tap that source – that's where the next Google is going to come from. It's about making entrepreneurialism acceptable and giving students permission to be an entrepreneur." Tom Morgan (2012)

Education institutes in UK have already introduced new curricula to provide young people with information on self-employment. *National Council for Graduate Entrepreneurship (NCGE)* was set up to promote entrepreneurship as education plays a great role in changing the perception of self-employment. *Flying Start Campaign* held a number of rallies at various universities in UK, initiating them to become entrepreneurs. The individual with most promising business ideas are then selected and supported in developing their ideas further on (Startups.co.uk, 2012).

### 2.4.2 Initiatives by UK Government

**The Prince Trust (PTB)- Business Start-up Programme:** The programme founded in 1976 by Prince of Wales is a leading charity. OECD report (2001), cited it as 'best practice model'. It offers grants up to £1,500 in special circumstances and test marketing grants of £250 to young people aged 18-35 years who are unemployed or underemployed and have few resources to start up their business. It offers full service to youth business start-ups by providing training, funding and counselling/advising support for a term of three years. They also help in crafting a successful business plan. Till last year it has supported 54,000 young people and awarded 5,059 with cash awards ([princes-trust.org.uk](http://princes-trust.org.uk)).



Another charity is the *'The Prince's Scottish Youth Business Trust (PSYBT)*, which operates in Scotland which comprises 600 members and 6000 advisors who are specialist in their industries. It has helped launch 47,000 young people to start their business since 1983.

**"Blue Skies" project:** It is a charity which aims to bring young business to life. Volunteers from various businesses familiarize students in the age between 14-19 to opportunities and challenges of businesses through various programmes.

**ShellLive Wire** (Young Entrepreneur Award): It is a global community initiative which encourages YE and provide them with advice and guidance. It offers business assistance services and financial support to YE (aged 16-30 years) through its young entrepreneur of the year competition by wining £10,000 as top prize, £5,000 award for runner up and £2,500 for business receiving judges commendation. The awards provide an opportunity for YE to reflect on their business, receive feedback from other business leaders and meet like-minded entrepreneurs. They also receive media coverage which is fruitful in the long run (Shell-livewire.com)

## **2. Research Methodology**

The main objective of the research is to understand 'how entrepreneurship can act as a tool for employment among young people in UK', further looking upon the obstacles, policy measures and strategies which can support it. Therefore to gain new insights into existing theories of youth entrepreneurship. The research consisted of desk research of all data collected from secondary sources such as articles, journals, reports etc.



### **3. Findings & Conclusion**

After studying the academic literature collected from secondary sources under Youth Entrepreneurship in UK, which is the first step towards a better understanding of:- Entrepreneurial culture for youth in UK; the social and economic opportunities, challenges faced by youth and the factors influencing YE, out of which the report derives certain findings and conclusions.

In the process of starting an enterprise, youth faces challenges in accessing finances, lack of administrative and regulatory start up support and effective mentoring. Government, education institutes and various other organizations have been helping to overcome these problems and support entrepreneurship among youth.

The report further contributes to the scholarly study of how mentoring youth entrepreneurs can provide a better understanding of the role and effectiveness of entrepreneurship among them. Mentoring has been mainly provided for supporting YE as a viable career option, providing advice on developing a successful business plan, and also continued mentoring has been provided after youth starts up their venture.

The paper also discusses about the policies and programmes initiated by government, educational institutes and various other organizations, and their role in supporting entrepreneurial outcomes among youth in UK. The best work regarding this is being done by the Prince's Trust which covers all areas of support by providing Youth- trained mentoring, adequate funding, skills training etc.



Lastly, SWOT analysis was conducted for understanding the Strengths, Weaknesses, Opportunities and threats for EY in UK as shown in Appendix, discloses that government has a positive attitude for supporting entrepreneurship among youth as it has been seen lately that there has been a rising rate of SME's and new businesses. There has also been an increase in students joining post graduate studies and increased investments by venture capitalist has also been viewed. But threats being limited policies and programmes supporting YE and attitude of banks in lending money to youth.

#### **4. Recommendations**

In the light of the findings and conclusions, certain recommendations are provided which will further facilitate in developing a better youth entrepreneurial culture in UK.

##### **5.1 Role of Government**

- Government should always consider embedding Youth Entrepreneurship policies with the Youth employment policies.
- Government can create a positive enterprise culture where they can mentor youth about entrepreneurship as a vital career option, promote the social role of entrepreneurs, organize PR campaigns on YE and can also create competitions and awards for the same.
- Government should create more organizations which provide assistance to youth in the start-up phase, such as enterprise promotional agencies, community based organizations, NGO's and regional government offices.

(Haftendorn. K., 2008)



## 5.2 Role of Education Institutes

- Ministry of education should collaborate with Ministry of labour or Ministries of trade and industry and come up with initiatives together and focus on programmes at secondary and tertiary levels. They can also come up with awareness campaigns, provide technical and financial support.
- Institutes can provide awareness programmes at primary and secondary level and help in developing entrepreneurial beliefs, behaviour and motivation. This will help in building enterprise culture and create long term effects.
- More universities and vocational institutes can design curricula and prepare entrepreneurship as a career option (Dr. N Iredale, 2002- A brief paper on enterprise education).
- Provide more business incubators in business centres and universities to help them overcome the start-up stage.

(Haftendorn. K., 2008)

## 5.3 Improving the access to Finance for YE

- More research on start-up and finance for business should be done. Consultations or interviews with stakeholders, banks, credit institutes, NGO's and other finance agencies should be done to get a better view on how the problem can be tackled.
- More provision for grants and 'free money' should be provided to YE for time estimated for starting till stabilizing the business. It acts as an aid to money for people who have been rejected finance from conventional forms.
- Facilitation and providing debt financing and guaranteed loans for young people which are government backed loans. Soft loans can be provided which involves providing low



interest loans. It can have eligibility criteria as having a good business plan, representing responsibility, showing equity participation and most crucial is showing the ability to repay the loans.

- Loan guarantee schemes and risk venture capital can be provided to secure financing for small businesses with less stringent requirement.
- Angel investors can be emerged into the initiatives who are often retired entrepreneurs. They provide funds, management advice and provide important contacts.

#### **5.4 Reducing Administrative & Regulatory Burdens**

- Supportive taxation regulations should be provided to YE. Electronic tax statements, simpler methods of accounting, assistance for keeping proper records can be provided.
- ‘One stop Shop’ can be created where all regulations and fees can be sougheed out under one roof with a fixed fee. All help can be provided in terms to filling forms and documents.

#### **5.5 Improving Mentoring and assistance for YE**

- Enterprise support agencies or NGO’s can provide on job training and mentoring on topics related to start-up issues and on expansion.
- YE can be mentored on online portals and websites. Online training, information and mentoring can be provided for young people of different ages. Virtual meeting places can be created.



- Formal or informal mentoring can also be provided. Informal mentoring develops on their own whereas formal mentoring refers to assigned relationships who provide pro bono advice.
- Entrepreneurial clubs and networks, Youth chambers of commerce can be created to connect young with experienced entrepreneurs who can help them to find right business partners and enter the market. Speaker series, business roundtables, business lunch/ dinner etc. can be arranged.
- Entrepreneurial Trade fairs/ exhibitions can be enabled along with media support.





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## Appendix

Strengths, Weaknesses, Opportunities and threats for EY in UK.

Strengths & Opportunities	Weaknesses & Threats
<ul style="list-style-type: none"><li>• Positive attitude of government supporting entrepreneurship</li><li>• Rising interest in Post graduate studies among youth</li><li>• Rising rates of SME's and new business creation in various sectors.</li><li>• Increase in venture capital investments.</li></ul>	<ul style="list-style-type: none"><li>• High rates of youth unemployment</li><li>• Not many policies and procedures supporting YE.</li><li>• Banks attitude of considering youth as risky lenders.</li><li>• Start-up Investment by venture capitalist is low.</li></ul>