

A Focus on a National Youth Entrepreneurship Strategy

Issue

Given persistently high rates of youth unemployment in Canada, recently measured at 12 percent,¹ preparing Canadian youth to follow an entrepreneurial path is not only an acceptable choice, but also a strategic decision. Not enough of the available programs in Canada that introduce youth to career pathways, focus on developing practical entrepreneurial skills. It will take the combined support and involvement from all sectors, including businesses, to address the need for more support to develop Canada's future business owners.

An example of what can be done in Canadian Communities

Surrey is a young, rapidly growing city with one third of its population under the age of 19. While this is a source of strength, it creates strains in key areas such as programs and services, housing and the job market. Vital Signs 2015, a Coast Capital Savings sponsored survey of Surrey youth aged 12 to 24, showed that older youth overwhelmingly felt they had not received adequate life skills training in their elementary and secondary years and were unsure of their ability to successfully transition out of school into stable fulfilling employment. Statistics show that youth unemployment and underemployment is rising and entry-level wages do not cover the cost of living.

The Surrey Board of Trade (SBoT) has focused on entrepreneurial strategies for youth for the past 10 years, and in 2016 launched a Youth Entrepreneurship and Advocacy Action Plan led by a team of youth and business leaders. The goal of the Action Plan is to combat unemployment, promote entrepreneurship and improve economic prospects for Surrey youth through targeted services, events, programming and mentorship. Part of the action plan is to work with PowerPlay Young Entrepreneurs, a curriculum-based program for grades 4-8 classrooms. Each student creates a real business by developing a business plan, product and marketing materials. Students develop practical entrepreneurial skills such as creativity, critical thinking and communications that can support them in all areas of life. They also discover that entrepreneurship is a viable career path.

Surrey Board of Trade also leads a PowerPlay program called Project Enterprise in secondary school classrooms. Similar to the elementary program, students develop real social enterprises and discover their ability to be change makers and redefine success in business from an exclusive focus on profits to one that prioritizes people, the planet and profits.

A real-world approach to learning within the school setting and supported by businesses helps young people develop an entrepreneurial mindset that is needed in a highly competitive marketplace. Together the Surrey Board of Trade and PowerPlay Strategies have created a model that can be easily adopted in other Canadian communities.

Supporting the Current Workforce

With half of all owners of small and medium-sized business in Canada retiring in the next decade and youth unemployment more than double the rate of older age groups, youth entrepreneurship is an opportunity to create jobs for young people and others, generating tax revenue, and producing the products and services that will play a vital role in our economic success. Governments and corporations need to incubate entrepreneurial talent.

On a global scale, there are 73 million people between the ages of 15 and 24 who are currently unemployed: 15 to 18 per cent of youth in Brazil, Russia and the USA; 21 to 23 per cent of youth in France and the United Kingdom; and, 30 to 52 per cent of youth in Italy, Spain and South Africa. These unemployment figures are set to climb higher, according to findings from the G20 Youth Entrepreneurs' Alliance.²

Giving young people a real opportunity to gain control over the direction of their lives can reduce the crippling malaise and hopelessness that permeates communities with vast numbers of unemployed youth. With basic business

¹ The national youth (15-24) unemployment rate for May 2017 was 12% <http://www.statcan.gc.ca/daily-quotidien/170609/dq170609a-eng.htm>

² G20 Young Entrepreneurs' Alliance <https://www.g20yea.com/>

education and access to microloans, the economic ecosystem of whole communities can change drastically: small businesses create local jobs and keep capital circulating in communities.³

The United Nations Conference on Trade and Development (UNCTAD) developed a Policy Guide on Youth Entrepreneurship.⁴ The report builds on previous work by UNCTAD and recognizes the specific needs of young people. In summary, the five recommendations include⁵:

1. **Optimize the regulatory environment** – Ensure that regulations do not in themselves present barriers, the recommendations are to balance regulation and standards with development objectives, introduce transparency and ease of access through “one stop shop” bundling of business registration, etc. Overall, the purpose is to simplify regulations where it makes sense.
2. **Enhancing entrepreneurship education and skills development** – The recommendation is to begin introducing entrepreneurship awareness from the beginning of the school experience. (Similar to the program that SBOT uses, educational programming from kindergarten through to post-secondary, would provide experiential, hands-on training that incorporates external mentors and would include a variety of opportunities including trades, apprenticeships, innovation, and other extra-curricular programs. Some of this has been included in the language for the new BC K-12 curriculum; however, there is opportunity to expand.)
3. **Facilitating technology exchange and innovation** – Information and communication technologies (ICT) are critical for any new business venture, and is a particular challenge for marginalized young people (socio-economic barriers, remote locations, etc.). Incubators, research and development labs, knowledge hubs, education-industry collaboration and business mentorship are but a few ways that ICT challenges can be overcome. An appropriate policy would also include a mechanism to facilitate youth-led businesses connecting with potential clients/customers.
4. **Improving access to finance** – Challenges such as age restrictions and low financial literacy levels can be overcome by developing youth-friendly financial products, including flexible loans or a credit bureau, increasing financial inclusion, and recognizing public-private partnerships as a means of collateral for a start-up. Business mentoring should be seen as an invaluable resource for young entrepreneurs and should be encouraged.
5. **Promoting awareness and networking** – The hardest challenge for a young entrepreneur is to overcome negative attitudes and to connect with a supportive environment to foster their development. Businesses, along with governments, can jointly elevate the value of entrepreneurial programs, encourage and support peer networks, utilize media platforms to celebrate success, and to promote investments. Much of this is incorporated in the SBOT programs described above.

The recommendations through the UN report encompass provincial, territorial and federal jurisdictions and will require collaboration between those governments and businesses to ensure that the business owners and employers of tomorrow are given the best tools to succeed.

Recommendation

That the federal government work with provincial and territorial governments to create a comprehensive national youth entrepreneurship strategy, using best practices such as those recommended by the United Nations Conference on Trade and Development (UNCTAD) Policy Guide.

³ http://business.financialpost.com/entrepreneur/fp-startups/the-incoming-government-should-be-looking-to-entrepreneurship-to-cut-youth-unemployment?_lsa=6793-e31d

⁴ United Nations, UNCTAD, Policy Guide on Youth Entrepreneurship, 2015.
<http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1404>

⁵ Ibid, P.11