

Center for
Excellence

**“Prosperity Panel on Promoting
Youth Entrepreneurship
through Start-ups”**

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Definition of (youth) entrepreneurship

“Entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity or it will involve “innovation” and “risk taking”

Entrepreneurs need to be encouraged at early ages

- **Pre-entrepreneurs** (from 15-19 years):
 - The formative stage transition from home or education to work place.
- **Budding entrepreneurs** (from 20-25 years):
 - Growth stag
 - Youth gained some experience, skills and capital to run their own enterprise, they face 3 pathways i.e. remaining stuck in marginal activities, going out of business & running successful enterprise
- **Emergent entrepreneurs** (from 26-29 years).
 - The prime stage, with valuable experiences in business and are able to run more viable enterprises.

MOTIVATIONS OF YOUNG PEOPLE TO ENGAGE IN ENTREPRENEURSHIP



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There are major challenges facing most governments. An estimated of 88 million young women and men need employments.

An alternative is to become an owner of a micro or small enterprise

What are the elements to help them to became owner of a micro or small enterprises?

- Skills
- Knowledge
- Awareness about option
- Enabling environment for enterprise creation

There is a need for a framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people. It is an innovative approach to integrating youth into the labour markets.

It means that young people are attracted to.

Young people are actively involved in entrepreneurship in developed, transition and developing countries According to Global Entrepreneurship Monitor (GEM) data of 34 countries revealed that the levels of activity by age groups and by motivation differ across countries with different income levels.

- 18 – 24 years old => participating in entrepreneurial and start-up activity tends to be lower than
- 25 – 34 years old and 35 – 44 years old
- 44 – 54 years old => more involved in entrepreneurial-related activities

REASONS FOR THE IMPORTANCE OF PROMOTING YOUTH ENTREPRENEURSHIP



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- Offer employment opportunities for self-employed youth as well as the other young people they employ;
- Bring in alienated and marginalized youth back into the economic mainstream and provide them with a sense of meaning and belonging;
- Address some of the socio-psychological problems and delinquency that arises from joblessness;
- Support in the youth develop new skills and experiences that can then be applied to more in successful venture;
- Promoting innovation and resilience in youth;
- Promoting the revitalization of the local community by providing valuable goods and services.

Figure 1: Diagnostic framework for young entrepreneurs

<p>High</p> <p>Readiness</p> <p>Low</p>	<p>Group A: Enterprise able</p> <p>Current status – will be an employee or student with either business experience or business qualifications.</p> <p>Personal characteristics – likely to have been exposed to enterprising role models and/or had an enterprise education experience.</p> <p>Service needs – likely to require general information and advice about business start up.</p>	<p>Group B: Enterprising</p> <p>Current status – will be preparing to be self-employed, or already is self-employed. May have business qualifications.</p> <p>Personal characteristics – likely to have self-employed parents, or prior work experience in the same industry and had an enterprise education experience.</p> <p>Service needs – likely to require specialized information and business advice and/or mentoring, and the opportunity to network with other enterprising young people.</p>
	<p>Group C: Pre-enterprise</p> <p>Current status – will be an employee or student</p> <p>Personal characteristics – unlikely to have been exposed to enterprising role models and/or had an enterprise education experience.</p> <p>Service needs – likely to require exposure to information about being enterprising and what it takes to start a business.</p>	<p>Group D: Enterprise aware</p> <p>Current status – will be interested in being self-employed or already be self-employed.</p> <p>Personal characteristics – likely to have self-employed parents, prior work experience and/or had an enterprise education experience. May already have a business idea.</p> <p>Service needs – likely to require skill development and information and advice about business start-up or management.</p>
	<p>Intention</p> <p>Low</p>	<p>High</p>

BARRIERS AND INCENTIVES TO ENTERPRISE START-UPS BY YOUNG PEOPLE



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Crucial factors for entrepreneurial engagement that should be addressed by appropriate programmes to foster youth entrepreneurship.

1. Social and cultural attitude towards youth
2. Entrepreneurship education
3. Access to finance/Start-up financing
4. Administrative and regulatory framework
5. Business assistance and support

BARRIERS AND INCENTIVES TO ENTERPRISE START-UPS BY YOUNG PEOPLE



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1. Social and cultural attitude towards youth entrepreneurship
 - Create the Infrastructure
2. Entrepreneurship education
3. Access to finance/Start-up financing
4. Administrative and regulatory framework
5. Business assistance and support
 - Through strategic alliances with the major players on the country.

SOCIAL AND CULTURAL TOWARDS YOUTH ENTREPRENEURSHIP



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A cultural environment in which entrepreneurship is respected and valued, and in which business failure is treated as a useful learning experience rather than a source of stigma, will generally be more conducive to entrepreneurship.

SOCIAL AND CULTURAL INFLUENCES AFFECTING (YOUTH) ENTREPRENEURSHIP

- The role of religion, cultural values, beliefs and behaviors
- The social legitimacy and perception of entrepreneurship

How young individuals perceive entrepreneurship depends particularly upon:

- A. Their personal environment.
- B. Their individual awareness and familiarity with the concept of entrepreneurship;
and
- C. The general reputation, acceptance and credibility of entrepreneurs in society.

Promoting youth entrepreneurship can be a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people.

Multidimensional approach as it fights youth unemployment

- It creates employment opportunities for self-employed youth as well as for other young people being employed by young entrepreneurs.
- It provides youth with entrepreneurial skills and attitudes that are necessary to cope with the general shift from traditional 'job-for-life' careers towards 'portfolio careers'.

Defining Youth Entrepreneurship Policy

Policy measures taken to foster entrepreneurial activity of young people

- Focus on structured aimed at the pre-start-up (including entrepreneurship education), start-up and post-start-up phases of the entrepreneurial process.
- Designed and delivered to address the areas of motivation, opportunity and skills
- With the main objective of encouraging more young people to start an entrepreneurial undertaking or venture and at the same time to improve young peoples' general employability.