

YOUTH ENTREPRENEURSHIP STRATEGY

INTRODUCTION

The Youth Entrepreneurship Strategy is a holistic integrated strategy which seeks to create an enabling environment for the development of successful and sustainable youth-led businesses. It aims to provide a framework which supports the rationalization and synchronization of existing policies, programmes and legislation in a way that will promote entrepreneurship among youth while identifying the gaps and addressing them.

The vision of Jamaica to be “the place of choice to live, work, raise families and do business” has as one of the fundamental tenets the commitment to *seek out and support the entrepreneurial talents and creativity` of our own people* while ensuring that *our youth are empowered to contribute meaningfully in building and strengthening the communities in which they belong*. In order for this vision to be realized, there is the need to harmonize the various entrepreneurial efforts being pursued by entities such as Jamaica Youth Business Trust, Jamaica Business Development Centre, Young Entrepreneurs Association Rural Youth Employment Project, Young Farmers

Entrepreneurship Programme and Youth Entrepreneurship Programme.

In 2004, the Government of Jamaica enacted the Revision of the National Youth Policy. One of the six focal areas of the Policy is **Employment and Entrepreneurship**. The strategic objectives identified in the policy (2004) for employment and entrepreneurship are to:

- To increase the employability of youth
- To increase the number of employment opportunities for youth
- To foster an environment conducive to creation of opportunities for self employment

While Jamaicans are “very entrepreneurial in nature”, the orientation is primarily about “survival entrepreneurship” or hustling or juggling, which is not necessarily synonymous with the core concepts of entrepreneurship. Entrepreneurism is not taught or inculcated in individuals from the secondary school level. All the basics tools are taught, English, Mathematics, Office Procedures, and Principles of Business, all of which are important, but become almost inadequate right after the graduation ceremony when young people

need employment. Upon leaving school at the secondary level, and even at the tertiary level, the aim is predominantly to seek employment in an already established company or eventually an already existing small business, just to make ends meet. These factors point to the need to foster sustainable entrepreneurship culture through education and creating a supportive framework. Addressing this issue requires a coordinated multi-sectoral approach to create sound and effective solutions to the perennial high youth unemployment rate.

While entrepreneurship is only a partial solution to the high unemployment problems faced by youth, it remains a viable alternative. The successful advancement of an entrepreneurial agenda requires guaranteed supply of competent entrepreneurs and people with specialized and technical skills in the labour force. The current trend points to severe levels of deficiency, which means there is a serious gap to be mended for youth entrepreneurship to progress.

The National Youth Policy (2004) and the accompanying Strategic Plan had a five-year cycle and is currently being

reviewed. This gave the Ministry of Youth, Sports and Culture an opportunity to develop a standalone strategy for Youth Entrepreneurship that would accompany the Revised National Youth Policy.

The development of this strategy is geared to achieve the following:

- Provision of a framework for the coordination, support and measurement of the various entrepreneurial efforts being pursued by entities involved in youth entrepreneurship.
- Strengthening the role of youth in national economic development by unearthing and focusing their skills and abilities into areas that make for sustainable enterprise development.
- Encouragement of a greater cross-section of young people to actively participate in entrepreneurial related sustainable enterprise development.
- Giving prominence to youth entrepreneurship. Since youth is a transitional period and its constituents have special needs, any approach for their engagement and empowerment must be tailored to these peculiarities that define them

Building on what exists

In recent years much has been done to promote youth entrepreneurship in Jamaica, both in the private and public sectors. The National Youth Policy (2004) also had one of its focal areas prioritizing employment and entrepreneurship. As a result, organizations are mandated to steer youth entrepreneurship through various programmes and initiatives. Some of the organizations operating are: Jamaica Youth Business Trust (JYBT), Jamaica Youth Employment Network (JYEN), Jamaica Business Development Centre (JBDC), Young Entrepreneurs Association (YEA), Youth Entrepreneurship Programme (YEP) and the Young Americas Business Trust (YABT).

The Jamaica Youth Business Trust (JYBT) is a non-governmental youth entrepreneurship development organization established in 2000 primarily to help young entrepreneurs access capital financing for viable business ideas. The JYBT provides loan financing at the micro-level up to a

maximum of J\$5,000, 000 per business. Loans do not require collateral, but applicants must present a sound business plan and meet the other eligibility criteria set out by JYBT. Loan beneficiaries have up to five years to repay; interest is calculated on the reducing balance.

JYEN is the Jamaican arm of the Youth Employment Network (YEN), a programme active in 19 countries around the world. YEN was created in 2001 by the UN, and the World Bank to facilitate “decent and International Labour Organization (ILO), productive” youth employment. JYEN was established in 2005 under the auspices of the Jamaican Employers’ Federation, in cooperation with 23 public and private youth and employment related entities, as well as with the full support of the Government of Jamaica. JYEN is the only branch of YEN in the Caribbean and the only to be hosted by a private entity. The JYEN has four focal areas: Employability, Entrepreneurship, Equal Opportunities and Employment Creation.

Another critical organization that provides support for young entrepreneurs is the Jamaica Business

Development Corporation (JBDC). Since its establishment the JBDC has served to advance the interests of the Micro Small and Medium Enterprise (MSME) sector. The corporation's mandate is to facilitate the growth and development of the Micro and Small Enterprises (MSME) sector [in Jamaica]. While having that general mandate youth are able to benefit from the JBDC through the Building Youth for National Development (BYND) Programme which is a government funded project that provides business development training, grant funding and or internship for youths in the age group of 17-35 years old; the project began in 2002 and entered its third phase in March 2009 because of the success of the previous two phases.

The Young Entrepreneurs Association (YEA) is a volunteer-driven non-profit organization whose mandate is to support young people in business. Aimed at business owners 45 and under, YEA provides members an opportunity to learn from each other's experiences and take advantage of peer mentorship as they grow their businesses.

Youth Entrepreneurship Programme (YEP) is the government of Jamaica's initiative to ensure that school leavers, at high school and tertiary levels, who demonstrate strong entrepreneurial spirit and drive, will be able to benefit from training and access financing for viable projects. In his 2009/10 Budget Presentation in Parliament, Prime Minister the Hon. Bruce Golding announced a social safety initiative, the Young Entrepreneur Programme (YEP), to provide training and funding for these school leavers to develop small businesses.

To be eligible for the facility, youth needed to be a June 2009 school leaver from a high school, community college or tertiary institution; this includes graduates of schools for students with disabilities. In 2011, fund management for YEP was transferred to the Ministry of Youth, Sport and Culture. The Ministry has since signed an MOU with JYBT. Through this Partnership the GoJ/MoYSC will contribute to the funding of The Trust, and consequently increase the capacity of The Trust to provide loan financing to young entrepreneurs. On behalf of the Partnership, the JBYT will

prudently, efficiently and effectively manage the funds and loan portfolio of The Trust.

Another organization which provides support to young entrepreneurs is the Jamaica chapter of the Young Americas Business Trust (YABT). The YABT promotes social and economic development in the Western Hemisphere and elsewhere through programmes, projects, and activities focused on: helping to create and advance efforts to improve the quality of life of youth and young adults, especially those living in or near poverty. This is done using several strategies. However, creating opportunities for the employment of youth and young adults through entrepreneurship, enterprise creation, formal and non-formal training, application of technology, and the expansion of existing enterprises operated by young adults are strategic objectives.

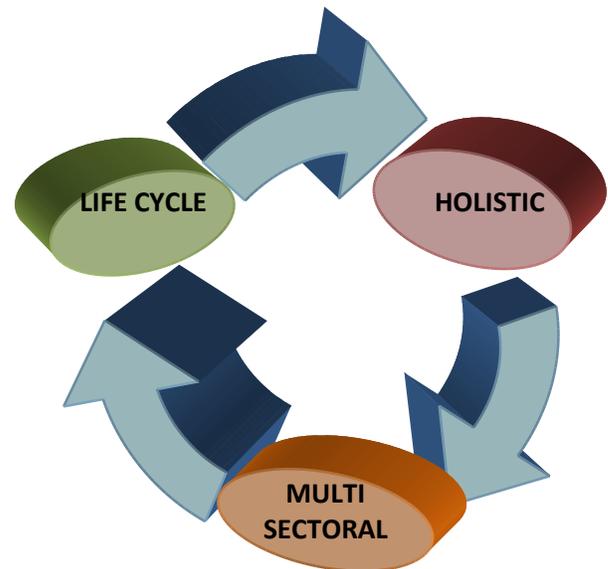
The information presented is an indication that there are many organizations that provides support to young entrepreneurs in Jamaica. This includes technical support such as writing

of business plans, mentorship, business counseling and marketing. Youths are also provided with financial assistance in the form of loans and grants.

Guiding Principles

The environment for the Youth Entrepreneurship Strategy is defined and determined by the following principles:

1. a life-cycle approach
2. a holistic approach
3. a multi-sectoral approach



The **life-cycle approach** acknowledges that there is a continuum between the physical, emotional and psychological development of the human being. While the definition of youth adopted by the

National Youth Policy (2004), targets youth between the age cohort 15-24 years, this strategy recognizes that the average youth entrepreneur may be outside of this cohort and will need support beyond the age of 24.

The Youth Entrepreneurship Strategy seeks to promote a **holistic approach** to positive youth development in Jamaica especially as it relates to responding to the general needs of youth in a comprehensive and harmonious way rather than with knee-jerk interventions and initiatives.

Successful youth development can only be achieved when government, private sector, non-governmental organizations, donors and civil society all work together for the advancement of the youth agenda. This is why the strategy must adopt a **multi-sectoral approach**.

Delivering the Action Plan

Our priority will be to focus our attention on our youth and how we can empower them by facilitating the creation of opportunities for employment and an environment that promotes entrepreneurship.

The development of an entrepreneurship culture is vital for the advancement and sustainable development of enterprising behaviour among youth. Acknowledging entrepreneurs' achievements, especially young entrepreneurs and using them as role models are meaningful and practical approaches in helping to create a culture of entrepreneurship. A positive perception, building self-reliance and initiatives will also aid in entrenching the requisite values and attitudes of entrepreneurship among youths. Having the right combination of internal motivation, skills and the opportunities, are significantly greater influence in youth choosing entrepreneurship over paid employment. The extent to which this is present in the population will greatly determine the strides or progress a nation will make in advancing an entrepreneurial agenda.

Another vital component is the investment in entrepreneurship education, primarily from an early age. Additionally, secondary and vocational institutions must be equipped to respond to the various needs of this new wave of entrepreneurial thinkers. Ultimately, pedagogy and facilities must be upgraded to deliver the quality education and training necessary to prepare youth properly for the entrepreneurial exploration. Fostering an entrepreneurship mindset, competences, leadership and management skills, savings and the accompanying attitudes are important to advance entrepreneurship in a strategic way locally. The cooperation of the various ministries, universities and research institutions should undertake the lead role in enriching the entrepreneurship educational experience.

The inclusion of priority groups will provide vital leverage for catapulting entrepreneurship locally. The unemployment rate of young women is significantly higher than that of their counterpart. However, the GEM report of 2005, highlighted that Jamaica female entrepreneurs are ranked fourth (4th) in

terms of involvement in enterprising. This is a positive indication that investing in young women who are passionate about entrepreneurship would be a valuable and timely investment.

Jamaica must also strive to become more business friendly. Therefore, the revision and enhancement of policy and regulatory framework are compulsory if this goal is to be achieved. This should enable the creation of an enabling environment based on the various laws, and allow for the provision of competitive business services in a tangible manner. This should contribute to boosting the sustainability of the enterprises and encourage youth to explore entrepreneurship perspectives.

To complement the various actions, mentoring of young and potential entrepreneurs will provide a greater guarantee for the survival and success of youth enterprises. Hence, providing continuous and accessible guidance to young entrepreneurs must be at the core of the strategies.

The plan aims to deliver on the four areas:

- **Educating**
- **Providing access to Venture Capital**
- **Mentoring**
- **Providing access to Incubators**

Educating: Provide young people with entrepreneurial learning opportunities

Goal

To make entrepreneurship education and training integrated in the learning experience of students from the primary to the tertiary level.

Strategic Objectives

1. Inclusion of entrepreneurship in schools curricula from primary school to university
2. Develop teaching resources and models to ensure students centred learning
3. Adequate preparation of instructors/teachers in administer lessons on entrepreneurship and innovation

4. Develop student support entrepreneurship programmes
5. Emphasize participatory action research(PAR) and community enterprising
6. Legalize the operation of virtual and student-run enterprises

At the foundation of creating a society which entrepreneurship is pervasive, entrepreneurship education must be the catalyst. As such, there have been numerous calls to integrate entrepreneurship education into the curricula of the education system from the primary to university level education. There is scope for entrepreneurship education as traditional youths have been trained to seek employment. One indicator of this mentality in Jamaica is that government remains the single largest employer. In this era where the impact of globalization is causing serious retraining for government forcing it to “right-size” and become more efficient, entrepreneurship education provide an opportunity to prepare young people to view employment from a new paradigm-self employment.

However, effective promotion of entrepreneurship education will require

much more than mere inclusion in school curricula. There is a vital need to develop pedagogical methodologies to ensure a standardized quality of entrepreneurship education. Likewise, teacher preparation, meaningful simulations, adequate resources and facilities, continuous research and emphasis on innovation must be integral components of the learning experience.

More profoundly, young people can benefit substantially from entrepreneurship education. Exploring entrepreneurship education, young people, even those with disabilities can learn organizational skills, including time management, leadership development and interpersonal skills including **intrapreneurship** (*use of entrepreneurial skills within a larger organization to develop an innovative product or service*), which are invaluable, both in the desire to start a business and to seek employment.

Providing access to Venture Capital: Provide access to venture capital

Goal

To assist in the creation of a sustainable business environment that is sensitive to the needs of micro, small and medium enterprises (MSMEs) and youth-run enterprises.

Strategic Objectives

1. Facilitating greater access to youth-friendly credit
2. Mobilization of financial resources
3. Negotiating bi-lateral and multi-lateral collaboration

The ultimate aim of a healthy business environment is to stimulate growth and retard the growth of poverty. In the context of business, essential services such as business registration, access to loans, counselling and mentoring should be accessible in one location “a one stop shop”. This is being practiced in other countries, where all the different public departments having responsibilities for formalizing a business, converge in one location. This creates efficiency, increase

accessibility and cut cost. The appropriate regulations eliminate unnecessary bureaucratic process to boost efficiency and productivity.

The Doing Business Report (2009) study ranked Jamaica 63 out of 178 countries. This jump is twenty (20) places downward from 43 in 2006. The rating reflects a need to create an environment which better encourages entrepreneurship, especially in light of the desire to create a developed nation and the place of choice to do business by 2030. It is absolutely clear that Jamaica needs to become more business friendly, especially for young business owners.

Strengthening the Memorandum of Understanding between the Government of Jamaica/Ministry of Youth, Sports & Culture and the Jamaica Youth Business Trust is therefore necessary for these objectives to be achieved. Greater emphasis will also need to be placed on mobilising financial and technical support for youth businesses.

Mentoring: Draw on the experience and expertise of the business community to support young entrepreneurs

Goal

To foster a generation of Jamaicans who are aware of economic opportunities and are sufficiently knowledgeable to take advantage of them.

Strategic Objectives

1. To forge linkages among entrepreneurial service providers, tertiary and vocational institutions
2. To use more youth friendly media to promote and encourage entrepreneurship and/or intrapreneurship
3. To facilitate the creation of a one stop shop offering among other things, mentoring and market information
4. To increase networking and clustering among entrepreneurs
5. Provide support for small businesses owned and operated by youth
6. Help youth to develop the technical and other skills

necessary to exploit business opportunities

7. Develop a youth “business plan bank”

Effectively promoting and mainstreaming entrepreneurship among youth requires going beyond the school curricula to engage and empower youths. This is imperative if a strong entrepreneurship culture is to be promulgated. Non-governmental organizations, community based organizations and institutions like the family, churches, uniform groups, should openly support the agenda of wealth creation, innovation and entrepreneurship “code ethic” in a more sustainable way to provide that basis upon which a new paradigm can be created, which supports the entrenchment of “real” entrepreneurship in our society. This would ultimately complement the state agenda, which is to create a conducive environment where entrepreneurs can thrive. Therefore, all sectors of our society must participate in promoting entrepreneurship and entrepreneurship education, especially to our youth.

The best form of education and heightened awareness is accomplishment.

Youth need to see it to believe it (Culture). Specific communities and sectors are to be selected, targeting a specific number of youth in each community who will actually go through all the stages: training, inventory, business registration, the proposal, capital, and ultimately the business. After starting the business, post-assistance must be rendered to boost the chance of survivability of the enterprises in the form of guidance and mentoring. The aim is to develop a conscious belief in other youth in these communities that they can also learn how to and eventually start their own small businesses but with adequate support. This will demand greater coordination among agencies supporting entrepreneurship both in the private and public sector.

Providing access to Incubators: Provide access to business support resources and services

Goal

To stimulate youth employment through anticipating the needs labour market locally and international and equip youth with the appropriate knowledge, skills, attitudes and ethic to make entrance at various levels.

Strategic Objective

1. To prepare young people to take the next step towards starting their own business and teach them the skills to manage the operations of a business
2. To explore employment opportunities in non-traditional sectors such as environmental research, sports research and development.
3. To provide support services (without which most small business would not survive) on high potential start-ups

especially in key priority sectors services.

4. To empower youths by teaching soft skills and good work ethic.

It is therefore paramount that more innovative approaches are exercised in responding to the potentially explosive issue of high unemployment rate among youth. To tackle this common problem, an integrated approach where youths, the government, private sector and non-governmental organizations are able to cooperate in developing responses to the phenomenon of youth unemployment. The strategies must compromise of short-term, medium and long-term objectives. The role of the incubator is to provide a medley of offerings which will help businesses grow to viability, at rates that can be afforded. In an attempt to increase sustainability the incubator can marry a traditional incubator with a business enterprise centre.

Action Plan Summary

	Action	Lead Agency	Partners
Education	Launch entrepreneurship in schools curricula from primary school to university	MOE	UTech, UWI, NCU, MICO, MYSC, HEART
	Develop teaching resources and models to ensure students centred learning and adequately prepare instructors/teachers to administer lessons on entrepreneurship and innovation	MOE	UTech, UWI, NCU, MICO, MYSC, HEART
	Develop student support entrepreneurship programmes	UTech	MOE, UWI, NCU, MICO, MYSC, HEART
Venture Capital	Facilitating greater access to youth-friendly credit through the review and possible adjustment for loans and credit facilities	MICI	MoFPS, JYBT, MYSC, JEF, YEA
	Mobilizing financial resources	JYBT	MoFPS, MYSC
	Negotiating bi-lateral and multi-lateral collaboration	MYSC	MFAFT
Mentorship	Forge linkages among entrepreneurial service providers, tertiary and vocational institutions	MYSC	JEF, YEA, MLSS, PSOJ, JBDC
	Facilitate the creation of a one stop shop offering among other things, mentoring and market information	JYBT	YEA, JEF, JBDC, MICI, PSOJ, HEART,
	Lobby for the legalisation of virtual and student-run enterprises	MYSC	MICI, MoFPS
	Develop a youth “business plan bank”	JYBT	MYSC/NCYD, JBDC, YEA, MICI
Incubat	Prepare young people to take the next step towards starting their own business and teach them the skills to manage the operations of a business	UTech	JBDC, MYSC, YEA, JEF, PSOJ, JYBT

	Action	Lead Agency	Partners
	Provide support services on high potential start-ups especially in key priority sectors services	JYBT	JBDC, MYSC, YEA, JEF, PSOJ, SRC
	Develop business incubators geared towards youth employment	MYSC	JBDC, UTech, SRC
	Lobby for enabling legislation to allow for the cultural products and services to collateralized/capitalized	MYSC	MICI, MoFPS

Measuring Success

The Youth Entrepreneurship Strategy must be acknowledged not only as a part of the Revised National Youth Policy but more importantly as a critical plan for Jamaica's social and economic development. The actions outlined in this Strategy will directly impact on our country's ability to achieve the goals set out in the National Development Plan (Vision 2030) especially as it relates to the facilitation of an enabling business environment. It is therefore critical that the outcomes and indicators are monitored carefully to determine whether the expected results are aligned with those of the NDP.

Like the National Youth Policy (2004) and the National Strategic Plan for Youth Development, the Youth Entrepreneurship Strategy will employ the use of a participatory approach to the monitoring of the Strategy. Additionally, a committee would need to be established

to review and support the MYSC in monitoring the achievement of targets. The Committee will undertake to achieve the following:

- Review and approve the framework for the Strategy
- Agree on suggested targets for the Strategy
- Monitor progress against targets set and international benchmarks
- Agree on an evaluation framework to measure both the qualitative and quantitative impact of the plan
- Provide guidance on quality assurance
- Begin identifying and advocating for resources needed to implement the Strategy
- Promote and mentor youth participation in the implementation and monitoring of the Strategy

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