
Global youth unemployment - Is early identification of entrepreneurs the solution for reducing unemployment and the burden on the welfare state?

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Youth unemployment is a global phenomenon that is on the increase. It is a problem that isn't going to be solved overnight, but one which needs to be addressed immediately to prevent an exponential expansion that has the potential to become irreversible. This paper seeks to examine the issue and asks the question could early identification of entrepreneurs go some way towards providing a solution, and if so, how can this be achieved? In conclusion the paper highlights the implications for further study in both theory and practice, the outcome of which may not be a panacea to the global problem, but may help to reduce the dilemma.

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1. INTRODUCTION

This paper begins by explaining that in order to become entrepreneurial a person must first understand the value of money or material things, which makes it hard for children to exhibit entrepreneurial traits until they have reached this level of cognitive awareness. Examples of this can be seen with children at school or when socialising with their peer groups wherein they are happy to swap items of significant value for items that have little intrinsic value purely because they want them or their friends have one and they want one too. An example of this was recently observed with a child of around 5 years old who had agreed to swap his toy car for a 'Pokemon' type card merely because he didn't have that one in his collection. This would seem like a ludicrous transaction to make, but it could be argued that he perceived his collection would be more valuable to have this missing card as part of it, which may be true if it was an adult undertaking the transaction who would be fully understanding of the implications of their actions and reasons for doing so, however the reality in this case was that the child had no concept of value of either item, but merely desired having the 'Pokemon' card. This lack of awareness of value however does not preclude the child from being innovative, but merely prohibits them from being entrepreneurial. Cultures around the world have operated throughout time on moneyless trading of objects, but have invariably exhibited a raised level

of awareness as to the worth of objects/goods/services which enable them to be traded on a percentage value type system i.e. object 'A' is worth two of object 'B' and five of object 'C' etc. This awareness does in fact allow for entrepreneurship, whereby an individual or group of people could take it upon themselves to trade to acquire all the object 'A's in their community thereby making that commodity less readily available. This if required could serve to increase its intrinsic value, which when introducing it back to the market could be worth several times its original trade value showing the individual holding them to be entrepreneurial. Having availed of the opportunity of monopolising a situation which they were able to exploit and 'cash-in' so to say, enables entrepreneurs increasing their material wealth.

There are tales often reported in local and regional news of children taking the opportunity to make additional money from others at school by going and buying bulk packs of sweets/chocolates, which we shall call their initial stock, splitting the packs and selling the items individually for far more than their initial stock value, thus making a substantial profit on their initial investment, which further allowed them to invest in even more stock, which they then sell on at a profit. Other similar schemes stating that the pupil identified was entrepreneurial have been reported, often to supplement the news and are in most instances not particularly newsworthy.

The likelihood in those scenarios is that the children

didn't come up with the original idea themselves but that it was possibly suggested to them by a parent or other adult. It can be argued in this case that the child wasn't being entrepreneurial but merely following a set of instructions on how to make a profit from the purchase and vending of goods or similar objects. After all, isn't that what a shopkeeper does?

So how can a child exhibit entrepreneurial characteristics and traits? It can be a difficult and complex question to answer, one that is subjective and open to different interpretations and views, so the starting point has to be, asking the question 'what is an entrepreneur and what do they look like?' By this it is not meant literally in terms of are they tall or short, or they have blue eyes and brown hair. It is the belief of this author that they look like a compilation of characteristics and traits that serve to define them, therefore in order to answer the question as to what an entrepreneur looks like, it is necessary to identify the characteristics and traits that are common to most entrepreneurs, which could provide valuable information for entrepreneur identification.

Geneticists have proven that life is made up of combinations of genes and that it is a persons genetic make-up that makes us look the way we do. Genes control hair colour, eye colour, skin colour etc. They also control predispositions to disease and other ailments, but can also be susceptible to external factors influencing them. It is therefore proposed that we seek to examine whether characteristics and traits, in a similar way to genetics can serve to show a persons propensity towards being entrepreneurial.

The 'Entrepreneurics', as it is referred to (see, for example, Damir Perge, 2012) will seek to categorise specific trait/characteristic groups and then further sub-divide these primary groups into more refined groups of characteristics that could further categorise the type of entrepreneur a person is, rather than simply being labelled as an 'entrepreneur'. The characteristics of entrepreneurs have been identified by several researchers and entrepreneurs themselves too and range from 10 to 35 (Berry, 2018). However to make the list more comprehensive, from a list of 638 identifiable characteristics and traits, 57 have been short-listed based on personal experiences by the author as specific for entrepreneurs and are shown in Table 1.

Traditionally, research focused on a small number of traits such as innovativeness, locus of control, risk taking and the need for achievement as being the key traits to identification of entrepreneurs, however this does not cover a broad enough spectrum of traits to have significant differentiation between entrepreneurs and non-entrepreneurs therefore for such frameworks to be of practical use the identifiable traits list needs to be expanded to identify specific differentials between the two groups. Gartner (Gartner, 1989) suggested that research on entrepreneurs personality should be the first priority and the most important

perspective in psychological research, however previous studies merely generalise a number of traits and attributes that are common to several groups of people i.e. sportsmen/women, business owners, and even academics, who would not be classed as being entrepreneurs but still exhibit the small sub-set of traits cited in most of the previous studies undertaken. Entrepreneurs are fundamentally different in their thought processes than counterparts in all walks of life and fall into three identifiable categories.

The three broad categories currently cited are 'innovators' – people who generate new ideas; 'entrepreneurs' – people who take ideas (novel or not) to market; and 'innovative entrepreneurs' – people who have new ideas which they take to market. These could be further sub-categorised in their respective markets i.e. Scientific entrepreneurs, technical entrepreneurs, artistic entrepreneurs etc.

When looking at the 'entrepreneuric' make up of different age groups, it is yet to be proven, but may be found that only certain specific traits exist at identifiable levels of age/mental development i.e in the age group 1-4, no traits exist. In the age group 5-10 no more than 10% of potential traits can be found to exist and in the age group 18+ 100% of the traits can be found, but in different levels.

As of now this is only a supposition, and shall form the basis of further research to be carried out, but is believed to be crucial in terms of value in identifying potential entrepreneurs of the future. The endeavour would enable further research to comprehensively determine whether or not an 'entrepreneuric' profile can accurately determine a persons propensity to become entrepreneurial.

The question of how this information could be used can be best answered by looking at why we require the information in the first place.

The population of the world is expanding at an exponential rate and the jobs market is shrinking. With the potential introduction of robotic replacements for the labour workforce and the ever-increasing supply of those completing their education entering the jobs market supply is outstripping demand. The resultant outcome being that youth unemployment is increasing. It has been found that many countries are exhibiting unprecedented levels of youth unemployment and according to research from Price Waterhouse Cooper (PwC), UK figures for 2016 show that high youth unemployment is costing the British economy £43bn per year, as well as blighting the careers of workers who miss out on a job in their teens and twenties (Cooper, 2017). This is not isolated to UK, it is a worldwide issue and one that is being experienced by most European countries supported by the graph shown in Figure 1 (Statista, 2018; Eurostat, 2018). This is a problem that isn't going to go away, therefore something must be done to try and slow down and restrict its growth. Unemployment exists because jobs don't, therefore one

Entrepreneur- Traits & Characteristics		
1. Adaptable	21. Efficient	40. Personable
2. Amiable	22. Enthusiastic	41. Positive
3. Articulate	23. Farsighted	42. Practical
4. Aspiring	24. Focused	43. Precise
5. Attention to detail	25. Hardworking	44. Rational
6. Balanced	26. Imaginative	45. Realistic
7. Challenging	27. Innovative	46. Reflective
8. Clever	28. Insightful	47. Relaxed
9. Confident	29. Intelligent	48. Reliable
10. Courageous	30. Intuitive	49. Resourceful
11. Competitive	31. Logical	50. Risk taker
12. Competitive	32. Multi-levelled	51. Self-critical
13. Continual improvement	33. Networker	52. Self-aware
14. Creative	34. Objective	53. Skilful
15. Decisive	35. Observant	54. Spontaneous
16. Dedicated	36. Optimistic	55. Systematic
17. Desire to give back	37. Passionate	56. Venturesome
18. Dedicated	38. Perceptive	57. Ambitious
19. Dynamic	39. Perfectionist	58. Determined

TABLE 1. Entrepreneur- Traits & Characteristics

way to act to reduce it is to create jobs. It isn't the governments remit to create jobs, particularly not in the private sector therefore this responsibility is falling more and more on entrepreneurs. They can be the lifeblood of an economy, creating wealth and job security from little more than an idea.

So, where are these entrepreneurs, it can be asked? They are already out there, in society, possibly unemployed or employed as a member of a workforce. They are in colleges and universities, they are in schools and they are yet to be born. The problem is that many of them don't know that they're entrepreneurs. They either aren't aware that they are potential entrepreneurs or they haven't been identified as potential entrepreneurs because they're still in the education system and haven't been put into a position of having an opportunity to be entrepreneurial. It's this latter group, those potential entrepreneurs still in education that this paper will discuss.

The potential entrepreneurs can be categorised into three broad age groups:

1. Primary – i.e. Junior School pupils.
2. Secondary - i.e. High School students.
3. Tertiary – i.e. College students

It is category 3 that should be the focus of future study as a primary course of action, as that age group is more likely to produce the budding entrepreneurs for the next generation.

2. WHAT IS AN ENTREPRENEUR?

Statements like 'Entrepreneurs are made not born' have been given and are in part true, but not wholly accurate. Maths geniuses aren't made, nor are top scientists otherwise anyone could be taken and made into a top mathematician or scientist. The same can be

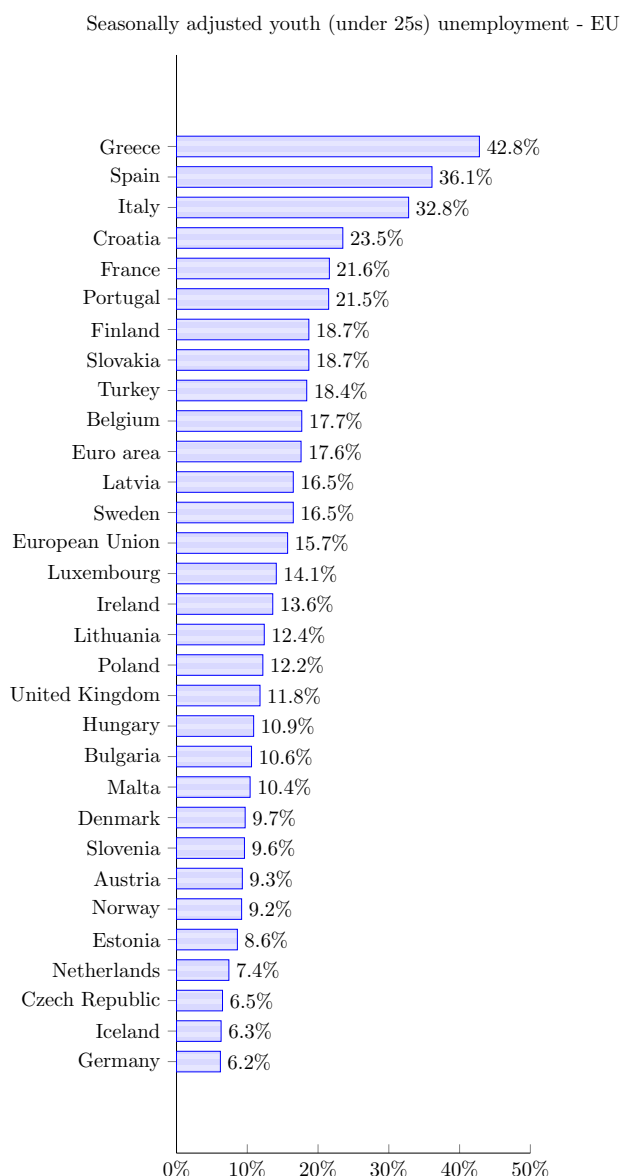


FIGURE 1. Graph of Seasonally adjusted youth (under 25s) unemployment in the EU, January 2018 (Eurostat, 2018). The statistic shows the seasonally adjusted youth unemployment rate in EU member states as of January 2018. The source defines youth unemployment as unemployment of those younger than 25 years.

said for entrepreneurs, successful ones that is. Whilst it's true that the knowledge required to be acquired by the potential entrepreneurs is imparted from those who have gone before them, the requisite level of intelligence and ability to assimilate information and formulate new ideas and concepts is believed to some degree to be innate and genetically inherited.

It is therefore important to identify this innate genetic ability at an early stage and begin the nurturing process towards becoming successful entrepreneurs. A genetically gifted athlete who isn't given the opportunity to train and be coached in the right

techniques to make them the best that they can be, would probably never realise the potential that exists within them: a) because it hasn't been identified and b) because they haven't been coached how to make the most of their abilities. Top athletes don't just appear on the world stage without training, they spend many hours, weeks and months refining their skills and even then, they may not make it to the top level. The same is true of entrepreneurs, they don't become an immediate success overnight, they learn their trade, hone their skills and surround themselves with the right people and resources.

To understand how to identify an entrepreneur we need to establish what an entrepreneur is. The word has its derivation from the French 'Entreprendre' meaning (undertake) and English 'Enterprise' meaning (business) giving the meaning to 'undertake business'. An Entrepreneur is stated in the Cambridge English Dictionary as 'a person who sets up a business or businesses taking on financial risks in the hope of profit'. (Anon, 2018)

The belief of this author is that the key ingredients to becoming a successful entrepreneur are:

$$\text{entrepreneur} + \text{business idea} + \text{financial backing} + \text{effective marketing} + \text{strategic sales} = \text{business} + \text{profit}$$

It is the combination of all these elements that make for a successful entrepreneur. Without effective marketing and strategic sales the entrepreneur simply has an expensive hobby. Without financial backing the venture may be doomed for a protracted failure during which time a similar idea with financial backing may take the market share of sales. An idea without an entrepreneur whose vision and passion can drive it forward to a successful completion may simply drift along achieving sales but never the success it could have the potential to reach. It is the combination of those ingredients that make an entrepreneur a successful one and without them they may simply be innovators and visionaries often with good ideas, but never the ability to realise their full potential.

Accurate identification of a potential entrepreneur can be a complex process and is one of the most difficult challenges facing researchers in the field. The journey outlined in Figure 2 suggests potential elements to be examined which individually may not serve to provide any answers but collectively could provide valuable information and indicate an individuals potential to be entrepreneurial. This provides a starting point from which to commence the research, with each element developed specifically with entrepreneurial identification in mind.

3. CONCLUSIONS

It is fundamentally important to identify at an early stage those individuals who have the innate ability to

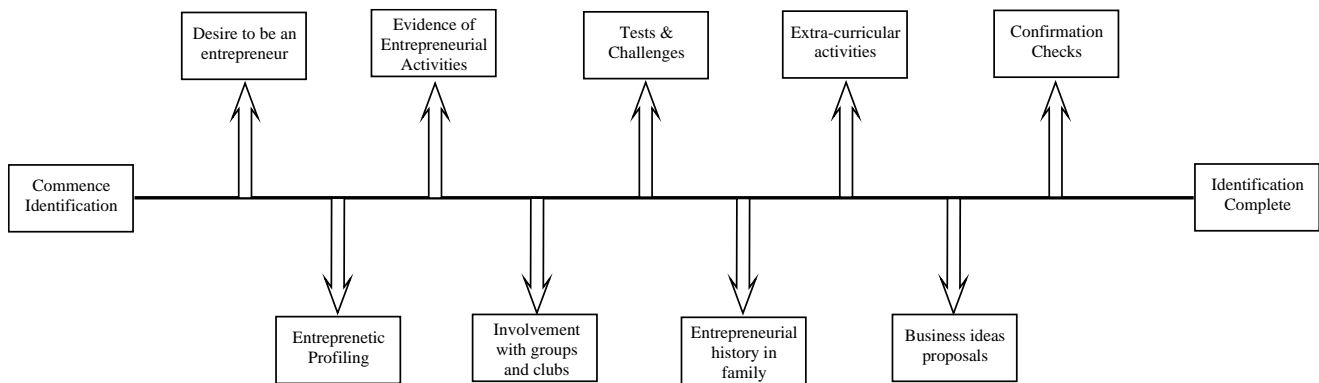


FIGURE 2. The entrepreneurial identification journey

be entrepreneurs. This early stage identification in conjunction with specific skills training could be the catalyst to reversing the current downward spiral of unemployment.

Innovation alone does not make an entrepreneur and therefore the application of training modules in the requisite disciplines to become an entrepreneur once identified are essential. Young entrepreneurs need the assistance of business incubators to enable them to reach their potential for growth and success, therefore one suggestion would be that colleges should set up business incubators specifically for students to create their own businesses, hone their skills using a series of online tutorials for each business discipline and have access to successful entrepreneurs in the community to assist with advice and suggestions. This perspective may have some radical implications for the way colleges operate in the future, especially with the assertion that candidates for entrepreneurial training should be selective and that only those positively identified as having the potential to become entrepreneurs should be eligible to undertake the training programs.

A comprehensive training program should be created covering all aspects required of an entrepreneur. This should be aimed to educate the young entrepreneur as to what is required of them to be successful as entrepreneurs, rather than cover each aspect as a training course as these currently exist in different forms for older adult entrepreneurs.

Finally, Young entrepreneurs need the self-discipline to want to make it. They need to want to learn and develop their confidence and self-efficacy, and this desire needs to be introduced to them at an early stage in their formative years. Parents and relatives may not possess the experience or knowledge to provide this stimulus therefore it is down to the educators/teachers as role models to initiate and enhance the potential that may lie dormant within children.

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