Youth Enterprise Summit 2015
Western Cape
29-30 June

Theme:
Success in Youth Business within the context of NDP
Encouraging Youth Entrepreneurship & Ground-breaking SMMEs in the South African Economy

Towards a more Responsible and Inclusive Country
1. Introduction

The South African population is currently estimated to be at 48.9 million. Out of this figure 37.5% (18.34 million) is youth. This suggests that the substantial number of South Africans is the youth. However, due to the legacy of the apartheid policies of the past and the existing gaps in current policies this segment of our population is still faced with socio-economic challenges such as high rate of unemployment, poverty and lack of business opportunities and skills relevant to the market needs. Moreover, in the tapestry of enterprises in South Africa youth own only an estimated mere 5.5%, reinforcing the point that youth have limited access to business opportunities.

Breaking the cycle of poverty that leads to, unemployment, crime and squalor; and increasing business opportunities for youth to participate fully and meaningfully in the economic landscape remain a challenge for South Africa.

South Africa’s history has been driven by young people through the Soweto uprising in 1976, and the current demands for economic and academic transformation through the Rhodes Must Fall Campaign. Young people are facing many challenges in modern day society. There is great benefit in investing in young people by creating pathways for accelerated development. When young people can claim their right to health, education and decent working conditions, they become a powerful force for economic development and positive change. Otherwise South Africa is headed the way of Tunisia, Egypt and other African countries experiencing the unraveling effects of the so called Arab Spring.

South Africa’s alarmingly high (and growing) unemployment rate has encouraged the government to turn to promoting youth entrepreneurship as a solution. Included in this promotion thereof are tax subsidies and other government incentives, as well as various initiative programs to help heighten the entrepreneurial spirit that seemed to be lacking in our youth.

As positive as this seems in theory, there are major practical barriers that lie rooted deeper than simple incentives are capable of overcoming. There are many more barriers, many that are not that obvious, that need to be addressed and overcome concerning youth entry into entrepreneurship, that are overlooked at this point in time.

We speak out of experience as a young entrepreneurs when we say that these arrangements do not cater for crucial needs of establishing a business from scratch by youth. They do not incentives upcoming entrepreneurs to take the plunge.

Another challenge facing the youth of South Africa is fear, the syndrome “I can’t”. It has become a sentence used far too often by South Africans, both young and old. “Here is a great investment opportunity in a business deal; do you want to take the offer?” “Unfortunately I can’t because…” “We have excuses for everything. This pattern of excuses is not limited to just the older generation anymore, but has now been inherited by the youth, too. They have been told by so many people that they will fail or that "it is a bad idea" that they eventually start believing “I can’t.” This in turn eventually leads to them to stop trying, and this belief becomes their reality. Young South Africans lack the bold courageous spirit needed for taking serious risks in order to enter into real business world. They require serious mentoring on this field. Hence we came up with the concept of Youth Entrepreneur Summit to provide them with business mentoring that would, at the same time, showcase unto the youth available opportunities and grants to start business, especially Small and Medium Enterprises (SMEs).

While contributing significantly to the economy, SMEs foster diversification through their development of new and unsaturated sectors of the economy. In addition, innovative and technology-based small and medium
enterprises can provide a platform for local, regional and international growth, especially in BRICS economies. SMEs are considered an important contributor to the economy as drivers for reducing unemployment, especially since the formal sector continues to shed jobs.

2. Challenges facing Youth Entrepreneur South Africa

a) Difficulties to access competitive markets are a well-known and documented dimension of SMME problems. Aside from the lack of information on available opportunities, there’s a greater need for support mechanisms in this business running sphere.

b) SMMEs often find it difficult to enter markets because their costs and prices are too high. This calls for support not only for marketing or the operational and training side rather also on seed capital required for startups.

c) Often SMMEs are located too far from (larger) markets or face prohibitive transport costs. This calls for creative steps among suppliers (to share transport facilities) or for improvements in the transport infrastructure, e.g., freight trains that service rural and township areas.

d) Suppliers may provide preferential procurement conditions or just advice and more indirectly support to meet local demands from larger firms or public-sector bodies. This applies in particular to PDI suppliers who are to be helped to overcome past discrimination.

e) Tax incentives, like making previously marginalised areas like townships and rural areas business tax-free zones for SMEs.

3. Entrepreneurship and the Rural-Urban Divide

Research reports have consistently shown that individuals located in major urban areas were far more likely to be involved in entrepreneurial activity than those in rural areas. In metro areas, nearly 10% of adults are engaged in a start-up or new firm, compared to fewer than 2% in rural areas.

The lack of entrepreneurial activity in rural areas has been confirmed by GEM reports, which argue that this is a result of lack of infrastructure development, smaller markets and lower levels of skills. The lack of an enabling environment within rural areas will need to be addressed in order to tackle poverty and migration from rural areas.

This requires urgent intervention from government. Our Youth Entrepreneur expos is ideal for providing government and business with platforms to address the rural-urban divide in entrepreneurship.

4. Objectives of the Youth Enterprise Summit

This important event aims to achieve the following specific objectives:

- Create a platform for dialogue between the representatives of the province’s youth, civil society with private business and government programmes, on the subject of youth unemployment and job creation.
- To raise awareness of the challenge of youth unemployment in the province towards providing real solutions that are based on public participation.
- To create a platform where employers and talent scouts can showcase opportunities for youth employment, skills development, career planning and enterprise development.
- To formulate a plausible ‘plan of action’ to address further some of the practical employment challenges faced by the youth.
- To agree on a high-level plan for the monitoring and evaluation of the 'plan of action.'
- To raise profile of Youth owned enterprises and other forms of enterprises.
The envisaged outcomes of the Youth Enterprises summit are:-

- Strategic alliances and partnerships between government, business, civil society and labour to address specific employment challenges faced by the Youth.
- Specific, identifiable actions by the partners described to create and maintain employment opportunities for youth.
- Pilot projects to address specific findings of the YOUTH ENTERPRISE DAY
- Partners will be exposed to the status quo prevalent in targeted SMME’s groups in as far as Small Business information awareness goes.

5. **Stakeholders**

We have identified the following strategic partners for the success of the summit, but are not limited to:

- National Youth Development Agency
- Small Business Department
- Department of Trade and Industry
- Small Enterprise Finance Agency (Sefa)
- Small Enterprise Development Agency (Seda)
- Industrial Development Corporation (IDC)
- Department of Public Enterprise

6. **Stakeholders/Participants**

- New Business Entrance
- Entrepreneur
- Educational Institutions
- Business Industry of South Africa
- Labour Department (SETA’s)
- Professional or Industry Bodies such the Chambers of Commerce & BMF, NAFCOC, Black Business Council
7. The Sponsorship

We have tailor made sponsorship packages for the conference as listed below. This will not only position sponsoring organisation as a role player in supporting the development of SMME’s, leadership and business development in the country, but also an opportunity to groom and advise the SMME on opportunities in your industry. This will be an ideal opportunity to invest into the future of your sector and create a business development and remarkable occasion for youth in the country. The following packages provide the following benefits:

7.1 Bronze R50 000.00 (Excl.VAT)

- Branding at the foot of all media
- Organisational banner in all venues (back or on the sides of all venues)
- Publicity values
- Recognisability and awareness creation
- Maximising your ability to leverage “out of the box”
- Networking opportunities

7.2 Silver Package of R150 000.00 (Excl.VAT)

- Acknowledgement on the attendance Certificate
- Program director to mention your Company as a sponsor
- Mention on the Press Releases
- Part mention on print and electronic media interviews
- Mention in the Programme

7.3 Gold Package of R250 000.00 (Excl.VAT)

- Logo to Appear prominently on the Programme
- Mention on the Press Release as the Host of the Summit
- Prominent appearance on all Print and Electronic Media Interviews
- Branding at the Venue
- Exhibition space at the Summit
- To address the candidates at Summit
- Promotional Items bearing your logo and to be distributed the candidates