

How Young People Can Create Their Own Jobs*

Robert Briscoe

Abstract

When governments try to do something about unemployment, they usually think first about ways of hiring the unemployed. They might offer tax incentives to attract new firms in the hope that more job openings will be made available; or they might create new employment opportunities themselves, by increasing government expenditure on public works and make-work projects of one kind or another.

A very different strategy is to help young people create new jobs for themselves. The Fiji Government is showing increasing interest in this self-help approach. Its recent decision to set up an advisory service to help young people set up their own small businesses is a welcome effort to help the unemployed help themselves.

This article explores ways in which young people can be helped to create new jobs for themselves. It starts by telling the story of *Instant Muscle* a group of small businesses, many of them worker co-ops, owned and controlled by young people.

Next, it discusses the obstacles to starting a business as identified by a group of young Pacific Islanders in a recent workshop in Samoa. Finally, it argues that some of the *Instant Muscle* ideas can be used to overcome the obstacles confronting young people in the Pacific.

Instant Muscle (IM) ¹

IM started in the UK, but the idea has been applied in many different environments. The IM approach to mobilising community resources and building the skills and motivation of teenagers provides strategies which can be adapted to help young people in the Pacific.

* This article is based on the Key Note Address to the Rotary Youth Leadership Award Programme at Lautoka, May 3, 1989.

It all began when four unemployed teenagers decided to start knocking on doors to see if they could make some sort of a living from odd jobs. They discussed their idea with the father of one of the group. He helped them get organised, choose a name, print a leaflet, and scrounge a little publicity. Within the first week, they had found enough odd jobs to keep themselves busy. After three weeks, they were providing part-time employment for 30 others. Within a couple of months, seven similar businesses were under way in neighbouring towns.

All of this happened in the UK, in the autumn of 1981, and marked the beginning of *Instant Muscle*, a national network of businesses owned and controlled by young people.

The *Instant Muscle* formula offers a practical, tested approach to helping some of the severest casualties in this age of recession and cut-backs. It provides a sensible strategy for helping unemployed young people create jobs for themselves.

A national network

Peter Raynes, the father who helped that original group, became full-time National Organiser of the *Instant Muscle*. He was so taken with the success of that first young people's co-op that he devoted himself to publicizing the idea and developing back-up services for the independent businesses owned and controlled by young people.

Today, the back-up services include a team of regional organisers and mobile units which take advice and training programmes into rural areas and country towns. There is also a network of voluntary or part-time local advisors, many of whom are retired business people who donate their time and their skills. The IM central office provides free group insurance, model rules for businesses wishing to incorporate as co-ops, and training and co-ordination for the local advisory teams which give direct consulting help to the individual businesses. The Central Office can also provide some financing from a launch fund made available by donations from conventional firms, local authorities and charitable trusts.

Beyond odd jobs

The name *Instant Muscle* was invented to describe an "odd job co-op" of young people who had little to sell but muscle power and enthusiasm. But among the hundreds of IM businesses already trading or in the final stages of formation, it is getting harder and harder to find firms which *only* do odd jobs.

One group manufactures high quality dolls' houses, with styles ranging from Tudor to Modern. Another co-op is converting an old mill into industrial units. Another group acts as an agency for rock groups. In London, an IM co-op offers word-processing and delivery services and is also experienced in setting up exhibits for trade shows. In a rural area an IM group manufactures a range of quality, wooden toys, including wheelbarrows, block carts and chalk boards.

A Scottish Co-op has won a contract to supply Scotland's seventy universities and colleges with all the printed T-shirts and posters they need for sports and varsity clubs.

Membership of the IM network leads to the sharing of ideas and the provision of complementary services. An IM craft shop in the north of England acts as an outlet for a southern IM firm which designs and manufactures jewellery.

Peter Raynes welcomes this trend away from odd jobs towards more specialised services and production. Though easy to set up, odd job co-ops tend to be unstable. People work in them as a last resort and drift away as soon as something better comes along. Raynes and his colleagues are eager to see the IM firms developing into more specialised, permanent businesses which provide their members with long-term careers.

Instant Muscle represents an extraordinary co-operative effort between unemployed young people, conventional businesses, trade unions and local and national government. Through IM, they work together to help an age group which is perhaps the hardest hit and the most neglected in times of high unemployment.

Starting a new co-op

Since its founding in 1981, the IM central office has helped develop hundreds of businesses owned and controlled by young people. Since 1985 alone, IM has

assisted over 1500 new businesses. In the first eight months of 1989, 364 new businesses started trading thanks to IM. The vast majority of IM's trainees are under 30 years of age and over one-third are female. (See Fit for Business 1989).

The IM central organisation has evolved (largely through trial and error) a practical and inexpensive strategy for job creation which really works.

How does the central office set about developing new businesses? The first essential step in the process is a request for help from a local community. The request might come from the local council, a community organisation or from anxious parents. Only rarely does it come from unemployed young people themselves. According to Raynes, most young people never even consider the possibility of creating their own jobs. They tend to underestimate their own abilities and cannot believe that they might have skills which anyone would want to buy.

The first step in responding to a request is to secure some tangible community support for the proposed enterprise. Essential support will include a commitment to provide premises, a phone, a vehicle, some basic tools, a little working capital and an experienced local advisor.

It is only when this basic back-up has been committed that the IM organiser will try to involve a group of young people in the project, usually by working through youth organisations. Peter Raynes argues that it is decidedly unkind to raise the hopes of young people unless there is solid support from the wider community.

Having identified a potential group, the next step is to help that group draw up an inventory of skills and explore the commercial possibilities of those skills.

IM organisers use brainstorming techniques to help young people identify their own skills. The most unlikely abilities might prove to have commercial possibilities. One young man was able to turn his passion for falconry into a business which manufactures the specialist equipment required by falconers. It is only in the rare event that a group is unable to identify any marketable, specialist skills that members will opt for an odd-job co-op, for which the main requirements are muscle power and enthusiasm.

As soon as some feasible ideas have been identified, the group will be shown how to research the market and develop a business plan. The Business Plan is

obviously a key step in the whole process. Not only will it help the group decide whether or not their project is viable, it will also prove invaluable for extracting more resources from the community! And the actual preparation of the plan is an excellent self-selection technique. Only enthusiastic and capable people will be determined enough to produce a fully documented, well-presented plan.

When the plan itself is complete, training in the running of the business can begin. IM's Starter Pack is a manual designed to demystify the whole business of management. It provides sensible guidelines for internal organisation and summarises the key management tasks which will have to be performed if a new small business is to operate effectively.

When it comes to incorporating, new IM firms are under no obligation to become formal co-ops. The emphasis is on creating successful businesses, and members are encouraged to pick the form of organisation which best suits their needs. IM Central does insist, however, that businesses under its umbrella must be owned by the young people who work in them; and Central Office provides model rules for a co-operative structure which have been adopted by about half of the IM firms.

Once the business is set up and running, an experienced volunteer adviser will be made available to the group to provide continuing support and training.

The importance of unions

When a new IM business is set up, the members are introduced to the nearest local branch of the General and Municipal Workers Union. It is then left to the co-op's members to decide if they want to join.

Peter Raynes himself has management experience in the industrial relations field and recognises the usefulness of union membership for the owners of a worker co-op. There is a danger that inexperienced young people, in the first heady days of running their own firm, will charge too little for their services. This will have the unfortunate consequence of under-cutting those competitors who pay decent wages, as well as discouraging the co-op members themselves with poor rewards for all of their hard work. Union membership can help protect co-op members from such self-exploitation.

Barriers to be Overcome

When we read a case study like the *Instant Muscle* story, our first inclination might be to dismiss it as irrelevant to the needs and problems of the South Pacific. IM developed in a wealthier, more urbanised community on the other side of the world. How could it possibly teach us anything of relevance to our situation?

Much has been written about the problems of entrepreneurship in the South Pacific.² The difficulties of starting businesses in small island economies have been discussed at depressing length in study after study. At a recent workshop organised by the Commonwealth Young Programme in Western Samoa, young Pacific Islanders from around the region identified the barriers standing in the way of young people who want to start businesses.³ The obstacles can be classified into two main categories.

1 *Internal barriers*

Internal barriers are the obstacles to business success that come from within the potential entrepreneur. They include the anxieties, doubts and motivational problems experienced by the would be business person. The specific obstacles identified by the Samoan workshop were:

- fear of failure
- a lack of self-confidence
- a tendency to underestimate one's own talents

2 *External barriers*

External barriers are the obstacles to business development presented by the environment in which the entrepreneur must operate. The Samoa workshop identified the following barriers.

- An educational system which has not prepared young people to be active decision-makers, but has taught them to be passive and dependent.
- Older people who did not support their initiatives and greeted their efforts with suspicion and scepticism.

Often, the young were not allowed to control their own businesses. When their business efforts *did* succeed, older people were all too ready to take over the enterprise and enjoy the benefits.

Beyond the Barriers

Much the same internal barriers were experienced by the young people who now run *Instant Muscle* businesses. They lacked confidence, having been labelled as failures throughout their school careers. They underestimated their own talents, believing they had no practical skills worth selling. Laziness and lack of perseverance were understandable consequences of such discouraging self-image.

What made all the difference in the IM case is that external support and encouragement were provided at just the right time. Support came from IM's Central Services but even more important was the support which came from the local community. Local business people and craftsmen were willing to share their knowledge and experience. Help was always at hand until the new business had found its feet and could go it alone.

Community support and commitment were vital but it was also essential that the young people be allowed to own and control their own business. They had to be able to dream their own dreams. They had to be free to make decisions and make mistakes.

The structure of the business was important too. The concept of the *worker co-operative* was invaluable. A worker co-op is somewhat different from the co-ops commonly found in the South Pacific. It operates by the usual co-operative principles, such as democratic control and limited return on capital. But unlike consumer co-ops, which are owned and controlled by the firm's customers, worker co-ops, are owned and controlled by the people who actually work for the firm. (See Oakeshott 1978). Employees therefore have a vested interest in working effectively and productively. In the United Kingdom, where new worker co-ops are incorporating at the rate of about two a week, they enjoy a better success rate than conventional small firms. It could also be argued that the worker co-op might fit the egalitarian values of young people more closely than a conventional firm. It provides a structure in which they always have the final say but which also requires that they learn to rely on one another and make decisions democratically and by consensus. The worker co-op is a structure

which has not been tried extensively in Fiji, but which shows considerable promise in the few cases where it has been used.⁴

We should be encouraged by the recent establishment in Fiji of the Suva Youth Employment Options Centre. One of the roles of this Centre will be to promote the development of new businesses by young people. The Bank of New Zealand has contributed by seconding one of its employees for a period of twelve months to help young people start their own firms. The first major initiative on the self-employment side of the Centre's activities is the sponsoring of a visit to Fiji by Brian Childs who was largely responsible for setting up Western Australia's New Enterprise Scheme. His itinerary includes a three day workshop in *business assessment* for youth groups already involved in income generation projects, a day workshop in *first contact business advisory techniques* for staff of the Ministry of Youth and Sports and a seminar for youth groups entitled "Consider a Business".

While this is a promising start, the new business advisory service for young people could learn some useful lessons from the experiences of *Instant Muscle*. A few short courses and a drop-in advisory service will not be enough by themselves to create substantial numbers of new businesses. The Youth Employment Options Centre needs to formulate an integrated development strategy made up of a comprehensive range of services and resources. Such a package should include assistance in the following areas:

- idea generation
- training in market research and business plan development
- appropriate technical training
- a "Starter Pack" on the running of a business, with sensible procedures, organisation guidelines and simple record keeping systems
- basic start up resources
- continuing back up and support from experienced people who volunteer their expertise to help the new firm.

Such a comprehensive package of services can only be made available at reasonable cost if the new Employment Centre can secure the support of the business community and NGOs as well as government. Like IM, we should try to create a partnership between unemployed young people, established businesses, NGOs and local and national government to create new kinds of jobs and new kinds of businesses, owned and controlled by the young.

Notes

- 1 Most of the information for this section was taken from personal interviews and correspondence with former IM National Organiser, Peter Raynes.
- 2 See for example the series of reports on entrepreneurship published by the Pacific Islands Development Programme (PIDP), East-West Center, 1777 East-West Road, Honolulu, Hawaii 96848.
- 3 Workshop organised by Commonwealth Youth Programme, at IRETA, USP Campus, Apia, Western Samoa, April 1989.
- 4 See, for example, The Marama Co-op and the Nadi Industrial Co-operative Association.

References

- "Fit for Business"* (1989) Instant Muscle Fact File, The Haymill Centre, 112 Burnham Lane, Burnham, Slough, England SL1 6L2.
- Oakeshott, R. (1978) *The Course for Workers' Co-ops*. London: Routledge and Kegan Paul.