

MEANS OF SURVIVAL:  
YOUTH UNEMPLOYMENT AND ENTREPRENEURIAL  
TRAINING IN NEWFOUNDLAND

CENTRE FOR NEWFOUNDLAND STUDIES

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MEANS OF SURVIVAL: YOUTH UNEMPLOYMENT  
AND ENTREPRENEURIAL TRAINING IN NEWFOUNDLAND

By

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School of Graduate Studies  
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## ABSTRACT

Federal and provincial governments first began tracking youth unemployment rates in the 1970s. Since then, the youth unemployment rate has remained in the double-digits both nationally and in Newfoundland. The Federal Government has responded to the problem of youth unemployment in various ways since the late 1960s, most recently in partnership with business interests to promote entrepreneurship as an alternative to traditional paid employment. Because youth generally lack the experience and financing required to open a business, they seem unlikely targets for these messages. This thesis set out to discover what else the promotion of entrepreneurship as a solution to unemployment might be trying to achieve.

This thesis approaches the promotion of entrepreneurship as part of a government and business sponsored social movement that is in place to promote New Right values. It uses primary documents and newspaper articles to lay out the development of an entrepreneurial movement in Newfoundland. It also explores how and why individuals and organisations become involved in entrepreneurial training, their attitudes towards unemployment and entrepreneurship, and their experiences with these, through the use of semi-structured interviews with participants, instructors and administrators of two youth entrepreneurial training programmes that ran consecutively in two Newfoundland cities.

The promotion of entrepreneurship is different from past government responses to youth unemployment in that it is in partnership with business interests, and appears everywhere – in newspapers, job sites, television, magazines, radio, and school

classrooms. In addition, sponsorship money is available for organisations that want to run entrepreneurial training programmes, and for unemployed individuals who want to learn the skills. The participants in this thesis believe that individual employment circumstances are an individual responsibility, but they also believe that social policies very much shape available choices. All participants in this research used entrepreneurial training as a means of staying in Newfoundland when employment opportunities proved insufficient. For most participants in this research, entrepreneurial training was a source of income and occupation at a time when there were no other employment options available to them. It was simply a means of survival.

## LIST OF ACRONYMS

ACOA	Atlantic Canada Opportunities Agency
ARC	Andy Rowe Consulting
CFIB	Canadian Federation of Independent Business
CJS	Canadian Jobs Strategy
CYBF	Canadian Youth Business Foundation
CYC	Canadian Youth Commission
CYF	Canadian Youth Foundation
ESPW	Entrepreneurial Studies Program for Women
ESPYG	Entrepreneurial Studies Program for Young Graduates
HRDC	Human Resource Development Canada
IYY	International Youth Year
JA	Junior Achievement
JETP	Job Experience and Training Program
NHQ	National Headquarters
NLOWE	Newfoundland and Labrador Organization of Women Entrepreneurs
OECD	Organisation for Economic Cooperation and Development
OFY	Opportunities for Youth
PEP	Project Entrepreneurship Project
SEA	Self Employment Assistance
SEI	Self Employment Incentive
SYEP	Summer Youth Employment Program
WEB	Women's Enterprise Bureau
YATP	Youth Apprenticeship Training Program
YES	Youth Entrepreneurial Studies
YIC	Youth Internship Canada

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## CHAPTER I INTRODUCTION

### 1.1 Prologue

I came to study entrepreneurial training after doing the Entrepreneurial Studies Program for Young Graduates (ESPYG), a federally funded pilot project sponsored and delivered by the Women's Enterprise Bureau (WEB). I had graduated with a Bachelor of Arts degree and was successful in finding only low-paid work in the service industry. While browsing through the newspaper job postings I came across one aimed at college and university graduates under age 30 who were interested in finding out about starting a business. I had heard many positive things in the media about the role of the entrepreneur and the rewards of being your own boss and writing your own paycheque and thought, "Why not?" I believed that with the support and guidance of WEB I could sort out my employment problems. Following an application and an interview that aimed to measure the applicant's entrepreneurial characteristics and skills I, along with twelve other young women, was chosen to participate in ESPYG, beginning September 1995 in St. John's, Newfoundland.

For the next year I met daily for entrepreneurial training and guidance with others like myself who were unemployed, had student loans owing, and had virtually no capital or collateral. As the programme progressed I became increasingly disillusioned. I found that the rhetoric and the reality of entrepreneurship did not appear to match up. Those most actively promoting it to us were not the self-employed themselves. Rather, they were employees of government, banks and business organisations whose messages were often supported by examples of "entrepreneurial heroes." With this observation and

increasing frustration with the patronizing manner with which we were dealt, I began to ask, "What else could this programme be trying to achieve?"

By the end of ESPYG I had cobbled together several business plans but did not have the capital to implement any of them. While I was successful in convincing the management of Prince of Wales Arena in St. John's to put some money behind the idea to open a skateboarding park that would be run out of the arena in the summer of 1996, I had absolutely no control over the situation. Arena management changed the times and conditions of use on a whim without informing, much less consulting, me, while I in turn had to bear the brunt of annoyed youth who expected the park to run as stated in the brochures. Ultimately patrons stopped coming to the park. Throughout this period I did not earn any wages, but was fortunate to have a small training allowance of \$200 per week from the programme. The support and control over my work life that I had been promised through entrepreneurship failed to materialize, and I realized that without cash to invest they probably wouldn't. The one intentional lesson that did take hold was to always have a Plan-B; for me that was Graduate School. My failure to find rewarding and challenging work after graduation with a Bachelor's degree, combined with failure to establish a business in spite of my initial belief in all the teachings of entrepreneurship, created my desire to study the promises and practices of entrepreneurship as a response to youth unemployment.

## **1.2 Statement of Research**

Entrepreneurial training for youth has become a key component of the Federal Government's response to youth unemployment. Youth unemployment has been defined as



a supply-side problem of the labour market. It is claimed that youth lack the skills, experience, commitment and attitudes necessary to look for and carry out paid employment activities effectively. According to this explanation of youth unemployment, youth fail to meet the needs of the job market while at the same time they refuse to accept those jobs typically reserved for the young. In the 1970s, governments responded to youth unemployment through temporary projects that intended to occupy idle, disaffected youth and thereby curtail the moral panic surrounding their lack of productive activity, as well as provide them with transferable skills and discipline for the job market. These projects were often poorly organized, under funded, lacked any solid future orientation, and could be considered a crisis reaction rather than a solid set of policies and programmes.

The problem of unemployed youth has been explained as a product of youth attitudes. Youth have been accused of maximizing their entitlements while ignoring their responsibilities, all at the risk of their futures. As young people in the United States, Britain and Canada became more politically aware throughout the 1960s they also became more expressive and critical of government and society. Occasional social and political protests that involved young people in major cities from the 1960s through the 1980s became a focal point for both government and media. In Canada, increased political awareness and activity among Canadian youth in the 1960s and 1970s were often accompanied by youth opting out of the labour force altogether (Best 1974). The Organisation for Economic Cooperation and Development (OECD) (1979, 1980) officially stated that a lack of economically productive activity amongst unemployed youth leads to antisocial and destructive behaviour, and to political alienation (see also Baker 1989). Both federal and provincial governments have

blamed a lack of enterprising and self-motivated individuals for Newfoundland's high youth unemployment (Atlantic Canada Opportunities Agency 1996; Hanrahan and Montgomery 1986). Terms such as political alienation, apathy, non-conformity and antisocial behaviour have been used to frame youth opposition to the status quo and to show concern for the future well being of youth. This concern, however, may also draw negative attention towards those behaviours that policy makers wish to change.

The term "moral panic" was first used to describe the response by society to groups that were perceived as a threat to societal values and interests (Cohen 1973). Moral panic was later used to describe the reaction by governments and the media to young people's values and behaviour through the 1960s and 1970s (Mungham 1982). Moral panic has been created through the media and government's use of violent and antisocial images, as in the case when "social dynamite" imagery was used in the United States to describe the problem of unemployed youth (Sherraden & Adamek 1984). This imagery focused not on the social and political issues that prompted youth protests or on youth unemployment, but on the potential dangers posed by young people who were seen as having nothing economically productive to do. Unemployed youth became representative of impending social breakdown. This imagery fuelled the negative stereotypes and assumptions made by concerned individuals, bureaucrats and organisations about unemployed youth. British media and politicians' use of imagery to describe the activities of unemployed youth "played on all the traditional fears of the hooligan mob" (Cohen 1990:54). In Canada, politicians expressed fear that unless something was done about youth behaviour, they would soon be rioting in the streets. Unemployed youth in Canada were portrayed by the

media and politicians as rejecting the social and economic order, and thus constituted a threat to the nation's social, political and moral fabrics (Loney 1977; Huston 1973; Tanner, Lowe & Krahn 1984).

The argument that unemployed youth are social, moral, political and economic threats is often accompanied by the argument that these threats have been compounded by the state. Social programmes that are accused of being overly generous and easily accessible have also been accused of encouraging high levels of unemployment, negative attitudes and antisocial activities amongst youth. Hanrahan and Montgomery (1986), in their study of youth unemployment in Newfoundland, argue that government provision of welfare and Unemployment Insurance contributes to the youth attitude problem in two ways. The first is through enabling a rise in the job-seeking standards of youth by allowing them time to be more selective in their employment choices. The second is through a dependence on government and the job market to create employment opportunities. Youth have supposedly become so accustomed to income support from government that they do not have to take the first job that comes along, nor are they compelled to seek out non-traditional avenues to legitimate paid employment. Kerr (1996) argues that when first entering the job market youths do not know how to look for work, and that because of welfare programmes they do not need to work and as such have a weak attachment to it. The preferred alternative to work is quite often school and, Kerr (1996) argues, high educational achievement in turn prompts youth to look for jobs that are better than those typically reserved for the young. Lost in this argument, however, are the realities that higher employment expectations are inherently attached to education, and

that better jobs are necessary to pay the costs of getting that education. According to the OECD, the raised aspirations of youth came out of higher education, increased affluence and improved social security, and have led young people to not want "certain kinds of jobs" (Organisation for Economic Cooperation and Development 1980:12). The rejection that youth supposedly feel as a result of being unable to get the more prestigious jobs they do want is said to lead to apathy and poor attitudes.

The theme of "moral panic" alongside the unwillingness of many youth to pursue low paying, unskilled and unchallenging jobs have been pinpointed as the primary issues surrounding youth unemployment in Canada, the United States and Britain. Whether the approach of policy makers and politicians has been to garner political support from young critics by co-opting the concerns behind their protests (Best 1974), or to actually control the actions of unemployed youth by providing the most educated, vocal and creative youth with funding to direct government sanctioned summer projects (Huston 1973; Loney 1977), the aim historically has been to alter the attitudes and behaviours of "potentially troublesome youth" before "serious social unrest" ensued (Best 1974:143; see also Loney 1977).

Prior to the introduction of entrepreneurial training for youth, the Federal Government used job creation strategies that aimed in part to transmit job skills. While the premise behind these efforts was said to be empowering youth, critics say they were actually meant to control youth behaviour. The social control perspective used by researchers internationally (Huston 1973, Loney 1977, Best 1974, Sherradan and Amadek 1984, Cohen 1990) argues that policy makers and programme developers have

used youth training and employment schemes to control the behaviour of unemployed youth. One of the ways through which governments elicit compliance with a set of directives and activities is by attaching them to programme funding (Peck 1996). The provision of funding to either attend or deliver federally funded training programmes is such that they have been interpreted as rewards for good behaviour (Loney 1977). To fit within the definition of good or acceptable behaviour, organisations sometimes alter their mandate or activities to receive funding, thereby becoming an extended arm of government. Organisations and individuals may access these funds if their actions and goals are compatible with those of the funding body. Government sponsorship also has the potential to “[transform] groups whose existence is not rooted in government initiative, but for whom the attraction of government funding produces a slow erosion of their original purpose” (Loney 1977:467). In establishing a myriad of partnership projects that often receive attention from the media, the impression is created that government is effectively responding to the problem of youth unemployment, or unemployed youth, whether or not any jobs are actually created.

Since the 1980s the Federal Government has been less willing to fund job creation projects or training for youth via public institutions and instead has moved towards the provision of partnership programmes. These training programmes, and many of the ad-hoc projects that came before them, partner with private sector sponsors and as such set the climate whereby organisations including private training colleges such as Newfoundland’s

Career Academy<sup>1</sup>, community organizations such as the YMCA and business organizations such as WEB do what they can to chase public funding.

Entrepreneurial training programmes began their prominence at the same time as the Federal Government began implementing a series of cuts to government departments that saw a decline in funding for social programmes, increased tax cuts for business and privatization of many government services. Such actions are in accordance with the New Right values that have fuelled governments since the 1980s in the United States, Britain and Canada. Although the federal Liberal Party was elected in 1993 in the midst of demands for alternatives to the laissez-faire policies of their Progressive Conservative predecessors under Brian Mulroney, their ambitions were halted by a “long list of new policy constraints” that included demands from businesses for less labour market interference from government and deficit reduction (Styoko 1997:86). Rather than set employment and job targets, the Liberals carried on a supply-side approach dealing with unemployment through the extension and creation of policies that made “businesses...more competitive through the cultivation of a more flexible and skilled workforce” (ibid: 87). By replacing job creation projects for youth with training programmes, reforming the Unemployment Insurance programme to virtually eliminate benefits for youth, and focussing youth employment programmes on market-based (as opposed to job-based) values and skills, the Federal Government is pressuring young people to take or create for themselves low-paying jobs.

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<sup>1</sup> The Newfoundland Career Academy opened in 1979 and benefited from federal funding through enrolment sponsorships. The college closed in 1998, just one year after its owner, Ms. Lorraine Lush, won an Atlantic Canada Entrepreneur of the Year award for her work with the college.

Claims have been made about the impact entrepreneurial training can have on youth unemployment. Not only are small and medium sized businesses believed to be the biggest job creators, entrepreneurship is held up as a way for young people to harness their energy and attitudes for economically productive activities (ACOA 1995; Evoy & Gardiner 1995). We are told that entrepreneurs are the people who will shape the economy of the future, and who will solve humanity's problems through market-driven innovation (Schumpeter 1946; Kyle et al 1990; Lipper III 1987; Gibb 1993; Winslow and Solomon 1993; OECD & ACOA 1996). Rather than give in to adversity and turn to the government for assistance or to existing businesses for jobs, entrepreneurs will find opportunities to exploit in the market. Implicit in such messages is the idea that a healthy dose of entrepreneurial training will make the difference between a population that bounces from job to job and from Social Assistance to Employment Insurance, and one that is the driving force behind a strong and vibrant economy. Youth entrepreneurial training programmes are a manner of promoting the market that ideally comes with the added bonus of recruiting people before they become accustomed to government programmes and employment with existing businesses. They are part of the billboard that promotes the market and market values in a very systematic way, through defined channels, in conjunction with private interests, but ironically through hastily implemented and poorly thought out training programmes that lack a concrete future orientation. The hastiness and lack of long-term planning is similar to earlier programmes. Also similar is the non-governmental organisational reliance on government money that such set-ups produce, often to the degree that organisational mandates are altered.

While there has been some critical study of youth entrepreneurial training primarily in the UK, there is currently no developed body of literature that provides a critical assessment of it. With the exception of work by Overton (1993, 1995, 1997) and O'Grady (1990), there has been no critical study of entrepreneurial training in Newfoundland. Somewhat more concerning is the degree to which public discourse surrounding entrepreneurship ignores the political climate within which it developed as social policy and in which it continues today. Today, youth-focused business organizations such as the Canadian Youth Business Foundation and the Working Group on Youth Entrepreneurship influence the choices made by unemployed youth by working in partnership with HRDC to direct youth employment policy and programming. While youth have been the targets of entrepreneurial images and messages since the mid-1980s, funding available from the Student Business Loans programme for youth business start-ups has risen from \$942, 000 in 1991 to \$1.7 million for 1997-98. This level of funding is a drop in the bucket in terms of what would be required to do anything about the problem of youth unemployment. It is therefore important to understand how and why the promotion of entrepreneurship became so prevalent in Canada, the process through which it plays out as an approach to youth unemployment in Newfoundland, and what it is trying to achieve.

Entrepreneurship, it is argued, will allow youth to be their own boss, write their own paycheque, and make their own hours. As the story goes, the work is hard but the rewards are well worth it. While such statements as these are often supported by successful entrepreneurs, they are rarely scrutinized or challenged by those who have had a different



experience. One aim of this thesis is to go beyond the rhetoric of business boosterism and examine the experience of entrepreneurial training programme participants, and by doing so give such people a voice. This approach will provide a greater understanding of the role of New Right values and goals in shaping the choices made by individuals and organisations. More particularly, this thesis will show what happened to a group of Newfoundland youth as they tried to deal with their unemployment through entrepreneurial training.

This thesis will argue that entrepreneurial training programmes for youth are key components of an attempt by business and government to sponsor a social movement that is intended to promote both the market and pro-business values. In doing so, this thesis will explore whether characterizations of unemployed youth as social, moral, political and economic threats are accurate today, and whether the promises of entrepreneurship have been fulfilled for participants in this research. Related key questions that will be answered by the research include: Prior to doing the entrepreneurial programme, what were the participants' and instructors' employment experiences? What are their education and training backgrounds and related employment expectations? What reasons do the participants give for choosing to enrol in the entrepreneurial programme? What were their experiences with and expectations from the programme? How were these programmes organized? Did students ultimately open businesses and create paid employment? By asking these questions and examining participants' answers in the context of the New Right values that fuel business boosterism, we can explore how entrepreneurship became a way of addressing youth unemployment and how its message was spread to individuals and organisations.

### **1.3 Framework**

This thesis will look at entrepreneurial training programmes in the context of New Right values that have been politically dominant since the 1980s. It will also apply social movement development factors to the rise of entrepreneurial training and organisations, thereby exploring the idea that entrepreneurial training programmes are part of an organized attempt by government and business leaders to promote market values and business interests. The basis of this approach is the idea that social policy development is a key function of government that is neither isolated from other policy areas, nor void of external influence. The policy making process is one that responds to the social and economic environment, the issue at hand, the goals of government, and the priorities of bureaucrats and politicians (Keman 1987; Rose 1987). As such, high rates of youth unemployment can be a useful backdrop for the promotion of New Right values rather than a basis for action. Bureaucratic interpretations of social, political and economic environments are often more influential than the environments themselves in shaping policy. In the case of youth unemployment, the argument presented by government and business interests has consistently been that it is a supply side problem that is rooted in poor attitudes and a lack of skills. Although entrepreneurial training deviates from previous attempts to deal with unemployed youth in that any job creation is left solely to the individual participant, youth unemployment itself continues to be interpreted as an attitude and skill centred supply side problem. Environmental interpretations inform the social policy through which policy makers attempt to manage both issues and the people affected by them. Managing an issue often involves the development of a marketing

strategy that will effectively “sell” unpopular reforms, or prompt the public to believe that the reforms are the best thing, whether or not there is evidence to support such claims. Managing the people affected by an issue or problem may mean providing them with what appears to be an acceptable solution. It may also mean simply convincing the public that something is being done to address their concerns by integrating them into a process of action.

### **1.3.1 New Right**

Direct business influence on Canadian social policy has increased since the 1970s. Kyle et al (1990:7) note, "through a variety of organizations - the Chamber of Commerce, Board of Trade and other small-business organization lobbies, this group regularly demonstrates its ability to influence political decisions." Organizations such as the Business Council on National Issues and the Canadian Federation of Independent Business have been actively promoting market-based solutions to unemployment since the 1970s. According to Peck (1996), the "contemporary revival of "business leadership" is being orchestrated and financed by government, and played out in the public forum such that the interests, goals and priorities of industry become those of the state and its constituents. Through the revival of business leadership, governments may implement New Right values and a set of policies that accommodate a climate of fiscal reform, and that reinforce and renew faith in the rule of capital in the economy.

Since the mid-1980s the Government of Canada has been actively promoting a market-based approach to dealing with social and economic issues, including unemployment. This approach focuses on the individual's relation to the market and

holds that "economic growth and social well-being depend upon unleashing the ambitions and energies of the people" (Aram 1993:1). The redirection of youth employment policies and programmes toward market-based principles in Canada has been in accordance with a New Right political movement that began to take shape throughout the 1970s and was established with the election of Margaret Thatcher in 1979 (Hobbs 1991). The terms New Right, neoconservative and neoliberal have been used interchangeably to refer to the political parties and values that dominated the 1980s political landscape in Britain, the United States and, to a lesser degree, Canada (Resnick 1994; Evans 1994). This shift to the right has crossed party lines, including the Liberals and Progressive Conservatives in Canada, and New Labour in the Britain. The focus of the New Right has been opposition to social rights that they define as excessive entitlements, the rationalisation of social programmes, and the desire for "a global democratic order" based on American capitalism (Gotfried 1993:87-90). Offe (1984) identifies a three part neoconservative "theory of crisis" that critiqued "the institutionalised arrangements of welfare state mass democracy" and that fuelled the movement into the 1980s.

Using what he calls a popular "medical-biological metaphor" Offe (1984) outlines the diagnosis, prognosis, and therapy components of the neoconservative crisis theory. The problem, or diagnosis, is the conflict between what is seen as the "overload of expectations" that exists in the welfare state compared to the ability of the state to meet these expectations. The prognosis is that unless a balance between liberal-democratic rights and responsibilities is found, ungovernability will ensue. The treatment, then, is to

either limit access to claims upon the state, or to redefine its powers and responsibilities.

In terms of claims reduction Offe states:

The proposal to redirect claims that lie beyond the 'boundaries of the welfare state' towards monetary exchange relations, that is, markets, is on everyone's lips today. The watchwords are the 'privatization' [sic] or the 'deregulation' of public services and their transference to competitive private enterprise.... Other key phrases include the West German Council of Economic Advisers' 'minimum wage unemployment' or even Friedman's 'natural unemployment' - i.e., diagnoses of employment problems that recommend the re-establishment of a functioning of market mechanisms to dispose of such problems (1984:69-70).

Redefinition of state limitations (or deregulation) includes the promotion of "values like self-restraint, discipline and community spirit" through government agencies and departments, and the implementation of "filter mechanisms" that determine the legitimacy of claims on government, or how well they correspond with a governing party's political agenda (ibid).

Resnick (1994:25-27) identifies "three levels to the neo-conservative [sic] challenge." The first level is the economic challenge, which is based on solving the problems of slow growth, recession and poor work ethic that supposedly result from a generous welfare system. "Only a return to neo-classical principles, a shift in emphasis from state activities to private-sector production and entrepreneurial initiative or so it was alleged could set the balance right" (Resnick 1994:26). The second level is the political challenge to promote and instil in people the values of small government. By focusing negative attention on those who were seen as exclusive beneficiaries of public funds (including government employees, welfare recipients, union members and minority groups) populist approval for massive spending reforms was expected. The third level is

an appeal to moral principles that includes implementing a New Right version of economic meritocracy and free will alongside framing the needy as morally inferior and godless. According to this view, by making the 'right' choices independently the needy will rectify their inferiority and godlessness. These three levels of challenge aim to redesign the welfare state through policy and fiscal reforms that serve privatisation and capital accumulation, and are advanced through the New Right's ad-hoc, populist and divisive approach to social and economic management (Delgado & Stefancic 1996; Gottfried 1993). Simply put, New Right values insist that the state should no longer be looked to as a solution to unemployment, either youth or aggregate. Instead the state should support the market and let the market work to solve the unemployment problem. One way of moving forward with this approach is to manage public opinion, or generate public support, by promoting these values to the public via social movement practices.

### **1.3.2 Social Movements**

Social movements are generally regarded as grassroots efforts in collective, revolutionary, or subversive action which seek first to influence public opinion in their favour by gathering support or disrupting public order, and on the basis of that seek to influence government policy. Such a conceptualisation assumes dislocation from both ruling structures and power sources, and a footing primarily in collective opposition to the current social, economic or political structures. Rarely assumed is a desire by power-holding groups for increased influence in policy- or decision-making processes or the retrenchment of a particular system of governance. If social movements are identified not by their relative status but instead by their goal of creating "a new order of life" that is

rooted in "dissatisfaction with the current form of life, and ... from wishes and hopes for a new scheme or system of living" (Blumer 1951/1995:60), then they can develop from within the ranks of the powerful or the powerless.

McAdam (1996:37) and Bottomore (1993:28) argue that social movements can originate at any point along the spectrum of power and political inclusion, from far-left revolutionary movements on one end to far-right political parties on the other. This is contrary to the notion that social movements can only be established in a climate of generalised and obvious oppression or disagreement with the status quo, such as in the case of anti-Apartheid or pro-life movements. There remains to be dealt with, however, the idea of conflict within the governing structure, and whether a social movement is defined as such when it is organised, or when conflict ensues. Here the media plays a large role. How struggle is experienced by and portrayed to the general public has a large influence on whether some activity 'becomes' a social movement or not. Perhaps the promotion of entrepreneurial values has not been looked at as a social or political movement because the status of its proponents has defined its political activity as legitimate. As such it has commanded no formal opposition.

While broader political and economic climates may give rise generally to the strain, cleavages, and channels of protest necessary for social movement formation, the distribution of political power enables movement activity along political orientation lines (McAdam et al 1996). According to Bottomore the substantial social movement formation of the 1960's was rooted in a "faith in affluence" that was dependent upon post-war "sustained economic growth, full employment, [and] the expansion of higher education" (1993:32-33). The

opportunities that existed throughout the 1960s and beyond for the development of a variety of social movements linked to non-labour issues were established through increased access to income, education, and a new sense of security about future prosperity. People's concerns branched off from personal economics and survival into broader social issues. Faith in affluence, however, grew to be replaced by what Heilbroner (1974) as cited in Bottomore (1993:98) calls "erosion of confidence" in the ability to sustain the affluence and growth of the 1970s. This lack of confidence was accompanied by an upsurge in right wing protest activity. "Just as movements on the Left mobilized in the United States during the Kennedy and Johnson administrations, so too did the Reagan/Bush years see a marked increase in protest activity on the Right" (McAdam et al 1996:11).

McAdam et al. (1996:2) identify "three broad sets of factors" that have emerged since the birth of social movement research, are common across disciplines and theoretical leanings, and that provide the contemporary social movement research framework - these are political opportunities, mobilising structures, and framing processes. Social movements are being increasingly examined on the basis of a symbiotic relationship between these factors, as individually each has been useful in examining components of social movements, but of little use in understanding the development of a social movement as a whole. Political structures and climates, access to power and influence mechanisms, and cultural values and icons do not exist in isolation, and as such cannot independently account for the development and growth of a social movement.

The political opportunities approach to social movement research attempts to illustrate how the larger political climate gives rise to social movements, and how this



climate can either fuel or extinguish a particular social movement (McCarthy 1996). As such, government may implement political opportunities for the creation of a social movement as part of a deliberate strategy to achieve a particular goal. The development of a social movement may be a response to either expanding or contracting political opportunities that may occur within a current political structure or as a result of a shift or strain in that structure. These opportunities are rooted in the openness and stability of a political system or broader political climate, and access to agents of and support for change. The institutionalisation of a particular social movement may in turn create political opportunities for satellite organisations.

Mobilising structures are the means whereby social movements develop and engage in action. They come from the "collective building blocks of social movements", including access to both financial and human resources and to the political process (McAdam et al. 1996:3). Mobilisation capability varies across social movements based on their relative power. The more power held by a particular group, organisation or movement, the greater their capacity for mobilisation and their ability to influence change. Access to resources strongly influences the outcome of social movement activity, providing advantage to those in positions of power. The legitimisation and authority granted to both government and business by virtue of power, influence and access to capital has meant that the access of the entrepreneurial movement to educational and social welfare institutions has been largely unrestrained. This unrestrained access has enabled any value conflict that exists within this relationship (altruism versus individuality; equity versus restraint; redistribution of wealth

versus accumulation) to be mediated by the ascribed superiority of capital, and business authority over capital.

Framing processes are the "shared meanings and definitions that people bring to their situation" that "[mediate] between opportunity, organization [sic], and action" (McAdam 1996:5). They are the ways through which a movement's position is communicated, and through which the public's perception of the movement and its core goals and values is influenced. They are a reflection and manipulation of the culture and ideology within which they develop, and rely heavily on media representation to take effect. Not only do framing processes define a problem, but they also envision a solution to that problem. The strain that precedes the development of a social movement "is as much a cultural construction as it is a function of structural vulnerability" (McAdam et al. 1996:8).

Rose (1987) in his discussion of the determination of employment policies, argues that while there are both economic and social considerations surrounding whether and how to deal with unemployment, the ultimate decision rests in the political circumstances surrounding a particular policy or strategy. Because unemployment is "a major influence upon voters," policies surrounding it must be based on internal party consensus, external voter support, and minimal voter resistance. "Endorsement of an employment policy by politicians is a necessary condition of government action.... In addition to having the legal authority to commit the government, election gives politicians [the] popular legitimacy" required to elicit voter support and compliance (Rose 1987:295). McBride calls this process "ideological legitimation", or the ability of "state officials... to shape popular perceptions and beliefs", thereby garnering public support for their activities

(McBride 1992:21-22). Through ideological legitimation, the state can garner public support for its approaches to dealing with youth unemployment, whether or not any jobs are actually created.

#### **1.4 Methodology**

In order to examine the promotion of entrepreneurial values in the context of a social movement, its larger dimensions must be understood. What are the roles played by government agencies, businesses and business organisations, and entrepreneurial training programmes? After defining links between these through use of primary and government documents, this thesis will use a case study and semi-structured interviews to examine how entrepreneurial values are promoted to individuals and organisations. By examining entrepreneurial training programmes alongside the literature on youth employment programmes of the 1960s and 1970s, this approach will identify key similarities and differences between the approaches. In doing so it will consider what else an entrepreneurial movement might be trying to accomplish.

##### **1.4.1 Programme Selection**

To fully test the theory that an entrepreneurial movement has developed as a top-down social movement, it is important to examine a “real life” entrepreneurial training programme and its participants. Can the social movement research framework outlined by McAdam et al (1996) be effectively applied to the development of entrepreneurial training programmes? How do the development, participant selection and delivery of entrepreneurial training programmes play out? What individuals and organizations are involved? Two programmes that were developed under the federal government’s Youth

Internship Canada (YIC) programme were chosen. YIC is part of the HRDC Youth Initiatives Program (YIP). The Entrepreneurial Studies Program for Young Graduates (ESPYG) was a federally funded pilot project under this initiative that was sponsored and administered by WEB in St. John's and Corner Brook concurrently from September 1995 through August 1996. A pilot project is a project of limited scale and duration that aims to test the applicability and effectiveness of a particular plan of action. If successful, pilot projects may serve as models for future policy or programme development. Youth Entrepreneurial Studies (YES) was a second year extension of ESPYG in Corner Brook that ran from September 1996 through August 1997. YES was funded by HRDC, sponsored by the Corner Brook Rotary Club, and administered by the Corner Brook ESPYG staff. ESPYG and YES were chosen for this study because they were government funded, business organisation-sponsored, and were delivered at separate locations within the same province.

#### **1.4.2 Interview Participation**

Twenty-two participants in ESPYG and YES were interviewed using a semi-structured format between mid-February and mid-March 1998. The interviews used in this research were semi-structured in that all of the open-ended questions on the research instrument were asked verbatim to every participant, yet probing occurred when necessary and answers were limited only by participants' willingness to disclose. Participants were encouraged to speak freely regarding their experiences with entrepreneurship and the entrepreneurial programme.

The sole criteria for participating in this research was having been a student or instructor of ESPYG or Youth Entrepreneurial Studies (YES), or a member of the sponsoring agency with an active involvement in either programme. Because this programme was a short-run pilot the number of participants to choose from was limited. Time and financial constraints were such that only programme participants known to currently reside in Newfoundland were contacted. The majority of people contacted agreed to be interviewed. Three students declined interviews, but gave no reason why. The remaining 15 of the 35 original entrepreneurial students either could not be located within the province or were known to be living outside the province. However, contact with their families or word of mouth via other interview participants provided information on their current employment and entrepreneurial status. Of the 22 people who were interviewed 17 were students of the entrepreneurial programme, three were instructors in either St. John's or Corner Brook, one was a programme administrator in St. John's, and one a former HRDC employee. Every member of the sponsoring organisations who could be contacted declined to be interviewed for fear of job repercussions, or for personal or unstated reasons.

### **1.4.3 Interviews**

While the semi-structured interview method holds a danger of asking leading questions, its use has been identified as most appropriate to doing field research (Babbie 1992:293). According to Babbie (1992), semi-structured interviews in the field make a participant's experiences come to life and are valuable in bringing abstract political and

theoretical discussion down to a personal level. This method is rarely accused of superficiality.

It is through case study and semi-structured interviews that the impact of policies on individuals is best explored. The ability to probe when necessary that comes with semi-structured interviews allows for in-depth understanding and intimate illustration of what might otherwise be non-contextual statements. Just as with the ethnographic format used by MacDonald and Coffield (1991) in their study of youth entrepreneurship in Teesside, England, the interviews “gave [participants] a chance to share their experiences and problems with an empathetic outsider, to rehearse for themselves, often for the first time, the reasons why they had [chosen entrepreneurship] and the difficulties they now faced” (MacDonald and Coffield 1991:8). These techniques allow the case of a particular entrepreneurial programme to be situated and examined within a larger network of programmes, sponsors and funding agencies.

Interview questions addressed both students’ and instructors’ educational and employment histories, how and why they became involved in ESPYG or YES, what subjects the programmes covered and how the subjects were covered, and students’ experiences with entrepreneurship during and after the programmes. The interviews took place in the participants’ homes or places of business and lasted from 30 minutes to two hours. As it is essential that participants make informed decisions, all interviews began with an introduction and overview of what the research was about. This was stated during initial contact and prior to the actual interviews. Informed consent for both participation and tape recording of the interviews was reinforced with a participant

release form<sup>2</sup>. All participants were assured of confidentiality and encouraged to speak freely and openly about their experiences. They were told that they were free to excuse themselves from the process at any time. While this did not occur, several participants were apprehensive about what the implications of participating in interviews might be for them. When given authority over what would be done with that tape and assurances that the interviewer was not from HRDC they were put at ease. To protect the interests and concerns of the participants no names or identifying characteristics have been used.

#### **1.4.4 Other Data Sources**

Other material for this thesis comes from government documents, Websites, newspaper articles surrounding ESPYG, YES and their sponsors, and the programme evaluations submitted by staff and sponsoring agencies of the entrepreneurial programmes. This material will be used to outline the organisation of an entrepreneurial movement, as well as to provide an illustration of the promotion of and assumptions behind entrepreneurial values. As outlined in Chapter III, print media are of particular importance to research of this type as the entrepreneurial movement has indicated its necessity in spreading the entrepreneurial ideal (OECD & ACOA 1996). Archive research of newspapers was conducted in the Queen Elizabeth II Library at Memorial University of Newfoundland. This collection is used to plot the growth and development of an entrepreneurial movement on a local and national level.

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<sup>2</sup> Please see Appendix B

#### 1.4.5 Challenges

As a former student of ESPYG, conducting this research has posed some particular challenges. Going into any research using human subjects requires that the researcher keep his or her mind open and avoid misinterpretation, leading questions and interviewer bias. It was necessary to keep my own interpretations of ESPYG, entrepreneurship and the promotion of entrepreneurial values to myself for the duration of the interviews. This was dealt with by sticking directly with the research instrument, and when probing using carefully structured, open-ended questions. There also existed the possibility that some participants, knowing my status as a former ESPYG student, might not be forthcoming with their experiences. This, however, did not materialise, and the interviewees were in fact more comfortable with talking to me knowing that I had shared some of their experiences and frustrations. What did pose an unexpected challenge was their aversion to being forthcoming on tape. Many participants were suspicious as to for whom I was “really” doing my research, and, like members of sponsoring organisations who refused to be interviewed, feared negative repercussions if they were too honest in their statements. Some stated that they thought perhaps I was from the Atlantic Canada Opportunities Agency (ACOA), WEB or HRDC and believed that honesty might disallow them from future programmes or funding, or might alienate them from what they considered to be valuable contacts. This acknowledgement of unequal power relations came up frequently in the interviews. As a result of the students’ reservations in particular, informal, off-tape conversations held after an interview was



completed gave emphasis and support to what was said on-tape, and often led to a more passionate discussion of their experiences.

### **1.5 Overview**

This chapter has introduced the New Right value system that is behind the presence of entrepreneurial training for youth. This value system advocates small government and prefers market solutions to social problems over the introduction of government intervention. In part, New Right values are perpetuated through the negative stereotyping of those who have closer ties to government programmes. This chapter has also introduced the concept of social movements and discussed how they can be established anywhere along the political spectrum in order to introduce a new idea or set of values or to simply reinforce those already in place. The values behind social movements are passed on to individuals and organisations through the use of framing structures, resource mobilization and political opportunities. The methodology used in this thesis is also presented in the first chapter, including programme and participant selection, interviews, other data sources, and the challenges inherent in doing research of this type.

Chapter II will begin with a look at youth unemployment and labour force participation rates, followed by an examination of how the Federal Government has responded to youth unemployment in the past. It will also illustrate how youth unemployment came to the international attention, and in doing so show how “moral panic” has been used internationally by OECD member countries to frame youth unemployment. Finally, it will show how entrepreneurial training is an extension of the

moral panic frame that occurs within the context of New Right values. Chapter III will define entrepreneurship and critically examine the rhetoric of entrepreneurial boosters, particularly as it applies to dealing with youth unemployment. It will discuss the political and economic climate that fostered the promotion of entrepreneurial values and illustrate the vertical orientation of the entrepreneurial process and players. More particularly, it will illustrate how entrepreneurial values are promoted through the system of federally funded training programmes. Social movement and social control theories will be applied to illustrate the roles of political opportunities, framing processes and resource mobilisation in the development and growth of an entrepreneurial movement.

Chapter IV will present the case study and interview data in order to examine the entrepreneurial programmes from the proposal stage through staff and student selection, curriculum development and instructional methods. It will examine the development of ESPYG and YES, which came out of initial contact between WEB and HRDC. Chapter V introduces the entrepreneurial students, beginning with their educational and employment backgrounds. This chapter will explore how and why they got involved in the entrepreneurial programme, their goals, expectations and outcomes from the course, and their hopes for the future.

Chapter VI concludes with a discussion of the case study and interview results within the theoretical framework defined in chapter one. It will discuss the claims made about entrepreneurial training, and whether, in this instance, these programmes are valuable as tools for alleviating youth unemployment. This chapter will also situate entrepreneurial training programmes within the arguments made by researchers regarding

youth employment programmes of the 1960s and 1970s. Finally, recommendations for further research will also be made.

## CHAPTER II YOUTH EMPLOYMENT PROGRAMMES

### 2.1 Introduction

Youth unemployment has been framed as a supply side problem in the labour market that is rooted in both poor attitudes and skills shortages of youth. Throughout the 1970s and into the 1980s the Federal Government responded to the problem of unemployed youth through temporary employment programmes that intended to occupy youth, impart job skills to them, and encourage support for the government and its policies from young voters. As Canada's political climate became more conservative through the 1980s, the make-work approach to unemployment was increasingly portrayed as encouraging and enabling dependency upon the state. This chapter will look more closely at Federal Government approaches to dealing with unemployed youth over time. In doing so it will identify similarities and differences between earlier approaches that came before and after New Right values began shaping employment policies and programmes. The chapter begins with a look at how the youth unemployment rate has fluctuated since 1976, the first year for which national and Newfoundland youth unemployment data are available.

### 2.2 Youth Unemployment

In 1976, 63.6% of Canadians aged 15 to 24 were part of the labour force and the youth unemployment rate was 12.2%.<sup>3</sup> By 1983, 67.5% of youth participated in the labour force, and the youth unemployment rate was 19.8%. Youth unemployment

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<sup>3</sup> Youth unemployment and participation rates come from Statistics Canada (1989) and Minister of Industry (1998).

declined during the late 1980s to its lowest recorded value of 11% in 1989. Also during this period youth participation grew to 71%. Although the youth participation rate declined steadily to 61.5% by 1997, their unemployment rate rose, fluctuating between 16% and 18% throughout the 1990s. While youth unemployment in Canada has been framed as a problem of youth, the graph below illustrates that its rate mirrors aggregate unemployment. Both youth and aggregate unemployment hit their highest point since the data were recorded for youth in the mid-1980s when New Right values were at the forefront of policy making.



Figure 1  
Source: Statistics Canada Labour Force Survey

Youth unemployment has been higher in Newfoundland than it has been in Canada, although it has followed a similar pattern.

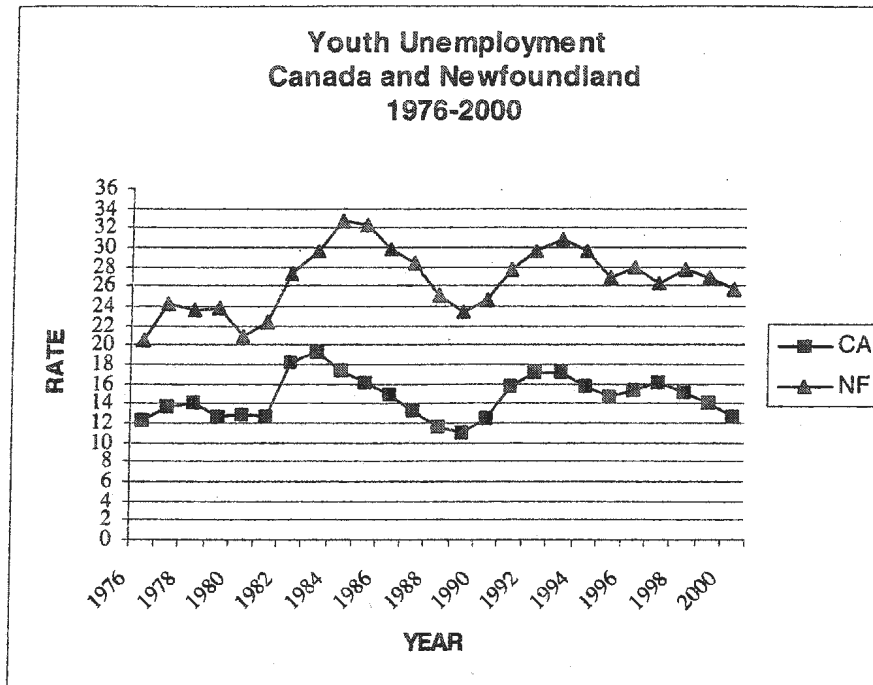


Figure 2  
Source: Statistics Canada Labour Force Survey

Participation in Newfoundland's youth labour force grew steadily in the late 1970s, from 49.6% in 1976 to 54.7% in 1979. During these few years there was little change in the youth unemployment rate (20.5% in 1976, and 20.9% in 1979, with a rise to approximately 23% in between). Although the youth labour force participation rate in Newfoundland declined from 52.8% in 1980 to 48.8% in 1989, the unemployment rate for youth grew from 20.9% in 1980 to 32.2% in 1985. By 1989 the youth unemployment rate was down to 23.6%, when it began to rise again. Since 1990 the rate of youth unemployment in Newfoundland has stayed between 26% and 31%. Throughout the 1990s, approximately one-half of Newfoundland's youth participated in the labour force, with the recorded low of 41.4% being reached in 1997.

Youth participation in the labour force in both Canada and Newfoundland can

generally be described as stable. There have been few sharp dips or rises in either group. Meanwhile, the rate of youth unemployment provincially in Newfoundland and nationally has been relatively erratic, peaking in both the mid-1980s and mid-1990s followed by rapid decline. At times the rate of youth unemployment has grown while the participation rate has declined. Clearly, responses of the Federal Government to the problem of youth unemployment have not managed to significantly reduce its rate. The following section will look at some of these efforts.

### **2.3 Youth Employment Programmes**

Early responses by the Federal Government to the problem of youth unemployment in Canada involved job creation strategies that were intended to both occupy and impart skills to youth. During this period Canadian youth were becoming increasingly critical of government, and other countries were experiencing violent youth protests. Both the United States and Britain had been troubled since the 1960s with violent inner city riots that were blamed on a lack of activities for unemployed youth. Early responses had two separate targets – high school and university educated youth, and those youths with basic education shortages and serious employment challenges.

#### **2.3.1 1960s and 1970s**

Although youth unemployment has been considered a problem in Canada since at least the early 1900s, concern in the recent period dates back to the late 1960s. The earliest programme of this period began even before Statistics Canada began recording Canada's youth unemployment rate in 1970. The Canadian Youth Commission (CYC) was established in 1965, and has been called "the most famous of the early experiments

in [social change]" (Loney 1977:456). The premise of CYC was taken from the popularity of the United States Peace Corps with American youth. CYC accepted applications for funding from established social agencies, new groups and individuals. Applicants were asked to present proposals for youth-driven, community-oriented projects that provided social value and taught useful skills to youth. Inherent in this directive was a desire by the Liberal government of the day to elicit support from increasingly educated, vocal and critical youth by giving the impression that their views were represented (Best 1974:139). However, both the Federal Government, which had intended to support mainstream projects, and established social agencies, which had identified CYC as a source of additional resources, were ultimately dissatisfied with how CYC was administered. While approved projects often leaned towards counter cultural initiatives, CYC had not been meant to support what bureaucrats and politicians defined as subversive or dissenting activities (Best 1974:140-141). For this reason and the failure of the programme to generate a youth constituency supportive of the government of the day, CYC's funding was cut.

Launched in 1971 when Canada's youth unemployment rate was 11%, Opportunities for Youth (OFY) also attempted to gain support for the government from educated, vocal, and dissenting youth. Implicit in its funding formula was the requirement that approved projects be youth designed, community oriented, labour intensive, and the sort that would attract those youth with the greatest potential for unrest (Loney 1977:458). While OFY shared CYC's goal of eliciting support for the government from youth, it did not attempt to represent the average youth but instead



focused on those who were more deviant. Throughout the summer months communities and non-profit agencies benefited from this programme in that it provided additional funds and bodies to put projects in place. However, with the end of summer came the expiration of OFY funding and the disappearance (regardless of the social cost) of valuable projects that had been shown to fill gaps in existing social agencies and programmes (Loney 1977:462).

Begun in 1973 when Canada's youth unemployment rate was 9.6%, the Student Summer Employment and Activities Program eventually oversaw 17 federal programs including the Manpower Centres, the Summer Job Corps Program and Young Canada Works, all of which provided temporary employment through community enhancement projects sponsored by private, public, and non-profit interests. While Canada Manpower Centres On-Campus and Canada Manpower Centres for Students had first appeared in 1969 as labour and job market information dissemination sites, it was not until 1977, the same year as the OECD High Level Conference on Youth, when youth unemployment in Canada was at 13.7%, that any other major youth-focused employment initiatives appeared in Canada.

Initiatives recommended by Conference participants replaced government sponsored make work projects with measures put in place to remove youth from or keep them out of the labour force (OECD 1978a). Conference participants recommended that the youth school to work transition be delayed through more time spent in educational institutions (OECD 1979). This initiative was to be facilitated through the removal or lowering of tuition rates, and the lowering of entrance requirements for post-secondary

courses. The focus on increased education would delay youth entrance to the labour market and at the same time address a shortage of skilled and educated human capital amongst the youth population. Approaches to dealing with unemployed youth who were not post-secondary candidates involved the creation of wage-subsidy programmes and the re-creation of pre-existing programmes to include a youth component.

Several Federal Government initiatives that dealt with Canadian youth who were not attached to the education system were also put in place in 1977. The Federal Job Experience and Training Program (JETP) was introduced as a two year pilot project that provided wage subsidies of up to 50% to employers willing to hire high school drop outs "with serious job placement problems" (OECD 1977). The JETP worked in direct partnership with such private business groups as Chambers of Commerce, Boards of Trade who were deemed to be best qualified for identifying useful opportunities (ibid). Youth Employment Centres were also introduced as a pilot project in 1977, but only in areas of high youth unemployment. These centres were designed to give career guidance to secondary school students and potential dropouts, as well as to screen applicants for JETP. The Youth Apprenticeship Training Program (YATP) was also established in 1977 to provide financial assistance to provincial governments and private employers as a way to encourage apprenticeship positions for teenagers, especially in areas of labour shortages.

### **2.3.2 1980s and 1990s**

By 1983, despite efforts that were meant to keep youth out of the labour force, Canada's youth unemployment rate was at an all time recorded high of 19.2% and the Federal Government referred to unemployed youth as a "priority for government action"

within the national objective of employment for every Canadian who wanted to work (Minister of State - Youth 1984). In 1985, one year after the election of Brian Mulroney's federal Progressive Conservative government, the Canadian Jobs Strategy (CJS) was launched. This programme was intended to deal with both youth and aggregate unemployment, although both rates were declining. The national youth unemployment rate had dropped to 16.2% since 1983, while the national aggregate rate was at 10.7%, down from 11.9% in 1983. The introduction of CJS in 1985 reflected a shift in government policy that preferred formal education and training to on-the-job training or government job creation. It was part of an overall restructuring of Federal Government policies and programmes designed to use the private sector whenever possible to deal with social issues (Bakvis & Aucoin 2000:12; Evans 1994). While member nations of the OECD had focused on youth unemployment in the past (OECD 1978a, 1978b, 1980), designation of 1985 as International Youth Year (IYY) was intended to bring about "increased attention on youth matters at the international level" (Minister of State - Youth 1984:12).

In preparation for IYY Canada had appointed its first Minister of State for Youth in 1984. The initial task of the Canadian Minister was to determine for IYY how youth fit in with and related to other participants in Canada's social, cultural, political and economic institutions. Mandated to represent the social and economic concerns of youth to Parliament, the Minister would focus on drawing youth into the Canadian mainstream by improving transitions from school to work, and from dependence to independence (Minister of State - Youth 1984).

In January of 1985, the Minister of State for Youth announced a "six-point program" that focused on increasing public understanding of youth and youth issues, and that once more aimed to incorporate youth into Canada's social, cultural, political and economic institutions (Employment and Immigration Canada 1986). Consultations took place between the 'six-points' or concerned parties: federal government, provincial government, labour, business, community organizations, and youth groups. Twenty-three young Canadians were selected to form an IYY advisory and facilitation committee. \$7.9 million was budgeted for special private and non-profit youth centred projects, with an additional \$2 million being added in the summer of 1985. Included in the funded projects were regional forums focusing on the employment and economic concerns of youth.

The Minister's first publication was entitled *Focus on Youth*, and was presented as an evaluation of youth unemployment (Minister of State - Youth 1985). The insights into youth unemployment that appeared in *Focus on Youth* came from the "six-point" consultations and OECD member countries. Youth serving organizations argued that youth unemployment was rooted in a lack of training for the market, and pressed for improved training and greater promotion, support, and funding for youth enterprise programmes and individual enterprise initiatives. Labour interests argued that youth unemployment was rooted in high aggregate unemployment levels, and argued for limits on business profitability and more economic planning, greater access to education, as well as provisions for apprenticeship, on the job training, cooperatives, and some entrepreneurship. Business interests defined the youth unemployment problem as rooted in the larger economic slump, and argued for less government economic intervention, greater incentives to hiring youth,

work study and cooperative education programs, and the introduction of Junior Achievement and similar entrepreneurial programs into school curriculum.

The general conclusions and recommendations that came out of the employment forum matched those seen previously, and reflected New Right values. Unemployment was described as "a serious concern for youth" (rather than a national concern) that was rooted in their poor attitudes and weak educational achievement. Recommendations from each of the regions included the need for improved job information channels, increased government funding for training and wage subsidies, moving away from unionized labour, and education in-line with technology and work place demands. These recommendations reflected actions implemented throughout the 1970s that had seen the introduction of job centres and private/public partnerships. However, an anomaly existed in the recommendations of the Atlantic region.

Made up of the four Atlantic Provinces<sup>4</sup>, a region known for its high unemployment, the Atlantic Region was the only region to recommend entrepreneurial initiatives as a way of responding to youth unemployment. This theme permeated all but three of their recommendations. Recommendations included increased financial support for entrepreneurial endeavours, greater access to and coordination of entrepreneurial support networks, improved linkages between youth and business groups as a way to "develop an entrepreneurial spirit among youth", and increased private sector influence in youth career planning through mentoring and co-op programs. The promotion of entrepreneurship itself in Newfoundland was nothing new. It had been promoted in Newfoundland since the 1960s

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<sup>4</sup> Newfoundland, New Brunswick, Nova Scotia, Prince Edward Island

through such articles as "Atlantic Provinces: Our Own Responsibility" (*Evening Telegram*, January 20 1960:p3) and advertised invitations to "Join Canada's booming economy! Own your own business!" (*Evening Telegram*, October 14 1966:p54).

By 1987 the entrepreneurial influence on youth was beginning to take hold in Newfoundland. That year saw the YM/YWCA in St. John's become involved in the business of youth entrepreneurial training and support services for the first time through the creation of the federally funded Youth Enterprise Centre. Federal and Provincial governments partnered with the YM/YWCA to run nine youth enterprise centres over a three-year period. The Centre was funded partly through the Innovations Program of CJS (\$1 million) and partly by the Government of Newfoundland (\$100,000). It was expected to counsel approximately 70 local people between the ages of 16 and 30 within the three years (*Evening Telegram*, May 20 1987). The federal Student Business Loans program, funded by the Royal Bank and the Federal Business Development Bank, was also established in 1987. From 1988 onwards youth employment initiatives were focused on summer employment, entrepreneurship, and stay in school programs, and forged links between these and private industry. These developments were in step with the pro-business values of Canada's federal Progressive Conservative government under Brian Mulroney from 1984-1993. The Mulroney government (though not as extreme as its counterparts the Thatcher government in the UK and the Reagan government in the US) was committed from its beginning to targeting social programmes, de-regulation of industry, promotion of a free-market economy and entrepreneurial values, and deficit reduction (Evans 1994). According to Stoyko (1997:86), after its election in 1993, the Liberal Government used a political technique

involving “political calculation, cutback management techniques, cosmetic marketing and high-tech fetishism” to make the idea of a market free of government intervention “more politically palatable”. In keeping with the larger federal mandate of privatization, youth unemployment was dealt with through training for the market and wage subsidies for business, while entrepreneurial initiatives increasingly made job creation the responsibility of the jobless.

The introduction of YIC in 1994, in particular its entrepreneurial training component, introduced an approach that did not discriminate between educated youth and those at risk for being chronically unemployed, instead targeting all youth equally. Federal Government expenditure for youth employment programme partnerships climbed from \$180 million in 1988 to \$515 million in 1996 (Kerr 1996:13-15). Government funded programmes such as Young Canada Works, YIC, and Summer Career Placements (all part of the Youth Employment Strategy that was launched in 1995) are but a small part of the \$2 billion “investment in young people” that was meant to “expand work experience opportunities through partnerships” with business (Government of Canada 1997:i). In spite of these approaches to dealing with youth unemployment, the problem remains serious in both Canada (12.8% in 2001) and Newfoundland (24.7% in 2001) (Source: Statistics Canada Labour Force Survey).

Additional changes that were beyond youth employment programmes and policies also impacted upon unemployed youth through the 1990s. While the percentage of laid-off youth who received Unemployment Insurance dropped from 54% to 15% (Canadian Labour Congress, 1998a:8) between 1989 and 1997, the biggest drop (from 22% to 15%) occurred

in 1997, after the implementation of the *Employment Insurance Act* in 1996. With the new *Act* it became more difficult for youth to access benefits. While part-time hours were recognized for the first time, the minimum number of hours required for eligibility increased from 300 to 910 (Canadian Labour Congress, 1998b:8). As a result of these changes, not only were youth virtually shut out of access to benefits by the late 1990s, but it also became more difficult for them to access any training programmes provided under the Employment Insurance programme. The recognition of part-time hours may have extended eligibility to some part-time workers, but it also eased some of the pressure on both government and industry to create more full-time jobs.

The training component of the Employment Insurance system also changed in favour of the market in the late 1990s. Between 1995 and 1999, the percentage of the Unemployment Insurance account used for self-employment fell from 9% to 3%<sup>5</sup>, while the percentage used for employment services, partnerships with private sector and research grew from 0% to 27%, and the percentage used for training fell from 83% to 28% (Canadian Labour Congress 1999). Cutting both the self-employment and training accounts by approximately two-thirds increased the burden on youth who choose to pursue entrepreneurship as it limits the resources available for their support. The commitment of more than one-quarter of the Unemployment Insurance account to private sector-related activities re-affirms the Federal Government's commitment to market-based approaches to dealing with unemployment.

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<sup>5</sup> It would be interesting to know how much of this money is used for advertising and promotion of entrepreneurship, how much for partnerships, how much for independent training, and how much for small business start-up financing.



Changes to the Canada Student Loans programme also had a negative impact on Canadian youth in the mid-1990s. In 1995 the Federal Government stopped providing 100% guarantees for student loans. Instead, Canada's major lending institutions took on full responsibility for administration and repayment of the loans. By 1999/2000, public funding for post-secondary education had fallen to 24% below the 1992/93 levels (Canadian Association of University Teachers 2000). Throughout the 1990s, not only were Canadian youth encouraged to stay in school; they were also being forced to pay more and more for that choice. Rather than enter the labour force with a well paying job, young graduates quite often have to struggle with student loan debts that, according to the Revenue Canada, average \$25,000.

### **2.3.3 International**

The Canadian Government is not alone in facing criticisms for its approach to youth unemployment. Similar criticisms have been laid on the governments of the United States and Britain. According to Sherraden and Adamek (1984) policies and programmes put in place in the US after the riots of the 1960s focused on riot prevention at the cost of ignoring the possible implications of unemployment on the lives of youth, and of legitimate approaches to alleviating youth unemployment. They were based not on any need an unemployed individual might have, but on his or her identification as part of an exaggerated problem, and as such were both short-sighted and deceiving. For example, the Summer Youth Employment Program [sic] (SYEP), an American youth employment programme that began in 1964 and survived through 1983 was, according to Sherraden and Adamek (1984) framed around moral panic or what they call social

dynamite. SYEP was a summer programme with no links to ongoing education or employment. Any growth in the programme immediately followed urban rioting. While policy makers under conservative US President Reagan cut other youth employment programmes, SYEP continued into the 1980s. The work performed by participants in SYEP was often part-time and had little focus on productivity, skills, job training or accomplishment. Sherraden and Adamek found that "Altogether, the program [sic] does very little except provide some money and keep teenagers and young adults off the street" (1984:541). While young, urban blacks were occupied in mundane activities for the summer months, the more serious problems that can lead to youth unemployment, such as drug addiction, teenage pregnancy and poverty, went unattended (Sherraden and Adamek, 1984).

Cohen also speaks to the misdirected nature of approaches to dealing with unemployed youth, arguing that the response of the British government in the 1980s under Prime Minister Thatcher aimed to quell protest activities and force youth to conform to behaviours desired by the state (Cohen 1990). Cohen marks the introduction of entrepreneurial training after the riots of 1981 as a breaking point in British youth employment policy in that it aimed not only to control behaviour, but also to impart values on its target participants. Whereas responses by British policy makers to the problem of youth unemployment throughout the 1960s and 1970s included apprenticeship, unemployment benefits, casual employment and job training, the enterprise culture responses of the 1980s primarily involved image management and self-promotion (Cohen 1990). Youth Training Schemes in the 1980s aimed not to create jobs

for youth, but to remake the working classes by creating “agents of capital rather than labour”, and by imparting on them “the individualistic values and practices associated with enterprise culture” (Cohen 1990:55).

## **2.4 Summary**

Although the Federal Government has developed and implemented programmes and policies in response to youth unemployment since the 1960s, the unemployment rate for youth continues to be high. One argument for the failure of such programmes to eliminate or reduce youth unemployment in Canada is that these efforts have focused on altering the behaviour of youth. Rather than well thought out projects that provided valuable job skills and had a long-term orientation, both CYC and OFY have been accused of being hastily implemented, temporary, and little more than distractions for youth. Because these efforts were largely driven by concerns about youth behaviour and activities, their implementation was hasty, applicant eligibility was seldom verified, projects were approved without investigation, and financial accounting was often vague (Loney 1977; Huston 1973). Another argument is that the provision of relatively low cost activities for youth simply gives the impression that the problem is being dealt with. By enabling projects that appealed to vocal and critical youth, OFY not only provided youth with their own version of meaningful work, but “also had a powerful implicit ideological message: ‘the government cares’” (Loney 1977:460). By funding a myriad of causes as defined by a variety of groups, the state appeared not as “the agent of a particular social class but rather the benefactor of all” (Loney 1977:453).

Government funding has also been presented as a reward for good behaviour (Loney

1977; Peck 1996). In the context of CYC, those who conducted themselves in an appropriate manner were rewarded with both project funding and the opportunity to represent their peers. When CYC projects failed to conform to government intentions, that funding, or the reward, was taken away. Involvement in projects that addressed the margins of society was the reward for those deviant youth who were the targets of OFY. The willingness to enter into training instead of looking for paid employment was the reward for targets of CJS, which ultimately paved the way for the advent of entrepreneurial training. The move toward entrepreneurial training is an ideal tool for government in that it allows them to maintain administrative authority over course content, taps into the energy and creativity of youth, actively promotes the market and pro-business values, and ideally ends not with the participants engaging in a job search, but with creating jobs for themselves. As Cohen (1990:64) points out, the movement towards training for life “provides a convenient safety clause when trainees reach the end of the job-training programmes and find there are still no jobs for them”.

In accordance with New Right values, the solution to the youth unemployment problem was put squarely on individual youth’s ability to situate him-or herself in the market. Speaking of unemployment generally, Evans (1994:40) states that “In the context of a firmly conservative agenda that combines deficit reduction as a major priority and a commitment to market forces to drive employment growth, it is not surprising that the supply side of the labour market, individuals and their ‘human capital’, became the identified problem, rather than the lack of jobs.” Through entrepreneurial training it is believed that youth will be able to carve out their own jobs and their futures within the

marketplace. Government policy and programmes pertaining to youth unemployment clearly put the needs of the market above those of unemployed youth, and mediated their often-opposing needs with employment subsidy and training programs for youth. Through short-term wage subsidies these programs give youth hope and keep them busy while at the same time reinforcing the market as the provider of a solution to youth unemployment, and convincing the voting public that much is being done.

## **CHAPTER III THE ENTREPRENEURIAL MOVEMENT**

### **3.1 Introduction**

If we are to believe the claims of entrepreneurial boosters, "entrepreneurs hold the key to improving the economy of Atlantic Canada" (ACOA 1995:1). They also argue that small business ownership and self-employment are careers of choice for many young people. The "new economy", they argue, has seen youth increasingly drawn to the freedom, creativity, control and financial rewards that come with owning and running a small business. Entrepreneurship is said to be a way for youth to harness their energy and individuality in order to create their own jobs on their own terms in a climate where good employment opportunities are often difficult to find. According to HRDC<sup>6</sup>, in 1998 8% of Canadian youth aged 15-29 (317,200 youth) were self-employed. Of these, 76% (240,900 youth) worked in businesses that did not create additional paid employment, and 7% (23,200 youth) worked without pay in family run businesses. This chapter will look at how entrepreneurship is defined and analyze the spread of entrepreneurship as a social movement. In doing so, this chapter will examine what organizations are involved in the entrepreneurial movement, and how they work together to promote entrepreneurship and New Right values.

### **3.2 What is entrepreneurship?**

Proponents of entrepreneurship, the crux of the New Right value system, have defined it based on its presumed role in economic development. Schumpeter (1946)

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<sup>6</sup> [http://youth.hrdc-drhc.gc.ca/publication/self\\_emp.shtml](http://youth.hrdc-drhc.gc.ca/publication/self_emp.shtml)

discussed entrepreneurship as the cornerstone, and entrepreneurs as the craftsmen, of economic development. They are 'movers and shakers' who are creative, innovative, non-conforming, risk taking and thrill seeking (Kyle et al 1990). Lipper III (1987) and Gibb (1993) both define entrepreneurship as an attitude that affects the way people view their environments and react to them. Winslow and Solomon see entrepreneurs as new-age altruists - "paradigm pioneers and architects of innovation" who "aid others to jump the hurdle of a paradigm shift and introduce innovative products and services for the betterment of the economy and the well being of mankind" (1993:75). More entrepreneurs must be created through small business training, they argue, so that people will learn from each other to face change and uncertainty with a sense of adventure and excitement rather than a sense of fear.

ACOA refers to entrepreneurship in the 1990s as "the leading theme of the paradigm shift" in economic development initiatives (OECD & ACOA 1996:10-12). This "shift" is away from enticing foreign investment with financial and monetary incentives in anticipation of "spin-off" business activity, and towards a new focus on local companies. It is defined here not as a set of skills or attitudes but as "the process whereby individuals become aware of business ownership as an option or viable alternative [to paid employment], develop ideas for businesses, learn the process of becoming an entrepreneur, and undertake the initiation and development of a business" (ibid: 12). While ACOA uses the term entrepreneur synonymously with small business owner, it also insists that entrepreneurial development is not meant to facilitate business start-up. Instead, "it is more about developing the human capacity within the community and meeting the non-financial

needs of people who are starting small businesses" (OECD & ACOA 1996:31). Business boosters advocate small business education as a conduit for entrepreneurial education because of the insecure and uncertain nature of small business ownership. When armed with business know-how, it is argued, people will be more likely to respond positively to economic hardship and joblessness by creating their own opportunities.

The promotion of entrepreneurial or New Right values is meant to create an entrepreneurial culture, as the free market and individual initiative are "the two pillars of enterprise" (Lord Young 1992). According to Lord Young, "individual enterprise (the virtues of responsibility, initiative, competitiveness and risk-taking, and industrious effort) [must be] fostered and rewarded", as it is relied upon for economic improvement (1992:33). Other promoted values include staunch individualism, self-reliance and self-actualization. According to the claims of entrepreneurial boosters, if dependency is the illness, then poverty is the treatment, as "entrepreneurship thrives on adversity" (OECD & ACOA 1996:53). Within the enterprise culture framework, poverty and economic dislocation are not seen as hindrances to social and market participation, but instead are stacked with opportunities for prosperity.

The market-based campaign to revitalize Newfoundland began in the 1980s as provincial and federal government agencies and commissions sought to solve Newfoundland's economic problems. *Building on our Strengths* (Royal Commission on Employment and Unemployment 1986), the Government of Newfoundland's strategic economic plan (1992), Economic Recovery Commission's annual reports (1989-1996), and the creation of the ACOA centred on the province's supposed culture of dependency that



needed to be replaced with a culture of enterprise. The foundation of this approach mirrors the moral panic framing of youth unemployment; unemployment is an attitude problem that has been perpetuated by government policies and programmes, whereby individuals have become dependent on government handouts in the form of Employment Insurance, Social Assistance, training allowances, and TAGS<sup>7</sup> as primary sources of income. It is argued that this dependence has stifled business activity and therefore job creation. According to the Royal Commission on Employment and Unemployment “people have become too dependent on government and, when things go wrong, they look to government to solve their problems. They blame government for their personal troubles” (1986:33).

Just as there were international similarities in previous state responses to youth unemployment and criticisms of them, a lack of entrepreneurship has been identified as a problem internationally. In Britain, critics focus on the promotion of entrepreneurial values. Heelas and Morris (1993) argue that entrepreneurial promotion and education is an attempt to reinforce the superiority of the market by teaching people to be enterprising in all aspects of their lives. By creating an entrepreneurial culture, people will supposedly make smarter (i.e. market driven) and less wasteful choices about such things as where they live, how they live, how they spend their money, and the educational field they pursue, thereby becoming active instead of passive consumers. Heelas and Morris (1993) dismiss the ‘morality of the

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<sup>7</sup> The Atlantic Groundfish Strategy was a federally funded income support and retraining programme that ran from 1994-1998 for people affected by the closure of the Northern Cod fishery. Some have accused it of being a “free ride” for recipients who simply don’t want to work.

market' argument made by British business boosters that the enterprise culture will lead to a greater distribution of wealth in society, because by its very definition as competition it is non-egalitarian. They argue instead that it will lead to greater disparity as those who profit become increasingly attached to their earnings.

Cohen (1990) views enterprise culture and education as tools used by the Thatcher government to transmit the values and attitudes of capitalism to the general public through the manipulation of people's emotions, desires, and frustrations. Enterprise education was framed as a democratic move that would open opportunities to individuals on an equal playing field, but instead, through the promotion of capitalist values, it has reinforced structural barriers to equality. By extending, through entrepreneurial support programmes, the illusion of access to successful self-employment, target groups are prompted to believe that they have the personal stakes of wealth and social mobility in the survival of enterprise culture. Cohen argues that regardless of the existence or internalisation of the values of enterprise culture, issues of race, class, sex, and other social factors will influence access to opportunities.

According to Keat (1991), the British government has tried to create a culture of enterprise first through economic and institutional reforms, second by putting personal and social needs and issues into a commercial context, and third by combining business discourse with these approaches to kick start the enterprising qualities that state intervention has supposedly all but done away with. This process has been moved along by a government focus on certain, simplistic and seemingly positive, aspects of commercial relationships such as the ideas of consumer sovereignty, the role of the entrepreneur and the

nature of contemporary capitalism. Keat notes that the political rhetoric of enterprise is a politically motivated "'ideological' function" that presents a reasonable interpretation of reforms and "has to 'make sense': it has not only to *give* them [the public] a particular meaning, but also to give one that seems 'reasonable' to those involved, partly in relation to the prior meanings available to or accepted by them" (1991:10).

Burrows and Curran (1991) illustrate how enterprise culture is not an avenue through which individuals may participate fully and equally in a capitalist economy, but instead is an illusion through which large firms maintain their economic dominance. Because many small businesses depend on corporate out-sourcing, big business remains central to the production process while small business entrepreneurs play a small supporting role. They argue that enterprise culture has been spread by using the strategy of infiltrating business discourse into everyday aspects of society and social programs that had previously operated outside market forces. This strategy has resulted in the commodification of many aspects of life. Enterprise culture has put responsibility for reducing unemployment brought about by reduction of the manufacturing sector into the hands of individuals. The promotion of enterprise culture has made cuts to government, pro-business policies, and industrial job losses more acceptable to the public, thereby socially and culturally managing economic change.

Perkin describes the development and perpetuation of enterprise culture and the free market as "not the creation of something new but the shedding of many things old, including the just price, the just wage, the ban on usury, and all the elements of the moral economy" (1992:37-42). These changes have been rooted in a state-imposed shift in relationships from

status to contract and accompanying changes in the meanings of usury, credit and property. He links the systematic destruction of the environment and increasing inequitable distribution of wealth to "enlightened, or not so enlightened, self-interest and the enterprise culture" (Perkin 1992:39).

The entrepreneurial approach to dealing with unemployment has been criticized as being an attempt to mediate cuts to government programmes. A culture of enterprise would see the whittling away of "the role of the state and other public authorities in providing welfare services" (Bottomore 1993:26). Bottomore (1993:26) argues that the concept of dependency culture is rooted in protest against "the extension of social rights as an essential feature of democracy." Dependency culture has been used as the impetus for, and in support of government policies that have seen the rise of entrepreneurial programs, and the increasing presence of business ideology and practice in the primary and secondary school system (Overton 1995, 1997; Favaro and Forsyth 1996). Entrepreneurship and the entrepreneur have been framed in terms of the role the individual and his or her attitudes and expectations are presumed to play in the social and economic development of a region. The positive framing of entrepreneurship by its proponents is the antithesis of the negative framing associated with unemployment: independence versus dependence; mover and shaker versus idle and lazy; self-motivated versus apathetic; economic cornerstone versus drain upon the state. Laced with positive and exciting images, entrepreneurship in Canada is directed primarily at those who are considered to be most trapped by dependency culture - primarily youth, women, native Canadians, Atlantic Canadians, social assistance recipients and seasonal workers (ACOA 1996).

The entrepreneurial ideal that hard work, business know-how and a positive attitude will be rewarded has failed to stand up to scrutiny. Cohen (1990) and MacDonald (1996) argue that regardless of the existence and internalisation of enterprise culture, issues of inequality will influence access to opportunities. In his study of the impact of entrepreneurial promotion on the rate of business starts, Mokry (1988) found that the presence of entrepreneurial promotion has little or no impact. The promotion of 'enterprise culture' persists supposedly as a method of spurring on youth entrepreneurship and thereby decreasing youth unemployment levels, despite indications that these are unrelated (MacDonald 1996; O'Grady 1990). In addition, an accurate picture of the job creation capacity of small business can be seen when job creation in this sector is looked at alongside business closures, job losses and the low pay and benefits that employees of small businesses typically receive (Stoyko 1997:91).

Proponents and critics of policies that promote entrepreneurship differ in how they define its role in issues of employment and the economy. The definition of entrepreneurship as used by its proponents appears to be a mix of skills, attitudes, processes, and methods that may be drawn upon at random to suit a particular context. The intended appeal to individuals is that if one becomes an entrepreneur one will become exciting, adventurous, in control, and successful; through entrepreneurship he or she will become empowered and make an economic and social difference. While the entrepreneurial movement considers qualities such as problem solving, decision-making, creativity, innovation and risk taking to be noble objectives generally in society, they feel the economy is best served if they are combined with business know-how. Critics see entrepreneurial

training and entrepreneurship primarily as a means through which government can cut back the role of the welfare state and reinforce the dominance of the market through the use of positive framing and the infiltration of business discourse into every aspect of society. The promotion of entrepreneurial values does not actually create opportunities, they argue, but instead constrains people's choices and actions and maintains corporate market dominance. While ascribed authority and power have given the entrepreneurial movement free access to educational and social institutions, its portrayal as the preferred value system has been central to the unchallenged infiltration of entrepreneurial values into virtually every aspect of society, from elementary schools to news media. It is this pervasiveness, and the promotion of the idea and values of entrepreneurship rather than financial supports for individual entrepreneurial endeavours, which establishes it as a government sponsored social movement.

### **3.3 Entrepreneurial Policy**

Despite having its roots in international organisations such as the OECD, entrepreneurship is presented as a grassroots approach to dealing with unemployment and slow economic growth (Economic Council of Canada 1990; Economic Recovery Commission 1994a, 1994b, 1995, 1996; Royal Commission on Employment and Unemployment 1986). The foundation of the entrepreneurial movement, however, is set in private and government sponsored agencies that work together to promote pro-business values. The vertical structure of the entrepreneurial movement will be shown, whereby decisions and directives at the uppermost level influence development and functioning at ground level. Prior to a discussion of the structure and function of the

local entrepreneurial movement, it is important to understand the political and economic climate that enabled its development.

### **3.3.1 International**

The youth entrepreneurial movement has its roots in meetings held by the Organization for Economic Co-operation and Development in 1977 to address the growing problem of youth unemployment. The problem was said to be hampering the economic growth and development plans of OECD member countries. It followed from the OECD analysis of the problem that assistance for established entrepreneurs and the creation of new entrepreneurs was essential to deal with the youth unemployment problem. Following the OECD consultations youth entrepreneurship began to appear on the policy agendas of many member countries. In many countries this initially took the form of a new focus on small businesses as the employer of choice for youth (OECD 1980:132-133). The governments of Belgium, Denmark, France, Ireland, New Zealand, and the United Kingdom encouraged the hiring of youth labour by implementing wage and tax subsidies for small business entrepreneurs. Such practices use government subsidies to promote business growth.

France was one of the first to target youth as potential entrepreneurs themselves, rather than as employees of existing small business owners. France aimed to launch youth into the realm of entrepreneurship by “experimenting with a scheme called ‘Jeunes Entreprises’ under which young people completing their courses at ‘lycees’ [were] encouraged to found and run their own firm with guidance and backing from established enterprises and management executives” (OECD 1980:132).

France's Socialist government carried forward from their election in 1981 measures that began with the previous government. These measures had included educational reforms in 1974 that required universities to be more responsive to the demands of business and the creation of private business management colleges. Crawshaw (1991:93) identifies France's entrepreneurial policy endeavours as "one of the most striking paradoxical features of the Socialist government of France between 1981 and 1986" in that a seemingly right-wing driven process was carried forward and promoted more strongly in socialist-governed France than in conservative-governed Britain. Central to France's promotion of entrepreneurship was the language of "endlessly reiterated messages : passion, energy, success, innovation, competition, ambition and willpower" (Crawshaw 1991:93). Similar use of discourse or "frames of meaning" also managed economic and social reforms in both Hungary (Ray 1991) and Germany (Schwengel 1991) throughout the 1980s. Today in Britain, Tony Blair's government is another example of a supposedly left-leaning government promoting New Right values.

Entrepreneurship has also been promoted in undeveloped regions of the world by the governments of OECD countries and third-world development organizations as a means through which local economies can be self-sufficient. According to modernization theory, the implementation of 'western' values and practices in developing nations will equalize the economic conditions and status of developing nations with OECD member nations (So, 1990). Rather than establishing a physical presence within these countries, entrepreneurial boosters prefer to promote entrepreneurship as a way of establishing the



values and business skills necessary to bring about those developments indigenously. International development organizations such as the Canadian International Development Association, the United Nations and CARE have entrepreneurial programme components in place that are meant to give a level of independence and subsistence to regions and individuals within them by transferring entrepreneurial and business know-how. Part of the ACOA mandate has been to spread the word about its successes to the global population. The “ACOA approach” has been presented to a mixture of developing and developed nations, including Puerto Rico, Cyprus, Croatia and Australia, and has “received highly favourable reactions” (OECD & ACOA 1996:53).

### **3.3.2 National**

While the creation of non-financial entrepreneurial support programmes was a product of the 1980s, the promotion of entrepreneurship to unemployed people is not a new approach. Prior to the 1980s, support for small business and entrepreneurs in Canada took the form of small business loans from private lending agencies. To make it easier for new business entrepreneurs to borrow capital, the federal government passed Canada’s Small Business Loans Act in 1961. While government set the terms of these loans, they did not guarantee the financing. Private lending agencies saw little benefit in this and avoided participation. As a result, in 1965 the Canada Development Corporation was formed with \$1Billion federal funding to help finance new private enterprises. Meanwhile on a regional level, the Atlantic Development Board was formed in 1963 with \$100 million federal funding. The Atlantic Development Board’s mandate was to promote regional economic development at arm’s length from the government. While an

advertising campaign encouraged people to apply for business loans, there was no new business loan programme set up that would provide guidance. By encouraging people through advertising to consider opening businesses, this business lobby group was attempting to orchestrate demand from the grassroots, thereby justifying their existence and approach, and influencing government policy (see Overton 1995).

Throughout the 1970s the partnership between business and government strengthened while small business and personal bankruptcies rose. Established lending agencies and business owners had been critical of the supposed open-purse approach to business promotion, and argued that it failed to meet the needs of either new or existing entrepreneurs. These needs were defined as business information, networking and training. The Minister of State for Small Business supported organizations such as the Canadian Federation of Independent Business (CFIB), Canadian Chamber of Commerce and the Rotary Club of Canada in their charges that the rise in bankruptcies was due to a lack of supports for small business (*The Evening Telegram* 14 October 1978). In 1978 the CFIB had 45,000 members, a \$3 million budget, and “enough political clout to sway governments on decisions affecting small business” (*The Financial Post* March 11, 1978, Pp. 18). Members of the CFIB claim that the organization “over the years...frequently stressed the need for policy makers to foster Canada’s valuable entrepreneurial culture” (1986:87). Kyle *et al* note that “through a variety of organizations - the Chamber of Commerce, Board of Trade and other small-business organization lobbies, this group regularly demonstrates its ability to influence political decisions” (1990:7). These organizations found a sympathetic ear in some politicians of the time with their calls for

smaller government, less social spending, and greater incentives and supports for new and existing businesses. The alliance between government and business accomplished three things: 1/ it distanced government from its own cost-cutting measures by situating them within the rhetoric of business; 2/ it gave business lobby-groups input into the political decision making process; and 3/ it allowed for the establishment of government funded programs that were driven by and could be guided by business principles.

Entrepreneurship was established in Canada as an official strategy for dealing with youth unemployment throughout the 1980s. The IYY forums of 1985, as discussed in Chapter II of this thesis, concluded that the best approach to dealing with youth unemployment was to create an environment whereby the market and private industry could define and address what they identified as either systemic or personal problems. Both private and partnership organizations were established throughout the 1980s to accommodate this process. The Canadian Youth Foundation (CYF) was formed in 1986 by private industry with an eye to creating a "centre of intelligence on Canadian youth," to be the basis for youth oriented programming and evaluation by the business community, government, and non-government organizations. The CYF's areas of study include labour markets and employment, human resource management, social policy and education. YIC was put in place in part to "support young people who want to start or expand their own business" (Human Resource Development Canada 1997). 1987 saw the birth of the government backed Student Business Loans program as a partnership between government and some private lending agencies.

The Canadian Youth Business Foundation (CYBF) grew out of the CYF, and was established in 1996. Also in 1996, the federal Task Force on Youth recommended that “the private sector must take the lead in preparing young people for the labour market” (English 1996). The CYBF formed as a joint project between the CYF and the Royal Bank, Canadian Imperial Bank of Commerce (CIBC), and 16 other corporate sponsors. Their mission statement is “To help young people who would not otherwise have the opportunity to develop their self-confidence, achieve economic independence, fulfil their ambitions and contribute to the community through the medium of self-employment and job creation”<sup>8</sup>. The CYBF is based on existing programmes in the UK, Australia, the Republic of Ireland and India. By 1997 the Corporate Council on Youth and the Economy had also formed, consisting of senior executives from CIBC, Noranda, PanCanadian Petroleum, Chrysler Canada, The Body Shop and CTV, and calling itself a “corporate-education partnership” (*The Evening Telegram* May 22, 1997, Pp. 21).

Promoted as a way to provide the skills for self-employment to individuals with employment difficulties, the Self Employment Incentive (SEI) component of the Canadian Jobs Strategy’s Community Futures Programme was launched in 1987 and ran until 1991. SEI ran only in Community Futures areas (non-metropolitan areas with employment difficulties). It was available only to individuals in receipt of Unemployment Insurance, TAGS or social assistance, and required a completed business plan before participation. This programme had no mandatory training requirement. The locally administered Self Employment Assistance (SEA) programme replaced SEI in 1992.

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<sup>8</sup> [www.cybf.ca](http://www.cybf.ca)

Unlike SEI, SEA requires its participants to complete entrepreneurial training that includes the completion of a business plan. People who qualify for SEA by pursuing small business self-employment are entitled to an extension of their Employment Insurance Benefits. According to ACOA (OECD & ACOA 1996:27), "About 1% of unemployed persons are involved in the SEA program, although 25-30% of the unemployed express interest in the program."

### 3.3.3 Local

Newfoundland's 1964 Royal Commission on Education and Youth blamed inadequate education for the province's harsh economic realities. Organizations such as the Atlantic Provinces Economic Council (APEC), Rotary Club, Board of Trade and Chamber of Commerce, argued in several *Evening Telegram* articles throughout the 1960s and 1970s that the curricula were too difficult for the calibre of Newfoundland students, who were supposedly better suited to practical rather than academic instruction. Private business interest lobby groups such as APEC and CFIB argued in the media and with government that Atlantic Canadians had to be more independent, self sufficient, and enterprising, beginning with their schooling.

While government and business were both dabbling in the promotion of entrepreneurship and entrepreneurial values as solutions to unemployment and economic difficulties, these efforts were largely made independently. An organisation called Action Group was launched in Newfoundland by the provincial government to provide business support and direct inquiries to appropriate government agencies amid protests from the opposition that such an organization would be redundant. Also by the end of the

1970s the Newfoundland and Labrador Development Corporation was promoting entrepreneurship and small business through seminars (*The Evening Telegram* March 20, 1977, p.1). Canadian Chamber of Commerce president Robert Bandeen was calling on members to get their message across about the virtues of business ownership by using the media to funnel information to the public (*The Evening Telegram* September 18, 1978, p.1).

The introduction of Junior Achievement<sup>9</sup> (JA) to the Newfoundland high school system in 1985 marked the beginning of a structured entrepreneurial movement in the province in that it merged business and government interests in an educational capacity and was meant to spread business values directly to students. Business and government interests alike have supported JA since its arrival in Newfoundland. Today the organization has programmes in Canada that are directed towards elementary grades (Business Basics), junior high (Project Business) and high school students (Company Program, JA Business Game, JA Student Venture). These programmes operate within school facilities both inside and outside of the school day and are run by volunteers from the local business community. High school participants in the JA programme can earn credit towards graduation, although their activities are not necessarily supervised or developed by licensed teachers. JA's mission statement is "To inspire and educate young Canadians to value free enterprise, understand business and economics and develop

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<sup>9</sup> While there are some newspaper articles that announce the arrival of Junior Achievement in the school system, it would be interesting to study the process that brought it to the province, who was involved, and what the motivation and expectations were.

entrepreneurial and leadership skills” (pamphlet). According to its Website<sup>10</sup>, in the 2000-2001 school year JA reached 188,978 elementary, junior high and high school students in 6,236 classrooms across Canada.

The idea of individual responsibility for economic difficulties has been manifested in government policies that have seen the rise of entrepreneurial programs, and the increasing presence of business ideology and practice in the primary and secondary school system (Overton 1995, 1997; Favaro and Forsyth 1996; Wotherspoon 1993). The argument that the education system in Newfoundland has been ineffective in training and educating youth for jobs in the new economy has led to the introduction of business education within the school curriculum. What began as extra-curricular activity in 1985 with the introduction of the JA programme to Newfoundland’s schools has expanded to the point where ACOA has collaborated with Atlantic Canada Departments of Education to produce teacher resources and curriculum (Favaro and Forsyth 1996). The entrepreneurial movement has also brought television programmes into the classroom as teaching aids. “The 1991-1992 series of *Leading Edge* was repackaged as a set of ‘profiles’ [of small businesses and their owners’ joys and struggles] and is now used extensively with high school classes” (OECD & ACOA 1996:34). It was expected that by the year 2000, “every student in every grade level will be exposed to components of enterprise/entrepreneurship content (values and attitudes, knowledge, and skill)” (OECD & ACOA 1996:39). Plans were also in place to diffuse within non-business disciplines, entrepreneurial programmes that have an emphasis on opportunity

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<sup>10</sup> <http://www.jacan.org/>

identification, business planning, marketing and financial skills. The entrepreneurial movement thereby accesses people long before they are making career decisions and aims to use liberal education as a conduit for the promotion of business values.

### **3.4 Atlantic Canada Opportunities Agency**

Established by the Government of Canada in 1987, ACOA has become the hub of Newfoundland's entrepreneurial movement through its financing of entrepreneurial support organizations and programmes. ACOA's mandate is to renew the "entrepreneurial spirit in partnership with Atlantic Canadians" and to "[develop] the base of small and medium sized enterprises (thus demonstrating the emerging shift in regional development approach)," (OECD & ACOA 1996:7). As self-proclaimed champion of entrepreneurial activity in Atlantic Canada since its formation, by 1996 ACOA has supported over 400 entrepreneurial development projects from small business counselling initiatives to influencing the initiation of university enterprise centres. ACOA contends that the delivery of expertise and funds through its Entrepreneurship Development Unit has been responsible for "the overall success" of the entrepreneurial initiative, as indicated by growth in small business activity.

ACOA is headed by two political positions: the Minister of Industry and Secretary of State. ACOA's president and vice president positions are bureaucratic appointments. Vice presidents are directly responsible for programme delivery, and are "equipped with ministerial delegated authorities to approve most projects and proposals"<sup>11</sup>. As an arm's-length federal government body and recipient/distributor of public funds, ACOA is directly accountable to government. As a result, political considerations of government are likely to

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<sup>11</sup> [www.acoa.ca](http://www.acoa.ca)



influence funding decisions made by ACOA. ACOA is responsible for screening applicants for government financing and administering funds to those who qualify. While some of ACOA's applicants are businesses, others are organizations that in turn develop and implement programmes that instruct and guide would-be entrepreneurs through the rigours of self-employment.

Youth-centred entrepreneurial initiatives established in Newfoundland by ACOA in the 1980s include the YMCA Youth Enterprise Centre. The Youth Enterprise Centre was part of a national federally funded pilot project that received \$10 million to open nine centres of information, education and support for youth entrepreneurs. The position of the Progressive Conservative government of the time was articulated clearly by Jean Charest, then Minister of State for Youth, who said that "Young people's success is Canada's success" and that "This self-employment initiative is a way to combat the problem of high unemployment" (*The Evening Telegram* May 20, 1987).

By 1989 ACOA was not just an arm's length government agency committed to helping develop a base of small and medium sized enterprises in the province, but had become a leading policy consultant for government. The fall and winter of 1989-90 saw ACOA undertake consultations that included discussions with "the education community, other levels of government, business associations, small business support organizations, groups of entrepreneurs, and a review of the research literature on the promotion of entrepreneurship and models used to guide programme development in other Canadian provinces and many countries" (OECD & ACOA 1996:20). It was decided that entrepreneurship development was to be a "strategic priority" within Newfoundland and

Labrador. This strategic priority included making entrepreneurship appealing to young people as soon as possible. Project Entrepreneurship Project (PEP) was undertaken in 1990 with \$900,000.00 in ACOA funding. PEP's directive was to examine the status of entrepreneurial education in Atlantic Canada's school systems. This examination led to the development of *Pathways to Enterprise* (Favaro and Forsythe, 1996) and to enterprise training for teachers, administrators and guidance councillors. By 1995 45% of the 5000 grade 12 students surveyed in the PEP follow-up study "had learned about entrepreneurship in 3 or more courses" (OECD & ACOA 1996:38). ACOA formed the Atlantic Canada Entrepreneurship Awards Association in 1990 to induct young entrepreneurs into the Academy of Entrepreneurs. "The winners of these various programmes are promoted in the media, featured in television programs and print publications, and form a cadre of speakers to be used in the region's school system" (OECD & ACOA 1996:36). They form the base of entrepreneurial heroes that become icons for the movement and frame entrepreneurship as a positive and progressive experience from which nothing but good things can materialize.

### **3.5 Targets and Growth**

Entrepreneurial programmes themselves are directed at specific groups of people that "can be divided into two broad types: potential entrepreneurs and existing enterprises" (OECD & ACOA 1996:5). Entrepreneurial programmes supposedly give "disadvantage [sic] groups" an opportunity "to achieve economic advancement and self-realization [while providing] employment options and economic stability in rural areas, and ... an outlet for creative talent" (OECD & ACOA 1996:19). Target groups are

selected on the basis of which group has the “higher growth potential than the others for becoming entrepreneurs” (OECD & ACOA 1996:25-27). This growth potential is a reflection of which social or cultural groups do not currently have increasing numbers of the self-employed. It assumes that all have equal potential, and is not based on any expressed interest in entrepreneurship or the likelihood of success. The focus is on lifting those under-represented in entrepreneurship – marginal groups including youth, women, native or aboriginal Canadians (First Nations), the unemployed and social assistance recipients - into the ranks of self employed business owners. The movement aims to change people’s attitudes “from dependency to self-reliance, and from an employee-mentality to an ‘entrepreneur mentality’” by promoting the movement’s version of the role of the small business entrepreneur in the economy (OECD & ACOA 1996:540).

Individuals and organizations access entrepreneurial training through such organisations as the YMCA and WEB. These organisations rely heavily on public and private funding and are directly accountable to their funding agencies. As a result they must incorporate the priorities, goals and methods of government and private industry into their programme delivery (see Peck 1996). This has the potential to conflict with the primary mandate of the organization itself, and it facilitates the integration of business values and education into areas where it might not otherwise be. Incentives are in place for welfare recipients who have a business idea and wish to pursue entrepreneurship through the provincial department of Human Resources and Employment’s Entrepreneurial Opportunities Program. This avenue of access may be particularly

appealing as it has an additional benefit of removing some of the stigma associated with receiving income support.

### **3.5.1 The Media**

Media are powerful tools used for both promotion and recruitment. ACOA's entrepreneurial development strategy focuses on media as tools to "change attitudes and behaviour...from dependency to self-reliance" (OECD & ACOA 1996:33-35). Because people other than those with a pre-existing interest in entrepreneurship access media, they enable the entrepreneurial movement to target and access a hidden market through advertisements, news releases, and programmes meant to both entertain and instruct. Through the media the entrepreneurial movement presents itself as people-centred, people-sensitive and accessible. Each form of media used by the entrepreneurial movement has its own particular use. Print media is the most valuable tool used by the entrepreneurial movement. Newspapers present articles that often lack context, while magazines are catchy and entertaining. Both are also advertising venues. Positive product association occurs when, perhaps, Y-Enterprise places an advertisement next to an item in a newspaper about a successful and rewarding entrepreneurial experience. Television has a visual and informational component. When profiles are edited down to exciting audio and video bites, complete with suspense, plot, conclusion and a catchy soundtrack, they can become a very compelling package.

The media contribute to the growth of the entrepreneurial movement as they are used to illustrate the positive nature of business know-how and privatisation. The media 'pulls the culture' by parading around entrepreneurial heroes. Entrepreneurial heroes are

individuals who have beaten the odds to become successful with a small business project. These people range from high-school aged children who operate interior car cleaning services as portrayed in *Pathways to Enterprise* (Favaro & Forsyth 1996) to such moguls as Microsoft's Bill Gates, the university dropout who pioneered the high tech industry and Newfoundland's own local heroes such as (but not limited to) Chris Griffiths<sup>12</sup> and Lorraine Lush<sup>13</sup>. The entrepreneurial movement argues that "by profiling business owners with a diversity of backgrounds, experiences and motivations, viewers realize that many entrepreneurs are ordinary people who draw upon whatever resources they have to create a business" (OECD & ACOA 1996:33). The media also "legitimises the role and demystifies the process of becoming an entrepreneur" through image representation (ibid: 28). The goal is to gain public support for the movement by using broadcasters, editors and publishers to flood the 'media partners' with positive images of entrepreneurs and entrepreneurship, thereby bringing entrepreneurship into the public domain and presumably making it more appealing, legitimate, and accessible to the general public. The education system 'pushes the culture' through the sensitisation of teachers, curriculum, courses, and pedagogy to entrepreneurship (OECD & ACOA 1996:28).

Print media have been used both directly and indirectly in entrepreneurial movement promotion by profiling entrepreneurs in industry booklets such as *New Shoes* (1994) and *Realm* (1998), providing information resources, and presenting individual

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<sup>12</sup> Chris Griffiths opened Griffiths Guitar Works, a company that retails and custom builds guitars, in 1993 at the age of 19, and is still open today.

<sup>13</sup> Ms. Lorraine Lush won an Atlantic Canada Entrepreneur of the Year in 1997 for her business, the Newfoundland Career Academy. The Academy closed suddenly in 1998, leaving many students wondering if they could finish their studies.

“success stories” as news. *New Shoes*, “an alternative business magazine for young people,” was published by the Newfoundland Manufacturers Association (NMA) and co-produced through the generosity of HRDC. *New Shoes* spreads the entrepreneurial message of NMA member companies that “[inspire] tomorrow’s entrepreneurs” (Gerry Smith, Vice-President and General Manager, Brookfield Dairy Group) by “[thinking] with a positive attitude” (Aiden F. Ryan, President and C.E.O., Newfoundland Power) because “attitude is everything” (Ernie Johnson, Financial Concept Group), and profiles local young entrepreneurs. *Realm* (1998) instructs its readers to “create work you want” in the new economy, and was made possible with funding from HRDC’s Youth Employment Strategy and the Working Group on Youth Entrepreneurship, and with advertising dollars from such businesses as the trendy Dr. Martens and Jones Soda. Information resources such as ACOA’s *Best Practices: Support Programs for the Development of Young Entrepreneurs* (ACOA 1995) and the National Quality Institute’s *1997 Entry Guide for the Canada Awards for Excellence: Quality Entrepreneurship Innovation*, provide information on what funding and award bodies exist, fuelling the movement along.

Whereas individuals with an interest in entrepreneurship would access industry booklets and information resources, newsprint is an avenue for reaching many others. It provides an air of legitimacy to the entrepreneurial movement through such headlines as “Province expresses concern over lack of drive by youth to start own businesses” (*The Evening Telegram*, July 30, 1987), “Seize chances for entrepreneurship, young people told” (Doyle, Pat in *The Evening Telegram*, October 26, 1991), and “Corporate Canada

joins to fight youth unemployment“ (Chamberlain, Art in *The Evening Telegram*, May 21, 1997). The entrepreneurial movement uses newspapers as a central tool for getting their message out to the public. They are a venue for both advertising and editorials, and as such provide both inspiration and guidance to movement recruits.

According to ACOA, television has been central to “efforts to build an entrepreneurship culture” (OECD & ACOA 1996:34). Accessing both French and English television in Canada, ACOA has produced what they call human interest and practical entrepreneurship programming. Human interest programmes profile individual business owners’ struggles to establish their businesses, while practical programmes explore sector opportunities, age and sex barriers, and business know-how. One programme, *Leading Edge*, has since its production been incorporated into high school entrepreneurial education curriculum. The entrepreneurial movement also promotes itself by advertising various business resource sites on television.

While newsprint and television are used frequently to promote entrepreneurship to the public, radio has been largely untouched. Gary Ryan, director of Newfoundland’s Y-Enterprise Centre in St. John’s, sought to change that by establishing a call-in radio show aimed at providing business advice and information to would-be entrepreneurs. ““The show could possibly give people that little push they need to go from ideas penned on cocktail napkins to solid financial plans,’ he says” (LeBlanc 1998). Ryan believes that the public share a ““mystique that only certain people can start a new business’.” This idea contradicts ACOA’s claims that the strong positive response to their television

advertising campaigns is an indication of the growing public support for and interest in entrepreneurship.

The entrepreneurial movement has orchestrated its growth in three primary ways: 1/ through the use of media; 2/ through introduction of entrepreneurial education into the school system; and 3/ by targeting groups that they believe are dependent on or challenging to government, or have the potential to be so. Each of these efforts requires funding, which comes from interested parties within government and industry.

Partnerships have been essential to the “successful implementation” of the entrepreneurial development strategy (OECD & ACOA 1996:24). Partners include the media, the education community, small business support organizations, economic development offices, and other government departments and offices. “Successful implementation” appears to be an exercise in ideological manipulation and social engineering. “In order to increase the social desirability of entrepreneurship, the message must be more pervasive throughout society” (OECD & ACOA 1996:29).

### **3.6 Summary**

Throughout the 1970s and into the 1980s, business organisations set about organising politically to have an impact on government policy that went beyond traditional efforts (Peck 1996). A New Right political climate was established, and government became more interested in taking directions from and fostering private industry. Complaints from business interests that government efforts were insufficient and wasteful, alongside continuing increases in small business bankruptcies, prompted government to turn to business for advice. This advice was to provide more information and guidance to small



business owners. Kelly (1985:58-60) argues that the “significant presence” of the Canadian government in the economy requires that an entrepreneurial culture become part of “the public and general bureaucratic sectors of society”. Otherwise, promises of funding become self-defeating for government.

On too many occasions, the public is being promised - through a political process with considerable fanfare and publicity - that if money is allocated to entrepreneurial endeavours in designated geographic areas or economic sectors, quantifiable wealth and jobs will predictably result. The public then becomes disillusioned once again when these benefits do not materialize on cue. This is particularly the case when part of the initial development process involves public expense (ibid).

The entrepreneurial movement has as its primary goal the creation of an entrepreneurial culture where financial and intrinsic rewards are available to the pioneering few, and job creation is left up to the jobless. The entrepreneurial movement puts responsibility for unemployment onto the unemployed by saying we will aid you to become an entrepreneur, but success is based on you – you’re responsible for all outcomes. Unemployment would cease to be a problem rooted in structural, social or economic inequities, and instead become an individual problem of the unemployed themselves that is rooted in a lack of business and management skills and operating capital, or in dependency culture. While traditional sources of financial support and avenues out of unemployment - such as income assistance, Employment Insurance, and job training and apprenticeship programmes - become increasingly scarce or have an incentive tied to entrepreneurship, interest in entrepreneurial training cannot help but increase. Growing numbers of small businesses and requests for information in turn become evidence of support for the entrepreneurial initiative.

Entrepreneurship has been framed as a route to freedom and prosperity. As Perkin (1992:37) puts it, enterprise culture “has the great advantage for its protagonists of implying that its opponents are lazy and supine dependants on the ‘nanny state’”. The attachment of entrepreneurial incentives to income support programmes creates two categories of recipient with values attached – those who are dependent and those who are enterprising. Through impression management, social programmes become a financial reward for approved behaviour. The title of “Entrepreneur” legitimises the existence of and access to income support programmes, while at the same time allowing business principles to control their delivery and longevity. Creative imagery and media are also used to achieve this goal. Flooding the media with positive entrepreneurial imagery is misleading because it describes only the backgrounds, experiences, and motivations of those who are successful in opening a business. The experiences of those who are not quite so successful are left unseen, perhaps because they fail to fit with the boosters’ vision of the entrepreneurial process.

The entrepreneurial movement has four primary categories of resources – financial, human, governmental and organizational. Core membership of the entrepreneurial movement is composed primarily of government, bankers, business people and business organizations. The positions of power held by the core members of the entrepreneurial movement are such that they have relatively unchecked access to capital and to agencies that shape how our society and economy function. The entrepreneurial movement’s status, wealth and power have been used in turn to mobilize other individuals, organizations and government departments. The amount of wealth that

government, banks, businesses and business interest groups control means that they can orchestrate media campaigns at will. The entrepreneurial movement mobilizes people through job queues, welfare offices and the school system through entrepreneurship's attachment to Employment Insurance, social assistance and school curriculum – business values become attached to things people want and need, thereby prompting their pursuit and support. The process of rationalizing the education system, or moving towards educating for the economy has involved the introduction of more business education into the classroom. By promoting such ideas as independence, freedom, security, control, creativity and excitement they prey upon the aspirations of individuals who are insecure about their present and future conditions. The positive imagery associated with entrepreneurship is also appealing to people who resent the existence of income support programs and accept the negative imagery associated with people who use them.

Two types of organization work to mobilize the entrepreneurial movement: those that inform policy and those that deliver the message as a criterion for accessing public funds. Businesses, banks and government have banded together to create such non-profit organizations as CYBF that they use to direct policy and get entrepreneurial messages to the public. Because many organizations, such as the YMCA, rely in part on renewable and scarce government funds they are vulnerable to the political goals and ideas of the government of the day. As a result there is pressure for such organizations to change their mandates and activities in order to better incorporate these goals and ideas, thereby accessing funding more easily, and essentially becoming the arms of government and business interests (see Peck 1996; Loney 1977). In the case of the entrepreneurial

movement, this has meant that the entrepreneurial message is being delivered by organizations that would otherwise be occupied with other activities.

The entrepreneurial movement mobilized support through use of the media and educational system in three ways. First, it transmitted the authority of business and business practices over the economy by virtue of their status as overseers of capital. Second, it presented the problem of unemployment as a problem of attitude whereby the people of Newfoundland and Labrador have become dependent on government and big business for job and wealth creation. Third, it presented the solution to this problem as the instillation of a New Right value system into the people of the province, primarily at a young age. Through creative use of imagery, an effective marketing strategy, and the propagation of business discourse into virtually all aspects of life the idea of entrepreneurship became the “obvious” solution to both public and personal problems of unemployment. The next chapter will look at an entrepreneurial programme in action.

## **CHAPTER IV**

### **FINDINGS: ENTREPRENEURIAL PROGRAMME**

#### **4.1 Introduction**

The previous chapter defined entrepreneurship and discussed the creation and development of an entrepreneurial movement, and how government support lead to its expansion. One of these organizations was WEB. In April of 1995 the Youth Programs and Services Division of National Headquarters (NHQ) of HRDC contacted WEB in St. John's, Newfoundland. WEB was invited to submit a proposal outlining a pilot entrepreneurial training programme for youth. This request was part of the Youth Initiatives Program that saw similar proposals directed at youth and women in eight other Canadian provinces. These individual projects were part of a broader federal strategy, which stated that "It is expected... that lessons learned from the pilots will be incorporated into a federal youth entrepreneurship initiative" (Evoy and Gardiner 1995).

This chapter will look at the development of two programmes that came out of initial contact between WEB and HRDC. ESPYG ran in St. John's and Corner Brook, Newfoundland from 1995 to 1996, while YES ran in Corner Brook in 1996-1997. Before conducting an analysis of the programmes, it is important to know something about the sponsoring agency.

#### **4.2 Women's Enterprise Bureau**

Women's Enterprise Bureau began in 1990 as a three-year pilot project designed by the St. John's Status of Women's Council. Funded with a \$3 million grant from ACOA, WEB was established to provide business counselling, information and advice to

women entrepreneurs, and to act as a referral centre for women to business services and programmes. WEB would provide supports and resources to solve problems believed to be particular to women, including access to start-up capital, balancing a business with family responsibilities, and returning to the workforce after an absence. While operating out of St. Johns, WEB set up satellite offices in rural Newfoundland and Labrador communities. These satellite offices had a single female employee working out of her home, who would present WEB's programmes and services to existing and potential women entrepreneurs, and act as a go-between. In 1993 WEB was given an additional \$3.3 million from ACOA to continue their approach over three years. In 1994 they were given additional funding from HRDC to deliver an entrepreneurial training programme for women.

The Entrepreneurial Studies Program for Women (ESPW) ran for the first time between February and August 1994. Funded by the Project Based Training Component of HRDC'S Canadian Jobs Strategy, ESPW was a 28-week project aimed at women who were 30 or older, unemployed, underemployed or returning to the workforce after a lengthy absence, and who had an interest in self-employment. Referrals were made to this programme by HRDC, and selection made according to HRDC eligibility requirements. An external programme evaluation was conducted upon completion of ESPW in 1994. A proposal to HRDC for a revised ESPW was developed based on recommendations from this evaluation. "Due to a lack of [HRDC] program funds, this proposal was not submitted to HRDC until January 1995" (WEB 1996:2). In May 1995 the St. John's office of HRDC provided interim funding for ESPW, provided it was

completed by March 31 1996, which is the end of the Federal Government's fiscal year. On June 23, 1995, five months after the application was submitted, ESPW was given official approval. Its budget of \$127,356 was to cover training out-sourcing, staffing, equipment, administrative support and overhead. Students of ESPW not in receipt of Unemployment Insurance were not entitled to a training allowance for this programme.

Meanwhile, in February 1995 a representative of HRDC's NHQ, Youth Services Division, contacted the Gander, Newfoundland HRDC office to discuss the potential for a pilot youth entrepreneurial training programme for Newfoundland. The Gander HRDC office put NHQ in touch with WEB to further discuss this possibility under Youth Initiatives Strategy (YIS). In April 1995 WEB

...agreed to accept the invitation to provide entrepreneurial training for youth. An executive summary of the proposal was faxed to NHQ on June 5, with a revised summary and budget sent the following day. The Bureau was notified on June 13 that funding had been approved for the pilot project, with training programs located in St. John's and Corner Brook. (WEB 1996:3)

Eight days after the application was received by HRDC, ESPYG had been approved to sponsor the pilot project, with budget of \$199,400 for each location. This budget covered student allowances of \$200 per week for students not in receipt of Unemployment Insurance, childcare costs for participants with children, training out-sourcing, staffing, equipment, administration and overhead.

#### **4.3 Youth Internship**

The ESPYG proposal conformed to the guidelines of the Youth Entrepreneurship component of the Youth Internship Program (YIP), which fell under YIS as presented in

April of 1994 (see Kerr 1996). This strategy was budgeted with \$684.5 million and included six initiatives: Youth Service Canada, Youth Internship, Summer Employment Program, Canada Student Loans, Learning Initiatives and Stay in School.

HRDC worked in conjunction with partners from both inside and outside government to develop the Youth Entrepreneurship component. According to HRDC's federal Youth Programs and Services division, the premise for the entrepreneurship component of Youth Internship was the belief that small and medium sized businesses are "significant creators of new jobs" (Evoy and Gardiner: 1995). According to ACOA (1994), "entrepreneurs hold the key to improving the economy of Atlantic Canada". This has long been confirmed by HRDC's labour market research branch (personal interview). Because of the "qualities of energy and enthusiasm" attributed to youth they were identified as ideal targets for starting their own businesses (Evoy & Gardiner 1995). This energy and enthusiasm, however, was counterbalanced by a "danger of unrealistic expectations" (ibid). The subcategory "Co-operative education - continuum model" under which WEB's ESPYG proposal fell, was to include classroom instruction complimented by hands-on mentoring relationships and an enhanced student business loans program that would improve student's access to credit.

#### **4.4 Staff Selection**

In August of 1995, after the summer searches for entrepreneurial programme staff were unsuccessful<sup>14</sup>, WEB began looking for programme staff by placing advertisements

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<sup>14</sup> When asked why there were problems staffing the positions, I was told simply that there were no qualified applicants. It would be interesting to situate their hiring difficulties in the context of



in newspapers. Requirements for employment with the programmes were business experience and an academic background that met the requirements of both the provincial Department of Education and Training and the needs of the participants. By commencement of the programme in September 1995 the St. John's location had hired a program coordinator, an administrative assistant, and two instructors. The Corner Brook location hired one coordinator and one instructor, completing staffing for the programme.

All of the staff of ESPYG and YES came from backgrounds of self-employment, business ownership, or contract work, and were all actively seeking paid employment at the time the programs ran. Three of the employees came from educational backgrounds, one as a contract trainer and the others as certified teachers. Only one person had extensive business education. The ratio of instructor to student in St. John's was 1:11, while in Corner Brook it was 1:5, as the St. John's ESPYG students were combined with ESPW students.

Contract trainers and guest speakers from the business community were used to supplement the regular instructors' responsibilities. In St John's these people were business owners, business lawyers, and representatives of corporations and organizations such as WEB, Enterprise Newfoundland and Labrador, Memorial University's Capital Campaign, the Enterprise Network, Royal Bank of Canada, Prudential Insurance, Southside Community Development Fund Corporation, Richardson Greenshields of Canada Limited, and CompuCollege School of Business. Employees of the Waterford

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wages and working conditions for similar opportunities in the mid-1990s, as well as staffing initiatives in private colleges.

[psychiatric] Hospital, Provincial Advisory Council on the Status of Women, Worker's Compensation Commission, the provincial Department of Employment and Labour Relations, and the Human Rights Commission addressed staffing and personal issues (such as the stress of balancing household and familial responsibilities with owning a small business) to a small degree. Labour groups did not represent labour concerns. Guest speakers in Corner Brook came from "most lending agencies in the region" (YES 1996).

#### **4.5 Student Selection**

Beginning in August 1995, students were solicited by WEB through advertisements in newspapers, by tapping into their waiting list from the ESPW program, contacting current WEB clients, and by drawing from a vast network of organizations dedicated at least in part to entrepreneurship. These include the Canada Employment Centres, Enterprise Newfoundland and Labrador, the Atlantic Canada Opportunities Agency, the Canada Business Service Centres, the provincial Department of Employment and Labour, Business Development Bank of Canada, and the Northeast Avalon Business Development Centre. Additional target sites for youth were Memorial University, Cabot College, career information centres, and in Corner Brook, Training for Community Living, the Women's Centre, the Humber Valley Development Association, the Enterprise Network, the Business Development Centre and Career Assessment and Planning.

Officially, ESPYG and YES applicants were required to be less than 30 years of age, with a university degree or two-year college diploma and an aptitude for becoming an entrepreneur. This aptitude was measured through completion of a checklist similar to

the one attached<sup>15</sup> (Human Resource Development Canada 1995). While preference was to be given to unemployed youth, unemployment was not necessarily a factor in participant selection. According to the former HRDC Youth Coordinator, “a lot of discretion is left to the person who’s administering the programme” (personal interview). The ability to use discretion when referring individuals for HRDC sponsored training programmes is generally seen as an advantage, however in the case of ESPYG the use of discretion by administrators “was a source of frustration because it was a pilot project under a new programme, so I didn’t get any good sense that [ESPYG] was well thought out in the beginning” (personal interview).

Although WEB took a proactive approach to recruiting youth by initiating contact with potential students, only 27 applications were received for the 15 ESPYG seats available in each of St. John’s and Corner Brook. The weak response to the WEB’s request for applicants to ESPYG was attributed by WEB to “traditional obstacles to youth entrepreneurship” (WEB 1996:9). While one instructor claims to have been turning away unqualified people even if there was funding to accommodate them, her co-instructor claims, “What you did is you took warm bodies. We had to go looking for people to fill the numbers, to justify the program. And it didn’t matter, both courses [ESPYG and YES] had the same problem” (personal interview). This conflicts with claims made by business boosters about the level of interest in entrepreneurship. According to WEB’s final report, they rejected seven applicants, but according to staff accounts no applicants

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<sup>15</sup> The checklist in Appendix A was downloaded from the HRDC Website version of *Minding Your Own Business*.

were rejected, and many applicants were encouraged to abandon their reservations about signing on. The result was that virtually everybody who applied to do the program was accepted, whether or not opening a small business within the next year was a realistic goal.

#### **4.6 Programme Goals**

ESPYG was planned and approved in 1995 with the goal of 100% business start-up by the end of eight months. While the programme coordinator deemed this goal to be unattainable, WEB did not support her.

I said, 'but that's not realistic.' [The WEB replied] 'Oh, yes, yes, we have to be positive, we have to be positive, we have to have 100% self-employment at the end of this project.... You're being rather negative.' I'm not. That's reality. You cannot put people through a program and expect that every single one of them is gonna work out perfect. It's not realistic... As a staff hired for the project we were given the impression that we were hired for our skills. And then we were told to taper those skills, put them aside, and you will do it the WEB way, which is going to be non-realistic because all they want to do is have numbers to fluff up so they can go back to government and say 'look what we've done this year. How can you cancel our funding?' (personal interview)

The aim of WEB appears to be to get ESPYG running, complete the contract, and get funding renewed. This aim or expectation, however, might not fit with the realities of youth entrepreneurship or the needs of the students. Another staff member believes that the goals of the program varied from stakeholder to stakeholder.

I believe the WEB had the goal of training women to start their own business. The goal of HRDC was that you would have 100% start-up; people would be in business. That's what they wanted when they funded, that these people who were now getting Unemployment [sic] or whatever it was would be in business. And my own goal ...personally obviously was to have a job. But my goal for the students was to hope that they

walked out of it understanding that it's a lot more complicated than you can learn in six months. (personal interview)

By the end of the programme, WEB had redefined programme success to be the students having an understanding and internalisation of the knowledge necessary to open a business, and the perceived willingness to do so at some point in the future. The nature of the goals set out within these programmes became so vague that it became impossible to not achieve them, and very difficult to evaluate them.

#### **4.7 Curriculum and Instructional Methods**

The focus of ESPYG and YES was the development of skills and contacts defined by WEB staff and programme instructors that would aid students in opening a business. A regimen of classroom instruction, mentoring, networking, and role-playing was intended to teach students how to function in the world of business. This involved learning not only how to plan and run a small business, but also how to think, talk and act like a business person, or develop a business persona.

##### **4.7.1 Classroom Instruction**

Classroom instruction consisted of textbook instruction, lectures, panel discussions and workshops, case studies and hands-on computer instruction. Textbooks and classroom resource materials came from ACOA and Enterprise Newfoundland and Labrador. The curriculum included business basics such as bookkeeping, marketing, human resources, computer skills and inventory, along with the process of becoming an entrepreneur in terms of how students should look, act, and communicate.

Students were taught how to develop their business plans through lectures and guide books. This process was supplemented by instruction in word processing, accounting and spreadsheet software. Business case studies, problem-solving activities and brainstorming took place during weekly round table meetings.

Role-playing, managing mock businesses and a token economy (whereby tokens with a value similar to money were exchanged for services) were meant to provide practical instruction, such as self-discipline and motivation, to ESPYG and YES students. In Corner Brook, students were taught how to deal with “dicey moral and ethical issues,” as well as marketing, and distribution through a mock condom supply company that “ran right through everything we did” (personal interview). The students were taught “negotiating and realising their self worth” through a token economy (Corner Brook 1996:6). For example, students were given a token for every day that they showed up on time. These tokens could be accumulated, and if on a given day an individual did not want to make the morning coffee he or she could negotiate with a fellow student to trade tokens for coffee duty. Deals replaced friendly favours in this lesson plan, underscoring the focus on market-based values and relationships above all else. Management skills were taught to students by turning the classroom coffee maker into a coffee shop for which one person was responsible each week. This exercise ultimately became part of the token economy, as students would offer each other enticements for relief of their coffee duties.

Communication skills were taught to students in Corner Brook through the Rotary Rose Project, a yearly Rotary Club fundraiser. During 1996 the Corner Brook ESPYG

took care of the logistics of the project that “provided practical hands on experience in many facets of owning your own business” (Corner Brook 1996:10). Student’s success in packaging the roses got them an invitation to a Rotary Club luncheon. This luncheon became a forum for students to present their business ideas, and a media opportunity for the government, the Rotary, and the program itself, as the local newspaper reviewed the presentations and published the business ideas in the paper the following day.

While the business persona was largely to be learned through exposure to business people, some instruction was more direct. The business persona is the manner in which a person dresses, talks, acts, and thinks as an agent of business. It also appears to be stereotypical and a force that perpetuates gender roles. According to one female student, who wanted to open a business in a non-traditional sector,

They had no idea what I was talking about.... you had to sit through a lecture, somebody telling you that in order to get ahead in the world you had to wear these \$400.00 skirts. You’re hanging around on a wharf in work boots, coveralls and a hard hat, it’s gonna do absolutely nothing for my career to walk down in a \$400.00 mini skirt. But nobody could see that. (personal interview)

#### **4.7.2 Networking/mentoring**

The mentor/protégé relationship within entrepreneurship is meant to guide and advise new entrepreneurs on how to establish their businesses, develop a business persona, and network for personal gain. This approach was poorly organized and not well thought out. Not only would there be difficulty in pairing each student with a mentor, there were concerns that the mentoring relationship would not develop as it should.

What we discussed in staff meetings and what we discussed with them [students] was that we didn’t want it to be a work placement.... That was not

going to work for an entrepreneurial studies programme. You wanted somebody that could actually not have to be out under foot one day a week or half a day a week and someone saying “Oh, God, there she is again, what am I gonna do with her now?” (personal interview)

After consultation by WEB with local business owners it was determined that traditional mentoring would not work because potential mentors were unwilling to make the time commitment that would be required. In Corner Brook students were given names of people they could access, but the onus was on students to make contacts and gather information. In St. John’s it was decided that mentoring would occur through panel discussions and workshops whereby entrepreneurs would be invited each week to give a brief description of their businesses and the hows and whys of their initiative after which a question and answer period would take place.

Instead of inviting guest speakers to come into the learning environment, the Corner Brook students attended the local Chamber of Commerce luncheons once a week, paid for by the entrepreneurial programme. These luncheons were meant to expose students to many valuable local contacts and to give them an inside glimpse into how business *really* operates.

#### **4.8 Structures and Accountability**

Like the entrepreneurial movement, ESPYG and YES had a top-down chain of command. Students were directly accountable to and followed the direction of programme staff and administration. Programme staff and administration were directly accountable to WEB, which was intended to be directly accountable to HRDC and



ACOA for the manner in which it spent its money and the way in which it delivered its courses.

Programme staff and WEB performed a self-evaluation of all components of the St. John's and Corner Brook ESPYG. In addition, Andy Rowe Consulting (ARC) "got paid a fortune" by the federal government to evaluate each of the nine pilot projects under the Youth Initiatives Program of HRDC (personal interview). ARC's four step approach to evaluation included: 1/ development of outcomes, whereby the goals of each individual pilot were outlined; 2/ process assessment, whereby progress toward attainment of goals from step one was measured; 3/ outcome assessment, whereby attainment of goals from step one was determined; and 4/ impact assessment, whereby the impact of each of the pilots was determined (Corner Brook 1996:23-24).

While stages one and two were implemented, stages three and four were not. All of the ESPYG students completed evaluations for both WEB and ARC, and some ESPYG students were contacted in the year following the program. The YES students (Corner Brook, 1996-97) never participated in a formal evaluation either internally or externally. ARC interviewed all staff of the Corner Brook ESPYG, but none from the St. John's programme. According to a former St. John's ESPYG employee, someone from WEB "had told him that there were some problems and [WEB] didn't want to have the programme sabotaged" (personal interview). Some students were contacted by the provincial Department of Education in the two years following the ESPYG to answer questions about their entrepreneurial experiences. That report is unavailable.

#### 4.9 Analysis

Creation of WEB out of the Status of Women's Council was an attempt to bridge a gap in information and service provision for women entrepreneurs. However, WEB's move into training suggests that there may have been other motivators. During the course of its life, WEB accessed in excess of \$6 million. As the ESPYG coordinator indicated, HRDC NHQ contacted WEB at a time when their core funding was to expire. The finances acquired through providing entrepreneurial training programmes for women and youth prolonged WEB's life, as they were granted a funding extension through to October 1996 so they could continue to deliver the entrepreneurial programmes.

According to a former HRDC employee, WEB's existence was reliant upon government funding. "I understand that part of their funding, perhaps 50%, came from ACOA. The remainder they raised through programmes and I guess selling their services" (personal interview). One ESPYG staff member believes that WEB is part of a trend that sees

...a whole bunch of other organizations with their own mandates that say, we can do that, we can do that, and they jump on the bandwagon.... WEB was gonna have its funding cut. There were programmes and programmes before that obviously. WEB...[was] on the last year of their funding and when their funding was going to be cut they said, "Well, what are we gonna do?" so they got this huge project with this huge budget that served no purpose to them other than to have something on the books and a way to [replace] equipment that was dying and a way to put numbers on the books to say we've had x number of women come through this organization this year. (personal interview)

This former staff member also notes that to effectively administer ESPYG and ESPW, WEB insisted that new computer systems and an administration fee of \$8000.00 per month were necessary. These costs all came from the programme budgets. The total allocated to WEB

for delivery of the classroom component of ESPW and ESPYG from September 1995 through March 1996 was \$526,156.00, at which time the classroom sites were to be closed down and staff laid off. The amount indicated does not cover participant's Unemployment Insurance claims, childcare or travel expenses that were allowed based on participation in either ESPW or ESPYG. According to one staff member, their calculations came to "somewhere around \$700,000.00 for seven or eight months" (personal interview).

The fact that WEB was contacted directly by HRDC's NHQ raises other questions regarding the focus of the entrepreneurial training programmes. According to this former HRDC employee, HRDC protocol is such that the local office conducts local programming, initiatives and contacts. However, negotiations for ESPYG took place between NHQ and WEB without knowledge or involvement of the local HRDC office.

I didn't know we had a youth entrepreneurship programme until I heard from WEB that they had approval... We were doing other activities with that same sponsor and didn't know that they were developing another proposal under a programme we didn't know existed... The call from National [Headquarters] came out... across the country in regional offices to suggest sponsors that they could approach to develop proposals [and] bypassed our regional office. (personal interview)

HRDC funding protocol was broken in at least two ways. First, by accessing the St. John's and Corner Brook areas via another region's HRDC office and employees; and second by contact between WEB and HRDC being initiated via NHQ. Had the local HRDC office been aware of this contact, NHQ would have realized that WEB had two overlapping proposals going on simultaneously. When the local office did find out they "met with Bureau staff to clarify the issues related to co-locating the two classrooms, should the two proposals be approved. Adjustments were made to the budget, reducing

the rent by \$10,000 and eliminating one training staff position” (WEB 1996:3). If addressing unemployment were the focus of ESPYG, then why did its development bypass protocol to take a different avenue than other HRDC employment initiatives?

Like many of the youth employment programmes and projects that preceded ESPYG and YES in the 1970s and 1980s, these programmes were hastily implemented, poorly organized, and not well thought out. WEB was pursued as a sponsor by NHQ, and ESPYG was approved in only eight days, in spite of HRDC’s standard procedures. Neither budgetary nor evaluation procedures were in place prior to the commencement of the programme. While the programmes provided youth with some knowledge about how to start a business, they failed to provide any concrete skills or access to the funding that would be required. They may have been little more than attempts to spread around increasingly limited funds. As there is no long term funding in place that would allow for monitoring and improvement of specific entrepreneurial training programmes, they cannot be relied upon. Alongside efforts by the entrepreneurial movement to promote entrepreneurship, the existence of these programmes gives the impression that the Federal Government is contemporary, concerned, and proactive in responding to youth unemployment. As the following chapter will indicate, the programmes offered very little that was tangible to the ESPYG participants opening businesses; promises of an enhanced business loan programme for the youth pilot participants never materialized. The following chapter will examine more closely how and why the students of ESPYG and YES became involved with the programmes, and how their experiences with entrepreneurship played out.

## **CHAPTER V**

### **FINDINGS: STUDENTS**

#### **5.1 Introduction**

Thirty-three people attended the ESPYG and YES programmes between 1995 and 1997, in both St. John's and Corner Brook. Of these, 17 were interviewed, 13 were unreachable, and three declined. This chapter will examine the educational and work backgrounds of these 17 people, their expectations and reasons for choosing entrepreneurial training, and the outcomes of this training.

#### **5.2 Education**

The participants of ESPYG and YES come from well-educated and diverse backgrounds. The educational programmes completed by the participants prior to beginning entrepreneurial training range from college diplomas in commercial diving or visual arts to Bachelor of Education degrees. All of the students interviewed completed high school. Eight students had completed a bachelor's degree, with one going on to master's level education, and one on to a graduate diploma program. Eight students completed a college diploma program, with five of these having also done some university courses. Only two of the participants failed to complete a degree or diploma programme. One visual arts student saw little value in earning "a piece of paper" and dropped out of university when the practical component of his programme was completed. He saw no value in elective courses for his pursuit of art. While he did not complete the degree, he believes he has it in spirit. Another university student became disillusioned with the opportunities a Bachelor of Arts degree would provide her in terms

of job opportunities, and decided in her final year not to finish. She later went on to attend a college diploma programme, and did not finish that.

Only two participants chose their pre-ESPYG/YES field of study because of personal interest. The remaining 15 stated other reasons. One participant went to university because she was dissatisfied with the work she did after graduating high school. Two participants chose a Bachelor of Education degree because of promises of jobs made to them by a Faculty of Education recruiter. One participant from a rural community chose her field because she hated working in offices and wanted “a little bit more out of life.” She was sponsored for training in a non-traditional occupation through HRDC. Another participant from a rural community felt she had to do something, and took the first HRDC sponsored training program that interested her, after which she went immediately into two more sponsored programs. Three participants from rural communities went to university because they felt they had no other options. They were under pressure, either financial or from family, were unemployed, and did not know what else to do. The participants who completed graduate studies chose their fields of study with employment in mind. These participants, along with five others, chose to go to school initially because it was “the thing to do.”

Twelve of the seventeen who were interviewed had expected to be employed in their field of study upon graduation from college or university. Three students had no expectations from their education, one student’s expectations changed constantly as he studied, and only one interview participant wanted to be self-employed in her field upon graduation from college. Only two students found work in their area of education upon

graduation. Of those two, one was a career military enlistee whose education was paid for by the Armed Forces. He walked into a full time position with the military. He has since been given early retirement. The other had to struggle to break into a non-traditional occupation.

### **5.3 Employment History**

The entrepreneurial students who are the focus of this research shared a history of short-term employment (summer, contract, temporary) characterized by boredom and frequent layoffs. Each has an employment history dotted with temporary, full and part time employment in the retail or service sectors, which pre- and post-dates their post-secondary education. All of the participants have experienced at least one period of unemployment that ranged in duration from a few weeks for someone living in a major centre, to two to three years for someone living in a rural community. Two participants spoke of enjoying the leisure time they found themselves with while unemployed. One participant kept busy by doing hobbies “and enjoyed the summers, took it easy. It wasn’t all that bad” (personal interview). Another participant also worked on hobbies or “just hanging out” when he was an unemployed teenager. Although they made the best of their periods of unemployment, these participants were always looking for work or educational opportunities. One other participant also admitted to not being “out pounding the pavement looking for work,” although she made no claims to enjoying her leisure time (personal interview). This participant could not find work in her home community, and lived almost one hour’s drive from the nearest major centre. Her experience told her that the only work available was part time, and therefore not worth

the cost of driving. She did not have a car of her own, and would not move to the city to work for minimum wage since she would not be able to afford to pay rent and live on the earnings. While these three participants are anomalies in their admission to some enjoyment of their time, they joined their fellow entrepreneurial students in participating in job seeking activity.

The participants in this research searched for jobs through what many have referred to as “the routine.” The routine consists of looking in newspapers, word of mouth, talking to people, handing out resumes, “beating the streets,” and going to employment and youth centres. Other job search strategies that were mentioned occasionally include job hotlines, the Internet, the university, and most notably praying, begging and persistence. The latter job search strategies reveal a sense of helplessness in some participants regarding their unemployment situation. A less negative indication of a lack of control was revealed in such statements as “[jobs] just happened to come to me” or in getting work through personal connections. In the words of one participant, “It’s not what you know anymore, it’s who you know.” One participant found that the federal and provincial public sectors were of little use as job finding avenues, as employment opportunities are generally filled internally. While several of the participants found educational opportunities through HRDC prior to the entrepreneurial program, none named it as a source of employment. One participant, who comes from a family of business owners, did not have to do “the routine” but looked for work primarily through her family.



The participants in this research were not willing to accept any sort of employment when they completed their post-secondary education. They were looking for challenging employment suited to their needs, interests, abilities, and educational levels. When you consider that all the participants were between 24 and 30 years of age it becomes understandable why they would be averse to continuing in low paid, temporary employment in the retail, service, or labour sectors with few benefits. A participant with a Master's degree put their sentiments most succinctly.

I could have easily walked back into a grocery store and said give me a job and I would have got one instantly.... That's not what I wanted. I was trying to get out of that rut, the cycle that I felt I was falling back into and I was trying to improve my salary and improve the tasks that I was gonna perform at my job (personal interview).

Another participant spoke of the "scary, scary time" right before the entrepreneurial program when she was unemployed for six months and felt she was losing control over her life. Three participants wanted primarily to work in their home communities as another search priority. One participant "was desperate, I was really desperate, because I would have taken anything just to be able to stay there," while the other just wanted to be near her friends and family (personal interviews). The participants were clearly feeling pressure to do something, which resulted in enrolling in entrepreneurial training.

Dashed expectations occurred for most of the participants upon completion of their post-secondary education. While they had expected to find opportunities in their fields of study, most met with short term, low paying jobs in the labour, service, or retail sectors. One participant found employment in her non-traditional field, but it was on an

on-call basis. Two participants who held Bachelor of Education degrees were led to believe there would be an abundance of jobs in their field by the time they graduated. They found, however, that the only work available was casual, and that the competition was stiff. Both ended up working part time in temporary retail and service jobs. Three participants went back to university when the only jobs that materialized were service and retail. Another participant had hoped to turn her summer job into a full time job when she graduated, but “never really expected to get anything full time out of it,” instead working part time in service and retail until landing contract positions with her former summer employer, which currently involves a monthly cross-island commute with her children (personal interview). One participant did two HRDC sponsored training programs prior to the entrepreneurial program. After the first she went immediately into the second. After this programme she could not find work and instead did domestic work for a family member in exchange for room and board.

There are four exceptions to the underemployment experience of the participants. However their experiences are still not what they expected, and the level of dissatisfaction is the same. Three of these participants had found full time work in their fields upon graduation from university or college, and continued to work in that capacity for nine years each. Two of these had developed burnout associated with their work environments, which forced them to quit, and the other was given an early-retirement package by his employer at the age of 29 after ten years of service. The remaining exception also found full time work in her field upon graduating from college, but it involved a 200 km weekly commute. This position was not permanent.

#### **5.4 Reasons for Choosing Entrepreneurial Training**

Only two of the 17 entrepreneurial students interviewed stated that opening a business was the sole reason for doing this programme. While the remaining 15 said that the prospects of freedom and control prompted their interest in self-employment and entrepreneurship, responses to other questions indicated that personal reasons, unemployment or under-employment, lack of income, and a desire for more education were the primary reasons for doing the program. Several students say they were given the hard sell on the program and what they would get out of it, along with repeated post-application contact by WEB. The expectation that this program would virtually guarantee their access to start up capital, which was introduced and never negated, was a primary influence on the decision to participate.

The 17 interview participants had varied exposure to and interest in entrepreneurship. Some saw it as a goal in and of itself, while others saw it as a possible solution to an employment problem. Five of the seventeen students interviewed had acted on an interest in entrepreneurship and self-employment prior to ESPYG and YES. Three of these five people had done work in the informal economy, while two had gone to WEB looking for information on starting a business. The remaining twelve first ventured into entrepreneurship and self-employment with the program they attended. Thirteen of the people interviewed expressed always having had an interest in entrepreneurship and self-employment. The interest was described as: 1/ job dissatisfaction; 2/ in the back of his or her mind; 3/ necessity due to a poor job market (low paid, part time work); and 4/ having the personality for it. Four of the people

interviewed claimed to have never had an interest in entrepreneurship or self-employment. Two of these people became involved out of necessity, one “stumbled” into it, and another saw it as an opportunity for creativity.

Each of the interview participants believed that self-employment and business ownership would be a way to gain greater control over their work lives and incomes. Sixteen of the seventeen students interviewed responded to job dissatisfaction and the “push” of unemployment, either their own or their spouse’s, in their decision to attend the entrepreneurial training programme. Only one person stated a desire to open a business, or the “pull” of entrepreneurship, as the sole reason for doing the program. Once enrolled, eleven of the interview participants intended to open a business, while six did not. At the beginning of the entrepreneurial program, all of the interview participants thought that through small business ownership they would be able to earn a living by doing what they enjoyed and making use of their education, aptitudes, and interests.

### **5.5 Student Attitudes and Opinions**

Chapter one suggests that policy makers are compelled to come up with policies and programmes that both achieve political and personal goals and are acceptable to the voting public. It also suggests that unemployment is an individual responsibility that is compounded by the availability of social programmes. Chapter two suggests that the entrepreneurial movement is fundamental to the promotion of these views. In this light, the views of unemployment and entrepreneurship held by the participants in ESPYG and YES are important. While it is not possible in this study to determine whether efforts by the entrepreneurial movement have shaped the participant’s views, it is possible to

explore the degree to which the entrepreneurial movement's position is reflected in these views.

Social control theory has its foundation in the idea that belief systems regulate human behaviour (Ross 1901). While this theory is most often used to understand criminal behaviour, it can also be used to understand other choices made by individuals and groups. This thesis suggests that programmes in place to address youth unemployment are, in part, intended to control or manage unemployed youth by attempting to influence their attitudes and actions. Entrepreneurial training, as discussed thus far in this thesis, is an attempt on the part of government, to manage the unemployment problem and the unemployed themselves. An attempt is being made to persuade both the unemployed and the population generally that the unemployment problem is being dealt with by altering the attitudes that are held to be responsible for unemployment. An effort is also being made to convince some young people that they can solve their unemployment problems by creating their own employment. The views of the ESPYG and YES students towards entrepreneurship and youth unemployment may shed some light on the question of whether their values need to be managed.

#### **5.5.1 Attitudes Towards Youth Unemployment**

The participants' views of the causes of youth unemployment can be broken down into three main categories: 1/ individual's attitude/dependency, 2/ public/corporate shortcomings, and 3/ job-experience double bind. The participants did not necessarily adhere to any single view, but saw the youth unemployment problem in Newfoundland as

a complex issue with many possible causes. The reasons for high youth unemployment cited by the students reveal their perceived lack of control over employment choices.

The first theme that arose in participant's responses to questions regarding their attitudes towards youth unemployment is that individual negative attitudes and dependency upon social programmes are the main reasons for the high rate of youth unemployment in Newfoundland. According to this view, youth unemployment reflects an absence of personal initiative rather than a social problem. Participants linked this perceived lack of initiative to the defeatist attitudes and quitter mentalities that supposedly run rampant in Newfoundland. Social programmes are believed to compound the problem of negative attitudes by making it too easy to be unemployed. Also contributing to this view is the belief that the job and wage expectations of unemployed youth are too high. One participant summed this view up nicely: "a lot of kids today, they're spoiled.... Even though the economy's bad, that's one thing. I think that there's something personal within each individual that's lacking" (personal interview). In spite of a belief that the individual is responsible for his or her employment condition, participants also believe that government and businesses are not doing enough.

The second theme that arose was one of public and corporate responsibility for high unemployment. Government and businesses have been accused of leading youth astray with promises of jobs that never materialize. This theme includes the opinion that benefit-free part time jobs and the low minimum wage are deterrents to both working and living in Newfoundland. While participants acknowledged the benefit businesses receive from paying low wages and providing no benefits, they argued for more government

intervention and regulation in the economy. Participants argued that the government should do more to raise the minimum wage, deter late retirement, and encourage existing companies to recruit more young people into positions that offer benefits, higher wages, and opportunities for career development.

The job/experience double bind was the third theme given for high youth unemployment. Also known as “catch-22”, this commonly cited adage goes that you cannot get one without the other, thus ending up with neither. Participants linked the job/experience problem to nepotism and the use of internal labour markets. Education was also identified as a contributor to this problem. While participants believe that employers should consider the merits of all academic disciplines when hiring, they also feel that youths should make market based educational choices. One participant summed up the view of her cohorts nicely with, “I think it’s better to get an education that’s gonna get you a job, rather than get an education that’s gonna get you an education” (personal interview).

The central theme surrounding all the explanations participants gave for youth unemployment is that it is a structural problem. They believe that personal choice plays a role, but that these choices are influenced by the existing formal and informal systems that channel youth into government funded training programmes, private training colleges, and job ghettos. Those who gave individual attitudes and dependency as reasons for high youth unemployment removed sole responsibility from their unemployed counterparts by looking to high aggregate unemployment and a weak economy as contributing factors. Both of the other two explanations given for youth unemployment

put unemployed youth in a position subordinate to social, economic and government structures.

### **5.5.2 How to Deal With Youth Unemployment**

Each of the participants stated that they considered entrepreneurship to be a viable solution to youth unemployment, although many qualified their answers. While most were drawn to the program to address their personal battles with unemployment and underemployment, most did not believe or eventually discovered that the process would be more difficult than simply deciding to become self-employed. The biggest hurdle pointed out by participants was financial. Not only is financing difficult to come by for young people who have no substantial credit rating, many youths are repaying student loans.

The participants argued that employers, policy makers, educators, and the older generation need to be more responsive to the realities of being a young person who is looking to begin a career, either as an employee or as a small business owner. One participant summed up nicely the view of her cohort: “[Policy makers] are creating a dream for [youth] that’s not there, it’s not reality. They need to be more open and honest with the youth and even discuss with them, and maybe meet their needs more” (personal interview). Participants also believe that the push towards entrepreneurship should be part of a larger effort that includes the creation of challenging and rewarding jobs for youth. “Self employment that’s done for the sole purpose of job creation is not necessarily a good idea.... Focusing on self employment for the sake of employing youth or employing



anyone is just a huge make work project, but I think given proper treatment it can be a very good way to create some jobs” (personal interview).

Increased government intervention and corporate responsibility is another theme that came up as a way of dealing with the youth unemployment problem. Participants think that there should be more accessible work experience programs for graduates, as opposed to the vast number that are available for students. They also think that policy makers should be more attentive to what unemployed and educated young people are saying. According to several participants, there is too much private sector reliance on government wage subsidies. As one participant who spoke of her experiences looking for work put it,

I’m always looking for programs.... Unfortunately that’s the kind of places that are providing jobs nowadays. That’s how sad it is that they’re [government] saying on one hand we’re getting out of this business and we’re letting you guys [private sector] do it, yet these things are popping up. So I can’t find a job in the ‘private sector,’ I’m finding jobs in the private sector through government programs. (personal interview)

Unfortunately for some, programme shopping has become a means of survival.

### **5.5.3 Entrepreneurship**

The interview participants defined entrepreneurship and self-employment synonymously. Collectively, they defined entrepreneurship and self-employment as seizing an opportunity to create a job for one’s self and others through small business ownership. Common themes expressed in their definitions included creativity, control and rewards, alongside depression, isolation and struggle. While students aspired to earning a living by doing what they enjoy and to having the freedom to make decisions

that affect their work and workplace, they found that the challenges to actually getting their businesses running were at times insurmountable. Banks wouldn't open their purses, the so-called experts in entrepreneurship failed to follow through on their promises of personalised services, and towards the end of the programmes days often passed without contact with their instructors (personal interviews). By the end, WEB functioned much like the private colleges in Newfoundland in the mid-1990s, essentially dumping the students when it became clear that they would receive no more funding from HRDC. Those students who did not have money, contacts or business partners were left alone to fight for the capital they needed to realize their dreams.

While the programmes' instructors presented the rhetoric of support and personal availability to the students, the reality did not match up. Instructors in St. John's were preoccupied with their battles with WEB administration, and WEB administration with the development of a proposal for a new organisation. WEB realised that the errors associated with ESPYG and YES had resulted in the elimination of their lifeline, and decided to pursue a new organisation – Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE) – that would provide guidance and support to existing and potential women entrepreneurs and oversee lending circles<sup>16</sup>, but would not be involved in training. Despite the familiar tone of their business proposal, they were granted ACOA funding in 1997. While the amount and nature of that funding is not known, in 2001 they received joint funding from ACOA and the Labour Market

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<sup>16</sup> A lending circle is an option for borrowing whereby the debt of each member of the group is carried by the remainder of the group. There is a ceiling on the amount that can be borrowed by each individual, and collectively by the group.

Development Agreement, which is co-chaired by HRDC and the provincial Human Resources and Employment<sup>17</sup>. By far the loudest message heard by the students was that in the world of small business ownership, they were on their own.

## **5.6 Student Experiences**

The entrepreneurial students generally described their experiences within the ESPYG and YES programmes as positive. This description, however, is not based on program delivery but primarily on the friendships that they developed with each other. Such relationships can happen in any group setting. Ten interview participants cited friendships as the most valuable aspect of the program, with the others citing computer instruction, neither of which are exclusive to training in entrepreneurship or self-employment, or to a classroom setting. While they did value much of the skills and knowledge they gained from instruction, in general they found the course itself to often be a waste of time based on the negative experiences many had with curriculum and instructional methods.

Of particular displeasure to many students were the very things which WEB and program administration and instructors prided themselves on. Most notable are the role-playing, mock business, and industry luncheons in Corner Brook, and the classroom instruction in St. John's. Ten of the seventeen interview participants stated that the classroom instruction was repetitive and a "waste of time." The Corner Brook participants found the role-playing and mock business to be non-productive and childish games. Participants also found the networking to be a somewhat negative experience.

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<sup>17</sup> <http://www.nlowe.org/about.html>

While the exercises were put in place as an opportunity for the budding entrepreneurs to meet other business people and discuss their plans, none of the students who were interviewed actually met business people face to face to discuss their plans. The programme participants were used by their sponsors (WEB and Rotary), government and organizations they encountered such as the Chamber of Commerce as examples of good things that are happening for youth and business, but were given little encouragement or reinforcement for their business plans on an individual level. Some interview participants make reference to rude, lewd and dismissive comments and gestures made towards the young entrepreneurs who attended social networking affairs.

One of the biggest barriers faced by young people who want to open their own businesses is a lack of funding to do so. Such held true for students of ESPYG and YES, who were looking at launching their careers, starting or providing for their families, and making debt payments. The interview participants were led to believe at the beginning of the program by sponsors and instructors alike that participating in ESPYG or YES would provide them with the skills and contacts necessary to access the capital required to launch their businesses. The fact that very few of the students were debt free, and not all had access to collateral or co-signers was acknowledged, but the students were always told that lending agencies could only determine eligibility on a case-by-case basis. The reality that these students met with was very different from the picture of financing that was painted for them. According to one instructor (personal interview),

We're dangling a carrot around in terms of business ownership, cause god, how good is it to be your own boss. But when you look at someone who's young and ...the student loans and trying to get by, I think what you have

to do is remind people that they have to start small. You can't start a store in the mall with \$50,000.00 worth of inventory and \$50,000.00 worth of renovations if you have no money, you have no credit history. And no federal government or whatever kind of grant is going to give you money for a retail outlet anyway. So where are you getting the money for that? And that's the reality. And I think that may go back to when the programme is being, if not when it's being conceived and formulated and proposed, then at least when you're interviewing people for the program. How realistic is it that they can be an entrepreneur?

Those who managed to secure a business loan met with unrealistic or seemingly insurmountable conditions. One person was asked to sign over assets worth ten times the value of his loan in order to secure it. Another was unable to make the 14% interest payments on her loan and ultimately had to close her business. Another woman and her young family had to sell their house, and currently put 100% of their income towards paying off business related debts. Most of the entrepreneurial students found that they were unable to secure a loan for their businesses, and most were not in a position to ask family for "love money". One young entrepreneur, who at the time of the interviews was awaiting approval of funding from ACOA and the Business Development Bank of Canada, was faced with constant delays from the organizations, and was ultimately denied. He wondered why it is that requests for millions of dollars can be given to a blood bank<sup>18</sup> within a matter of weeks, but it takes months for a small request like his to be processed. He was frustrated with the political nature of financial disbursements, and

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<sup>18</sup> The Canadian Blood Bank (1997-1998) was the first Canadian attempt to privatize blood storage. This company secured a \$500,000 loan with the Government of Newfoundland, received \$1.2 million unsecured loan from ACOA, and was given a 10 year tax holiday through Newfoundland and Labrador's EDGE programme. A lack of public faith in the ability of private industry to oversee blood storage, protection and integrity lead to the company folding before it even got into production.

concerned that so many young people were being pushed towards opening their own businesses, although there was no real help (funding) available for them to do so.

This is a sentiment shared by all of the people interviewed. As one interview participant referred to the messages presented by proponents of entrepreneurship, "I think it's a load of shit." There was much apprehension by interview participants in expressing opinions such as this because they worried that they might be limiting their future opportunities by criticizing the individuals and institutions that they believe hold the keys to today's routes of survival. A primary source of frustration was the apparent unwillingness of those most strongly promoting entrepreneurship to provide access to start-up capital. Money is available for the promotion of ideology and skills that are deemed central to entrepreneurship, but not for individual entrepreneurial efforts themselves. It appears to be more an exercise in values promotion than a solid response to the problem of youth unemployment.

Of the 33 people who completed ESPYG and YES, ten had opened a business at the time of the interviews. Two participants of ESPYG in St. John's were in a partnership, as were two participants of YES in Corner Brook. Seven had opened their business by the end of the programmes, six of whom were interviewed. Three more students opened a business between program completion and the time of the interviews, at which time three more were "in the process" of opening. Only one young entrepreneur who was interviewed, and who considers herself a self-employed entrepreneur but not a business owner, draws an income from her self-employment. None of the interview participants who opened a business draw a salary from it. One participant drew some

expenses from her business as needed to meet loan and living expenses. Three of the business owners also work part time elsewhere for personal income. Three others were actively seeking part time employment at the time of the interviews. Somewhat ironically, the three who were in the process of opening at the time of the interviews were also operating the same business under the table (undeclared cash for service) to raise money to open their businesses. Only three of the business owners work solely at their businesses, and get by with help from family and HRDC's Self Employment Assistance programme that temporarily extends Employment Insurance benefits to eligible small business owners for a limited time.

While small business and entrepreneurship are said to be the leading job creators in today's economy, this does not appear to hold up for ESPYG and YES participants. While some paid employment did result, it was either government funded or casual with only one exception. One business hired a single paid employee because government legislation dictated that they had to due to the nature of their business, resulting in the owners foregoing any income for themselves and hampering efforts to make their loan payments. They have since closed their doors. Another business hired a student for a year through a government program, and once their funding runs out they will not be able to maintain the position. Three businesses use casual employees on an as-needed basis, and therefore have not succeeded in creating any permanent, full-time jobs. Five temporary, government subsidized jobs were created by one business, but no longer exist, resulting in a labour crunch felt by the entrepreneur that he was unable to address. Six casual, on-call positions were also created. The young business owners instead get by

with unpaid help from friends and family, and by accessing the private college system to find unpaid “work term” labour. The meagre income security outlook presented by these entrepreneurs is one that will persist beyond the closure of a business venture, as self-employed people are not eligible for Employment Insurance.

The interview participants were not jaded by their experiences, however. Of the seventeen students who were interviewed, ten said they intend to open a business in the future, while five stated they might do so in future. One participant said she would do so or consider doing so only if absolutely necessary as the whole experience has been taxing on her and her family both personally and financially. One participant, who considers herself a self-employed entrepreneur but does not actually own a business, plans to expand her activities into a retail business the future. All but one student has vowed to try again.

## **5.7 Summary**

The students of ESPYG and YES came from a variety of backgrounds, but had common experiences, expectations and goals. Most chose their educational pathways based on personal interests and aptitudes, but found upon completion of their programmes of study that the job market held few opportunities for them. When the job market failed them, the students saw self-employment as a way of gaining control over their employment-based problems. The promise of improved access to start-up capital removed any of their doubts about doing the entrepreneurial programme. Unfortunately this improved access to funds never materialized.



Many of the participants continued to work part time jobs in the retail and service sectors throughout the entrepreneurial program, and returned to them upon completion of the program. Most of those who eventually opened businesses continued to work part time “shit jobs” as a source of income while they worked full time without pay at their businesses. This indicates that neither the entrepreneurial programme nor entrepreneurship itself solved their personal unemployment problems.

The ESPYG and YES students who participated in interviews believe youth unemployment, and unemployment generally, to be largely a matter of the choices made by individuals. While they believe that alternatives to unemployment should be chosen more often by Newfoundland youth, they see these alternatives as flawed. Minimum wages are too low, businesses are becoming reliant on government wage subsidies, and there are not enough meaningful opportunities available to recent college and university graduates. Despite their criticisms, these choices are better to them than the alternative of unemployment. Their judgement of unemployed youth indicates that they are reflecting the idea of dependency culture that the provincial government has identified as Newfoundland’s central social, economic and employment problem since the mid-1980s.

While the interview participants call on government and business to be more responsive to the realities of youth unemployment by increasing minimum wage and having more progressive policies towards the hiring of new graduates in the fields they have been educated for, they also believe that youth need to be more selective in their educational paths. They feel youth should be more career and market oriented in their selection of a programme of study. The idea of education for education’s sake appears to

be all but lost on them. They believe that when the labour market fails an individual, that individual must pick him or herself up by the bootstraps and get on with it by exploring entrepreneurship. This, however, is also not without criticism. They don't see self-employment as a viable alternative for everyone. Nor do they see it as a good job creation policy or alternative as such. Instead they see self-employment as a viable alternative on an *ad hoc* basis for people who have an interest in it, a clear and viable business/entrepreneurial vision, and the financial ability to pursue it.

While the attitudes and opinions of the participants surrounding youth unemployment appear to mirror the values and ideas of the entrepreneurial movement, it is not without criticism. They see individuals as responsible for their own unemployment problems, but also see business and government as lacking in sensitivity to these problems in that their approaches to them are inadequate. They are supportive of the idea of an entrepreneurial solution to youth unemployment, but argue that more financial support has to be put in place and that it is dangerous when marketed to people who are neither truly interested nor equipped for it. It cannot be used as a blanket approach to dealing with youth unemployment. They do not see entrepreneurs as altruistic groundbreakers, but instead as people whom the job market has failed and who look to themselves for answers. The general reflection of the entrepreneurial movement's values and ideas among this group may be taken as general support for the programmes and policies of the current government, belying the idea that youth are a mislead and moral threat.

## CHAPTER VI CONCLUSION

### 6.1 Introduction

Youth unemployment has remained high in Canada in spite of previous responses to the problem by the state. Quite often, reasons that are given for high rates of youth unemployment point to an attitude or skill shortage amongst youths. Youth unemployment has recently been linked to a shortage of entrepreneurial skills amongst youth. The Federal Government has implemented youth entrepreneurial training programmes in response to this assessment. To understand the rise of entrepreneurship as a response to youth unemployment in a broader context, this thesis has examined the development of a government funded entrepreneurial training programme for youth. Both secondary research, in the form of a literature review, and primary research, which involved plotting the development of a government funded entrepreneurial training programme and interviews with 17 students and 4 non-students associated with the programme, were used to develop this thesis.

This thesis applied the theory that youth employment programmes have been efforts to control or regulate the behaviours of certain groups of individuals. Social control theory has been used elsewhere to explain the use of government-funded responses to youth unemployment in Canada, the United States, and the United Kingdom. This thesis went a step further to apply a framework that attributes the development of entrepreneurial training programmes to social movements, and has argued that the rise of entrepreneurial training as a response to youth unemployment has been part of a larger

effort by a government and business sponsored movement intended to promote New Right values to individuals, thereby controlling their choices and behaviours.

Especially into the 1980s, the idea of individual responsibility for employment and unemployment has become the norm. Both government and business interests, at times in collaboration, have made statements about unemployed youth that create a sense of moral panic about youth unemployment. Not only have youth been held responsible for high youth unemployment by virtue of their attitudes, they have also begun to be held responsible for creating jobs for themselves. The idea of dependency culture that has been used by the New Right to explain Newfoundland's high rate of unemployment is consistent with statements that have led to moral panic. They stem from intolerance of certain behaviours and choices, and assume that joblessness is a choice that is encouraged by an overly generous state that the unemployed have come to rely on. Because entrepreneurship espouses the ideas of individual responsibility, small government, and pro-business values that are central to New Right values, the two go hand in hand. Most recently, the promotion of entrepreneurship has occurred in the media, the development of school curricula and the creation of government-funded entrepreneurial training programmes.

## **6.2 Findings**

### **6.2.1 What is Entrepreneurship?**

Proponents of entrepreneurship define it as an opportunity to have freedom, creativity and control over your life by owning and running a business and writing your own paycheque. The opposing view defines entrepreneurship as owning and running a

business, including all the problems that come with it. This view argues that freedom and control are given up to the market and financiers, while creativity is given up to salesmanship. The experiences of the ESPYG and YES students and trainers reflect both points of view. While those who have opened a business agree that the idea of not having to answer to an employer is appealing, they find they are working more hours for less money and have greater personal financial risk. Their customers and lenders have taken over from former employers the role of dictating the hours and terms of work. Some of the participants closed their businesses before they had a chance to write themselves a paycheque, while others took only what they needed to provide the bare necessities to themselves and their families. None of the entrepreneurial students or instructors who were interviewed could be considered groundbreakers or movers and shakers. Instead their business ideas were for retail stores or delivery of services that are already available elsewhere. The constant battle of figuring out what customers want and how to get it to them was more real than any promise of freedom, creativity and control.

The idea that small businesses are the greatest creators of jobs and are a viable alternative to employment for young people, which is advocated by proponents, of entrepreneurship has not held true for Canadian youth, including the participants in this research. HRDC's research indicates that only 24% of self-employed youth have created additional paid employment. Beyond the scarcity of paid jobs created within the businesses that were established by the participants, the business owners themselves were rarely drawing a paycheque. Those business owners who were being paid received their wages in the form of temporary Employment Insurance top-up and extension from

HRDC's Self Employment Assistance programme. Yes, several had requirements for staff, but their staff were primarily made up of generous family and friends who worked for free. All but one paid employee in these businesses were being paid by HRDC. The illusion of the entrepreneurial dream exists here if one does not look too closely – youth were trained, businesses opened, others were sworn for the future, jobs were created. But upon closer examination it becomes clear that the market has not yet kept its promises to this group of young people. Perhaps the opinion of one participant is appropriate in this case – entrepreneurial training programmes need to be reserved for people who have the greatest likelihood of opening a small business. This goes beyond the so-called “entrepreneurial personality” and into the grim reality of financing and the costs of doing business.

### **6.2.2 Youth Unemployment and Entrepreneurial Training**

The opinions about unemployed youth that are assumed in explanations of youth unemployment (from moral panic to dependency culture) are questionable. They do not appear to be found among the group of young people interviewed for this thesis. While there is a real sense that the participants feel they have little control over their employment options, each of them expressed a desire to find rewarding and challenging work in the area of their education, and looked to government programmes and income support only as a last choice. While the participants agree that unemployment is a personal problem, they also believe that private industry has to take some responsibility for dealing with it by creating more and better employment opportunities. They appeared to support, at least in part, the provincial and federal governments' actions. The pursuit

of self-employment and entrepreneurship became attractive when traditional avenues to paid employment, including praying, begging and persistence, did not produce suitable results. While critics would argue that perhaps they set their sights too high, their expectations were in line with what they had already experienced in their lives.

The ESPYG and YES students support the availability and promotion of entrepreneurship and entrepreneurial training, but disagree that it should be broadly accessible as an alternative to paid employment. Instead they believe that the funds would be better spent if targeted to those who have the greatest likelihood of actually opening a business. The students believe that likelihood of opening a business is a reflection of the amount of effort put forth, as well as the availability of financing. Self-employment and small business ownership are most effective when they are goals in and of themselves, not when they are options chosen because no others exist. In the absence of suitable and plentiful employment, useful alternatives to entrepreneurial training should exist for those with other ambitions. However, to make such training available only to people who have a good likelihood of opening a small business is to make it available primarily to those with access to start-up capital. This would in essence deny access to those disadvantaged groups that are the targets of both entrepreneurial and employment initiatives.

These participants were looking to government for help with their employment difficulties, but for the majority there was no indication of excessive use of or dependency on federal government programmes. Instead, they found themselves in a difficult employment situation where the only reasonable choice that they saw was actively promoted to them by a government funded organisation. If participation in such

training programmes is considered to be reliance on an overly generous welfare state, then its active promotion to individuals with limited options needs to be reconsidered. Entrepreneurial training programmes are funded and delivered not because youth unemployment exists, as it has been addressed in numerous ways. Instead, entrepreneurial training exists because pro-business lobby groups have promoted it to government for decades, and because it fits with the federal government's New Right value system and its calls for greater individual responsibility and increased reliance on the market.

The main attraction of the entrepreneurial training programmes appears to be based on the income support that many of them provide. ESPYG and YES participants were looking for work when they joined the programmes, and most did not have opening a business foremost in their minds. The same can be said for the programme instructors and administrators. All employees of ESPYG and YES were either unemployed when the programmes began, or needed to supplement their self-employment incomes. Increased and extended Employment Insurance and social assistance payments are also available for eligible participants in entrepreneurial training. The positive profile attached to such training is also attractive.

The attraction to funding extends from individuals to organisations. The YM/YWCA acquired federal funding to open its entrepreneurial training programme, as did the St. John's Status of Women Council in the creation of the Women's Enterprise Bureau. Both organisations altered their primary mandates to pursue the delivery of entrepreneurial advice and guidance. While WEB's operating capital was also to be



obtained through cost recovery, federal funding became its lifeline. WEB's business line did not include training, and the backgrounds of their staff were not training related, but their ACOA grant was to expire in 1996 and was not up for renewal. However, the fact that National Headquarters of HRDC abandoned all protocol to invite WEB to submit a proposal suggests that the federal government made it very easy and inviting for them to follow the money. It is ironic that an organisation whose business was to promote and support small business was not viable without the infusion of tax dollars.

### **6.2.3 Youth Employment Programmes**

Entrepreneurial training programmes are similar to youth employment programmes of the past in several ways. All the programmes and policies designed to address youth unemployment have been attached to federal funding. Project sponsors as far back as the late 1960s for such programmes as CYC and OFY found themselves using their projects and funds to fill gaps in their core funding, only to have the project and the funds disappear at the end of the summer. Businesses also came to expect federal subsidies for the employment of youth through such programmes as JETP in the 1970s. Like CYC and OFY, ESPYG and YES appear to be hastily implemented programmes that were not based on adequate planning. Each of these programmes also appears to lack any long-term orientation. It was assumed within each of these programmes that the youth involved would carry the lessons learned into the future with them, but rather than provide any concrete job skills that would facilitate future employment, they were wrought with condescending exercises that illustrated a superficial approach to the realities of owning a business. Also similar is the lack of follow-up with the participants

of these programmes. Without follow-up there is no way of knowing whether or not the programmes actually did what they were intended to do.

The biggest difference between entrepreneurial training and youth employment programmes of the past is that the message of entrepreneurship is everywhere in society today. The values and messages associated with these programmes are not limited to the people who participated in the programme, but instead are broadly disseminated and unrelenting. Entrepreneurship is promoted through education as part of school curricula; entertainment from such programmes as CBC's *Venture*; various awards shows that are advertised in print and television; articles, special supplements and advertising in newspapers; and through small business magazines such as *Realm* that are targeted directly to youth. The social and cultural prevalence of entrepreneurial messages is such that entrepreneurial training programmes for unemployed youth, unlike past approaches to dealing with youth unemployment, appear to be part of a larger effort.

#### **6.2.4 Entrepreneurial Movement**

The promotion and spread of entrepreneurial values has adopted the same processes used by social movements to advance their cause and get their message out everywhere. Targets are determined ahead of time, and efforts made to access them at the best possible places. In the case of entrepreneurial training, targets include youth, women, Natives, the unemployed and social assistance recipients. These people are accessed through educational institutions, job centres, and welfare offices, as well as through more general advertising. Framing processes, resource mobilization and political opportunities are all central tools used by proponents of entrepreneurship to give its

values higher and more positive profile and to get them into the public realm and discourse. Over decades, business organisations have had the time, financial and human resources, and relationships with government officials necessary to have their concerns heard. The pro-business lobby actively framed unemployment and entrepreneurship in such a way that the unemployed became vilified and unemployment became defined as a product of excess government and insufficient freedoms for the market. The propagation of entrepreneurial values was a response that best managed the transition to smaller government and at the same time attempted to inspire the unemployed to find ways to make a living on their own through the market instead of the labour force. From initial discussions came political opportunities for the entrepreneurial movement to shape government and educational priorities. Such opportunities came in the form of defining government spending and policy priorities and introducing entrepreneurial values to the school system. Access to human and financial resources is such that pro-business organisations can easily spread their message to the Canadian public, be it through advertising, conferences, awards shows, sponsorships, or developing new publications. If entrepreneurship and entrepreneurial values are being promoted effectively by business organisations, why is it necessary for government to put valuable and limited public funds into their promotion?

### **6.3 Further Research**

The bulk of research, both primary and secondary, that addresses entrepreneurship and entrepreneurial training has been uncritical. In addition, there has been little follow up of the participants in entrepreneurial training programmes. While this thesis will

contribute somewhat to filling in some of the research gaps, much remains to be considered. Some of the questions that could benefit from academic consideration include:

- Do participants in entrepreneurial training programmes follow through with their commitment to open a business?
- Is there a difference in outcomes of entrepreneurial training programmes across geographic locations? Across age cohorts? Across sexes? Across cultures?
- What amount and source of debt do participants in entrepreneurial training programmes bring with them? Does this debt interfere with their ability to proceed with becoming self-employed? What levels of additional debt do they accrue as a result of efforts to start a business?
- Is support for other youth employment programmes maintained while entrepreneurial training programmes are established?

The answers to such questions would not just contribute to the both literature and debate surrounding youth employment and entrepreneurial training programmes, but could be valuable in policy development. It is only through critical analysis that such programmes and policies can be improved to best meet the needs of their participants. There is no indication that such a critical approach to evaluation has been taken. Persistently high rates of youth unemployment alongside calls for increased entrepreneurship from business organisations indicate that existing approaches have failed to meet the needs of either government, the business lobby or, most importantly, youth themselves.

## **Appendix A**

## COULD YOU SUCCEED IN SMALL BUSINESS?

You may have many reasons for wanting to start a business. They may include wanting to make money, having personal independence and self-fulfillment, or escaping the frustrations of employment — and unemployment. Your reasons may be good ones, but your decision must be based on more than simply a desire to change your situation. A new venture is risky. It may make heavy demands, financially and time-wise, on you and on those close to you. It might not provide you with security such as a regular pay cheque, medical and dental benefits, and a pension plan.

One of the first steps you should take in making the decision to start a small business is to determine if you have the right skills and temperament. You have to be as honest with yourself as possible.

## A REALITY CHECK FOR SMALL BUSINESS OWNERS

The following checklist will suggest what to look for in yourself to improve your chances for success.

### 1. Do I have a burning desire to be "on my own"?

Yes \_\_\_ No \_\_\_

Most entrepreneurs have a strong inner drive to strike out on their own. They like the idea of being their own boss and not having to report to anyone.

*"I've always had an independent streak even when I was working in a large federal agency. I'm sure it was that independence that helped me decide to take the plunge and start my own business when I was let go. After three years, I still like the feeling of being in control."*

*- K.T., Ottawa, Ontario*

### 2. Am I confident that I can succeed?

Yes \_\_\_ No \_\_\_

Successful entrepreneurs believe in themselves. They are optimistic about projects they undertake, and are good at motivating others and sharing their enthusiasm when pursuing goals. They are likely to say, "When I set my mind to it, I usually do well. I expect to succeed." or "I've succeeded in the past and I'll succeed now. I won't let a setback stop me."

### 3. Am I willing to take calculated and moderate risks?

Yes \_\_\_ No \_\_\_

Going into business involves taking a chance. You may have to push yourself beyond what is comfortable for you and try new things. Successful business people are willing to take risks, but they are also realistic. They gather as much information and support as possible before making a move. In this way, they build a safety net for themselves and decrease the amount of risk involved.

*"The point about being in business is that you can't make an omelette without breaking some eggs. Buying inventory, signing a lease, hiring employees — you've got to be willing to handle some risk if you want to be in business for yourself. You can't be reckless, but you have to be willing to take calculated risks now and then."*

*- S.D., Whitehorse, Yukon*

#### **4. Am I a self-starter?**

Yes \_\_\_ No \_\_\_

Successful entrepreneurs believe that what happens in life usually depends on themselves. They are often described as "internal" — people who choose to do something based on their own interests and views. Because they believe that they control their own destiny, they refuse to be at the mercy of others or of events. As a result, they take the initiative in starting projects and getting ideas off the ground.

#### **5. Am I able to set long-term goals? Can I stick with them? Even if I'm faced with a difficult problem or situation?**

Yes \_\_\_ No \_\_\_

Successful business people are patient and determined. They have the ability to work toward a goal, delaying rewards until a future time, and persist even in difficult times. They understand that it takes time to build success — sometimes years.

*"At first, it was frightening to realize that everything about the business — the problems, the solutions, my staff of two, its ultimate success or failure — depended on me. But I was determined to take anything on and to make the business work. My hard work and determination got me through the low points to where I am now. It was worth it."*

*- V.B., Winnipeg, Manitoba*

#### **6. Do I believe that money is the best measure of success?**

Yes \_\_\_ No \_\_\_

If your only reason for going into business is to make money, it may not be enough to make you a success. The desire for money is not a prime motivation for most successful business people. Rather, they want personal fulfilment and enjoy doing their best. While

money is important to them, it is a means to do more and not simply a way to gain wealth and prestige.

**7. Am I creative? Am I always looking for new approaches and ideas? Am I innovative?**

Yes \_\_\_ No \_\_\_

Entrepreneurs often have many ideas and a great capacity to dream up and carry out projects. They are highly motivated by their desire to innovate or to bring their own approach to doing things. Never satisfied or content, they believe there is always a better way to get a job done.

**8. Am I good at making decisions? Are my decisions generally sound?**

Yes \_\_\_ No \_\_\_

Successful business people tend to be comfortable making their own decisions. They say, "When I decide to do something, I carry it through to the end, overcome any obstacles and face all the issues."

**9. Am I willing to market my product or service?**

Yes \_\_\_ No \_\_\_

Successful business people do not believe the old saying: "Build a better mousetrap and the world will beat a path to your door." They know that proper marketing is critical to business performance. They advise: "You must sell, sell, sell."

*"I never imagined how hard it would be to sell myself — and I used to be in marketing. It was daunting the first year I was on my own. I was no longer selling the company product. I was selling myself and what I knew. I called every possible contact I could think of and sent out information packages. There were so many rejections, so many no-replies. I had to change my strategy. Instead of cold calls and mailings, I started using referrals to get new clients. Once I got a few good ones, the others followed."*

*- L.S., Ottawa, Ontario*

**10. Am I a good organizer? Do I pay attention to details?**

Yes \_\_\_ No \_\_\_

Conducting a successful business requires organizational skills and competence. As a small business owner, you *are* your own boss. Since there is no one looking over your shoulder to make sure you are doing your job well, you will need self-discipline. Your ability to pay attention to details can make the difference between success or failure.



**11. Am I flexible? Do I adapt to change? Can I handle surprises?**

Yes \_\_\_ No \_\_\_

Change is a fact of life. To succeed in business, you must accept this fact and use it to your advantage. Successful business people monitor social trends, adopt new technologies, compare themselves to the competition, and listen and watch with an open mind.

**DO YOU HAVE WHAT IT TAKES?**

By now, you will be able to put together a good picture of the qualities and skills required to succeed in your own business. You are likely to be happy and successful in your own business if you:

- possess an inner drive to be independent;
- are able to set and achieve goals;
- are flexible and adaptable;
- are willing to work hard;
- have confidence in your ability to succeed;
- possess self-discipline, leadership abilities and organizational skills; and
- have the confidence to make decisions and take calculated risks.

If you don't have all these qualities, you might need to develop some additional skills, or perhaps you might require an associate, partner, or employee whose strong qualities can counterbalance your weaknesses.

If you don't have at least some of these qualities, you will have to decide if a small business is the right career option for you. If it isn't, and you are already employed, you might be better off staying in your current job and creating new possibilities there. If that doesn't work, you might consider other jobs that could interest you either with your current employer or with a new one. If you do not have a job, perhaps you should look for new employment in your area of expertise.

If you are still having difficulty deciding if starting a business is the best career option for you, go through the reality check again with a friend or someone you trust to be honest with you. Ask them for their opinion. Compare notes. The exercise can be very revealing — and worthwhile.

## **Appendix B**

Participant Release Form

This form is proof of your understanding of and agreement to participate in the research project outlined briefly below. Please read the following carefully. Your full understanding and agreement is required for participation in this project.

This research is being conducted by a Master's candidate from Memorial University of Newfoundland, under the supervision of Dr. J. Overton and Dr. R. Hill in the Department of Sociology. The interviews conducted will be a vital part of a thesis project, the aim of which is to examine how people become involved in entrepreneurship in Newfoundland, and their experiences with it as a solution to youth unemployment. The results of this research project will contribute to a greater understanding of youth entrepreneurship in Newfoundland.

Your participation in this research project is voluntary. You are free to withdraw from the project at any time, and to withhold comment on any question or statement put to you. You are encouraged to talk freely and openly, and to raise issues and give opinions on any subject matter which you consider relevant to youth entrepreneurship. It is desirable that the interview be take recorded to provide for accuracy, authenticity and thoroughness. How these tapes are stored upon completion of the research project is determined by you. All information provided by participants will be treated with respect and kept strictly confidential.

I trust the above information outlines the nature of this project and what is requested of participants. Your cooperation in signing this release form and participating in this research is appreciated.

Sincerely,

Tina Sheppard  
MA Candidate  
Department of Sociology  
Memorial University of Newfoundland

I, \_\_\_\_\_, have read and understand the above information, and hereby agree to participate in the aforementioned project.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Release Form for Archival Deposit

For reasons of accuracy, authenticity and thoroughness, it is desirable to tape record interviews. Participant names and identifying characteristics will be kept anonymous, with confidentiality ensured.

It is common practice for cassette tapes of interviews to be stored in the university library's Folklore Archive for future reference. Future researchers often benefit from data collected by their predecessors, as it provides valuable resource material. Material stored in the archives is available only to bonafide researchers for approved research, and not to the general population. Your consent to storing your interview recording in the archive will be an important and valuable contribution to present and future research.

Storage of interview recordings is not the only option available. You may have the cassette tape in the sole possession of the researcher, or may request that the cassette tape be forwarded to you. If you choose to store the tape with the archive or the researcher, you may request that a copy be forwarded to you.

Could you please indicate from the list below which option you choose, and sign to verify your choice. Thanks for your help.

Sincerely,

Tina Sheppard  
MA Candidate  
Department of Sociology  
Memorial University of Newfoundland

I hereby authorize

- placement of original interview tape in the library Folklore Archive.
- retention of original interview tape by researcher only.
- forwarding of original interview tape to me.
- destruction of original and only copy of interview tape.
  
- Please forward me a COPY of the interview tape.

Signature \_\_\_\_\_ Date \_\_\_\_\_

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