## Wales needs young entrepreneurs to close its productivity gap

A £2,000 start-up grant can buy the tools a young person needs to take on their first paid repair job. It can pay for a market stall, a first batch of stock or a laptop that becomes the foundation of a business. For someone with little savings and no family money to fall back on, that first purchase can determine whether an idea ever reaches a customer.

Co-operative enterprise should be part of the answer. Several young tradespeople could share a workshop, buy equipment together and bid jointly for contracts. Freelancers could form a co-operative to market their services and share administrative costs. A worker co-operative gives its members a say in how the business is run and how the proceeds are used. These are practical ways to pool resources, take on larger jobs and keep ownership rooted in Welsh communities. A productivity strategy should make it easier for a young person in Wales to win their first customer, build a livelihood and create work for others.

Professor Dylan Jones-Evans OBE has drawn attention to a letter sent to Business Wales providers on 23 November. He reports that the Welsh Government is ending its entrepreneurship and start-up service and Big Ideas Wales, with the start-up service due to stop taking new enquiries from 1 December. He says the changes appear to include the Young Person's Start Up Grant, which offered up to £2,000 alongside tailored business advice. Ministers should clarify urgently what happens to young people already preparing to apply.

Two days after the letter, ministers announced Productivity Research Group Cymru, bringing together Cardiff University, the London School of Economics and Harvard. The research, reportedly backed by £1.2 million, will examine business investment, skills and what helps firms grow. Those are important questions. One of them is already staring us in the face. Who gets the chance to start a business in Wales, and who can afford to take the first step?

Carwyn Jones-Evans makes an important point about rural Wales, where young people can face thinner job markets and have fewer opportunities to meet mentors, reach customers or find specialist advice. Klaire Tanner, who volunteered with youth homelessness charity GISDA, brings home what a family safety net means in practice. She used her own £2,000 grant to buy a laptop that still supports her businesses. How many young people with similar ideas will now have to put them on hold?

Ministers should publish their assessment of who will be affected, including young people in rural and deprived areas, disabled young people and those without family support. They should preserve access to small grants and specialist advice, with an explicit route for young people starting businesses together. Cwmpas, local co-operative development organisations and youth services should help design that route with young people themselves.

The research group should also examine how different ownership models affect business survival, job quality and local reinvestment. Wales can learn from international research while investing in the people who will put its findings to work.