

The ‘Start-up Revolution’ and ‘The Changing Nature of Work’

Introduction

Employment worldwide has been at an all-time low. The best solution developed for the problem has been the interest and studies surrounding start-ups and new enterprises. Most countries are now putting in place measures to help people with viable ideas start their own companies or organizations. The essence is to create new jobs, promote competition and spur innovation.

In some countries, however, this universal effort is being stifled by: corporal and governmental protocols that do little to encourage the newbies, systems that allow already entrenched firms to gain an even wider footing in the economy and marketplace, and an educational system that does not provide much for the purpose of creative innovation.

Current Situation

Japan, Germany and Singapore are among the few countries that put in generous efforts to build the start-up industry and they have received deserved rewards for the effort. The governments in these countries provide tax cuts, less bureaucratic processes and funding and training for people interested in making it in the start-up industry. The point is to give the start-ups enough room and freedom to gain their grounding in the market – so that they have a better chance at surviving.

In Germany, there is the ‘Start.Up! Germany’ tour that provides foreign investors and prospective entrepreneurs with an in-depth knowledge of the start-up industry in Germany. The country also has the ‘German Accelerators’ program that provides funding to (prospective) entrepreneurs with viable business ideas. It is estimated that every 50th start-up in Germany generates no less than \$50 million – with a total average pegged at \$2.47 billion in external capital. Most start-ups in Germany maintain a global outlook, very few target only local operations and this provides infinite and boundless economic opportunity for the country.

In Japan, the Japan Venture Research asserts that start-ups are raising as much as \$2.5 billion. The start-up presence in the country is pervasive – ranging from healthcare, agriculture, artificial intelligence, enterprise software and more. Up to 80% of the funding for these start-ups, however, come from government agencies and official financial institutions. Due to the massive success of the start-up industry in Japan, researchers assert that the rate of new recruitments into start-ups are almost at par with that of incumbent firms. According to the Japan External Trade Organization, unemployment in the country has seen a consistent decline whilst the job-to-applicants ratio has been on the rise.

Singapore supports its start-up industry by providing a plethora of grants and programs like the Startup SG, the Capability Development Grant, the Enterprise Development Grant and many more

that provide funding, training and a conducive environment that allows start-ups to thrive. Per the World bank, Singapore has the best eco-system for start-ups and the least bureaucratic system which makes it a go-to destination for (prospective) entrepreneurs.

The benefits of this emphasis in the startup industry are plentiful, ranging from the creation of inclusive business models, a boost on both local and national employment, better quality of the local labor force and more economic opportunity.

Recommendation for Action

Countries can benefit from the start-up wave in many ways. For developing countries especially, there is the need to refine the skillset of the labor market by restructuring the educational curriculum for basic, secondary and tertiary educational institutions. There should be an unrelenting emphasis on Design Thinking, Problem Solving and Entrepreneurship. The system should be capable enough to provide important lessons on these areas and how to translate the knowledge into building entrepreneurial ventures that have a better chance at flourishing. Ashesi University, in Ghana, is a great example of how these lessons can be incorporated into the educational system's core.

Most often than not, individuals deterred from venturing into entrepreneurial activities are put off by the lack of social security and support for start-ups. Policy makers should direct efforts towards promoting and enabling firms that seek to minimize the risk of starting a business through insurance and private pension schemes. Doing this will increase the number of potential entrepreneurs since the issue of social protection will become more of an accelerating factor than a barrier.

Venture capitals and national organizations committed to providing funds for start-ups should be sensitized towards start-up failure. In this sense, they should provide support systems and adequate fallback funds for businesses that run into unfavorable situations that threaten their existence.

Also, a less bureaucratic registration process for startups will attract more prospective entrepreneurs and simultaneously make room for individuals with minimal literacy skills in the start-up industry.

Conclusion

There are a lot of benefits to be reaped from the start-up revolution. Among other things, policy makers should initiate systems that provide financial support, minimize the risk involved in starting a business, tailor curriculums towards inculcating good thinking and problem-solving skills in students (even at an early age) and simplifying the process of registering a business.

FIT: Suggestively, this article fits in under the section about the changing nature of firms (**Chapter 2: The Changing Nature of Firms, para-134**)