This briefing draws upon the expertise of RMIT’s education, art and social science research community to inform policy makers on opportunities and challenges for Arts-based Social Enterprises (ASEs) in supporting the engagement, well-being, education and workforce participation of young people (15 to 24 years) experiencing, or at risk of, social and economic marginalisation.

ASEs fulfill an important social and economic role, supporting young people’s transition into employment and education, and promoting social inclusion and well-being through participation in artistic and cultural activities. This policy brief outlines key findings from an Australian Research Council funded study of ASEs undertaken by researchers from RMIT and Charles Sturt University.

Overview

Young people have been disproportionately affected by unemployment and precarious employment since the Global Financial Crisis and, more recently, by the COVID-19 pandemic. Young people growing up in varied circumstances of disadvantage are more vulnerable than others to disengagement from work and study and make up the majority of Australians who are unemployed for long periods of time. The social enterprise (SE) model of providing education, training and employment pathways for young people experiencing marginalisation promises to address the broader crisis of youth unemployment. Social enterprises are often smaller-scale, place-based businesses that focus their community-responsive, tailored programs on small numbers of people, but have the potential to generate significant impacts.

Art-based social enterprises (ASEs) are known to be highly effective at engaging young people because of their emphasis on learning through expressive and material practice rather than formal knowledge acquisition. They have a proven capacity to develop programs which involve vulnerable young people in activities and practices that provide education, training and employment pathways, and contribute to their health and well-being. This supports the implementation of the UN’s Sustainable Development Goals, in particular quality education (SDG 4), decent work and economic growth (SDG 8) and reduced inequality (SDG 10).

Key Messages

- Arts-based social enterprises play a vital role in enabling young people living in varied circumstances of marginalisation to engage with the wider community and enhance their well-being, which are important pre-conditions for formulating pathways into education or employment
- 80% of ASEs are not achieving the expectation that social enterprises generate the majority of their income from trade. Hybrid funding models are preferred as they better support core mission activities to support young people
- ASEs with funding streams that support longer term planning and operational costs report greater capacity to create positive social outcomes and develop enterprise streams
- ASEs are empowering young people through arts and cultural activities, with a focus on their strengths rather than deficits. Innovative ASEs are generating employment opportunities for young people in the creative industries through their commercial activities.

This policy brief highlights three areas in which the contribution of ASEs to engaging young people can be enhanced: through stronger recognition of ASEs’ role in improving engagement and well being outcomes for young people; providing operational funding and business support to assist the ongoing sustainability of ASEs; and promoting a strength-based, entrepreneurial approach to youth transitions.
Recognise Engagement and Well-Being Outcomes in Transitions

Localised provision of SE services supports young people to engage with their local community and re-enter education, and is particularly useful in addressing community-specific social and economic challenges. ASEs have a close engagement with individual and community needs, which assists them to develop strong local networks and provide a tailored, people-centred approach.  

While government and funders frequently require ASEs to provide evidence and reporting of impact, this is often narrowly understood in regard to transitioning young people into study or work. One of the primary outcomes reported for young people participating in ASEs is improved health and well-being, which can include an increased sense of support and community, confidence in learning, connection to the creative industries, and developing hope and resilience for their future. The most marginalised young people encounter complex, intersecting issues around health and well-being, socioeconomic status, educational attainment, cultural diversity and other indicators of disadvantage. Our research indicates that, most often, engagement and well-being are key to generating positive pathways for disadvantaged young people, and that these underpin development of skills and transitions to further employment or education.

Industry and government can improve outcomes in youth unemployment and marginalisation by viewing “transitions” more holistically, encompassing programs that re-engage youth and improve well-being as a key step in transitioning into further work and study.

Provide Sustainable Operational Funding and Business Development Support for ASEs

There is an expectation that social enterprises derive most of their income from trade, yet for the majority (80%) of ASEs surveyed trade income only accounted for 10-40% of revenue. While revenue-generating activities are recognised as important in sustaining the activities of ASEs, the scale of commercial activity required to achieve majority self-funding impacts negatively upon core mission activities to support youth. ASEs need to respond to market demand to generate sales while maintaining artistic integrity and quality and being inclusive of artists with diverse experiences and abilities. ASEs are also competing with commercially oriented enterprises for limited resources including customers, staff and capital.

Hybrid funding models are preferred by ASEs, bringing together income from a range of sources including trade, donations, service provision, government funding and philanthropy. Compared to counterparts in the UK and Europe, the arts and social enterprise sectors in Australia are relatively under-supported by government policy and funding. ASEs receiving multi-year, operational funding from government and philanthropy report that they are more effective in delivering impact for young people and report less conflicts between their social and business goals. Given the complexity of operating ASEs, longer-term, operational funding, business support and capacity development grants are required for organisations to be effective in achieving social impact for young people.

Promote a Strengths-Based, Entrepreneurial Approach to Youth Transition

ASEs are empowering young people through a focus on their creative professional skills rather than educational or skill deficits. Art is offered as a strategy for engagement, as a source of pleasure, developing diverse social connections and creating pathways into further education and training. ASEs are purposefully broadening young people’s skills-base to include entrepreneurial and other 21st Century skills and competencies – such as initiative, perseverance, adaptability, cooperation and creative thinking – which will help them attain employment and succeed in workplaces of the future. The entrepreneurial and artistic aspects of ASEs engage participants in ways that challenge the labels and conventions of social welfare models for youth services.

“If we are going to give people creative tools, let’s give them commercial tools as well. Let’s give them the ability to turn that into food on the table, turn into money in the pocket.”

Youthworx staff member

Our research found that ASEs are responding to the challenges of the broader employment market for youth by supporting emerging artists to develop income streams and entrepreneurial skills that are relevant to the creative industries. The most innovative ASEs aim to generate employment opportunities for participants within the social enterprise. Government and industry should support and promote ASEs strengths-based approach that nurtures young people’s inherent creative potential, generates significant opportunities to gain experience in the creative industries, and develops crucial income-generating, creative entrepreneurial skills.

For further information contact
Dr Amy Spiers
amy.spiers@rmit.edu.au

Authors
Dr Grace McQuilten, Professor Peter Kelly, Dr Amy Spiers, Associate Professor Kimberly Humphery and Dr Deborah Warr.
References

1 Vulnerability to social and economic marginalisation among young people is associated with having an immigrant background, growing up in disadvantaged households, living with disability or chronic health conditions and other situations that limit opportunities to participate in educational and employment opportunities.

2 Almost a third (29%) of Victoria’s estimated 3,500 social enterprises operate in cultural and recreational industries. See Castellas, E., Barraket, J., Hiruy, K., and Suchowerska, R. (2017) Map for Impact: The Victorian Social Enterprise Mapping Project, Centre for Social Impact, Swinburne, p. 120.

3 This policy brief has emerged from the research project Art-based Social Enterprise and Marginalised Young People’s Transitions (2017–21) supported by the Australian Research Council’s Discovery Projects funding scheme (project DP170100647). The project findings outlined in this brief are informed by 60 interviews with individuals involved in twelve Australian ASEs. For further information about the project see https://artsocialenterprise.wordpress.com/

4 In March 2020, before the effects of the pandemic were felt, the youth unemployment rate (for those aged 15-24) was 11.6%, more than double that of the general Australian population, of 5.2%. Australian Bureau of Statistics (2020), 6202.0 Labour Force, Australia, seasonally adjusted estimates; Atkins, M, Callis, Z, Flatau, P & Kaleveld, L (2020), COVID-19 and Youth Unemployment CSI Response, Centre for Social Impact, Swinburne.

5 Headley, S & Moffat, L (2015), Growing Youth Employment through Entrepreneurship, Australian Clearinghouse for Youth Studies; Foundation for Young Australians (2015), How are young people faring in the transition from school to work.


