

# YOUTH ENTREPRENEURSHIP:

meeting the key policy challenges in Europe



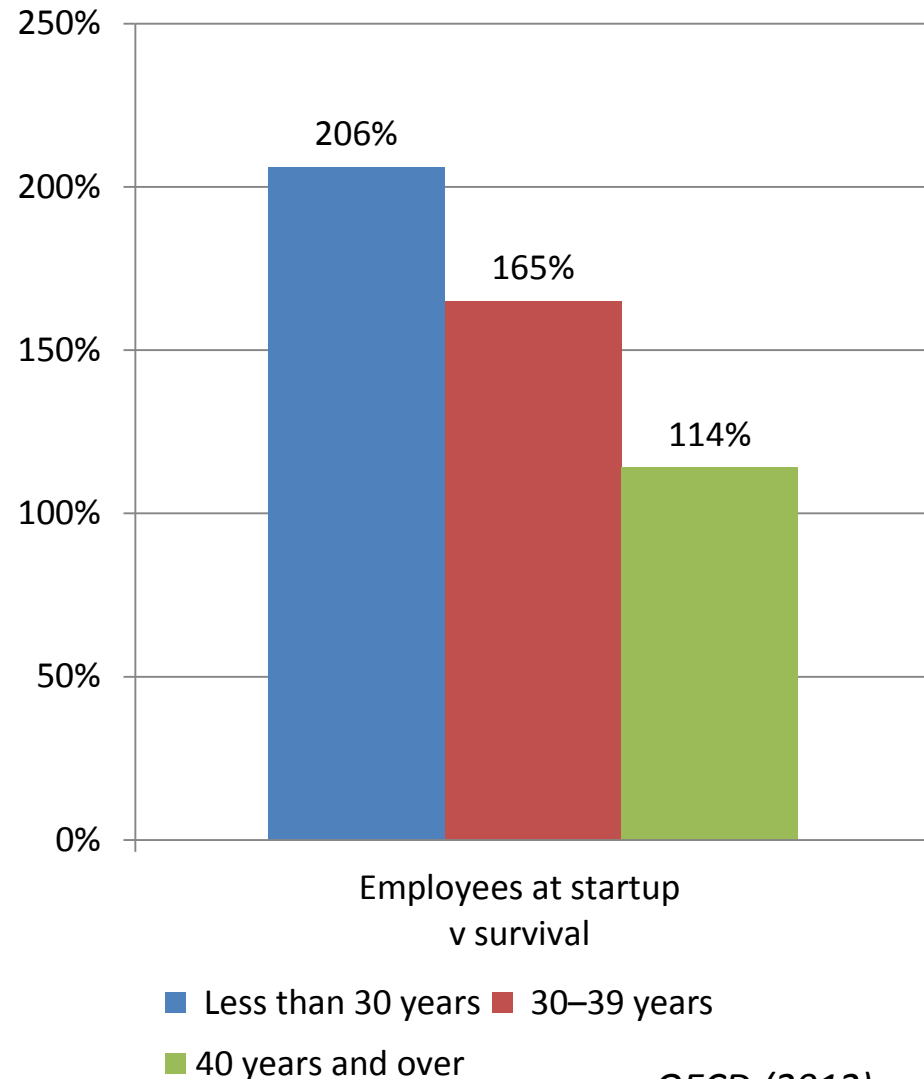
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# Entrepreneurship and unemployment



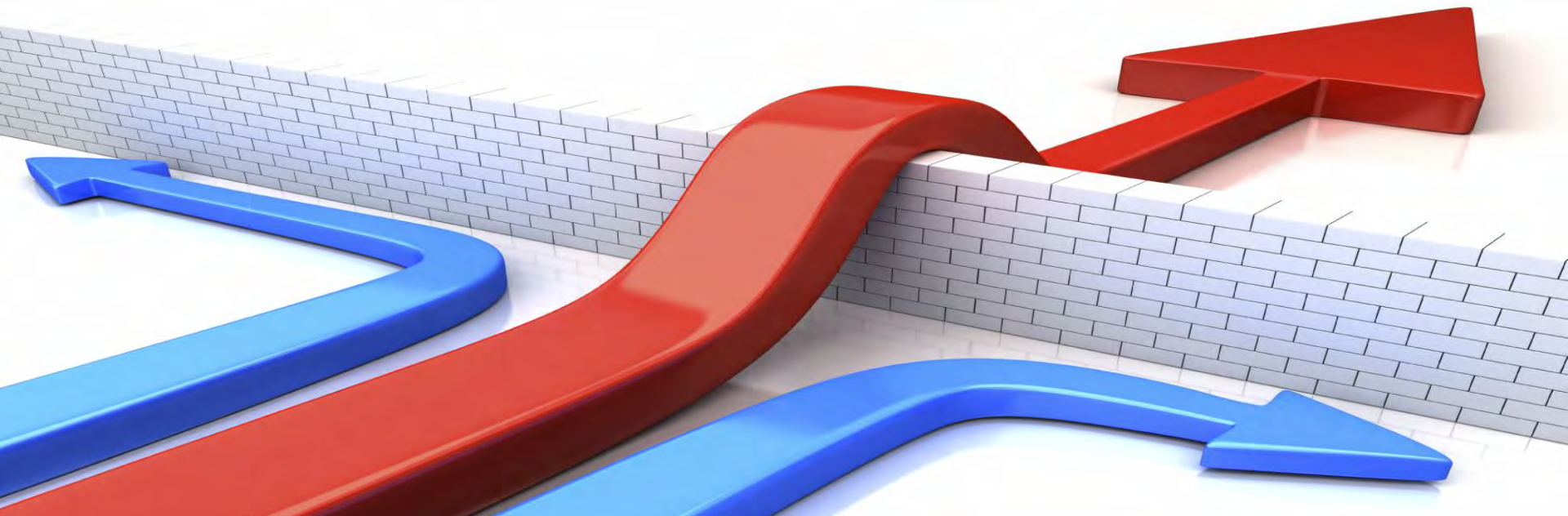
# How successful are businesses run by young people?

- Businesses run by people under 30 years old had an average **growth rate of 206%** — **nearly double** the growth rate of businesses run by those over 40 (114%).



OECD (2012)

# **Barriers for a young business start up?**





# Barriers for a business start up?

Young people:

- Are affected by **social norms**
- Training programs prepare students for **paid employment** (Potter, 2008).
- **Lack** of **h**uman, **f**inancial and **s**ocial **capital**
- Have **low personal savings**, and difficulty to obtain external finance.
- Have **limited business networks** and business-related social capital.
- Face **market barriers** (e.g. discrimination)



Removing Barriers

# What E.U. policy is for?



# Youth Entrepreneurship Policies

- Youth entrepreneurship is already high on the agenda in most EU Member States.
- EU needs “to stimulate the **entrepreneurial mindsets** of young people, **encourage innovative business** start-ups, and **foster a culture** that is friendlier to entrepreneurship and to the growth of SMEs”. (Europe 2020)





# EU Youth Strategy

According to the EU Youth Strategy (2010-18), which proposes initiatives in 8 different fields of action, **Employment and Entrepreneurship**, one of these eight fields, suggests that:

*Young people should be encouraged to **think** and **act** innovatively and young talent should be recognised. Culture stimulates **creativity**, and **entrepreneurship** education should be viewed as a mean to promote **economic growth** and new jobs as well as a source of skills, **civic participation**, autonomy and **self-esteem**.*



# EU Youth Strategy

- Recognising that **entrepreneurs face barriers**, the European Commission adopted the Small Business Act to help small businesses.
- The Act outlines 10 principles that **guide** the **design** and **implementation** of **policies** both at EU and national levels
- Governments should **continue efforts** to reduce the administrative burden for all start-ups; however, more could be done.

# Priority areas and Policy Challenges



# Challenges

- 1. Entrepreneurial Skills**
- 2. Information, advice, coaching, mentoring**
- 3. Financial Support**
- 4. Infrastructure**









# CHALLENGE 3. Provide financial support

## Challenge

- Half of start up businesses require access to external capital and the goal is to provide initial capital and support for youth business start-up (EC, 2009).

## Approach

- Cover youth living expenses for a period of time.
- Provide Grants and micro-financing
- Link with business angels and risk capital

## Impact

- Grants helped increase the start up survival rates (EC, 2010).
- Selection criteria and targeting participants who are most likely to succeed will increase survival rates.
- Financing programmes work better when they are complemented by other start-up support, (advice, coaching, mentoring).



# CHALLENGE 4. Develop infrastructure for entrepreneurship

## Challenge

- To provide supportive infrastructure that can help overcome barriers and to enhance start-up support.

## Approach

- Youth business networks and associations
- Business incubator.

## Impact

- Youth networking initiatives costs tend to be lower than other programmes



# Guidelines For Policy Makers

- Coordinate actions among various **policy makers**
- Adapt a **common curriculum** for the entrepreneurship education
- Integrate entrepreneurship **education** in the schools and all levels of post-secondary education
- Promote entrepreneurial **culture**
- Eliminate entry **barriers** and **obstacles**
- Provide Access to **Micro-credit**
- **Finance** Youth Enterprise Development and Research
- **Support** business Start-up, (mentoring programs, incubators, one-stop shops, peer networks, and online start-up portals)





# Challenge for Program Designers

Entrepreneurship Programmes in National and/or Local Level should:

- Correspond to **combined policies** supported by different actors
- Engage as many **stakeholders** as possible
- Focus on **proactive support** and action
- Promote **excellence** in entrepreneurial learning
- Be **sustainable** over time
- Exploit more international **networks** results and best practices
- Meet the **specific needs**, of under-represented target groups



# CONCLUSIONS



Lessons  
Learned

- **Public policies** and **programmes** for entrepreneurship can play a role in addressing the challenge of youth unemployment.
- **Government programmes** can have significant impact on young employment with reasonable results on value for public money.
- Finally, it is important to provide **integrated support packages** rather than relying on a single support instrument.

A close-up photograph of a baby with light brown hair and blue eyes, wearing a green and white long-sleeved shirt. The baby has a determined, slightly pouting expression and is holding a small object in their right hand. The background is a blurred outdoor setting, possibly a beach.

**Thank You 😊**

***I can do it!***

**We need young  
entrepreneurs and  
they need us.**

**With our support  
they can do it**