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ECONOMIC AND SCIENTIFIC POLICY **A**



Economic and Monetary Affairs

Employment and Social Affairs

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Internal Market and Consumer Protection

The Availability and Use of Assistance for Entrepreneurship to Young People

Study for the EMPL Committee



DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY

The Availability and Use of Assistance for Entrepreneurship to Young People

STUDY

Abstract

This document, provided by Policy Department A to the Committee on Employment and Social Affairs, gives an up-to-date picture of developments as regards the availability and use of support programmes and schemes to promote or facilitate youth entrepreneurship across the EU. It presents a description of existing policy approaches to youth entrepreneurship support and an analysis of their strengths and weaknesses through a selection of policy examples from eleven Member States.

This document was requested by the European Parliament's Committee on Employment and Social Affairs

AUTHORS

Michael RICHARDSON, ICF International Consulting Services Ltd.
Anette CURTH, ICF International Consulting Services Ltd.
Danilo BIANCHINI, ICF International Consulting Services Ltd.
Nora WUKOVITS, ICF International Consulting Services Ltd.

RESPONSIBLE ADMINISTRATOR

Ms Laurence Smajda
Policy Department A: Economic and Scientific Policy
European Parliament
B-1047 Brussels
E-mail: Poldep-Economy-Science@ep.europa.eu

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To contact Policy Department A or to subscribe to its newsletter please write to:
Poldep-Economy-Science@ep.europa.eu

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LIST OF ABBREVIATIONS

ALMP	Active Labour Market Policy
APJ	Action Plan for Jobs
CZ	Czech Republic
DE	Germany
DG EAC	Directorate-General for Education and Culture
DK	Denmark
EACEA	Education, Audiovisual and Culture Executive Agency
EaSI	EU Programme for Employment and Social Innovation
EE	Estonia
EL	Greece
ES	Spain
ESF	European Social Fund
ESG	Einstiegsgeld
EU	European Union
EU15	EU Member States prior to 2004
EU28	EU Member States as of 2013
FEJ	Fonds d'Experimentation pour la Jeunesse
FFE-YE	Danish Foundation for Entrepreneurship – Young Enterprise
FR	France
GEM	Global Entrepreneurship Monitor
GZ	Gründungszuschuss
HE	Higher Education
IBYE	Ireland's Best Young Entrepreneur

ICT	Information and Communications Technologies
IE	Ireland
IEFP	Portuguese Employment and Vocational Training Institute
IT	Italy
LEO	Local Employment Office
LFS	Labour Force Survey
NACRE	Nouvel Accompagnement pour la Création et la Reprise
NEET	Not in Employment, Education or Training
PEPITE	Pole Etudiant Pour l'Innovation, le Transfert et l'Entrepreneuriat
PES	Public Employment Services
PL	Poland
PT	Portugal
SBA	Small Business Act for Europe
SMAF	SME Access to Finance
UK	United Kingdom
TEA	Total Entrepreneurial Activity
VET	Vocational and Education Training
YG	Youth Guarantee
YGIP	Youth Guarantee Implementation Plan

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EXECUTIVE SUMMARY

Background

Recent Eurobarometer survey results show that despite low levels of self-employment, there is high interest in entrepreneurship among young Europeans. However, many young Europeans believe that they lack the skills to become entrepreneurs.

The contraction of employment opportunities resulting from the global recession has prompted policymakers to further emphasise the importance of promoting and facilitating entrepreneurship to get young people into employment and to guarantee the future competitiveness of European economies. Furthermore, measures to facilitate and promote youth entrepreneurship have been stepped up in most European Member States under the impulse of recent EU policy orientations.

Nearly all Member States have taken measures to include entrepreneurship in education and training, including in response to EU-level communications and policy priorities in relation to the **'Education and Training 2020' (ET 2020) strategic framework**.

Member States have been active in simplifying administrative rules for enterprise start-ups since the **Small Business Act for Europe** (2008) thus enabling young entrepreneurs to establish their business at lower costs. Furthermore, additional public policies and schemes to offer financial support to young entrepreneurs have been developed since the crisis of the private banking sector.

Labour market activation policies, particularly those developed in the context of the **Youth Guarantee**, tend to include a comprehensive set of approaches to entrepreneurship support.

These trends show that a wider set of support strategies for youth entrepreneurship is now in place across the EU Member States. Nonetheless, national approaches remain distinct using different means and actions suited to national-level priorities and socio-economic specificities.

Types of support and trends in approach

Actions to support youth entrepreneurship include: **entrepreneurship education; career guidance and counselling; targeted resources and services to budding entrepreneurs (i.e. business incubators); administrative simplification; access to finance; and labour market activation (e.g. capitalisation of unemployment benefits)**.

Strategies and initiatives most often include two or more types of youth entrepreneurship support.

Whether specific or as part of wider strategies (e.g. employment, growth and innovation), evidence reveals that **entrepreneurship education** tends to be developed separately from other types of youth entrepreneurship support. The policies examples reviewed also show that a dedicated or specific approach to promoting entrepreneurship across all educational levels is likely to have a greater impact on young people's entrepreneurial attitudes and skills than broader educational reforms or single initiatives.

Outside the domain of education, youth entrepreneurship support schemes tend to be aimed at the **labour market activation of young people not in education, employment or training (NEET)** or the **professional development of graduates and highly-qualified young people**.

Youth entrepreneurship support schemes outside of education most often combine **counselling** or **mentoring** with mechanisms to ease **access to finance**. The analysis shows that programmes combining business incubation services with access to finance mechanisms are well-suited to the aspirations of young people with high-growth or innovative business ideas. Conversely, programmes combining personalised career guidance or counselling with preferential financial conditions (e.g. low cost loan schemes, but also the capitalisation of unemployment benefits) can result in the effective labour market activation of young people NEET with entrepreneurial aspirations.

The analysis also reveals that the **Youth Guarantee**, providing for the early labour market activation of young people, has been used as a framework by many Member States to develop a **holistic approach** to the promotion and facilitation of youth entrepreneurship by designing programmes offering various types of support (counselling/mentoring, non-formal training, preferential administrative regimes, access to finance etc.). Entrepreneurship support provided in the framework of the Youth Guarantee is particularly extensive in Southern Europe where young people are currently much more vulnerable economically than in the rest of the EU.

These developments suggest an overall **improvement in terms of the availability of youth entrepreneurship support across the EU**. More specifically, EU-level policy orientations such as those enshrined in the ET 2020 Strategy and the Youth Guarantee have led to the growth and diversification of the offer of support programmes and initiatives across the European Union. This has coincided with a slow increase in youth entrepreneurship levels across many Member States since the crisis of 2009.

Despite this concurrent trend and the fact that the Youth Guarantee has provided the background for Member States to develop promising labour market activation strategies to provide comprehensive support to stimulate entrepreneurship among young people, it is still too early in most cases to measure their impacts on levels of entrepreneurial activity among young people.

Main findings

To conclude, the analysis reveals that **cross-cutting or comprehensive strategies** combining different types of support are more effective in fostering entrepreneurial activity among young people than stand-alone initiatives.

A number of country examples also show that **multi-level governance and multi-stakeholder cooperation** can play an important part in ensuring coherence in the offer of youth entrepreneurship support. In this respect, the EU is an important catalyst in fostering a coherent offer of youth entrepreneurship support across the Member States.

However, differences in approaches to the support of youth entrepreneurship remain between EU Member States. Therefore, the **transnational exchange of good practice** in this particular field needs to be further developed to maximise the effects of successful policies across the EU.

Assessing the extent to which youth entrepreneurship support programmes are used and their impact on young people's entrepreneurial skills and attitudes remains quite challenging due to a lack of comparable monitoring data. Nevertheless, recent data provided by the GEM and Eurostat show **signs of improvement in relation to entrepreneurial activity** and business creation overall with youth **unemployment levels falling across Europe since the global recession of the late 2000s**.

1. INTRODUCTION

The purpose of this study is to provide an up-to-date picture of developments in the area of youth entrepreneurship policy across EU Member States. More specifically, the analysis focuses on the availability and use of support programmes and mechanisms to promote or facilitate youth entrepreneurship using the example of eleven countries (Czech Republic, Denmark, Estonia, France, Germany, Greece, Ireland, Italy, Poland, Portugal, and Spain).

Developments have been analysed in light of the recent resolutions issued by the European Parliament to EU Member States underlining the importance of investing in entrepreneurship for young people:

- Resolution of 7 February 2013 on the European Semester for economic policy coordination: employment and social aspects in the Annual Growth Survey 2013;
- Resolution of 11 September 2013 on tackling youth unemployment: possible ways out; and
- Resolution of 22 October 2013 on Rethinking Education.

Furthermore, the European Union has in recent years emphasised the importance of promoting entrepreneurship (i.e. self-employment and business creation) as an activation measure for improving young people's employability as well as their professional and socio-economic prospects.

In accordance with the aims of the Europe 2020 Strategy, youth entrepreneurship is an important step towards creating more and better quality jobs in the future, which can in turn boost economic growth, reduce poverty and increase social cohesion.

The Greek Presidency of the Council of the European Union (January-June 2014) identified 'youth entrepreneurship' as a priority for the Open Method of Coordination in youth policy, which resulted in the adoption of Council Conclusions on the topic in May 2014¹.

The study therefore provides an overview of how such EU-level strategic objectives are being addressed in the relevant policies of EU Member States.

The key issues addressed in this paper include:

- The type and scope of EU-level initiatives and other measures in the Member States to help young people to become entrepreneurs;
- The use of these measures and initiatives by young people, and any barriers impeding their take-up; and
- The outcomes of these measures and initiatives in terms of skills development, business creation and start-up survival rates.

This study presents a typology of existing policy approaches to youth entrepreneurship across the EU and their common strengths and weaknesses as regards their usefulness and effectiveness.

Special attention has been given to measures promoting the development of entrepreneurial skills to offer a way out of the crisis for unemployed young people. Besides measures focusing on entrepreneurship education, the paper also reports on policy efforts to create favourable conditions to support aspiring young entrepreneurs.

¹ http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/educ/142702.pdf.

The typology is complemented by an in-depth analysis of policy examples which serve to contextualise the use and availability of youth entrepreneurship support in light of Member States' structural and socio-economic specificities.

The aim of the in-depth analysis of policy examples is to provide a strong evidence base to formulate conclusions and policy recommendations with the aim of further promoting the development and use of youth entrepreneurship programmes and mechanisms across the European Union.

2. BACKGROUND AND POLICY CONTEXT

KEY FINDINGS

- The **global recession has prompted policy makers to emphasise the importance of entrepreneurship** as a way of getting young people into employment and as a driver of Europe's future competitiveness.
- Despite low levels of self-employment, there is **high interest in entrepreneurship among young Europeans**.
- Many young Europeans however believe that they **lack the skills and opportunities** to become entrepreneurs.
- **Policies to facilitate and promote youth entrepreneurship have been stepped up** in most European Member States under the impulse of recent EU policy activity.
- There is a **wide diversity of policy approaches** to youth entrepreneurship across EU Member States which reflect different priorities at the national level.
- **EU programmes and initiatives play an instrumental role** in coordinating youth entrepreneurship actions in the Member States and in facilitating the exchange of good practice.

2.1. Entrepreneurship as a policy driver to support youth employment and the competitiveness of the European economy

The global economic crisis of the late 2000s has had serious negative impacts on youth employment levels across the European Union. By the end of 2014, the youth unemployment rate for the EU28 stood at 21.9%², reaching even much higher rates in certain Member States³. In light of these latest unemployment trends, the ongoing detrimental effects of the crisis on young Europeans have led to the identification of a number of pressing structural issues and socio-economic challenges to be addressed by policy makers.

In an increasingly competitive European economy where the traditional 'job for life' career path has all but ceased to be the norm, entrepreneurship is increasingly seen as one important way of offering young people access to gainful employment. Entrepreneurship is also considered as an important source of innovation and ultimately further job creation. Since the introduction of the Lisbon Strategy in 2000, entrepreneurship has been increasingly recognised as a competence that should be valued and promoted at the European level. Research shows that students participating in entrepreneurship education are not only more likely to start their own business; entrepreneurship alumni are also at lower risk of being unemployed, are more often in steady employment and have better prospects for professional development⁴.

The European Commission's Entrepreneurship 2020 Action Plan now recognises that **Europe will need more entrepreneurs and a higher level of innovation to remain competitive in the face of strong international competition for jobs and markets.**

² EU Employment and Social Situation – Quarterly Review, December 2014 (European Commission).

³ Eurostat (November 2014): Spain, Greece, Croatia, Italy, Cyprus and Portugal (between 30 % and 50+ %).

⁴ 'Entrepreneurship Education: A Road to Success', ICF for the European Commission (DG GROW), 2015.

On the other hand, the Action Plan acknowledges that different demographic groups, including young people, require tailored policy and support mechanisms to overcome the specific barriers they face to unlock their entrepreneurial potential.

2.2. High interest in entrepreneurship among young European calls for appropriate support measures

In 2011, only 4% of 15-24 year-olds and 9% of 25-29 year olds in the EU were self-employed⁵. According to a Flash Eurobarometer Survey from 2012, however, the actual interest in self-employment and entrepreneurship among young people appears to be much higher. The survey found that around 44% of 15-24 year-old Europeans think that self-employment is feasible and would like to set up their own business compared with an average of 35–37% among people aged between 25 and 64 year olds⁶.

However, the recent global recession has impacted on young people's ability to become entrepreneurs, not only due to the shortage of work experience opportunities but also to more stringent conditions for obtaining external funding. The Eurobarometer survey shows that lack of funds and limited access to finance was identified as the most significant obstacle to starting up a business for 26.5% of 15-24 year-olds and 41.3% of 25-39 year-olds⁷.

Another issue is the lack of appropriate education and training offers to provide a strong foundation to support young people's entrepreneurial ambitions. This is evidenced by the Eurobarometer survey which indicates that the lack of entrepreneurial skills was one of the main factors preventing young people from having the confidence to set up a business or to become self-employed. The survey goes on to reveal that young Europeans lack an entrepreneurial mind-set compared to young people in other world regions (North America, Asia). Furthermore, it also shows significant variations in terms of entrepreneurial preparedness among young people across the Member States⁸.

In this regard, overcoming the disparities and substantial differences between Member States in the development of entrepreneurship education is a challenge that was identified by the European Parliament in its Resolution on Rethinking Education⁹.

With unemployment disproportionately affecting young people across the EU regardless of the level of education, the European Parliament has also recently emphasised the importance of promoting entrepreneurship in non-formal and informal education as a way of improving early school leavers' employment prospects while creating preferential financial and administrative conditions for budding entrepreneurs¹⁰.

In order to develop young people's entrepreneurship skills and foster an entrepreneurial culture among them, the EU has thus called on the Member States to implement reforms – particularly in the context of the European Semester – focusing on school education and lifelong learning, labour market activation (e.g. Youth Guarantee schemes), administrative simplification and access to finance to improve the entrepreneurship ecosystem. These EU-

⁵ OECD/The European Commission (2013), *The Missing Entrepreneurs: Policies for Inclusive Entrepreneurship in Europe*, OECD Publishing.

⁶ European Commission (2013), *Entrepreneurship in the EU and beyond - Flash Eurobarometer 354*.

⁷ Ibid.

⁸ Ibid.

⁹ European Parliament resolution of 22 October 2013 on Rethinking Education (2013/2041(INI)).

¹⁰ Resolution of 7 February 2013 on the 'European Semester for economic policy coordination: employment and social aspects in the Annual Growth Survey 2013' (2012/2256(INI)) and of Resolution of 11 September 2013 on 'Tackling youth unemployment: possible ways out' (2013/2045(INI)).

level recommendations addressed to the Member States often have a special focus on disadvantaged or vulnerable young people (e.g. individuals with disabilities or from a migrant background) and gender equality (i.e. promoting young women as entrepreneurs).

2.3. Member States set different priorities in designing and implementing policies to support youth entrepreneurship

Member States have different priorities in terms of promoting and supporting youth entrepreneurship. The scope of their actions or initiatives can vary depending on socio-economic, institutional and even cultural factors.

For instance, a minority of Member States have fully embraced the European Commission's definition of 'entrepreneurship' as 'the ability to turn ideas into action', and hence treat it as a transversal key competence for life that should be taught early on¹¹. Those Member States have invested in forms of entrepreneurship education that target all students across all types and all levels of education¹². For instance, Denmark promoted this approach under the motto 'from ABC to PhD'. Other countries include entrepreneurship as a compulsory subject in the curriculum or as a horizontal approach to learning.

In most other Member States, entrepreneurship in education continues to be treated as an optional or extra-curricular subject. Those Member States have typically implemented entrepreneurship education activities on a smaller scale, often in the frame of wider strategies, or as stand-alone projects and initiatives¹³.

Aside from education, most Member States have taken steps to create a more favourable structural environment for aspiring young entrepreneurs¹⁴. This has in most cases involved the implementation of schemes or programmes providing financial support as well as targeted assistance, such as counselling or mentoring and business incubation services. As such, entrepreneurship activities have mainly been included in labour market activation measures (e.g. in the context of the Youth Guarantee) and may include diverse types of support ranging from non-formal training through to preferential administrative rules and the capitalisation of unemployment benefits.

2.4. EU programmes and initiatives support coordinated strategic action, transnational cooperation and exchange

Youth entrepreneurship is also supported through a number of dedicated EU programmes and initiatives, such as '**Erasmus for Young Entrepreneurs**' and the '**Small Business Act for Europe**' which include measures to facilitate young entrepreneurs' access to finance as well as to integrate entrepreneurship into secondary school curricula. Further direct financial support at EU level also comes through the **European Progress Microfinance Facility** which enables young entrepreneurs to apply for micro-loans of up to EUR 25 000.

The **European Social Fund (ESF)** has played an instrumental part in supporting innovative youth entrepreneurship projects across the Member States and in promoting the transnational exchange of good practice, particularly through its Learning Network on inclusive entrepreneurship (COPIE¹⁵). Building on the learning network's achievements to

¹¹ Recommendation 2006/962/EC of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning.

¹² Cf. Section 3.2.

¹³ Cf. Section 3.2.

¹⁴ Cf. Section 3.2.

¹⁵ Community of Practice on Inclusive Entrepreneurship.

date, ESF Regulations for the 2014-2020 programming period¹⁶ now emphasise the importance of promoting social entrepreneurship as a source of employment for vulnerable young people who experience difficulties on the labour market. This has also been echoed in the European Parliament's Resolution of February 2013.

Under Key Action 3 of the Erasmus+ programme, in 2014, the Education, Audiovisual and Culture Executive Agency (EACEA) called for proposals for **European Policy Experimentations** in the fields of education and training and youth. These were supposed to address transnational cooperation for the implementation of innovative policies under the leadership of high-level public authorities. Practical entrepreneurial experience at school was one of the priority topics for the 'Policy experimentations'¹⁷. The selected projects will start in 2015 and will be rolled out over several years; entailing the development of concrete solutions as to embedding entrepreneurship more thoroughly in educational pathways.¹⁸

Multilevel governance is also increasingly regarded as a potential success factor for effectively promoting and developing youth entrepreneurship programmes.¹⁹ Apart from facilitating the exchange of good practice, cooperation across different levels of government can indeed lead to the creation of comprehensive strategies, articulating both the economic strengths and labour market needs of local economies around wider competitiveness and employment objectives. In other words, multilevel governance can guarantee coherent, consistent and inclusive support to aspiring young entrepreneurs throughout their professional development.

On a European scale, multilevel governance takes the form of transnational cooperation intended to facilitate the professional development and mobility of budding entrepreneurs across the EU. For instance, the Open Method of Coordination (OMC) on Youth Policy and on Education and Training (ET) 2020 enables inter-governmental and inter-ministerial cooperation for developing common objectives and guidelines on entrepreneurship at the EU level. Transnational multi-stakeholder cooperation also takes place within the **Employment and Social Innovation programme (EaSI)** whereby public authorities, social partners, NGOs and specialised bodies can join forces to implement experimental projects under the programme's three main axes: EURES, PROGRESS²⁰ and the European Progress microfinance facility.

As such, the ESF and other EU initiatives relating to youth entrepreneurship provide as many inspiring frameworks for the development of innovative and sound policy approaches at the national level. It is thus without doubt that EU-level policy activity is highly relevant for analysing current practices on youth entrepreneurship across the Member States.

¹⁶ Regulation (EU) No 1303/2013 and Regulation (EU) 1304/2013.

¹⁷ EACEA Erasmus + funding actions: https://eacea.ec.europa.eu/erasmus-plus/funding/key-action-3-prospective-initiatives-european-policy-experimentation-eacea-102014_en.

¹⁸ Information obtained in meeting of ET 2020 Working Group on Transversal Skills, 12 February 2015.

¹⁹ E.g. as identified by the DG EAC Thematic Working Group on Entrepreneurship Education (see TWG Final Report from November 2014).

²⁰ European Employment Services (EURES) for professional mobility; PROGRESS programme for the labour market and social inclusion of young people.

3. TYPOLOGY OF ACTIONS AND OVERVIEW OF STRATEGIC TENDENCIES TO SUPPORT YOUTH ENTREPRENEURSHIP

KEY FINDINGS

- Actions to support youth entrepreneurship include: **entrepreneurship education**; **career guidance** and **counselling**; targeted resources and services to budding entrepreneurs (i.e. **business incubators**); **administrative simplification**; **access to finance**; and **labour market activation**.
- **Strategies** and **initiatives** most often include **two or more types of youth entrepreneurship support**, as identified in the typology.
- **Nearly all Member States have taken measures to include entrepreneurship in education** and training on the basis of EU-level communications and policy priorities in relation to the 'Education and Training 2020' (ET 2020) strategic framework.
- **Specific comprehensive strategies on entrepreneurship education** have only been implemented by a **minority of Member States** in Northern Europe while **most other Member States** have either integrated entrepreneurship education in **broadier strategies** or promoted it through **single initiatives**.
- The offer of **career guidance and counselling** services tends to be **integrated into wider youth entrepreneurship strategies**.
- Strategies and initiatives focused on the provision of **business incubation services** target above all aspiring **young entrepreneurs with innovative ideas**.
- Member States have been active in **simplifying administrative rules for start-up creation** since the adoption of the **Small Business Act in 2008**, thus enabling young entrepreneurs to establish their business at lower costs.
- **Public policies and schemes to offer financial support** to young entrepreneurs have developed since the **crisis of the private banking sector**.
- **Labour market activation policies**, particularly in the context of the **Youth Guarantee**, tend to include a **comprehensive set of approaches** to entrepreneurship support.
- There is **considerable variation** as regards the extent to which **youth entrepreneurship support** is provided in the frame of **labour market activation policies**. **Youth entrepreneurship support** is an important aspect of the **Youth Guarantee** scheme in only **half of the Member States**.
- Member States whose **Youth Guarantee measures** have a **strong focus on entrepreneurship** tend to be those where **external access to finance and administrative rules are less conducive to business creation**. This is the case with most Member States in Southern Europe.

This section provides an overview of the different types of youth entrepreneurship support provided within the framework of EU-level and national-level strategies and initiatives.

This section also highlights the current trends and patterns observed in terms of policy approaches to youth entrepreneurship support across the EU.

The aim is to explain:

- the potential strengths and weaknesses of the different approaches;
- how different approaches are suited to addressing the needs of specific groups of young people (e.g. students, graduates, youths NEET).

3.1. Overview of the typology

Although there exists a diversity of policy approaches in promoting and fostering youth entrepreneurship, several trends can be observed. Member States tend to invest in the following areas:

- **Entrepreneurship education:** formal education (e.g. primary/secondary school; vocational education and training (VET); further education); non-formal learning (e.g. Youth Work, adult education etc.).
- **Career guidance and counselling:** individualised support.
- **Targeted resources and services to budding entrepreneurs:** e.g. business incubators to accelerate the successful development of business start-ups and venture creation.
- **Administrative simplification:** e.g. procedures for company registration.
- **Access to finance:** e.g. start-up grants; subsidised credit.
- **Labour market activation:** e.g. capitalisation of unemployment benefits, wider measures related to the Youth Guarantee.

Youth entrepreneurship strategies can be comprehensive to different degrees in that they may include two or more of the elements listed above. Similarly, they can be comprehensive to the extent that they address several of the overarching objectives identified below:

- Stimulating the development of an entrepreneurial mind-set among young people.
- Encouraging an increasing number of educational and labour market institutions to integrate entrepreneurship into their policy, their organisation and their services.
- Facilitating students' transition from education to the world of work.
- Incentivising NEET youths to get into employment.
- Creating favourable business conditions for young people with innovative ideas/products (for them to realise their potential).

There is in fact **a tendency for strategies and initiatives to combine different instruments for supporting youth entrepreneurship in order to achieve these goals simultaneously**. For instance, labour market activation programmes often include an 'access to finance' (e.g. start-up grants) and a 'counselling' element. Likewise, business incubation services as well as guidance and counselling support can be provided as part of strategies to promote entrepreneurship in higher education.

There is therefore a high degree of interconnectedness between different types of youth entrepreneurship support, as shown in the study of policy examples in Section 4.

Further information on the typology of policy approaches to youth entrepreneurship is given in the following sub-sections.

3.1.1. Entrepreneurship education

The development and promotion of entrepreneurship education to enhance Europe's long-term growth and competitiveness is an EU-level strategic objective that has grown in scope in the wake of the crisis.

In 2009, the EU Council conclusions on a strategic framework for European cooperation in education and training ('ET 2020') emphasised the importance of enhancing creativity and innovation, including entrepreneurship, at all levels of education and training²¹.

Similarly, the Entrepreneurship 2020 Action Plan²² presents entrepreneurship education and training as a driver of employment, growth and competitiveness with its potential to boost the creation of innovative businesses.

In this context, DG Education and Culture's (DG EAC) 'Rethinking Education'²³ communication of 2012 recommends that all young people should benefit from entrepreneurship education, including 'at least one practical entrepreneurial experience before leaving compulsory education'²⁴.

As such, **entrepreneurship education has been promoted in the Member States through an array of strategies and initiatives** including²⁵:

- Dedicated strategies with specific goals and objectives related to entrepreneurship education.
- Broader educational or economic reforms with a reference to entrepreneurship education. This often goes together with a changed vision and mission of educational institutions.
- Individual or multiple initiatives for entrepreneurship education in the form of experimental projects or informal and non-formal events. These can be offered by educational institutions in partnership with external stakeholders.

A small number of EU Member States, located mainly in Northern Europe (e.g. Denmark, Estonia, Sweden, The Netherlands) have launched specific entrepreneurship education strategies²⁶.

On the other hand, a sizeable number of Member States have incorporated objectives linked to the promotion of entrepreneurship education within broader strategies (e.g. lifelong learning, employment, innovation, growth and competitiveness)²⁷. This is for instance the case in Greece and Portugal (see section 4).

The development of entrepreneurship education strategies often implies partnership work between different ministries together with education policy stakeholders at lower levels of government.

At EU level, partnership work has taken place through the "High Level Reflection Panels on Entrepreneurship Education" under the 2007-2013 Competitiveness and Innovation Framework Programme (CIP) and in the context of the Education and Training (ET) 2020 Open Method of Coordination. The purpose of EU-level cooperation in this regard has been

²¹ Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training ('ET 2020') (2009/C 119/02).

²² [COM\(2012\) 795 final](#).

²³ [COM\(2012\) 669 final](#).

²⁴ Ibid.

²⁵ 'Entrepreneurship Education: A Road to Success', ICF for the European Commission (DG GROW), 2015.

²⁶ Eurydice (2012), *Entrepreneurship Education at school in Europe*, EACEA (also see Section 3.2).

²⁷ Ibid. (also see Section 3.2).

to identify ways and means for developing more systematic approaches to the development and delivery of policy and practice in entrepreneurship education²⁸.

However, there is still a high degree of diversity in strategic approaches to entrepreneurship education among the Member States. This diversity implies that **entrepreneurship education can be provided as a specific subject in compulsory education, or can be embedded as a transversal competence in formal educational programmes**. In either case, entrepreneurship is also promoted through extracurricular or non-formal educational activities.

For young people beyond the age of compulsory education, a further distinction can be made between **entrepreneurship education to facilitate the 'transition from school to work' in a formal setting (i.e. targeting VET or HE students) and entrepreneurship education as a way out of unemployment in non-formal or informal settings**. The former type of support can for instance be provided by universities in partnership with private sector stakeholders in the form of business incubation services. The latter type of support is often provided as part of active labour market programmes.

The most common forms of entrepreneurship education in non-formal or informal settings include structured courses taught in person as well as thematic workshops and online classes. Aspects covered may include accounting and finance, law and legal issues, team building as well as personal development²⁹. As regards the latter aspect, complementary counselling or career guidance support is also often provided in non-formal and informal learning contexts.

The common aim of these policies is to provide young people with the skills and attitudes to develop an entrepreneurial mind-set: this is seen as helpful not only to become an entrepreneur, but also to facilitate employability. The latter aspect is particularly relevant for targeting young people at risk of school failure and NEETs.

However, the extent to which different policy approaches can fulfil this aim may depend not only on the quality and comprehensiveness of the education provided but also on wider economic or attitudinal factors.

3.1.2. Career guidance and counselling

While education can set the basis for young people to understand what entrepreneurship is and to develop an interest in it, budding entrepreneurs also need guidance to support their start-up activities.

Career guidance and counselling may constitute a policy programme in its own right (e.g. Erasmus for Young Entrepreneurs), but is most often provided as part of wider lifelong learning or labour market activation strategies targeting the unemployed.

Public Employment Services (PES) have played an increasingly important role in many EU Member States in recent years in offering one-to-one career guidance and counselling services focused on confidence building and the promotion of individuals' strengths and qualities as a way of developing their entrepreneurial spirit. This type of support is also more broadly known as 'coaching' which is typically a short-term collaborative relationship aimed at developing the specific skills of aspiring entrepreneurs. The role of PES in the provision of career guidance and counselling is clearly acknowledged in the frame of Youth Guarantee Implementation Plans with a specific reference to entrepreneurship in a

²⁸ ECOTEC (2010), *Towards Greater Cooperation and Coherence in Entrepreneurship Education*, DG Enterprise and Industry.

²⁹ OECD (2014), *Job Creation and Local Economy Development*, OECD Publishing.

considerable number of Member States³⁰. In those Member States, research has shown that PES capacity to provide adequate counselling to aspiring young entrepreneurs has improved³¹.

Career guidance and counselling can also be provided under exclusive programmes or as part of business incubation services, typically in the form of 'mentoring'. Mentoring is a professional relationship in which an experienced entrepreneur (i.e. the mentor) assists a younger aspiring entrepreneur (i.e. the mentee) in developing skills and knowledge that will enhance the mentee's professional and personal growth. Such assistance may also extend to the provision of particular skills (e.g. opportunity recognition, business planning, financial management, sales and marketing) to help young people make an effective transition into self-employment and increase the sustainability of their business³². This type of professional relationship is often long-term.

Initial evidence shows that career guidance and counselling activities are part of wider strategies emphasising youth entrepreneurship in education or as a driver of employment and competitiveness. This also suggests that this type of support is today widely available to young people overall.

The common strength of career guidance and counselling activities is that they are tailored to the needs of specific groups of young people (unemployed, NEETs, VET or HE students). These activities are also very well-suited to provide personalised support to young people NEET, who belong to under-represented groups in entrepreneurial activity (i.e. women, migrants, minorities, disabled etc.) The extent to which such support is used may however depend on factors such as quality, eligibility criteria, capacity and visibility.

3.1.3. Targeted resources and services to budding entrepreneurs

Targeted resources and services to budding entrepreneurs are most often provided by business incubators. In its generic sense, **the term 'business incubator' is often used to describe a wide range of organisations that in one way or another help aspiring entrepreneurs develop their ideas from inception through to commercialisation and the launching of a new enterprise**³³.

Such organisations can thus act as a driver of economic development by facilitating innovation. At the EU level, the role of business incubators in the promotion of entrepreneurship, employment and economic growth has long been widely acknowledged in the context of SME policy and regional development³⁴.

In many cases, business incubators are operated directly by national, regional or local authorities. More specialised business incubators have been established by universities together with private sector organisations (e.g. technology centres, science park incubators). As such, business incubation services most often target young people in higher education or with relatively well-developed business plans. Overall, different types of business incubators have proliferated across the EU since the 1990s. **Europe's largest economies (i.e. Germany, the UK, and France) have the highest numbers of business incubators compared to other Member States.**

³⁰ Second Assessment of the PES capacity to implement the Youth Guarantee, ICF November 2014.

³¹ Ibid.

³² Green F. (2013): *Youth Entrepreneurship background paper*, OECD Publishing.

³³ Benchmarking of Business Incubators, CSES for DG Enterprise and Industry, February 2002.

³⁴ Ibid.

By providing services on a 'one-stop' basis, business incubators can significantly improve the survival and growth prospects of start-ups and small firms at an early stage of development.

3.1.4. Administrative simplification

The primary aim of policies to simplify administrative procedures for business creation is the reduction of compliance costs for entrepreneurs. Such policies are all the more relevant to encourage and stimulate entrepreneurship among young people as they are on average more likely to have limited financial resources at their disposal.

Complex and burdensome administrative rules and procedures hold back aspiring young entrepreneurs³⁵. Conversely, there is evidence that the simplification of administrative procedures can to a certain extent impact positively on business creation, employment levels and GDP growth³⁶.

In line with the Small Business Act (SBA) for Europe of 2008, however, **efforts have been undertaken in a number of Member States to simplify administrative frameworks** so that entrepreneurs can focus on running their businesses rather than being caught up in administration³⁷:

- In 2013, the average time to start-up a private limited company was 4.2 days and the average cost was EUR 315.
- In 2007, the average time to start-up a private limited company was 12 days and the average cost was EUR 485.

The SBA for Europe has overall made a positive contribution to the reduction of disparities between the Member States in terms of administrative burden. It has been a driving force for the creation of a more business-friendly administrative environment in the Southern and Eastern Member States³⁸.

Measures with respect to administrative simplification vary in type and scope and can relate to:

- New legal forms of enterprise with reduced administrative obligations
- Temporary exemptions from tax for start-ups or first-time (young) entrepreneurs
- Streamlining of administrative procedures for business licencing
- Online and electronic administrative documents with guidance available

Administrative simplification measures such as new legal forms of enterprise and tax exemptions are most often part of wider start-up activation schemes targeting budding young entrepreneurs. The use made of such support, however, depends on the extensiveness of entrepreneurial activity among young people. In other words, such measures might not have as much impact if entrepreneurship education is insufficiently developed or if the availability of counselling and business incubation services is limited.

³⁵ Avoiding a lost generation – Ten key recommendations to support youth entrepreneurship across the G20, EY 2014.

³⁶ DG Enterprise and Industry (2011), *Business Dynamics: Start-ups, Business transfers and Bankruptcy*, European Commission.

³⁷ SBA for Europe – Start-up procedures: progress in 2013: http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/progress-2013/index_en.htm.

³⁸ World Bank "Doing Business" overview of reforms: <http://www.doingbusiness.org/data/exploretopics/starting-a-business/reforms>.

Regarding the last two measure types in particular, a majority of Member States have adopted in recent years the 'one-stop shop' approach by regrouping all administrative services and documents onto a single web platform³⁹.

Measures to reduce the administrative burdens associated with enterprise start-ups appear in most cases to be directed at the business community in general, i.e. at all entrepreneurs regardless of their age. The tendency towards the digitalisation of administrative material on the internet is nevertheless a positive development in terms of creating favourable start-up conditions for young entrepreneurs. On the other hand, differences subsist between Member States in terms of the ease of setting up a new business due to their respective institutional structure and the amount of bureaucracy they imply.

3.1.5. Access to finance

Public policy programmes and initiatives to facilitate access to finance for aspiring young entrepreneurs has taken on even greater relevance in the wake of the global financial crisis. The crisis has generally resulted in a deterioration of credit conditions for SMEs and start-ups within private sector banking, but also in lower levels of private equity or venture capital investments across the EU⁴⁰.

Public schemes generally offer micro-finance or seed money in the form of loans or grants and are designed to support young people both pre and post start-up⁴¹.

In many cases, financial support is offered as part of labour market activation measures in the form of subsidies aiming to foster business creation among the unemployed (e.g. Germany).

As mentioned previously, the rationale for these programmes is that one of the principal limitations faced by young potential or actual entrepreneurs is that they often lack the necessary financial resources to set-up, develop or sustain their business due to their age and therefore their lack of experience.

A number of these schemes at the national level operate on the basis of guarantees from the European Progress Microfinance Facility, a microfinance initiative established in March 2010 with EUR 200 million of funding from the European Commission and the European Investment Bank. The Progress Microfinance Facility is thus closely coordinated with existing public policy instruments to support microfinance across the EU⁴².

Other EU-level initiatives also aim to support the emergence of crowd funding (as an alternative source of finance for young people with business ideas) and to stimulate social entrepreneurship sector, notably through the new Programme for Employment and Social Innovation (EaSI) under which EUR 920 million has been made available for the 2014-2020 period to facilitate access to microcredits for social entrepreneurship⁴³. Such initiatives are however still fairly recent and their use or availability might therefore not be widespread yet.

Microcredit plays a central role in the European Union's 2020 Strategy for financial inclusion and inclusive growth. Therefore, microcredit schemes often specifically target population groups who experience greater difficulties in obtaining external finance: i.e. not only young people, but also women, people with a migrant or minority background, etc.

³⁹ Ibid.

⁴⁰ OECD (2014), *Entrepreneurship at a Glance*, OECD Publishing.

⁴¹ Green F. (2013): *Youth Entrepreneurship background paper*, OECD Publishing.

⁴² OECD/The European Commission (2014), Policy Brief on Access to Business Start-up Finance for Inclusive Entrepreneurship, EU Publishing.

⁴³ European Law Monitor: <http://www.europeanlawmonitor.org/latest-eu-news/youth-employment-overview-of-european-union-measures.html>.

As such, eligibility criteria may vary from one scheme to the other and different schemes can also have different sets of requirements for screening potential participants. For instance, support may only be provided based upon a young person belonging to a particular qualifying group (e.g. unemployed, offender, disabled) or on the submission and approval of a business plan⁴⁴. The availability and use of such schemes is therefore likely to depend on their specific eligibility criteria and requirements.

Overall, public sector schemes to facilitate aspiring young entrepreneurs' access to external finance can be of particular importance in a context of economic recession resulting from market failures in the private financial sector.

New types of financial support are being developed or trialled, particularly in light of the recognition at the EU level of the importance of promoting social entrepreneurship as a career pathway for young people. Understandably, it might therefore still be too early to measure their impact on youth entrepreneurship.

3.1.6. Labour market activation

Substantial differences can be observed between EU Member States in terms of the priorities and objectives of their respective Active Labour Market Policies (ALMPs).

In spite of this diversity, a recent study reveals that **all EU Member States have implemented various forms of start-up or self-employment incentives targeting the unemployed**⁴⁵. On the other hand, specific support aimed at young people NEET is not consistently provided across the EU⁴⁶.

Start-up or self-employment activation measures for young people NEET tend in fact to comprise and combine different types of support including:

- Formal, informal and non-formal entrepreneurship education and training
- Career guidance and counselling
- Access to finance

The most common forms of entrepreneurship support for young people NEET are provided in the frame of the Youth Guarantee whose aim is to ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education⁴⁷. This is particularly the case in those Member States which have experienced the most adverse effects from the global recession (e.g. Greece, Portugal, and Spain). In total, half of the Member States have made entrepreneurship a strategic priority in their Youth Guarantee Implementation Plans (YGIP).

Career guidance and counselling is frequently provided to aspiring young entrepreneurs together with financial support and preferential administrative rules (e.g. subsidised credit, capitalisation of unemployment benefits, or temporary exemptions from social security contributions⁴⁸) in the frame of general ALMPs and of the Youth Guarantee. Such schemes can also be complemented with entrepreneurship training in non-formal or informal settings adapted to young people's level of education. This type of training is particularly relevant to

⁴⁴ Green F. (2013): *Youth Entrepreneurship background paper*, OECD Publishing.

⁴⁵ European Commission (2014), *Activating jobseekers through entrepreneurship: Start-up incentives in Europe*, EEPO review, September 2014.

⁴⁶ Cf. Section 3.2.

⁴⁷ Council Recommendation of 22 April 2013 on establishing a Youth Guarantee.

⁴⁸ OECD (2014), *Job Creation and Local Economy Development*, OECD Publishing.

improve the employability and professional prospects of early school-leavers and low-skilled young people.

ALMPs, and by extension YGIPs, are sets of reforms and initiatives accordingly tailored to national circumstances. As such, they are most often based on a comprehensive analysis of youth unemployment and inactivity. National specificities in terms of the availability and use of youth entrepreneurship support are therefore likely to emerge in this particular context.

3.2. Overview of the scope of youth entrepreneurship support in policymaking in the EU Member States

The following tables provide an overview of the availability of youth entrepreneurship support in the 28 Member States.

Table 1 relates to the extent to which entrepreneurship education is available to young people both in formal and non-formal learning. It shows that specific strategies on entrepreneurship education have only been implemented by a minority of Member States. In these Member States, entrepreneurship education is usually treated as a specific subject and/or as a transversal competence across all levels of formal education.

In the majority of EU Member States, entrepreneurship education is either embedded in broader strategies (e.g. employment, innovation, growth and competitiveness or lifelong learning) or promoted and provided through single programmes/initiatives. In both contexts, entrepreneurship is usually treated as a transversal competence but not necessarily across all levels of education. As such, entrepreneurship education may be mainly provided in non-formal school activities.

Table 1: Overview of Member States' strategic approach to entrepreneurship education

Scope	Specific comprehensive strategy	Embedded in broader strategies	Single programmes and initiatives
Member State	Belgium (Flanders), Denmark, Estonia, Lithuania, Netherlands, Sweden, UK (Wales)	Austria, Belgium (Wallonia), Bulgaria, Cyprus, UK (England), Finland, Greece, Ireland, Latvia, Luxembourg, Poland, Portugal, Slovakia, Slovenia	Czech Republic, Croatia, France, Germany, Hungary, Italy, Malta, UK (Northern Ireland), Romania, UK (Scotland), Spain

Source: Eurydice and ICF Research.

Table 2 shows the extent of availability of general entrepreneurship support schemes in the frame of ALMPs and the extent to which they target young people across the 28 EU Member States. These schemes will typically combine counselling or mentoring with financial support, as well as non-formal training and preferential administrative rules (e.g. tax relief) to a lesser extent. For analytical purposes, 'availability' relates to the proportion of public funding (including ESF) invested in ALMP entrepreneurship support as well as the number of existing schemes. A distinction is also to be made between specific targeting (i.e. whereby support is exclusively provided to young people) and explicit targeting (i.e. whereby support schemes prioritise young people as well as other groups).

By way of comparison, the table also shows the scope of entrepreneurship support measures implemented by the Member States in the frame of the Youth Guarantee scheme. The aim is to provide an indication of the extent to which the Youth Guarantee contributes to improving the availability of entrepreneurship support programmes for young people in general. For analytical purposes, scope is measured in terms of: no clear reference in the YGIP (n/a); general reference (✓); multiple measures (✓✓); central/strategic part of the YGIP (✓✓✓).

Table 2: Scope of youth entrepreneurship support in ALMPs and the Youth Guarantee in EU28

Member State	Extent of availability in ALMPs (excl. YG)	Young people as specific target group	Scope of entrepreneurship in YGIP
Austria	✓✓	No specific/explicit targeting	✓
Belgium	✓✓	Specific & explicit targeting	✓✓
Bulgaria	✓	No specific/explicit targeting	n/a
Croatia	✓✓	Explicit targeting	✓✓
Cyprus	✓	No specific/explicit targeting	✓✓
Czech Rep.	✓	No specific/explicit targeting	✓
Denmark	✓✓	No specific/explicit targeting	n/a
Estonia	✓	No specific/explicit targeting	✓
Finland	✓✓✓	Specific & explicit targeting	✓✓✓
France	✓✓✓	Specific & explicit targeting	✓✓✓
Germany	✓✓✓	Explicit targeting	✓
Greece	✓✓	Specific & explicit targeting	✓✓✓
Hungary	✓✓	Specific & explicit targeting	n/a
Ireland	✓✓	Specific & explicit targeting	✓✓
Italy	✓✓	Explicit targeting	✓
Latvia	✓✓	Explicit targeting	✓✓
Lithuania	✓	Specific & explicit targeting	✓

Member State	Extent of availability in ALMPs (excl. YG)	Young people as specific target group	Scope of entrepreneurship in YGIP
Luxembourg	✓	No specific/explicit targeting	✓
Malta	✓	Explicit targeting	✓✓
Netherlands	✓✓	Explicit targeting	✓
Poland	✓✓	Specific & explicit targeting	✓✓✓
Portugal	✓✓	Specific & explicit targeting	✓✓✓
Romania	✓	No specific/explicit targeting	✓✓
Slovakia	✓✓✓	Specific & explicit targeting	✓
Slovenia	✓✓✓	Specific & explicit targeting	✓✓✓
Spain	✓✓✓	Specific & explicit targeting	✓✓✓
Sweden	✓✓	No specific/explicit targeting	✓
UK	✓✓	No specific/explicit targeting	✓✓

Source: EEPO review of start-up incentives and ICF Research

All EU Member States have implemented entrepreneurship support schemes in the framework of ALMPs. However such support schemes appear to be more prevalent in the larger Member States and in the EU15 overall. There is also variation in the extent to which these schemes are targeted at young people. In most cases, the scope of entrepreneurship measures in Member States' YGIPs appears to correspond to the availability of entrepreneurship activation schemes provided outside the Youth Guarantee.

The following observations can be made as regards the availability and scope of youth entrepreneurship support across the EU28:

- **France, Slovenia and Spain** appear to have the most comprehensive set of entrepreneurship activation measures targeting young people. This also reflects the extensive labour market reforms implemented in these three Member States in recent years.
- Member States such as **Greece, Poland and Portugal** are implementing the Youth Guarantee to widen considerably the availability of entrepreneurship activation schemes for young people. In these three Member States, particular emphasis has been placed on the stimulation of innovation-driven entrepreneurship⁴⁹.

⁴⁹ See Section 4.

- Member States such as Greece, Portugal and Spain that have YGIPs with a strong focus on entrepreneurship support (e.g. **Greece, Portugal, and Spain**) tend to rank lower than the EU average as regards access to external finance (i.e. equity finance and debt finance)⁵⁰.
- Member States where entrepreneurship support schemes are not so prevalent in the frame of ALMPs or the YG tend to be those where the provision of entrepreneurship education is well-developed (e.g. **Denmark, Estonia, Netherlands, and Sweden**). Furthermore, these Member States tend to rank higher than the EU average in terms of access to external finance⁵¹ and in terms of favourable administrative conditions for business creation⁵².

⁵⁰ EU SMAF Index 2012-2013.

⁵¹ Ibid.

⁵² World Bank 'Doing Business' Index.

4. THE AVAILABILITY AND TAKE-UP OF YOUTH ENTREPRENEURSHIP SUPPORT IN THE MEMBER STATES: SUCCESS FACTORS AND BARRIERS

KEY FINDINGS

- The in-depth analysis of strategies and initiatives in eleven Member States confirms that most approaches to youth entrepreneurship entail the **combination of different means and actions suited to national socio-economic specificities**.
- This suggests an **improvement in terms of the availability** of youth entrepreneurship support. However the assessment of the use and impacts of such support remains challenging due to the **lack of monitoring data** and evaluation studies.
- **Denmark's dedicated entrepreneurship education strategy** is proving to be **effective** in fostering an entrepreneurial culture among young people according to recent studies. **Estonia's emphasis on entrepreneurship education** is in line with the country's **well-established entrepreneurial culture**.
- **Greece's New School reform** only has a **partial focus on entrepreneurial education**. While the effects of the reform are not yet fully known, the country's **current economic situation remains a barrier to innovation and growth-driven entrepreneurship**.
- **France's** approach is characterised by **individual educational initiatives to foster an entrepreneurial culture**. A **recent initiative** to promote and facilitate entrepreneurship among **Higher Education** students and graduates (PEPITE) has already yielded some **positive results**.
- Support schemes focusing on **innovation and growth-driven entrepreneurship** in **Ireland, Italy** and **Portugal** are generating interest from **highly qualified and motivated young people**, particularly in a context where the traditional labour market may not always offer them suitable professional prospects.
- Adjustments have and are being made in **France** and **Germany** to ensure that **schemes combining counselling and financial support** are better suited to the **needs of young people**, in particular **NEET**.
- The **Youth Guarantee** scheme for the labour market activation of young people has been used as a framework for developing **comprehensive youth entrepreneurship support programmes** in **Spain, Portugal** and **Poland**.
- **Poland** has built on the **success of previous initiatives and ESF projects** to develop an **integrated approach** to entrepreneurship support under its Youth Guarantee strategy.

The following analysis focuses on recent strategies and initiatives to support youth entrepreneurship in eleven EU Member States: **Czech Republic, Denmark, Estonia, France, Germany, Greece, Ireland, Italy, Poland, Portugal, and Spain**.

The examples presented in this section relate to EU-level initiatives, EU-funded initiatives, as well as independent legislative or strategic action initiated at Member-State level.

The aim is to provide some insights as to how the selected strategies and initiatives have impacted or may impact on the availability and take-up of youth entrepreneurship support in the different Member States as well as to highlight any success factors or barriers in this regard.

The selection was primarily based on the following criteria:

- Ongoing or recent strategies/initiatives.
- Strategy/initiatives specifically or explicitly targeting young people.
- Strategies/initiatives showing a degree of novelty in approach.
- Strategies/initiatives implemented nationwide

The table below gives an overview of the strategies and initiatives analysed in this section.

Table 3: Overview of strategies and initiatives selected for in-depth analysis: type of support provided and main findings

Member State	Strategy/Initiative <i>Background</i>	Type(s) of support provided	Main findings on availability and take-up
Czech Republic	Practice Firms <i>National; part of a wider initiative; ongoing</i>	Education: non-formal/formal	Increase in take-up between 2005 and 2014; Early-stage entrepreneurial activity among 18-29 year-olds up between 2006 and 2011.
Denmark	Strategy for education and training in entrepreneurship (2009) <i>National; dedicated/specific strategy; ongoing</i>	Education: formal across all levels; non-formal school activities	Entrepreneurship education is compulsory for all Danish students in general education; Research shows that among a sample of 2 000 students in secondary education, almost all respondents (95%) had a positive attitude towards entrepreneurship; 2.4% were already in the process of starting their own business and 53% had intentions to so in the future.
Estonia	Mutual agreement for promotion of entrepreneurship education (2010) <i>National; dedicated/specific strategy; ongoing</i>	Education: formal across all levels; non-formal school activities	Multi-level governance and inter-ministerial cooperation fostering a coherent approach to entrepreneurship education across all levels; Corresponds to a well-established entrepreneurial culture; No concrete information on the direct effects on young people.
France	'Developing an entrepreneurial spirit' (2011-2013)	Non-formal secondary school activities (on a	Some reluctance among teachers to the activities; Greater interest among students;

Member State	Strategy/Initiative <i>Background</i>	Type(s) of support provided	Main findings on availability and take-up
	<i>National; experimental initiative; closed</i>	voluntary basis)	Partnerships established with local associations and private stakeholders were not sustained.
France	Pole Etudiant Pour l'Innovation, le Transfert et l'Entreprenariat (PEPITE) <i>National; part of 2013 reform of Higher Education; ongoing</i>	Education and training (universities); business incubation and mentoring	29 PEPITE hubs created; 1.6 million students informed; 10 000 students completing training; 6 500 students receiving technical assistance/mentoring.
France	Nouvel Accompagnement pour la Création et la Reprise (NACRE) <i>National; launched in 2009; ongoing</i>	Counselling, technical assistance and access to finance	Between 2009 and 2012: -87 000 potential entrepreneurs receiving support; creation and takeover of 58 000 businesses -Reduction of social benefits claimants from 16% to 12% -Only 3% and 10% of under 25s receiving support in 2009 and 2012 respectively Technical assistance not sufficiently tailored to NEETs.
Germany	Gründungszuschuss (GZ) <i>National; launched in 2006; ongoing</i> Einstiegsgeld (ESV) <i>National; launched in 2009; ongoing</i>	Financial support and counselling	19 565 and 22 389 beneficiaries out of unemployment in 2012 and 2013 respectively; 90% of the beneficiaries stayed in employment after support ended; No data broken down by age group available. However, the recent conditions imposed for GZ and ESV support appear to have disadvantaged NEETs.
Greece	Strategy for the New School (2010) <i>Institutional reform (modernisation of the school system); based on 2006/962/EC (Recommendation on key</i>	Education: formal	Entrepreneurship only taught in the last year of secondary school. No evidence of direct effects on young people; Low prospects for entrepreneurship among young people in Greece (GEM data).

Member State	Strategy/Initiative <i>Background</i>	Type(s) of support provided	Main findings on availability and take-up
	<i>competences for learning); ongoing</i>		
Ireland	Ireland's Best Young Entrepreneur (IBYE) <i>National; competition organised by the Local Employment Offices as part of the Action Plan for Jobs (APJ); launched in 2014; ongoing</i>	Business incubation; mentoring; access to finance.	More than 1 000 applications were received and 400 young entrepreneurs benefited from mentoring and financial support; The competition winners benefited from further investments and the opportunity to develop their project on a national scale; In the context of the APJ, Ireland is experiencing positive developments in youth employment and business creation.
Italy	Legislative Decree 185/2000 and Ministerial Decree of 6 March 2013 (Smart & Start) <i>National; successively based on EU 2020 Strategy policy orientations; ongoing</i>	Business incubation services; access to finance.	The support provided by Invitalia led to the funding of 9 024 business ventures and the creation of 21 858 jobs between 2012 and 2014. 51% of the applicants supported were under 35; Smart & Start has resulted in the funding of 442 business ventures and the creation of 1 200 jobs between September 2013 and February 2015. More than half of the applicants supported were under 35.
Poland	First business – support for start-up <i>Part of the YG scheme in Poland; ongoing</i>	Counselling; access to finance; non-formal training.	Builds on the success of its predecessor programme and of ESF youth entrepreneurship support projects; Research shows that ESF support projects improve start-up survival by two to three years on average; No specific data on the current support scheme is currently available.
Portugal	INOVA! – Part of the Strategic Programme for Entrepreneurship and	Education: non-formal	Increasing attention to entrepreneurship as a transversal

Member State	Strategy/Initiative <i>Background</i>	Type(s) of support provided	Main findings on availability and take-up
	Innovation (2011-2015) <i>Based on Education and Training 2020 policy orientations; ongoing</i>	activities	competence; INOVA participants rose from 2 000 in 2011/12 to 11 000 in 2013/14.
Portugal	Passport to Entrepreneurship – Part of the Strategic Programme for Entrepreneurship and Innovation 2011-2015 <i>Based on EU 2020 Strategy, Education and Training 2020 policy orientations; ongoing</i>	Business incubation; mentoring; access to finance.	3 558 participating young people; 1 108 mentored; 997 benefiting from access to external finance. The scheme reflects entrepreneurial dynamism in Portugal: the proportion of sole proprietor legal form among newly created business went from 36% to 50% between 2007 and 2014.
Portugal	Investe Jovem programme <i>Part of the YG scheme in Portugal; ongoing</i>	Counselling; access to finance; non-formal training.	It is estimated that more than 100 000 young people are on the Investe Jovem programme; Budget for 2016 to double; no further data on outcomes are currently available; Youth unemployment has dropped by 6.5% between the end of 2012 and the end of 2014.
Spain	Youth Employment and Entrepreneurship Action Plan 2013-2016 <i>YG scheme in Spain; ongoing</i>	Counselling; preferential administrative rules; access to finance.	107 800 people under 30 became entrepreneurs in 2013/14 through “Emprende con Credito” and the EUR 50 social security flat rate incentive. Through the YG, the number of unemployed people under 30 diminished by 250 000 between mid-2013 and late 2014.

Source: ICF

The strategies and initiatives listed in the above table also reflect the diversity of approaches to youth entrepreneurship support in the focus Member States. At the same time, this may suggest that Member States tend to focus on different types of support based on their specific socio-economic situation and priorities.

As indicated in the above table, some of these strategies and initiatives were recently launched and therefore there is still insufficient information on their outcomes and impacts.

This is particularly the case with the support schemes and programmes implemented under the Youth Guarantee.

4.1. Approaches for the development and promotion of entrepreneurship skills in the field of education

On the basis of EU-level policy orientations, the two common aims of the development of entrepreneurship education are to:

- Stimulate the development of an entrepreneurial mind-set among young people
- Facilitate students' transition from education to the world of work

In this regard, virtually all EU Member States have launched entrepreneurship education strategies and initiatives⁵³. However, differences in scope and approach subsist across the Member States, as the following country examples illustrate.

4.1.1. Dedicated entrepreneurship education strategies focused on a comprehensive and coordinated approach – the case of Denmark and Estonia

Only a minority of Member States in EU28 – mainly in Northern Europe – have implemented specific strategies integrating entrepreneurship into all levels of education⁵⁴. Among them are **Denmark** and **Estonia** where policymaking in this area has taken place through inter-ministerial cooperation and coordination with specialised education and training bodies

i. Denmark: Coordinated approach to entrepreneurship education through the establishment of a dedicated body

In Denmark, the **Strategy for Education and Training in Entrepreneurship** was developed in a partnership between the Ministry for Science, Technology and Innovation, the Ministry of Culture, the Ministry of Education and the Ministry of Economic and Business Affairs⁵⁵. The Strategy also led to the establishment of a centralised organization – the Danish Foundation for Entrepreneurship (FFE-YE) – whose role is to provide a coherent national commitment to entrepreneurship at all levels of education and training and act as a national knowledge centre for education and training in entrepreneurship⁵⁶.

Denmark: Strategy for Education and Training in Entrepreneurship

The Danish government launched in 2009 the Strategy for Education and Training in Entrepreneurship. The strategy consists of three main actions:

- Set entrepreneurial teaching objectives at all three main educational levels: primary, upper-secondary (including VET) and higher education.
- Gather all work in the area of entrepreneurship education under one institutional player, the Foundation for Entrepreneurship.
- Create a Partnership for Education and Training between the four ministries: the Ministry of Culture, the Ministry of Science, the Technology and Innovation, the Ministry of Education and the Ministry of Economic and Business Affairs.

As part of this strategy, The Danish Foundation for Entrepreneurship (FFE-YE) was

⁵³ Eurydice (2012), *Entrepreneurship Education at school in Europe*, EACEA (also see Table 1, Section 3).

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ 'Entrepreneurship Education: A Road to Success', ICF for the European Commission (DG GROW), 2015.

established by the Danish government in January 2010 based on two existing foundations for the promotion of entrepreneurship education: the International Danish Entrepreneurship Academy (IDEA) and the Foundation for Entrepreneurship Activities and Culture.

The FFE-YE is responsible for promoting entrepreneurship education, funding entrepreneurial projects, and research and analysis in the field of entrepreneurship education.

It has a very broad partnership with Danish ministries in implementing the Strategy whose objective is to include entrepreneurship as a subject at all educational levels. As such, the programmes designed and provided by FFE-YE are integrated in the curriculum of educational institutions.

In terms of promoting entrepreneurship education, it facilitates teacher training by organising national-level workshops, designing teaching materials, providing a networking platform for educators. It is also active in stimulating students' interests by organizing competitions and events outside formal education such as the Danish Entrepreneurship Award and the Venture Cup.

Since 2009, FFE-YE also publishes 'Entrepreneurship from ABC to PhD' which gives an overview of the prevalence of entrepreneurship education in the entire Danish education system.

Studies carried out by FFE-YE reveal that entrepreneurship education improves entrepreneurial creativity, attitudes and intentions. More importantly, the studies have shown that entrepreneurship education in Denmark has had a positive impact on students' levels of self-efficacy (i.e. planning, marshalling, and financial knowledge)⁵⁷.

A 2013 FFE-YE study on the effects of entrepreneurship education at school based on a survey among 2 000 adolescents aged 15-16 showed that **almost all respondents (95%) had a positive attitude towards entrepreneurship⁵⁸. The study found that 2.4% were already in the process of starting their own business and as many as 53% had intentions to start one.** An interesting observation is that there were no significant differences between boys and girls in terms of attitudes to entrepreneurship⁵⁹.

Furthermore, statistics from the Global Entrepreneurship Monitor (GEM) show that the early stage entrepreneurial activity⁶⁰ rate in Denmark among 18-29 year-olds went from 1.3% in 2009 to 5.5% in 2012⁶¹.

In 2012, an external evaluation of the FFE-YE showed that this central organisation had satisfactorily fulfilled the goals set out under the 2009 Strategy⁶². This example shows that coherent coordination on entrepreneurship education across a wide range of policy and educational stakeholders through a centralised agency can yield positive outcomes.

⁵⁷ Entrepreneurial self-efficacy has been selected by the FFE-YE as the main indicator for impact measurement in upper secondary and higher education. According to the FFE-YE 2013 publication, self-efficacy can support the measurement in terms of the likelihood of individuals acting entrepreneurially in the future.

⁵⁸ Impact of Entrepreneurship Education in Denmark – 2013, FFE-YE 2014.

⁵⁹ Ibid.

⁶⁰ Individuals in the process of starting a business or are already running a new business not older than 42 months.

⁶¹ GEM statistics compiled in: Short policy note on combinations of variables that affect levels of youth entrepreneurship in Europe, ICF-led assignment for DG EAC (2013).

⁶² Nordic Innovation (2012), *Entrepreneurship education in the Nordic countries – strategy implementation and good practices*, Nordic Innovation Publication.

ii. Estonia: Multi-stakeholder agreement for greater strategic coherence in the provision of entrepreneurship education

Multi-stakeholder cooperation in **Estonia** on entrepreneurship education has also been taking place in recent years. The development of Estonia's specific strategy involved round table discussions between the Ministries of Economy and Education, the Estonian Chamber of Commerce and Industry, governmental agencies, as well as school representatives and NGOs.

Estonia: Mutual agreement for promotion of entrepreneurship education

This Agreement was signed in October 2010 by the Minister of Education and Research, the Minister of Economic Affairs and Communications, the Chairman of the Estonian Chamber of Commerce and Industry, the Director of the National Examinations and Qualifications Centre and the Chairman of the Enterprise Estonia Foundation (EAS)⁶³.

This agreement was the basis for developing a common entrepreneurship education strategy for different age groups. On the basis of this agreement, the Estonian Chamber of Commerce and the Academic Advisory Board for Business Education published a document on the programme for promotion of entrepreneurship education "Be enterprising" ("Olen ettevõtlik"⁶⁴).

This was the first time different stakeholders gathered and agreed on a common strategy for entrepreneurship education. It enabled the optimisation of the use of resources for carrying out the strategy. Also it led to considerable interest from the media⁶⁵.

The mutual agreement led to the development of a new National Curricula for Basic Schools and Upper Secondary Schools (2011) which explicitly recognises entrepreneurship at all levels of education and training as a cross-curricular objective. Furthermore as a result of the Agreement, non-business entrepreneurship disciplines are mandatory in Estonian public universities since 2013.

While no concrete information is available on the effects of this coordinated approach on students' entrepreneurial attitudes in Estonia, such an approach is understood to have the potential to lead to very positive results in terms of entrepreneurship take-up among young people. **The proportion of new business owner-managers among young people (aged 18-30) was of 7% in Estonia according to the GEM Global report 2014. The report furthermore shows that Estonia has the highest nascent entrepreneurship⁶⁶ rate in the EU. Estonia has the second highest number of start-ups per capita in all the world, and the highest in EU⁶⁷.**

It should be noted that this entrepreneurial dynamism in Estonia is not just attributable to educational factors. **Estonia's business environment is indeed very favourable to start-up creation with well-developed online administrative services (lean administration) and low business registration fees⁶⁸.** Such conditions overall have the potential to foster positive entrepreneurial attitudes in society.

⁶³ Eurypedia (European Encyclopaedia on National Education Systems) Estonia, European Commission.

⁶⁴ 'Olen ettevõtlik: Action Plan for promoting entrepreneurship in education', EAS (Enterprise Estonia), 2010.

⁶⁵ 'Innovation and Entrepreneurship: New Ways of Thinking', Estonian Entrepreneurship University of Applied Sciences, 2013.

⁶⁶ Nascent entrepreneurship: committing resources to start a business, but the business has not yet yielded wages or salaries.

⁶⁷ <https://www.gov.uk/government/publications/overseas-business-risk-estonia/overseas-business-risk-estonia>.

⁶⁸ World Bank 'Doing Business': <http://www.doingbusiness.org/data/exploretopics/starting-a-business/reforms>.

4.1.2. Entrepreneurship education as part of broader strategies in Greece and Portugal or as single initiatives in the Czech Republic and France

A considerable number of Member States across EU28 have incorporated the objectives linked to the promotion of entrepreneurship education within **broader strategies** (e.g. lifelong learning, employment, innovation, growth and competitiveness)⁶⁹. Among them are **Portugal** and **Greece**. These strategies are mostly based on EU-level recommendations in the frame of the Europe 2020 Strategy.

Whether on the basis of national policy priorities or EU-level policy orientations, Member States such as the **Czech Republic** and **France** have introduced diverse programmes and initiatives linked to entrepreneurship education.

i. Portugal: Entrepreneurship education in the context of innovation and competitiveness

In Portugal, the comprehensive **Strategic Programme for Entrepreneurship and Innovation 2011-2015** has introduced entrepreneurship as a transversal competence in school teaching programmes. Recognising the importance of social entrepreneurship, the strategy also introduced the '**INOVA! Ideas**' Contest as part of the Strategy.

Portugal: 'INOVA! Ideas'

This contest was introduced in 2011 as part of Portugal's Strategic Programme for Entrepreneurship and Innovation. Its aim is to stimulate entrepreneurship and the entrepreneurial culture in schools.

More specifically, this contest provides young people with the opportunity to develop ideas that can contribute to the resolution of issues in their local communities. It enables the participants to compete as a team under the supervision of a teacher.

The contest is held each year and is open to all children and young people in primary and secondary education. Similarly, participation is open to public and private schools as well as VET institutions.

The 'INOVA! Ideas' contest has received increasing attention from teachers and secondary school students since its introduction three years ago. **The number of participating students and teachers has gone from around 2 000 in the first edition in 2011/2012 to more than 11 000 in the third edition in 2013/2014.**

The apparent initial success of this initiative suggests that the development of **entrepreneurial preparedness among young people is regarded in Portugal as a key driver of growth and competitiveness**, especially given recent the economic difficulties experienced by the country due to the crisis.

ii. Greece: Entrepreneurship education in the context of the modernisation of the school system

In Greece, the **Strategy for the New School** was introduced in 2010 to modernise educational structures and update educational programmes as well as teachers' competences. The strategy is based on the 2006 Recommendation of the European Parliament and Council on key competences for lifelong learning⁷⁰ and is also financially supported by the Commission.

⁶⁹ Eurydice (2012), *Entrepreneurship Education at school in Europe*, EACEA (also see Table 1, Section 3).

⁷⁰ 2006/962/EC.

Greece: The 'New School' Strategy⁷¹

This reform of 2010 targets primary and secondary schools through the following actions:

- Curriculum modernisation to improve the labour market relevance of school education
- Reform of teacher training
- Implementation of a digital school strategy.

The strategy's long-term objectives are to reduce the early school leaving rate and to increase the proportion of tertiary-qualified young people.

The development of entrepreneurship education as a transversal subject is a measure included in the New School Strategy.

In practice, however, it is only explicitly recognised in the last year of High School and taught as part of the subject 'Basic Principles of Organization and Business Administration'⁷². In primary and early secondary education, there are no courses directly related to entrepreneurship but only some minor references to it through other related subjects.

There is so far little available evidence of the direct effects of the New School strategy on young people's entrepreneurial skills and attitudes in Greece. Moreover, the effects of this strategy on youth entrepreneurship levels will only be observable in the longer term. Currently, the entrepreneurial profile of Greece remains different from the profile of other European innovation-driven economies⁷³. Even though Greece's Total Entrepreneurial Activity (TEA) rate is comparable to that of other European economies, perceived opportunities to start a business have been dramatically low due to the crisis⁷⁴. Second, the nature of entrepreneurial activities among young people in Greece now tends to be one of low ambition and relatively driven by necessity⁷⁵. As a consequence, the Greek government has turned its attention to the development of start-up incentives centred on innovation⁷⁶.

It is not yet known whether this wide-ranging educational reform in Greece will have a noticeable impact on young people's entrepreneurial attitudes and skills. However, the country's current difficulties are proof that creative and innovative entrepreneurial activities can be constrained by adverse social and economic conditions as well as negative perceptions of the business environment.

iii. Czech Republic: Diversity of programmes with relevance to entrepreneurship education

In the **Czech Republic**, entrepreneurship education is referred to in the context of lifelong learning and competitiveness strategies. A number of disparate initiatives have been introduced over the years in this regard. For instance, the **Practice Firms** programme has since 1992 given secondary school and VET students the opportunity to develop their entrepreneurial skills by taking part in business simulation activities.

⁷¹ OECD (2012), *Science, Industry and Technology Outlook*, OECD Publishing.

⁷² Eurydice (2012), *Entrepreneurship Education at school in Europe*, EACEA.

⁷³ GEM 2011 Global Report; GEM 2013 Global Report.

⁷⁴ Ibid.

⁷⁵ GEM 2014 Global Report (see Annex for further data).

⁷⁶ European Commission (2014), EEPO Review of start-up incentives in Greece, September 2014.

Czech Republic: Practice Firms⁷⁷

This programme was designed to help secondary and VET students develop their entrepreneurship skills by giving them an opportunity to take an active part in the process of business creation.

A practice firm resembles a real company in its form, organisation and function. Each practice firm trades with other practice firms, following commercial business procedures in the practice firm's worldwide economic environment.

In the Czech Republic, the programme is implemented by a network of secondary and VET schools and involves the creation of practice firms (i.e. virtual enterprises) by groups of students.

Between 1992 and 2002, the Czech Ministry of Education provided financial support for the programme's implementation and subsequently included 'practice firm' training as an optional subject in the Business and Administration curriculum.

In 2002/2003, management responsibilities were transferred to the Czech Institute of Technical and Vocational Education.

The level of autonomy schools have for developing their curriculum in the Czech Republic is such that participation in the Practice Firms programme is voluntary. However, participation has increased steadily over the past ten years. While the programme was in place in 86 secondary schools involving 239 active practice firms in total in 2005, 113 secondary schools were involved and 379 practice firms were operational in 2014⁷⁸.

Despite being optional, this programme would appear for preparing young people to become skilled entrepreneurs. However no in-depth research has so far been conducted on the impact of the Practice Firms programme on youth entrepreneurship levels in the Czech Republic.

Elsewhere, it is worth noting that financial literacy has been taught as a compulsory subject in Czech primary and secondary schools since 2005⁷⁹. While **financial literacy** was not introduced as part of an entrepreneurship education strategy, the topics covered are of relevance to entrepreneurship⁸⁰ (e.g. accountancy, budget preparation, financial product information) and therefore have the potential to enhance school pupils' entrepreneurial skills and attitudes. Once again, an evaluation of the relationship between financial education and entrepreneurial activity among young people in the Czech Republic is yet to be undertaken.

In the meantime, GEM statistics show that the Total Entrepreneurial Activity (TEA) among 18-29 year olds went from 7.1% to 9.7% between 2006 and 2011⁸¹ whereas the overall TEA rate for 18-64 year-olds in 2011 was 7.6%⁸². Less positively, the statistics also reveal that over a quarter of entrepreneurial activities in the Czech Republic were driven by necessity as opposed to opportunity⁸³.

⁷⁷ Information provided by the Czech Institute for Education.

⁷⁸ Data obtained from the Czech Institute for Education; data on take-up covers period after the Czech Ministry of Education stopped financing the programme. Schools now pay a membership fee to provide the programme.

⁷⁹ Mansfeldová, Z. (2006), Economic Policy Making and Parliamentary Accountability in the Czech Republic, United Nations Research Institute for Social Development (UNRISD).

⁸⁰ Information provided by the Czech Institute for Education.

⁸¹ GEM statistics compiled in: Short policy note on combinations of variables that affect levels of youth entrepreneurship in Europe, ICF-led assignment for DG EAC (2013).

⁸² Global Entrepreneurship Monitor (GEM) Global Report 2011.

⁸³ Ibid.

iv. France: Experimental non-formal learning in secondary education and a change of approach in tertiary education

Attempts in France to develop entrepreneurship education have had mixed effects. An **experimental non-formal learning project implemented by the FEJ⁸⁴ between 2011 and 2013** aimed to develop innovative approaches for promoting the acquisition of entrepreneurial skills among secondary school students as well as new teaching methods.

France: Developing an entrepreneurial spirit

Noting that actions to promote entrepreneurship remained under-developed in secondary education in France, the Ministry of Youth's FEJ (Experimental Youth Policy Foundation) in partnership with the General Directorate of School Education launched in 2011 a call for projects to promote entrepreneurship education in secondary schools.

A total of 16 regional educational agencies implemented 28 non-formal learning projects across French schools with the ultimate objective of developing an entrepreneurial spirit among young people but also among teaching staff.

The experimentation consisted in the development of heterogeneous projects, both in their content and in the audiences targeted⁸⁵. All these projects were implemented by schools on a voluntary basis. The projects all had a common aim: to experiment practical ways of developing and promoting entrepreneurship as a transversal competence.

Whether they were project leaders or training beneficiaries, the teachers involved in the experiment were all volunteers. However the evaluation of this experiment showed that there was sometimes reluctance among the targeted teaching staff who had reservations regarding the projects' relevance to the teaching profession and the time commitments they also implied. There was however far less reluctance among the students targeted⁸⁶.

Overall, the impact of the experiment was limited to its direct beneficiaries. The projects were designed with the support of local authorities, local companies and associative partners (e.g. Entreprendre Pour Apprendre, Lions Club). However none of these partnerships lasted once the projects ended. The partnerships between schools and companies did not lead to any further cooperation beyond the experimentation⁸⁷. This experiment shows that teachers' acceptance and adherence appears to be a key factor for the successful implementation of entrepreneurship education projects.

This French example in fact shows that positive attitudes to entrepreneurship within the teaching profession appear to be pre-requisite for the success of entrepreneurship education strategies.

There has however recently been a change in attitude towards entrepreneurship in French policymaking, but only with regard to **Higher Education**. A **reform introduced in 2013⁸⁸** acknowledges for the first time the need to ensure that universities foster an entrepreneurial spirit among students. This reform was based on the recommendations of the 2020 Entrepreneurship Action Plan.

As such, the PEPITE initiative, launched by the Ministry of Higher Education and Research, constitutes the first ever entrepreneurship education strategy specifically designed for Higher Education students in France.

⁸⁴ Fonds d'Expérimentation pour la Jeunesse (Ministère de la Jeunesse).

⁸⁵ Développement de l'Esprit d'Entreprendre, Rapport d'évaluation, CREDOC 2014.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Loi n°2013-660 du 22 juillet 2013 relative à l'enseignement supérieur et à la recherche.

France: Pole Etudiant Pour l'Innovation, le Transfert et l'Entrepreneuriat (PEPITE)

This initiative is based on a call for proposals with a total budget of EUR 4.8 M to create regional-level hubs for Innovation, Knowledge Transfer and Entrepreneurship (PEPITE). These PEPITE hubs are to regroup HE institutions and relevant regional-level stakeholders (public or private) and to propose joint initiatives for developing the offer of entrepreneurship support for HE students (e.g. organization of events, educational support, advice and guidance, sponsoring, students incubators)

The wider aims of the strategy are thus to:

- Increase the availability of entrepreneurship training courses for bachelors, masters and doctoral students
- Create a new "Student-Entrepreneur" status to better identify and support students and young graduates' entrepreneurial projects through adequate counselling and mentoring.

A target for the PEPITEs is to enable by 2018 the creation or takeover of 20 000 businesses by Higher Education students and graduates.

As of September 2014, 29 PEPITEs were already established in most French regions. Most of the actions carried out have been about promoting and increasing the availability of entrepreneurship training. In total, the initiative has reached out to more than 1.6 million HE students across France⁸⁹.

In certain PEPITEs, a number of HE students have already completed entrepreneurship training courses (more than 10 000 in total) or have received guidance and incubation support to develop their business plans (around 6 500 in total)⁹⁰.

The PEPITE initiative is comprehensive in nature in that it promotes the development of formal entrepreneurship in Higher Education and contributes to the provision of counselling and business incubation services to budding entrepreneurs.

More generally, this French example shows that sustained and structured cooperation between academia and the world of business can have positive impacts on young people's entrepreneurial skills and attitudes.

4.2. Approaches outside the field of education – a look at initiatives combining personalised guidance, technical assistance and funding support

There exist many types of approach in this respect which usually combine various types of support (c.f. Section 3: Typology).

Youth entrepreneurship initiatives outside the field of education however may target different groups of young people on the basis of very different objectives, namely:

- Incentivising young people NEET to access employment (labour market activation)
- Helping qualified young people with innovative business ideas to realise their potential

The examples presented below however show that there is a tendency for such initiatives to **combine tailored counselling or career guidance services with mechanisms to facilitate access to finance** regardless of the targeted audiences.

⁸⁹ <http://www.apce.com/pid14172/liste-pepите.html?espace=5>.

⁹⁰ Ibid.

4.2.1. Programmes and initiatives combining mentoring, business incubation and access to finance for qualified young people – examples from Ireland, Italy and Portugal

Initiatives to stimulate high-growth and innovative entrepreneurial activities among young people have been developed in **Portugal, Italy** and **Ireland**. These initiatives, which are part of wider strategies for economic recovery, underline the importance of enabling talented and qualified young people to realise their potential so as to increase job creation and enhance competitiveness.

i. Portugal: Boosting innovation-driven entrepreneurship by targeting highly qualified young people

One of the key priorities of **Portugal's** Strategic Programme for Entrepreneurship and Innovation has been to broaden the range of innovative companies with export potential and promote the integration of Portugal in international innovation and knowledge networks. Some of the measures supported under the programme aim to stimulate product, process and technological innovation to improve the competitiveness of Portuguese companies.

One in particular has been specifically targeting qualified young people with entrepreneurial potential: the **Passport to Entrepreneurship**, which provides comprehensive and gradual support to aspiring young entrepreneurs.

Portugal: Passport to Entrepreneurship (Strategic Programme for Entrepreneurship and Innovation 2011-2015)

This scheme aims to promote the development of innovative entrepreneurship projects with high growth potential among young qualified people, through a set of specific complementary and interconnected support measures throughout the development of a project.

In order to support young aspiring entrepreneurs, this scheme⁹¹:

- Provides aggregated information concerning the support mechanisms and other national and European public and private instruments, relevant for entrepreneurs;
- Offers training materials to broaden applicants' skills in entrepreneurship;
- Provides technical assistance for the development of business models for projects with a high level of complexity;
- Promotes access to financial mechanisms and venture capital after the project's approval by the competent authorities;
- Gives access to a network of mentors to provide guidance for entrepreneurs;

The groups targeted are:

- People up to 30 years old who have had a university degree for less than three years;
- People up to 30 years old who have a university degree, a master's degree or a PhD and are registered with a PES for more than 4 months;
- People up to 34 years old who have a degree, a master's degree or a PhD

⁹¹ Portaria n.º 370-A/2012, de 15 de novembro de 2012.

As regards the outcomes of the Passport to Entrepreneurship scheme, 2 316 projects were submitted by 3 558 aspiring young entrepreneurs between November 2012 and June 2014. A total of 612 projects were shortlisted amounting to 1 108 young entrepreneurs receiving approval (26%). Already 572 projects have been initiated by a total of 997 young entrepreneurs⁹². The shortlisted entrepreneurs are soon to be provided with technical assistance in order to launch their pre-selected projects on the market or to set-up their business. A total of EUR 8.3 million were earmarked for this scheme and EUR 5 million have already been distributed in the form of grants⁹³.

Given the popularity of the Passport for Entrepreneurship scheme, the Portuguese Government has already planned to renew it as part of the next strategy on entrepreneurship and innovation for 2016-2020.

This scheme reflects more generally a certain degree of entrepreneurial dynamism in the wake of the crisis in Portugal. An evaluation reveals that the profile of start-ups and start-up owners has changed in Portugal between 2007 and 2014. Overall, there has been an increase in start-up creation and self-employment and the legal sole proprietorship form grown in popularity **(36% of new businesses in 2007 compared to 50% in 2014)**⁹⁴.

ii. Italy: Publicly funded business incubation services with a regional focus dedicated to boosting entrepreneurial activity among highly qualified young people

Similar support exists in **Italy**, provided through a public-private business incubator (Invitalia) in the frame of a legislative package and renewed reforms to promote and facilitate self-employment and entrepreneurship among young people.

Italy: Incentives for self-employment and entrepreneurship (Autoimprenditorialita')

In Italy, Legislative Decree 185/2000 provides the current regulatory framework for the development of entrepreneurship incentives. The legislation introduced the "Autoimprenditorialita'" (self-entrepreneurship) scheme whose aim is to boost employment and entrepreneurship among young people aged 18-35 years old.

The scheme combines sector-specific incentives with financial support in the form of grants or low-interest loans (for investments of up to EUR 2.5 million). To benefit from financial support, applicants are required to submit a detailed business plan.

The scheme is administered by Invitalia, the Italian National Agency for Entrepreneurial Attraction of Investment and Development of Enterprises.

Since 2013, Invitalia has been providing support through 'Smart & Start'⁹⁵: a government-funded scheme that aims to stimulate business creation in the ICT and high-tech sectors. This scheme has a special regional focus on the Mezzogiorno where potential entrepreneurs aged between 18 and 35 years old can benefit from mentoring and additional financial support.

Invitalia has had a successful track record over the years in terms of supporting business creation overall. Between 2012 and 2014, its various business incubation activities resulted in the funding of 9 024 business ventures which led to the creation of 21 858 jobs. More

⁹² Results available from: <http://www.passaportempreendedorismo.pt/noticias/54>.

⁹³ Ibid.

⁹⁴ Estudo do Empreendedorismo em Portugal entre 2007 e 2014, Dun & Bradstreet, 2014.

⁹⁵ Established by the Ministerial Decree of 6 March 2013.

importantly, 51% of all the applicants supported by Invitalia between 2012 and 2014 were under 35 years old. Among them, 68% were either university students or recent graduates⁹⁶.

The Smart & Start scheme is also proving successful with 442 business ventures funded and 1 200 jobs created between September 2013 and February 2015. Likewise, more than half of the applicants receiving support through this scheme are under 35 years-old⁹⁷.

This Italian example shows that entrepreneurship support in the form of technical assistance and financial support for innovation and growth can be effective in attracting highly qualified young people, particularly in regions where the traditional labour market may not offer them suitable prospects for professional development.

iii. Ireland: Supporting young talents at the local level

The negative impact of the global crisis of the late 2000s on employment and growth in Ireland led the government in 2012 to publish its first annual Action Plan for Jobs (APJ) which set out a series of measures and priorities to stimulate private sector-led job creation⁹⁸. As recommended in the 2013 APJ, a **national network of 31 Local Employment Offices (LEOs)** was established in early 2014 to promote entrepreneurship through dedicated high-quality technical support services and micro-finance programmes suited to the needs of the local business community⁹⁹. At the same time, this shows that Ireland has favoured a **bottom-up approach to youth entrepreneurship support**.

LEOs are set up within local authorities and are funded and coordinated by the Department of Jobs, Enterprise and Innovation together with the Enterprise Ireland government agency. The establishment of LEOs was also part of a wider process of reform in local government to ensure the delivery of effective and efficient services locally¹⁰⁰.

LEOs support youth entrepreneurship, in particular through the Ireland's Best Young Entrepreneur (IBYE) competition. The IBYE was launched as a core part of the 2014 APJ¹⁰¹.

Ireland's Best Young Entrepreneur (IBYE)¹⁰²

The IBYE competition was launched in May 2014 with a EUR 2 Million Investment Fund to help young people turn their business ideas into reality.

The competition is open to all young people under 30 years old with outstanding ideas or commercial ventures for start-ups or existing businesses. On entering the competition, all applicants are offered mentoring and targeted business support from their Local Employment Office (LEO).

Each LEO then awards a total investment of EUR 50 000 to the county finalists across three categories:

- **Best New Idea:** a new idea or concept for a business that has not yet been established.

⁹⁶ Data obtained from Invitalia.

⁹⁷ Data obtained from Invitalia.

⁹⁸ 'Ireland's Action Plans for Jobs: A preliminary review', OECD April 2014.

⁹⁹ <https://www.localenterprise.ie/About-Us/Services/>.

¹⁰⁰ Action Plan for Jobs 2013, Department of Jobs, Enterprise and Innovation: <http://www.djei.ie/publications/2013APJ.pdf>.

¹⁰¹ Action Plan for Jobs 2014, Department of Jobs, Enterprise and Innovation: <http://www.djei.ie/publications/2014APJ.pdf>.

¹⁰² <http://www.ibye.ie/>.

- Best start-up business: for a business which is less than 18 months in existence.
- Best established business with a new add-on: for a business in existence for more than 18 months with an innovative add-on idea for growth and development.

The county finalists then attend a specialised “Entrepreneur Boot camp” to help develop the skills required to take an entrepreneurial idea from concept stage to reality and to build a viable business plan to commercialise the opportunity. The “Boot Camp” is part of the process for nominating the regional and subsequently the national finalists who eventually compete for the title of “Ireland’s Best Young Entrepreneur”.

The IBYE contest generated considerable interest in its first year **with over 1 000 applications from young entrepreneurs received by the 31 LEOs across Ireland** in May-June 2014. Around 400 county finalists took part in the “Entrepreneur Boot Camp”. A total of 93 Regional Nominees participated in eight Regional Finals across the country from which 24 National Finalists emerged to compete for the title of Ireland’s Best Young Entrepreneur and a share of the additional EUR 100 000 investment fund. This competition gave the 2014 winners the opportunity to showcase their original or innovative ideas to the local and national media.

The IBYE contest shows that LEOs play an important role in helping young people in different localities and SMEs with good business ideas. The focus on local enterprise development is something that is clearly reflected in the IBYE competition.

Entrepreneurship support initiatives launched in the frame of the APJs may have had a positive influence on entrepreneurial activity in Ireland overall. The latest GEM figures show that 32 000 people started a new business in 2013 in Ireland, which is the highest level of new business creation since the onset of the economic crisis in 2009¹⁰³. The 2013 Ireland GEM report also shows that a much higher proportion of people had the intention to start a new business within the next three years compared to 2009-2012¹⁰⁴.

At the same time, the youth unemployment rate in Ireland went from 31% in January 2012 when the first APJ was published down to 22.1% in January 2015¹⁰⁵. Following on from the 2014 APJ, the Irish government launched a Policy Statement on Entrepreneurship¹⁰⁶ setting out a series of measures across areas such as education, administration and infrastructure to promote and facilitate entrepreneurship in Ireland. This comprehensive set of measures is now in the process of being implemented.

4.2.2. Start-up support schemes combining counselling and access to finance to target NEETs – the case of France and Germany

The modernisation of PES and other labour market support services in the EU28 has led in many instances to the development of schemes for unemployed people with entrepreneurial ambitions providing personalised counselling to complement the capitalisation of unemployment benefits. With well-established social security systems, **France** and **Germany** have developed such schemes with the aim of providing support to so-called vulnerable groups, including NEETs.

i. France: Explicit targeting of NEETs but adjustments still needed to meet their specific needs

¹⁰³ Global Entrepreneurship Monitor (GEM), Entrepreneurship in Ireland 2013.

¹⁰⁴ Ibid.

¹⁰⁵ Labour Force Survey (LFS) data series 2012-2015.

¹⁰⁶ National Policy Statement on Entrepreneurship in Ireland (2014), Department of Jobs, Enterprise and Innovation: <http://www.djei.ie/enterprise/smes/PolicyStatementEntrepreneurshipinIreland.pdf>.

Unlike other schemes in **France** facilitating access to finance for the unemployed through the capitalisation of unemployment benefits (ARCE¹⁰⁷) or exemptions from social contributions (ACCRES¹⁰⁸), NACRE¹⁰⁹ is the first scheme in France which integrates financial support with counselling. NACRE was designed to provide support to groups 'furthest away from the labour market', including young people NEET¹¹⁰.

France: NACRE¹¹¹

This initiative was launched in 2009 in an effort to streamline and modernise entrepreneurship instruments targeting the unemployed.

Its aim is to reduce the gap between the proportion of active entrepreneurs and previously unemployed entrepreneurs experiencing business failure within the first three years of activity.

NACRE combines access to finance with technical assistance for the preparation and development of beneficiaries' business plan. The scheme is operated by public, private associative organisations specialised in entrepreneurship support selected by the DIRECCTE (public organisation attached to the Department of Labour).

Unemployed people with entrepreneurial aspirations are entitled to 0% finance loans of between 1 000 and 10 000 Euros over a period of 1 to 5 years.

As regards technical assistance, the scheme relies on a structured information and reporting system which enable regular monitoring of the beneficiaries' activities by the operators. In this sense, NACRE has enabled the establishment of consistent and harmonised support pathways.

NACRE has yielded some positive results. Between 2009 and 2012, the scheme enabled 87 000 potential entrepreneurs to receive support and resulted in the creation or takeover of 58 000 businesses. Over the same period, 40 000 NACRE loans were granted for a total amount of 222 million Euros. **The number of social benefit claimants also diminished in the first three years following the introduction of NACRE (12% in 2012 compared to 16% in 2009)**¹¹².

NACRE target groups are however too broadly defined which has led to a situation where beneficiaries' social and economic difficulties are not always proven. Despite the fact that NACRE was supposed to target the most vulnerable groups of unemployed people, its two main eligibility criteria are: current unemployment and maturity of the project. In 2012, 43% of NACRE beneficiaries were unemployed for less than 6 months and the proportion of beneficiaries also benefiting from the ARCE (unemployment benefit activation) grew between 2009 and 2012¹¹³. As such, people without huge financial or management difficulties seem to be the main beneficiaries of the NACRE measure while benefiting from other general measures as well.

The evaluation therefore showed a fairly high degree of duplication between NACRE and other financial support measures provided by the PES such as ARCE and ACCRES. It also revealed that the technical assistance provided under NACRE was in fact not sufficiently

¹⁰⁷ Aide à la Reprise ou à la Création d'Entreprise.

¹⁰⁸ Aide aux demandeurs d'emploi créant ou reprenant une entreprise.

¹⁰⁹ Nouvel Accompagnement pour la Création et la Reprise d'Entreprise.

¹¹⁰ Evaluation du dispositif NACRE, La Documentation Française, Octobre 2013.

¹¹¹ Evaluation du dispositif NACRE, La Documentation Française, Octobre 2013.

¹¹² Evaluation du dispositif NACRE, La Documentation Française, Octobre 2013.

¹¹³ Ibid.

tailored to the needs of groups of individuals furthest away from the labour market¹¹⁴, including youths NEET.

The other weakness of NACRE is that it targets explicitly but not exclusively young people NEET with entrepreneurial aspirations. Despite young people being explicitly identified as a target group under NACRE, only 3% of young people under the age of 25 were beneficiaries in 2009 and 10% in 2012. In total, just over 5 000 young people under 25 years old received support from NACRE. More positively, 17.5% of NACRE beneficiaries were aged 25-30 years old and a further 17.5% aged 30-35 years old in 2010¹¹⁵.

In late 2013, the *Garantie Jeunes* scheme specifically targeting NEETs was launched in the *Missions Locales* (French employment services for youths) of ten French *Départements*. Similarly to NACRE, the scheme combines technical assistance and financial support. In 2014, EUR 30 million were earmarked for this scheme which is due to be rolled out in more French *Départements* in the course of 2015¹¹⁶. While no information as regards take-up and outcomes of the *Garantie Jeunes* is available yet, this scheme can be considered as a corrective measure to NACRE¹¹⁷.

The evaluation of NACRE emphasises the necessity to reconsider the scheme's eligibility criteria and the appropriateness of its support services to effectively target youths NEET and other groups experiencing difficulties on the labour market¹¹⁸. On the other hand, this issue now appears to be addressed through the *Garantie Jeunes* scheme which is in the process of being rolled out nationwide.

ii. Germany: Conditional support and issues around the eligibility of NEETs

Initiatives to promote self-employment and entrepreneurship among the unemployed through subsidisation have been in place for a long time in **Germany** since the introduction of the 'bridging allowance' (*Überbrückungsgeld*) in 1986. Over the years, successive reforms have sought to better target young people regardless of their employment status. In this regard, the *Existenzgründungszuschuss* (*Ich-AG*) came to complement the *Überbrückungsgeld* in 2003 as part of the Hartz IV reforms.

However both the BA and *Ich-AG* were replaced in 2006 with a new 'start-up subsidy': the ***Gründungszuschuss* (GZ)**. To complement the GZ, the ***Einstiegsgeld* (ESG)** start-up subsidy was introduced in 2009 to better target the long-term unemployed.

Germany: *Gründungszuschuss* (GZ) / *Einstiegsgeld* (ESG)

The GZ is a start-up subsidy for people registered as unemployed which is capped at EUR 18 000 and lasts a maximum period of 15 months.

- In the first phase (lasting 6 months) the GZ complements unemployment benefits and the amount granted varies on the basis of the beneficiaries' length of unemployment.
- In the second phase (lasting 9 months) beneficiaries only receive a EUR 300 monthly subsidy along with counselling and technical guidance.

Since December 2011, the second phase of the GZ is no longer automatically awarded to unemployed people. Instead it is awarded on a discretionary basis, which entails further

¹¹⁴ Ibid.

¹¹⁵ Ibid.

¹¹⁶ European Commission (2014), EEPO Review of Start-Up Incentives in France, September 2014.

¹¹⁷ EEPO Review of Start-Up Incentives in France, 2014.

¹¹⁸ Evaluation du dispositif NACRE, La Documentation Française, Octobre 2013.

needs assessments as well as an assessment of the viability of business plans. Furthermore, continued GZ support is conditional on the beneficiaries' ability to prove their full-time entrepreneurial activities (i.e. the beneficiary must demonstrate that the granted funds are put to good use).

The ESG is a start-up subsidy for unemployed people who do not meet eligibility criteria for the GZ (i.e. who receive no benefits under the statutory unemployment insurance¹¹⁹). The ESG complements unemployment benefits and its amount is determined on a discretionary basis in the same way as the GZ. The duration of the ESG is limited to a maximum of 24 months.

The GZ and ESG were granted to 230 000 applicants in 2009 and 240 000 in 2011. From 2012 onwards, the number of new start-up subsidies granted dropped substantially due to the change in legislation regarding the structure and eligibility of the GZ in December 2011.

Administrative data from February 2015¹²⁰ indicate a number of positive outcomes linked to the GZ and ESG. The number of persons not registered as unemployed after receiving the subsidies in full was 19 565 from March 2012 to February 2013. Furthermore, 89.9% of these persons did not register as unemployed 6 months after support ended. Between March 2013 and February 2014, 22 389 beneficiaries came out of unemployment; 90% of them did not register as unemployed 6 months after support ended. Unfortunately, no data broken down by age group was available.

These latest results are overall consistent with those of the evaluation carried out by the *Institut für Arbeitsmarkt und Berufsforschung* (IAB) in 2011-2012, which showed that the GZ was more effective in getting people swiftly back into employment than were the BA and Ich-AG subsidies. Around 87% of GZ beneficiaries moved out of unemployment within 6 months of receiving support compared to only 59% of BA beneficiaries and 54% of Ich-AG beneficiaries¹²¹.

Nevertheless, the evaluation also points out that the conditions imposed since late 2011 for granting GZ/ESG means NEETs ability to access this type of support may be restricted. It found that a higher proportion of young people were supported under the BA/Ich-AG than under the GZ/ESV. Beneficiaries of the GZ/ESG were on average 40.5 years old, two years older on average than beneficiaries of the previous 'Bridging allowance'/Ich-AG subsidies.

These findings suggest that the conditions and discretionary decisions for granting the GZ and ESG appear to put young people NEET with entrepreneurial ambitions at a disadvantage as they would tend to favour more experienced applicants.

4.3. The Youth Guarantee – holistic approaches to youth entrepreneurship support.

According to EU-level policy orientations, the primary aim of the Youth Guarantee is to ensure that "young people receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education"¹²². It thus promotes the introduction of a range of

¹¹⁹ Recipients of *Arbeitslosgeld I* are entitled to GZ; Recipients of *Arbeitslosgeld II* are entitled to EGV. *Arbeitslosgeld II* supports the long-term unemployed who have made little or no social security contributions.

¹²⁰ Figures are based on administrative data provided by the Federal Agency for Employment. Available at: <http://statistik.arbeitsagentur.de/Navigation/Statistik/Statistik-nach-Themen/Arbeitsmarktpolitische-Massnahmen/Eingliederungs-und-Verbleibsquote/Eingliederungs-und-Verbleibsquote-Nav.html>.

¹²¹ 'Die Praxis des Gründungszuschusses', IAB Forschungsbericht (3/2011) (2/2012).

¹²² Recital 5 of Council Recommendation of 22 April 2013 on establishing a Youth Guarantee.

active labour market measures to develop the employability skills of youths NEETs and to engage public services in providing employment and training opportunities tailored to their needs.

Entrepreneurship is a key strategic priority of the Youth Guarantee in half of the Member States. This is particularly the case in those economies where young people's access to employment on the primary labour market seriously deteriorated in the wake of the crisis¹²³.

The overarching aim in this context is to **encourage an increasing number of institutions to integrate youth entrepreneurship into their policy, their organisation and their services.**

As such, the policies analysed in this section introduce to varying degrees **a holistic approach to the promotion and facilitation of youth entrepreneurship** by combining various types of support and involving various actors from different fields and across different governance levels.

4.3.1. Spain: A positive move towards comprehensive and complementary support measures

In Spain, the Youth Guarantee is implemented through the Youth Employment and Entrepreneurship Action Plan 2013-2016. Youth entrepreneurship is identified as one of the main axes of the Action Plan. The novelty is that its measures to support youth entrepreneurship combine preferential financial and administrative conditions with services to favour an entrepreneurial culture among young people, namely counselling and career guidance.

The previous set of measures in Spain for promoting self-employment and the transition from temporary to open-ended contracts for young people also included an entrepreneurship support scheme based on the capitalisation of unemployment benefits¹²⁴. However, the weakness of this previous scheme was that it did not provide tailored support for young people NEET and that eligibility for support depended on the approval of the business plans of unemployed applicants.

The strength of the new scheme under the Spanish Youth Guarantee Plan is that it provides counselling tailored to the needs of young people in accordance with their level of education.

Spain: Youth Employment and Entrepreneurship Action Plan 2013-2016¹²⁵

The action plan presents a series of innovative measures including the introduction of a single digital register to offer employment, training and placement opportunities for young people suited to their specific needs.

As regards youth entrepreneurship support:

- Aspiring young entrepreneurs under 30 years old can capitalise 100% of their unemployment benefits for 9 months when starting up under the *Emprende con Credito* (create with credit) initiative.
- New young entrepreneurs can also benefit from a 50 euro social security flat rate fee in the first 6 months following their registration under the Plan. Reductions to

¹²³ Cf. Section 3.2.

¹²⁴ Royal Decree-Law 3/2011 of 18 February 2011.

¹²⁵ Estrategia de Emprendimiento y Empleo Joven 2013/2016, Resumen Ejecutivo (Ministerio de Empleo y Seguridad Social).

social security contributions continue for the following 6 months.

- The EUR 50 social security flat rate applies for 12 months for self-employed workers under 35 years with a disability who are then also entitled to a social security allowance during the following four years.

This measure is accompanied by tailored counselling services. In this regard, advisory offices have been especially established in the PES to provide tailored guidance and technical assistance and training to assist aspiring entrepreneurs.

Furthermore, the measures enable young entrepreneurs who have failed with their first venture to get a “second chance” by being entitled to capitalise their unemployment benefits again.

These youth entrepreneurship support measures under the Spanish Youth Guarantee have already yielded some positive results. In August 2014, 370 000 young people had registered to receive employment support¹²⁶.

Between July 2013 and July 2014, more than 107 800 people under 30 years old became self-employed entrepreneurs thanks to the *Emprende con Credito* initiative and the EUR 50 social security flat rate incentive.

In July 2014, the number of unemployed young people under 30 years old diminished by 161 000 compared to the previous year. In the last quarter of 2014, a further 90 700 young people found employment¹²⁷.

As part of the Action Plan, the Spanish government is now assessing the impacts of the introduction of an entrepreneurship support scheme targeting highly-qualified young people¹²⁸ similar to the Portuguese ‘Passport to Entrepreneurship Initiative’.

4.3.2. Portugal: strategic commitment to investing in youth entrepreneurship – the *Investe Jovem* programme

Like in Spain, **Portugal’s Youth Guarantee plan** has also led to the introduction of an entrepreneurship support scheme combining access to finance with career guidance.

The ***Investe Jovem* programme**, implemented by the Portuguese Employment and Vocational Training Institute (IEFP), is addressed to registered unemployed people between 18 and 30 years old with entrepreneurship plans or business ideas¹²⁹. The specificity of this support scheme is that it also enables young people to attend training courses tailored to their specific needs.

Portugal: The *Investe Jovem* programme¹³⁰

This programme was initiated in late 2013 as part of Portugal’s Youth Guarantee implementation plan.

The programme includes the following actions:

- Financial support through interest-free loans

¹²⁶ <http://prensa.empleo.gob.es/WebPrensa/noticias/ministro/detalle/2391>.

¹²⁷ <http://prensa.empleo.gob.es/WebPrensa/noticias/ministro/detalle/2292>.

¹²⁸ Estrategia de Emprendimiento y Empleo Joven 2013/2016, Documento Completo (Ministerio de Empleo y Seguridad Social).

¹²⁹ ‘Programa Investe Jovem, Regulamento Específico’, Instituto do Emprego e Formação Profissional, I.P. (IEFP).

¹³⁰ Ibid.

- Technical assistance and career guidance
- Non-formal training for the improvement of applicants' entrepreneurship skills.

The interest-free loans are repayable over a 60 months period (5 years), with a grace period of up to 12 months.

Career guidance, technical assistance as well as non-formal training is provided by Higher Education institutions in subjects such as accounting, economics and finance.

The *Investe Jovem* programme has a budget of EUR 11 million for 2015 and the government has already planned to double the programme's budget for 2016.

For 2015, the programme aims to support the launch of at least 400 new enterprise initiatives by young people and the creation of at least 1 000 jobs¹³¹.

While it is still too early to assess the outcomes of the *Investe Jovem* programme on entrepreneurship take-up, the comprehensive support it offers is an indication that Portugal's Youth Guarantee strategy clearly aims to meet the entrepreneurial needs and ambitions of all young people.

On a more general note, encouraging results were recently released by the Portuguese Ministry of Employment and Social Security in relation to the Youth Guarantee scheme. In 2014, 218 000 young people benefited from support under the scheme¹³². In the 4th quarter of 2014, 122 000 unemployed people aged between 15 and 30 years old were registered to receive support from the Employment and Vocational Training Institute (IEFP); a decrease of 8 000 compared to the 4th quarter of 2011. **The youth unemployment rate in Portugal fell by 6.5% between the 4th quarter of 2012 and the 4th quarter of 2014.**

4.3.3. Poland: Continuation of successful support measures under the Youth Guarantee

In the 2000s, the flagship initiative of the Polish government in relation to start-up incentives was the **First Business programme**, implemented under the First Job programme between 2002 and 2007. Its main goal was to provide advisory and financial support for young unemployed people registered in labour offices, who were thinking about starting their own business¹³³.

The programme was addressed to unemployed youths under the age of 25 and college graduates up to 27 years old (for a period of 12 months from the date of graduation). It consisted of three main elements: **theoretical training, practical advice, and grants and loans to start a business**¹³⁴.

The programme was funded from three sources: the Labour Fund, loans from the Bank of National Economy, and the European Social Fund (ESF).

In 2005-2006 the Bank of National Economy granted 165 loans for a total amount of around EUR 1.16 million. Importantly, a study found that the majority of the programme

¹³¹ Ibid.

¹³² <http://www.portugal.gov.pt/pt/os-ministerios/ministerio-da-solidariedade-e-seguranca-social/mantenha-se-atualizado/20150211-msees-garantia-jovem.aspx>.

¹³³ European Commission (2014), EEPO Review of Start-Up Incentives in Poland, September 2014.

¹³⁴ Ibid.

beneficiaries deemed that the support activities proved useful in giving them the confidence to further develop their entrepreneurial ambitions¹³⁵.

A similar model of youth entrepreneurship support combining access to finance and counselling has also been adopted as part of **Poland's Youth Guarantee plan**. In other words, the **"First business – support for start-up"** programme is similar in many ways to its predecessor.

The programme was enacted into permanent legislation through the amendment of the Act on Employment Promotion and Labour Market Institutions after its successful launch as a pilot initiative launched in 2013 in three Polish regions. At regional level, the pilot initiative generated high interest among the targeted young people¹³⁶.

The "First business – support for start-up" programme under the Poland's Youth Guarantee plan is intended to be supplementary to the standard measures supporting business start-ups under the Polish labour market policy framework, which is the business start-up grant financed from the Labour Fund.

This additional programme offers more extensive financial support than the standard start-up grant measures and specifically targets unemployed young people. It also has the specificity of being able to support more robust business plans than a standard measure.

Poland: First business – support for start-up

The First Business programme is specifically dedicated to encouraging and facilitating entrepreneurship among unemployed young people as well as school and university graduates. Whereas the Youth Guarantee in Poland generally supports young people aged 15-25 years old (in particular NEETs), the age limit for applying for these start-up loans was raised to 29 years old.

The programme is supported by the Labour Fund and coordinated between the Labour Offices (PES) and the National Bank of Poland (BGK).

The start-up loans – provided by the BGK – are characterised by preferential interest rates (0.75 % per annum) and can cover up to 100 % of the costs indicated in the business plan up to the amount of 20 average salaries (estimated at EUR 14 354). The repayment period for the loan is 84 months (7 years); there is a possible grace period of 12 months. There are no additional fees or commissions for granting and servicing the loans.

Accompanying measures include training and advisory services are provided by the PES (mainly in relation to legal and financial knowledge). These services are tailored to the applicants' level of education and the maturity of their business plans.

Based on the results from previous similar initiatives and instruments, the BGK set itself the target of providing at least 6 700 loans between 2014 and 2020.

The "First Business – support for start-up" programme builds on the success of complementary ESF-funded measures to facilitate young entrepreneurs' access to finance, notably the "We support e-business" project for potential entrepreneurs in the ICT field

¹³⁵ *Badanie aktywności zawodowej absolwentów w kontekście realizacji Programu 'Pierwsza Praca'* (Study of professional activity of graduates in the context of the implementation of the 'First Job Programme'), MPIPS, Warszawa, 2007.

¹³⁶ European Commission (2014), EEPO Review of Start-Up Incentives in Poland, September 2014.

carried out under Measures 8.1 and 8.2 of the 2007-2013 Innovative Economy Operational Programme¹³⁷.

Research carried out in Poland has shown that start-ups established under ESF-funded support schemes have higher survival rates – on average by two to three years – than start-ups established through more traditional means. It has also confirmed a positive relationship between training and advisory services and start-up survival rates¹³⁸.

More generally, this youth entrepreneurship support programme is in line with Poland's recent policy changes to create a friendlier macroeconomic environment for business creation and to attract foreign direct investments (e.g. "one-stop shop" online registration, new legal form abolishing the requirement to notarise company agreements¹³⁹).

¹³⁷ "We support e-business" platform: http://www.web.gov.pl/eng/contact/684_4114.html.

¹³⁸ Badanie skuteczności wsparcia realizowanego w ramach komponentu regionalnego PO KL 2007-2013 (Study of the effectiveness of support provided under the regional component of the HC OP 2007-2013). Internet: http://www.efs.gov.pl/AnalizyRaportyPodsumowania/Documents/raport_skuteczosc_PAG_1_18092013.pdf.

¹³⁹ World Bank 'Doing Business': <http://www.doingbusiness.org/data/exploreeconomies/poland/starting-a-business>.

5. RECENT EVOLUTION IN YOUTH ENTREPRENEURSHIP AND GENERAL ENTREPRENEURIAL ACTIVITY TRENDS IN THE ELEVEN FOCUS MEMBER STATES

KEY FINDINGS

- Youth entrepreneurship levels have **evolved differently** among the **eleven focus Member States before and after the economic crisis**.
- Overall, **youth entrepreneurship levels rose gradually in France and Germany between 2006 and 2012**. Progress in France was greater than in Germany in this respect, which also coincides with a change in approach to youth entrepreneurship in French policy making.
- Conversely, the **crisis** had a **negative impact** on youth entrepreneurship levels in **Greece, Italy, Portugal and Spain**. However, **entrepreneurial activity** among young people and the general population **picked up** again in **2011-2012** in those Member States.
- In **Estonia**, youth entrepreneurship levels appear to be **exceptionally high** compared to those of other Member States. At the same time, **encouraging progress** was made in **Denmark** in **2011-2012**. This has occurred in parallel with the development of **comprehensive entrepreneurship education** strategies in these two Member States.
- In 2011-2012, **early-stage entrepreneurship** rates among **18-29 year-olds** were **equal to or above** the **rates among 18-64 year-olds** in the **Czech Republic, Denmark, Estonia, France, Germany, Italy and Poland**. Various socio-economic and institutional factors may be at play to explain these trends.
- **Innovation** became the **main determinant of entrepreneurial activity** in **Poland** in **2014**, which somewhat reflects the country's strong **policy focus on business creation in high-tech sectors**. Conversely, **entrepreneurial activity** in **Greece** has been increasingly driven by **necessity** due to the country's **ongoing economic and financial difficulties**.
- Annual **start-up creation** and **new self-employment rates** are relatively **consistent** among the focus Member States, representing around **one in ten active businesses**. Statistics show an **upward trend** in **start-up creation** and **new self-employment** for **Denmark, Estonia, Poland, Portugal and Spain**. At the same time, youth entrepreneurship levels have been **on the rise in those Member States** since 2011-2012.
- **Start-up survival rates** are relatively **consistent** across the focus Member States. The same goes for self-employment even if **self-employed individuals** are **marginally more likely to go out of business** than start-ups within the first two years of activity.
- However, available statistics do not indicate whether young entrepreneurs who have **received training** or benefitted from **other types of support** through public policy are **less likely to go out of business prematurely**.

This section presents a more detailed overview of trends in entrepreneurial activity among young people and within the general adult population in the eleven focus Member States based on data obtained from the Global Entrepreneurship Monitor (GEM) survey and

Eurostat. The aim is to establish possible parallels between the evolution of youth entrepreneurship trends and the characteristics of recent policy activity in these different Member States. As such, the statistical analysis presented in this section serves to complement the analysis developed in Section 4.

5.1. Entrepreneurial activity among young people and in the general population

In accordance with the methodology adopted by the GEM, youth entrepreneurship is measured as the Total Early-Stage Entrepreneurial Activity (TEA) rate¹⁴⁰ among people aged between 18 and 29 years old.

Table 4 provides an overview of TEA rates among 18-29 year-olds in the eleven focus Member States for the 2006-2012 period based on surveys conducted by the GEM. Data gaps can be explained by the fact that certain countries did not consistently take part in the annual GEM surveys between 2006 and 2012.

Table 4: Total early stage entrepreneurial activity rates amongst 18-29 year olds in the eleven focus Member States 2006-2012

	2006	2007	2008	2009	2010	2011	2012
Czech Republic	7.1%	--	--	--	--	9.7%	--
Denmark	4.7%	3.2%	3.8%	1.3%	3.1%	3.9%	5.5%
Estonia	--	--	--	--	--	--	19.6%
France	1.7%	2.8%	6.8%	4.8%	5.1%	6.0%	6.3%
Germany	4.0%		3.9%	4.0%	3.0%	6.9%	6.3%
Greece	9.1%	7.3%	12.2%	9.6%	2.9%	6.8%	4.8%
Ireland	6.8%	5.0%	6.4%	5.0%	--	6.1%	5.4%
Italy	6.4%	9.9%	5.3%	3.7%	2.6%	--	7.1%
Poland	--	--	--	--	--	10.9%	11.9%
Portugal	--	9.2%	--	--	4.6%	6.8%	8.0%
Spain	7.4%	8.3%	7.3%	5.2%	4.3%	6.4%	5.2%

Source: Global Entrepreneurship Monitor, 2006-2012.

It is clear from the figures above that the economic crisis of the late 2000s had an impact on youth entrepreneurship levels in the different Member States. However the entrepreneurial activity rates among young people have evolved in different ways among the eleven focus Member States before and after the economic crisis.

In the EU's largest economies (i.e. **France, Germany**), survey data show that entrepreneurial activity among young people has steadily increased in recent years with the crisis of 2009 having had a relatively minor impact. This suggests that France and Germany have a stable entrepreneurial environment. The most significant progression was recorded in France, which also coincides with recent policy efforts to stimulate entrepreneurial attitudes among young people.

Early-stage entrepreneurial activity rates among 18-29 year-olds in **Denmark** were also relatively consistent during the 2006-2012 period. However the statistics show an improvement in 2012 compared to the previous years, particularly in comparison with 2009 when the TEA rate among 18-29 year-olds slumped to 1.3%. Therefore, there is reason to

¹⁴⁰ Percentage of individuals aged 18-29 in an economy who are in the process of starting a business or are already running a new business not older than 42 months.

believe that entrepreneurship activities in place since 2009 across all levels of education in Denmark may have had a positive albeit delayed impact.

Estonia, which had the highest TEA rate among 18-29 year olds in 2011, appears to gather all of the factors which can positively influence entrepreneurial activity among young people. Therefore, the prevalence of entrepreneurship education may be a factor influencing positively on early-stage entrepreneurial activity among young people. Other favourable factors to youth entrepreneurship in Estonia include more favourable administrative rules and better access to external finance.

With the exception of **Ireland**, it is possible to observe subdued TEA rates amongst young people after 2009 in the Member States severely affected by the economic crisis (i.e. **Greece, Italy, Portugal** and **Spain**). The strong gains in these Member States made pre-2009 were lost during the crisis, but picked back up by 2011/2012 to be in line with the rates in the other Member States.

When comparing recent national TEA rates among 18-29 year-olds (Table 4) against those among 18-64 year olds (Table 5), it is possible to observe that early-stage entrepreneurial activity is more frequent among young people than among the general adult population in a number of Member States including: **Czech Republic, Estonia, France, Germany, Italy** and **Poland**. In **Denmark**, the respective TEA rates among 18-29 year-olds and 18-64 year-olds appear to be relatively equal.

Table 5: Phases of entrepreneurial activity in the eleven Member States between 2011 and 2014 (% of population aged 18-64)

Member State	Year	Nascent Entrepreneurship Rate	New Business Ownership Rate	Early-Stage Entrepreneurial Activity (TEA)	Necessity-Driven (% of TEA)	Improvement-Driven Opportunity (% of TEA)
Czech Republic	2011	5.1	2.7	7.6	27.3	56.5
	2013	4.9	2.7	7.3	22.7	60.3
Denmark	2011	3.1	1.6	4.6	7.1	64.0
	2014	3.1	2.5	5.5	5.4	60.2
Estonia	2013	8.8	4.5	13.1	14.8	50.1
	2014	6.3	3.5	9.4	15.1	41.2
France	2011	4.1	1.7	5.7	14.8	70.7
	2014	3.7	1.7	5.3	16.1	69.2
Germany	2011	3.4	2.4	5.6	18.6	54.9
	2014	3.1	2.3	5.3	23.2	53.7
Greece	2011	4.4	3.7	8.0	25.4	36.8
	2014	4.6	3.4	7.9	34.8	30.5
Ireland	2011	4.3	3.1	7.2	29.5	36.9
	2014	4.4	2.5	6.5	29.7	48.6
Italy	2013	2.4	1.1	3.4	18.7	18.4
	2014	3.2	1.3	4.4	13.6	38.6
Poland	2011	6.0	3.1	9.0	47.6	31.5
	2014	5.8	3.6	9.2	36.8	47.1
Portugal	2011	4.6	3.0	7.5	17.8	58.1
	2014	5.8	4.4	10.0	27.4	49.3
Spain	2011	3.3	2.5	5.8	25.9	39.3
	2014	3.3	2.2	5.5	29.8	33.5

Source: GEM Global Reports 2011-2014

The TEA rates among 18-64 year-olds appear to have stabilised between 2011 and 2014 in most of the focus Member States. The most significant increase in this respect was recorded in **Portugal**, where a number of strategic measures have recently been developed to stimulate innovation-based entrepreneurial activity among young people¹⁴¹.

¹⁴¹ Cf. Section 4.

Similarly, the proportion of nascent entrepreneurs¹⁴² among 18-64 year olds has remained relatively constant between 2011 and 2014 in most of the focus Member States. However, the statistics suggest that progress has been made in **Italy** and **Portugal** in this respect. The proportion of nascent entrepreneurs in **Portugal** went up by 1.2 percentage points between 2011 and 2014, and was up by 0.8 percentage points in **Italy** between 2013 and 2014. For Italy, this also coincides with a sharp increase in early-stage entrepreneurial activity among 18-29 year olds in 2012. Like in Portugal, Italy's recent policy efforts have focused on the development of support schemes to foster innovative entrepreneurial activities among highly-qualified young people (i.e. combining business incubation and access to finance).

New business ownership¹⁴³ rates among 18-64 year-olds have also remained relatively comparable in most of the focus Member States between 2011 and 2014. However, the statistics show that progress has been made in **Denmark** and **Portugal** with respect to business creation over the 2011-2014 period. On a less positive note, the statistics suggest that entrepreneurial activity in **Estonia** has declined in recent years overall. At the same time, other figures show that Estonia remains one of the most entrepreneurial Member States in the EU.

Finally, the GEM statistics show that improvement-driven or innovation-based entrepreneurship is a key determinant of entrepreneurial activity in most of the focus Member States. However, necessity has become the main driver of entrepreneurial activity in **Greece**. This can be explained by the ongoing negative impacts of the crisis on Greece's economy.

Conversely, innovation overtook necessity as the main determinant of entrepreneurial activity in **Poland** between 2011 and 2014. Incidentally, Poland has recently been developing initiatives to stimulate innovation and business creation in high-tech sectors through the ESF while implementing measures to improve its business environment from an administrative perspective.

5.2. Trends in start-up creation and self-employment between 2009 and 2012

Business creation is an indicator of the competitiveness of an economy and the outcome of entrepreneurial activity in general. It is also generally seen as one of the key determinants of job creation and economic growth. Business creation is said to stimulate innovation while helping to increase overall productivity within an economy.

The table below shows the proportion of new self-employed individuals and new start-ups in the total population of active enterprises between 2009 and 2012 in ten of the eleven focus Member States¹⁴⁴.

Table 6: Proportion of start-ups (1 to 4 employees) created and new self-employed entrepreneurs in the total population of active enterprises

	2009	2010	2011	2012
Czech Republic	10.7%	11.2%	10.4%	8.5%
Denmark	9.7%	10.9%	12.0%	11.0%
Estonia	9.6%	10.7%	11.5%	11.9%
France	12.8%	12.6%	10.9%	10.0%

¹⁴² Nascent entrepreneurs: committing resources to start a business, but the business has not yet yielded wages or salaries. (GEM definition).

¹⁴³ New business ownership: paying wages up to 42 months of existence of the firm. (GEM definition).

¹⁴⁴ No data available for Greece.

	2009	2010	2011	2012
Germany	8.1%	8.5%	8.5%	7.8%
Ireland	6.9%	5.7%	6.2%	6.7%
Italy	7.1%	6.5%	6.5%	6.8%
Poland	12.6%	13.6%	12.2%	11.3%
Portugal	11.9%	11.6%	12.1%	12.2%
Spain	7.0%	7.6%	7.7%	8.0%

Source: Eurostat

Overall, new self-employment and start-up creation rates (expressed as a proportion of the total population of active enterprises) are quite consistent among the ten Member States analysed. These annual rates have remained lower in **Germany, Ireland, Italy** and **Spain** (6-8%) than in the **Czech Republic, Denmark, Estonia, France, Poland** and **Portugal** (9.5-12.5%) between 2009 and 2012.

Statistics for **Denmark, Estonia, Poland, Portugal** and **Spain** highlight an upward trend in start-up creation and new self-employment between 2009 and 2012. Interestingly, GEM survey statistics show that the TEA rates among 18-29 year-olds in **Denmark, France** and **Poland** rose post-2009 to either equal or exceed the TEA rates among 18-64 years old in 2011/2012. Furthermore, GEM survey statistics show that early-stage entrepreneurial activity among 18-29 year-olds could be a key driver of new self-employment and start-up creation in **Estonia**.

With the exception of **Estonia** and **Spain**, there has been a slight decline in new self-employment and start-up creation between 2011 and 2012 in the remaining eight Member States.

5.3. Trends in self-employment and start-up survival rates between 2009 and 2012

Start-up survival rates across the ten Member States remained stable and comparable between 2009 and 2012, averaging 85-90% after the first year of activity and 70-75% after the second year of activity¹⁴⁵.

France recorded the highest start-up survival rates after the first two years of activity during the 2009-2012 period. Incidentally, France's business environment is characterised by wide networks of well-established public and private associations providing micro-finance and continued technical assistance to new entrepreneurs (cf. NACRE).

Conversely, figures show that **Estonia** had the lowest start-up survival rates between 2009 and 2012 among the ten Member States analysed. Although the GEM reports that young people in Estonia see good opportunities to start a business, the small size of the domestic market can be a constraint on start-up activities. As such, it is only start-ups with a global outlook that tend to succeed in Estonia¹⁴⁶.

While no comprehensive data on start-up survival rates after five years are available, Eurostat reports that year-on-year business survival rates tend to gradually decline by about 10% in the majority of EU Member States. Across the EU, the average five-year survival rate of enterprises born in 2007 and still active in 2012 was 45%¹⁴⁷.

¹⁴⁵ See Annex for the complete datasets.

¹⁴⁶ GEM Estonia 2013.

¹⁴⁷ http://ec.europa.eu/eurostat/statistics-explained/index.php/Business_demography_statistics.

Table 7: Average number of start-ups (i.e. with 1 to 4 employees) created annually and percentage surviving the first two years of activity between 2009 and 2012

Period: 2009-2012	CZ	DK	EE	FR	DE	IE	IT	PL	PT	ES
Average number of start-ups created per year	9,788	3,896	2,369	22,254	65,546	2,125	59,495	28,848	17,408	46,082
% surviving first year	91.4	90.2	80.7	99.1	88.8	82.7	89.6	93.1	90.7	81.4
% surviving second year	77.5	70.9	62.9	91.2	72.7	72.0	77.0	75.0	73.0	68.6

Source: Eurostat

There is no way of knowing from the data available whether start-up survival rates among young entrepreneurs are higher or lower than average. This lack of age-disaggregated data provides a significant challenge for the assessment of young entrepreneurship policies. However, it can be expected that start-up survival rates improve with experience acquired over the years. In this context, it appears that young first-time entrepreneurs are on average more likely to go out of business within the first two years of establishing a business.

New self-employment survival rates for 2009-2012 are overall comparable among the ten Member States, albeit comparatively lower than start-up survival rates for the first two years of activity¹⁴⁸.

Self-employment exits after two years of activity appear more frequent in **Portugal** than in the other nine focus Member States. This may be explained by recent business creation trends in Portugal where the share of newly created individual enterprises with a low level of capital has grown substantially between 2007 and 2014, with around two-thirds of the sole business proprietors being first-time entrepreneurs¹⁴⁹.

Table 8: Average annual number of new self-employed persons and percentage still in activity after the first two years between 2009 and 2012

Period: 2009-2012	CZ	DK	EE	FR	DE	IE	IT	PL	PT	ES
Average number of new self-employed persons per year	88,985	19,484	5,610	318,463	178,793	10,108	208,039	214,450	85,786	187,335
% still in activity after one year	83.7	70.3	78.5	80.6	74.0	82.5	80.9	88.8	64.7	74.6
% still in activity after two years	69.4	55.8	61.4	67.2	57.5	72.6	69.1	72.3	42.2	59.8

Source: Eurostat

According to recent research¹⁵⁰, youth self-employment tends to be quite volatile across the EU overall. The only exception is **Spain** where the rate of youth self-employment rose substantially between 2009 and 2014¹⁵¹. This could be explained by Spain's recent ALMP reforms (also in the frame of the Youth Guarantee) which have introduced self-employment support measures specifically targeting young people.

However, there is no way of knowing from the data available whether such support measures contribute to improving young people's ability to remain self-employed in the long-term.

¹⁴⁸ See Annex for the complete datasets.

¹⁴⁹ Estudo do Empreendedorismo em Portugal entre 2007 e 2014, Dun & Bradstreet, 2014.

¹⁵⁰ Hatfield, I. (2015), *Self-employment in Europe*, Institute for Public Policy Research (IPPR).

¹⁵¹ Ibid.

6. OVERALL FINDINGS AND CONCLUDING REMARKS

6.1. Overall Findings

Based on the identification of approaches to youth entrepreneurship support in the typology and the evidence gathered from the strategies and initiatives selected for in-depth analysis, a set of findings is presented in the following subsections.

6.1.1. Trends in policy making

- There is sufficient evidence to show that **EU-level initiatives** have had a **positive influence on policy activity in the Member States** to support youth entrepreneurship on the basis of common objectives.
- Policy orientations under the **EU 2020 Strategy** and the **Youth Guarantee** scheme have led to the **growth and diversification** of the offer of **youth entrepreneurship support** across the European Union.
- However, **differences** in the scope of youth entrepreneurship strategies **remain between the Member States**. This could be due to various **country-specific factors** such as **youth unemployment rates**, ease of **access to external finance**, **institutional and administrative environments** as well as general **attitudes to entrepreneurship in society**.
- Strategies dedicated to the development of **entrepreneurial attitudes and skills in education** appear to be more frequent in **Member States with friendlier business environments** (i.e. lean administrative processes, good access to external finance). In those Member States, **entrepreneurial activity** among young people is primarily **innovation-driven**.
- **Specific comprehensive strategies on entrepreneurship education** have only been implemented by a **minority of Member States in Northern Europe** while **most other Member States** have either integrated entrepreneurship education in **broader strategies** or promoted it through **stand-alone initiatives**.
- There is **considerable variation** as regards the extent to which **youth entrepreneurship support** is provided in the frame of **labour market activation policies**. **Youth entrepreneurship support** is an **important aspect** of the **Youth Guarantee** scheme in only **half of the Member States**.
- In the **Member States** that were **hit the hardest by the crisis** of the late 2000s, public policies to support and stimulate youth entrepreneurship tend to be **wider in scope** and **include corrective measures** in a context where **young people** are overall **more vulnerable economically** and would tend to resort to **self-employment** only out of **necessity**.
- Member States whose **Youth Guarantee** measures have a **strong focus on entrepreneurship** tend to be those where **external access to finance** and **administrative rules** are **less conducive to business creation**. This is the case with most Member States in **Southern Europe**.
- Under the **Youth Guarantee**, most of these Member States have developed a **holistic approach** to the promotion and facilitation of youth entrepreneurship by designing programmes offering **various types of support** (counselling/mentoring, non-formal training, access to finance etc.).

6.1.2. Support through Entrepreneurship Education

- Whether specific or as part of wider strategies, **entrepreneurship education** tends to be developed **separately from other types of youth entrepreneurship support**. This is especially the case in general education, where entrepreneurship education often addresses the development of transversal skills and key competences for life.
- **Entrepreneurship** support in **higher education** can however combine **formal learning** with **mentoring and business incubation services**.
- A **dedicated approach** to promoting entrepreneurship across **all educational levels** is more likely to have **greater impacts** on young people's entrepreneurial attitudes and skills **than broader educational reforms** or **single initiatives**.
- As far as Member States are concerned, **strategies specifically dedicated to entrepreneurship education** are also an indication of a **well-established entrepreneurial culture**. There is, for instance, a wider availability of entrepreneurship education in Member States such as **Denmark** or **Estonia**.
- **Wider strategies** (e.g. on lifelong learning, competitiveness) which include the promotion of entrepreneurship education at school **may be less effective** in terms of fostering an entrepreneurial mind-set among young people. **Adverse or low economic prospects** can also be an **obstacle to the take-up of entrepreneurship education** at school (e.g. Greece).
- A **negative perception** of entrepreneurship education within the **teaching profession** can be an **obstacle** to the development of a **dedicated strategy** introducing this subject across all educational levels.
- Strategies to develop **entrepreneurship in Higher Education** which secure the engagement of academic institutions, business professionals, and wider stakeholders have the potential to **foster entrepreneurial activity** among **high-qualified students and graduates**.

6.1.3. Youth entrepreneurship support strategies outside education

- Outside the domain of education, youth entrepreneurship support schemes either aim for the **labour market activation of young people NEET** or the **professional development of graduates and high-qualified young people**.
- Regardless of young people's educational attainment, youth entrepreneurship support **schemes outside of education** most often combine **counselling/mentoring** with mechanisms to ease **access to finance**.
- Entrepreneurship support strategies offering **counselling services** together with **preferential financial or administrative regimes** are **more effective** when they are **specifically tailored** to the needs and aspirations of **young people**.
- Programmes combining **business incubation services** with **access to finance** mechanisms are well-suited to the aspirations of **young people with high-growth or innovative business ideas**.
- Programmes combining **personalised career guidance** or **counselling** with **preferential financial conditions** (e.g. capitalisation of unemployment benefits) can effectively result in the **labour market activation of young people NEET** with entrepreneurial aspirations.
- There is however the **risk** that entrepreneurship support **schemes targeting the unemployed in general** may not be sufficiently adapted to the needs of young

people, especially **NEETs**. The requirement to submit a well-developed **viable business plan** to apply for support may constitute an **obstacle to NEET participation** in such schemes.

- **Entrepreneurship activation schemes** specifically addressed to and **tailored for young people** have been extensively developed in a number of Member States following the introduction by the EU of the **Youth Guarantee** scheme.

6.1.4. The Youth Guarantee

- Promising labour market activation strategies and programmes which provide **comprehensive support to stimulate entrepreneurship** among young people have been developed in some Member States in the frame of the Youth Guarantee (e.g. **Poland, Portugal, Spain** etc.).
- It is still **too early to measure the impacts** of national Youth Guarantee schemes on **levels of entrepreneurial activity** among young people.
- However, the Youth Guarantee scheme already appears to be having a **positive impact** on the **availability of youth entrepreneurship support** and to be effective in **reducing youth unemployment** in certain Member States such as Portugal and Spain.

6.1.5. Recent trends in entrepreneurial activity among young people

- Youth entrepreneurship levels have **evolved differently** among EU Member States **before and after the economic crisis**.
- Youth entrepreneurship **levels rose steadily in the EU's largest economies** both before and after the crisis. **France** in particular appears to be performing quite well in this regard, which also denotes a **change in policy makers' attitude** to youth entrepreneurship in recent years.
- On the other hand, the **crisis had a greater negative impact** on youth entrepreneurship levels in most of the Member States in **Southern Europe** overall. Those countries had relatively high youth entrepreneurship levels prior to the crisis. More positively, **entrepreneurial activity** among young people seems to have **picked up again** in Southern Europe **since 2011**.
- In **Estonia**, youth entrepreneurship levels appear to be **exceptionally high** compared to those of other Member States. **Entrepreneurship as a compulsory subject in education** as well as relatively **favourable administrative and financial conditions** for start-up creation may explain this phenomenon.
- Youth entrepreneurship levels appear to be **improving in Denmark**, and this may be linked to the country's **specific comprehensive strategy** on **entrepreneurship education** implemented in 2009.
- **Early-stage entrepreneurial activity** rates among **young people** are **equal to or higher than those of the general population** in a number of Member States, including the **Czech Republic, Denmark, Estonia, France, Germany, Italy** and **Poland**. Various factors may be at play to explain these trends.
- **Innovation** became the **main determinant** of entrepreneurial activity in **Poland** in **2014**, which could be explained by the country's strong **policy focus on business creation in high-tech sectors**. Conversely, entrepreneurial activity in **Greece** has been increasingly **driven by necessity** due to the country's **ongoing economic and financial difficulties**.

- There has been an upward **trend in start-up creation and new self-employment** in **Denmark, Estonia, Poland, Portugal and Spain**. At the same time, **youth entrepreneurship levels** have been **on the rise** in those Member States **since 2011**.
- **Start-up survival rates** are relatively **consistent** across the focus Member States. The same goes with **self-employment** even if **self-employed individuals are marginally more likely to go out of business** than start-ups within the **first two years of activity**.
- However, there is **insufficient evidence** to determine whether youth entrepreneurship support **strategies are effective** in **improving young entrepreneurs' chances to remain in business** in the longer term. This is due to a **lack of age-disaggregated data** relating to the **survival rates** of new businesses and self-employed entrepreneurs.

6.2. Concluding Remarks

The **availability and use of youth entrepreneurship support** can be **improved** through **good practice in policy making**, although **wider economic or social factors** also have a part to play in this respect.

As regards good practice in policy making, evidence shows that **EU-level policy orientations** have overall **prompted Member States** to develop **cross-cutting or comprehensive strategies** combining different types of support, as those identified in the typology. Such strategies have appeared to be **more effective in fostering entrepreneurial activity** among **young people** than stand-alone initiatives.

In the same vein, **EU-level strategies** have **encouraged Member States** to **improve cooperation and coordination** across **different levels of governance** and between **different policy stakeholders** to find common solutions to the socio-economic problems faced by young people today. There is sufficient evidence to suggest that **multi-level governance** and **multi-stakeholder cooperation** play an important part in ensuring a certain degree of **coherence and consistency** in the offer of youth entrepreneurship support, both within and across the Member States.

However, **national differences** in approaches to youth entrepreneurship support **have not been completely erased** and often tend to reflect the **diversity of socio-economic situations across the Member States**. Nevertheless, this suggests that there is scope for further encouraging the **transnational exchange of good practice** on youth entrepreneurship to ensure that **successful national policies** can be **transferred to other Member States** or even **rolled out across the EU**.

Last but not least, providing a **detailed assessment** of the **usefulness** and **effectiveness** of youth entrepreneurship support measures remains rather **challenging** as there is a general **lack of appropriate and comparable monitoring data** in this regard. Therefore, **consistent data monitoring across the Member States** is needed so as to **identify and further develop the most effective policies** to support youth entrepreneurship.

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ANNEX

Number of start-ups (employing 1 to 4 individuals) created per year and surviving the first two years of activity in the eleven Member States between 2009 and 2012

Member State	Start-ups (1 to 4 employees)	2009	2010	2011	2012
Czech Republic	Start-ups created in year t	9,401	9,523	10,205	10,022
	Surviving t+1		8,660	8,587	9,583
	Surviving t+2			7,489	7,686
Denmark	Start-ups created in year t	3,125	4,016	4,355	4,086
	Surviving t+1		2,884	3,652	4,006
	Surviving t+2			2,412	3,109
Estonia	Start-ups created in year t	1,784	2,294	2,631	2,767
	Surviving t+1		1,535	1,959	2,243
	Surviving t+2			1,302	1,677
France	Start-ups created in year t	24,040	23,067	21,849	20,061
	Surviving t+1		23,085	22,067	20,977
	Surviving t+2			20,663	19,916
Germany	Start-ups created in year t	68,536	69,373	64,831	59,443
	Surviving t+1		59,368	58,002	57,246
	Surviving t+2			47,670	47,596
Ireland	Start-ups created in year t	1,999	1,996	2,271	2,233
	Surviving t+1		1,459	1,784	2,030
	Surviving t+2			1,508	1,552
Italy	Start-ups created in year t	55,534	58,827	62,787	60,832
	Surviving t+1		48,376	55,296	56,247
	Surviving t+2			43,412	48,228
Poland	Start-ups created in year t	30,366	28,113	31,106	25,805
	Surviving t+1		27,279	25,263	28,039
	Surviving t+2			22,346	20,915
Portugal	Start-ups created in year t	17,097	16,778	19,097	16,661
	Surviving t+1		15,068	15,235	17,058
	Surviving t+2			12,770	12,643
Spain	Start-ups created in year t	44,602	46,711	46,043	46,973
	Surviving t+1		36,074	38,672	37,803
	Surviving t+2			30,826	32,390

Source: Eurostat.

Note: The different colours highlight the year on year changes from the base value in year t.

Average number of start-ups created annually and percentage surviving the first two years of activity over the period 2009-2012 in the eleven Member States

Period: 2009-2012	CZ	DK	EE	FR	DE	IE	IT	PL	PT	ES
Average number of start-ups created per year	9,788	3,896	2,369	22,254	65,546	2,125	59,495	28,848	17,408	46,082
% surviving first year	91.4	90.2	80.7	99.1	88.8	82.7	89.6	93.1	90.7	81.4
% surviving second year	77.5	70.9	62.9	91.2	72.7	72.0	77.0	75.0	73.0	68.6

Source: Eurostat

Number of new self-employed persons per year and still in activity after the first two years of self-employment in the eleven Member States between 2009 and 2012

Member State	Self-employment	2009	2010	2011	2012
Czech Republic	New self-employed persons in year t	90,689	99,265	92,362	73,625
	Still in activity in t+1		71,182	80,169	72,092
	Still in activity in t+2			57,737	65,747
Denmark	New self-employed persons in year t	17,170	19,060	21,774	19,930
	Still in activity in t+1		12,280	13,716	15,086
	Still in activity in t+2			10,411	11,323
Estonia	New self-employed persons in year t	5,234	5,251	5,682	6,273
	Still in activity in t+1		4,156	4,295	4,757
	Still in activity in t+2			3,321	3,596
France	New self-employed persons in year t	337,191	349,374	302,563	284,725
	Still in activity in t+1		268,700	267,481	233,392
	Still in activity in t+2			214,505	213,570
Germany	New self-employed persons in year t	169,631	183,214	188,657	173,671
	Still in activity in t+1		123,055	135,118	138,915
	Still in activity in t+2			97,866	107,909
Ireland	New self-employed persons in year t	11,687	9,116	9,444	10,186
	Still in activity in t+1		9,742	7,500	7,777
	Still in activity in t+2			8,215	6,454
Italy	New self-employed persons in year t	226,972	199,324	196,368	209,493
	Still in activity in t+1		193,766	158,302	153,153
	Still in activity in t+2			155,908	131,456
Poland	New self-employed persons in year t	210,107	237,831	210,742	199,121
	Still in activity in t+1		183,614	208,214	179,220
	Still in activity in t+2			144,973	164,999
Portugal	New self-employed persons in year t	92,543	84,832	83,568	82,199
	Still in activity in t+1		58,855	54,275	53,468
	Still in activity in t+2			37,823	34,521
Spain	New self-employed persons in year t	177,852	187,919	190,324	193,245
	Still in activity in t+1		140,106	139,637	139,446
	Still in activity in t+2			112,179	112,043

Source: Eurostat

Note: The different colours highlight the year on year changes from the base value in year t

Average annual number of new self-employed persons and percentage still in activity after the first two years over the period 2009-2012 in the eleven Member States

Period: 2009-2012	CZ	DK	EE	FR	DE	IE	IT	PL	PT	ES
Average number of new self-employed persons per year	88,985	19,484	5,610	318,463	178,793	10,108	208,039	214,450	85,786	187,335
% still in activity after one year	83.7	70.3	78.5	80.6	74.0	82.5	80.9	88.8	64.7	74.6
% still in activity after two years	69.4	55.8	61.4	67.2	57.5	72.6	69.1	72.3	42.2	59.8

Source: Euros

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