



**European Committee  
of the Regions**

# **Youth initiative: a framework for youth entrepreneurship**

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## List of acronyms

<b>BA</b>	Business Angels
<b>CH</b>	Challenge
<b>CONS</b>	Council of the European Union
<b>CoR/CdR</b>	European Committee of the Regions/ <i>Comité européen des régions</i>
<b>CS</b>	Case study
<b>EC</b>	European Commission
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>EaSI</b>	Employment and Social Innovation
<b>EBAN</b>	European Business Angels Network
<b>EE-HUB</b>	European Entrepreneurship Education NETwork
<b>EER</b>	European Entrepreneurial Region
<b>EIB</b>	European Investment Bank
<b>EP</b>	European Parliament
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>EUYS</b>	EU Youth Strategy
<b>HEIs</b>	Higher Education Institutions
<b>ISCED</b>	International Standard Classification of Education
<b>LEADER</b>	<i>Liaison Entre Actions de Développement de l'Économie Rurale</i>
<b>LRAs</b>	Local and Regional Authorities
<b>MS</b>	Member States
<b>NEETs</b>	Young People Not in Employment, Education or Training
<b>NUTS</b>	Nomenclature of Territorial Units for Statistics
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PES</b>	Public Employment Services
<b>SBA</b>	Small Business Act for Europe
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>VET</b>	Vocational Education and Training

# Executive summary

The scope of this study is to provide the European Committee of the Regions (CoR) with **background information and analysis on how youth entrepreneurship is promoted and boosted by local and regional authorities (LRAs)**. This scope is reflected in three main research questions: 1) ‘Which are the background conditions justifying the policy focus on youth entrepreneurship and influencing the participation of young people in the labour market?’; 2) ‘Which are the main measures adopted by LRAs to promote and boost youth entrepreneurship at the territorial level?’; and 3) ‘Which are the main challenges and needs faced by LRAs in the promotion of youth entrepreneurship?’

The first question on the background conditions is answered in Part 1 of the study where an introductory overview is given based on latest available statistics. In 2015, unemployed youth (i.e. aged 15-24) in the European Union (EU) were 4.6 million. Although the **youth unemployment rate** has improved since 2013, in 2015 it was **still over the pre-recession level and the double of the total unemployment rate**. Furthermore, **in some regions (i.e. NUTS2) the situation is dramatic**. In 2015, against an average EU youth unemployment rate of 20.4%, there are peaks of unemployment at NUTS2 level in the range of 40%-60%. This evidence justifies the need to address youth unemployment by means of tailored initiatives as well as the importance given by policymakers to youth entrepreneurship as a way out of unemployment, inactivity, or social exclusion. In 2015, both the **youth long-term unemployment rate and the young people not in employment, education or training (NEETs)** indicators were **still worse than the pre-recession levels**. On an opposite trend is the rate of early school leavers which decreased at the EU level since 2007. Among the other domains which may influence the decision of a young person to become an entrepreneur, the lack of capital is the most important, followed by the lack of skills (EC, 2013). In terms of attitude, the Youth Monitor reports over the period 2011-2014 a decreasing trend in the share of young people wishing to set up their own business. This **rather negative attitude by the youth towards self-employment** is confirmed by the overall results of the 2014 Flash Eurobarometer survey of the European Parliament (EP, 2014). With regard to self-employment statistics, in 2015, the self-employment rate for young people in the EU was only 0.3% of the total employed and 2.3% of the total self-employed. Furthermore, in the EU, the level of **self-employment by youth decreased** by 16% over the last decade (2006-2015). Overall, this situation justifies the necessity to implement specific measures to promote and boost youth entrepreneurship. The second research question enquiring which measures are actually adopted by LRAs towards this scope is answered in Part 2 of the study. The research method is mainly based on literature review and on the

compilation of an inventory of initiatives implemented by, or with the significant support of, LRAs. Out of the 35 initiatives identified, ten have been described in more detail in short case studies presented in Part 4 of this report. The analytical review of all the initiatives and of the cases allowed the outline of six main categories of measures which are described in Part 2 and then analysed in Part 3 in terms of challenges and needs met by LRAs for the promotion of youth entrepreneurship.

A **first** set of measures refers to the **creation of a supportive environment for youth entrepreneurship**. The capacity to take action in the creation of framework conditions which are supportive of youth entrepreneurship directly depends on the level of power of the concerned LRA. Where the sub-national level has some legislative and/or policymaking power, initiatives relate to the reform of the education system to make it inclusive of entrepreneurship; to the review of policies and legislation to support youth inclusion in society, including in terms of work placement and hence of self-employment; and to the fostering of ecosystems favourable to youth entrepreneurship in terms of engagement, empowerment and equipping of youth. Main identified challenges relate to the recognition/establishment of the most appropriate governance/interaction structure for implementation of actions related to youth entrepreneurship; to the definition of the legal and policy framework conditions for youth entrepreneurship; and to the use of youth entrepreneurship as a tool for retaining young people on the territory and facilitating their social inclusion. A **second** set of measures relates to the **implementation of EU and/or national instruments and programmes** directly tackling youth entrepreneurship with tailored initiatives. This set of measures is also commonly used by those LRAs not having legislative or policymaking power. In fact, there is ample evidence of the operationalization of (financial) instruments and programmes established at the European and/or national level for the promotion and support of youth entrepreneurship. Main identified challenges in this case relate to the capacity to properly and effectively design/manage projects/programmes and succeed in accessing competitive funding through the participation in open public calls for proposals. A **third** set of measures refers to the **fostering of an entrepreneurial mindset, attitude and culture** among youth as well as among their teachers. This area appears to be prioritised by LRAs and is considered either as an intervention which nurtures the sustainability of any initiative undertaken to promote youth entrepreneurship or as a way to equip young people with the capacity to consider entrepreneurship as a career option. The most relevant challenge relates to the introduction of entrepreneurship education within the formal education systems in general or the teaching activities in particular; or to the demonstration of the actual opportunities offered by entrepreneurship through less conventional approaches such as collaborative spaces. A **fourth** set of measures aims at providing the youth with **information, training, advice,**

**coaching and mentoring** on entrepreneurial activities. Among the features which are frequently tackled by LRAs within this set is the recruitment of entrepreneurs to act as ‘role models’, and the reliance on comprehensive partnerships, or triple/quadruple helix interaction models where territorial authorities, universities, businesses and social partners each cooperate with a role and a contribution scope. Challenges in this intervention area relate to the qualifications and motivation of teachers for training activities, and to the scarce availability of business expertise for advising, coaching and mentoring activities. A **fifth** set of measures relates to the **facilitation of the access of young entrepreneurs to financial resources** for the start-up of their businesses. Major challenges in this case relate to the involvement of the private risk capital, the provision of guarantees for loans, and the identification of public resources for support. Finally, a **last category** of measures relates to the provision of **structural support** (e.g. offices, services) to the youth for the implementation of their entrepreneurial ideas. The challenge in this case relates to the identification of the proper facilities.

Against the identified challenges, **recommendations** are drawn in Part 5. They point to: a) the opportunity, where the legal power and the administrative competences of the public authority allow, of promoting youth entrepreneurship as part of a more comprehensive ‘youth package’; b) the importance of building up an ecosystem of actors and, possibly, an ecosystem’s governance for coordination and interaction purposes; c) the necessity of having direct contacts or links with the target groups, as part of a well-defined reach out strategy; d) the possibility of mastering available instruments and programmes at the national and/or EU level by means of a strategy for actively seeking competitive funding opportunities, and of monitoring and evaluation exercises; e) the pertinence of upgrading the education systems with the inclusion of entrepreneurship teaching; f) the suitability of verifying the awareness, motivation and engagement level of teachers; g) the importance of building structural relationships with local financial actors to make new capitals available; h) the appropriateness of fostering synergies between funds to leverage their effect in quantitative terms; and i) the possibility of identifying and making use of soft (i.e. entrepreneurial know-how) and hard (i.e. entrepreneurial spaces) assets to the benefit of young entrepreneurs.

Finally, there is evidence that youth entrepreneurship has been pursued by LRAs for a long time. Some of the initiatives started ten or more years ago and are still implemented as consolidated practices. In some cases, they started as a pilot at the territorial level and were later rolled out at the national level. Hence, there is a relevant experience on which other LRAs may build. Also, measures are mostly applied in combination and with the involvement of various stakeholders, concurrently contributing to several of the aspects fostering youth

entrepreneurship. The way partnerships are comprehensive, interactive and engaged is of key importance to the successful achievement of results.



# Part 1: Introduction

## 1.1 Objectives and policy context

The scope of this study is to provide the European Committee of the Regions (CoR) with background information and analysis on how youth entrepreneurship is promoted and boosted by local and regional authorities (LRAs). EU initiatives (e.g. Youth Guarantee), programmes (e.g. Erasmus) and funding instruments (e.g. ESF) aimed at promoting the employability and employment of young people are also part of the scope of this research work as far as they are delivered through territorial authorities for the promotion and boosting of youth entrepreneurship.

The ‘sense of initiative and entrepreneurship’ is one of the eight key competences of the European Reference Framework on Key Competences for Lifelong Learning defined in 2006 by the European Parliament (EP) and the Council. It is referred to as “*an individual's ability to turn ideas into action. It includes creativity, innovation and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives*” (EC, 2006). The entrepreneurship concept implies the creation of new business either in terms of self-employment or of start-up companies. This means that youth entrepreneurship is persistently on the agenda of policymakers because of its potential for creating innovation, combating unemployment, preventing social exclusion, and therefore contributing to economic growth and territorial cohesion.

Since the beginning of the eighties, the policy debate on youth entrepreneurship has outlined the role of public authorities and the importance of financing, training and tutoring measures. The OECD Local Employment Initiatives Programme established in 1982 (OECD, 2001) aimed at demonstrating that “*a popularisation and democratisation of entrepreneurship is taking place: women, the unemployed and the disadvantaged can succeed in the entrepreneurial saga if they are supported by appropriate policies. Obviously the young, and the more so those who are disadvantaged, do not have access to start-up capital and traditional banking cannot rise to the challenge. Equally obviously, although the “University of Entrepreneurship” does not and never will exist, training is a must. But the key is that one becomes an entrepreneur not by birth but by experience, so that the young entrepreneur also needs to be “tutored” by an enterprise which possesses that experience. This has to be contracted for and therefor paid for. In all these matters – money, training and experience –, public policy can play an important role*” (OECD, 2001).

In 2008, attention to youth entrepreneurship was given by the Commission in the Small Business Act for Europe (SBA) that highlighted for the first time the political will at the EU level to focus on the ‘think small first’ concept. Within the first of the ten principles outlined in the SBA (“*Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded*”), Member States (MS) were invited to “*care for future entrepreneurs better, in particular by fostering entrepreneurial interest and talent, particularly among young people and women, and by simplifying the conditions for business transfers*” (EC, 2008). Recent indications on how to support SMEs policy through Structural Funds have shifted the focus on the application of the SBA at the territorial level where crucial is the creation of an environment for entrepreneurship “*in which [...] young’s people interest in self-employment is awakened. Many regions focus their activities on this area and have put promoting entrepreneurship at the centre of their strategy*” (EC-DG GROW, 2016).

Within the ‘EU youth strategy’ (EUYS), adopted in 2009 and covering the period 2010-2018, youth entrepreneurship is considered, together with employment, as one of the main eight fields of action (CONS, 2009). The strategy sets the framework for European cooperation in the field of youth and is articulated around the main objectives of providing young people with opportunities in education and in the labour market, and of encouraging their active participation in society. At its interim evaluation, the EUYS was found to have some influence on youth entrepreneurship and on measures addressing NEETs (EC-DG EDUC, 2016). When national actors (i.e. policy-makers, practitioners, and other stakeholders dealing with youth issues) were asked within this evaluation exercise which policy areas should be prioritised in the future, they put employment and entrepreneurship at the top of the areas of interest. However, young people who were interviewed scored this area second after education and training (EC-DG EDUC, 2016).

In the framework of Europe 2020 and of the European Employment Strategy, other policy priorities for the reduction of youth unemployment – cross-cutting different domains such as employment, education and culture – were put forward in 2010 with the ‘Youth on the Move’ flagship initiative. It is further to this initiative that the EU Youth Guarantee was formally set up in 2013 as part of the 2012 Youth Employment Package. The Youth Guarantee has turned out to be an important structural intervention to fight unemployment of young people aged below 25 and LRAs have been involved in its preparatory action since the very beginning (Box 1).

### **Box 1. The Preparatory action ‘Youth Guarantee’**

The preparatory action was meant to help the activation of the Youth Guarantee, with an emphasis on the establishment of the necessary partnerships for the delivery of the guarantee schemes. A [call for proposals](#) on ‘Supporting partnerships for activation measures targeting young people through projects in the context of Youth Guarantee schemes at national, regional or local level’ was launched in late 2012 and made available an overall budget of EUR 3.6 million with a maximum EU co-financing rate of 95%. A total of 17 projects were funded under the call, out of which 11 were proposed by LRAs. Preparation for self-employment and sometimes for the set-up of new enterprises was directly targeted by some of these eleven projects, namely those from the *Dirección General de Juventud y Voluntariado de la Xunta de Galicia*, Spain; the *Institut Valencià de la Joventut, Generalitat Jove*, Spain; the *Regione Veneto*, Italy; the *Alba County*, Romania; and the *Pembrokeshire County Council*, the UK.

*Source:* EC-DG EMPLOY (2014)

If the Youth Guarantee focuses on providing quality follow-up to individuals within four months of leaving school or becoming unemployed, the Youth Employment Initiative, also agreed upon in 2013, focuses on NEETs living in regions with high unemployment (higher than 25% in 2012). Both initiatives may represent a vehicle for the support of youth entrepreneurship at the territorial level. Their achievements since 2013 have been highlighted in a European Commission (EC) Communication published in October 2016 (COM(2016) 646 final) (EC, 2016a). On December 2016, the Commission took stock of these and other efforts undertaken to support European youth in the Communication on ‘Investing in Europe’s Youth’ (COM(2016) 940 final). The Communication still outlines employment, education (together with training) and participation as the three core areas of action and proposes the strengthening of some existing interventions (e.g. the Youth Employment Initiative) as well as the set-up of new ones (e.g. European Solidarity Corps, ErasmusPro) (EC, 2016b).

Among other EU initiatives which financially support youth entrepreneurship at the territorial level are programmes for educational purposes such as Erasmus+ and [Erasmus for Young Entrepreneurs](#)); Creative Europe, for talent support; the European Investment Bank (EIB) ‘[Investing for Youth](#)’ programme, for financing purposes (Box 2); and the Employment and Social Innovation (EaSI) programme, for micro-financing opportunities. Among the Structural Funds, those most commonly used to support youth entrepreneurship are the European Social Fund (ESF), the European Regional Development Fund (ERDF), and the European Agricultural Fund for Rural Development (EAFRD).

## **Box 2. The 'Skills and Jobs – Investing for Youth' programme of the European Investment Bank**

The programme is meant to complement the Youth Employment Initiative and other schemes at the national and regional level. Support is given towards two main targets: 1) 'Jobs for Youth' for boosting youth employment by improving SMEs' access to finance; and 2) 'Investing in Skills' for improving the employability of youth by supporting education and training activities and facilities as well as by directly providing students with loans. The programme is for both private and public entities. Geographically, it covers the EU28 with a focus on those regions with youth unemployment above 25% (as at 2012). In 2015, EUR 14 billion were signed in loans, 86% of which for 'Jobs and Youth' and the rest for 'Investing in Skills'.

Source: EIB programme [webpage](#)

Section 1.2 provides the analytical review of latest available statistics at the regional level on youth unemployment and on other aspects which are relevant with a view to support entrepreneurship of the youth. These other aspects relate to the extent of long-term unemployment; young people not in employment, education or training (NEETs); and early school leavers. Section 1.3 focuses on presenting those domains which may influence the entrepreneurship choice (i.e. availability of financial capital, education attainment level, and attitude), while Section 1.4 reports on the levels of self-employment by the youth.

## **1.2 Background conditions: unemployed youth, NEETs, and early school leavers**

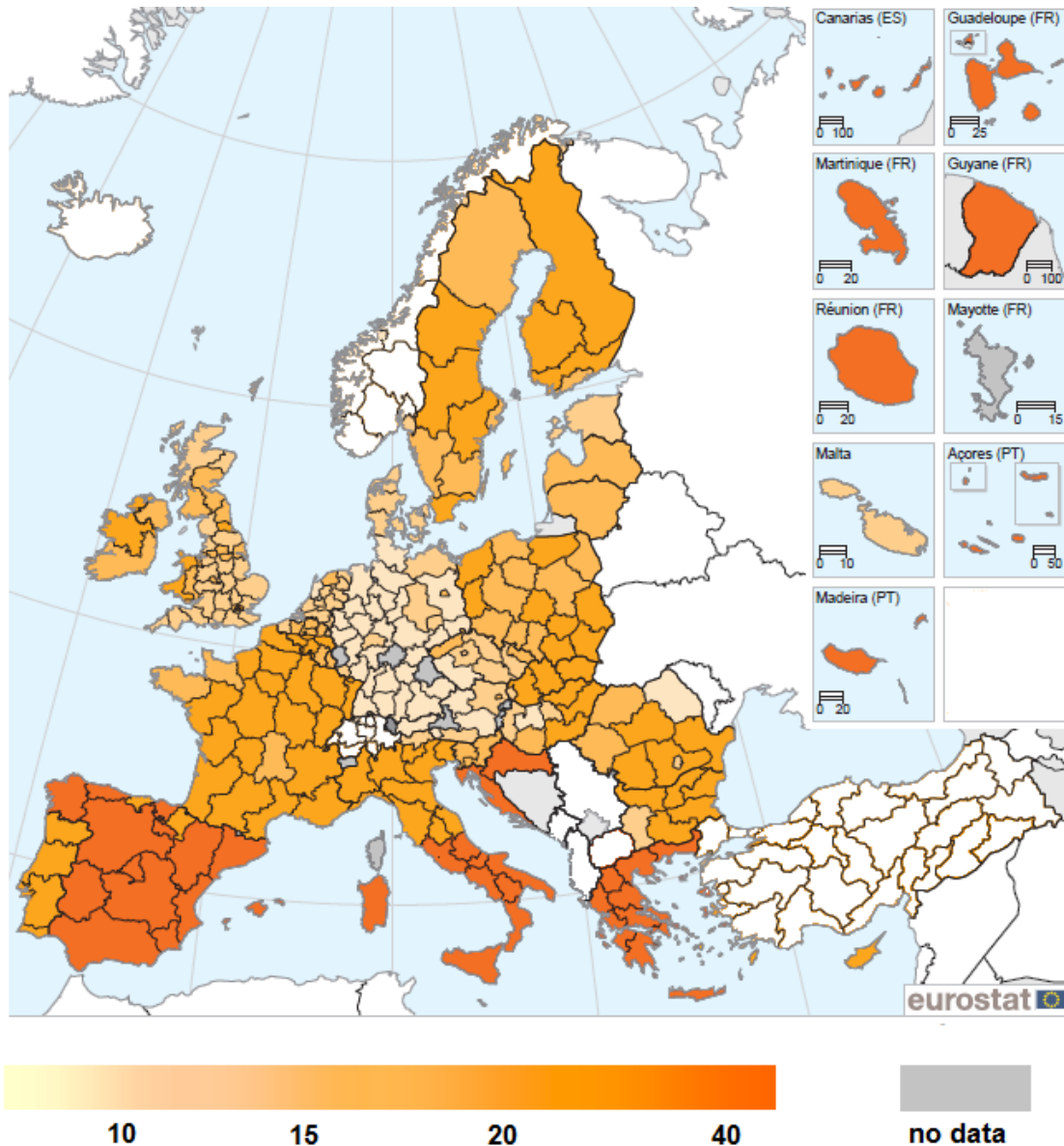
### **1.2.1 Youth unemployment**

Most recent Eurostat statistics for **youth unemployment** refer to 2015. In that year, the EU had more than 4.6 million young (i.e. from 15 to 24 years) people who were unemployed. Map 1 shows the youth unemployment rate at the regional level (NUTS2).

The rate expresses the unemployed persons aged 15-24 as a percentage of the economically active population. With an average EU youth unemployment rate of 20.4%, **regions showing the worst situation** belong to **Spain** (with a national average of 48.3% and peaks of 79.2% and 72.0% in the *Ciudad Autónoma de Ceuta* and the *Ciudad Autónoma de Melilla*, respectively), **Italy** (with a national average of 40.3% and peaks of 65.1% and 56.4% in *Calabria* and *Sardegna*, respectively), **Greece** (with a national average of 49.8% and peaks of 60.3% and 58.6% in *Thessalia* and *Ipeiros*, respectively), and **Croatia** (with regional averages of 44.7% and 42.2% in *Jadranska Hrvatska* and

*Kontinentalna Hrvatska*, respectively). Overseas territories of France also have a high average rate of unemployment (51.3%). **The best situation is found in the continental area**, in Germany and Austria in particular. The three lowest rates across the EU are found in the German regions of *Oberbayern* (3.4%), *Bayern* (4.2%) and *Freiburg* (4.7%) (Map 1).

**Map 1 Youth unemployment rate (%), NUTS2 level, 2015**

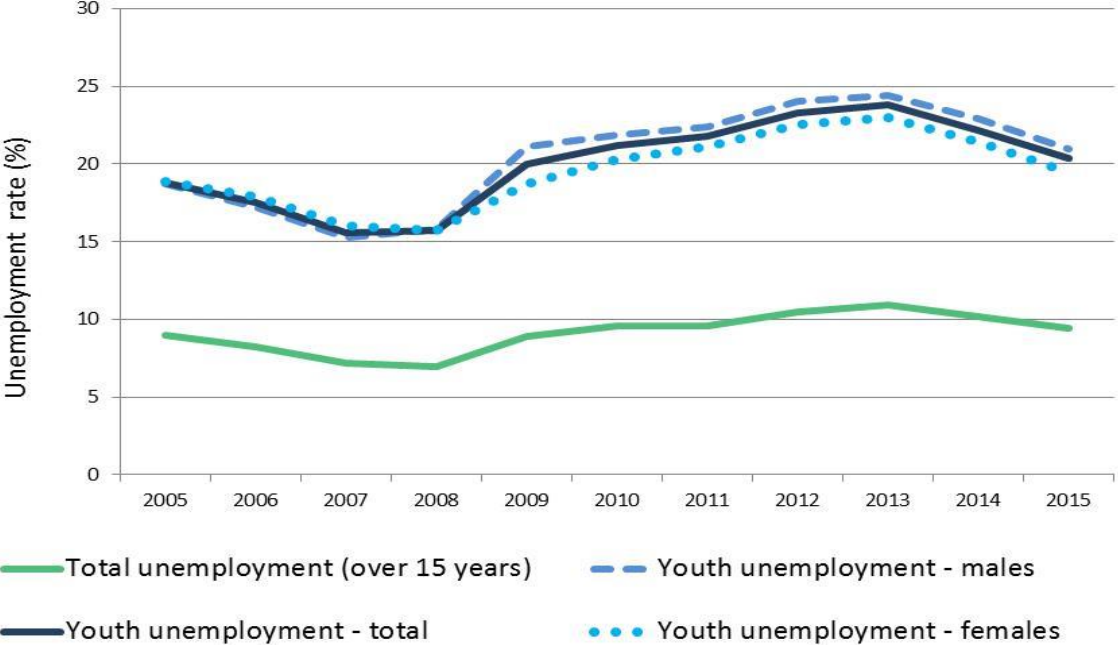


Source: the map is from the Eurostat Statistical Atlas online but modified by the Contractor. The map is based on data included in the Regional Yearbook 2016 and referring to the year 2015.

If across Europe women are still slightly more affected by unemployment than men (9.5% versus 9.3% in 2015, EU average), young females are on average less affected by unemployment than young males. In 2015, the unemployment rate for young females in the EU28 was 19.5% (corresponding to some 2 million

people), while the rate for young males was 21% (corresponding to approximately 2.6 million people)<sup>1</sup> (Chart 1).

**Chart 1 EU unemployment rates, 2005-2015**



Notes: elaborated by the Contractor; data are sourced from Eurostat database, code [lfst\_r\_lfu3rt], accessed on Feb 2107.

This **gender gap in the unemployment of youth** occurred from 2008 onwards. The gap is more significant in some countries than in others. In particular, Finland, Greece and Ireland show over five percentage points of difference between the average national rates of males and females. While in Ireland and Finland the unemployment rate is higher for males (23.6% versus 17.6% in Ireland, and 25.4% versus 19.7% in Finland), in Greece the unemployment of young females is much worse (55.0%) than that of young males (45.2%).

At the regional level, differences are even more significant. Provided that for some regions this gender information is not available, the ten NUTS2 showing the highest gender difference belong for the most part to Mediterranean countries (i.e. Greece, Italy and Spain), especially when unemployment affects more young females than males (Table 1).

<sup>1</sup> Eurostat database, code [lfst\_r\_lfu3pers], accessed on Feb 2107.

**Table 1 Regions showing the highest gender gaps in youth unemployment**

<b>Males higher than females</b>	M (%)	F (%)	Gap (pp)	<b>Females higher than males</b>	M (%)	F (%)	Gap (pp)
<i>Cantabria (ES)</i>	49.9	27.9	<b>22.0</b>	<i>Ciudad Autónoma de Melilla (ES)</i>	62.3	90.7	<b>28.4</b>
<i>Prov. Hainaut (BE)</i>	42.1	30.1	<b>12.0</b>	<i>Dytiki Ellada (EL)</i>	43.4	67.3	<b>23.9</b>
Northern Ireland (UK)	24.8	14.0	<b>10.8</b>	<i>Sterea Ellada (EL)</i>	45.0	67.9	<b>22.9</b>
<i>Illes Balears (ES)</i>	46.7	37.0	<b>9.7</b>	<i>Basilicata (IT)</i>	42.0	57.7	<b>15.7</b>
<i>Dytiki Makedonia (EL)</i>	53.2	44.5	<b>8.7</b>	<i>Abruzzo (IT)</i>	43.0	58.6	<b>15.6</b>

Notes: elaborated by the Contractor; pp = percentage points; data are sourced from Eurostat database, code [lfst\_r\_lfu3rt], accessed on Feb 2017.

From 2013 onwards, the unemployment situation of young people has been improving at a faster rate than that of the total economically active population (Chart 1). Important improvements over the period 2013-2015 are noted in most of the regions of Spain (with a few exceptions) and Greece. However, this average improvement at the EU level is not confirmed in terms of youth long-term unemployment and NEETs.

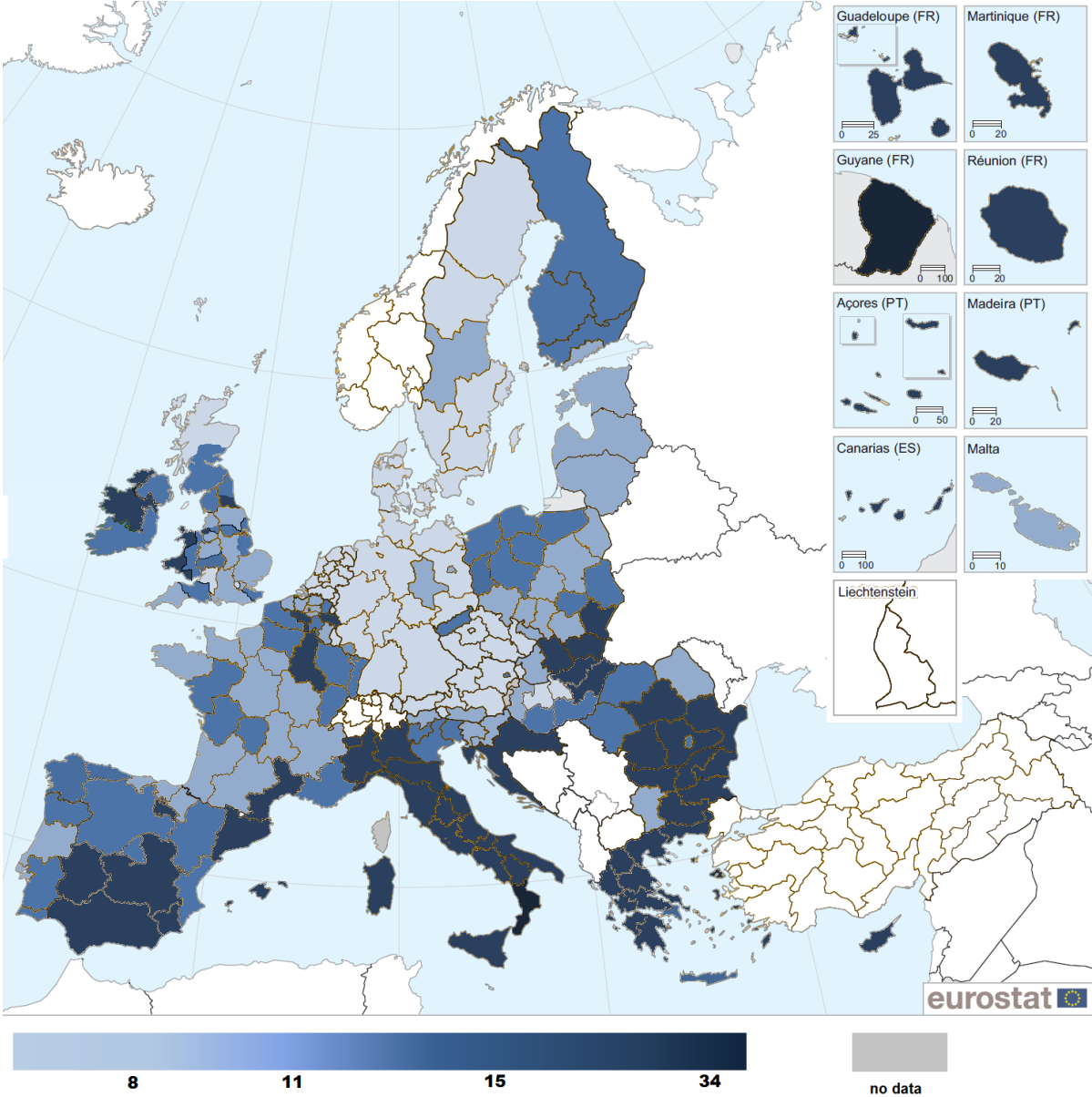
The **youth long-term unemployment** rate indicates the percentage of youth (aged 15-24) who have been unemployed for one year or more. This indicator is only available at the country level. The average EU28 share was 3.5% in 2008 and 6.5% in 2015. In most of the EU Member States (MS) this rate increased since 2008. Exceptions include Czech Republic, Germany, Hungary, and Romania. In some MS, the increase was dramatic (e.g. + 20 percentage points in Greece, +15 percentage points both in Italy and Spain, and + 13 percentage points in Croatia). Long-term unemployment is believed to severely affect the youth, with negative consequences on well-being and quality of life. Furthermore, it undermines their trust in institutions and negatively affects their future perspectives of employment, increasing the risks of social exclusion (Bertelsmann Stiftung, 2016).

### **1.2.2 Young people not in employment, education or training (NEETs)**

The **NEET rate** is an indicator of inactivity and is given by the NEETs aged 15-24 over the total population aged 15-24. Its rise is driven either by the increase in the share of unemployed youth which is not compensated by an increased participation in education and/or by the increase in the share of inactive young individuals (Bertelsmann Stiftung, 2016). At the EU level, in 2015, it was still higher (12%) than the pre-recession level (11% in 2007). Improvement in the NEET rate over the period 2007-2015 is noted only in Germany, Latvia, Malta, Sweden and the UK.

The NEET rate ranges widely across the EU. Rates are usually higher in southern and eastern regions of the EU (Map 2). In addition, in some countries the situation is not so diverse within national boundaries (e.g. Denmark, Germany, Greece, and Italy), in other countries regional differences are evident (e.g. France, Romania, Spain, UK). The lowest NEET rates are found on a south-north axis starting in the continental Europe, from Austria and Czech Republic up to Sweden and passing through Germany and Denmark. The highest rates are found on a west-east axis crossing the south of Europe, from Spain to Greece, Bulgaria and Romania, passing from Italy and Croatia.

**Map 2 NEET rate, NUTS2, 2015**



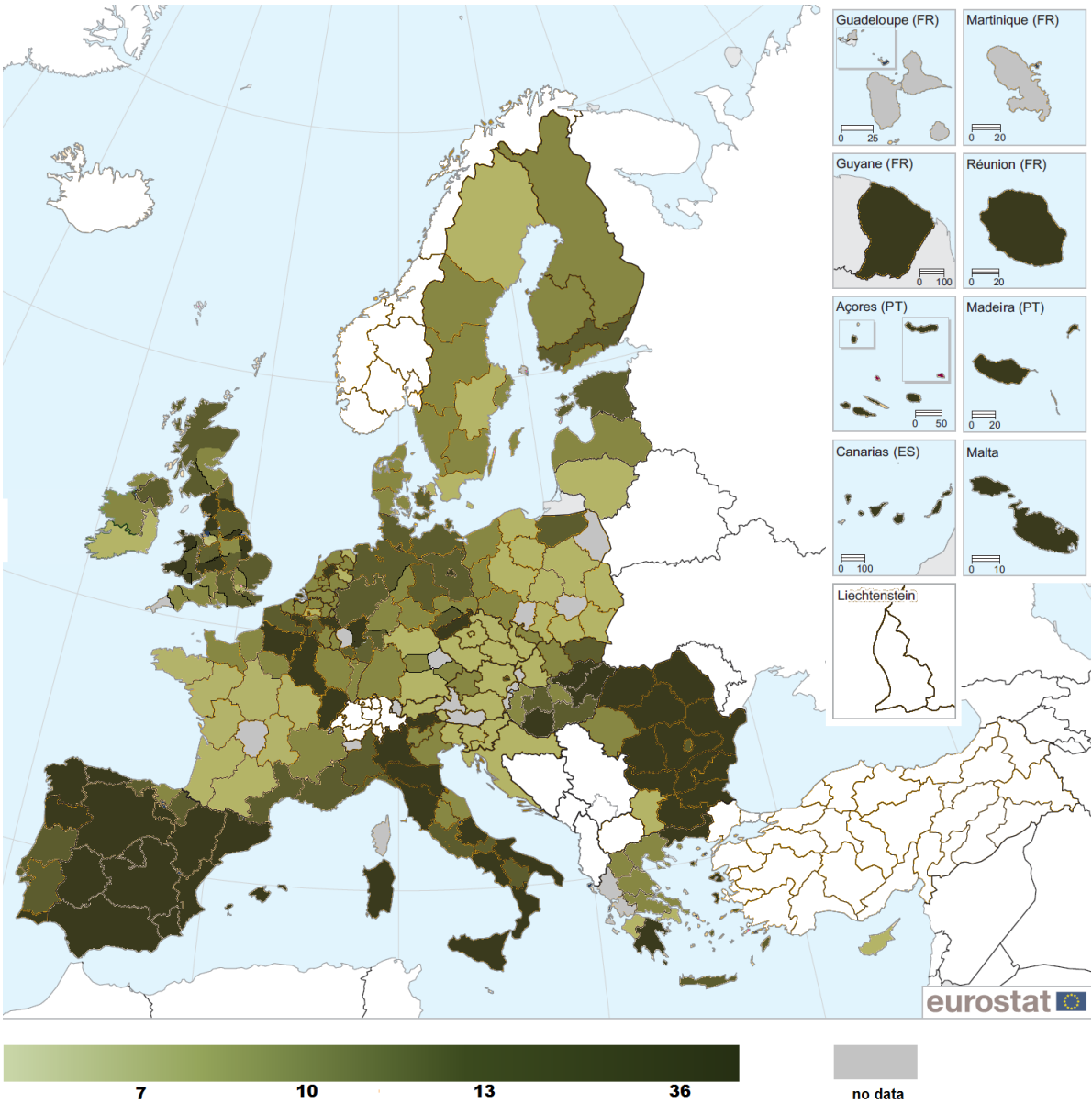
Notes: elaborated by the Contractor; data are sourced from Eurostat database online, code [edat\_lfse\_22], accessed on Feb 2017.



### 1.2.3 Early school leavers

Early school leavers are those aged 18-24 years who at most have lower secondary education and who are not involved in further education or training. The indicator is expressed as a percentage against the total population of youth aged 18-24. Early school leavers at the EU level are diminishing. They were 14.9% in 2007, and 11.0% in 2015. In 2015, the share of male school leavers was higher (12.5%) than the share of females (9.5%). The rate is variable both across countries and within countries (Map 3).

**Map 3** Early school leavers, NUTS2, 2015



Notes: elaborated by the Contractor; data are sourced from Eurostat database online, code [edat\_lfse\_16], accessed on Feb 2017.

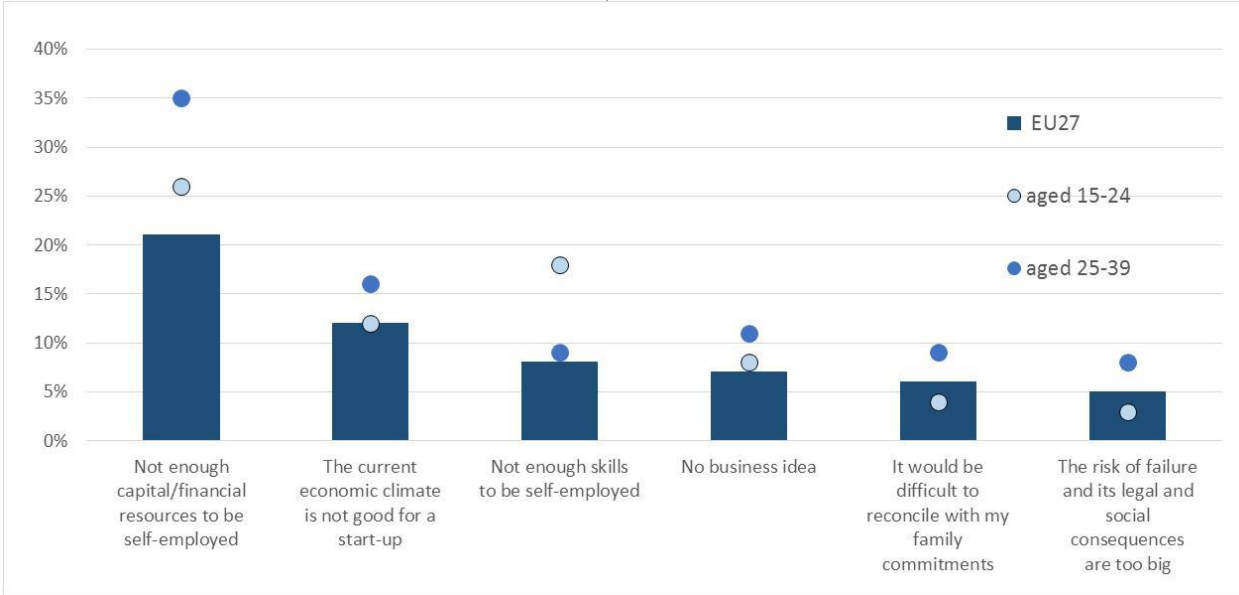
The highest shares of school leavers are found almost in the same west-east axis mentioned above for the NEET rate and cross-cutting the south of Europe. But differently from the NEET, regions in continental and northern Europe are also characterised by high rates of school leavers.

### 1.3 Overview of other domains influencing the entrepreneurship choice: financial capital, education, and attitude

#### 1.3.1 The financial capital for the youth

A research conducted in 27 MS in 2012 identified the lack of finance as the most relevant barrier to self-employment (EC, 2013). The results of the research are shown in Chart 2. Not enough finance is a barrier for 26% of the people aged 15-24 and for 35% of the people aged 25-39. The EU average is about 21%. Lack of skills is the second obstacle for people aged 15-24 (but not for those aged 25-39), with a share of 18% versus 8% of the EU27 average. As evidenced in the chart, both family-work reconciliation and the risk of failure are the less reported reasons for not getting involved in self-employment.

**Chart 2 Reasons for which it is not feasible to be self-employed within the next 5 years, EU27, 2012**



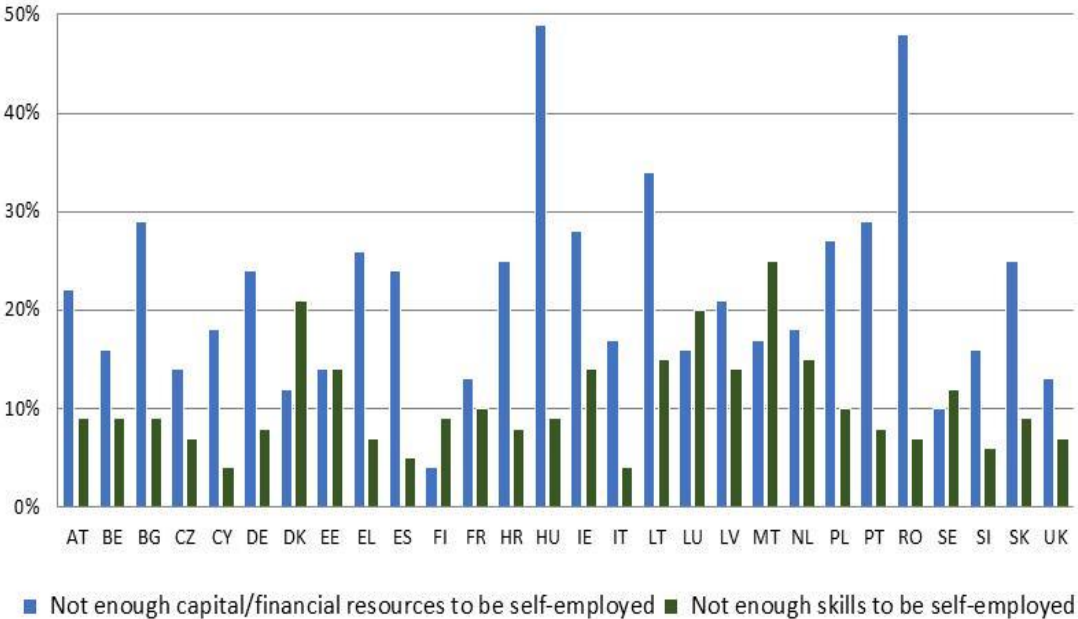
Notes: elaborated by the Contractor; data are sourced from EC (2013).

Looking at the data at country level (Chart 3), in only five Member States is the lack of skills more relevant than the lack of finance (EC, 2013). These countries include Denmark (21% for skills versus 12% for finance), Finland (9% vs. 4%), Luxemburg (20% vs. 16%), Malta (25% vs. 17%), and Sweden (12% vs. 10%). Instead, the problem of capital is very much reported in Hungary (49%) and

Romania (48%), followed at a distance by Lithuania (34%), Portugal (29%), Bulgaria (29%) and Ireland (28%).

Investment in early stage represents the main source of risk capital available for business creation in general and for young entrepreneurship in particular. The **total European early stage investment market** is estimated to be worth **EUR 8.6 billion** including the financial sources of business angels (BA) (71% according to the data of the European Business Angels Network - EBAN)<sup>2</sup>, of venture capital in early stage (24% according to Invest Europe) and of equity crowdfunding (5% according to EC, 2015a).

**Chart 3 Lack of capital and lack of skills to be self-employed, by country, 2012**

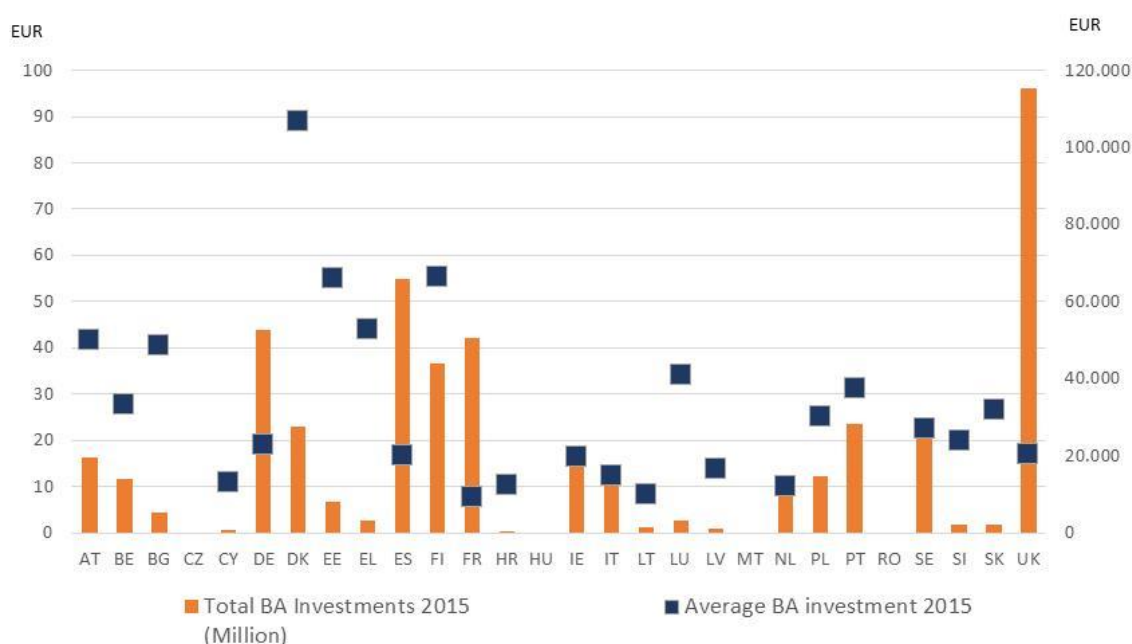


Notes: elaborated by the Contractor; data are sourced from EC (2013).

Focusing on business angels’ investments (Chart 4), most active countries in 2015 are the UK (EUR 96 million), Spain (EUR 55 million) and Germany (EUR 44 million) while Cyprus, Croatia and Latvia registered less than EUR 1 million investment each.

<sup>2</sup> Assessment of the extent of the business angels’ investment market is complex due to the fact that in some countries information on deals out of the official ‘visible market’ (BANs, Federations) is not made publicly available.

**Chart 4 Business angels' investment, EU28, by country, 2015**



Notes: elaborated by the Contractor; data are sourced from EBAN (2016).

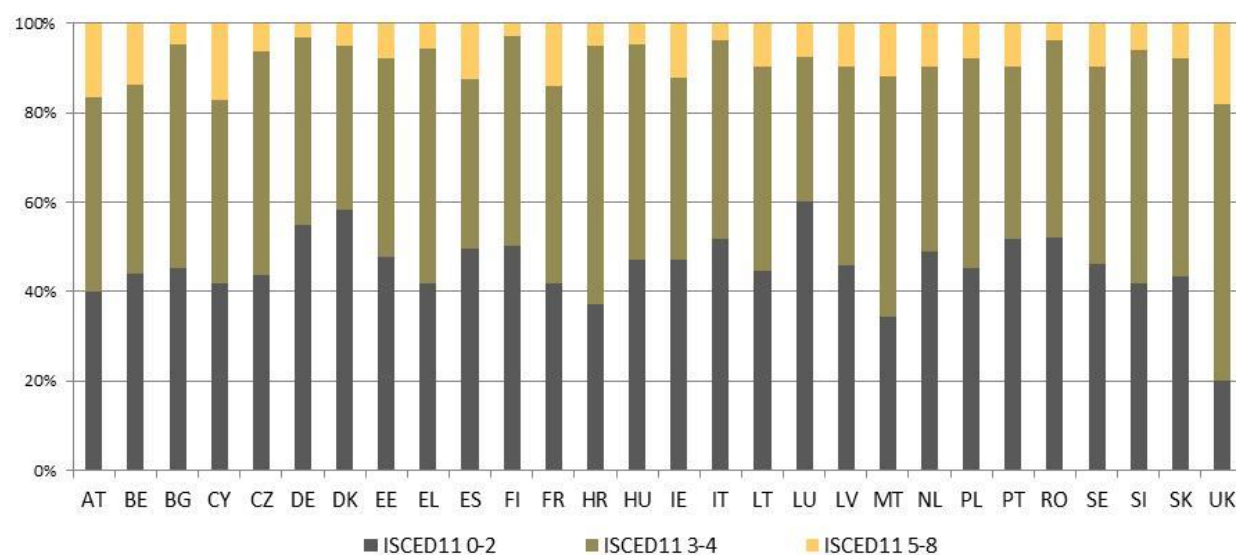
Heterogeneity among MS is evident also in the average value of the business angels' investment as it ranges from less than EUR 10,000 in France to more than EUR 100,000 in Denmark. Additionally, there is no relationship between the size of average BA investment and the size of total BA investment. In 2015, extreme examples are given by the UK, with the highest overall BA investment allocation of EUR 96 million and an average BA investment of EUR 20 000; and by Denmark, with the highest average BA investment of about EUR 90 000 and a total BA investment allocation of less than EUR 30 million.

### 1.3.2 Youth education attainment level

The education attainment profile of youth at the country level provides an idea of the qualification of the potential new entrepreneurs. The education attainment level of young people aged 15-24 is visualised in Chart 5. It is given as the share of those having attained an education level with respect to the total population of the corresponding age class (15-24). The three education levels considered are 'Less than primary, primary and lower secondary education', which corresponds to levels 0, 1 and 2 of the ISCED 2011; 'Upper secondary and post-secondary non-tertiary education' level, which corresponds to ISCED 2011 levels 3 and 4; and 'Tertiary education' level, which corresponds to ISCED 2011 levels 5, 6, 7 and 8<sup>3</sup>.

<sup>3</sup> More details are available at the corresponding [Eurostat metadata](#) page.

**Chart 5 Education attainment profile of youth, by country, 2015**



Notes: elaborated by the Contractor; EU average: ISCED11 0-2 = 44.7%; ISCED11 3-4 = 46%; ISCED11 5-8 = 9.3%. Data are sourced from Eurostat database, code [yth\_demo\_040], accessed on Mar 2107.

The data analysis reveals that those countries having the largest share of youth with up to lower secondary education (ISCED11 0-2) also have rather small shares (i.e. below 5%) of the most qualified youth (ISCED11 5-8). This applies for example to Denmark, Finland, Germany, Italy and Romania. Exceptions are Portugal and Luxembourg. In Portugal, for example, some 51.7% of the youth have ISCED11 0-2 level, 38.5% ISCED11 3-4, and 9.8% ISCED11 5-8. The UK has the largest class of ISCED11 5-8 qualified youth (18.2%, against an EU average of 9.3%). It is followed by Cyprus (17.3%) and Austria (16.4%). Across the EU28, the UK has also the largest class (61.7%) of youth with intermediate level education (ISCED11 3-4) and the smallest share of ISCED11 0-2 level (20.1%).

### 1.3.3 The attitude of youth towards self-employment

In terms of attitude, the Youth Monitor reports a decreasing trend in the share of young people wishing to set up their own business. At the EU level, the percentage dropped on average from 43% in 2011 to 17% in 2014. The latter figure is from the Flash Eurobarometer survey of the European Parliament, conducted in 2014<sup>4</sup>. The survey highlights also the following aspects (EP, 2014):

- 79% of the individuals interviewed had never heard about the Youth Guarantee and only 4% knew exactly what it was about. The Finnish and Swedish are the most informed about the Youth Guarantee. In France and

<sup>4</sup> The survey reached 13,437 individuals aged 16-30 across the EU.

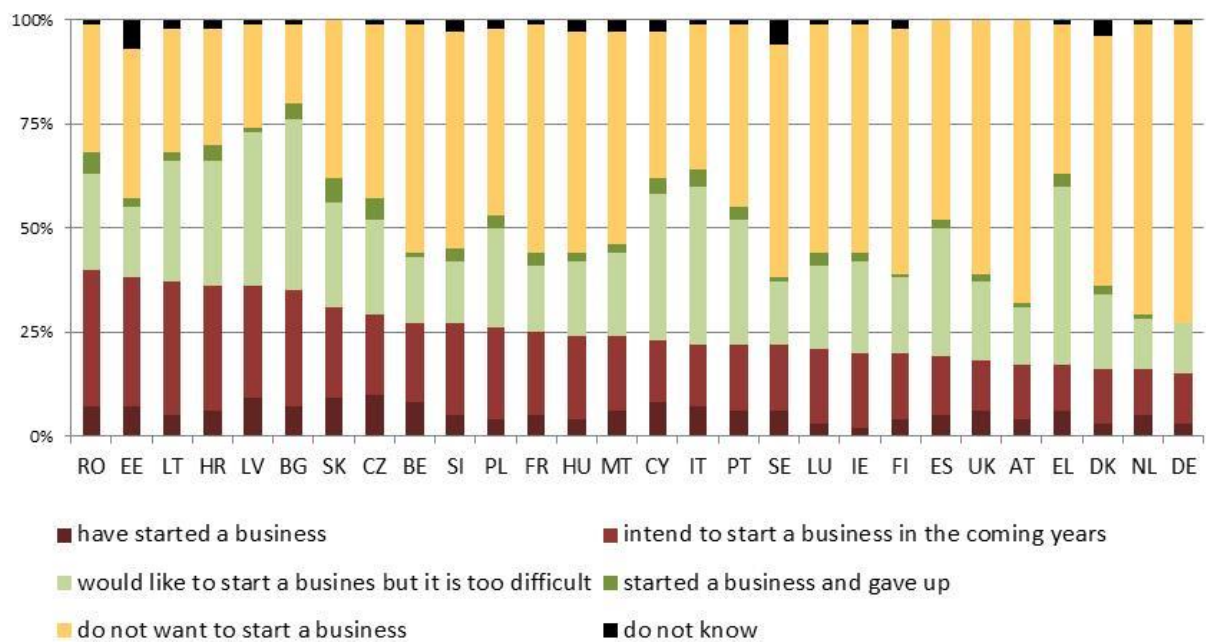
Hungary, almost 90% of the interviewees responded that they knew nothing about this instrument.

- 52% of the interviewees do not wish to start their own business. Only 5% actually started a business. Some 17%, on average, are planning to start their own business in the near future while 22% would like to start a business but they think it is too difficult. Replies on this specific point are represented in Chart 6, by country.

By combining those who started a business with those who intend to do so, the highest levels of ‘readiness’ for entrepreneurship are found in Romania, Estonia, Lithuania, Croatia, Latvia, and Bulgaria.

On average, at the EU28 level, differences by gender indicate that males are more oriented to self-employment than females. In particular, 7% of males started a business against a 4% for females; 20% of males intend to start a business against a 14% for females; and 48% of males do not want to start a business against a 57% for females.

**Chart 6 Attitude towards self-employment by the youth, by country**



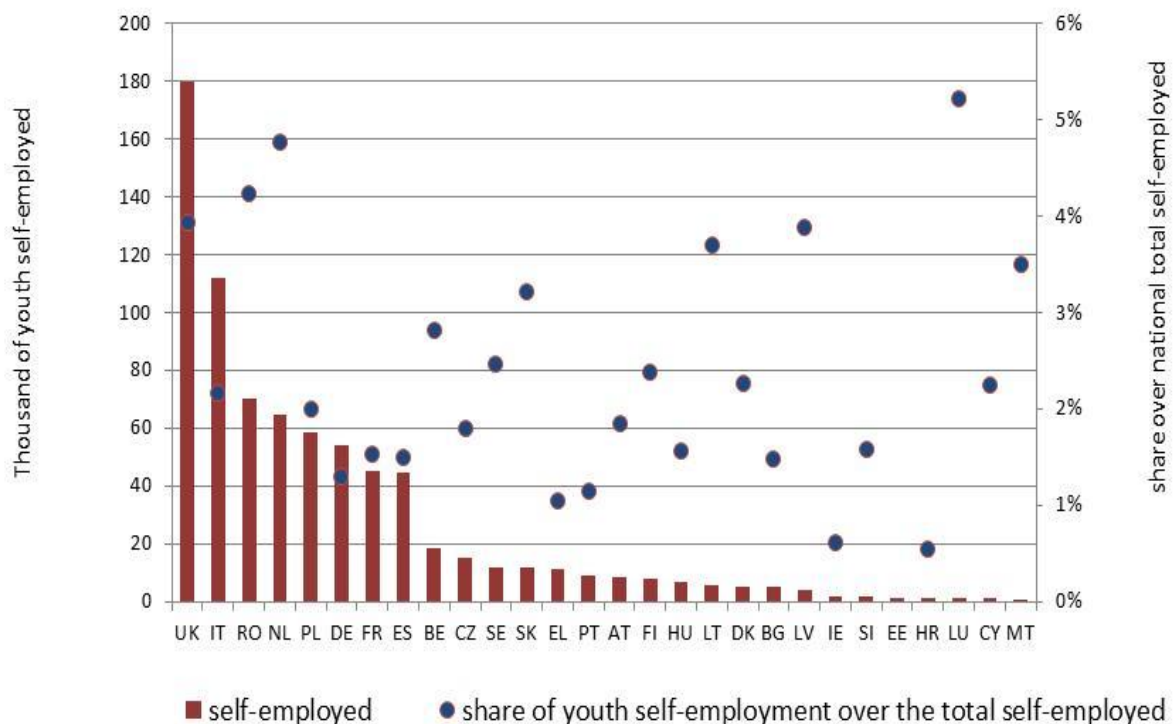
Notes: elaborated by the Contractor; data are sourced from EP (2014). Countries are ordered on the basis of the sum of the replies to ‘has started a business’ and ‘plans to start a business in the coming years’.

## 1.4 Self-employment by the youth in Europe

Self-employment and business creation rates are usually considered as proxy indicators for the measurement of entrepreneurship (EC, 2015b). Existing data on youth self-employment highlight three aspects. First, data on readiness are not fully consistent with the data on the actual state of youth self-employment. For example, ‘readiness’ in the UK is rather low according to the Flash Eurobarometer survey (Chart 6), but the UK has the highest number of self-employed youth across the EU (Chart 7). Second, the self-employment rate for young people in the EU is, overall, particularly low. Third, the majority of the MS show a negative trend over the last decade (2006-2015) in terms of youth self-employment. On average, in the EU, the level of self-employment by youth decreased by 16% over the period 2006-2015.

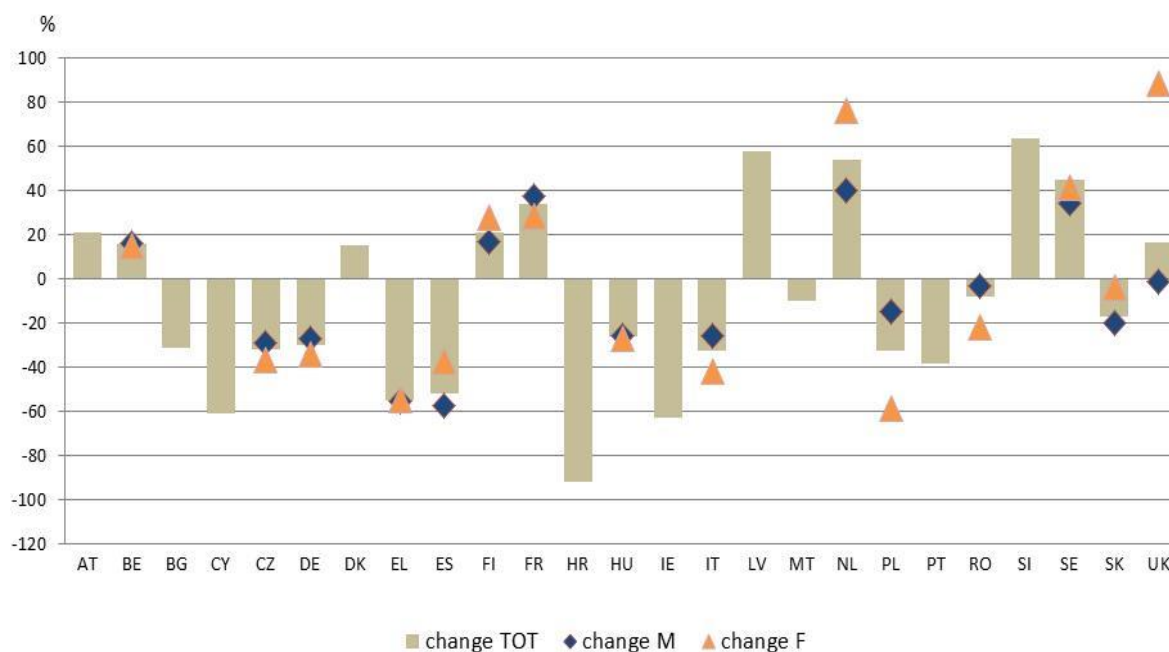
In 2015, in the EU28 there were 759,900 self-employed persons aged 15-24, representing 0.3% of the total employed and 2.3% of the total self-employed. Out of these self-employed young people, only 33.6% are women, a circumstance which in a certain way confirms the results on attitude reported in the previous section. At the country level, youth self-employed ranges from a minimum of 0.6% of the total national self-employed in Ireland and Croatia, to a maximum of 5.2 in Luxembourg and 4.8% in the Netherlands (Chart 7).

**Chart 7 Youth self-employed, quantity and percentage over total national self-employed**



Notes: elaborated by the Contractor; data are sourced from Eurostat database online, code [lfsa\_esgan], accessed on Feb 2017.

**Chart 8 Youth self-employment, change 2006-2015, by country, 2015**



Notes: elaborated by the Contractor; data are sourced from Eurostat database online, code [lfsa\_esgan], accessed on 27.02.2017. Data by gender have several gaps, hence some countries only show the total change. No data for Estonia, Lithuania and Luxembourg.

As mentioned, the most relevant aspects relate to the significant drop of youth entrepreneurship in the last decade. Chart 8 reports the detail of change of self-employment levels, by country and since 2006. Positive change evidently relates to continental or northern EU countries such as Sweden, Latvia, the Netherlands and Slovenia. Also France shows a positive change. Notably, in some countries the change was driven by only one gender. In the UK, for example, males' self-employment remained stable since 2006, with the increase being determined by a constant rise in the number of self-employed females. In the Netherlands, self-employed females almost doubled, even if in 2015 they still are less than the self-employed males.

On the negative side, in Poland the overall drop is determined for the most part by the reduction of self-employed females (-59 percentage points). The same happens in Romania and, to a lesser extent, in Italy.



## Part 2: Promotion and boosting of youth entrepreneurship at the territorial level

This part focuses on the **outlining of measures implemented by, or with the significant support of, LRAs in order to promote and boost youth entrepreneurship**. These measures have been grouped according to six main categories:

- (1) Creating a supportive environment for youth entrepreneurship.
- (2) Implementing EU and/or national instruments and programmes which tackle youth entrepreneurship.
- (3) Fostering an entrepreneurial mindset, attitude and culture among youth.
- (4) Providing youth with information, training, advice, coaching and mentoring on entrepreneurial activities.
- (5) Facilitating the access of youth to credit, private capital and/or providing funding/incentives for the start-up of their entrepreneurial activities.
- (6) Providing the youth with structural support (e.g. offices, services) for the implementation of their entrepreneurial ideas.

The above categories have been identified on the basis of literature review (e.g. Eurofound, 2016; EMN, 2012) and of the evidence gathered through the compilation of an inventory of initiatives undertaken by LRAs. The inventory includes 35 initiatives from 15 Member States and is delivered as a separate Excel file. The inventory is also the source of the examples referred to and/or described into boxes throughout the study.

Three broad evidences are drawn from the compilation of the inventory exercise. First, youth entrepreneurship has been **pursued by LRAs for a long time**. Some of the initiatives started ten or more years ago and are still implemented as consolidated practices. In this sense, there is also evidence that some measures adopted as a pilot at the territorial level have later on been replicated at the national level. Second, measures are **mostly applied in combination and with the involvement of various stakeholders**, concurrently contributing to several of the aspects fostering youth entrepreneurship (e.g. coaching performed by businesses concurrently to training delivered by education institutions). Third, the **role of other actors besides LRAs** appears to be significant in tackling youth entrepreneurship through tailored initiatives started independently, also from the financial point of view (e.g. voluntary organisations, professional associations). Nevertheless, as stated by Mr Cœuré, an executive board member of the European Central Bank, **the responsibility for the ‘European unemployment disease’ is with the public sector**, at both the EU and MS level, as it is a consequence of restrictive hiring and firing laws which made the

EU perform much worse than other economies in the post-crisis period. With the high levels of youth unemployment experienced, Mr Cœuré further noted, it will not be possible to avoid a ‘lost generation’ unless governments take urgent action<sup>5</sup>. Among the governments, the local and regional ones are also to be included as the recognition of their role at the policy level in reducing youth unemployment is dated back to the beginning of this century (OECD, 2001).

## 2.1 Creating a supportive environment

The capacity to take action in the creation of framework conditions which are supportive of youth entrepreneurship directly depends on the level of power of the concerned LRA. It is not a case that initiatives in this sense were found in those countries where the sub-national level has some legislative and/or policy-making power. The examples reported in Box 3 refer to the reform of the education system in Catalonia, to make it inclusive of entrepreneurship at all (compulsory and non-compulsory) levels; the roll out of a strategy for youth entrepreneurship in Wales; and the fostering of ‘entrepreneurship ecosystems’, in a cross-border initiative led by the *Helsinki-Uusimaa* region. The case of the *Regione Toscana* (Case study (CS) 1, Part 4), is an example of legislative reform of the regional youth policy, including with regard to the promotion of youth entrepreneurship.

### Box 3. Examples of initiatives creating a supportive environment for youth entrepreneurship

**The Catalan government, Department of Education, Spain.** The ‘Catalonia, School of Entrepreneurs’ plan approved in 2011 aims to **reform the education system in order to incorporate entrepreneurship into the curriculum of all levels of education**. The following skills are expected to be gained by children and youth: initiative, innovation, risk-taking, planning, organisation goals, teamwork, networking support, and creativity. The overall scope of the initiative is to foster an entrepreneurial culture among young people. Main activities include: training of teachers, training of students, networking, summer schools, prizes, compilation of good practices, ‘bank of ideas’, and business incubators in schools. The approach of such reform is as practical as possible. **Different inputs from different stakeholders are coordinated and integrated**, including those from private institutions such as CaixaBank (financial operator) and PIMEC (employer’s organisation) which collaborate with funding and in kind.

**Welsh Assembly Government, the United Kingdom.** The ‘Youth Entrepreneurship Strategy’ (YES) is based on the vision “*to develop and nurture self-sufficient, entrepreneurial young people in all communities across Wales, who will contribute positively to economic and social success*”. It is implemented through Action Plans (2004-09 & 2010-2015), the last of which outlined three main intervention areas: **engaging** (e.g.

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<sup>5</sup> Financial Times news ‘[Eurozone at risk of ‘lost generation’](#)’ – ECB’s Cœuré’, June 17, 2016

campaigns), **empowering** (e.g. learning opportunities), and **equipping** (e.g. support services). The strategy is addressed to young people aged 5-25, is funded by the Welsh Government and **involves a wide range of local stakeholders**, from youth organisations to businesses and schools or HEIs. According to the Wales Omnibus Survey 2013 “53% of young people under 25 now have aspirations to work for themselves and be their own boss, a rise from 42% in 2004”.

**Helsinki-Uusimaa Regional Council, Finland (leading region).** The Interreg project ‘Boosting innovative Entrepreneurial Ecosystem in Regions for young entrepreneurs’ (iERR) puts together several European entrepreneurial regions (Western Pomerania, Poland; West Region Romania, Romania; Marche, Italy; North France, France; Northern Ireland, the United Kingdom; Southern Denmark, Denmark; Valencia, Spain; Brandenburg, Germany; and Kerry, Ireland). The scope of the project is to **boost regional entrepreneurship ecosystems supportive of young entrepreneurs**. This is to be achieved through learning processes based on the cross-border exchange of best practices and peer learning; the facilitation of **quadruple helix cooperation** involving universities, local and regional authorities, private sector and end-users; the efficient use of Structural Funds and/or the pooling of other resources from public/private actors; and the outline and implementation of regional action plans.

Sources: EE-HUB [good practice description](#) for the Catalonia case; Welsh Government [website](#) for YES; Interreg Europe [webpage](#) for IEER.

The Interreg iERR project is a less conventional intervention which has been highlighted because it still aims at the development of supportive environments for young entrepreneurs referred to as ‘regional entrepreneurial ecosystems’ but it does so by means of a mutual learning process across borders which is expected to lead to the identification of ‘smart paths’ and solutions applicable in the participating regions.<sup>6</sup>

## 2.2 Implementing EU and/or national instruments and programmes

There is ample evidence of the use of EU instruments to promote and boost youth entrepreneurship. The Commission, in its COM(2016) 646 confirms that the Youth Guarantee is used to support youth entrepreneurship “*in a majority of Member States, in several cases as part of distinct programmes or projects*” (EC, 2016a). Also, through the Youth Employment Initiative “*more than half of all eligible Member States support young entrepreneurs or offer job and training mobility measures. In some Member States [i.e. EUR 64.6 million in*

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<sup>6</sup> Triple and quadruple helix approaches envisage the cooperation of three or four categories of stakeholders. The triple helix refers to the interaction of public, private and university actors. By adding a fourth element, generally referred to as ‘civil society’ (or end users), the interaction is framed into a quadruple helix approach. For further details see the 2016 CoR report on ‘Using the Quadruple Helix Approach to Accelerate the Transfer of Research and Innovation Results to Regional Growth’.

Italy and EUR 23.5 million in Bulgaria] *the YEI is supporting financial instruments providing loans and guarantees to young people to become self-employed and set up their own business*” (EC, 2016a). Furthermore, EUR 2 billion has been allocated by MS for youth entrepreneurship and self-employment funding through the ESF. Additional funding for youth entrepreneurship is available through the ERDF and the EAFRD. An example from the previous programming period (2007-2013) demonstrates how a structured LEADER initiative<sup>7</sup> may provide the youth living in rural areas with sufficient support and micro funding to test their entrepreneurial ideas (Box 4).

Those LRAs not having legislative or policymaking power still take the initiative once the policy reforms are made at the central level. This is the case, for example, in Sweden. In 2009, the decision of the Swedish government to implement entrepreneurship in the education system gave local authorities the opportunity to start thinking about ways to concretely achieve this target in the schools of their communities. This is what the example from Huddinge and Stockholm demonstrates (Box 4). Finally, there is also ample evidence of the use of EU-funded projects and of EU programmes to foster youth entrepreneurship. The examples from Northern Ireland (using ERDF within the Northern Periphery Programme) and from *Vidzeme* (through the Youth in Action Programme) are interesting because related to the strengthening of rural economies.

**Box 4. Examples of initiatives implementing EU and/or national instruments and programmes which tackle youth entrepreneurship**

**Municipalities of Huddinge and Stockholm, Sweden.** ELIT – Entrepreneurial Learning and IT is an example of a **successful implementation at the local level of national policies on the inclusion of entrepreneurship in the education system**. ELIT was started as a pilot in 2011, in the municipality of Huddinge. The project focused on entrepreneurship education for students aged 6-19 and had a first phase dedicated to the education of teachers. After three years the project had an articulated curriculum with several programmes attended by tens of students. ELIT was also implemented in Stockholm, and now in both municipalities the project cooperates with several stakeholders and is funded with the municipal budget and through sponsors.

**Northern Ireland Rural Development Council, the United Kingdom.** The scope of the ‘Rural Youth Entrepreneurship’ project was to contribute to local, regional, national and transnational **rural economic development by facilitating young people to develop the skills, knowledge, confidence and capacity to initiate viable business and self-employment**. The project was implemented in Northern Ireland, Faroe Islands, Finland and Greenland and funded by the **Northern Periphery Programme**. The project has been

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<sup>7</sup> Since 2007, LEADER measures are under the operations of the EAFRD and as such represent an integral element of rural development.

followed up by the RYE CONNECT project, started in April 2015 and due to last up to April 2018. Implemented by the same partnership but led by the Kajaani University of Applied Sciences, RYE CONNECT (EUR 1.82 million of budget, out of which EUR 1.18 funded by the Northern Periphery and Arctic Programme) continues to provide support to young entrepreneurs aged 16 to 30 through an online platform, workshops, mentoring, business planning, and networking (including with potential investors and markets). The project budget is EUR 904.563 out of which EU funding (ERDF) is EUR 517.546. Co-funding for Northern Ireland was by the Department of Agriculture and Rural Development through its ‘Tackling Rural Poverty and Social Inclusion’ Programme.

**Local Action Groups in Västra Götaland, Sweden.** ‘Youth coach and micro funding’ is a **LEADER initiative** implemented by two Local Action Groups (LAGs) in the rural areas of *Västra Götaland*. LEADER is financed through the **EAFRD** and is a territory-based and bottom-up intervention. The two LAGs appointed youth coaches with the aim of increasing the number of young people applying to LEADER micro funding (up to EUR 2,500 per project) to test their ideas. The youth coaches provided support, networking and advice. As a result, over 300 different projects were led by young people. Out of these, nine became new enterprises; job opportunities were created; and 146 projects kept on running after the end of the support. All over Sweden the model youth coach plus micro-funding was very successful and was implemented over various Swedish LEADER areas.

**Vidzeme Planning Region, Latvia.** The project ‘Promoting youth entrepreneurship skills and dialogue about nature-friendly, sustainable and innovative entrepreneurship development opportunities in rural regions’ engaged 30 young people over a 9-month period of time. It was implemented in 2013 as part of the **Youth in action programme (2007-2013)** - Support for European cooperation in the youth field. The scope of the project was to enhance young people’s skills towards the start-up and development of new business in innovative, sustainable and green industrial sectors. Project activities were organised at the local level in the municipalities of *Valmiera, Gulbene, Madona, Cēsis, and Smiltene*.

*Sources:* ELIT project fact-sheet by OECD [E360 Entrepreneurship](#); RYE project fact-sheet by [KEEP](#); Scottish LEADER Conference case studies [publication](#) for the LEADER case; Erasmus+ [good practice](#) fact-sheet for the project in *Vidzeme*.

## 2.3 Fostering an entrepreneurial mindset, attitude and culture

In the identified initiatives, an important emphasis appears to be put on the creation of an entrepreneurial mindset, attitude and culture among the youth. Usually, this is targeted at the educational level (i.e. the examples from Wallonia and Andalusia, in Box 5) but in some cases the focus is on training delivered at the community level (example of the city of Porto, also in Box 5, and of the city of Lisbon, CS 2). Different instruments/tools are used towards the educational scope, from projects in schools (including the creation of mini-education enterprises) to workshops, platforms, competitions of ideas, etc. A feature which seems to be shared by the various initiatives is the inclusion of teachers in the target groups. The ‘training of trainers’ is considered important in terms of

sustainability of the initiatives but it is also necessary to make teachers change their attitude towards entrepreneurship teaching, an attitude which is reported in most of the cases to be rather negative.

### **Box 5. Examples of initiatives fostering an entrepreneurial mindset, attitude and culture among youth.**

**Walloon Agency for Economic Stimulation, Belgium.** The ‘Walloon Entrepreneurship Spirit Programme’ (2007-2013) focused on **raising awareness about entrepreneurship and then on developing entrepreneurial attitudes across Wallonia and at all educational levels** (primary, secondary and higher). The programme was implemented through five main approaches/tools: i) an awareness-raising team composed by teachers; ii) a portfolio of actions for developing entrepreneurial attitudes; iii) calls for entrepreneurial projects in schools; iv) workshops; and v) pedagogic tools. The project reached out to some 180,000 students and 4,900 teachers. An impact survey found out that the project succeeded in raising awareness as well as in creating motivation and engagement. In particular, regarding teachers, most of those participating to the project changed their attitude. Some 88% of the trained teachers acknowledged the importance of entrepreneurship versus 70.5% of the non-trained teachers.

**Câmara Municipal do Porto, Portugal.** ‘*Empreende Jovem*’ is a local platform with the objective of **promoting the entrepreneurial culture and spirit among the youth** of the city of Porto, through information, training, orientation and development of initiatives under the theme of ‘Young Entrepreneurship’. The programme is addressed to young people willing to improve their entrepreneurial skills, to reside and/or study in Porto; young people who wish to boost a business idea in the city of Porto; and young people requiring information on entrepreneurship. Among the main initiatives of the programme are: the platform, an entrepreneurship roadmap, competition of ideas, Youth Entrepreneurship Week, and an Annual Programme for training and mentoring. A similar ‘*Empreende Jovem*’ programme is implemented in the Azores.

**Andalusian Government, Spain,** through a foundation. ‘*MiniEmpresa Educativa*’ is a programme within the ‘Plan for the promotion of entrepreneurial culture’ in the Andalusian public educational system. The programme targets students of all stages of the educational systems, including those attending vocational training. The **entrepreneurial education is achieved through the creation of mini-educational enterprises**. These mini-companies have a didactic scope and their types change according to the education level of the student. In primary school, for example, the enterprise is a ‘school cooperative’. The students constitute the statutes of the mini-company, decide its name, create the logo, define a catalogue of products, carry out the business plan, seek financing, manage orders and finally put the products on sale at fairs. In 2014-2015, a total of 20,450 students from 409 schools participated in the programme, creating 818 mini-companies. In the 2015/2016 edition, participating students were 25,664 from 441 public educational institutions. The 2016/2017 is the 11th edition of the programme.

Sources: EC-DG GROW (2015) and [country fiche](#) (2015) on Belgium prepared by Technopolis Group for the Walloon project; Empreende Jovem [website](#); MiniEmpresa Educativa [website](#).

As discussed in Part 1, section 1.3, young Europeans are not very keen to become self-employed. A policy brief on youth entrepreneurship that was prepared for the partnership in the field of youth between the EC and the Council of Europe reads “*entrepreneurship (new business creation) is not for everyone*” and “*policies need to take into account the structural conditions necessary for entering entrepreneurship out of choice and not out of necessity*” (Pantea, 2014). The emphasis given by LRAs to the inclusion of entrepreneurship in formal (and non-formal) education equips young people with the capacity to consider entrepreneurship as a career choice.

## **2.4 Providing information, training, advice, coaching and mentoring**

Advising, coaching and mentoring are often provided together in the same initiative. These initiatives appear to bridge engagement activities (i.e. measures 2.3 above on mindset, attitude and culture) and provision of structural support (i.e. measures 2.6 below). A feature which is frequently tackled by the selected initiatives is the use of ‘role model’ entrepreneurs (i.e. the example from the Flanders in Box 6), underlining the importance for youth to have positive and inspiring examples, possibly from the businesses located in the communities in which they live. When coaching and mentoring are combined with training, the initiative may be based on an inclusive partnership. This is the case of the ‘Youth in Łódź’ programme implemented by the City of Łódź (CS 10) and characterised by an effective cooperation between local authorities, universities and businesses.

### **Box 6. Examples of initiatives providing youth with information, training, advice, coaching and mentoring on entrepreneurship.**

**Municipality of Bologna, Italy.** ‘Incredibol!’ is an initiative promoted by the Municipality of Bologna and co-funded by the Emilia-Romagna Region. It is meant to **support cultural and creative enterprises** managed by young people aged less than 40 years. The project relies on a network of public and private partners (established since 2010) which sustain creative young individuals or firms by means of orientation services, mentoring, coaching, training, provision of advice, financial contribution in the form of a grant (up to EUR 10,000 per applicant), provision of working spaces, and marketing activities. Support is given to start-ups as well as professionals or associations established for less than four years and located in the region. A call is published every year. In the last five editions 544 applications were received and 82 projects were selected for support.

**Flanders’ Chamber of Commerce and Industry, Belgium. Supported by the Flemish regional government.** ‘Bryo’ (Bright and Young) is a project to support pre-starter and starter initiatives of young entrepreneurs under three main programmes: Bryo StandUp, Bryo StartUp and Bryo ScaleUp. It provides: individual coaching, training, assessments,

motivation, events and access to a network of service providers including financial and commercial ones. The project has been initiated as a collaborative effort by regional actors. It relies on partnerships with business experts and also recruits entrepreneurs to act as **role models** and to share experiences. It emphasises the need to provide young entrepreneurs with tailored support and inspiring positive examples from their immediate surroundings. Since 2010, the project has supported 500 young people and produced 250 start-ups, which in turn created 600 jobs.

**Pargas Stad, Finland.** The ‘Rolling Images in Business Startups’ (RIBS) project aims at developing young people’s knowledge about **entrepreneurship in an international business context** (cross-border cooperation). The project focus is on **cultural and creative areas**. About 20 student companies will be established and accompanied by teaching/leading/coaching activities.

**West Midlands, UK.** ‘Teaching entrepreneurship for a better economy - The Student Placements for Entrepreneurs in Education West Midlands (SPEED WM)’ was aimed at filling business skills gaps faced by students and recent graduates. Various regional education institutions were brought together to provide **training, coaching and also limited financial support to develop the students’ business ideas**. In terms of impact, over 1,386 students benefited from the project’s activities; 140 new businesses were launched and nearly 500 jobs created. In fact, the project contributed with 5% to the total new jobs created under the 2007-13 ERDF OP targets for the region. Furthermore, the project inspired a follow-up, SPEEDPlus, which was managed by a partnership of universities over the period 2012-2015 and focused on the provision of support to start-ups.

*Sources:* Incredibol! project [website](#); project [website](#) and EE-HUB [good practice description](#) for BRYO; KEEP project [fact-sheet](#) for the RIBS project; DG REGIO project [fact-sheet](#) for SPEED WM project.

Although less frequent, LRAs’ initiatives may focus on the activation of business incubators. These initiatives are usually framed in a comprehensive package of support which is also inclusive of training and other soft activities. This is the case, for example, of the ‘Iganz’ project aimed at strengthening the innovation and entrepreneurship capacity of North Jutland, in line with the region's development strategy, through the establishment of an incubator (CS 3). In the ‘Youth entrepreneurship scheme’ initiated in *Zasavska*, Slovenia, project’s activities are concentrated in an existing incubator (CS 4).

## **2.5 Facilitating access to credit, private capital and/or providing funding/incentives**

In terms of funding, there are several one-off initiatives by LRAs which give young entrepreneurs grants for supporting their start-up phase or for the testing of their ideas. In addition, there are more durable initiatives of an exclusively financial nature (e.g. the ‘Invest Programme Young’ of *Cascais*, in Box 7) as well as more articulated initiatives such as the one of the *Regione Toscana*,



where different types of financing are framed in a wider intervention of the Region in support of the youth.

**Box 7. Examples of initiatives facilitating the access of youth to capital, credit and/or providing financial incentives for the start-up of their entrepreneurial activities**

**Cascais, Portugal.** The ‘Invest Programme Young’ is addressed to young people aged 18-30 and registered as unemployed in the IEPF (*Instituto do Emprego e Formação Profissional*). It provides financial support for investment and for self-employment. Support is given to prepare a business plan for applying to the programme. For investments: financing is up to 75% of the total investment; at least 10% shall be ensured by the applicant in equity; support is in the form of interests-free loans; and loans may be repaid in 54 months. For self-employment: financial support is in the form of non-repayable aid.

**Regione Umbria, Italy.** The ‘Ideas! New Enterprises!’ is a project providing mobility grants to potential young entrepreneurs. These grants allowed selected candidates (28 people aged less than 35 years) to spend up to six months in companies and organisations in other EU countries to gain experience in doing business in an international context. Young entrepreneurs received support in terms of mentoring and professional business advice on marketing, communications and market analysis. At the end of the project, nine new enterprises were created and remained financially sustainable.

*Sources:* Cascais Invest [website](#); DG REGIO (2014), [RegioStars Awards 2014](#) – Presentation of the finalists, for the Umbria project.

Another important means of providing one-shot financing to young entrepreneurs is through the organisation of competitions and contests with prizes for the winners. The CS 5 developed in Part 4 ‘The Ireland’s Best Young Entrepreneur’ is an example in this sense. Another type of initiative may simply facilitate access to credit. This is the situation presented through the CS 6 on ‘DreamStart’ (Belgium) where linkages between young entrepreneurs and micro finance institutions are created.

Crowdfunding is another possible source of funding. Initiatives by LRAs in this sense were found in the UK. However, they were not included in the inventory because they are not specifically addressed to youth but, rather, to business creation by any type of stakeholder.

## **2.6 Providing structural support**

Provision of office facilities and other infrastructures is less frequent among the selected initiatives as a self-standing initiative. More often, structural support is given together with soft forms of support such as training and coaching. This is the case of both the examples reported in Box 8.

**Box 8. Examples of initiatives providing the youth with structural support for the implementation of their entrepreneurial ideas.**

**Gothenburg municipality, Västra Götaland County, Sweden.** The ‘Företagsamma: Entrepreneurship for all!’ project was an initiative of the Municipality of Gothenburg to turn one of its districts into a hub for entrepreneurship. The project did not only focus on the young generation but opted for a comprehensive approach articulated around three main components: 1) entrepreneurship support, from start-ups to already established companies (to increase their survival rates or boost their growth). In this strand support was provided in terms of office space, networking, services, and nurturing through the set-up of an incubator; 2) piloting the early integration of immigrants from Syria through entrepreneurship; and 3) encouraging an entrepreneurship culture among students aged 6-16. In this strand some 10 schools and around 3,500 students were involved. During the project life-time, 1,116 new businesses were created in the area and 100 more new companies emerged as a direct result of the activities of the project.

**Municipality of Milano, Italy.** ‘FabriQ’ is a social innovation incubator. The incubator provides support for the development of start-ups in the social economy. Support includes facilities, services, co-working spaces, mentorship, networking and training. FabriQ also aims at developing an entrepreneurial culture through its work with youth and students. The project is funded by the Municipality of Milan and is managed by two associated private entities. In 2014, 50 applications were received by the project and 6 projects were selected.

Sources: DG REGIO [project fact-sheet](#) for Företagsamma; OECD (2105); FabriQ [website](#).

Other initiatives inclusive of structural support are among the case studies presented in Part 4. For example, the ‘Maison de Mode’ in Nord-Pas-de-Calais, France (CS 8) provides support to young fashion brands, also in terms of productive infrastructure. The INNOOMNIA in Finland is supportive of the creation of collaborative spaces or ‘learning communities’ (CS 7).

To conclude, there is not sufficient evidence in the collected examples of measures on youth entrepreneurship which are exclusively supportive of young immigrants or marginalised groups. In almost all cases, the target category is ‘youth’, with age being the factor determining eligibility for access. Still, age is a variable across regions, as ‘youth’ may be intended very differently from one region to another. In very few cases, a gender criterion is used to select the target group. An example in this sense is represented by the ‘TWIN’ (Two Women Win) scheme which became very popular in Germany (CS 9). Finally, the recurrent linking of the boosting of entrepreneurship with the cultural and creative sector is noted.

## Part 3: Challenges met by local and regional authorities

This part focuses on the outline of the challenges met by LRAs in the promotion and boosting of youth entrepreneurship. Challenges are referred to the measures identified and categorised under Part 2. For each **challenge (CH)**, one or more **needs** (indicated with the symbol ►) of LRAs are derived. These needs will then be discussed in Part 5 where recommendations are drawn. The outlining of the challenges is based on literature review and on the gathering of evidence through the compilation of the inventory of initiatives. Therefore, the inventory has been used for both sourcing and validating purposes.

### 3.1 Governance, interaction, framework conditions and youth drain challenging the creation of supportive environments

Creation of a supporting environment for youth entrepreneurship requires **collaboration between all the key territorial stakeholders of the ecosystem**. Given its high innovative potential, youth entrepreneurship may have a multiplier effect on the level of employment by creating additional job opportunities other than merely the self-employment of the individuals. Actualisation of such macro-economic effect is made possible only in the presence of specific framework conditions and, in particular, of an entrepreneurship-targeted objective shared by all the socio-economic stakeholders (i.e. social partners). These stakeholders include: universities, research centres, training providers (including VET); SMEs, large industries and their professional/sectorial associations; small and large players of the private financial sector; citizens (and young people themselves), associations and non-governmental organisations having youth and youth entrepreneurship as targets; and the public employment services (PES). This wide-scope youth employment objective goes beyond the individual mission of each stakeholder and requires a dynamic interaction among them. The dynamic interaction among the stakeholders of a territory is a key condition to pursue economic growth through innovation (CoR, 2016) and to build an entrepreneurial-prone environment. Universities can provide innovative business-oriented curricula but financial support is required for the start-up of new companies. Industrial associations can coach young people willing to create their own businesses but a large impact can be achieved only if the sectorial orientation is in line with the Smart Specialisation Strategy of the territory. For these reasons, the definition of a proper environment for youth entrepreneurship requires LRAs to take the role of formal or informal **coordinators** of the actors. This circumstance has been

found in many of the initiatives reviewed, in particular in those more articulated and aimed at a medium-to-long term impact.

### **CH 3.1.1 Recognising/establishing the governance/interaction structure for implementation of actions related to youth entrepreneurship**

A reference structure for all the social partners is required to create a favourable environment for youth entrepreneurship. At least three configurations of this governance/interaction structure can be envisaged: 1) social partners play their usual roles also in the domain of youth entrepreneurship; 2) social partners are charged with specific functions in the domain of youth entrepreneurship; 3) additional ad-hoc actors are introduced in the environment with specific functions in the domain of youth entrepreneurship. An example of the first configuration is the ‘Youth Entrepreneurship Strategy’ of the **Welsh Assembly Government** which by means of action plans formalises the ‘traditional roles’ of social partners for nurturing “*self-sufficient, entrepreneurial young people in all communities across Wales*” with the goal to use existing resources more effectively. Also, the project ‘Establishing a partnership to set up a Youth Guarantee scheme in **Alba County, Romania**’ ended up activating a local network of local authorities, schools, businesses, public employment institutions, and NGOs aimed at providing professional orientation and labour market integration of young people. The second configuration characterises the ‘School of Entrepreneurs’ plan of the **Catalan Government**, the Interreg project ‘Boosting innovative Entrepreneurial Ecosystem in Regions for young entrepreneurs’ of the **Helsinki-Uusimaa Regional Council**, and the ‘Youth in Łódź’ programme of the **City of Łódź** (Case study (CS) 10, Part 4), as they all aim at further committing involved stakeholders with specific functions within the plan, project, or programme. These ‘ecosystems’ encompass all the key territorial actors, coherently with a triple or quadruple helix interaction model participated in by universities and research centres, local and regional authorities, industry/SMEs, and (in the quadruple helix) end-users. In the third configuration, for the implementation of the ‘*GiovaniSi*’ project, the **Regione Toscana** (CS 1) has set-up new actors (i.e. Youth Advisory committee, Youth Organisations Advisory committee) and a coordination instrument, the ‘Youth Table’. In all cases, reinforcement of the environment for youth entrepreneurship is the focus.

► *LRA*s need to **become one of the central nodes** of the local labour market network and the most relevant reference for coordination/direct implementation of actions addressing young people’s employability.

### **CH 3.1.2 Defining the legal/policy framework conditions for youth entrepreneurship**

An environment expected to promote youth entrepreneurship in the medium to long term needs to be clearly framed, first and foremost from the legal/policy point of view. Such framework conditions imply political commitment and, as a consequence, public support (e.g. funds availability) for potential young entrepreneurs and social partners as well. The ‘*GiovaniSi*’ project of the *Regione Toscana* has been designed coherently with the review/improvement of youth-related regional policies and legislation (e.g. law on youth entrepreneurship n. 28 of 11/07/2011) and is one of the 26 projects included in the Regional Development Plan 2016-2020. The ‘*Igangz*’ project of the North Jutland Region is in line with the region’s growth and development strategy (CS 3).

► *LRAs need to orient the policy and regulatory frameworks and, consequently, the resources (especially the financial ones) to build up/improve the environment for youth entrepreneurship.*

### **CH 3.1.3 Retaining/including young people through entrepreneurship**

Territories affected by high (youth) unemployment lack job opportunities. LRAs may directly combat unemployment by proposing entrepreneurship to young people as an alternative to ‘traditional’ employment. Also in those territories with low unemployment but high inactivity rates, LRAs may put forward entrepreneurship as an occasion to avoid the migration choice and social exclusion. The *Pargas Stad* initiative ‘Rolling Images in Business Startups’ (RIBS) in Southwest Finland, aims at retaining young people in rural areas characterised by high unemployment through the boosting of opportunities in the creative industries, i.e. a sector which is not necessarily dependent on/locked-in by local resources. Instead, the ‘Rural Youth Entrepreneurship’ project of **the Northern Ireland Rural Development Council**, upon the evidence of the decline of many traditional occupations in rural areas, provides support to create innovative self-employment opportunities for young people which are still framed within the rural economies. In a similar way, the ‘*Igangz*’ project of **the North Jutland Region** aims at strengthening the innovation and entrepreneurship capacity of the territory in order to increase the territory’s attractiveness and reduce the number of young people leaving for employment or education purposes (CS 3). The ‘*Monterusciello Agro City*’ project of **the Municipality of Pozzuoli** proposes entrepreneurship activities specifically addressed to young people to fight urban poverty from both the socio-economic and environmental perspective.

► *LRAs need to outline effective reach out strategies and actions to involve the targeted youth in their initiatives for entrepreneurship.*

## **3.2 Knowledge, capacities, and competences challenging the participation in EU and/or national instruments and programmes**

LRAs have a primary function in the operationalization of (financial) instruments and programmes established at the European and/or national level for the promotion and support of youth entrepreneurship. Whether LRAs are **managers or beneficiaries**, or both, different challenges and needs characterise the implementation of these instruments and programmes at the territorial level.

### **CH 3.2.1 Effectively designing and efficiently implementing/managing instruments and programmes**

Regions in particular have a certain degree of power to allocate Structural Funds and other European/national resources to ‘horizontal’ priorities such as job creation and territorial development. Such resources can be used for multiple purposes, with several approaches, and targeted to all or specific types of social partners and beneficiaries. Initiatives funded and/or co-funded with EU and/or national budgets are the majority in the compiled inventory. It is worth highlighting that some of these initiatives receive their financing from multiple sources. This is the case, for example, of the *Regione Toscana* ‘*GiovaniSi*’ (CS 1) (ERDF and EAFRD), the ‘*Catalonia, School of Entrepreneurs*’ plan (public and private), the ‘*DreamStart*’ project (CS 6) in **Brussels** (public and private), and the ‘*Maison de Mode*’ (CS 8) in *Nord-Pas-de-Calais* (public and private). In 2010, the *Zasavska* region started, as a pilot, the ‘Youth entrepreneurship scheme’ (CS 4) for promoting entrepreneurship among young unemployed people, a scheme which used ERDF (85%) financing and funds of the municipality of *Zagorje ob Savi*, where the business incubator was located. Instead, the ‘*Företagsamma: Entrepreneurship for all!*’ project, was an initiative in which the **Municipality of Gothenburg** fostered a combination of EU instruments, Structural Funds and Erasmus+ to turn one of its districts into a hub for entrepreneurship.

► *LRAs need to improve knowledge for designing effective instruments and programmes for youth entrepreneurship.*

► *LRAs need to improve capacities for efficiently implementing/managing instruments and programmes for youth entrepreneurship.*

### CH 3.2.2 Acquiring resources through competitive projects

Regions and municipalities are eligible to participate as public entities in several national and European-funded programmes for research and innovation (e.g. Horizon 2020), cooperation (e.g. Interreg) and training activities (e.g. Erasmus+). In the inventory, there are several examples of participation by LRAs in programmes where youth-related projects and funds were awarded on a competitive basis. The project ‘Boosting innovative Entrepreneurial Ecosystem in Regions for young entrepreneurs’ of the **Helsinki-Uusimaa Regional Council** is an Interreg initiative with a consortium composed in large part of European regions cooperating for building/reinforcing their regional entrepreneurship ecosystems. The **Municipality of Pozzuoli** was one of the 18 cities selected for funding among the 378 entities which participated in the first call of Urban Innovative Actions, with a project aimed at creating job opportunities through the identification of new business models related to permaculture and the establishment of new enterprises

► *LRAs need to gain expertise (e.g. networking capacity, technical and administrative skills) which is required to apply for the funding of a proposal and to manage a project.*

## 3.3 Need for tailored interventions and evidence challenging the fostering of an entrepreneurial mindset, attitude and culture

Beyond the opportunities that young entrepreneurs may create, perception of entrepreneurship as a career is important in determining effectiveness, efficiency and sustainability of youth entrepreneurship with respect to local and regional socio-economic growth. The several training initiatives targeting children at primary schools confirm that the importance of investing in the youngest generations is both acknowledged and fostered by LRAs. In order to achieve this result all different social partners in a territory should participate consistently with their mission. LRAs may contribute as **promoters and accelerators** of these mid-term and wide-scope actions by social partners.

### CH 3.3.1 Introducing the entrepreneurial perspective in children and youngsters

Mindset and culture are built over time. Educational institutions (e.g. schools) have a role in providing children and youngsters with ‘soft assets’ connected to an entrepreneurial approach and in directly allowing them to experience a simulated practice-oriented business world. The ‘Lisboa Youth Entrepreneurship

Programme’ (CS 2) is a strategy used by the **Municipality of Lisbon** to foster a culture of entrepreneurship among young students in public schools. Groups of students differentiated by age (6-7 years, 7-8 years, 10-12 years, 13-15 years, and 15-21 years) are targeted with tailored activities. The size of the coverage of the programme is consistent with a macro-level policy fostering entrepreneurial mindset and culture, as 22,000 children/youngsters in 163 schools were reached in the last five years. The ‘**Walloon** Entrepreneurship Spirit Programme’ targeted different educational levels as well: primary, secondary and higher. The main goals were raising awareness about entrepreneurship and developing entrepreneurial attitudes across Wallonia. This was achieved mainly through a portfolio of actions for developing entrepreneurial attitudes, including calls for entrepreneurial projects in schools. The programme reached some 180,000 students and 4,900 teachers. The ‘*MiniEmpresa Educativa*’ of the **Region of Andalusia** is a programme within the ‘Plan for the promotion of entrepreneurial culture’ in the Andalusian public educational system. Students of all stages of the educational systems (including vocational and educational training) are asked to participate in the creation of mini-educational enterprises. In the 2015/2016 academic year, 25,664 students from 441 schools were involved in the programme, creating 818 mini-companies. Within all these initiatives, schools are indeed the focal point for the introduction of the entrepreneurial perspective to children and youngsters.

► *LRAs need to agree with local educational institutions ad-hoc and targeted educational paths in order to foster the introduction of entrepreneurship in teaching activities, in different forms according to the age of students.*

### **CH 3.3.2 Demonstrating the actual opportunities of entrepreneurship**

A positive attitude of NEETs towards entrepreneurship may be tackled by means of activities organised/sponsored by LRAs, with the support of other social partners such as professional/industrial associations and educational institutions. **The city of Porto** established a local platform ‘*Empreende Jovem*’ with the objective of promoting the entrepreneurial culture and spirit among young people. An entrepreneurship roadmap, a competition for ideas, and the ‘Youth Entrepreneurship Week’ were among the most relevant activities used to demonstrate opportunities of entrepreneurship. The ‘**Walloon** Entrepreneurship Spirit Programme’, besides providing a set of tools for awareness rising and development of entrepreneurial attitude, organised a survey for the impact assessment of the initiative. The assessment discovered that the project succeeded in raising awareness as well as in creating motivation and engagement. In particular, a larger effect in terms of positive attitude towards entrepreneurship was obtained on teachers: 88% of the trained teachers acknowledged the importance of entrepreneurship versus 70.5% of the non-





activities, internships in companies to both categories. A holistic approach was the key element of the ‘Building Enterprise Education in **Swansea**’ (BEES) initiative. Enterprise education addressed to students, teachers, school heads belonging to primary schools as well as to higher education, was oriented to practice through a targeted training course for each profile, workshops, enterprise promotion and start-up events. In 2011, the **Municipality of Huddinge**, and then the **Municipality of Stockholm**, promoted a pilot in order to transfer at the local level national Swedish policies on the introduction of entrepreneurship in the education system: the ‘Entrepreneurial Learning and IT’ (ELIT) project on entrepreneurship education for students aged 6-19 also included teachers as one of the target groups.

► *LRAAs need to match demand of basic entrepreneurial knowledge with potential suppliers in order to guarantee the minimum conditions for entrepreneurship to remain an economic boosting factor in the mid-term period.*

► *LRAAs need to support a change of mindset among teachers to make the introduction of basic entrepreneurial teaching in curricula smooth and effective.*

### **CH 3.4.2 Facilitating transfer of know-how for business**

Attempts to transform the know-how for business gained through experience into regular training activities may drastically reduce its actual effectiveness. In addition, human resources with capacities of advising, coaching and mentoring young entrepreneurs are scarce. For these reasons, it is essential for LRAs to: 1) identify and focus on the most promising and concrete entrepreneurial initiatives implemented over the territory; and 2) exploit at best the available territorial know-how represented by successful entrepreneurs, retired managers of private companies, and business angels. The ‘*Maison de Mode*’ initiative (CS 8) is strongly embedded in the territory and relies on the existence in the region of sectoral know-how (e.g. companies) and educational specialisation (e.g. universities) in the fashion sector. Partnerships with business experts and involvement of entrepreneurs are key elements of the ‘Bryo (Bright and Young)’ project promoted by the Flanders’ Chamber of Commerce and supported by **the Flemish Government**. In this approach, entrepreneurs who will act as role models are recruited by the project. Instead, one-year mentoring from experienced women entrepreneurs is provided on a voluntary basis to young female entrepreneurs in the ‘TWIN’ (Two Women Win) initiative (CS 9) launched in 2001 by a foundation with the support of **the State government of Nordrhein-Westfalen**. This approach turned out to be successful and was extended to the whole of Germany in 2004 with the support of the Federal Government. The INNOOMNIA educational center (CS 7) based in the **City of Espoo** involves teachers, students, and entrepreneurs in the same ‘learning

community'. In this case, concentration is achieved by bringing all the stakeholders together into one single 'functional' environment.

► *LRA*s need to **identify providers of entrepreneurial know-how** in the territory and to satisfy short-term demand of entrepreneurship expertise by concentrating on the most promising initiatives.

### **3.5 Availability of debt financing, private risk capital and public funds challenging the access to financial resources by young entrepreneurs**

Lack of financial resources for start-ups has been recognised as one of the main factors hampering youth entrepreneurship (see Part 1). Matching the demand and supply of financial capital for young people is not a straightforward exercise because the potential provider of funds usually faces difficulties in assessing the feasibility and sustainability of the business idea and the associated risk. In the last three decades, this situation has generated, on the one side, the flourishing of the risk capital market, especially for addressing the financial needs of the most innovative projects. On the other side, it has delegated to public authorities the challenging task of supporting socio-economic growth also through the direct funding of entrepreneurship. In the first case, business angels, as informal investors with entrepreneurial know-how and a propensity for activities with a certain level of risk, are substituting other sources of private financing mostly used by already well-established enterprises (e.g. debt from banks). Therefore *LRA*s may act as **enablers** of the access to private financial markets by young entrepreneurs or as **providers** of public financial resources by means of different mechanisms.

#### **CH 3.5.1 Enabling access to debt financing and private risk capital**

In case of debt financing *LRA*s can 1) stimulate partnerships with banks or other credit institutions in order to directly involve the private loan sector in the project/initiative sustaining youth entrepreneurship; or 2) act as guarantee provider for the most innovative (and risky) start-ups. In dealing with private risk capital providers *LRA*s can contribute to risk capital funds addressing start-ups of youth enterprises or stimulate the usage of innovative funding instruments (e.g. crowdfunding). There is limited evidence of these funding mechanisms by *LRA*s in the compiled inventory. An example is the 'Catalonia, School of Entrepreneurs' in which the **Catalan Government** provides most of the required economic resources with public budget and contribution in kind, but where banks are also involved. Micro-finance institutions are one of the

financial sources in the ‘DreamStart’ start-up scheme promoted by the local enterprise Agency of **the Brussels Region** (CS 6).

► *LRA*s need to understand private financial options and to exploit/combine them to support public strategies on the boosting of youth entrepreneurship.

### **CH 3.5.2 Providing public funding/incentives for new youth enterprises**

Mechanisms used by LRAs to fund youth entrepreneurship can be distinguished at least according to three dimensions: 1) source of funding (e.g. from the budget of the LRA or from national/European sources); 2) purpose of funding (e.g. general purpose or for specific activities); 3) eligibility criteria (e.g. eligibility based on the structural features of the applicant such as age of the entrepreneur, or on the potential/quality of the entrepreneurial initiative/idea). The **Marche Region** with the ‘*Giovanidee - I giovani c'entrano*’ (Young ideas - Young people are in) directly provided financial support (with a maximum **grant** of EUR 10,000) to innovative business ideas proposed by young people aged 18-30. The ‘Invest Programme Young’ promoted by **the Municipality of Cascais** adopted **interest-free loans** aimed at supporting business start-ups of young unemployed people aged 18-30. The financial support is up to 75% of the total eligible investment (maximum EUR 41,922), requires that at least 10% is contributed by the applicant in equity, and can be repaid in 54 months. A **prize** is used by the 31 Local Enterprise Offices of Ireland, including that of the **City of Cork** (CS 5), through the mechanism of a competition, ‘Ireland’s Best Young Entrepreneur’ (IBYE), addressed to potential entrepreneurs aged 18-35 and implemented at the county, regional and national level. Each year the competition distributes an overall investment fund of EUR 2 million. Within its ‘Youth in Łódź’ programme, the **City of Łódź** (CS 10) rewards the best produced business plans with a cash prize integrated with support through language courses and accounting start-up services.

► *LRA*s need to find sufficient resources (not only public) to financially sustain the start-ups of young entrepreneurs.

## **3.6 Availability of facilities and assets challenging the provision of structural support**

Youth entrepreneurs need assistance (e.g. know-how and financial capital) both for the starting-up and the daily management of their business. In addition, a minimum initial structural endowment is required, as for any type of entrepreneurial activity. This endowment is obviously affected by the lack of capital and is highly variable in size depending on the sector and on the specific

activity of the business. LRAs, together with universities, research centres, industrial players, hybrid research-industry organisation (i.e. science parks) can have a **catalyst** role of human, financial and other structural resources and create or support the establishment of working environments and facilities in which hard and soft assets are shared.

### **CH 3.6.1 Building up ‘entrepreneurial spaces’ for youth people**

Apart from office facilities and services related to horizontal business activities (e.g. administration, marketing), youth enterprises would benefit from belonging to an ‘ecosystem’ where physical interaction with other young entrepreneurs as well as with key stakeholders (e.g. mentors, researchers, business angels) is possible. Business incubators are a common effective solution. The **Gothenburg municipality** within the ‘Företagsamma: Entrepreneurship for all!’ project has supported new enterprises through the set-up of an incubator offering office spaces, networking, services, and nurturing. ‘FabriQ’ is the social innovation incubator of the Municipality of **Milano** that offers facilities, services, co-working spaces, mentorship, networking and training. The ‘*Maison de Mode*’ initiative (CS 8), supported by the **cities of Lille and Roubaix, Lille Métropole** and **regional authorities**, operates as an incubator in the fashion sector. The INNOOMNIA project in the **Helsinki-Uusimaa** region (CS 7) also includes offices in its ‘regional entrepreneur and innovation ecosystem’. A similar comprehensive support, inclusive of working spaces, is provided by the ‘Incredibol!’ initiative promoted by the **Municipality of Bologna**. Office spaces are also made available in three of the four locations where the ‘Igangz’ project in **North Jutland** (CS 3) is operative.

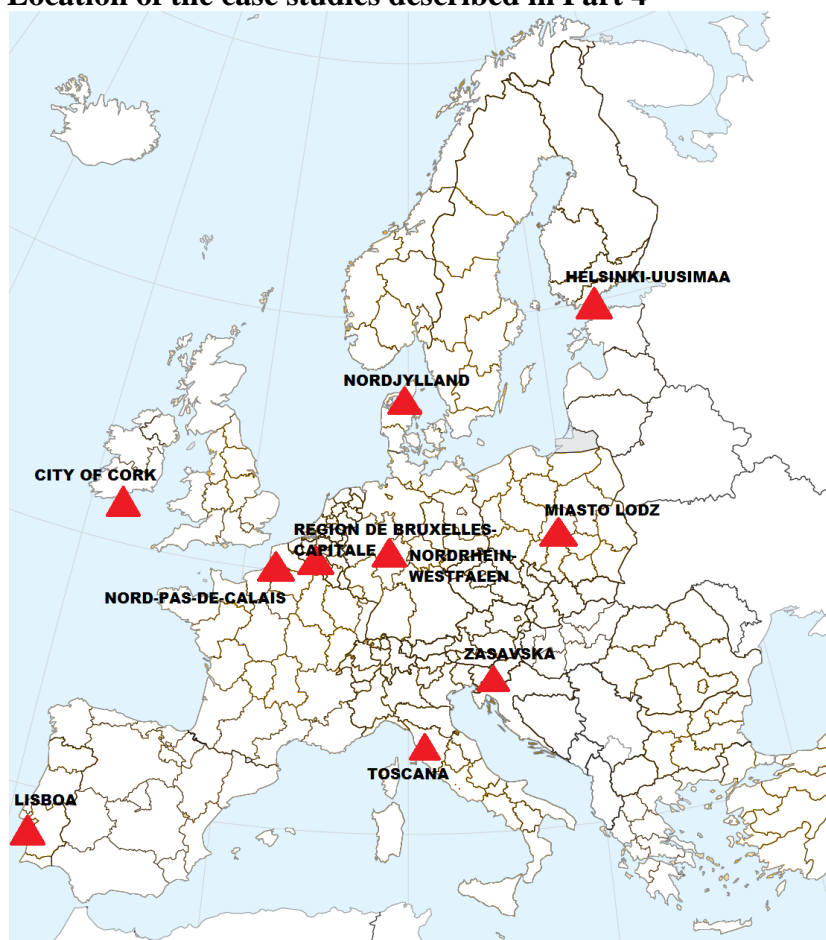
► *LRAs need to identify facilities and assets favouring the creation of ‘entrepreneurial spaces’.*



## Part 4: Case studies

This part presents ten case studies implemented by LRAs to cope with youth unemployment through the support of youth entrepreneurship. The cases have been selected out of the inventory of 35 initiatives compiled within the framework of this research (the inventory is delivered as a separate Excel file). The selection of the cases among all the identified initiatives was based on the following criteria: i) each case illustrates one or more of the categories of measures outlined in the study and addresses one or more of the challenges identified; ii) local and/or regional authorities have a leading active role in the case; and iii) the case is presented in the literature as a good practice or there is evidence of success (e.g. it has been scaled up from a pilot to a national intervention). Furthermore, the set of cases respects a geographical balance across the EU and covers both federal and non-federal European countries. Each case is described using a common standard format which allows comparability and tailoring of the narrative on the aspects considered to be the most relevant for the scope of the study. Map 4 shows where the selected case studies are located.

**Map 4** Location of the case studies described in Part 4



Notes: elaborated by the Contractor.

## CS\_01 *GiovaniSi, Toscana, Italy*

Category of measure: <b>ENV, INS, FIN</b>
Main implementing body: <i>Toscana</i> Regional Authority
Other main stakeholders involved: employment centres, professional associations, universities, employers' associations, cooperatives, local information desks
Implementation period: 2011 - on-going
Target group: youth aged 18-40
Financing source(s): over EUR 690 million for the whole <i>GiovaniSi</i> project. Regional, national and European sources, including Structural Funds (ERDF, EAFRD)
Main addressed challenges: establishing the governance/interaction structure for implementation of actions related to youth entrepreneurship; defining the legal/policy conditions for youth entrepreneurship; effectively designing/implementing/managing instruments and programmes; providing public funding/incentives.

### 1. Context and/or background

The '*GiovaniSi*' ('YouthYes') project started in 2011 as a comprehensive intervention to promote the autonomy of young people. The intervention was coherent with the revision/improvement of regional policies and legislation on youth undertaken by the Region (e.g. Regional Law n. 28 - 11/07/2011 on youth entrepreneurship). The project was structured around six macro areas: work placement, housing, community service, entrepreneurship, employment, studying and vocational training. An additional area on culture, civic participation and sports (*GiovaniSi+*) was added later. *GiovaniSi* is one of the 26 projects included in the *Toscana* Regional Development Plan 2016-2020. Since May 2014, the implementation of the Youth Guarantee at the regional level became part of the *GiovaniSi* project.

### 2. Description

Under the 'Entrepreneurship' area of *GiovaniSi*, support is provided to initiate an enterprise through: i) unsecured credit for start-ups in the manufacturing, commerce, tourism and services sectors; ii) unsecured credit for innovative start-ups; iii) guarantee fund for individuals to start a new professional activity; and iv) a premium to start agricultural enterprises. The reach out of the project is through 31 info points spread over the region. The established governance structure also includes a Coordination committee, a Youth Advisory committee, a Youth Organisations Advisory committee, and Consultative committees. Interaction, participation and coordination at the regional level are through the '*Tavolo Giovani*' (Youth Table), an instrument which is attended by 35-40 young representatives of the various categories.



### 3. Impact

Support has been given to 360 agribusinesses under the 2012 call and to 650 under the 2015 call. Some 255 young professionals were supported between 2011 and 2015. Up to April 2016, more than 1.600 young start-ups were launched.

### 4. Innovative/success elements

*GiovaniSi* was invited as an example of best practice at the ‘Social Media Week’ event in Rome, in the ‘Social media and public administration’ session. Success elements: 1) Coherence of the initiative with regional policy and legislative frameworks enhances its effectiveness; 2) Integrated strategy addressing several aspects of the lives of the youth, from employment to housing; 3) Tailored participation and coordination mechanisms for involved stakeholders and appropriate forms of representation of youth.

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Sources: Regione Toscana (2016), project [fact-sheet](#); *GiovaniSi* [website](#).

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## **CS\_02 Lisboa Youth Entrepreneurship Programme, Lisboa, Portugal**

Category of measure: <b>INS, MIN</b>
Main implementing body: <i>Câmara Municipal de Lisboa</i>
Other main stakeholders involved: Junior Achievement Portugal, a non-profit organisation
Implementation period: 2011/2012 - on-going
Target groups: students in public schools, aged 6-21 years
Financing source(s): not available
Main addressed challenges: introducing the entrepreneurial perspective in children and youngsters.

### 1. Context and/or background

The city of Lisbon has a vision and a strategy to become an Atlantic business hub and “*one of the most competitive, innovative and creative cities of Europe*”. The ‘Lisboa Youth Entrepreneurship Programme’ is only one of the several initiatives undertaken in this sense and aims at creating the conditions to keep on nurturing the ‘Lisbon: global start-up city’ goal - which is in turn one of the city's drivers of growth.

### 2. Description

The ‘Lisboa Youth Entrepreneurship Programme’ is meant to develop an entrepreneurial culture and entrepreneurial skills among young public school students. Under its umbrella there are different projects to cover areas such as

citizenship and ethics, career development, entrepreneurship and financial literacy. Started in the 2011/2012 academic year after the signing of a partnership with Junior Achievement Portugal, the programme is still running and being delivered to different target groups of students. Examples of projects include: ‘It’s My Business!’ (students aged 13-15) to understand entrepreneurship concepts and develop entrepreneurial skills; ‘Economics for success’ (students aged 13-15) focusing, among other aspects, on the opportunity to make career and education choices on the basis of interests and skills; and ‘Company’ (students aged 15-21) to create mini-companies and develop entrepreneurial skills through practice.

### 3. Impact

In the last five years the programme was implemented in 163 schools and reached 22,000 children/youngsters.

### 4. Innovative/success elements

Lisbon received the European Entrepreneurial Region (EER) 2015 label. The Youth Entrepreneurship Programme is among the rewarded initiatives of the city to boost entrepreneurship. Success elements: 1) High coherence of the initiative with the city’s vision and strategy for entrepreneurship development; 2) Supportive business environment as part of a well-developed entrepreneurship ecosystem, including the start-up component; 3) Medium-to-long term approach where entrepreneurial education and culture are considered as the nurturing element of the system for the future.

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Sources: Lisbon City Council [brochure](#) (2013); project’s [web page](#).

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## **CS\_03 The Igangz project, Nordjylland, Denmark**

Categories of measure: <b>ENV, INS, MIN, COA, STR</b>
Main implementing body: North Jutland Region
Other main stakeholders involved: business community, secondary schools, higher education, professionals, municipalities
Implementation period: 2013 - on-going
Target group: students
Financing source(s): Funded by the Region (75%) with a budget of DKK 4.4 million (approximately EUR 600,000). The remaining 25% is funded by 9 participating educational institutions.
Addressed challenges: attracting/retaining young people towards/through entrepreneurship; guaranteeing the basic entrepreneurial knowledge in training curricula; building up spaces for youth entrepreneurship.

### 1. Context and/or background

The region is characterised by a declining establishment rate of enterprises in general and of ‘growth entrepreneurs’ in particular (i.e. entrepreneurs creating more than five jobs after two years of operation and with an average growth rate of the enterprise above 20%); and by a higher youth unemployment rate than the national average (in 2015, 12.8% in the region versus 10.8% at the national level). In addition, young people are leaving the region for education or employment reasons.

### 2. Description

The target of the ‘Igangz’ project is to strengthen the innovation and entrepreneurship capacity of the region, in line with the region's development strategy. To this end, it aims at introducing entrepreneurship training in educational institutions, also through the training of trainers (i.e. teachers). In addition, the project established an incubator to follow up on training activities and assist students in turning their ideas into business practice. The incubator provides to students, on a free basis, advisory services, training programmes, workshops and networking in the locations of *Aars*, *Thisted*, *Aalborg* e *Hjørring*. In three of these locations office spaces are also made available. The rationale behind the project is the evidence that people trained in entrepreneurship and innovation gain interdisciplinary skills which usually bring benefits in terms of creativity and of higher earnings. Skills and knowledge are also believed to make the youth’s enterprises more sustainable over time.

### 3. Impact

By April 2014, the OECD (2015) reports 14 businesses established by students and 45 students using the facilities; about 75-90 teachers were trained; a number of other events and fairs were organised.

### 4. Innovative/success elements

The project was included among the examples of ‘inspiring policies’ for inclusive entrepreneurship in OECD (2015). Success elements: 1) Great emphasis on social innovation and social entrepreneurship across the whole initiative; 2) Commitment by the participating educational institutions is assured also through their direct financial contribution to the initiative; 3) Close cooperation with the other existing entrepreneurial organisations and initiatives in North Jutland and with the business community; 4) Coherence with the regional growth and development strategy.

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Sources: Igangz website: <http://www.igangz.dk/>; OECD (2015).

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## CS\_04 Youth entrepreneurship scheme, *Zasavska*, Slovenia

Category of measure: <b>INS, COA, FIN</b>
Main implementing body: Regional Development Centre (Agency for the <i>Zasavje</i> region)
Other main stakeholders involved: business incubator in <i>Zagorje</i>
Implementation period: 2010-2012
Target group(s): young unemployed people with higher education and aged below 35 years
Financing source(s): EUR 600,000 for the edition 2010-2012 under the Operational Program 2007-2013 on Strengthening Regional Development Potentials
Addressed challenges: attracting/retaining young people towards/through entrepreneurship; building up spaces for youth entrepreneurship.

### 1. Context and/or background

In the last two decades, the region suffered from the closing down of mines and the collapse of a significant number of enterprises, which, overall, substantially reduced the opportunities for employment.

### 2. Description

The ‘Youth entrepreneurship scheme’ (*Podjetno v svet podjetništva*, PVSP) was initiated in the *Zasavje* region as a pilot, in 2010. The project aimed at promoting entrepreneurship among young unemployed people, ideally with tertiary education. It was funded through EU (ERDF, 85%) and municipal budget (municipality of *Zagorje ob Savi*, 15%) and implemented at the premises of the business incubator in *Zagorje*, from June 2010 to September 2012. Selected participants received support (technical, financial, logistic) over a period of 6 months, at the end of which they were expected to set up their own business. Within the incubator, modern and fully equipped business premises with all necessary infrastructures (e.g. communication) were made available to the new entrepreneurs. The scheme of the project is now implemented nationally as part of the national Youth Guarantee Implementation Plan, co-funded by the ESF. In 2014, it planned to support some 360 participants nationally.

### 3. Impact

The project offered tailored mentoring and entrepreneurship training to 40 (planned) participants while creating and developing their start-ups. Participants were selected through open calls. Namely, in each call, ten individuals received support over a 6-month period.

#### 4. Innovative/success elements

Evidence shows that this is a good practice since it was up-scaled from the regional to the national level. Success elements: 1) The project targeted qualified unemployed but selection criteria were kept flexible in case not enough candidates matching the requirements applied; 2) The selected youth were supported through a very comprehensive and tailored to their needs package; 3) Mentoring continued even after the creation of the business.

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Sources: project's documents downloadable from the Regional Development Centre's [website](#).

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### **CS\_05 Local strand of the 'Ireland's Best Young Entrepreneur' competition, Cork City, Ireland**

Category of measure: <b>FIN</b>
Main implementing body: Local Enterprise Office of Cork City (as an example only, the competition is run nation-wide and involves all counties)
Other main stakeholders involved: local authorities, Enterprise Ireland, Revenue, the Department of Social Protection, the Credit Review Office, training bodies
Implementation period: every year since 2014
Target group(s): young entrepreneurs aged 18-35
Financing source(s): Local Enterprise Offices, overall investment fund of EUR 2 million for the nation-wide competition
Addressed challenges: providing public funding/incentives.

#### 1. Context and/or background

The competition is considered a unique and interactive initiative “*to support a culture of entrepreneurship among young people in Ireland, to promote entrepreneurship as a career choice, and to encourage Ireland's young people to set up new businesses which will ultimately create jobs*”. According to the 2105 Action Plan for Jobs, Ireland is expected to double the number of jobs created through start-ups over the next 5 years.

#### 2. Description

The 'Ireland's Best Young Entrepreneur' (IBYE) is a yearly competition open to potential entrepreneurs aged 18-35. The competition is national but it proceeds through the organisation of county-level competitions by the 31 Local Enterprise Offices (LEOs). The LEOs are run in partnership by Enterprise Ireland and the local authorities. County competitions nominate county winners who then compete in eight regional finals. Out of the regional finals, 24 finalists (3 from each region and one from each category) proceed further to the national final. A EUR 50,000 Investment Fund is awarded to three category winners and three

runners-up from each of the LEOs at the county level. An additional Investment Fund of EUR 100,000 is available for the winners of the IBYE National Final. For 2016 the three categories included: ‘best new idea’, ‘best start-up business’ (up to 36 months), and ‘best established business’ (over 36 months). For the best idea, each LEO awarded an investment prize of EUR 7,000 to the winner and of EUR 3,000 to the runner-up, while in the other two categories the prize was EUR 15,000 for the winners and EUR 5,000 for the runners-up.

### 3. Impact

In 2015, some 1,400 applications were received country-wise. More than 450 young people were supported financially and through business mentoring, training activities and advice at the regional bootcamps. In 2016, total participants were 1,842, out of which over 60 young entrepreneurs were from Cork City.

### 4. Innovative/success elements

Success elements: 1) The initiative is promoted by means of a comprehensive social media and marketing campaign; 2) Tangible benefits are given to participants, not only to those awarded with prizes but also to those participating in bootcamps; 3) The initiative is easily referenced and accessible locally through the LEOs.

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**Sources:** Various [press releases](#), downloadable from the Local Enterprise Office of Cork City website; Competition [Terms and Conditions](#).

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## **CS\_06      DreamStart, Région de Bruxelles-Capitale, Belgium**

<b>Category of measure:</b> INS, MIN, COA, FIN
<b>Main implementing body:</b> Micro Start
<b>Other main stakeholders involved:</b> the Federal Ministry for Social Integration, the Brussels Capital Region, the Chamber of Commerce and Union of Brussels Enterprises, enterprises, BNP Paribas Fortis, foundations, volunteers
<b>Implementation period:</b> April 2013-on-going
<b>Target group(s):</b> youth aged 18-30 (35 in some references)
<b>Financing source(s):</b> The annual cost to run three cycles per year is estimated to be about EUR 72,000. Main sources of financing: 42% of public funds from the Region and the central government; 7% from the private sector; nearly 50% coming from volunteers as in-kind contributions.
<b>Addressed challenges:</b> demonstrating the actual opportunities of entrepreneurship; enabling access to debt financing and private risk capital.

### 1. Context and/or background

This initiative was started with the specific aim of reducing the very high youth unemployment rate of the *Région de Bruxelles-Capitale*. According to Eurostat, in 2013, this rate was 39.9%. In practice, there were 109,732 job seekers for 3,240 jobs offered by the employment office of the Brussels Region. The programme was designed after the French ‘*Créajeunes*’, a support programme developed by Adie - a European pioneer in microcredit - and delivered country-wise to youth aged 18-32 (more than 7,600 since its inception). Similarly, the management of DreamStart was given to Micro Start, an organisation created in 2010 by Adie and BNP Paribas Fortis to deal with professional microcredit in Belgium.

### 2. Description

‘DreamStart’ is a start-up programme supporting unemployed youth aged less than 30 (35) in small business creation. A first session of this programme was launched in April 2013. It provides tailored formal entrepreneurship training as well as mentoring and coaching for a period of 2 months. Besides training, the support also aims at building self-confidence and confidence in the future of the individuals, clarifying ideas on career opportunities, and providing guidance on how to transform ideas into concrete economic projects. In addition, it facilitates access to finance, usually through micro finance institutions. The design of the support is characterised by the following features: it is short; it is pragmatic; it is free of charge; it implies evaluation of the project idea by external stakeholders; and it favours cooperation among those involved in the project design process and among participants to the programme (networking). At the end of the training, participants receive a certificate which entitles them to financing through microcredit. The average credit provided per participant is between EUR 15,000 and EUR 25,000.

### 3. Impact

The OECD/EU report (2016) indicates that four cycles were run since the inception of the project in 2013. The scheme supports min 8 – max 15 participants per cycle. The dropout is generally two per cycle. Approximately 60% of youth who finish the scheme and present their business plan set-up their enterprise within one year from the end of the training. An unexpected result of the scheme is that it created networks of youth entrepreneurs.

#### 4. Innovative/success elements

The programme is included in the OECD Good Practice Compendium (2016). Success elements: 1) The initiative is promoted through outreach activities; 2) It provides tailored and individual coaching; 3) It facilitates access to finance at the end of the support; 4) Training is kept short and addresses both personal development and business planning.

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**Sources:** OECD/EU (2016); BNP Paribas Fortis [press release](#) dated 04-09-2013; dreamStart [description](#) by The Young Entrepreneurs of Tomorrow; *Créajeunes* [website](#).

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### **CS\_07 INNOOMNIA, *Helsinki-Uusimaa*, Finland**

<b>Category of measure:</b> ENV, MIN, COA, STR
<b>Main implementing body:</b> Omnia, the Agency responsible for the educational policy and regional development of Espoo
<b>Other main stakeholders involved:</b> City of Espoo, local authorities, national authorities
<b>Implementation period:</b> 2011 - on-going
<b>Target group(s):</b> VET students - especially the young, VET teachers, entrepreneurs, local authorities
<b>Financing source(s):</b> national authorities
<b>Addressed challenges:</b> guaranteeing the basic entrepreneurial knowledge in training curricula; facilitating transfer of know-how for business.

#### 1. Context and/or background

The project is meant to combat social problems such as unemployment of the youth and difficulties in initiating an entrepreneurship career; and educational problems such as lack of appeal of VET and insufficient qualification of teachers. Contextual conditions include high rate of youth unemployment and structural changes in both the business environment and the Finnish society in general. This in turn drives the exploration by municipal authorities of new types of cooperation and co-creation models in order to create new business ideas and products, hence improving competitiveness and wealth.

#### 2. Description

INNOOMNIA is an educational centre which focuses on providing entrepreneurship skills to vocational training students. The approach used by the centre implies that teachers, students and entrepreneurs come together in a collaborative space or 'learning community'. This arrangement allows the students to consider entrepreneurship as a concrete career option and gain first-hand experience working with and for entrepreneurs. Concurrently, VET teachers stay up-to-date while entrepreneurs have access to a network which



may imply growth of their business, improved skills, and higher cooperation opportunities. Network, vision, mindset, support for business growth and sustainability (facilities, offices) imply that it is easier for graduated students to become skilled professionals and hence enhance their employability.

### 3. Impact

Among the achievements since 2011: support to some 110 future entrepreneurs in setting up sustainable businesses; involvement in learning activities of some other 600 students; involvement of 742 teachers and school leaders.

### 4. Innovative/success elements

This initiative is considered a global good practice case in the WISE Research publication. It has also been selected as a global good practice by InnoveEdu in 2015. Success elements: 1) It focuses on the potential of VET in creating new business and practical innovations; 2) It implies collaborative approaches and new methods for both students and teachers; 3) It is the result of a strong institutional support of local authorities (it is considered as a top-down approach); 4) The strong linkages with the City of Espoo and with other actors in the municipal ecosystem facilitate the interaction of the INNOOMNIA concept with the surrounding reality; 4) It proposes an innovative pedagogical approach (educational innovation).

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**Sources:** European Entrepreneurship Education NETwork good practice [description](#); INNOOMNIA [website](#).

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## **CS\_08 Maison de Mode, Nord-Pas-de-Calais, France**

<b>Category of measure:</b> COA, FIN, STR
<b>Main implementing body:</b> <i>Maison de Mode</i> (association)
<b>Other main stakeholders involved:</b> Cities of <i>Lille</i> , City of <i>Roubaix</i> , <i>Lille Métropole</i> , the Regional Council <i>Nord-Pas de Calais</i> , and <i>North Département</i> .
<b>Implementation period:</b> 2006-on-going
<b>Target group(s):</b> young talented fashion designers
<b>Financing source(s):</b> Public funds from the participating LRAs and EU funds. For example, in 2012 the public partners contributed for a total of EUR 1.4 million. Private funding is also used (sponsors).
<b>Addressed challenges:</b> effectively designing/implementing/managing instruments and programmes; building up spaces for youth entrepreneurship.

### 1. Context and/or background

This project was initiated with the double aim of revitalising the two neighbourhoods in *Lille* and *Roubaix* where the designers, studios and boutiques

are located; and supporting the recovery of northern France's textile industry, ideally making the *Lille* Metropolitan Area a nationally and internationally renowned territory for new creative talent.

## 2. Description

'*Maison de Mode*' is an initiative managed by the homonymous association. It is dated back to 2006 and was put in place to provide support to young fashion brands. The initiative was initiated by the cities of *Lille* and *Roubaix*, *Lille Métropole*, the Regional Council *Nord-Pas de Calais* and *North Département*. Following the renovation of boutique-design studios in *Lille* and *Roubaix* by the *Lille Communauté Urbaine*, the project started supporting the development of new labels and of their designers. The mission of the project is to identify and guide fashion designers wishing to develop their label and to provide selected designers with tailored support for a period ranging from 9 to 24 months. The aim is to have established long lasting brands. There are two main target categories eligible for support: designers with already established labels which need to be launched professionally; and designers wishing to create their first collection (green shoots). Selected designers receive logistical support, advice and help in accessing funding, coaching and guidance in marketing and sale activities, support for public relation and organisation of events. Each year a EUR 25,000 prize is awarded to the most promising designer. The initiative operates as an incubator in the fashion sector.

## 3. Impact

The website of the *Maison de Mode* lists the fashion brands, and corresponding young fashion designers, which were 'created' or professionally launched within the framework of the project.

## 4. Innovative/success elements

*Maison de Mode* is one of the good practices identified by the Plustex Interreg IVC project for unlocking skills in the textile sector and contributing to the 'Young entrepreneurship and innovative business models' policy area. Success elements: 1) Strong political will of local and regional authorities supporting the initiation of the project and its continuation over a relatively long time, including in terms of supportive urban policies; 2) Taking advantage of the potential of the creative industries as a new engine of growth and revitalization of the territory; 3) Existence in the region of sectoral know-how (e.g. companies) and educational specialisation (e.g. universities); 4) Long-term thinking and strategic planning by the initiators.

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Sources: Plustex Interreg IVC project good practice [description](#); *Maison de Mode* [website](#).

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## CS\_09 TWIN (Two Women Win), *Nordrhein-Westfalen*, Germany

Category of measure: <b>COA</b>
Main implementing body: Käte Ahlmann Stiftung – KAS (foundation)
Other main stakeholders involved: State and Federal Governments
Implementation period: 2001- on-going
Target group(s): young female entrepreneurs
Financing source(s): Public, ESF funding
Addressed challenges: facilitating transfer of know-how for business.

### 1. Context and/or background

The project was originally designed to incentivise self-employment in industrially declining areas (with associated problems of unemployment). It was in fact limited to Objective 2 areas in North-Rhine Westphalia and supported by the State Ministry of Economics and ESF funding.

### 2. Description

The ‘TWIN’ (Two Women Win) initiative was launched in 2001 by the Käte Ahlmann Stiftung Foundation supported by the State government of *Nordrhein-Westfalen*. In the beginning it was a pilot of 2 years meant for those areas affected by industrial decline. In 2004, the pilot was extended to the whole of Germany with the financial support of the Federal Government (Ministry for Family Affairs, Senior Citizens, Women and Youth). The scheme is simple: experienced women entrepreneurs provide 1-year mentoring support to young female entrepreneurs and they do it on a voluntary basis. Young female entrepreneurs may apply to the programme after one year of initiation of their business and within the first three years of activity. Apart from the business profile and the needs of the mentee, comprehensive interviews are carried out to find out the best match between the mentor and the mentee.

### 3. Impact

Over a period of 12 years since inception, about 280 mentors have supported some 500 young women entrepreneurs. On average, some 30-50 women entrepreneurs receive support annually. The success rate is very high (only 1% of the receiving entrepreneurs dropped from the scheme), demand for mentoring is increasing, and feedback is very positive.

### 4. Innovative/success elements

Evidence shows this is a good practice since it was up-scaled from the regional to the national level. The scheme has been rolled out to other countries as well.

Success elements: 1) Great attention is paid to the matching process between the mentors and the mentees; 2) The design of the initiative is relatively simple; 3) The programme is regularly monitored by KAS.

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Sources: OECD (2016); *Käte Ahlmann Stiftung* [website](#).

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## CS\_10 Youth in Łódź, Miasto Łódź, Poland

Category of measure: <b>INS, COA, FIN</b>
Main implementing body: City of Łódź
Other main stakeholders involved: local universities and local businesses
Implementation period: 2008 - on-going
Target group(s): young people
Financing source(s): -
Addressed challenges: attracting/retaining young people towards/through entrepreneurship; effectively designing/implementing/managing instruments and programmes; providing public funding/incentives.

### 1. Context and/or background

The programme was set up to prevent young people from leaving the city after graduation; provide career development opportunities in the city to make it attractive for working and living; and provide local companies with qualified human resources. It is implemented by the Bureau for Enterprise and Jobs Development of the Łódź City Office in cooperation with local universities and companies.

### 2. Description

The 'Youth in Łódź' (*Młodzi w Łodzi*) is based on a partnership between the city of Łódź, three large local universities and some 90 private companies operating in the city. The programme encompasses several components, including scholarships, internships, professional development through training courses, job orientation, and youth entrepreneurship. Within the 'young entrepreneurs' component of the initiative, young people submit their business idea and then are given professional support in the form of training and individual counselling. The best produced business plans are awarded prizes in cash, material, language courses and accounting start-up support.

### 3. Impact

Over five editions ran up to 2014, 540 business ideas were submitted, which materialised in 142 business plans and more than 60 successful start-ups.

#### 4. Innovative/success elements

The 'Youth in Łódź' is included in the EC compendium of European Good Practice projects on 'Unleashing young people's creativity and innovation'. Success elements: 1) Comprehensive package offered to youth besides the entrepreneurial component, including practical support; 2) The programme is communicated properly and has good visibility; 3) There is a good cooperation between the managing local authority and education and business actors.

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**Sources:** EC-DG EAC (2015); Youth in Łódź programme's [presentation](#) 2014 by Koperczak, D.; programme's [website](#).

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## Part 5: Recommendations

### 5.1 Coordinating the definition of a proper environment for youth entrepreneurship

Because of their institutional role and function as administrators of their territories, LRAs are in the most suitable position to locally set framework conditions which are supportive of youth entrepreneurship. Evidently, the types of solutions they may implement change according to their legal and administrative power. There are two main evidences to consider. 1) The necessity of keeping the target group of the young unemployed distinguished from the other unemployed categories. On average, in the EU28, the youth unemployment rate is more than the double of the total unemployment rate, meaning that standard measures adopted to combat unemployment in general do not necessarily, or properly, address the needs of the youth. 2) The relevance of comprehensive support packages for the youth, addressing multiple aspects rather than single ones, in the light of the fact that not having a job may be only one of the critical aspects affecting the lives of the youth (the other aspects possibly including the availability of educational or internship opportunities, of services, or of affordable housing).

- ***RI.** Those LRAs holding the legal power and the administrative competences in fields such as education, employment, and welfare, shall consider adapting their policies, and corresponding legislation, to **outline a ‘youth package’** where youth entrepreneurship is only one of the areas to be supported, the others being, for example, work placement, schools/universities, housing.*

The above implies a holistic approach where the overall well-being of the young individual is central, preventing in this way social exclusion and migration.

If the measures and the resources are outlined within the policies and legislation, evidence shows that implementation is facilitated if an active ‘ecosystem of actors’ exists. It is not a case that the set-up of partnerships in the delivery of the Youth Guarantee schemes has been given importance since the inception of the Guarantee’s preparatory action. The ecosystem of actors does not have to have a minimum size (i.e. it may be at the regional or even at the local level) but it does require linking the necessary stakeholders from the public, private, and civil society, making them interact and allowing them to contribute according to their role. LRAs are expected to have a comprehensive overview of the territorial actors which are relevant to the promotion or boosting of entrepreneurship in general and of youth entrepreneurship in particular.

- **R2.** *LRA*s shall become the main referent for creating a network or partnership or ‘ecosystem’, defining (formally or informally) the input of the various actors, and coordinating, as necessary, the different functions. Towards this scope, the set-up of appropriate structures (e.g. committees) or mechanisms for interaction, i.e. an **ecosystem’s governance**, may be necessary.

Once the framework conditions are set and the actors are defined, another important step is to reach out to the target groups. This is not an obvious exercise and evidence shows that even in ideal conditions some categories of target groups are difficult to involve. Therefore a well-defined reach out strategy is necessary.

- **R3.** *LRA*s shall open or create direct information channels and/or communication contacts with the target groups or with formal and informal organisations/networks linking to the young unemployed.

## 5.2 Mastering available instruments and programmes

Several of the initiatives included in the inventory are funded and/or co-funded with EU and/or national budgets. This means that those LRA’s having designed tailored-to-the-youth interventions have for the most taken advantage of these opportunities through the preparation of a proposal or the design of a project/programme. In several cases LRA’s have applied to open calls and hence have competed for the funding of their projects. Not all LRA’s are equipped or sufficiently qualified to design projects/programmes, to apply for the funding of a proposal or, eventually, to manage a project.

- **R4.** *LRA*s not yet exploiting competitive funding opportunities shall consider defining a **strategy for actively seeking competitive funding for their youth entrepreneurship projects**. As a starting point, the strategy may foster the identification of potential partners having a ‘pull effect’, i.e. the necessary experience in project design and proposals’ preparation at the national and/or European level. The immediate effect of this strategy would be the increase in the number of projects implemented by LRA’s on youth entrepreneurship, i.e. more financial resources and structured relationships with the social partners.

Working on the set up of a partnership which is potentially capable of submitting a successful project proposal is also functional to the creation of the entrepreneurial ecosystem where the interaction and cooperation among the relevant partners such as public authorities, universities and businesses is facilitated. These ecosystems characterise some of the innovative initiatives



reviewed and often imply new pedagogical approaches and/or triple or quadruple interaction models.

In terms of effectiveness of the project design, LRAs should be able to make informed decisions on the most appropriate type of intervention according to the type of target groups, their needs, their attitude and culture with respect to entrepreneurship, and the existing structural conditions (e.g. capacities of the educational institutions, availability of coaching and mentoring expertise).

- **R5.** *LRAs shall assess the impact of relevant past or on-going initiatives undertaken to promote youth entrepreneurship, even when such initiatives have been carried out by third parties. **Evaluation and assessment of results allow the planning, in the medium and long term, of interventions which have higher chances of success.** The same monitoring and evaluation exercise is necessary in terms of changes in entrepreneurial attitude and culture by the different stakeholders, which may be carried out with the regular undertaking of sampled surveys.*

In terms of efficiency of management and implementation of instruments and programmes, the seeking of a critical mass of financial resources is detailed in section 5.4 below.

### **5.3 Investing on the introduction of entrepreneurial education in public schools**

In terms of more targeted interventions, evidence shows that a reform, or upgrade, of the formal and non-formal education systems is among the most effective interventions to promote youth entrepreneurship over a medium-to-long term period. Such a change equips students with the capacity to consider entrepreneurship as a career choice, comparable to being an employee, and increases the chance of having sufficient and skilled young entrepreneurs in the future. The introduction of entrepreneurial education in curricula is a long-term approach and ideally should be implemented structurally, i.e. across the education system, but it may also be implemented as part of an individual programme addressing a specific territory, for example a municipality.

- **R6.** *With a view to enhance the sustainability of any intervention made to promote or boost youth entrepreneurship, **education systems need to be upgraded to include entrepreneurial education at all levels and in different forms** according to the different target groups of students. This may imply the change of curricula and/or, especially in VET, the linking of education to the business world.*

The importance of having teachers with sufficient motivation and at least basic qualifications in entrepreneurial education is underlined in almost all the identified initiatives dealing with the introduction of entrepreneurship in the education system. The various initiatives adopt very diverse approaches to training the trainers, from exposing them to the same experiences of students (e.g. internships in companies) to including them in innovative and collaborative spaces or learning communities where teachers, students and entrepreneurs benefit from each other. An important pre-condition of success for the introduction of entrepreneurship in teaching activities appears to be the positive attitude of teachers.

- ***R7. The introduction of entrepreneurship education in schools shall be subject to the verification of the existence among teachers of sufficient awareness, motivation and engagement with respect to acknowledging the importance of entrepreneurship.***

## **5.4 Contributing to breaking down the barrier of the lack of capital**

The most valuable endowment of youth is creativity and its innovation potential but both may be lost in the absence of financial capital for transforming ideas into concrete business activities. As discussed in Part 1, the lack of capital is the most important barrier to self-employment. For this reason, it is sensible for LRAs to take a role in accomplishing an effective allocation of financial resources over the territory, including the resources needed by the start-ups established by young entrepreneurs.

LRAs' intervention is justified by the social return of the investment (e.g. creation of jobs). Such a return needs to be made positive by reducing the risk of funding a large number of youth enterprises designated to fail (i.e. avoiding misallocation of the existing funds) and by increasing the critical mass of funds for sustaining youth entrepreneurship (i.e. increasing the availability of funds to be allocated). This situation may be achieved if LRAs, together with local actors of the financial market (e.g. business angels in the risk capital market and banks in the debt financing), define joint strategies for youth entrepreneurships.

- ***R8. Reduction of risk imposes to LRAs to build structural relationships with local financial actors and to favour the alignment of their strategies with the needs of the territory. LRAs should identify and propose initiatives and projects which are not usually addressed by the private financial market but which may generate an active entrepreneurial situation (i.e. boosting of***

*entrepreneurial activities) with positive side effects (i.e. returns) in the form of potential demand of (risk or debt) capital.*

A further option to improve the social return of investment is given by pursuing a more efficient use of potentially available public financial support, hence increasing the critical mass of funds. Awareness of the possible funding options for reducing youth unemployment and for increasing youth entrepreneurship is the starting point.

- ***R9. Synergies between different types of funds may generate a leverage effect in quantitative terms, increasing the actual financial resources available to support youth entrepreneurship. LRAs should strive to identify innovative mechanisms to combine different sources of, mostly public, funds. LRAs shall go beyond the application of ‘individual’ instruments (e.g. grants, low-rate loans, prizes) and exploit synergies with, for example, Structural Funds or European Investment Bank allocations for youth entrepreneurship.***

## **5.5 Facilitating the input of soft and hard assets to youth entrepreneurship**

Experienced entrepreneurs are those having the know-how which is essential for conducting business. Besides expertise, advising, mentoring, and coaching, young people also need dedicated support and time. Such soft assets (i.e. entrepreneurial know-how) and availability are not so commonly found. They are usually made available by willing individuals who are running a business (e.g. successful entrepreneurs), who have concluded their active professional activity (e.g. retired managers), or who are focusing their activity on seeding someone else's business (e.g. business angels). Effort and return of these actors should be adequately channelled by LRAs towards the most promising youth enterprises or youth entrepreneurship initiatives.

- ***R10. LRAs should reach out to the available experienced soft assets of the territory with a view of using such assets for boosting youth entrepreneurship locally, possibly through the implementation of jointly agreed ‘educational’ initiatives. Reach out and liaison may occur through business associations, professional organisations and chambers of commerce which may be considered the natural depositories of such know-how.***

- **R11.** Actions which address the **generational transfer of business know-how** should also be pursued to avoid the loss of entrepreneurial competences existing on the territory.

Concentration of resources is one of the main goals that should be pursued by LRAs, especially when youth entrepreneurship is concerned. Young entrepreneurs should have the opportunity to interact with experienced coaches and mentors but also among themselves. Such close interaction may leverage the entrepreneurial culture and competences of those involved.

- **R12.** LRAs, in cooperation with industrial, financial and research stakeholders, should facilitate **the identification and/or creation of 'entrepreneurial spaces' for young entrepreneurs.** These may be new spaces obtained from the conversion of unused buildings, or existing spaces within, for example, science parks or business incubators.

Figure 1 shows the linking of recommendations to the challenges outlined in Part 3.

**Figure 1 Measures, challenges and recommendations**

MEASURES	CHALLENGES											
	ENV	ENV	ENV	INS	INS	MIN	MIN	COA	COA	FIN	FIN	STR
<b>MEASURES</b> ENV = Creating a supportive environment. INS = Implementing EU and/or national instruments and programmes. MIN = Fostering an entrepreneurial mindset, attitude and culture. COA = Providing information, training, advice, coaching and mentoring. FIN = Facilitating access to credit, private capital and/or providing funding/incentives. STR = Providing structural support.												
<b>RECOMMENDATIONS</b>												
R1. Adapting policies/legislation to outline a comprehensive 'youth package' not only addressing youth entrepreneurship.												
R2. Becoming the main referent for creating a network or partnership or 'ecosystem', and an ecosystem's governance.												
R3. 'Opening/creating information channels and/or communication contacts with the target groups, directly or via third parties.												
R4. 'Elaborating a strategy for actively seeking competitive funding for youth entrepreneurship projects.												
R5. Evaluating and assessing past and on-going experiences/attitudes in order to plan more effective and successful interventions.												
R6. Upgrading the education systems to include entrepreneurial education at all levels and in different forms.												
R7. Verifying the existence among teachers of sufficient awareness, motivation and engagement.												
R8. Building structural relationships with local business angels in the risk capital market and banks in the debt financing.												
R9. Seeking synergies between different types of funds.												
R10. Reaching out to the available experienced soft assets of the territory.												
R11. Pursuing actions which address the generational transfer of business know-how.												
R12. Facilitate the identification and/or creation (through concentration) of 'entrepreneurial spaces' for young entrepreneurs.												

Notes: elaborated by the Contractor.

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