

Youth Entrepreneurship

Issue Briefing

UNITEE

New European Business Confederation

Pl. du Luxembourg, 1050 brussels

3227346209

info@unitee.eu



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Definitions

New Europeans are people with lived migration experiences who have ties that go beyond their current country of residence, thus possessing a dual or plural cultural and linguistic background.

Missing Entrepreneurs refers to those people who show interest in starting a business but due to economic and societal obstacles do not have the chance to pursue this career. About three-quarters of these “missing” entrepreneurs are women, and one-in-eight are under 30 years old.

Youth are defined as being between 15 and 29 years old.



Background

Evidence suggests that youth are very interested in entrepreneurship, but very few young people are actively involved in it. The presence of “**missing entrepreneurs**” in Europe is caused by several factors. Young people may face different structural barriers related to the lack of experience and funds. The European Union and its Member States, through their policies, can help fill these gaps by focused policies and actions aimed at encouraging young people to consider entrepreneurship as a career opportunity and initially help them run already active businesses (e.g. with regulatory tools that consider tax reduction in the first phases).

Young entrepreneurs face **several disadvantages**; some of the main obstacles are related to the **lack of funds, experience, and support** from society. Y Since the beginning of the economic crisis in 2008, **youth unemployment** has been **continuously rising**.

The **COVID-19 pandemic** has had a **further negative impact** on many young people who have been struggling to enter the job market as young graduates or keeping their job in a phase of uncertainty. **In 2021**, one year after the pandemic started, about **19% of youth were unemployed in the European Union**. If we compare these numbers with the overall percentage of unemployment - standing around 6% - we notice that this category particularly struggles with finding and maintaining a job position. **Entrepreneurship** may not be a silver bullet to fight against youth unemployment, but it **can be part of the solution**. Youth entrepreneurship policies and programmes have demonstrated that they can facilitate access to work for many young people and therefore should be part of the policy response to the unemployment challenge.

Europeans tend to favour stable careers and financial security over the uncertainty associated with being an entrepreneur: **only 7 % of young workers aged 20-29 are self-employed** in the EU-27 in 2020, according to this [OECD report on youth entrepreneurship](#). Latent entrepreneurship is, however, particularly pronounced amongst young people: [estimates](#) suggest that about 40% to 45% of young people report to have an interest in starting a business. It is clear that there is an **urgent need for stimulating youth entrepreneurship** in the EU, in particular through **entrepreneurship education**: studies show that young Europeans who participate in entrepreneurial activities display more entrepreneurial attitudes, start more companies, and can innovate more even as employees in a firm.

Young migrants tend to encounter even further scepticism from society as they try to set up a business due to discrimination in the labour market. Lack of network and knowledge of the system, language barriers. For this reason they should be supported with tailor- made policies and actions at the European and national level.



In 2020 fewer than 7% of people aged 18 to 29 years old in the EU and 13% in OECD countries were involved in early-stage entrepreneurship, i.e. involved in creating a new business or managing one that is less than 42 months old.

Our position

Recognising that **youth entrepreneurship**, as a policy field, **requires more attention** and investments is the first step to build an environment that provides more opportunities. We acknowledge that there has been an improvement after the 2008 economic crisis. Policymakers at the European and national level have put more emphasis on the importance of investing in youth entrepreneurship. The European Union and its Member States must follow this path and act in coordination to **give young Europeans the chance to succeed in their entrepreneurial activities** and to support those who demonstrate the will to start their own businesses. Furthermore, addressing youth entrepreneurship has become a policy priority because of entrepreneurship's potential to help young people access the job market and thus mitigate the challenge of youth unemployment in Europe.

Improving the structural conditions for young Europeans to set up and run companies within the EU. Creating a friendlier legal framework for young entrepreneurs by developing new regulatory tools (temporary tax reduction, relief from social security contribution in the first year, facilitating access to finance) to encourage setting up a business and support the ones already running. Developing new mentoring programmes and strengthening the existing ones such as Erasmus For Young Entrepreneurs is another key step. We also emphasise the need for greater cooperation between banks and institutions in providing funds.

Promoting entrepreneurship education more systematically as a means to increase entrepreneurial mindsets, skills and knowledge among young people. Some countries are already introducing entrepreneurial programs in their higher education system. A successful tool to raise awareness about the potentiality of entrepreneurship is to use "role models" to inspire and inform youth about the role of entrepreneurship. In particular, the unique experience and knowledge of immigrant entrepreneurs should be introduced into higher education curricula so as to develop international as well as cross-cultural competencies among students.

Encouraging membership to existing social structures, such as **business associations**. It would help young Europeans in finding mentors, exchanging experiences, networking and fighting for common goals such as improvements in EU legislation. Assisting young entrepreneurs developing and strengthening their network can help bridge the structural deficiencies.

Our activities

UNITEE acts as a bridge between New European experienced entrepreneurs and young or aspiring entrepreneurs, who are thus provided with the necessary knowledge and real life experiences to start a business.

- Regularly meets European decision-makers to express the issue of youth unemployment and the contributions and challenges of young entrepreneurs;
- Promotes the contributions of young entrepreneurs by using our social media channels and online review (The New European);
- Engages debate and dialogue on entrepreneurship by organising conferences and roundtables (see our activities here);
- With the help of its member associations, UNITEE supports young New European entrepreneurs in setting up their own businesses by encouraging its members to act as role models, as well as by offering networking and mentorship opportunities.



EMEN Project

This project established three Communities of Practice (CoPs) which, from 2017 to 2020, shared information, knowledge and good practice in three areas that are key to supporting migrant entrepreneurship in the short to medium term:

- Coaching and mentoring
- Microfinance
- Professionalisation of migrant entrepreneurs' associations and diversity management in chambers of commerce.



Everyone should have an equal opportunity to transform their ideas into a business.



EU initiatives for youth entrepreneurship

There are several projects dedicated to help startup businesses in the EU:

Startup Europe strengthens networking opportunities between high tech startups, scaleups, investors, accelerators, corporate networks, universities and the media.

Startup Europe Partnership is an integrated pan-European open innovation platform that helps the best EU scaleups grow.

InvestEU Portal brings together investors and project promoters on a single EU-wide database of investment opportunities.

Youth Guarantee. The reinforced Youth Guarantee is a commitment by all Member States to ensure that all young people under the age of 30 receive a good quality offer of employment.

Youth Employment Initiative. The Youth Employment Initiative (YEI) is one of the main EU financial resources to support the implementation of Youth Guarantee schemes until 2023. The EU launched it in 2013 to provide support to young people living in regions where youth unemployment was higher than 25%.

Erasmus for Young Entrepreneurs. A cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other Participating Countries.

Entrepreneurship 2020 Action plan