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Subject: Promoting a youth entrepreneurial mindset
- *Policy debate*
(Public debate pursuant to Article 8(2) CRP [proposed by the Presidency])

Following consultation of the Youth Working Party, the Presidency has drawn up the attached discussion paper as the basis for the policy debate on the above subject at the EYCS Council meeting on 20-21 May 2014.

Promoting a youth entrepreneurial mindset

Presidency discussion paper

Europe's current challenges

The youth unemployment crisis has had a profound effect on young people and the societies in which they live. The skills, endeavour and innovation of youth are now needed more than ever. In this context, non-formal learning and especially youth work can play a major role in enhancing the creative and innovative capacities of young people in ways that are relevant to employability.

Entrepreneurship is considered to be an important means of economic growth and job creation: it creates new companies and jobs, opens up new markets, improves productivity and creates wealth. Whilst not a miracle solution to youth unemployment, youth entrepreneurship nevertheless has the potential not only to create employment opportunities for young people but also make a positive impact on society by bringing significant economic, social, and even environmental progress.

An entrepreneurial mindset enhances on the one hand a young person's employability and on the other hand can constitute an important element with regards to the autonomy, personal development and wellbeing of young people.

Entrepreneurship theory¹ actually finds entrepreneurship is driven by a mix of determinants. It is important to have a positive, enabling entrepreneurial "ecosystem", in which positive drivers (finance, culture, markets, policy, etc.) are brought together.

¹ Findings from e.g. Eurostat entrepreneurship determinants (2012), an eclectic theory of entrepreneurship, an EU-US comparison (Audretsch & Thurik), the "entrepreneurial ecosystem" developed at Babson college, Entrepreneurship Indicators Programme, OECD.

Entrepreneurship in numbers

A Eurobarometer survey showed low propensity to entrepreneurship in the EU, but slightly higher among young people: 37% of Europeans and 45% of young people claim to prefer self-employment (2012). However, 58% of young people admit that starting a business had never crossed their mind.

According to "Generation Entrepreneur? The state of global youth entrepreneurship" study², young Europeans have a relatively low belief that they had the skills and the knowledge required to start a business (17 % vs. 25% in the USA) confirming, in this way, the high levels of fear of failure among young Europeans.

Actions underway

The European Union, via the *Europe 2020 Strategy and its flagship initiatives* on “New skills and jobs”, “A Digital Agenda for Europe”, “Innovation Union”, and “Youth on the Move” promotes entrepreneurship, by fostering entrepreneurial mindsets and related knowledge, skills and attitudes as a key competence that can boost competitiveness and growth that will be smart, sustainable and inclusive.

The *Entrepreneurship 2020 Action Plan* (EAP)³ sets the ambition that young people in Europe should benefit from an entrepreneurial experience before leaving education. This can be as part of their formal education, either within the curriculum or as an extra-curricular experience. The EAP also acknowledges that such experiences can be gained outside formal education, through e.g. engaging in volunteering.

² <http://www.gemconsortium.org/docs/download/2835>. Prince's Youth Business International and Global Entrepreneurship Monitor on global youth entrepreneurship (2013)

³ http://ec.europa.eu/enterprise/policies/sme/entrepreneurship-2020/index_en.htm

The *Erasmus for Young Entrepreneurs* within the COSME programme⁴ funds exchanges for new entrepreneurs to benefit from coaching and advice from an experienced entrepreneur in another country. The *Social Business Initiative* (SBI)⁵, for its part, addresses legal, financial and visibility aspects to foster social entrepreneurship in Europe.

The pilot Platform '*Social Innovation Europe*'⁶ pursues mutual learning, connecting policy makers, entrepreneurs, academics and third sector workers with other innovators from across Europe.

Under *Erasmus+*, non-formal learning experiences will allow young people to develop entrepreneurial skills. EU projects promoting (social) entrepreneurship/entrepreneurial learning and teaching among youth workers (e.g. through training and cooperation activities and cross-sectoral co-operation) as well as young people (youth exchanges, initiatives, EVS) could be means to enhance entrepreneurship and generate a multiplying effect.

Contribution of informal & non-formal learning to promoting an entrepreneurial mindset

An entrepreneurial mindset among young people is cultivated and developed via formal education, non-formal and informal learning. Entrepreneurship is particularly suitable for many young people who want to turn their knowledge and innovative ideas into reality and to test the skills that they have acquired through all levels of education.

In this context, non-formal learning has a vital role to play in preparing young people for the labour market. A 2012 study carried out by the European Youth Forum, in cooperation with the University of Bath and GHK Consulting, on the impact of non-formal learning in Youth Organisations on Young People's Employability showed that among the six 'soft skills' most demanded by employers, five of these are developed through involvement in youth organisations. These skills are: communication, team work, decision-making, organisational skills and self-confidence.

⁴ http://ec.europa.eu/enterprise/initiatives/cosme/index_en.htm

⁵ http://ec.europa.eu/internal_market/social_business/index_en.htm#maincontentSec4

⁶ <https://webgate.ec.europa.eu/socialinnovationeurope/>

Experience in youth organisations and the skills developed through non-formal and informal learning should become more recognised by employers and formal education providers. It is important, particularly for young people with little formal working experience, that the skills acquired through the involvement in youth organizations are taken into consideration.

Entrepreneurship, like so many other areas, requires a long-term approach and a strong belief in young people's capability. To achieve this, there is a need to encourage young people and to instill a spirit of entrepreneurship from early on in life, in order to develop their full potential as future entrepreneurs.

Ministerial debate

By means of a debate at Council, the Hellenic Presidency would like to highlight the importance of youth entrepreneurship and strengthening the youth entrepreneurial mindset, as a contributing factor in addressing the high level of youth unemployment in the EU.

With this in mind, Ministers are invited to consider the following questions:

- 1. How can Member States develop an 'eco system' which fosters an entrepreneurial spirit among young people?**

- 2. How can the EU level contribute to Member States' efforts to encourage entrepreneurship among young people?**

In order to ensure an interactive, free-flowing debate, the Presidency has invited an external speaker, Mr Konstantinos Kollias (President of the Economic Chamber of Greece) who will provide his unique insights and perspectives on this issue.

In their interventions, Ministers should be guided both by the questions set above, and by the presentations of the external speaker. Ministers will be encouraged to **intervene freely** in response to the speaker, **without scripted interventions**, by asking questions or commenting. The Presidency will also invite the external speaker to respond to the debate as it unfolds, and reflect on points made by the Ministers.]

In order to give all Ministers an opportunity to contribute, interventions will be restricted to **two minutes** maximum.
