



Contextualizing support
for youth
entrepreneurship



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The costs of multiple disadvantage

- Eurofound (2012) estimated that there were around 14 million (around 14%) young people in the EU who were NEETs.
- They estimated that the lifetime costs of these NEETs was about €153 billion or about €3 billion a week
- If 1.4 million were re-integrated into the labour market, this would save €15 billion
- Youth population bulge in Africa

Entrepreneurship take up and characteristics

- Entrepreneurship is less likely among young people (rates in EU are about 5%)
- Obviously varies between countries but men more than women more likely to be entrepreneurially active
- Young entrepreneurs are less likely to survive and grow their business: Nagler and Naudé (2014) show that labour productivity of young entrepreneurs in Sub-Saharan Africa is much lower than older entrepreneurs

Barriers to youth entrepreneurship

- Lack of access to finance (e.g. lack a track record/collateral so struggle to gain debt finance)
- Lack of skills, knowledge and abilities (e.g. unaware of their entrepreneurial capacity, competency and aptitudes)
- Lack of contacts and support (e.g. lack 'know how' contacts, wider support infrastructure)
- Environmental framework conditions (regulations, institutions, taxation etc)

Examples of good practice

- Interventions in the educational system:
Nordic entrepreneurship from *ABC to PhD*;
- Integrated support:
 - World Bank (2013) meta-analysis tends to suggest that support + finance packages work best but need to be sensitive to local conditions

Reflections

- Most young people want a job made for them rather than creating their own...
- Evidence tends to suggest integrated packages work better
- Issue is not just about creating young entrepreneurs but supporting them to develop sustainable businesses