

## IV

*(Notices)*

## NOTICES FROM EUROPEAN UNION INSTITUTIONS, BODIES, OFFICES AND AGENCIES

## COUNCIL

**Council conclusions of 20 May 2014 on promoting youth entrepreneurship to foster social inclusion of young people**

(2014/C 183/04)

THE COUNCIL OF THE EUROPEAN UNION,

ACKNOWLEDGING THAT:

1. The economic crisis that started in the second half of the last decade has created a particularly fragile situation for today's young generation. Youth unemployment rates remain historically high, at 23,2 % in the EU-28 and 23,8 % in the Euro area (December 2013).
2. As a result of such high youth unemployment, young people are experiencing increased levels of poverty and social exclusion and increasing numbers feel compelled to leave their home countries, and sometimes Europe entirely, to look for better opportunities. This is generating a brain drain effect in some Member States which could be difficult to reverse.
3. The European Union, via the Europe 2020 and its flagship initiatives on 'New skills and jobs', 'Digital Agenda for Europe', 'Innovation Union', 'Youth on the move' promotes entrepreneurship, by fostering entrepreneurial mindsets and related knowledge, skills and competences that can boost competitiveness and growth that will be smart, sustainable and inclusive.
4. Entrepreneurship is an important driver of economic growth and job creation: it creates new companies and jobs, opens up new markets, improves productivity and creates wealth. An entrepreneurial mindset enhances a young person's employability. Entrepreneurship and in particular Small and Medium Sized enterprises (SMEs) are the backbone of the EU economy and represent the most important source of new employment <sup>(1)</sup>.
5. Cultures that value and reward entrepreneurial behaviour such as calculated risk taking and independent thinking promote a propensity to develop new solutions to social challenges. In this regard public perception of entrepreneurs needs to be more appreciated, entrepreneurship education needs to be increased and underrepresented groups need to get special attention and be given help in order to start, run or grow a business or enterprise.

<sup>(1)</sup> More than 99 % of all European businesses are, in fact, SMEs. They provide two out of three of the private sector jobs and contribute to more than half of the total value-added created by businesses in the EU ( European Commission — DG Enterprise and Industry homepage).

6. Entrepreneurship is not solely based on seeking profit. Different actors, both in public and private sectors, civil society and social economy<sup>(1)</sup> organisations, combining a social and an entrepreneurial dimension, address our principal societal challenges. This tendency is called 'social entrepreneurship', and the new types of organisations that have emerged, 'social enterprises'.
7. Culture and creativity have been identified in the 'Renewed Framework for European Cooperation in the youth field' as a field of action for youth policy. The cultural and creative sectors<sup>(2)</sup> can present great opportunities for transforming young people's creativity and human capital into smart growth and jobs. In the digital era culture participation is a powerful tool to promote social inclusion and social engagement especially among the youth.
8. In its final report, the Expert Group 'promoting the creativity and innovative capacity of young people by identifying competences and skills acquired through non-formal and informal learning' has considered how to enhance the employability of young people.

CONSIDERS THAT:

9. Entrepreneurship can constitute an important element with regards to the autonomy, personal development and wellbeing of young people. Entrepreneurship can be seen as one of the solutions to combat youth unemployment.
10. Europe should invest in entrepreneurial education and training, the creation of an environment where entrepreneurs can flourish and grow, reaching out also to specific groups, and the visibility of entrepreneurs as role models.
11. In particular, the 'social entrepreneurship' model, primarily aimed at contributing to the general good of society, can appeal to young people and give them the chance to provide innovative responses to the current economic, social and environmental challenges. The social entrepreneurship idea that is close to people and local communities ensures social cohesion through the involvement of young people including those from vulnerable groups.
12. Social enterprises<sup>(3)</sup> contribute to smart growth by responding with social innovation to the new needs; they create sustainable growth by taking into account their environmental impact and by their long-term vision; they are at the heart of inclusive growth due to their emphasis on people and social cohesion.

IN THIS REGARD:

13. Youth policy can play a role in cross-sectorial cooperation that may help to overcome barriers. 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, to instill a spirit of entrepreneurship from early on in life — initiative, confidence, calculated risk-taking, creativity, organization, tenacity — in order to develop their full potential and to successfully enter the job market. In aiming to promote youth entrepreneurship, with special focus on social entrepreneurship, the following priorities have been identified:

— Enhance entrepreneurial mindsets and skills of young people via formal education, non-formal and informal learning. Entrepreneurship competence includes transversal skills and attitudes as well as knowledge. Youth work is a key tool and instrument developing transversal skills.

<sup>(1)</sup> The social economy employs over 14,51 million people in the EU, accounting for 6,5 % of total employment. It covers bodies with a special legal status (cooperatives, foundations, associations, mutual societies) as well as social enterprises in the form of an ordinary private or public limited company (Social Business Initiative- SEC (2011)1278 final).

<sup>(2)</sup> The cultural and creative sectors account for 4,5 % of the European GDP and employ nearly 8 million workers (Promoting cultural and creative sectors for growth and jobs in the EU COM(2012) 537 final).

<sup>(3)</sup> A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities (Social Business Initiative- SEC (2011)1278 final).

- Promote youth work (through information, counseling and coaching) and voluntary activities among young people, as means of obtaining necessary skills in order to find a job or to start their own project. Recognize the contribution of youth work activities in enhancing and supporting young people's creative energy and capacity for innovation as a key element for their self- development and active inclusion.
- Enhance and further strengthen 'social entrepreneurship' as an entrepreneurial model among young people, in a way that can enhance their employability whilst at the same time taking into account sustainable and environmental values.
- Promote the acquisition, by all young people, of digital skills to enable young people to fully exploit the potential of the digital world.
- Promote cultural awareness among young people, as actors and users, that enhances their sense of initiative and entrepreneurial spirit. Access to culture and active participation in cultural activities can reinforce young people's wellbeing and their awareness of sharing a common cultural heritage.

INVITES THE MEMBER STATES WITH DUE REGARD FOR THE PRINCIPLE OF SUBSIDIARITY TO:

14. Recognise the important role of entrepreneurship and enterprises to combat youth unemployment; develop and strengthen policies to increase knowledge on various aspects of entrepreneurship among young people.
15. Recognise the importance of entrepreneurial education from an early age and highlight the role of non-formal and informal learning to ensure a holistic approach to the personal development of young people and facilitate their successful integration into the labour market.
16. Promote youth work and voluntary activities as key instruments in developing transversal and soft skills that are needed in running businesses and entrepreneurial action. In this regard further develop and emphasise the recognition or validation of non-formal and informal learning, also considering learning outcomes relevant to entrepreneurship.
17. Consider recognising youth organisations as one of the main providers of non-formal and informal learning leading to an entrepreneurial mindset and skills. In this regard, Member States could consider strengthening the support for youth organisations in providing guidance, mentoring and quality training.
18. Promote and support business start-ups and social enterprises in overcoming considerable barriers to accessing finance, support services and mentoring possibilities (including efficient use of the European Structural and Investment funds, where consistent with the partnership agreements).
19. Offer, where appropriate, support by reducing possible obstacles according to the levels of social and environmental impact.

INVITES THE MEMBER STATES AND THE COMMISSION, WITHIN THEIR RESPECTIVE SPHERES OF COMPETENCE AND WITH DUE REGARD FOR THE PRINCIPLE OF SUBSIDIARITY TO:

20. Increase the visibility of social entrepreneurship and develop tools to gain a better understanding of the sector. In this regard, increase knowledge and promote various forms of enterprises, social enterprises (including cooperatives), cultural and creative enterprises etc.
21. Facilitate traineeships and exchanges, sharing experiences and other learning activities, enhancing entrepreneurial attitudes and skills (e.g. engaging young people in direct entrepreneurial experiences, on the job training, networks, promotion of specialised skills) and support efforts to define the learning outcomes of such activities. Promote the development of tools to allow young people to assess and present their entrepreneurial skills and competences.
22. Encourage small businesses and young entrepreneurs to innovate and seize the full opportunities of the EU internal market, by encouraging them to go abroad and to engage in cross-border transfers of knowledge, and cooperation. In order to reach these objectives, networks of young social entrepreneurs and potential partners should be promoted.

23. Encourage the exchange of opportunities and the collaboration between young entrepreneurs from different Member States. Enhance reciprocal intergenerational solidarity through exchange of knowledge between more experienced entrepreneurs and young aspiring ones. Promote entrepreneurship mentoring programmes at national and European level.
24. Increase cross-sectoral co-operation and ensure access to information and support services in order to create favourable conditions for young entrepreneurs and reduce the administrative burdens for young entrepreneurs.
25. Promote accessibility among all relevant stakeholders and encourage the take up of European programmes (such as Erasmus+, Erasmus for Young Entrepreneurs in the framework of the COSME programme, the European Social Fund and other financial programmes for social enterprises and microfinance under the Employment and Social Innovation Programme) for enhancing entrepreneurial skills among young people, promoting, where appropriate, specialised support for young entrepreneurs and building the capacity of those who work with young people to fully exploit their potential.

INVITES THE COMMISSION TO:

26. Raise awareness of youth entrepreneurship, including on the European Youth Portal, and present good practices on youth entrepreneurship (possibly in conjunction with the European SME week).
  27. Launch research or a study and increase knowledge about youth entrepreneurship, focusing on young entrepreneurs, social entrepreneurs and green jobs and the role of youth work in this regard.
  28. Strengthen active cooperation among young entrepreneurs with the relevant business and social partners and other stakeholders, including through the Erasmus + and Erasmus for young entrepreneurs programmes.
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