

Entrepreneurship Education: Tool for Reducing Youth Unemployment. Learning from Best Practices in European Countries

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Abstract

This article approaches entrepreneurship education as an important tool for reducing youth unemployment. Entrepreneurship is considered to be the engine of the economic growth of a country, which contributes to the well-being of individuals. Therefore, European countries took measures to stimulate entrepreneurial thinking among young people. Young people do not need to be born with specific entrepreneurial skills in order to design and run a business. Entrepreneurship education supports young people to advance their business knowledge and entrepreneurial skills through different classes, courses and programmes. The entrepreneurial spirit can be a result of education or experience. In recent years, unemployment has been a phenomenon which has affected young Europeans. Entrepreneurship education is considered to be an instrument to reduce youth unemployment in European countries. Once they acquire business knowledge and entrepreneurial skills, the young people will manage to design new business opportunities for the development of the business environment. Young people are among the most affected by unemployment, which is why they are involved in different programmes in the field of entrepreneurship education. The research methodology includes an analysis of best practices in the field of entrepreneurship education in several European countries in order to highlight the importance of this concept. The results highlight the fact that entrepreneurship education is currently an important and effective tool for reducing the number of unemployed young people: creates new businesses and new jobs.

Keywords: *Entrepreneurship education; Youth unemployment; Best practices; European countries.*

JEL Classification: *E24; L26; M13; M53; M54.*

Introduction

Young people are an important part of a country's population, which is nowadays experiencing various challenges on the labour market. Oftentimes, their basic training does not comply with the requirements of the labour market. When individuals grow old, they either decide to join the labour market and work under the existent circumstances or permanently give up on the idea of working (Eurostat, 2019).

In the last years youth unemployment has been a high priority for European employment policies (Agenda for International Development, 2019). Young people are the present and the future of the European labour market. The socio-economic development of the European countries is dependent upon the manner in which each employment policy approaches young people issues and their inclusion in the labour market.

The current labour market is experiencing young educated people. A high level of education within the framework of a single country directly influences the economic growth. Despite this circumstance, educated young people very frequently experience various issues when entering the labour market and seek for an appropriate job, both in terms of professional and personal requirements.

Entrepreneurship education can be regarded as an opportunity for reducing youth unemployment, considering the high unemployment rates among young people within European countries (OECD, 2019).

Entrepreneurship education encourages young people to achieve business knowledge and motivates them to choose a career in the field of entrepreneurship. The development of the business environment can be mainly achieved when young people are educated in the field of entrepreneurship.

The need to support and promote entrepreneurship education among young Europeans is of great importance, both from the perspective of economic and social development. Moreover, it contributes towards professional and personal development of young people.

Conceptualizing Entrepreneurship Education

There is one question whose answer creates multiple discussions among people: Can the entrepreneurial spirit be achieved through education or is a trait that certain people get by birth? This is a debatable point because every single individual is unique by birth and there are cases when certain entrepreneurs have been gifted by birth with entrepreneurial skills and creativity. However, people can acquire entrepreneurial skills through a learning process and experience (World Bank Group).

Education is essential in the training of youth, it prepares them for challenges they will face on the labour market. Entrepreneurship education encourages young people to uncover their entrepreneurial skills because the entrepreneurial spirit can be achieved through learning and experience.

Alan Gibson defines entrepreneurship education as "the process of using personal initiative in turning a business concept into a company or developing an existing enterprise into a high-potential enterprise" (Gibson, 2001). This definition emphasises the importance of personal initiative in shaping and running a business. These circumstances are more prominent when individuals possess business knowledge and entrepreneurial skills.

According to Moreland (2006), with the introduction of entrepreneurship education in higher education system, students will acquire business knowledge and entrepreneurial skills and understand the economic characteristics of companies. Therefore, young people need to have access to entrepreneurship courses and training in order to acquire entrepreneurial skills and further develop the business environment of their country.

Entrepreneurs are essential for a healthy economy for reasons associated with production, services, employment, technology, revenues. Joseph Schumpeter has given the following significance to the concept of entrepreneur: „we call «enterprise» the production of new combinations and «entrepreneurs» the individuals whose function is to realize them (Śledzik, 2013). This definition underlines the fact that entrepreneurs have various functions: identify, design and develop new business ideas by using business knowledge and entrepreneurial skills.

The entrepreneur is an individual who emphasises a sense of initiative, turns a concept into a business idea and, subsequently, takes responsibility for their decisions. In many cases, designing a business concept can be accomplished only through learning and experience. Future

entrepreneurs must acquire certain skills and abilities in the field of entrepreneurship. Also, they have to develop an ability to employ all information and put it into practice.

Many European countries have experienced demographic changes in the last years and this situation has influenced their economic development (Eurostat, 2017). Therefore, it is very important to promote entrepreneurship amongst youth. Entrepreneurship education is a key factor for building an entrepreneurial culture among young people. Introducing entrepreneurship education in schools, universities and other educational institutions give rise to a new category of entrepreneurs, more educated and better prepared for labour market challenges.

The main purpose of entrepreneurship education is to develop the entrepreneurial skills of individuals. These entrepreneurial skills which individuals will earn when participating in entrepreneurship programmes are related to attitudes, business knowledge and entrepreneurial skills necessary for creating value within the economy. In Table 1 it can be observed a list of skills, attitudes and knowledge that young people acquire through entrepreneurship education. When correlated, these lead to individuals prepared for choosing an entrepreneurial career.

Table 1. Skills, attitudes and knowledge acquired through entrepreneurship education

| Skills | Attitudes | Knowledge |
|--|---|--|
| <ul style="list-style-type: none">▪ interpersonal▪ learning▪ marketing▪ seeking resources▪ seeking opportunities▪ strategical | <ul style="list-style-type: none">▪ spirit of innovation▪ productivity▪ perseverance▪ tolerance of uncertainty▪ entrepreneurial identity▪ efficiency | <ul style="list-style-type: none">▪ entrepreneurship▪ value creation▪ technology▪ marketing▪ sales▪ accounting and finances |

Source: Author's compilation

Entrepreneurship education in European countries is currently being promoted within companies, European institutions and different organizations. Therefore, the European stakeholders find entrepreneurship education relevant for the education of young people in the field of entrepreneurship.

European countries could learn from experiences and best practices in the field of entrepreneurship education from countries like Australia, Canada, Japan or USA, in order to make progress in this field. Copying best-practice models in the field of entrepreneurship education it is sometimes hard to achieve because these models should be adapted to the mind-set of the individuals and to the national, regional and local ecosystem.

Entrepreneurship education gives rise to business knowledge, entrepreneurial skills and new business ideas. Nowadays, young people are creative and are able to design new innovative businesses, particularly in the field of technology.

Entrepreneurship Education: a Tool for Reducing Unemployment?

Unemployment is a macroeconomic phenomenon which occurs when labour demand is lower than labour supply. Among other consequences of unemployment, certain individuals will not have a job nor will find one in the forthcoming period. Over the past few years, young people have been the most affected by unemployment.

Unemployment is not just an economic but a social phenomenon, both in its consequences. When experiencing unemployment, young people face both professional and personal issues.

Given the fragile situation of unemployed young people, the governments should improve certain aspects regarding their employment.

Entrepreneurship education may be considered as an opportunity to reduce youth unemployment. The young people involved in entrepreneurship courses will acquire business knowledge and entrepreneurial skills which can be used to design new opportunities for the development of the business environment.

At the present time, many young people graduate from different schools without any security for employment in the field of specialization. Many of them end up working into completely different areas and oftentimes for low wages.

Another point is that young people choose to study in fields which are characterized by an insufficient demand on the labour market. All countries could undertake a comprehensive research related to qualifications and occupations that provide both security and satisfaction on the labour market.

Based on previous consideration, it would be advisable for each country to release a guidebook related to employment which features a list with jobs characterized by high demand. The idea behind this statement is that young people should investigate the labour market before choosing a field of study.

The creation of new companies by young people who have participated in entrepreneurship classes, courses, trainings or mentoring sessions could be turned into best-practice models in the field of entrepreneurship education. All the businesses newly established will contribute to the economic growth of each country: will create new jobs, reduce unemployment, maximize the social welfare and contribute to the psychological health of young people.

Best Practices in European Countries in the Field of Entrepreneurship Education

In Europe, entrepreneurship education is nowadays promoted and implemented in institutions of primary, secondary and tertiary education. These circumstances have a positive impact on education and employment, leading to the economic and social development of the European countries.

Many institutions of primary, secondary and higher learning encourage young people to prepare for a career in entrepreneurship. After they have acquired entrepreneurial skills and business knowledge, they can start to design a business concept and further develop it together with a good team. The situation is that not all young people choose to become an entrepreneur after completing entrepreneurship education courses. However, the entrepreneurial skills and business knowledge will motivate them to work in a company as an employee.

Entrepreneurship education creates numerous benefits for young people and opens new roads in the field of entrepreneurship. Therefore, the adoption of best practices in the field of entrepreneurship education will accelerate the development of the business environment. There is evidence that approximately three out of six students have a better chance to set up their own business after participating to entrepreneurship education courses (European Commission, 2019).

In order to develop the entrepreneurial ecosystem, the European countries have adopted best-practice models and conducted important projects in the field of entrepreneurship education. A number of nine best practices in the field of entrepreneurship education are shown in Table 2. These best practices have been adopted in European countries such as Denmark, Germany, Romania, Spain, Austria, Croatia, France, Italy and United Kingdom. These countries have

taken steps to educate young people in the field of entrepreneurship and develop the business environment.

Table 2. Best-practice models in the field of entrepreneurship education in European countries

| Best-practice models | Country |
|--|----------------|
| Aarhus Start-up Weekend | Denmark |
| Entrepreneurial Spirit in Schools | Germany |
| RubikHub | Romania |
| Be an entrepreneur | Spain |
| Year of research | Austria |
| Children’s Week of Entrepreneurship | Croatia |
| Innovation Challenge | France |
| Big Ideas Wales | United Kingdom |
| Hot Spirits | Italy |

Source: Author’s compilation

(1) Aarhus Start-up Weekend (Denmark) is a competition which aims to stimulate creativity and encourage innovation among students. The students design new innovative business ideas and create prototypes. Organised annually within Aarhus University, this competition lasts 54 hours. The competition participants include educational institutions, students, entrepreneurs and governmental agencies. The main purpose of this contest is to encourage entrepreneurship amongst young people and to create new innovative business ideas. The best business ideas have the opportunity to obtain funding for future development. Furthermore, the students can promote their business ideas on an online platform. The results of this competition point out that the students have generated around one thousand new business ideas.

(2) Entrepreneurial Spirit in Schools (Germany) is an online platform which provides learning and teaching materials for pupils, students and teachers. Federal Ministry of Economy and Energy is the authority which initiated and further developed this online platform in order to encourage entrepreneurship education in schools. The parties concerned have access to different materials, business games and contests in the field of entrepreneurship. Moreover, teachers can improve their knowledge in the field of entrepreneurship by accessing all information provided on this platform specifically for them.

(3) RubikHub (Romania) is a business incubator in the Nord-East Region of Romania. The incubator contributes towards supporting and promoting entrepreneurship and entrepreneurship education. This incubator creates and promotes different programmes in the field of entrepreneurship and a specific programme designed for entrepreneurship education – RubikEdu. RubikEdu provides a learning method for students by using practical examples of entrepreneurship. The main idea of this programme is that people will acquire an entrepreneurial culture necessary for establishing a new company or for choosing a career as an employee in a company.

(4) Be an entrepreneur (Spain) is a programme designed for students within vocational education system in Catalonia. The aim of this programme is to promote the entrepreneurial thinking within young people through various innovative methods. The students will receive theoretical training in the field of entrepreneurship. The courses are held in English and taught by active entrepreneurs. The information provided by active entrepreneurs is more relevant in practical terms because young people often seek to follow real business cases. The entrepreneurs use innovative learning methods in order to shape the entrepreneurial thinking, improve English, improve public speaking, stimulate creativity and encourage innovation.

(5) **Year of research (Austria)** is an initiative addressed to all the people interested in entrepreneurship but primarily focused on children aged 10-17. The participants can compete individually or as a team on an online platform. After registering the business ideas on this platform, the students will be involved in a research work with teachers from the affiliated schools. The teachers are tasked to help the participants with notions and information related to entrepreneurship and also with the research work. Approximately 57,000 students from 436 schools participated in this contest by 2015.

(6) **Children's Week of Entrepreneurship (Croatia)** is a programme for kindergarten children and elementary school students. The objective of this programme is to educate young people as early as possible in the field of entrepreneurship. By means of this initiative, several schools in Croatia have been encouraged to form entrepreneurship clubs for children and cooperate with the business community from the area. As a result, the students acquire business knowledge and entrepreneurial skills from an early age and gradually realize the relevance of entrepreneurs for the socio-economic development of a country.

(7) **Innovation Challenge (France)** is a competition organised by Paris Business School with the purpose of developing creativity, innovation, entrepreneurship and team spirit among the participants. Students from various countries, such as France, Germany or United States also participate in this competition. It can be regarded as a multicultural project. The students will be challenged to work in an international environment in interdisciplinary teams. They will have to provide innovative solutions for various issues encountered by businesses operating in the labor market. The best and most innovative business plans receive important awards from the companies involved in the competition.

(8) **Big Ideas Wales (United Kingdom)** is a free of charge online learning portal related to entrepreneurship but also works as a support center. Within this portal every interested person can find different best-practice models in the field of entrepreneurship, certain schemes for business assistance, materials concerning the challenges encountered by entrepreneurs and interesting case studies. The initiative has been made for people who are looking for information in this field but particularly for young people aged 5-25.

(9) **Hot Spirits (Italy)** is an initiative adopted in Apulia, an Italian region. This initiative encourages talented young people to participate in various community programmes related to entrepreneurship. The participation in the programme entails the stimulation of young people's creativity for the development of entrepreneurship.

Conclusions

In recent years, the European labour market has experienced a global crisis characterised by high rates of unemployment, primarily amongst young people. As a consequence, the European policies focused their attention towards certain measures for reducing unemployment amongst these young people. Entrepreneurship education is an effective tool for reducing young unemployment.

Designing an entrepreneurial culture through entrepreneurship education among young people contributes to the consolidation of entrepreneurial knowledge, skills and abilities. All these will contribute to the recognition of new business opportunities through the identification of needs in society. Pupils and students will be more motivated in accepting the risk of setting up and developing a business on their own.

Through the participation of young people to entrepreneurship education courses, they will achieve an entrepreneurial spirit that will lead them to take initiative in setting up a business on their own. Moreover, through entrepreneurial skills and business knowledge acquired by

learning and experience, students earn the ability to make business decisions and take responsibility for the actions initiated.

Regarding connection between entrepreneurship education and labour market, the establishment of new companies will foster the economy by creating new employment. Nowadays, entrepreneurship education is significant both for educating young people and training existing entrepreneurs. Therefore, all countries design and implement innovative best practices and certain programmes in order to support entrepreneurship amongst the population.

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