8 The effectiveness of inclusive entrepreneurship schemes: A spotlight on youth

Young people show a high level of interest in entrepreneurship – nearly 40% indicate a preference for self-employment – but only 5% of youth in the European Union and 9% in the OECD were working on a start-up over the period 2018-22. Governments have strengthened their commitment to supporting young people following the COVID-19 pandemic, including young entrepreneurs. However, there are still significant knowledge gaps about which types of schemes work and why. This chapter provides an overview of recent findings from robust evaluations of youth entrepreneurship support schemes and identifies lessons for governments on how schemes could be strengthened.

Key messages

- **Surveys show that young people are keenly interested in entrepreneurship and self-employment.** A new survey in the European Union (EU) shows that 46% of young people (15-30 years old) would consider starting a business and 39% would prefer self-employment to employment. They are most often motivated by flexibility and the ability to influence their work.
- **However, few young people are working on start-ups or managing new businesses.** International surveys show that only about 5% of young people in the EU and 9% in the OECD are working on a start-up. See Chapter 4 for more details on youth entrepreneurship activities.
- **This gap between interest and action is due to a number of market, institutional and behavioural failures.** These include, for example, difficulties building entrepreneurship networks that can facilitate access to external resources because others likely perceive that young entrepreneurs have less to contribute to reciprocal relationship.
- **Governments have long-supported young entrepreneurs with a wide range of support such as training, coaching and microfinance.** Policy objectives often include stimulating business creation by young people and helping them gain work experience so that they can move into employment.
- **This public support for young entrepreneurs has been renewed by governments following several labour market crises over the past 15 years.** Improving labour market outcomes for young people has been a policy priority, including creating opportunities in entrepreneurship.
- **This chapter assesses robust evaluations of youth entrepreneurship schemes to draw lessons for government**. One important lesson is that governments are not sufficiently evaluating youth entrepreneurship schemes. Although more than 100 evaluations were identified in EU Member States and OECD countries since 2000, fewer than 30 would be considered high-quality evaluations by the OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes. Moreover, the majority of evaluations only assessed changes in attitudes or self-perceived skills. Only 11 of these robust evaluations assessed metrics related to entrepreneurship and/or employment outcomes.
- **Evaluations of schemes that seek to achieve business creation and/employment outcomes show that the overall impact of youth entrepreneurship is mixed:**
  - Training schemes appear to have a greater impact on attitudes towards entrepreneurship than on business creation.
  - Loans and social security relief appear to be effective for boosting business creation but do not seem to increase firm survival.
  - Packages of finance with training and/or coaching appear to be more likely to support sustainable creation than only offering finance or training individually. They also appear to lead to stronger employment outcomes when business creation is not successful.
- **The robust evaluations highlight a number of lessons for government:**
  - A strong predictor of successful business creation appears to be high levels of motivation.
  - Finance appears to be an important element of the support needed but grants do not appear to be an effective tool to support young entrepreneurs.
  - Providing more training and tools for trainers and coaches that work with young entrepreneurs would likely increase the impact of youth entrepreneurship schemes.

The need for youth entrepreneurship support schemes

The vulnerability of young people has once again been highlighted by several economic challenges since 2020. The COVID-19 pandemic interrupted education and transitions from school into the labour market, and many young people are struggling with the increases in living costs, including high housing costs. Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Investing in youth is, therefore, a policy priority for the European Union (EU) (European Union, 2013[1]; European Commission, 2021[2]) and OECD (OECD, 2022[3]).

Youth entrepreneurship policies and schemes can play an important role helping young people fulfil their potential and maintain confidence in their future prospects. Young people in the EU and OECD have a high level of interest in entrepreneurship. A recent survey in the EU shows that 46% of young people (15-30 years old) would consider starting a business and 39% would prefer to be self-employed over working as an employee (European Commission, 2023[4]). The survey also shows most common motivations by young people interested in entrepreneurship are the independence that it offers and the control over setting their working location and times. They also assign a high level of importance to doing work that aligns with their interests, although becoming wealthy was also among the top three common responses. Please see Chapter 4 for further details on the motivations of young people in entrepreneurship.

While young people self-report high levels of interest in entrepreneurship, fewer than 5% of people under 30 years old are working on start-ups. This gap between ambition and action can be explained by several factors, notably the presence of barriers faced when converting an idea into a business. Many of the barriers faced by young entrepreneurs are the same as those faced by all entrepreneurs – including difficulties accessing finance, a lack of entrepreneurship and business management skills, and small professional networks – but these challenges can be greater for young people due to their lack of work experience. For example, young people often have little a lack of professional experience and therefore have relatively small amounts of savings and collateral that can be offered against loans (OECD/EU, 2022[5]).

Governments in EU Member States and OECD countries have long-supported young entrepreneurs with a wide array of measures to help them overcome these barriers. The objective is to give young people an opportunity to transform their idea into a business, potentially introducing innovations into the market and creating jobs for others. Moreover, helping young people acquire entrepreneurship skills, gain experience and build professional networks through participation in entrepreneurship support schemes can also help some young people move into work. The rationale for public support for young entrepreneurs is typically based on four arguments (OECD/EU, 2020[6]):

1. There is evidence that young people face greater barriers to business creation and self-employment than older people. These stem from market and institutional failures such as greater difficulties accessing finance;
2. Young people can have difficulties entering the labour market and self-employment could provide an alternative route to work for some;
3. Support for talented young people with high-potential business ideas could result in economic gains and innovation; and
4. Entrepreneurship support schemes could help young people develop transversal skills that will benefit their career, regardless of whether they start a business.

This chapter seeks to fill a knowledge gap about the effectiveness of youth entrepreneurship support schemes in the EU and OECD. It presents evidence and findings from recent high-quality evaluations, including the effectiveness of different types of measures, the outcomes achieved and

success factors. The chapter then draws lessons for policy makers that are responsible for designing and delivering youth entrepreneurship schemes with the aim of strengthening the design of future support schemes for young entrepreneurs.

Approaches to supporting young entrepreneurs

Governments currently use different instruments that can be broadly categorised into two groups: financial support and non-financial support. An overview of the primary approaches currently used in EU Member States and OECD countries to support business creation and development is provided in Table 8.1. Non-financial support includes measures that aim to build skills and networks for potential and actual entrepreneurs such as entrepreneurship training, business consultancy, coaching and mentoring, and networking events. (Entrepreneurship education in schools is an important tool for building entrepreneurial motivations and intentions as well as basic entrepreneurship skills, but it is not covered by this chapter because this does not directly seek to support business creation). Financial support measures seek to improve access to financial resources for business start-up and development, including grants, loan guarantees, loans and microfinance. Other financial instruments are emerging as public policy tools such as equity investments and crowdfunding but their use is not yet widespread and their impact and effectiveness as policy tools has not been sufficiently evaluated (OECD/EU, 2022[5]).

It is also common for governments to provide both financial and non-financial supports together in integrated support packages. The rationale for offering integrated support packages is that multiple supports can reinforce each other and better address the multitude of barriers that young entrepreneurs face. For more information on youth entrepreneurship policy measures, please see (OECD/EU, 2020[6]). Several Country Profiles in Part III of this report also contain information on youth entrepreneurship, including for example Estonia and Luxembourg.

Table 8.1. Overview of main types of youth entrepreneurship support measures

Type	Measure	Objective(s)	Brief description
Non-financial support	Training	Facilitate acquisition of entrepreneurship skills (e.g. business management, financial planning) to increase likelihood of starting and sustaining a business.	Formal entrepreneurship training is delivered through structured formats such as workshops and courses. Training is commonly delivered by an expert trainer to a group of potential or actual entrepreneurs in a classroom setting, either in-person or online.
	Coaching	Facilitate acquisition of skills to address a specific entrepreneurship skill, experience gap or business challenge. Coaches also provide encouragement and support.	Coaching refers to a short-term relationship between an entrepreneur and an experienced coach who provides a mix of structured support using tools (e.g. development plan) and advice based on their experience. Coaches can be paid professionals or volunteers. They are often matched with entrepreneurs through a mechanism that considers the entrepreneur's needs and the coach's experience.
	Mentoring	Support the longer-term wholistic development of the entrepreneur rather than focusing on a specific issue or business challenge.	Mentoring is typically a longer-term relationship that has a greater emphasis on personal development rather than focusing on business development. Mentors are typically volunteers and are matched with entrepreneurs through a mechanism that considers the entrepreneur's needs and activities and the coach's experience.
	Business consultancy	Improve business performance through the provision of targeted professional services.	Public business consultancy services are typically co-ordinated through business development agencies and/or business development banks. These fully or partially subsided services are often delivered by private sector professionals (e.g. certified consultants, accountants, lawyers) up to a fixed limit (e.g. maximum number of hours of service provided).
	Networking	Increase size and effectiveness of professional networks to improve access to resources (e.g. finance, business partners, suppliers) and inspiration for new products, services, processes, organisational methods and	Entrepreneurship networks are groups of inter-connected entrepreneurs, business service providers (e.g. accountants, lawyers) and others (e.g. customers). Two broad approaches are used by government to support network building: 1. Create dedicated networks by funding an individual or

		business practices. Networks can also be used to influence the perception of the desirability and feasibility of entrepreneurship.	organisation to bring young entrepreneurs together through events such as meetings, seminars and social events. These networks could be general or sector specific. 2. Build networks around initiatives that already bring young entrepreneurs together (e.g. entrepreneurship training) by organising activities that facilitate further interaction between young entrepreneurs and with other contacts.
Financial supports	Grants	Provision of a small amount of funding towards business creation.	Grants schemes typically provide small amounts of funding that are not repayable, although some schemes require certain conditions to be met (e.g. completion of a training programme) and restrictions may be placed on how they can be used.
	Loan guarantees	Provide incentives for lenders to make loans to young entrepreneurs.	Governments provide an incentive for lenders to make loans to young entrepreneurs by guaranteeing a portion of the loan, which reduces the risk faced by lenders.
	Loans	Supporting business creation, development and growth with a repayable loan.	Governments use two different approaches in loan programmes for young entrepreneurs: 1. Direct offer of loans by a public actor; 2. Offer loans through another actor (e.g. bank, credit union) that manages the disbursement and collection of loans.
	Microcredit and microfinance	A support type of loan for business creation and development aimed at clients who have difficulty accessing loans in mainstream financial markets.	Microcredit is a specific type of loan of up to EUR 50 000, often disbursed through a dedicated microfinance institution. These loans are referred to as microfinance when loans accompanied by a suite of non-financial services. Governments typically support these types of loans by providing guarantees and direct funding to be disbursed. Schemes are frequently adapted to local conditions and targeted clients, e.g. grace periods, non-financial services offered.

Note: This table is does not include entrepreneurship education in formal schooling because it typically does not aim to directly support business creation. In addition, less common types of support such as equity investments and emerging financial instruments (e.g. crowdfunding) are not included because they are not covered by this chapter.
Source: (OECD/EU, 2020[6]; OECD/EU, 2022[5]; OECD/EU, 2022[7])

Assessing the impact of youth entrepreneurship programmes

Evaluation is a critical element of policy design as it helps governments and programme managers measure a programme's outcome against its defined objectives. To facilitate this, it is crucial to clearly articulate the programme's objectives with measurable outcomes during the design phase. Once the programme's impact has been measured against the objectives, evaluation can identify the successful elements of a programme, potential areas for improvement and unforeseen issues that emerged. For programme administrators and managers, these insights allow for continuous improvement in the design and administration of not only the current programme but also future programmes with similar objectives. For policy makers, these insights support strategic decision making to maximise benefits and the effectiveness of meeting specific objectives relative to costs. This allows for a more effective and efficient allocation of funds. Further, evaluations can demonstrate the effective use of public funds to taxpayers.

Despite these benefits, reliable evaluations are not always standard practice. The most common deterrent is the perceived costs, which extend beyond finances to include time and personnel, especially when data collection spans multiple years and encompasses both participants and non-participants. However, evaluations should be viewed as investments rather than expenses, considering their potential to enhance the cost-effectiveness of future policies and programmes, thus preventing future financial loss. Further, it has been estimated that evaluations require only about 0.5% to 5.0% of the total programme budget (OECD, 2008[8]), which is modest considering the potential benefits for current and future programmes, policy makers and taxpayers.

One of the critical issues in the evaluation of youth entrepreneurship programmes is the selection of metrics since programmes often seek to achieve multiple policy objectives. Objectives can include, for example, to increase motivations for entrepreneurship, help acquire entrepreneurship skills,

support business creation and improve business performance. Another common objective is to improve labour market outcomes of young people more generally by helping young people acquire work experience and grow their networks. These different objectives clearly seek to achieve different outcomes, requiring an assessment of different metrics when seeking to understand the impact and effectiveness of the intervention(s). Some examples of common policy objectives and evaluation metrics are provided in Table 8.2. However, even among a single policy objective, there are many considerations for selecting evaluation metrics depending on the type of intervention. For example, the effectiveness of entrepreneurship training schemes is often measured with changes in human capital assets (e.g. entrepreneurial intention, knowledge, skills) (Martin, McNally and Kay, 2013[9]), but this does not allow for an assessment of the impact on "hard" outcomes such as business creation and performance. Therefore, evaluators should consider several criteria when selecting the metrics to be used, including their relevance to the programme's objectives in the short- and long-terms and the availability and timeliness of data. Further discussion and guidance on the evaluation of SME and entrepreneurship policy is available in the OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes 2023 (OECD, 2023[10]).

Table 8.2. Policy objectives and potential evaluation metrics

Examples of policy objectives	Examples of potential evaluation metrics
To address unemployment and under-employment among youth	Employment status, quality of employment, income, self-employment/businesses created, firm survival, number of jobs created
To develop entrepreneurial motivations among youth	Entrepreneurial intention, perceived desirability and feasibility of entrepreneurship, business knowledge, acquisition of soft skills
To support the survival and performance of newly established businesses by youth	Firm survival rates, income earned, turnover, profits, productivity, number of jobs created
To stimulate innovation and job creation	Number of patents filed, number of patents awarded, amount of investment received, number of jobs created

Evidence of the impact of youth entrepreneurship schemes in the EU and OECD

To assess the impact of youth entrepreneurship support schemes, more than 100 evaluations of youth entrepreneurship policies and programmes were identified since 2000. The first step in selecting evaluations for this analysis was to assign a quality score to each evaluation. Only those considered to meet the standards of Step V and Step VI in the OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes 2023 were considered (Box 8.1). Of the evaluations identified, only 27 evaluations met this quality standard. A second criterion was then applied to select only those high-quality evaluations that measured "hard" outcomes related to entrepreneurship (e.g. business creation, business performance) and/or employment (e.g. employment secured, quality of employment). Those evaluations that measured only "soft" outcomes (e.g. motivations for entrepreneurship, self-perception of skills) were excluded from the analysis. For further details on the methods used to identify these evaluations, please see Annex 8.A.

Given these criteria, the analysis in this chapter focuses on the findings of 11 robust programme evaluations. The small number of evaluations meeting the selection criteria is consistent with earlier meta-analyses, which noted that youth entrepreneurship schemes are not well-evaluated (Eurofound, 2016[11]; Eurofound, 2015[12]; De Castro and Chaves, 2015[13]).

Box 8.1. Six Steps to Heaven

The OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes is based on the Six Steps to Heaven framework. The framework categorises evaluation into six step levels based on their degree of sophistication and rigour (OECD, 2008[8]; OECD, 2023[10]).

Step I-III, which are categorised as "monitoring", revolves around the following:

- Step I: Take up of a programme
- Step II: Recipients opinions
- Step III: Recipients' views of the difference made by the assistance

Step IV-VI, which are categorised as "evaluation", have the following characteristics:

- Step IV: Comparison of the performance of "assisted" with "typical"' firms
- Step V: Comparison with "matched" firms
- Step VI: Taking account of selection bias – through statistical procedures or use of Randomised Control Trials (RCTs)

Compared to monitoring (Step I-III), evaluations (Step IV-VI) are more robust as outcomes between participants and non-participants are compared in order to obtain "counterfactuals". Counterfactuals are crucial in evaluations as it allows us to estimate unbiased causal effects. As it is not always possible to conduct evaluations in experimental settings where individuals are randomly assigned into treatment and control groups, statistical procedures could be adopted to produce counterfactuals, such as difference-in-differences (DiD) approach, propensity score matching (PSM) and regression discontinuity design (RDD).

Source: (OECD, 2023[10]; OECD, 2008[8])

An overview of the 11 evaluations covered and their findings is presented in Table 8.3. Following the OECD Evaluation Framework 2023 (OECD, 2023[10]), the overall impact of each evaluation is reported into three categories:

- *Positive* when the findings are either exclusively positive or there is a strong balance of positive outcomes.
- *No/Negative* impact describes evaluations with no positive effect, or the balance of evidence pointed towards a negative or non-significant effect. These are grouped into the same category as both suggest that the programme failed to achieve its objective.
- *Mixed* when findings are strongly balanced between positive, negative and/or no significant effect.

Additional details on the evaluation reports are provided in Annex 8.B, including a summary of programme characteristics, evaluation methods, findings and references.

Table 8.3. Overview of robust youth entrepreneurship programme evaluations in EU Member States and OECD countries

#	Country	Programme	Type of intervention			"Hard" outcome metrics								Overall impact on "hard" metrics
						Self-employment & firm related					General employment			
			Entrepreneurship training	Financial support	Integrated support	Business creation	Entrepreneurship income	Firm survival	Turnover	Job creation	Employment secured	Quality of job	Income	
1	Colombia	*Jóvenes Rurales Emprendedores* (JRE, Young Rural Entrepreneurs)	•			+				+	+	<>	+	Positive
2	France	*CréaJeunes*			•	<>	<>		-		(-)		+	Mixed
3	France	*Groupements de Créateurs* (Creator Groups)			•	-	-				+		+	Mixed
4	Italy	*Fare impresa* (Doing business)		•		+		-	+	(+)				Mixed
5*	Italy	Yes I Start Up (YISU) and SELFIEmployment			•	-		+		<>				Mixed
6	Spain	Flat rate for young self-employed workers		•		+		<>						Mixed
7	Spain	*Lanzaderas de Empleo y Emprendimiento Solidario* (Employment and Social Entrepreneurship Launchpads)			•	<>					+	+		Positive
8	Türkiye	Youth Farmer Projects Support (GÇPD)		•		<>	<>							No/Negative
9	United Kingdom	Business Programme (The Prince's Trust)			•	+	+			<>	+		-	Mixed
10	United Kingdom	Shell Technology Enterprise Programme (STEP)	•								<>			No/Negative
11	United Kingdom	Start Up Loans			•	+		<>	+	+				Positive

Note: Evaluations marked by an asterisk (*) meet the criteria for being Step V and VI but do not report the statistical significance level (e.g. p-value) of their tests and findings. **+**: positive effect; **-**: negative effect; **<>**: non-significant effect (i.e. no significant difference observed between intervention and control group); **()**: effect (positive or negative) only temporary.
Source: Please see Annex 8.B for the citations of each evaluation report.

Each evaluation measured scheme's impact according to at least two metrics and there was a great diversity of metrics used. *Business creation* was assessed in all evaluations except one and *employment secured,* which measures whether the participant secured a job, was assessed in the majority of evaluations (Table 8.4). Other metrics that appeared in multiple evaluations were *firm survival*, *job creation* and *entrepreneurship income*. However, these metrics were used in less than 20% of the evaluations. Despite the wide use of the *business creation* metric, most of the evaluations did not consider whether participants operate their business beyond the short-term, nor whether the business generated income or jobs for others. Please see Annex 8.C for additional description on the categories of metrics assessed in these evaluations.

Table 8.4. Performance metrics used in the evaluations

Metric	Number of evaluations using the metric	Comment
Business creation	10	Widely used across all intervention types
Employment secured	6	Used for entrepreneurship training and integrated schemes
Job creation	5	Used across all intervention types
Employment income	4	Used for entrepreneurship training and integrated schemes
Firm survival	4	Used for financial support and integrated schemes
Entrepreneurship income	4	Used for financial support and integrated schemes
Turnover	3	Primarily used financial support schemes
Quality of job	2	Used for entrepreneurship training and integrated schemes

The overall impact of youth entrepreneurship paints a complex picture

Only three of the 11 robust evaluations found predominantly positive impacts on "hard" entrepreneurship and/or employment outcomes. Two of these three evaluations assessed integrated support schemes, while the third was a training programme. Of the three evaluations, one found a positive impact on both entrepreneurship and employment outcomes (#1 in Colombia) and one found a positive impact on entrepreneurship outcomes only (#11 in United Kingdom) (Table 8.5). The third evaluation found a positive impact on employment outcomes but no impact on entrepreneurship outcomes (#7 in Spain). Please see Box 8.2 for more details on the Spanish scheme.

Box 8.2. *Lanzaderas de Empleo y Emprendimiento Solidario* (Employment and Social Entrepreneurship Launchpads), Spain

Programme description: The Employment and Social Entrepreneurship Launchpads (*Lanzaderas de Empleo y Emprendimiento Solidario*) is an integrated support programme by the Santa María la Real Foundation (a private non-profit foundation) which is financially supported by public and private partners. The programme aims to support unemployed youth (18-35 years old) in gaining the skills and knowledge needed for the labour market as well as help them to start a business or find employment.

The scheme provides peer-led training to groups of about 20 unemployed youth as well as personalised coaching and networking opportunities for a period of 5-9 months. In 2023, the programme supported 20 000 participants through more than 800 launchpads operating in more than 300 cities in Spain. The programme has steadily been increasing its reach since its creation in 2013. In the period 2016-19, there were 11 350 participants in 454 launchpads up from 1 100 participants in 55 launchpads in 32 cities in the period 2014-15. The programme has also successfully been transferred to other countries, including Belgium, Italy and Portugal.

Performance metrics: Employment/work situation, income, employability-related attitudes and aptitudes, standard of living.

Data sources: Online survey, interviews, focus group data.

Evaluation sample size: 212: 135 in intervention group (55% women), 77 in control group.

Evaluation approach and technique: The authors used the difference in differences (DiD) method, which compares information on expected impact variables of participants to a comparison group before and after programme participation. The authors used matching techniques to avoid selection bias and ensure the comparison group was similar to the treatment group in terms of socio-demographic and structural variables.

Step level: VI

Key findings: The programme had positive impacts on skills, attitudes and employability. Programme participants had higher employment rates relative to non-participants (60% vs. 39%). They also had on average higher quality job placements ─ contract duration was 22 percentage points (p.p.) higher for participants than non-participants, more working hours for participants (25 p.p. more than non-participants) and better social security coverage (26 p.p. higher for participants than non-participants). Moreover, participants tended to have job placements that were aligned with preferences compared to non-participants. They also had improved quality of life, attitudes, and aptitudes. However, the effect on entrepreneurship was found to be limited ─ only 3% of participants started a business and the intention to start a business decreased after the programme.

Source: (Redcrea, 2016[14])

About half (i.e. six) of the evaluations found both positive and negative impacts, while the remaining two found no impact. The evaluations with mixed results assessed financial support schemes and schemes that offered integrated packages of support. The remaining two evaluations found no or negative impact on business creation, business performance or employment outcomes. One of these evaluations assessed a training scheme (#10 in the United Kingdom), while the other assessed a financial support scheme (#8 in Republic of Türkiye). An overall finding of mixed findings is consistent with previous meta-analyses of youth entrepreneurship schemes (Eurofound, 2016[11]; Eurofound, 2015[12]) and was also noted by some of the evaluations covered in this chapter (Meager, Bates and Cowling, 2003[15]). This is

also consistent with evaluations of entrepreneurship scheme more broadly, where the robust evaluations tend to find mixed results (OECD, 2023[10]).

Table 8.5. Summary of evaluation findings by intervention type

Intervention type	Positive impact	Mixed impact	No / Negative impact	Total
Entrepreneurship training	1	0	1	2
Financial support	0	2	1	3
Integrated support	2	4	0	6
Total	**3**	**6**	**2**	**11**

Training schemes appear to have a greater impact on attitudes than business creation

Entrepreneurship training schemes for young entrepreneurs do not appear to consistently have clear benefits for participants in terms of improving entrepreneurship and employment outcomes. One evaluation (#1 in Colombia) found predominantly positive impacts on both entrepreneurship and employment outcomes, but the evaluation of the training scheme in the United Kingdom (#10) found that the programme did not have an impact on employment outcomes (entrepreneurship outcomes were not assessed) (Table 8.6).

Table 8.6. Summary of findings of evaluations of entrepreneurship training schemes

#	Country	Programme	Outcome								Overall impact on self-employment and overall employment
			Self-employment & firm related					Overall employment			
			Business creation	Entrepreneurship income	Firm survival	Turnover	Job creation	Employment	Quality of job	Income	
1	Colombia	*Jóvenes Rurales Emprendedores* (JRE, Young Rural Entrepreneurs)	+				+	+	<>	+	Positive
10	United Kingdom	Shell Technology Enterprise Programme (STEP)						<>			No/Negative

Note: **+**: positive effect; **-**: negative effect; **<>**: non-significant effect (i.e. no significant difference observed between intervention and control group); **()**: effect (positive or negative) only temporary.

Entrepreneurship outcomes were only assessed in the evaluation of the Colombian scheme (#1) and several positive effects were identified. This training scheme offered short training courses to 16-25 year olds in low-income rural areas to address high levels of youth unemployment. Training was offered through vocational training centres operated by the National Training Service (SENA: *Servicio Nacional de Aprendizaje*). It operated between 2003 and 2013, with the first year being used as a pilot before being expanded across the country. More than 250 000 young people received the training per year in the latter years of the scheme. The evaluation found several positive outcomes related to entrepreneurship. The estimated impact of the training was an increased likelihood of starting a business

by 75% to 88% and among those who start, they were about 50% more likely to hire an employee. However, the scheme did not have a positive impact on all entrepreneurship metrics assessed. For example, participants who started a business were not found to have been more likely to secure external financing. For more information on this scheme, please see (Box 8.3).

Box 8.3. *Jóvenes Rurales Emprendedores* (Young Rural Entrepreneurs), Colombia

Programme description: Young Rural Entrepreneurs was a business training programme offered by the National Training Service (*Servicio Nacional de Aprendizaje*; SENA), a national public institution in Colombia. The programme seeks to address unemployment and underemployment of low-income youth aged 16-25 in rural areas by providing training in strategic areas, increasing their employability, and strengthening their entrepreneurial capacity.

Training programmes offered are organised at the municipal level and tailored to the needs of each municipality. The programme started in 2003 in 167 municipalities. By 2008, the programme was in 1 091 municipalities and had 257 000 graduates. In 2009, there was a change in the programme and a greater emphasis was placed on entrepreneurship. The evaluation was focused on the 2009 programme period to evaluate the new approach.

Performance metrics: Labour market variables (i.e. income, employability, working hours, perceived quality of work), entrepreneurial capacity (i.e. willingness to start a business, access to financing, hiring of personnel, business knowledge), management capacity and associativity.

Data sources: Survey (pre- and post-test). The baseline survey was administered once the programme has started but before 35% of the programme has been completed (June-July 2009). The follow-up survey was administered in March-April 2010.

Evaluation sample size: 1 016: 468 in intervention group (52% women), 548 in control group. The control group consists of individuals who met the requirements to access the programme but did not apply.

Evaluation approach and technique: The authors used three different techniques to assess the impact of the programme: (1) propensity score matching (PSM), (2) difference-in-differences (DiD), and (3) conditional difference-in-differences (i.e. combination of PSM and DiD). The outcomes of each of these three techniques are presented and compared.

Step level: VI

Key findings: The results show that participating in JRE significantly contributed to probability of being employed, hourly labour income, steps taken to start a business, probability of hiring personnel, access to business customers, business knowledge, social network, relationship with workers, suppliers and partners. However, there was no significant effect on employment quality, access to financing, use of accounting and relationship with clients.

Source: (Steiner, Acosta and Rojas, 2010[16])

Employment outcomes were assessed in both of the evaluations of entrepreneurship training schemes but only one found a positive impact. The evaluation of the Colombian scheme (#1) found that participants had a greater probability of finding employment by about 13% to 14% relative to the control group (Steiner, Acosta and Rojas, 2010[16]). Moreover, those who secured employment were found to have a 60% increase in income. The evaluators do not offer an explanation for these results, but it could be due to a signalling effect, i.e. participation sends a signal to potential employers about the participants' motivations and ability to follow a structured programme. Moreover, it is likely that participants expanded

the networks to a greater extent than the control group, leading to more employment opportunities being identified.

The second training scheme was found to have no impact on the likelihood of obtaining employment. The evaluation of the Shell Technology Enterprise Programme in the UK (#10) only considered employment outcomes. (The evaluation found that participants were about 30% more likely to have ambitions to create their own business but it did not assess whether these ambitions were realised). The scheme offered eight-week job placements for university students in micro businesses to learn about business creation and business management. One of the main issues examined by the evaluation was to assess the impact of the job placements on securing future employment but it found no statistical difference between participants and the control group. The evaluator's conclusion was that the programme was likely not long enough to change participants' attitudes or help them acquire new skills (Westhead and Matlay, 2006[17]).

In addition, entrepreneurship training schemes appear to be likely to have a positive impact on entrepreneurship intentions and self-perceived skills levels. Both of the evaluations discussed in this section examined the "soft" impacts of entrepreneurship training. The scheme in Colombia was found to increase self-perceived levels of business knowledge and the evaluation of the schemes in the UK found no impact on entrepreneurial intentions.

Loans and social security relief boost business creation but not firm survival

Financial support schemes are primarily aimed at supporting business creation and development, but evaluations show mixed impacts. Only three evaluations of financial support schemes met the criteria for analysis in this chapter (Table 8.7) and each examined a different financial instrument. The scheme in Italy (#4) is a guarantee scheme that operated in Tuscany between 2011 and 2015. It was open to young entrepreneurs (18-40 years old), as well as women entrepreneurs and the unemployed. Eligible entrepreneurs could use the scheme to secure a loan for business creation (within six months) or support the development of a business that is less than two years old. The Spanish measure (#6) reduced the minimum social security contribution for young entrepreneurs in 2013-14. Young male entrepreneurs up to 30 years old could make use of this measure while young female entrepreneurs up to 35 years old were eligible. The scheme in the Republic of Türkiye (#8) was launched in 2016 and offered grants of TRY 30 000 (approximately EUR 1 035) to young farmers and entrepreneurs in the agricultural sector who proposed projects in rural areas. It aimed to support youth employment, regional development and prevent ageing of the agricultural sector.

Given the objectives of each scheme, evaluations focused on assessing metrics related to business creation and firm performance rather than employment outcomes. All three of the evaluations measured the scheme's impact on business creation along with a suite of other metrics. Two of the three evaluations (#4 in Italy and #6 in Spain) examined business survival. Other metrics considered by the three evaluations included entrepreneurship income, turnover and job creation.

Table 8.7. Programmes offering only financial support

#	Country	Programme	Outcome								Overall impact on self-employment and overall employment
			Self-employment & firm related					Overall employment			
			Business creation	Entrepreneurship income	Firm survival	Turnover	Job creation	Employment	Quality of job	Income	
4	Italy	*Fare impresa* (Doing business)	+		-	+	(+)				Mixed
6	Spain	Flat rate for young self-employed workers	+		<>						Mixed
8	Türkiye	Youth Farmer Projects Support (GÇPD)	<>	<>							No/Negative

Note: **+**: positive effect; **-**: negative effect; **<>**: non-significant effect (i.e. no significant difference observed between intervention and control group); **()**: effect (positive or negative) only temporary.

Evaluations of the schemes in Italy and Spain both found a positive impact on business creation. However, this impact appears to have had only a short-term effect for beneficiaries of the Spanish measure as the survival rates of firms operated supported entrepreneurs were not improved (Redcrea, 2016[14]). This is explained by a range of factors, including the participants' work history (or lack of), business' characteristics and the socio-economic characteristics of participants, which can affect access to resources. In the Italian scheme, the firm survival rates among participants were lower than those among the control group (Mariani, Mattei and Storchi, 2019[18]). This finding is unexpected because the evaluation also found that there were positive impacts on firm revenue and a temporary positive impact on job creation. While evaluators do not provide an explanation, it is possible that supported firms expanded too quickly. A different outcome may have been achieved if the scheme had also provided non-financial support to improve the decision making of supported entrepreneurs.

The evaluation of the grant scheme in the Republic of Türkiye (#8) found no net impact on business creation nor firm performance. Evaluators noted two explanations for the lack of impact (Kan, Kan and Dogan, 2018[19]). First, they suggest that the amount of the grant was not sufficient to support the creation of economically sustainable businesses. Second, they suggest that the recipients were not equipped to effectively use the grants because they lacked experience, knowledge and motivations.

Integrated support packages can support business creation and often improve employment outcomes

Packages of support that include financial support, training and individualised advice show that they can be effective when the conditions are right. While offering packages of different types of support is consistent with the nature of support demanded by young people (see Chapter 4), there does not appear to be a combination of interventions that clearly outperforms another in terms of effectiveness. The schemes covered in this analysis each offered a slightly different package of support to different groups of young entrepreneurs.

Across the six schemes covered in this analysis, three different models of support can be identified. One approach is to offer a package of financial and non-financial support where the two types of support are strongly linked. This approach was used by *CréaJeunes* in France (#2) and the Prince's

Trust scheme in the UK (#9). *CréaJeunes* offered group training, coaching and financial support to 18-32 year olds from disadvantaged regions and neighbourhoods. Support included a small grant of up to EUR 500, support securing a bank loan or microcredit and a bonus grant of EUR 2 000 when a bank loan or microcredit was secured. This package implied that participants received support in different phases, which is similar to the Prince's Trust approach that offers increasingly intensive support to unemployed 18-30 year olds. This includes workshops, training, coaching, small grants and loans that are offered when participants can demonstrate progress in achieving their entrepreneurship objectives.

Table 8.8. Programmes offering integrated support packages

#	Country	Programme	Outcome								Overall impact on self-employment and overall employment
			Self-employment & firm related					Overall employment			
			Business creation	Entrepreneurship income	Firm survival	Turnover	Job creation	Employment	Quality of job	Income	
2	France	*CréaJeunes*	<>	<>		-		(-)		+	Mixed
3	France	*Groupements de Créateurs* (Creator Groups)	-	-				+		+	Mixed
5*	Italy	Yes I Start Up (YISU) and SELFIEmployment	-		+		<>				Mixed
7	Spain	*Lanzaderas de Empleo y Emprendimiento Solidario* (Employment and Social Entrepreneurship Launchpads)	<>					+	+		Mixed (but no impact for entrepreneurship outcomes and positive impacts for employment outcomes)
9	United Kingdom	Business Programme (The Prince's Trust)	+	+			<>	<>		<>	Mixed
11	United Kingdom	Start Up Loans	+		<>	+	+				Positive

Note: **+**: positive effect; **-**: negative effect; **<>**: non-significant effect (i.e. no significant difference observed between intervention and control group); **()**: effect (positive or negative) only temporary.

The second model of integrated support is a combination of entrepreneurship training and coaching that links participants to other financial support schemes. This approach was used in the Creator Groups in France (#3), the "Launchpads" scheme in Spain (#7) and the integrated Yes I Start Up and SELFIEmployment schemes in Italy (#5). The first two examples are similar in that individual support is offered to participants to identify external sources of finance, including introductions to lenders and investors, as well as supporting applications to various start-up financing programmes. Creator Groups (#3 in France) offered guidance, workshops, training and financial support to young people (15-24 years old) from disadvantaged regions and neighbourhoods and offered two pillars of support: pre start-up support (e.g. individual guidance, workshops) and post start-up support (e.g. training programme). Staff also promoted the projects to potential lenders and investors. The Launchpads scheme (#7) is similar. It offers services to 18-35 years old who have been unemployed for at least 12 months to support business creation or finding employment opportunities, including training, coaching and mentoring, and psychological support. These are delivered through a network of "launchpads" that also facilitate access to professional business services and other resources (e.g. business creation support programmes). The Italian scheme (#5) is slightly different because it is built on a training programme (Yes I Start-Up) and participants are then able to seek finance from a separate scheme (SELFIEmployment). The scheme was initially aimed at NEETs 19-20 years old, but this has been expanded since the evaluation was undertaken.

The final model of integrated support packages are loan programmes that also offer some non-financial services. This approach is used by the Start-Up Loans scheme in the UK (#11), which offered loans for business creation to 18-30 year olds. The average loan amount was GBP 6 630 (approximately EUR 7 570 in 2017) and loan recipients also received coaching and business consultancy.

Overall, only one evaluation identified predominantly positive impacts, but this evaluation only considered business-related impacts (#11 in the United Kingdom) (Table 8.8). The remaining evaluations found mixed results for both business and employment outcomes. However, the mixed findings for the "Launchpads" scheme in Spain (#7) should really be considered as a finding of no impact on entrepreneurship outcomes and a positive impact on employment outcomes.

The overall impact on business creation was mixed across the six evaluations. Only two evaluations (#9 and #10 in the United Kingdom) found a positive impact on business creation and two evaluations (#2 in France and #7 in Spain) found no impact. Surprisingly, two evaluations (#3 in France and #5 in Italy) found a negative impact on business creation. The evaluation of *CréaJeunes* (#3) found that participants were more likely to move into employment relative to the control group and less likely to have started a business (Ministère de la Ville et and de la Jeunesse et des Sports, 2014[20]). Similarly, the evaluation of the Italian scheme (#5) found a lower propensity for business creation among participants but noted that it was likely, at least in part, due to a difficult economic context and some programme design issues that created difficulties in interacting with coaches (ANPAL, 2021[21]).

The evaluations also found an uneven impact across other firm-related metrics such as survival rates, turnover and job creation. Entrepreneurship income was the mostly commonly assessed metric but even so, only three evaluations examined it (#2 and #3 in France and #9 in the United Kingdom). One evaluation found a positive impact (#9) but evaluators noted a caution in interpreting this finding because it also found that the average number hours worked was very high (Meager, Bates and Cowling, 2003[15]). If the earnings were considered as an hourly rate, evaluators found that nearly one-fifth of participants were earning about GBP 1 per hour (approximately EUR 1.35 in 2003). This is clearly not a positive outcome, suggesting that the overall finding is due to a number of outliers who were really successful. The other evaluations found no impact and a negative impact on earnings from the business. Two evaluations assessed the impact on turnover, but again the results are inconsistent. One out of two evaluations found a positive impact on firm survival rates and the other no impact. Similarly, one out of three evaluations found a positive impact on job creation and the other two found no impact.

The impact of integrated support schemes on employment outcomes appears to be stronger than the impact on firm-related metrics. Three of the four evaluations that assessed employment outcomes found that the scheme had a positive impact on the likelihood that the young participants found employment. For example, the evaluation of the "Launchpads" scheme in Spain (#7) found that 60% of participants secured employment with a job contract of at least two months relative to only 39% of the control group (Redcrea, 2016[14]). However, men were nearly 10 percentage points more likely than women to have successfully integrated into the labour market. The evaluation of the Prince's Trust in the United Kingdom (#9) also found a positive impact on employment but noted that the finding only holds when those who created businesses are considered along with those working as employees (Meager, Bates and Cowling, 2003[15]).

Several evaluations assessed metrics related to job quality and income and the results are generally positive. The two evaluations of French schemes (#2 and #3) found a positive impact on earnings, indicating that participants not only found jobs but also secured higher paying jobs than those in the control group (although the evaluation of *CréaJeunes* found a slight negative influence on employment in the short-term). However, the evaluation of the Prince's Trust found that the self-employment experience did not have an impact on subsequent employment earnings (Meager, Bates and Cowling, 2003[15]). This evaluation noted, however, that previous employment experience prior to participation in the scheme had a significant positive impact on subsequent employment earnings.

Many of the evaluations also found positive outcomes on other metrics that are not covered in Table 8.8. One evaluation (#2 in France) found that participants had improved access to external finance for the business start-up, which put them in a better position for success. The evaluation of Start-Up Loans (#11 in the United Kingdom) assessed additional business performance metrics and found that participants were more likely to introduce innovations, but evaluators noted that the causality is unclear. Many of the evaluations identified psychological benefits for the participants such as improved self-confidence (#2 in France, #5 in Italy, #7 in Spain, #11 in the United Kingdom) as well as self-perceived quality of life (#7 in Spain). Finally, the results of several of the evaluations suggest that integrated support schemes hold some potential for addressing inclusion issues. Two evaluations (#7 in Spain, #9 in the United Kingdom) found a greater gender balance among participants as well as disproportionate shares of immigrants and people with disabilities (#11 in the United Kingdom). However, these metrics were not assessed across most evaluations, so it is not clear if these findings hold more broadly.

Lessons for government

One of the strongest predictors of success appears to be high levels of motivation

Most of the evaluations examined the characteristics of participants and the results are somewhat inconsistent, suggesting that age and gender are not strong predictors of success. The evaluation of the Prince's Trust scheme in the United Kingdom (#9) found that gender did not have a significant impact on outcomes achieved, but the "Launchpads" evaluation in Spain (#7) found a greater impact on male participants than among female participants. The collection of evaluations covered in this chapter shows contradictory findings on the schemes' impact by age. The evaluation of the Prince's Trust scheme (#9 in the United Kingdom) found a greater impact for older youth. This was attributed to greater levels of education and work experience prior to entering the programme, giving them more skills, knowledge and resources (e.g. networks). However, the "Launchpads" evaluation (#7 in Spain) found a greater impact among the youngest participants (but the positive outcomes were related to employment).

Several evaluations found that individuals' motivations had a significant effect on outcomes achieved. Three of the evaluations found that schemes had the strongest impact on young people with the highest levels of motivations, namely the evaluations of the Prince's Trust (#9 in the United Kingdom), *CréaJeunes* (#2 in France) and "Launchpads" (#7 in Spain). The evaluation of *CréaJenues* underlined this by concluding that strong entrepreneurial motivations were a pre-condition for success. In addition, the evaluation of the Prince's Trust found that participants who had neutral attitudes towards risk or were risk averse were more likely to succeed. Combined, these evaluation results suggest that governments could put a stronger emphasis on assessing individuals' motivations when selecting potential young entrepreneurs to be supported with intensive support. This could be done through short survey's and/or interviews during the in-take process.

Finance appears to be an important element of the support needed…

Access to finance is one of the greatest challenges faced by young entrepreneurs so there is a strong rationale for offering financial support as part of public entrepreneurship schemes. The collection of evaluations provides a number of insights for governments. First, entrepreneurship training schemes do not appear to effective in supporting business creation and development on their own. This was further underlined by the two evaluations of integrated schemes. The evaluation of *CréaJeunes* in France (#2) found that access to management knowledge and skills does not appear to be the main barrier to business creation nor success, while the evaluation of Prince's Trust (#9 in the United Kingdom) found that participants who did not succeed in creating a sustainable business most often had financial challenges.

However, the evaluations suggest that schemes solely providing financial assistance may not be enough to guarantee sustained success in entrepreneurship. Overall, evaluations of schemes offering financial support cover in this analysis do not show positive impacts on business survival. For example, the evaluation of *Frae impresa* in Italy (#4) found that participants were able to start a business with access to money but that the businesses started were not sustainable. These findings suggest that the financial support provided only a short-term boost in business creation, but this is not sufficient for creating economically viable businesses.

The lack of strong positive impacts of financial measures on their own suggests that a more effective approach for creating sustainable businesses might be to offer combinations of financial and non-financial support. The evaluation results of integrated support schemes are mixed on the impact on business creation but indicate that positive impacts can be achieved under the right conditions. Most evaluations that did not find a positive impact pointed to design and delivery issues that were likely contributing factors. For example, the evaluation of Start-Up Loans in the UK (#11) found that the combination of financial and non-financial support had a positive impact on turnover and job creation, but not business survival rate. Evaluators suggested that the impact of non-financial support (i.e. mentoring) might have been limited due to an uneven availability and take-up by participants as well as some limitations in mentors' capacities.

However, no insights can be gained about the effectiveness of non-financial support offered as part of packages. The collection of evaluation evidence does not clearly indicate whether workshops, training, or coaching and mentoring are equally impactful when included in packages of support. It appears that these different types of support are often used in different ways. Workshops and training are typically used to address skills and experience gaps while coaching and mentoring can help provide ongoing support as well as encouragement.

…but grants do not appear to be an effective tool to support young entrepreneurs

Three schemes covered in this analysis offered grants (on their own or as part of a package) and none of the evaluations found positive impacts on business creation and development. The grant scheme in the Republic of Türkiye (#8) was found to have no impact on business creation or entrepreneurship income. Moreover, grants were offered as part of the *CréaJeunes* scheme (#2 in France) along with different types of non-financial support, and the scheme also had no impact on business creation or firm performance metrics. The third scheme offering grants was the Prince's Trust (#9 in the United Kingdom) and although the evaluation did find positive impact, evaluators noted that those who received a grant rather than a loan had less sustainable businesses.

The lack of evidence to support the use of grants for young entrepreneurs suggests that governments could favour other types of financial instruments when supporting business creation by young people. Several arguments are often put forward against the use of grants for supporting business creation. They include a negative impact on incentives to put effort into the business because there is no need to pay the money back. In addition, governments do not benefit from multiplying the impact of their resources by relending funds that have been repaid by beneficiaries to other entrepreneurs.

Improving the design of youth entrepreneurship schemes could increase their impact

Several of the evaluations suggest that the effectiveness of the scheme could have been improved if those delivering the support had more structured guidance and tools. The evaluation of the "Launchpads" scheme in Spain (#7) found that coaches would have benefited from stronger guidelines and greater levels of support. This is similar to the findings of the evaluation of the Start-Up Loans scheme in the United Kingdom (#11), which found that mentors would have benefited from more resources such as good practice guidelines. This would be expected to improve the quality of mentoring offered, making it more attractive to participants. In the Start-Up Loans scheme, approximately 20% of participants did not

make use of the mentoring offered and 20% of those who did use it expressed dissatisfaction or strong dissatisfaction with their mentor. Evaluators noted that this might have been due to a lack of appreciation of the benefits of mentoring and the importance of establishing a good relationship, which are important for ensuring effective relationships. This was also highlighted as an obstacle in the evaluation of the integrated scheme in Italy (#5) as it found that participants had difficulties accessing their coach.

A number of other design issues were raised in the evaluations, including a need to simplify procedures and orienting content towards promoting flexibility. As already noted above, one of the issues raised by some of the evaluations included the way that interactions between participants and coaches were managed. The evaluation of the YISE/SELFIEmployment scheme (#5 in Italy) noted that participants found the procedures to be too cumbersome and acted as a barrier from fully making use of the support offered. Similarly, the evaluation of the "Launchpads" scheme (#7 in Spain) found that participants did not appreciate or understand some of the programme's activities such as business planning. This suggests that communication could have been stronger and that perhaps some of the activities could have been streamlined. Some of the evaluations also suggested that there was a greater need to teach participants how to think flexibly and adapt to unforeseen events. For example, the evaluation of the STEP scheme (#10 in the United Kingdom) found that there was too much of an emphasis on the "science" of entrepreneurship (e.g. preparing business plans) relative to the "art" of entrepreneurship (e.g. developing creativity and flexibility). Therefore, participants were not sufficiently equipped to react when unexpected events arose.

Conclusions and policy recommendations

Governments in the EU and OECD have invested heavily in supporting youth since the financial crisis in 2008-09. These investments were extended and expanded with the COVID-19 pandemic and supporting young people continues to be a political priority. Youth entrepreneurship schemes are an important part of the suite of measures typically implemented by governments. These schemes use different approaches to meet different objectives, which range from increasing awareness and entrepreneurial intentions to building skills to supporting business creation and development. While some schemes offer one type of support such as training, others offer packages of supports based on the logic that different types of interventions reinforce each other.

This collection of robust evaluations shows that there are no guarantees for success as all types of interventions produced mixed results. However, some broad conclusions can be drawn from the sophisticated evaluations presented in this chapter. First, it appears that training schemes typically do not have a significant impact on business creation, nor do they appear to improve employment outcomes for participants. However, this shows that training often aims to increase awareness about entrepreneurship and boost motivations for business creation rather than directly aiming to increase start-up activities. This can be an important policy objective when trying to shift social attitudes towards entrepreneurship and building a flexible workforce for the future. Second, financial support appears to be a critical element of youth entrepreneurship support, but success appears to hinge on the type of instruments used. The evaluations show that grants – both on their own and when packaged with non-financial supports – do not appear to increase the chances of creating a sustainable business. Some financial instruments show that offering financial support can lead to an increase in start-up activities, but this does not necessarily lead to sustainable business creation as supported entrepreneurs do not appear to operate businesses with higher survival rates. Finally, integrated packages of support seem to be the most likely to lead to both sustainable business creation as well as stronger employment outcomes when start-ups are not successful.

A number of additional lessons for the design of youth entrepreneurship schemes also emerge from these evaluations:

- Several evaluations identify participant motivations as a strong predictor of success. This suggests that governments could place a greater emphasis on identifying motivated beneficiaries during programme in-take when seeking to target intensive support services on young entrepreneurs who are more likely to succeed. This could be done through the use of surveys and interviews at the outset of the programme.
- Governments seeking to support the creation of economically viable businesses by young people could consider pairing financial support with training and/or coaching. The combination of financial support with measures to strengthen entrepreneurship skills are more likely to have a positive impact than stand-alone measures, especially when well-designed.
- Among the evaluations examined in this chapter, those offering grants for business creation did not have an impact. The use of repayable instruments appears to be more effective than grants because this provides the right incentives for young entrepreneurs to succeed. However, the scale and nature of financial measures used must be considered with the risk of young entrepreneurs accumulating burdensome debts if their start-ups fail.
- Coaches and trainers need to be properly trained and equipped so that they can help young entrepreneurs reach their potential. Many evaluations noted that the impact of support schemes was not fully realised because those delivering support were placed in a position to succeed. Governments help support providers succeed by increasing the quality and quantity of training provided as well as creating more opportunities for them to exchange on good practices.
- The most successful schemes – although not assessed for efficiency – do not appear to be the most expensive schemes to deliver. Many schemes used volunteer coaches and trainers, and the most impactful financial supports appear to be repayable instruments or temporary relief from social security contributions. This suggests that strong youth entrepreneurship schemes do not need to be expensive to deliver.

While these conclusions are consistent with previous policy research on the effectiveness of youth entrepreneurship schemes, some cautions are needed in their interpretation. First, although most of the evaluations assessed support provided after the 2008-09 financial crisis, the two evaluations covering schemes in the United Kingdom assessed support over a period more than 20 years ago. While the insights are relevant because the techniques of providing support to young entrepreneurs have not changed substantially, it must be recognised that the economic climate was different and youth-led businesses are commonly using digital tools now. Second, governments should take steps to minimise the chances creating precarious work for young people. Several of the schemes covered in this chapter provided increasing support as the young entrepreneurs demonstrated success. This can give programme managers the opportunity to redirect those young entrepreneurs who are not making progress to other types of support. A key to this approach is the establishment of goals and milestones for the young as they progress through support programmes and careful monitoring of their achievements.

Governments could go much further to strengthen their use of evaluations to measure the impact of youth entrepreneurship schemes. There is a need to address important knowledge gaps, including the longer-term outcomes of those receiving support from a youth entrepreneurship scheme. The full impact cannot be fully understood unless the long-term impact is considered (e.g. ten years after an intervention). Some beneficiaries might operate a business for their entire career, while a number may start many businesses. Others might delay business creation until later in their career. Evidence that captures more of this picture would be helpful to fully appreciate the full impact of youth entrepreneurship schemes.

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Annex 8.A. Selection of evaluations

The most important criterion for selecting the evaluations is that robust methodologies are used. Therefore, only evaluations that meet the rigorous standards of Step V and Step VI of the Six Steps to Heaven framework in the OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes 2023 are included. We commenced our research by conducting a comprehensive search on Google.com, Scholar.google.com, and EBSCO Business Source Complete database using the following keywords: entrepreneur* AND youth or young AND program* or support AND evaluat* or impact or assess* or effect*. To broaden the search, these terms were translated into the languages of the OECD Member States and were used to find reports in local languages. Academic publications were targeted along with working papers, and policy reports that evaluate youth entrepreneurship programmes in OECD countries. Our search is restricted to publications released within the last 23 years (2000-23).

Considering the limited availability of country-specific evaluation reports published in English, in addition to the online search, we utilise a snowballing technique to identify and contact established organisations and experts working on youth entrepreneurship issues. We first requested the help from Junior Achievement (JA), an international NGO supporting youth entrepreneurship worldwide. We contacted the country representatives of JA in the EU and asked for recommendations of country-specific evaluations of youth entrepreneurship programmes. Similarly, we contacted entrepreneurship scholars from OECD Member States to recommend evaluations published in their country.

The youth entrepreneurship programmes considered include (a) entrepreneurship training (excl. entrepreneurship degree programmes); (b) advice and assistance (e.g. business advice, coaching, mentoring, counselling); and (c) financial support (e.g. grants, loan guarantee) (see Annex Table 8.A.1). Entrepreneurship training includes programmes that aim to develop entrepreneurial competences, skills, and knowledge through courses, workshops, and learning-by-doing approaches. Advice and assistance include the provision of general and specific business advice, coaching, and expert mentoring. Financial support includes different forms of measures providing funds, such as grants, loans, one-off subsidies, and tax and social insurance contribution reductions.

Annex Table 8.A.1. Type of intervention and policies

Entrepreneurship training	Advice and assistance	Financial support
• Courses delivered in classroom and/or online • Individual and group workshops • Presentation by (successful) entrepreneurs • Learning-by-doing activities	• General and specific business advice • Coaching • Expert mentoring	• Grants • Loan guarantee • Loans • Microfinance • Tax and social insurance contribution reductions

Annex 8.B. Summary of evaluations

Annex Table 8.B.1. Summary of evaluation reports

	Programme characteristics					Evaluation characteristics				
#	Country	Programme	Intervention type	Objectives	Target group	Dates	Evaluation methods	Evaluation sample size	Step level	Main findings and source
1	Colombia	*Jóvenes Rurales Emprendedores* (JRE, Young Rural Entrepreneurs)	Entrepreneurship training	To train unemployed young people from rural areas, improve their entrepreneurial skills, and increase their employability.	Unemployed youth aged 16-25	*Programme period*: 2009 *Evaluation period*: 2009-10	*Performance metrics*: labour market variables (income, employability, working hours, perceived quality of work), entrepreneurial capacity (willingness to start a business, access to financing, hiring of personnel, business knowledge), management capacity and associativity. *Data source*: Survey (pre- and post-test). *Method*: Matching, propensity score matching, difference-in-differences.	1 016: 468 in intervention group (52% women), 548 in control group	VI	Participants had a greater probability of being employed (participants were 13-14% more likely to have a job compared to those in the control group); had higher hourly labour income (participants earned 5 000 pesos more than the control group); took more steps towards starting a business (the probability of starting a business increased between 75-88% compared to the control group); and were more likely to create jobs (participants were 50% more likely to hire personnel related to business creation than control group). However, there was no significant effect on employment quality, access to financing, use of accounting, and relationship with clients (Steiner, Acosta and Rojas, 2010[16]).

2	France	*CréaJeunes*	Integrated support (entrepreneurship training, advice and assistance, financial support)	To help unemployed youth in disadvantaged neighbourhoods overcome obstacles to starting a business through entrepreneurship training, coaching, and financial support.	Youth aged 18-32	*Programme period:* 2009-11 *Evaluation period:* 2009-11	*Performance metrics:* Employment situation, professional training programme pursued, business creation, and income (measured 16 and 28 months after programme start) *Data sources:* Administrative data from programme's internal management tool, telephone survey *Methods:* Instrumental variables approach, random assignment into intervention or control group	1 445: 970 in intervention group (52% women), 475 in control group (51% women)	VI	The programme did not increase youth entrepreneurship and delayed business creation – both the treatment and control groups had about one-third of young people create a business. The programme had short-term positive impacts on reducing youth unemployment. Programme participants spent on average less time unemployed in the first two years (6 months) compared to non-participants (more than 7 months). However, both groups had the same levels of unemployment after two years (16%) (Ministère de la Ville et and de la Jeunesse et des Sports, 2014[20]).
3	France	*Groupements de Créateurs* (Creator Groups)	Integrated support (entrepreneurship training, financial support)	To increase employment among unemployed youth in underserved communities in France by providing vocational skills training and financial support.	Youth aged 15-24 in underserved communities	*Programme period:* 2013 *Evaluation period:* 2013-14	*Performance metrics*: Employment situation, professional training programme pursued, and income (measured before programme, after 11 months, after 21 months) *Data sources:* Survey (online or telephone) *Methods:* Instrumental variables approach, random assignment into intervention or control group	902 (53% women): 460 in intervention group, 442 in control group	VI	The programme helped young people gain a more stable employment situation and greater financial autonomy. Almost two years after the programme, 56% of participants had seen an increase in their average monthly salary compared to 46% of non-participants. However, the rate of entering paid employment was higher among programme participants than the control group in the first year following the programme (35% vs. 32%), and there were no differences in overall monthly income (Ministère de la Ville, 2016[22]) .

4	Italy	*Fare impresa* (Doing business)	Financial support	To provide new youth businesses with a public guarantee aimed at easing the receipt of bank loans for the realisation of investments, combined with an interest subsidy.	Youth aged 18-40	*Programme period:* 2011-15 *Evaluation period:* 2011-15	*Performance metrics*: Self-employment, firm survival, number of jobs created (within 12 months, 12-24 months, 24-36 months after loan guarantee) *Data sources*: Administrative data from regional government and its financial intermediary (Fidi Toscana), Business Register by Chambers of Commerce, and reports from regional Job Information System *Methods:* Propensity score matching with covariate balancing. Analysis tackles the issue of area and industry size bias.	1 474 (37% women)	VI	The scheme was found to increase business creation and, to a lesser extent, job creation on a temporary basis. The scheme however did not lead to improved business sustainability as the share of people stopping their business increased over time (Mariani, Mattei and Storchi, 2019[18]).
5*	Italy	Yes I Start Up (YISU) and SELFIEmployment	Integrated support (entrepreneurship training, financial support)	To provide youth who are not in employment, education or training (NEETs) with the skills needed to start and manage a business (YISU), and subsequent access to zero-interest microloan (SELFIEmployment).	Young NEETs aged 18-29	*Programme period:* 2018-20 *Evaluation period:* 2020-21	*Performance metrics:* Microloan acceptance rate, business started, business survival, jobs created *Data sources:* administrative data from programme database, InfoCamere (registry of Italian companies), and Sistema Informatico per le Comunicazioni Obbligatorie of the Ministry of Labor and Social Policies *Methods:* Comparison between participants and non-participants (YISU), and financed and unfinanced companies (SELFIEmployment)	YISU: 729 (45.8% women) SELFIEmployment: 686	V	Participation in YISU did not increase application to SELFIEmployment microloans nor improve applicants' success rate. More companies were created by non-YISU participants (20% of non-participants vs. 18% of participants), with or without loans, but companies financed by SELFIEMployment had higher survival rate (97% vs. 83% as of August 2020). No difference between jobs created by financed and unfinanced companies (ANPAL, 2021[21]).

6	Spain	Flat rate for young self-employed workers	Financial support	To foster self-employment among young individuals and facilitate the survival of young workers in self-employment by reducing the minimum contribution to the Social Security System for young entrepreneurs of newly established businesses.	Men up to 30 years old and women up to 35 years old	*Programme period:* 2013-14 *Evaluation period:* 2013-14	*Performance metrics:* Employment, self-employment, firm survival *Data sources*: Administrative data from the Spanish Ministry of Employment and Social Security (the Continuous Sample of Working Lives dataset) *Methods:* Difference-in-differences approach. Analysis tackles the issue of area and selection bias.	9 591: 2,927 in intervention group, 6 664 in control group	VI	The programme significantly contributed to the increase of newly started youth businesses. However, it was followed by an increase in business closure rates. The programme therefore contributed to a temporary increase of youth self-employment, but it had no significant effect on the survival of new businesses (Cueto, Mayor and Suárez, 2017[23]).
7	Spain	*Lanzaderas de Empleo y Emprendimiento Solidario* (Employment and Social Entrepreneurship Launchpads)	Integrated support (entrepreneurship training, advice and assistance)	To help unemployed youth improve their competencies, skills, and knowledge, and help them in finding a job or starting a business.	Unemployed youth aged 18-35	*Programme period:* 2015 *Evaluation period:* 2015	*Performance metrics:* Employment/work situation, income, employability-related attitudes and aptitudes, standard of living *Data source:* Online survey, interview, FGD *Method:* Difference in differences approach. Analysis tackles the issue of selection bias and ensured equivalence between both groups	212: 135 in intervention group (55% women), 77 in control group	VI	The programme contributed to higher employment rate (60% participants vs. 39% non-participants) and higher quality job placement in terms of (i) contract duration – 22 percentage points (p.p.) higher for participants; (ii) working hours – 25 p.p. more for participants; (iii) social security coverage – 26 p.p. higher for participants; and (iv) fit with preferences. It also improved quality of life, attitudes, and aptitudes. The effect on entrepreneurship is limited - only 3% of participants started a business while the intention to start a business decreased after the programme (Redcrea, 2016[14]).

8	Türkiye	Youth Farmer Projects Support (GÇPD)	Financial support	To support sustainable agriculture, support entrepreneurship of young farmers, raise income level, create alternative income sources and support projects for agricultural production in the rural area which will contribute to the employment of young population in rural areas through grants.	Youth under 41 years old in agriculture sector in rural areas	*Programme period:* 2016-17 *Evaluation period:* 2017	*Performance metrics:* Economic indicators (e.g. farming status, annual operating income of business, non-agricultural income), responses to entrepreneurship, rural views, risk perceptions *Data source:* Survey *Method:* Chi-squared test	248: 139 in intervention group (79% women), 109 in control group (37% women)	V	There was no significant difference in farming status of the family, annual operating income of business (53% of both groups had incomes TRY 10 000 (EUR 333) and below), non-agricultural income (47% of recipients reported non-agricultural income vs. 40% of non-recipients), and share of non-agricultural income in total income (30% each) between intervention and control group (Kan, Kan and Dogan, 2018[19]).
9	United Kingdom	Business Programme (The Prince's Trust)	Integrated support (advice and assistance, financial support)	To help youth start a business by offering low interest loans and mentoring.	Unemployed or under-employed youth aged 18-30	*Programme period:* 1998-00 *Evaluation period:* 2000-01	*Performance metrics:* Employment status, home earnings, education and training activities *Data source:* Survey (3 times, 10 months interval), JUVOS (Joint Unemployment and Vacancies Operating System Cohort) of the former Employment Service *Method:* Matching, simple difference. Takes into account attrition and non-response bias.	1 797: 872 in intervention group (40.4% women), 925 in control group	V	Programme participation significantly improved the probability of being employed (especially self-employment) and entrepreneurial income. Across all waves of the evaluation, participants were more likely to be self-employed than non-participants (Wave 1: 88% vs. 2%, Wave 2: 71% vs. 4% and Wave 3: 69% vs. 5%). While the control group had considerably higher take home earnings than those still operating a supported business (GBP 185/EUR 211 vs. GBP 159/EUR 182), participants who were in employment had higher mean earnings than the control group (GBP 247/EUR 283 vs. GBP 185/EUR 211) (Meager, Bates and Cowling, 2003[15]).

10	United Kingdom	Shell Technology Enterprise Programme (STEP)	Entrepreneurship training	To provide students with opportunities to gain practical experience in SMEs, develop enterprise and interpersonal competencies, and hone the skills and attributes associated with the entrepreneurial process.	University students	*Programme period:* 1994 *Evaluation period:* 1994-97	*Performance metrics:* Skills and attributes reported by students as important to obtain a full-time employment position (e.g., communication skills, ability to work with others), full-time employment, entrepreneurial intention *Data source:* Survey (at the start of programme, end of programme, 12 months after, 36 months after) *Method:* Matching, simple difference	571: 442 in intervention group, 129 in control group	V	There was no significant difference in the ability to obtain a full-time employment position (82% of participants vs. 76% of non-participants) and the entrepreneurial intention between participants and non-participants. (Westhead and Matlay, 2006[17])
11	United Kingdom	Start Up Loans	Integrated support (advice and assistance, financial support)	To offers loans, alongside business support and mentoring, to individuals aged 18-30 who are looking to start a business or developing a recently established business	Youth aged 18-30	*Programme period:* 2014 *Evaluation period:* 2014-16	*Performance metrics:* Start-up rate, business survival rate, firm size/employment (total employment, full-time employment, part-time employment), turnover, sales, innovation, export, personal development outcomes (business confidence, perceived business skills/knowledge, personal confidence) *Data source:* Survey (within a year after loan, 18 months after loan) *Method:* Matching, Heckman approach. Takes into account response bias	657: 323 in intervention group (38% women), 334 in control group (35% women)	VI	Programme participation had a significant and positive effect on the start-up rate of its beneficiaries – participants were 13% more likely to start a business relative to the control group. While the businesses of participants were generally smaller than the control group, programme participation has a positive and significant effect on increase in sales and/or employment (participants were 19% more likely to report an increase in their sales compared to the control group). However, there was no significant effect on business survival rates, exporter status, and personal development outcomes (SQW Ltd and BMG Research, 2017[24]).

Note: Evaluations marked by an asterisk (*) meet the criteria for being Step V and VI but do not report the statistical significance level (e.g. p-value) of their tests and findings.

Annex 8.C. Explanation of the outcomes for the overview of youth entrepreneurship programme evaluations

This Annex presents a description of the potential outcomes for youth entrepreneurship schemes indicated in Table 8.3. The overview focuses on outcomes that were measured across multiple evaluation reports. While there may be some similarities in the outcomes, our goal is to closely adhere to the variables used in the report.

Business creation and firm-related outcomes

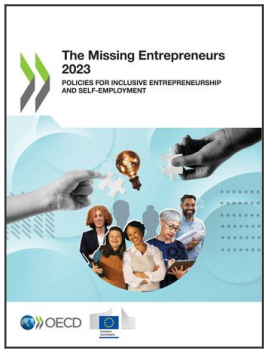
This category includes outcomes specific to self-employment and the establishment and growth of businesses.

- **Business creation**: This refers to the proportion of participants who have started their own businesses or are engaged in self-employment activities. In some evaluations, it measures the probability of starting a firm and becoming self-employed.
- **Entrepreneurship income**: This refers to the level of income or earnings specifically related to self-employment or entrepreneurial activities.
- **Firm survival**: This refers to the longevity and sustainability of the businesses established by the sample. It is usually estimated based on net entry and exit among those (both in the intervention and control group) that become self-employed.
- **Turnover**: This refers to the total sales or revenue generated by the businesses established by the sample.
- **Job creation**: This refers to the number of jobs created or personnel hired by the businesses established by the sample.

General employment

This category includes overall employment outcomes. It primarily pertains to salaried jobs, although it may also encompass self-employment.

- **Employment**: This refers to the employment status of the sample, whether they were employed or unemployed. It is commonly measured by examining the proportion of individuals who are employed or, in some instances, by assessing their probability of finding employment.
- **Quality of job**: This refers to the attainment of a job that meets certain criteria of quality, such as position, contract status, working hours, and social security coverage.
- **Income**: This refers to the level of income or earnings of the sample.



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