

**YEPA Workshop 3**  
**Social entrepreneurship by young entrepreneurs**  
**Discussion Note**

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# Social entrepreneurship by young entrepreneurs

## Why is social entrepreneurship by young entrepreneurs a priority policy issue?

**In many European Union countries, young people are increasingly turning to entrepreneurial careers where they can make a difference.** The 2023 Eurobarometer report on social entrepreneurship and youth finds that a majority of young people in the European Union (EU) find it ‘very’ or ‘fairly important’ that a potential employer has defined social goals (75%) or environmental goals (73%) for the company (European Commission, 2023<sup>[1]</sup>). Worldwide, 40.6% of 18-35 years olds see a sense of purpose or an impact on society as one of the most important criteria when considering job opportunities (World Economic Forum, 2017<sup>[2]</sup>). In a recent “changemaker” survey, 80% of young people reported the COVID-19 pandemic had increased their wish to make a change in the world (Ioan, 2021<sup>[3]</sup>). Many of these young people also have strong entrepreneurial ambitions: more than 40% of university graduates in EU and OECD countries aspire to become entrepreneurs and across countries at least two in five aspiring social entrepreneurs are below the age of 34 (OECD/European Commission, 2021<sup>[4]</sup>; Bosma et al., 2016<sup>[5]</sup>).

**Social enterprises have grown in prominence and expanded their reach across the EU.** The number of social enterprises has increased in recent decades (see Box 1). In the EU, based on national-level data, there are roughly 397 000 social enterprises with variation among member states<sup>1</sup> (European Commission, 2020<sup>[6]</sup>). For example, Belgium, Hungary, Italy and Luxembourg have over 1 500 social enterprises per million inhabitants, whereas Estonia, Greece and Malta have less than 500 (European Commission, 2020<sup>[6]</sup>).

**While bringing many benefits, social enterprises are well-positioned to support the entrepreneurial ambitions of young people in the EU.**

- *They promote economic resilience and recovery after crises* (Jiménez and Strano, 2018<sup>[7]</sup>; Cooperatives Europe, 2020<sup>[8]</sup>). In some countries, employment in social enterprises grew during the 2008 global financial crisis, with employment in social enterprises growing by 20.1% for example in Belgium and 11.5% in Italy between 2008 and 2010 (OECD, 2018<sup>[9]</sup>). More recently, social enterprises showed similar resilience in the face of the COVID-19 pandemic, with only 1% of social enterprises surveyed across 38 countries forced to close due to disruptions caused by the crisis (British Council, 2020<sup>[10]</sup>).
- *They increasingly are recognised as viable business models through specific legislation.* In the EU, 16 countries having adopted some form of legislation specific to social enterprises over the past two decades. Countries have pursued a variety of approaches tailored to their specific domestic conditions and needs of social enterprises. While some countries have adopted legislation creating specific legal forms for social enterprises (e.g. Italy), others have created legal statuses available to one or several legal forms that meet specific criteria (e.g. Denmark, Luxembourg, Slovenia). Likewise, countries have also utilised fiscal frameworks for social enterprises, with some awarding tax exemptions to specific legal forms or creating fiscal incentives for individuals to donate or invest in social enterprises (OECD, 2022<sup>[11]</sup>). For example, in Cyprus, the Law on Social Enterprises recognises two types of entities: the *general-purpose* social enterprises where the social mission is achieved through the promotion of social, cultural and/or environmental activities, or for *inclusion-focused* social enterprises where the mission is achieved through a minimum of 10% employment of persons with disabilities and a minimum of 30% employment of vulnerable people.
- *They are important drivers for economic activity and job creation.* For example, they account for annual economic turnover of EUR 2.3 billion in Hungary, EUR 37.3 billion in Italy, EUR 3.5 billion in the Netherlands and EUR 3.3 billion in Portugal (European Commission, 2020<sup>[6]</sup>). Between 2013 and 2016, employment in the social economy, including in entities considered as social enterprises in Portugal increased by 8.5% compared to a 5.8% increase in total employment in the wider economy (CASES/Statistics Portugal, 2019<sup>[12]</sup>). These evolutions are further boosted by the increases in global impact investing. Between 2018 and 2020 impact investing has grown from USD 715 billion in 2018 to USD 1.845 trillion in 2020 according to the Global Impact Investing Network (GIIN, 2020<sup>[13]</sup>). Like other social economy organisations, social enterprises utilise innovative approaches to achieve certain social objectives more effectively than purely public or private sector actors thanks to their pioneering business models and local orientation and knowledge (OECD, 2013<sup>[14]</sup>).

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<sup>1</sup> Due to multiple definitions and varying degrees of legal recognition for social enterprises, the quality of data on social enterprises differs between countries and even subnational regions.

## Box 1. Defining youth-led social enterprises

**Social enterprises belong to the social economy.** In Europe, based on estimates, there are 2.8 million social economy entities (associations, cooperatives, mutual organisations, foundations, including social enterprises), representing 10% of all businesses. They employ almost 13.6 million people, about 6.3% of European employees (Monzón and Chaves, 2016<sup>[15]</sup>). Yet the true scale may be higher (Dupain et al., 2021<sup>[16]</sup>) given the different legal forms and definitions used for social economy entities. In recognition of the significant contribution of the social economy to the provision of goods and services, countries have increased efforts to fully capitalise on the potential of the field also as a means to provide equal opportunities for young people both at national (e.g. Spanish Strategy for Social Economy 2023-2027) and EU-level (e.g. EU Social Economy Action Plan).

**The social economy and social entrepreneurship have been receiving significant global policy traction.** As the EU Council Recommendation on Developing Social Economy Framework Conditions [C/2023/1344] and the OECD Recommendation on the Social and Solidarity Economy and Social Innovation [OECD/LEGAL/0472] put forward, the social economy refers to a set of organisations such as associations, cooperatives, foundations, mutual organisations and social enterprises whose activity is driven by the values of solidarity, people over capital and democratic and participatory governance (European Union, 2023<sup>[17]</sup>), (OECD, 2018<sup>[18]</sup>). Organisations within the social economy use business models based on collaboration and mutual support as they seek to resolve social and environmental problems.

**Social enterprises include any private entrepreneurial activity that strives to benefit the general interest by pursuing specific social, environmental and economic goals rather than the maximisation of profit for personal gain** (OECD, 1999<sup>[19]</sup>), (European Union, n.d.<sup>[20]</sup>). Social enterprises often leverage innovative business solutions to address social problems such as unemployment and social exclusion. More recent OECD analysis suggests that social enterprises are characterised by an entrepreneurial approach, with their income primarily generated through commercial activities, rather than grants and donations. Social enterprises may emerge from within the social economy or as spinouts from broader private sector activity (OECD, 2022<sup>[11]</sup>).

### *The European concept of the social enterprise*

According to the Social Business Initiative, a social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders, and that operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities (European Commission, 2011<sup>[21]</sup>). The social purpose of a social enterprise may also include environmental goals (European Union, 2021<sup>[22]</sup>).

Relying on the EMES International Research Network approach to social enterprises (Borzaga and Defourny, 2001<sup>[23]</sup>) and building on the OECD definition, the European Commission established that social enterprises “run commercial activities (entrepreneurial/economic dimension) in order to achieve a social or societal common good (social dimension) and have an organisation or ownership system that reflects their mission (inclusive governance-ownership dimension)” (European Commission, 2011<sup>[21]</sup>) As presented in the table below, these dimensions have been further operationalised in the framework of the European Commission mapping study on the social enterprise ecosystems in Europe.

Main dimension	General definition	Minimum requirements
Entrepreneurial/economic dimension	<p>Stable and continuous production of goods and services.</p> <ul style="list-style-type: none"> <li>Revenues are generated mainly from both the direct sale of goods and services to private users or members and public contracts. (At least partial) use of production factors functioning in the monetary economy (paid labour, capital, assets).</li> <li>Although relying on both volunteers (especially in the start-up phase) and non-commercial resources, to become sustainable, social enterprises normally also use production factors that typically function in the monetary economy.</li> </ul>	Social enterprises must be market-oriented (incidence of trading should be ideally above 25%).
Social dimension	<p>The aim pursued is explicitly social. The product supplied/activities run have a social/general interest connotation.</p> <ul style="list-style-type: none"> <li>The types of services offered, or activities run can vary significantly from place to place, depending on unmet needs arising at the local level or in some cases even in a global context.</li> </ul>	Primacy of social aim must be clearly established by national legislations, the statutes of social enterprises or other relevant documents.
Inclusive governance-ownership dimension	<p>Inclusive and participatory governance model.</p> <ul style="list-style-type: none"> <li>All concerned stakeholders are involved, regardless of the legal form.</li> <li>The profit distribution constraint (especially on assets) guarantees that the enterprise's social purpose is safeguarded.</li> </ul>	The governance and/or organisational structure of social enterprises must ensure that the interests of all concerned stakeholders are duly represented in decision-making processes.

Young people are defined as 15-29 years of age for the purposes of this paper. This definition is in line with the definition of young-people included in the Updated OECD Youth Action Plan [C/MIN(2021)3] and the OECD Recommendation of the Council

on Creating Better Opportunities for Young People [OECD/LEGAL/0474]. Youth-led social enterprises are defined as social enterprises that were founded or are led by young people, i.e. at least one young person holds an executive position in the organisation.

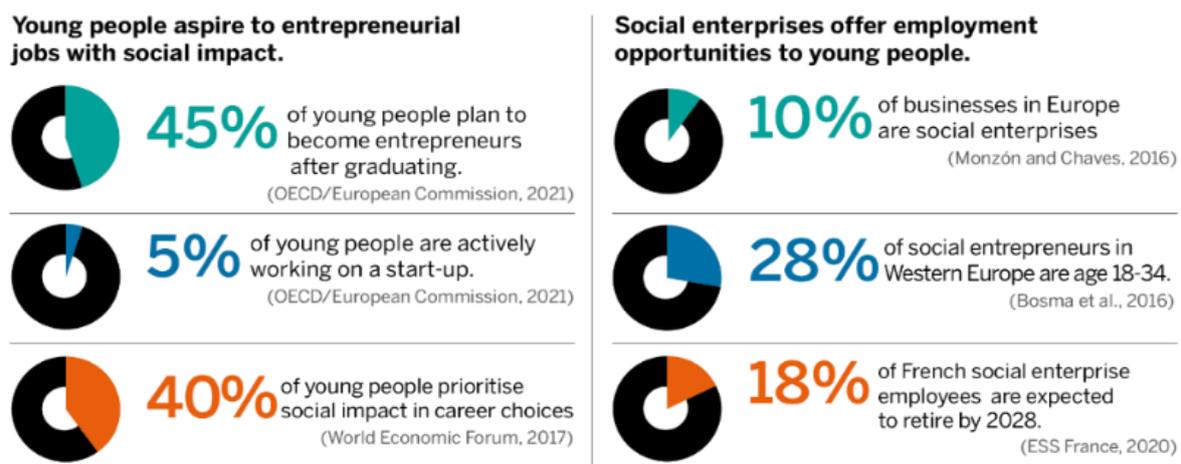
Source: (OECD, 2022<sup>[24]</sup>; European Union, 2023<sup>[17]</sup>), (European Commission, 2020<sup>[6]</sup>)

## Young people are leading social enterprises in many EU countries

For example, up to 20% of leadership positions in social enterprises in France and Spain are filled by young people, and more than one in four social entrepreneurs and almost two in five aspiring social entrepreneurs in Western Europe are below the age of 34 (Figure 1). In some EU countries, older cohorts of social enterprise leaders and workers are likely to retire in the coming decade. For example, in France more than 750 000 social enterprise employees are expected to retire by 2028. Such demographic shifts could create opportunities.

**There are many examples of successful youth-led social enterprises in EU countries.** In France, Enercoop is a cooperative energy provider founded by young social entrepreneurs, focusing on providing 100% renewable energy to private households and businesses. In Italy, Quid, a social enterprise founded in 2013 by young social entrepreneurs in Verona produces ethical clothing from recovered surplus fabrics, employing 140 staff from disadvantaged backgrounds. In 2012, two young social entrepreneurs founded SINGA to connect refugees with their new communities, find employment and engage in social activities. Today, SINGA has over 50 000 members and 90 full-time employees including in Belgium, France, Germany, Luxembourg, and Spain. (OECD, 2022<sup>[24]</sup>). In Germany, Ecosia one the world's largest not-for-profit search engine, aims to combat deforestation by planting trees from the profits generated through the search engine activity. Based in Berlin, Ecosia was founded in 2009 by Christian Kroll at age 26. The organisation describes their business model as being hybrid and focusses on a profitable business activity to finance their social impact through the planting of trees. The business promotes transparency by publishing its financial reports as well as regular updates on the number of trees it has planted. The engine is available in 47 languages (OECD, 2022<sup>[24]</sup>).

Figure 1. Young people are increasingly engaging with social enterprises



**Youth-led social enterprises present a double opportunity for young people: to run businesses that drive social impact**



Source: (OECD, 2022<sup>[24]</sup>)

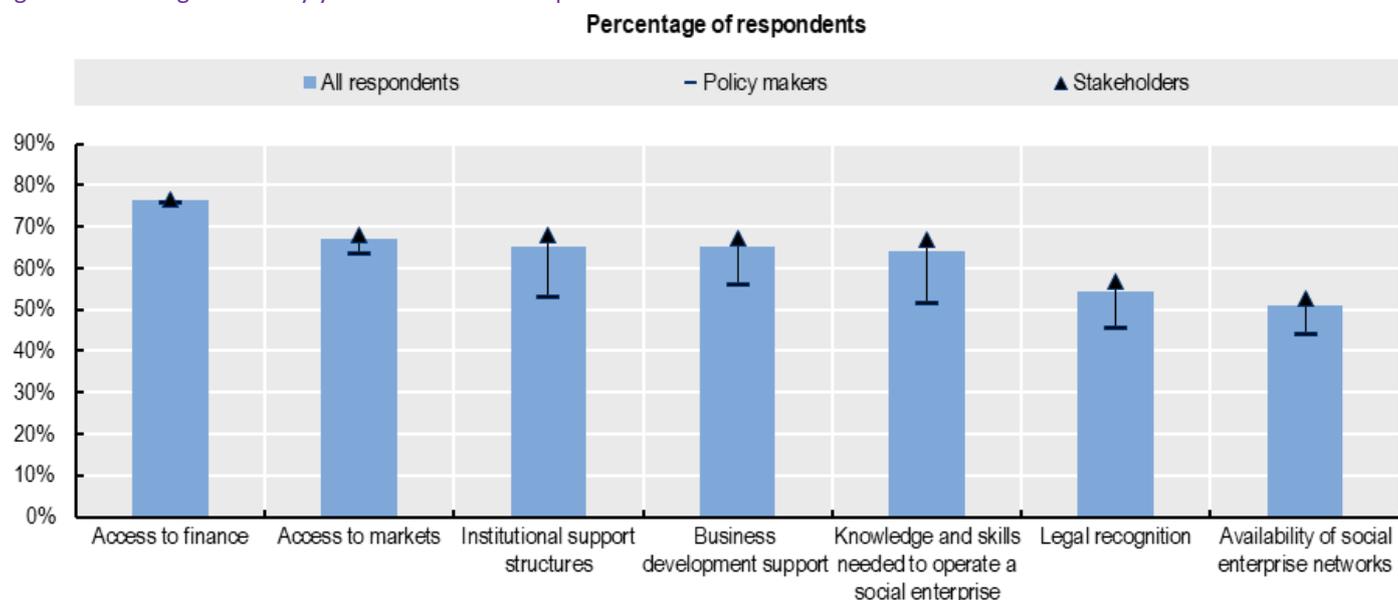
## However, they face a double bind: age and challenges specific to social entrepreneurship

Young people are affected by many of the same issues as social entrepreneurs more generally, such as a lack of visibility and understanding of what social entrepreneurship and social enterprise are. Their age reinforces these effects in addition to other related challenges such as the lack of credit history. This creates notable challenges to starting and scaling social enterprises. Euclid Network's European Social Enterprise Monitor has identified several challenges, including limited financing options, low awareness of social enterprises among banks and other market participants, and a lack of networks and capital. These challenges are particularly pressing for young social entrepreneurs.

**Running successful social enterprises involves balancing both financial sustainability and social impact.** Areas such as access to markets, business development support, knowledge and skills, institutional support structures and legal recognition hold important

challenges for young social entrepreneurs. In the OECD YSE survey, more than three quarters of respondents agreed that youth-led social enterprises are particularly concerned by at least one of these challenges (Figure 2). The most frequently reported challenges were access to finance (76%), access to markets (67%) and institutional support structures (65%). However, in terms of knowledge and skills needed to operate a social enterprise, lack of institutional support structures and business development support, stakeholders and policy makers seem to diverge in their assessment of the gravity of these challenges. Across all three areas, a higher share of stakeholders considers these to be a challenge than of policy makers. This may be due to a lack of awareness of youth-led social enterprises by policy makers and of opportunities to engage with them directly.

Figure 2. Challenges faced by youth-led social enterprises



Note: Selection of multiple answers possible. Results for all respondents based on all viable responses to this question (n=353). Unweighted average of all responses.

Source: OECD YSE Survey

## Box 2. Networks and organisations representing social enterprises

Given the limited awareness surrounding social enterprises, umbrella organisations and networks play a significant role in advocating for the social economy. In Europe, numerous organisations work to voice the needs of social economy entities while contributing to their visibility and recognition.

- **Cyprus: Authority for Co-operative Societies** is the national agency which promotes co-operatives and social enterprises. It is also in charge of keeping the registries on social enterprises and of monitoring their compliance with the criteria imposed by the legislation.
- **France: ESS France** is the chamber of social and solidarity economy. It represents and supports the interests of social economy entities while facilitating dialogue between its members. **ESS France Outre-Mer** is part of ESS France, representing social economy entities in the overseas regions.
- **EU: Co-operatives Europe (COOP)** represents co-operative enterprises in Europe with 84 member organisations across 33 European countries. It also supports the Young European Co-operators Network which is an informal network bringing together young co-operators from Europe to foster exchanges, teach about the co-operative model, share best practices and advance their interests.
- **EU: European Network of Social Integration Enterprises (ENSIE)** represents and works to develop networks and federations of work integration social enterprises (WISEs) across Europe, which works towards social and professional integration of disadvantaged people. ENSIE covers 31 national, regional and local WISEs networks across Europe. It is also a partner in the WISEs4Youth project funded under Erasmus+ to create training activities for social entrepreneurial skills development for potential young social entrepreneurs in Western Balkans.
- **EU: Social Economy Europe** represents 2.8 million social economy enterprises and organisations in Europe. It is a strategic partner to European institutions to establish permanent dialogue between them and the social economy organisations. Its members include national umbrella organisations, European networks and European groupings. Its main objective is to represent the interests of the social economy in the EU so that the main EU policies promote and take into account this business model.

### **Social enterprises require a unique set of skills to maintain an economically viable business while upholding a social mission.**

Social entrepreneurship differs from conventional entrepreneurship primarily in the pursuit of a social mission (Åstebro and Hoos, 2021<sup>[25]</sup>; Dees, 1998<sup>[26]</sup>). While conceptualisations of necessary skills vary, they commonly include more conventional entrepreneurship competencies such as opportunity recognition, innovation, and business and management (Brock and Steiner, 2009<sup>[27]</sup>; Orhei, Nandram and Vinke, 2015<sup>[28]</sup>; Bilbao Sáenz and López Vélez, 2015<sup>[29]</sup>). They also extend to competencies to address social problems, hybrid resource mobilisation, developing, maintaining and scaling a sustainable business model, and measuring social outcomes and impacts (Kraemer, 2016<sup>[30]</sup>; Dickel and Eckardt, 2020<sup>[31]</sup>; Vázquez-Parra, García-González and Ramírez-Montoya, 2021<sup>[32]</sup>). In terms of management, based on the European Social Entrepreneurship Monitor (ESEM), 75% of social enterprises report high or very high involvement of staff in decision making (Dupain et al., 2021<sup>[16]</sup>). Social enterprises also include stakeholders and beneficiaries. Appropriately addressing their needs can be particularly challenging in typical democratic governance models. Work on measures of students' social entrepreneurship skills is advancing but has yet to produce internationally comparable results (Capella-Peris et al., 2019<sup>[33]</sup>; Åstebro and Hoos, 2021<sup>[25]</sup>). Programmes that address these gaps can help young people to develop transferable skills that will be valuable in their careers and more broadly. For example, social entrepreneurship training has been proven to enhance disadvantaged young people's sense of self-worth and career competence (Tam, Asamoah and Chan, 2021<sup>[34]</sup>). Box 3 provides an overview of some initiatives seeking to empower young social entrepreneurs and innovators by building communities.

#### **Box 3. Empowering young social entrepreneurs**

**There is greater awareness around the importance of creating supportive ecosystems for young social entrepreneurs and innovators.** There are organisations across Europe that work to bring young social entrepreneurs together, provide counselling and training and facilitate their networking to promote cross-learning.

- **Austria: Moonshot Pirates** is a global movement of impact-driven young leaders from over 150 countries. It aims to equip young changemakers with tools and resources to significantly increase the odds of solving the world's most pressing problems. It hosts challenges on topics such as climate change, food, health and mobility to empower young innovators to develop solutions as they receive much-needed mentoring and expert guidance.
- **Greece: Academy of Entrepreneurship** is a non-profit organization developing projects and trainings to foster entrepreneurship and professional skills, enhance employability and improve instructional practices. Its activities include training programmes, EU projects as well as the Social Entrepreneur Exchange and Development (SEEDplus) consortium under the Erasmus for Young Entrepreneurs programme.
- **Greece: Federation of Hellenic Associations of Young Entrepreneurs** unites young entrepreneurs and organisations in Greece and promotes co-operation with European and international networks through partnerships. It works on organising conferences and seminars as well as exchanges of young entrepreneurs across Europe to help them gain professional experience.
- **Germany: ChangemakerXchange** provides a global community for changemakers that works towards addressing social and environmental issues. Changemakers join the community via summits which foster lasting connections, nurture wellbeing, and enable peer-learning and meaningful collaborations.
- **Lithuania: Junior Achievement Lithuania** is a non-governmental organisation supporting economic and entrepreneurship education, financial literacy and career education programmes in general education, vocational training institutions and higher education in Lithuania. It works to empower and inspire young people to act through various projects including training programmes, accelerators and championships.

**Teaching “social problem solving” skills is still advancing.** While not all of the skills needed to be(come) a successful social entrepreneur can be learned in primary and secondary education, some relevant skills such as social problem solving, collaboration, critical thinking, creativity and innovation are increasingly included in school programmes. OECD Programme for International Student Assessment (PISA) results from 2018 have found that around four in five students in OECD countries and beyond are in schools that teach global issues, such as climate change, equality between men and women and global health (OECD, 2020<sup>[35]</sup>). In many EU countries and beyond, the key issues around the above skills and other so-called “21<sup>st</sup> century competencies” are a lack of common understanding and proven ways to teach these competencies successfully (Vincent-Lancrin et al., 2019<sup>[36]</sup>; OECD, 2020<sup>[37]</sup>). Assessments of creative thinking, collaborative problem solving and social and emotional skills more broadly are beginning to fill these gaps in understanding (Vincent-Lancrin et al., 2019<sup>[36]</sup>; OECD, 2019<sup>[38]</sup>; OECD, 2017<sup>[39]</sup>; OECD, 2021<sup>[40]</sup>).

**Digitalisation increases the need for young social entrepreneurs to develop digital skills.** For almost half of European Social Enterprise Monitor respondents, digital technology is relevant for their business or impact model, 32% cite mobile apps, 15% AI and machine learning and 14% the Internet of Things as relevant technologies (Dupain et al., 2021<sup>[16]</sup>). For example, the development of Italian cooperatives, is hindered by a shortage of digital skills (OECD, 2021<sup>[41]</sup>). While many young people are

leading the digitalisation of social enterprises, not all of them are technologically savvy and a significant share of young people are affected by digital skills gaps.

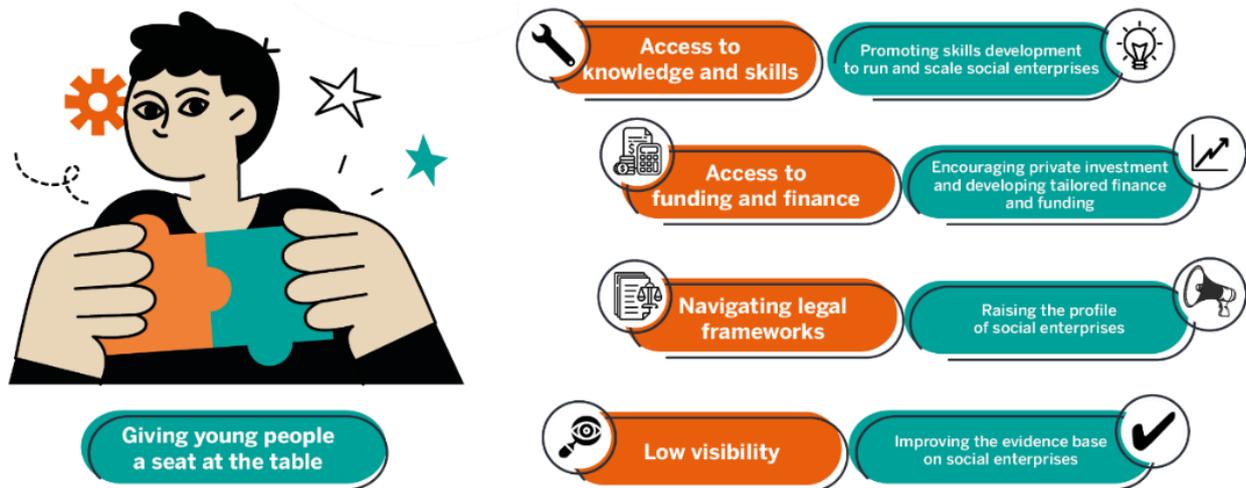
## What can EU governments do to further support young social entrepreneurs?

Building on the important policy momentum around the social economy and social enterprises in the EU, a range of actions can be implemented to address the specific challenges faced by youth-led social enterprises. This has the double benefit of providing youth with jobs while allowing them to have positive social and societal impacts (Figure 3).

Figure 3. Policy actions to relieve the double bind

### Youth-led social enterprises face a **double bind** due to their nature and age...

This intensifies four main challenges: Policy makers can address them by:



Source: (OECD, 2022<sup>[24]</sup>)

### ***Include social entrepreneurship into primary, secondary and higher education curricula to develop interest as well as social and emotional skills of young people wishing to engage in social entrepreneurship***

For example, specialised higher education programmes in social entrepreneurship are increasing (e.g. Social Innovation and Social Entrepreneurship at the Hertie School of Governance (Germany), the Universidad Nacional de Educación a Distancia (Spain). Specialised training opportunities in secondary and higher education can further develop business competencies of young people wishing to engage in social entrepreneurship. The co-creation of learning opportunities can allow young people to take ownership of the process and develop solutions together with teachers and trainers (e.g. Enactus in 35 countries). This can complement higher education curricula and specialised training opportunities that are already accessible for aspiring social entrepreneurs.

### ***Further clarify available legal frameworks for young social entrepreneurs***

For example, in France, social enterprises were among the drivers of legal reforms that enabled the creation of a new cooperative legal form, a law on the social and solidarity economy to the creation of a larger legal status for social and solidarity economy organisations. Similar developments took place in other countries, such as Belgium, Bulgaria, Luxembourg and Spain (OECD, 2022<sup>[11]</sup>). Outreach on legal frameworks that uses channels and language accessible to young people can further boost the visibility of social enterprises as a career opportunity. In the French case, the social enterprise network, Impact France helped to raise awareness about the different legal forms, support services and other available measures.

### ***Develop tailored funding and financing opportunities for youth-led social enterprises, with clear guidance***

Policy makers can improve access to funding (i.e. funds provided by government agencies) and financing (i.e. capital provided by lenders such as banks and private investors) for youth-led social enterprises in different ways. The InvestEU Fund, for example, supports private and public investments in dedicated policy areas, one of which is social investment and skills. The European Social Fund Plus (ESF+) and fi-compass are among the other EU initiatives that support social entrepreneurs. Furthermore, the European Commission has opened a website called "EU Social Economy Gateway" where anybody can learn among others about relevant EU funding programmes and social economy ecosystems in the EU Member States. In Portugal, the government initiative Portugal Social Innovation mobilises funds from the European Social Fund to stimulate the social investment market. Social enterprises are generally looking to achieve long-term social impact at the local level. These objectives and local scope of operation can constrain their growth prospects and require (often scarce) access to patient capital. Many countries provide tax incentives to individuals and/or firms who invest in or donate to social enterprises. Social enterprises that are eligible to benefit from such funding are

required to meet specific criteria and are often subject to regular reporting requirements as well as monitoring (e.g. financial audits) by authorities to prevent potential abuse. In Italy, for example, individuals and firms that invest in social enterprises can obtain a deduction equal to 30% of the sum invested valued up to EUR 1 million and EUR 1.8 million respectively (OECD, 2022<sup>[42]</sup>).

Youth-led social enterprises can represent an attractive investment opportunity for the growing impact investment market and other funders looking to promote environmental and social goals. Starter grants for youth-led social enterprises covering the initial seed funding needs are becoming more common. To support their survival, policy makers can complement them with a mix of other tools such as dedicated financial intermediaries (i.e. specialised organisations or banks acting as a go-between for funders and social enterprises looking for a loan (such as the Financing Agency for Social Entrepreneurship (FASE) in Germany)), scale-up grants (e.g. Young Social Entrepreneurs Global in Singapore), and publicly funded loans and loan guarantees. Together with the awareness and knowledge to navigate these measures, youth-led social enterprises can increase their access to finance.

### ***Boost the recognition of youth-led social enterprises***

Awareness raising campaigns can help educate both the public and policy makers about the positive social and environmental impacts generated by youth-led social enterprises. Awards that recognise youth-led social enterprises also help to raise their profile and inspire others to use social entrepreneurship to address challenges in their own communities. For example, ADV Foundation in Romania runs a competition as part of their Social Enterprise Accelerator programme. La Social Cup in France is a 6-month programme for young social entrepreneurs competing for a prize. These competitions can be a useful tool to target specific groups such as university students, while providing young social entrepreneurs with important networking and skills development opportunities, even if they do not ultimately win the main prize. Specialised grants whose selection criteria focuses on social impact alongside the viability of their business model help ensure that selected applicants are both financially sustainable but also socially beneficial. Issuers of non-repayable grants cannot recoup their funds like lenders or investors, making them a relatively costly form of support.

### ***Improve the evidence base on such enterprises***

Collecting data disaggregated by age (and gender) as well as evidence on the nature of skills needed, the success and performance of youth-led social enterprises and support programmes, is an important step towards informing policies that effectively support them. Together with clear definitions of social enterprises (e.g. in terms of legal definitions or statuses) that are recorded, existing business registries, labour force surveys and programme data can serve as an initial step in understanding the size and characteristics of the social enterprise labour market, its growth prospects and the effectiveness of programmes (such as the satellite accounts on social economy including in Luxembourg, Portugal, Poland or the baseline data collection exercise in Ireland).

### ***Give young people a seat at the table so that their perspectives and needs are considered***

Countries, regions and local authorities can extend existing public engagement practices to specifically incorporate young social entrepreneurs into stakeholder consultation processes. This can include ad hoc consultations of youth organisations as part of financial support schemes or infrastructure investments (e.g. for urban infrastructures, youth centres, or business support services), targeted outreach to young people on social economy employment, through the creation of youth advisory bodies, as is done in France where one fifth of the members appointed to the National Council of the Social Economy (policy shaping body) in 2015 were youth.

## **Questions for discussion**

- How is social entrepreneurship different from conventional entrepreneurship?
- What entrepreneurial and “social economy” skills are needed to pursue social entrepreneurship?
- In what ways can governments actively support and promote the development of youth-led social enterprises?
- What financing options are available for young social entrepreneurs, and how can access to funding be improved?
- What strategies can young social entrepreneurs use to increase public awareness of their social initiatives?
- How can social entrepreneurs stay aligned with their social mission, especially when faced with challenges around financial viability and reporting requirements?
- How important is collaboration among youth-led social enterprises, and what mechanisms can facilitate meaningful partnerships?
- What innovative approaches can be useful for young entrepreneurs to maximise the social impact of their enterprises?
- How can social entrepreneurs “go international”? What mechanisms are there to support cross-border social entrepreneurship and social innovation?

## Takeaway messages

- **Young people are increasingly interested in pursuing entrepreneurial activity that creates social value.** Social enterprises provide young people with the opportunity to build careers that have a positive impact on society and the environment. The motivation and dedication of young entrepreneurs have already led to the creation of many successful youth-led social enterprises across Europe. While their drive and determination are significant factors for success, they may also face challenges due to their age, such as lack of experience, capital, collateral, or network, which are required by the market to upscale their enterprises.
- **The lack of visibility of social enterprises among financiers and other market actors limits the ability of young social entrepreneurs to access markets and finance.** Establishing a clear definition and/or legal framework can help improve recognition, however, it may also present challenges. A restrictive definition of social enterprises runs the risk of excluding entities that are not completely aligned with the criteria but still operate as social enterprises in practice. On the other hand, a vague definition may lead to financial benefits for entities that do not adhere to the principles of the social economy. Therefore, it is important to create a shared context-specific understanding of social enterprises across social economy actors.
- **Access to funding and finance remains one of the main barriers for young social entrepreneurs to start and grow their activities.** There is a need to explore alternative mechanisms to public funding, such as patient capital, as well as social finance options including bank loans and those offered by angel and impact investors, which are rarely accessible to young social entrepreneurs. There is also a need to increase financial literacy levels among young social entrepreneurs, including for example understanding available financing options and current taxation regimes. This calls for increased training, which could be achieved through accessible online courses.

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