



**YEPA Workshop 4**  
**Building networks for young entrepreneurs**  
**Discussion note | 19 September 2024 | Group 1**

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# Building networks for young entrepreneurs

## Why is network creation for young entrepreneurs a priority policy issue?

Entrepreneurship networks play a significant role in motivating young people to pursue entrepreneurship and help them to identify business opportunities, validate business ideas and access resources such as customers, business partners, suppliers and advisors (Box 1). Young people tend to be less connected to the business community and professional networks due to their lack of business and work experience. They also tend to lack assets relevant to entrepreneurship, including financial, human and social capital (EC-OECD, 2012), making it more challenging to build professional networks because they often have little to “give back”. Many young entrepreneurs tend to rely more on the support of their family and friends. However, young people tend to have a greater need for entrepreneurship networks than adult entrepreneurs to help overcome shortcomings in their entrepreneurship skills and/or own financial and other resources (OECD, 2015) so this is an important support-need for young entrepreneurs.

### Box 1. Defining entrepreneurship networks

Entrepreneurship networks are groups of inter-connected actors with a relationship or tie that connects them, such as entrepreneurs, business service providers and various other relevant people who entrepreneurs can access for information and ideas for the operation of their businesses in reciprocal relationships. The information and ideas flowing in these networks influence a person’s attitude to business start-up as well as their intention and motivation to start a business. They can also be a key resource for starting, growing and sustaining a business. Entrepreneurship networks can exist across different environments and differ in levels of formality, including (Light and Bonacich, 1988; Portes, 1998; Glover et al., 2000; Flandreau, 2003; Morawska, 2004; Portes and Sensenbrenner, 1993; Waldinger et al., 1990):

- **Private networks**, which are composed of spouses, parents, other family and friends;
- **Workplace networks**, which are composed of work colleagues, business partners and co-starters and business mentors;
- **Market networks**, which are composed of business collaborators, competitors, suppliers and customers;
- **International networks**, which are composed of business collaborators, competitors, suppliers and customers from another country and in another country;
- **Professional networks**, which are composed of business professionals (e.g. lawyers, accountants), financiers (e.g. banks, investors) and other sources of information and support (e.g. researchers, business advisory services); and
- **Identity-based networks**, based on ethnic affiliation, cultural and linguistic commonalities, age, gender, etc.

Entrepreneurship networks often include both personal and business connections. Regardless of the type of network, it is the type of relationship (i.e. strong and weak ties) between the actors in the network that is the most important. Strong tie relationships are those where the entrepreneur typically interacts with the other party at least twice per week (Granovetter, 1973), while weak tie contacts are interactions that are less frequent but at least one per year. Most entrepreneurs have quite small strong tie networks (Martinez and Aldrich, 2011), yet these relationships are often highly reciprocal with both parties doing a great deal for each other. However, weak ties are also beneficial as they lead to a greater diversity of connections that enhance the entrepreneur’s “reach” within the entrepreneurship ecosystem. These relationships can strengthen over time, leading to stronger ties and larger, more impactful networks as people age and gain experience.

Source: (OECD/EC, 2015)

The role of networks for young entrepreneurs remains important throughout the different stages of business start-up and development (Table 1). Prior to business start-up, networks serve as the main foundation for the new venture (Lechner and Downing, 2003) as they help young people to identify opportunities and resources (Hite, 2005; Larson and Starr, 1993). Over time and as the business becomes more established, the entrepreneur’s network expands, aiding the entrepreneur in growing and expanding their business (i.e. more interaction and contacts with potential business partners, competitors, suppliers and customers). However, the structure and development of young people’s networks depends on a range of factors, including geographical location, cultural and societal attitudes, local business environment, etc. Network structure and activities vary across regions and countries. For example, the proportion of personal contacts and the reliance on family and friends in professional networks varies substantially across countries and regions (OECD, 2015). The number of contacts made within a network as well as

time spent with network contacts (i.e. hours) also fluctuates greatly across networks. Moreover, the local context greatly shapes entrepreneurship networks, particularly for young people. In areas with established clusters and well-developed business communities, networks will have more opportunities for knowledge exchanges. Other local contexts may negatively influence network development. For example, local contexts characterised by high unemployment, social exclusion or a large cultural dependency on large firms or public sector employment can limit the development and scaling of networks for entrepreneurs living in these areas.

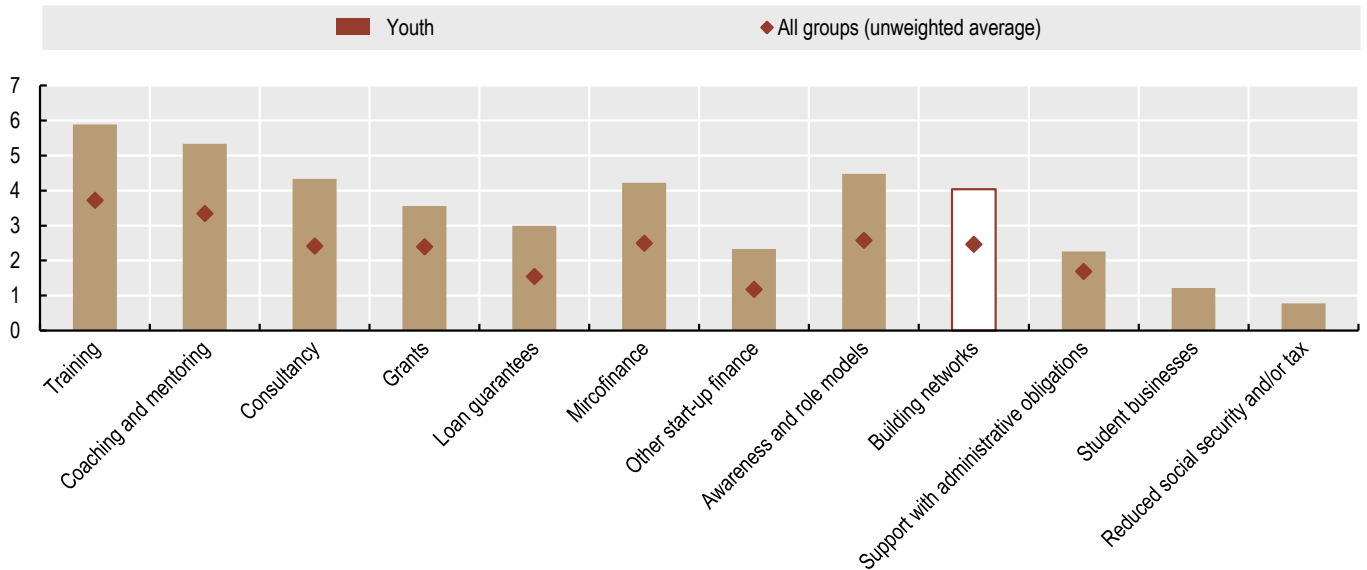
Table 1. Entrepreneurship networks play an important role throughout the different stages of business development

Stage of business creation	Impact of networks	Examples
<b>Acquiring motivation</b>	The nature and intensity of entrepreneurial motivation is strongly shaped by the norms of the local environment, experienced through entrepreneurs' interactions with others. Perceived desirability, and perceived feasibility, of entrepreneurship career paths are both learned by potential and nascent entrepreneurs, through their social networks.	Family influence strongly shapes entrepreneurship motivations. So, too, does a selection of strong local role models (e.g. teachers). Specific ethnic and religious traditions can also be very important network-driven motivators.
<b>Opportunity perception</b>	Personalised information forms the basis of most successful new business ideas, which is a function of ties developed through personal, educational and professional experience.	Ideas for new products emerge through market discussions with strong tie contacts, often customers.
<b>Idea validation</b>	Early testing of entrepreneurship ideas typically takes the form of discussion with potentially important network contacts that are already known to the entrepreneur.	Moving from idea to concept is often guided by dialogue with a tight circle of strong ties.
<b>Resource identification</b>	Searching for resources (i.e. partners, suppliers, potential customers, financing, ideas), and matching them to the needs of the planned new venture, happens through personal interactions between the entrepreneur and their contacts, who may also broker links to resource holders.	Securing start-up resources is often feasible only through trusted strong tie contacts, including family, friends, and close business colleagues.
<b>Negotiating to get into business</b>	Securing resources, customers, employees, suppliers and distributors requires potential entrepreneurs to build exchange relationships with other individuals, and their organisations.	Previous professional contacts can be an important driver for new businesses.
<b>Business development</b>	Launching the venture requires that entrepreneurs move from planning with others, to acting with them. Networks provide access to resources that help entrepreneurs launch and grow their businesses, including potential partners, suppliers, customers and employees. Networks can also be used as a source of advice, information and ideas.	Business launch is dependent on a new idea, while survival and growth are dependent on resources and new alliances – which are all mediated through networks.

Source: Adapted from Drakopoulou Dodd and Keles (2014).

Policy has supported the development of entrepreneurship networks in recent years with youth dedicated networking initiatives becoming more common across European Union (EU) Member States and OECD countries (OECD/EC, 2023a). Two-thirds of EU Member States have introduced dedicated networking initiatives for youth entrepreneurs since 2020 (Figure 1). While networking initiatives can be stand-alone support schemes, they are often integrated into other support measures such as training schemes and financial support measures. This approach has been found to improve the effectiveness of support, particularly of financial support measures (OECD/EC, 2023a).

Figure 1. Initiatives that support network building for young people are a commonly offered support in the EU

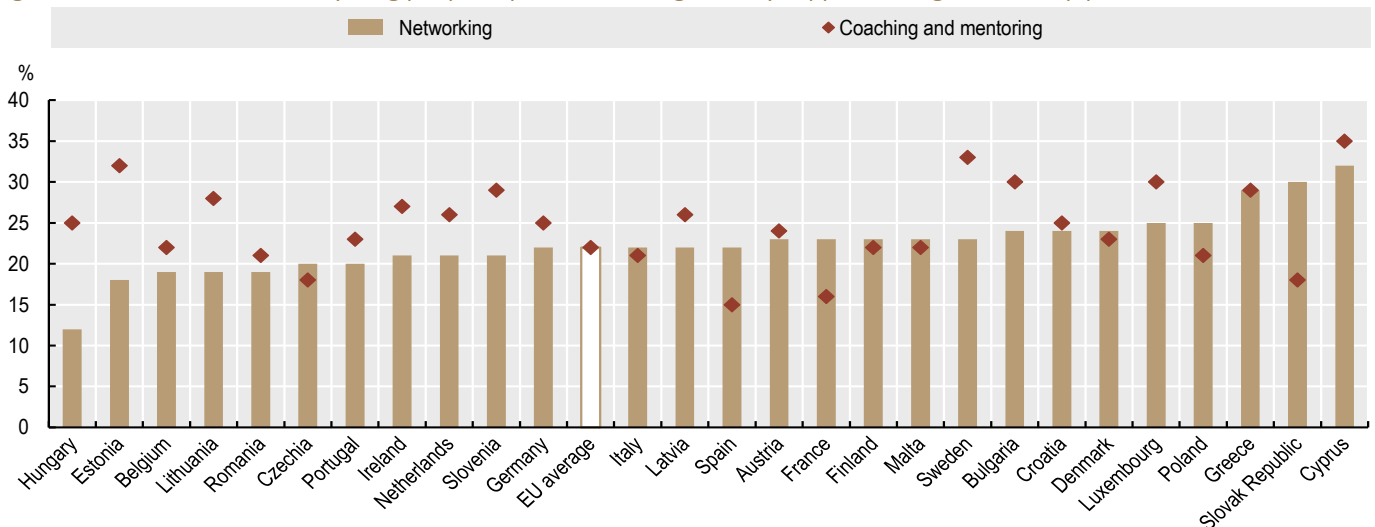


Note: The figure presents an unweighted average of policy and programme assessment scores for EU Member States. Each policy instrument (e.g. entrepreneurship training) is characterised according to a 9-point scale as described in the Reader’s Guide. The figure shows the average score for schemes for youth entrepreneurs relative to the score for all inclusive entrepreneurship groups combined (i.e. women, immigrants, youth, seniors, job seekers and people with disabilities). Some of the policy instruments displayed are designed specifically for youth entrepreneurs so there is no comparative policy assessment score for all inclusive entrepreneurship target groups. The policy scores were discussed and verified with governments and stakeholders in national workshops and a written procedure.

Source: (OECD/EC, 2023a)

Young entrepreneurs recognise the importance building their own networks and interacting with successful entrepreneurs as part of the start-up process. About 22% of young people in the EU indicated that one of the most useful supports while setting up a business is networking support (Figure 2). Moreover, about the same proportion of young people report that coaching and mentoring is also among the most useful supports during the start-up phase. While coaches and mentors generally provide advice and guidance to youth entrepreneurs, they also provide young entrepreneurs with access to their networks (OECD/EC, 2020).

Figure 2. More than one in five young people report networking as a key support during the start-up phase



Source: Flash Eurobarometer #513 (2023).

## What are governments doing?

There are three primary approaches that are often used by governments to create networks for young entrepreneurs: 1) broaden existing networking initiatives to create a more diverse and inclusive network for young people, 2) create dedicated networks designed to build connections among young entrepreneurs and the broader business community, and 3) build networks through other entrepreneurship support programmes (e.g. training, mentoring and coaching, incubation, innovation hubs, entrepreneurship centres, etc.)(OECD/EC, 2015).

### ***Improve access to existing networks for young people***

Policy makers can facilitate linkages between young entrepreneurs and existing networks by improving outreach methods to young people interested in business creation. This includes tailored awareness raising campaigns and promoting networks through platforms relevant to youth (e.g. social media, websites, entrepreneurship training programmes, etc.). By ensuring that the content and delivery methods are addressing the particular needs and interests of young entrepreneurs, general entrepreneurship networks can become more attractive and more accessible for young people to participate.

Another approach to broadening existing networks is to adapt the format to expand the reach of the network. Online networks hold potential for policy makers who wish to broaden network initiatives and lessen barriers for young entrepreneurs in finding and participating in entrepreneurship networks. Online networks are easily created and can be embedded into an existing social media platform (OECD/EC, 2015). They provide flexibility on how and when network members interact, which could lead to greater participation by young people as their schedules may not align with traditional networking opportunities. However, maintaining active engagement for online networks can be a challenge and requires an engaged network manager who can develop and maintain the network. For example, the [Ye! Community](#) is an online platform dedicated to young entrepreneurs (up to 35 years old) that offers networking opportunities, mentoring, resources and tools. This online network is supported by the International Trade Centre (ITC) and includes more than 23 000 members.

While not yet widespread, governments can support young entrepreneurs working on innovative start-up by connecting them to innovation networks that include incubation and acceleration programmes, digital innovation hubs and more. Governments often establish innovation networks through public-private partnerships, allowing policy makers to define their role in the network as an initiator, facilitator or funder. These partnerships usually include collaboration with public/private universities, research centres, government agencies and other industry actors, such as entrepreneurs, large firms, SMEs and private financial institutions. Ensuring these types of networks are accessible to young entrepreneurs is key to building networks for young people and encouraging young people to innovate and pursue entrepreneurship as a career.

### ***Dedicated networks for young entrepreneurs***

A common approach is to create youth-dedicated entrepreneurship networks ([Box 2](#)). Many governments typically either create youth-specific networks directly or provide resources and funding for initiatives managed by non-public actors. Private actors and non-governmental actors are equally active in supporting youth entrepreneurship networks.

This approach can help young entrepreneurs connect with their local business communities (e.g. suppliers, partners, customers, etc.) while also helping them to build credibility and trust in themselves and their new businesses. Dedicated networks also provide young people an opportunity to interact with established entrepreneurs and support providers (e.g. accountants, lawyers, coaches).

#### **Box 2. Young Entrepreneurs Association of Slovakia (YEAS), Slovak Republic**

The Young Entrepreneurs Association of Slovakia (YEAS) was established in 2010 with the aim to foster connection between young entrepreneurs (i.e. people under 40 years old). YEAS supports young entrepreneurs through (i) peer-learning and mentoring, (ii) networking, (iii) financial support for early-stage innovative businesses, (iv) business case studies and (v) addressing barriers to entrepreneurship for young people.

YEAS hosts formal and informal meetings for young entrepreneurs to connect with peers and successful entrepreneurs through dedicated events. YEAS organises three conferences annually, each reaching about 150 in-person participants as well as many online participants. It also participates in international initiatives (e.g. G20 Summit, the Global Entrepreneurship Congress, the JEUNE network). Moreover, YEAS operates a “Management Club” for young entrepreneurs where managers of successful businesses act as mentors and coaches for young entrepreneurs, which helps young entrepreneurs expand their professional networks and connect with leaders in industry. Another initiative that supports network development for its members is through the Slovak Business Angels Network, which YEAS created in 2011. The Slovak Business Angels Network organises entrepreneurship training, match-making and networking events. Since 2015, YEAS also co-organises the Slovak Venture Capital



Forum with the Slovak Venture Capital and Private Equity Association (SLOVCA) to promote venture capital and innovative projects.

Source: Združenie mladých podnikateľov Slovenska (n.d.), website, <https://zmps.sk/en>; Združenie mladých podnikateľov Slovenska (n.d.), “O združení mladých podnikateľov”, <https://zmps.sk/o-zdruzeni>, written exchange with the YEAS.

### ***Build networks in parallel to other entrepreneurship support programmes***

Public policy can create youth entrepreneurship networks around other policy interventions, including entrepreneurship training and other business development services. For example, participation in entrepreneurship training schemes can lead to the development of peer networks as well as increased awareness of existing information and support services, increasing an entrepreneur’s dynamic capability to learn (Chrisman, McMullan and Hall, 2005). This approach has multiple advantages as young people are able to access important resources through the entrepreneurship support programme and outreach to the target group is ensured as young people are made aware of networking opportunities as part of the programme. However, this approach excludes young people who are not participating in the programme, which may limit network development and impact in the long-term as these networks are not always sustainable since the binding factor is a short-term training or business service. Therefore, it is important that support programmes leverage existing community partners and youth entrepreneurship support providers to promote networking opportunities and to link young people to the entrepreneurship community. For example, Futurpreneur has integrated opportunities for young entrepreneurs participating in their programmes to network with other entrepreneurs and support providers across Canada (Box 3).

#### **Box 3. Futurpreneur, Canada**

Created in 1996, Futurpreneur is a non-profit organisation that aims to empower diverse entrepreneurship and support young people (18-39 years old) at each stage of their entrepreneurship activities by offering different start-up programmes that include a range of entrepreneurship support, including networking opportunities. Futurpreneur has grown and evolved over the years, leading to more young entrepreneurs being able to access dedicated support. In 2024, Futurpreneur has supported more than 18 700 young entrepreneurs and counting through its many support schemes.

The Core Start-up Programme offers integrated support including financing, training, mentorship and networking. Participants can access flexible, equity-free start-up business loans of up to CAD 60 000 or about EUR 40 000, which includes up to CAD 40 000 (EUR 27 000) in financing from the Development Bank of Canada (*Banque de développement du Canada*). Along with the start-up financing, the programme offers 1-to-1 mentorship for up to 2 years, access to resources (e.g. workshop series, business planning tool) and networking opportunities. Participants have opportunities to network with other (young) entrepreneurs, leaders and community organisations through virtual and in-person events. Futurpreneur has adapted the Core Start-up Programme to be tailored to the specific needs and experiences of various minority population groups in Canada, including Black and Indigenous entrepreneurs through the Black Entrepreneurs Start-up Programme (BESP) and the Indigenous Entrepreneur Start-up Programme (IESP). These programmes include the same supports while also tailoring resources and opportunities to participants. For example, participants of these programmes benefit from tailored networking opportunities with Indigenous entrepreneurs, leaders and Indigenous-led community organisations as well as a Canada-wide network of Black entrepreneurs.

Futurpreneur also offers a range of other youth-dedicated entrepreneurship programmes. These include the Side Hustle programme that offers CAD 15 000 (about EUR 10 000) in flexible start-up business loans accompanied by mentorship, resources (Rock My Business workshop series, planning tools, etc.) and networking opportunities from a national network of entrepreneurs. Moreover, the workshop #OwnersWanted aims to support young people in buying an existing small business as older business owners plan to exit.

Source: [Futurpreneur](https://www.futurpreneur.ca)

### ***Networks of support organisations***

Governments can also play a critical role in supporting the creation of networks of youth entrepreneurship support organisations or umbrella networks for local, regional or national youth entrepreneurship networks. By fostering partnerships across youth entrepreneurship support organisations and networks, policy makers can help to expand young people’s access to resources, mentorship, funding and networking opportunities (Box 4). This can be achieved through policy action that incentivises collaboration between public, private and non-governmental actors who are active in youth entrepreneurship. Through these linkages, young entrepreneurs will have access to a well-connected ecosystem of support for every stage of business development. Moreover, co-operation within these umbrella networks leads to the sharing of best practice as well as improved co-ordination and delivery of support schemes. They also offer young entrepreneurs more opportunities to grow their networks, identify new opportunities, and access new markets.

#### Box 4. JEUNE, European Union

Founded in 1994, the Young Entrepreneurs Organisation of the European Union or JEUNE is a dedicated-youth entrepreneurship network that currently represents more than 1.6 million young entrepreneurs or young people interested in entrepreneurship across the EU. JEUNE provides a platform for young entrepreneurs to connect with other (young) entrepreneurs, mentors and industry leaders across Europe. Through these networking opportunities, young entrepreneurs benefit from knowledge exchange, peer-learning, access to new markets and new connections (e.g. building valuable relationships and expanding their professional networks). JEUNE also offers young entrepreneurs entrepreneurship training (e.g. workshops), mentorship and other events (e.g. conferences and networking opportunities) that help young entrepreneurs to expand their knowledge and networks. JEUNE also advocates for the interests of young entrepreneurs and promotes policies that foster youth entrepreneurship in the EU by engaging in dialogue with European institutions.

Source: [JEUNE](#)

#### Questions for discussion

- Are different types of networks more effective than others?
- How can young entrepreneurs take “ownership” of networks?
- How can governments build knowledge sharing networks for support organisations?

#### Further reading

European Commission – OECD (2012), “Policy Brief on Youth Entrepreneurship”, Publications Office of the European Union, Luxembourg.

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## About the OECD-EU Youth Entrepreneurship Policy Academy

The OECD-EU Youth Entrepreneurship Policy Academy (YEPA) is a peer-learning network that seeks to strengthen youth entrepreneurship policies in the European Union (EU). This new initiative aims to strengthen youth entrepreneurship policies and programmes by raising knowledge about the barriers faced by young people in entrepreneurship and facilitating exchanges between policy makers, experts and young entrepreneurs on “what works” in youth entrepreneurship policy. This new initiative builds on an existing collaboration on inclusive entrepreneurship and social entrepreneurship undertaken by the European Commission and the OECD, which includes the award-winning report series The Missing Entrepreneurs.

## About the OECD Centre for Entrepreneurship, SMEs, Regions and Cities

The OECD Centre for Entrepreneurship, SMEs, Regions and Cities provides comparative statistics, analysis and capacity building for local and national actors to work together to unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation, and support sound tourism policies.

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## About the European Union’s Directorate-General for Employment, Social Affairs and Inclusion

DG Employment, Social Affairs and Inclusion develops and carries out the European Commission's policies on employment and social affairs, education and training. This includes, for example, support for more and better jobs through the European Employment Strategy, free movement of workers and coordination of social security schemes and supporting social inclusion by supporting efforts to combat poverty and social exclusion, reform social protection systems, assess new demographic and social developments.

[https://ec.europa.eu/info/departments/employment-social-affairs-and-inclusion\\_en](https://ec.europa.eu/info/departments/employment-social-affairs-and-inclusion_en) | [@EU\\_Social](#) | <https://www.linkedin.com/showcase/eu-skills> | [Facebook Social Europe](#)

See also information on social entrepreneurship : [https://social-economy-gateway.ec.europa.eu/index\\_en](https://social-economy-gateway.ec.europa.eu/index_en)