



YEPA Workshop 6
Effectively Designing and Delivering Youth
Entrepreneurship Policies
Discussion Note

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Effectively Designing and Delivering Youth Entrepreneurship Policies

What is youth entrepreneurship policy?

Entrepreneurship policies and programmes can be an effective tool for supporting young people in business creation and development (OECD/European Commission, 2023a). The objective of youth entrepreneurship policy is often to help young people acquire entrepreneurship skills and experience, build networks, and improve access to financial resources so that they can boost the chances of successfully transforming their ideas into a business (OECD/European Commission, 2023a). These policies aim to alleviate market and institutional failures that negatively impact young people's ability to start and scale their own businesses. They have a broad and varied scope, ranging from support measures that are specifically targeted to youth entrepreneurs to strengthening framework conditions and fostering entrepreneurial interest among young people. The OECD International Compendium of Entrepreneurship Policies (2020) identifies three main types of youth entrepreneurship policy interventions:

- Policies that aim to improve institutional conditions for entrepreneurship, which includes initiatives for the development of an entrepreneurial culture, a favourable tax and regulatory framework for entrepreneurs and favourable competitive conditions.
- Policies that offer direct support to entrepreneurs and start-ups. These include training and education programmes, provision of information, advice, coaching and mentoring, facilitating access to finance for entrepreneurs and supporting entrepreneurs in specific activities that are conducive to growth, such as innovation, greening and internationalisation.
- Policies that take a holistic approach and support the development of entrepreneurial ecosystems.

Overall, these policies differ considerably along a number of dimensions, notably on how different governments approach policy design and delivery mechanisms. They can be part of the suite of policy actions used to help youth enter and be active in the labour market (OECD/European Commission, 2020). It is important to consider that entrepreneurship is not suitable for all youth, and that not all beneficiaries of youth entrepreneurship policy and programmes will go on to start a business. However, young people who decide not to pursue entrepreneurship or whose projects fail can still benefit from these policies and programmes as they will be able to grow their networks, build entrepreneurial mindsets and gain experience and skills that could be used to help secure employment (OECD/European Commission, 2020).

How is youth entrepreneurship policy a strategic lever for inclusion and growth?

The rationale for youth entrepreneurship policies lies in its potential to support young people in entering and being successful in the labour market, leading to lower levels of youth unemployment and more innovation. Youth entrepreneurship policies support young people in overcoming the additional and heightened barriers to entrepreneurship as young people often face greater obstacles to business creation compared to older age cohorts, notably greater difficulties accessing resources such as finance, professional networks and customers. Youth entrepreneurship policies seek to reduce inequalities of opportunities in entrepreneurship as well as to increase employability. This includes helping to prepare youth for the future of work, develop entrepreneurial mindsets, and learn how to work in flexible ways (OECD/European Commission, 2023a).

Policy facilitates labour market integration of youth...

Fostering entrepreneurship among youth has been a priority across the European Union (EU) and OECD for several decades, as a means of improving access to the labour market. Young people continue to face difficulties in successfully integrating the labour market and entrepreneurship can provide an alternative route into the labour market alongside employment. Many of these challenges are not new as young people have struggled to enter the labour market over the last few decades. Following the economic crisis in 2008-09, youth unemployment rose sharply and remained elevated, reaching above 20% in 8 European Union Member States and 17 OECD countries in 2013 (OECD/European Commission, 2023a).

While youth unemployment did improve in the later half of the decade, young people continue to face financial instability, housing instability and labour market vulnerability. The COVID-19 pandemic, the economic challenges related to the Russian war of aggression against Ukraine, and the rising prices and the cost of living have deeply impacted young people across EU and OECD countries – once again highlighting the labour market vulnerability of youth. For example, youth unemployment was around 11% for young people aged 15-29 years old in 2024; unemployment rates rose to 15% among youth aged 15-24 years old relative to only 6% among adults overall in 2024 (Eurostat, 2025). It is also important to consider youth activity rates as young people who have dropped out of the labour force are excluded from unemployment counts and rates. Between 2021 and 2024, the overall activity rate has remained around 75% compared to about 40% among youth aged 15-24 years. When considering young adults, the share of active youth is slightly higher among those aged 15 to 29 years old at about 56% in 2024 (Eurostat, 2025).

To address challenges related to labour market integration by young people, it is important to develop a strategy for supporting youth entrepreneurship, including by developing a vision for youth entrepreneurship support. One policy approach is to embed entrepreneurship promotion and support within youth employment strategies. A key success factor in effective policy design and delivery is to ensure that public actors and other stakeholders have clearly defined and complementary roles in supporting youth entrepreneurship, which requires engaging other youth entrepreneurship support actors in the design and delivery process. This should also include clearly communicating objectives of youth entrepreneurship policies and programmes to young people, youth organisations and the broader community.

Entrepreneurship policy can also help young people to develop transversal skills that will help them in their career, regardless of whether they go on to start a business. Additionally, youth entrepreneurship policy can support talented youth, including graduates, with high potential business ideas to innovate and integrate into entrepreneurial networks and ecosystems. One approach to facilitate the integration of young people into the labour market through entrepreneurship is to have targeted entrepreneurship policies to young people who are not in employment, education or training (NEET). For example, the Young Entrepreneurs Succeed! (YES!) project aimed to improve the employment situation among unemployed youth (20-29 years old), particularly those who are not in employment or in education (NEETs) in Greece, Italy, Poland and Spain (for more information on the programme see the [OECD Youth Policy Toolkit](#) and the [YEPA Summary Note for Workshop 5 on Entrepreneurship Skills and Mindsets](#)).

...and supports the development of entrepreneurship skills and mindsets.

Youth entrepreneurship policy can facilitate more awareness and understanding about entrepreneurship among youth, which may increase the number of young people that are interested in pursuing it as a full-time or part-time activity during youth or later in life. These policies should aim to create a supportive institutional environment for youth entrepreneurship to thrive, including by ensuring that the regulatory environment does not discriminate or disincentivise young people in pursuing business creation. This includes introducing policy measures that are supportive of youth entrepreneurship across welfare, tax and regulatory systems as well as ensuring that bankruptcy laws do not prevent young people from having a second chance if their businesses fail.

Policy should seek to not only develop new ventures but also entrepreneurial mindsets. Entrepreneurship policy and support measures can also foster entrepreneurial thinking, creativity and innovation among young people, while also raising awareness of entrepreneurship as a viable and desirable career choice for young people to pursue. By promoting a positive image of entrepreneurship, policy can help build a culture of entrepreneurship among young people and foster the next generation of entrepreneurs and innovators. For example, youth-tailored outreach campaigns can serve to inform young people and the broader society about the potential for youth entrepreneurship.

It is important to ensure that tailored entrepreneurship policies are relevant to young people and address the range of different youth profiles as they each have different, education profiles, needs, challenges and preferences. Policy also must ensure that young people can access relevant information and resource about entrepreneurship and how to start a business. There are a number of policy approaches to promoting entrepreneurial mindsets and fostering the development of entrepreneurship skills:

- **Promote entrepreneurship with role models** to make entrepreneurship tangible through the sharing of experiences. Role models should demonstrate a range of entrepreneurship activities, including not only innovative technology businesses but also those in other sectors and those with social objectives. It is also important to showcase some young entrepreneurs who other youth may relate better to than adults. Role models can be promoted through media and online campaigns as well as integrated into other support measures such as formal education and business competitions. This is the approach used by [Future Heroes](#) who offers role models of women in leadership and entrepreneurship to support young girls in fostering entrepreneurial mindsets, building their entrepreneurship skills and realising their potential to create impact. For more information on entrepreneurial role models for youth, please see the [YEPA Summary Note for Workshop 4 on Inspiring young entrepreneurs with role models](#).
- **Embed entrepreneurship teaching** in schools, vocational training and higher education to improve entrepreneurship skills among youth. This includes designing and implementing entrepreneurship modules or activities into various levels of education to help ensure young people are exposed to entrepreneurship and provide an opportunity to deepen their understanding about what entrepreneurship is and its role in society. For example, the Ministry of Education of Greece developed the [Skills Labs](#), which aim to develop skills and entrepreneurial awareness as part of the mandatory curriculum for all kindergarten, primary and lower-secondary schools across Greece. Moreover, entrepreneurship teaching can lead to the development of entrepreneurial skills among students and help them to cultivate positive entrepreneurial attitudes. All levels of students should have the opportunity to engage in entrepreneurship skill development. Moreover, research suggests that students who have had access and participated in entrepreneurship education are more likely to start their own business and are less likely to be unemployed (European Parliament, 2015).

- **Offer opportunities to acquire entrepreneurship skills** outside of formal education to ensure that youth and young adults who are not in school have opportunities to develop entrepreneurship skills and knowledge. Providing opportunities for young people to learn through experience (e.g. business competitions, simulations) are an effective way to develop entrepreneurship skills. Youth entrepreneurship training is also an effective approach to addressing entrepreneurship skills gaps among youth. Evidence suggests that entrepreneurship training can increase awareness and entrepreneurial efficacy among youth (Ho et al., 2018). For more information on developing entrepreneurship skills within and outside of formal education as well as examples of youth entrepreneurship support schemes, please see the [YEPA Summary Note for Workshop 5 on Entrepreneurship Skills and Mindsets](#).
- **Facilitate coaching and mentoring schemes** to improve the chances of success for (potential) young entrepreneurs. Coaches and mentors can help compensate for young people's lack of experience in the labour market as well as provide encouragement and inspiration as they pursue business creation. It also creates regular interaction between young people and mentors or coaches, allowing young people to have real-life examples of success as well as individualised support throughout the business life cycle. These types of support can also help young people find role models who can guide, inspire and support them in their professional development. However, it is important that policy measures use appropriate matching mechanisms to ensure a good fit between coachee/mentee and coach/mentor. For a more in-depth discussion on the role of coaches and mentors, please see the [YEPA Summary Note for Workshop 4 on Inspiring young entrepreneurs with role models](#).

Policy plays an important role in facilitating access to finance for youth entrepreneurs...

Difficulties around accessing finance to start a business pose a significant challenge for entrepreneurs, regardless of age, the scale or sector of operation. This challenge has continued to grow since the COVID-19 crisis as many entrepreneurs have faced liquidity challenges and financial markets have become tighter, particularly youth entrepreneurs. Policy has an important role in addressing the under-capitalisation of youth-led businesses by addressing barriers on both demand and supply-side barriers. Policy can facilitate access to various sources of entrepreneurship finance which can improve the likelihood of young people's entrepreneurial activities developing into sustainable businesses. Policy must also ensure that young people have the knowledge and understanding to use the funding appropriately and seek to improve financial literacy skills, notably in business finance, among youth. Well-designed youth entrepreneurship policy should also complement financial support with non-financial supports. These supports include entrepreneurship training, peer-learning, networking, coaching and business consultancy.

Youth entrepreneurship policy should ensure that young people can access loans, grants and microfinance, and there is a range of financial support instruments that can be utilised to address barriers to access to finance for young people. The most common forms of start-up financing offered to youth entrepreneurs are grants and income subsidies. However, in recent years, many European Union Member States and OECD countries have increasingly used microfinance to support business creation, including among youth. Microfinance is also an important financial tool for supporting youth entrepreneurs because it is designed to address the obstacles faced in the credit market. By offering small collateral-free loans to young entrepreneurs, it helps them to build a credit history to improve their access to mainstream financial products. However, there is significant unmet demand for microfinance in many markets. Youth-tailored policies should also encourage alternate financing methods, such as guarantees, crowdfunding, peer-to-peer lending, and business angel investment. While access to venture capital and angel investment can be important for a few youth entrepreneurs, the majority of young entrepreneurs are financing their entrepreneurial activities through other sources of finance (e.g. self-funding, loans, grants, microfinance and crowdfunding). A recent Flash Eurobarometer survey showed that 36% of potential young entrepreneurs reported that their own savings would be among the top three sources of funding used, followed by banks (33%) and family and friends (21%). The same survey found that government sources of funding were less frequently identified by potential young entrepreneurs (12%) and only about 8% of respondents reported venture capital investments as an initial source of funding. For more information on different policy approaches for facilitating access to finance for young entrepreneurs, please see the [YEPA Summary Note for Workshop 1 on Access to finance for young entrepreneurs](#).

...is key to unlocking youth-driven innovation...

Innovation is a key motivator for many young people to seek entrepreneurship and entrepreneurship policy can be designed to support economic growth, innovation and job creation among young people by addressing obstacles preventing them from scaling up their entrepreneurial ideas and activities as well as helping them to increase their innovation rates and growth potential. Almost one-in-four young entrepreneurs report seeking to innovate as a primary goal of starting their business. Young people are also more likely to innovate relative to the overall adult population. In the period 2018-22, youth entrepreneurs were 16% more likely than adults to introduce a new product or service on average in the European Union. This was also true across OECD countries where youth entrepreneurs were nearly 8% more likely than adults to have introduced an innovation in the same period.

Policy should make business start-up support easily accessible to young people, especially those interested in creating innovative and high-growth potential businesses. Main policy approaches include incubation and acceleration services, management training and networks (OECD/European Union, 2019). For example, [InnoFounder Graduate](#) is a youth-tailored programme organised by the

Danish Innovation Fund to foster innovative entrepreneurship among young graduates. The programme consists of a 12-month pre-start-up incubation and financial support through grants in addition to facilitating access to investors and other national and international entrepreneurial ecosystem actors. For more information on how policy can support young people to innovate, please see the [YEPA Summary Note for Workshop 2 on Innovative and high-growth entrepreneurship](#) as well as a more nuanced discussion on tailoring policy to specific target groups, such as young women entrepreneurs in the [YEPA Summary Note for Workshop 2 on Young women in innovative and high-growth entrepreneurship](#).

...and enhancing the integration of young people into entrepreneurial networks.

Young people are often less connected to the business community and have less developed professional networks compared to the overall adult population. This is largely due to their lack of business and work experience. Youth entrepreneurship policies should encourage networking for young entrepreneurs and create opportunities for them to strengthen and expand their entrepreneurship networks. One approach is to improve access to existing networks for young people through tailored outreach initiatives as well as adapting the format of networks to be more accessible to youth. Another common approach is to create youth-dedicated entrepreneurship networks to facilitate young people's connection to their local business communities. Policy can also support the integration of youth entrepreneurship networks in other policy interventions, such as entrepreneurship training. Moreover, it is important to foster partnerships across youth entrepreneurship support organisations and networks to expand young people's access to resources, mentorship, funding and networking opportunities. Policy also has an important role to play in supporting the creation of networks of youth entrepreneurship support organisations or umbrella networks for local, regional or national youth entrepreneurship networks. For more information on how to effectively design and implement youth entrepreneurship policy and support for network creation, please see the [YEPA Summary Note for Workshop 4 on Building networks for young entrepreneurs](#).

How to effectively design and deliver youth entrepreneurship policy?

Entrepreneurship policy covers a wide range of interventions each with different objectives, particularly for policy tailored to young people. The OECD has identified several key success factors for approaching entrepreneurship policy design effectively with the aim to support productive entrepreneurship (OECD, 2020):

- Policy interventions should seek support a wide range of entrepreneurs but focus resources on ventures with potential for growth rather than focusing exclusively on specific sectors or places. Productive entrepreneurship is not restricted to high-tech sectors and entrepreneurial hubs.
- Institutional conditions can contribute as much to supporting entrepreneurship as directly targeted programmes. These include culture, taxation, competitive conditions and the regulatory framework.
- Barriers to entrepreneurship are multifaceted and require comprehensive packages. Interventions combining several types of support are typically more effective. Linkages should be fostered between different programmes and across support organisations in the entrepreneurial ecosystems at national, regional and local level, as the support needs of firms change as they progress from idea, start-up, early-growth and scale-up.
- Policy has to be adapted to context to be efficient. Transplanting policies from one country or region to another is unlikely to be successful without adaptation. This includes taking into account structural conditions and sensitivity to new economic developments transforming entrepreneurship and policy delivery, such as digitalisation.
- Entrepreneurship policies should be designed to minimise deadweight, displacement and distortion. Poorly designed support may create a displacement effect whereby publicly-supported new firms drive out existing businesses. Deadweight is a further threat – whereby support may be provided to enterprises that do not need it or do not change their behaviour as a result of it. Policy support can also lead to market distortion away from supply and prices that match with consumer preferences. Entrepreneurship policies should seek to reduce barriers to business creation without encouraging unsuited individuals to start unsustainable businesses or subsidising start-ups which do not need it.
- Many of the impacts of entrepreneurship policies tend to occur over long timelines. The time needed to influence the entrepreneurial culture and the overall business birth rate of a place is likely to be much longer than the time to influence specific achievements among specific entrepreneurs, such as developing a new product or market. Therefore the judgements on whether policy is effective or not need to be made after allowing sufficient time for the policy to have an effect, and appropriately timed evaluations are needed.
- Monitoring and evaluation should be built into policy and programmes from the start with proportionate but adequate resources allocated. Mechanisms to incorporate results into programme revision and future policy developments should be included.

Overall, there are four key steps in designing and delivering effective youth entrepreneurship policy: 1) tailoring policy to the needs of youth, 2) selecting appropriate formats and delivery mechanisms, 3) engaging youth entrepreneurs, networks and other stakeholders in policy design and implementation, and 4) establishing ongoing monitoring and evaluation measures. Additional good practices for youth entrepreneurship policy are also identified in the OECD-EU [Better Entrepreneurship Policy Tool](#), which is an interactive tool for policy makers and other stakeholders.

Tailoring policy to the needs of youth

One of the most important considerations for designing policy is the extent to which it should be tailored to the needs of a specific group. Evaluation evidence consistently highlights the benefits of using a tailored approach. However, policy makers must weigh the potential benefits of a tailored approach against a wide range of factors as well as consider the increased costs of designing and delivering support.

When designing youth entrepreneurship policy, the first step is to determine the need for government intervention. Policy makers should also consider similar support offers that are provided by private or non-government actors and whether the new youth entrepreneurship policy would fill a gap or duplicate existing supports. *Ex ante* evaluation is a useful tool to assess the need for action and whether the new policy will be coherent with current policy objectives and other entrepreneurship support.

Selecting appropriate formats and delivery mechanisms

Once the need for a new policy is confirmed, it is important to assess the available options for offering support. This includes considering who should be supported by the policy (i.e. specific target groups such as students, young people in higher education, NEETs, young adults). Other important considerations for policy makers include the size of the target group, the scale of demand, the availability of resources and potential formats and delivery mechanisms.

Setting objectives for the policy is another crucial step in the design phase. Objectives can be to increase entrepreneurial motivation, increase the number of young people who start businesses, increase the survival rates of youth-led businesses or improve scale-up potential of youth-led businesses. For example, many youth entrepreneurship policies aim to foster innovation, which could result in targeted policies for higher education graduates, who may have greater potential to go on to create innovative, high-growth businesses. Alternatively, youth entrepreneurship policy can also aim to improve labour market attachment by offering unemployment another option for being active in the labour market. Each policy is important and needed, but the design of the policies would be different. However, it is important that policy does not “pick winners” because it is very difficult to predict the sustainability and the impact that any particular youth-led start-up or business will have.

The implementation of youth entrepreneurship policy is as important as the design phase when considering policy effectiveness. Policy makers must consider the way that the entrepreneurship support is delivered, including potential formats (e.g. stand-alone vs. integrated, in-person vs. online, one-to-one vs. one-to-many). Governments currently use a range of different youth entrepreneurship policy instruments that can be broadly categorised into two groups: financial support and non-financial support. However, it is also common for governments to provide both financial and non-financial supports together in integrated support packages. The design choice to offer integrated packages has many benefits as the multiple supports reinforce each other and better address the multitude of barriers that young entrepreneurs face (OECD/European Commission, 2023a).

There has been a general shift to more interactive formats that provide hands-on, experimental learning (e.g. role playing, simulation, games, short-term business start-ups) compared to the traditional classroom teaching style (OECD/European Commission, 2023b). By taking more experimental approaches, youth entrepreneurship policy can be more attractive to participants and offer realistic entrepreneurial experiences, notably for young people who often have limited experience in the business world. The format of the support can vary in effectiveness for different target groups, so it is important to consider the needs and preferences of young people when designing support.

Engaging youth entrepreneurs, networks and other stakeholders in policy design and implementation

One of the key success factors for policy delivery is involving youth entrepreneurs, networks and other stakeholders in the design and delivery of youth entrepreneurship policy. This is an effective way to ensure that the support will be appropriate for young entrepreneurs. It helps to build trust among the community and can lead to higher take-up rates among the target group. Policy makers have various approaches to engaging non-public actors in the design phase, notably collecting feedback on proposed actions through a consultation process. Another way is to involve young entrepreneurs in the management and delivery of schemes. For example, young entrepreneurs can be represented among those who are delivering the policy (e.g. the trainers or advisors) as they have firsthand knowledge and experience that someone who is not a young entrepreneur would not have. Policies that engage with young people or other actors in the youth entrepreneurship area show that governments are serious about engaging with the target groups, addressing their unique needs and providing a mechanism through which needs and concerns can be addressed.

Effective delivery of youth entrepreneurship policies and programmes often relies on building new supports into existing structures and engaging existing support actors who have experience working with young people and delivering support. By leveraging existing ecosystem support actors, including non-public actors, the outreach of the programme can be expanded and facilitate greater uptake. It also helps young entrepreneurs to build linkages with the greater business community. A commonly used policy delivery method is to implement youth entrepreneurship policy in partnership with a delivery agency, youth entrepreneurship organisation or another partner who has a strong history of working closely with young entrepreneurs. This approach helps to ensure that the policy is relevant (i.e. well-tailored to address the needs of youth entrepreneurs) and the delivery format is appropriate (i.e. well adapted to young people). Policy makers should provide the delivery partner with adequate resources to ensure effective policy implementation. By investing resources in non-core activities, policy makers can help to ensure successful implementation. This includes investing in awareness raising activities among youth entrepreneurs as well as other entrepreneurial ecosystem actors who could engage in the support. This is especially important for youth as they may not be aware of support or where to look for available support. Successful implementation also relies on allocating sufficient resources to administrative tasks, particularly for support that involves screening and/or funding as it can create a burden on applicants as well as programme staff which can lead to low take-up or difficulties in delivering the programme (OECD, 2020). It is also important to provide training and capacity-building opportunities to delivery staff to ensure that support is effectively rolled out to young people. This is particularly important when support involves the use of new tools or platforms that staff may not have experience working with.

Establishing ongoing monitoring and evaluation measures

Evaluation is the foundation of evidence-based policy and is a critical component of effective policy design and delivery (OECD/European Commission, 2023a). The OECD Framework for Evaluation of SME and Entrepreneurship Policies and Programmes (2023) uses the definition of evaluation as it was defined by Papaconstantinou and Polt (1997):

Evaluation refers to a process that seeks to determine as systematically and objectively as possible the relevance, efficiency and effectiveness of an activity in terms of its objectives, including the analysis of the implementation and administrative management of such activity.

Evaluation should not be a one-off activity rather it should be continuous and integrated into various policy stages, including the design phase, implementation phase and post-delivery phase (i.e. when determining if the policy/programme has been effective and when programmes with similar objectives have already been implemented are under consideration in the future).

To determine a policy or programme's success, it is crucial that relevant targets and objectives with measurable outcomes are defined during the design phase. This allows the policy's impact to be measured against its objectives helping to determine if it has been successful. Monitoring and evaluation also help to identify potential areas for improvement as well as issues that have arisen during the implementation phase. These insights contribute to the continuous improvement in the design and delivery of not only the current policies and programmes but also future youth entrepreneurship policies. Policy and programme evaluations can also demonstrate the effective use of public funds to taxpayers.

Policy evaluation relies on the accurate selection of metrics to measure the multiple policy objectives. For example, youth entrepreneurship policy often aims to increase motivation towards entrepreneurship among young people at the same time as facilitating entrepreneurship skills acquisition by young people. Other objectives may include supporting business creation among youth or improving performance of youth-led businesses. All of these objectives could be a goal for a particular youth entrepreneurship policy and require a policy assessment that consists of different metrics to understand the impact and effectiveness of the policy intervention for all of its goals. Some examples of common youth entrepreneurship policy objectives and corresponding evaluation metrics are provided in the [Table 1](#).

Table 1. Examples of youth entrepreneurship policy objectives and evaluations

Policy Objectives	Potential Evaluation Metrics	Example of evaluation	Overall impact
To improve business creation and survival	Businesses created, firm survival	Yes I Start Up (YISU) and SELFImployment (Italy)	Mixed
		Flat rate for young self-employed workers (Spain)	Mixed

To develop entrepreneurial motivations among youth	Entrepreneurial intention, perceived desirability and feasibility of entrepreneurship, business knowledge, acquisition of soft skills	The Prince's Trust – Business Programme (United Kingdom)	Mixed
To create strongly performing businesses	Income earned, turnover profits, productivity, number of jobs created	<i>CréaJeunes</i> (France)	Mixed
		Doing Business - <i>Fare impresa</i> (Italy)	Mixed
To improve labour market activity	Employment secured, quality of job obtained, income in new job	<i>Jóvenes Rurales Emprendedores</i> - Young Rural Entrepreneurs (Colombia)	Positive

Note: *Positive* when the findings are either exclusively positive or there is a strong balance of positive outcomes. *Mixed* when findings are strongly balanced between positive, negative and/or no significant effect.

Source: (OECD/European Commission, 2023a)

It is important that policy objectives are not broad or vague such as “make the country more entrepreneurial”, as this allows objectives to be interpreted in different ways and makes it difficult to define specific metrics in which to measure the objective (OECD, 2023). Clear and measurable objectives should be defined prior to the policy being announced. This provides a basis on being able to determine the policies effectiveness after its implementation. Furthermore, the evaluation process should also be integrated into the delivery phase through collecting and reviewing monitoring data over the course of the policy’s implementation. These data include the characteristics of individuals benefiting from the policies, which can also include feedback from participants as well as from those engaged in the delivery process. While monitoring information can help to ensure that a policy or programme is being delivered to the intended recipients in an efficient manner, these data are important for the impact evaluation of the policy as they help to establish control and treatment groups (see **Box 2** for more discussion on the importance of establishing counterfactuals).

Box 2. Six Steps to Heaven

The Six Steps to Heaven is an OECD evaluation guidance tool that categorises SME and entrepreneurship policy evaluations into six step levels based on their degree of sophistication and rigour. Steps I-III are categorised as “monitoring”, while Steps IV-VI are categorised as “evaluation”:

- Step I: Take up of a programme
- Step II: Recipients opinions
- Step III: Recipients’ views of the difference made by the assistance (i.e. the entrepreneurship policy support)
- Step IV: Comparison of the performance of “assisted” with “typical” firms or entrepreneurs (i.e. average firms or entrepreneurs that did not receive support)
- Step V: Comparison with “matched” firms or entrepreneurs (i.e. firms or entrepreneurs that match with those that did receive support on observable characteristics such as sector, age, employment size etc.)

Evaluations (Step IV-VI) provide more robust impact estimates as participants and non-participants are compared in order to obtain “counterfactuals”. Counterfactuals are crucial in evaluations as they allow 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: Further information on the guidance and techniques is provided in the [OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes 2023](#).

One example of a Step VI evaluation of a youth entrepreneurship programme is the evaluation of the Young Rural Entrepreneurs programme (*Jóvenes Rurales Emprendedores*) in Colombia (**Box 2**). The evaluation found several positive outcomes related to entrepreneurship, including for both entrepreneurship and employment outcomes. The business training programme was

offered by the National Training Service (*Servicio Nacional de Aprendizaje*, SENA) with the aim to address unemployment and under-employment among low-income youth (16-25 years old), notably by strengthening their entrepreneurship capacity.

Box 2. Evaluation of the Young Rural Entrepreneurs (*Jóvenes Rurales Emprendedores*), Colombia

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 and sample size

The evaluation used survey data (pre- and post-test) with the baseline survey being administered once the programme started but before 35% of the programme has been completed. The follow-up survey was administered about 9 months later. The sample size was 1 016 people (468 in intervention group and 548 in control group). Slightly over half of those surveyed were women (52%). The control group consisted of individuals who met the requirements to access the programme but did not apply.

Key findings

The results of the evaluation show that participation 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, the evaluation did not find significant effects related to participation on employment quality, access to financing, use of accounting and relationship with clients.

Source: For more information on this programme evaluation as well as the effectiveness of youth entrepreneurship policies and findings from recent evaluations of youth entrepreneurship policies, please see [The Missing Entrepreneurs 2023](#).

While evaluations of youth entrepreneurship policies show that there are no guarantees for success, key lessons can be drawn. Training schemes appear to have a greater impact on entrepreneurial attitudes than on business creation. Evaluation evidence suggest financial support is a critical element of youth entrepreneurship policy and that the success of the policy hinges on the type of instruments used to deliver the support scheme. While loans and social security relief appear to be effective for boosting business creation, these types of financial support do not seem to increase firm survival. The use of repayable financial instruments seems to be more effective than grants for improving business creation as these types of policies appear to provide the right incentives for young entrepreneurs to succeed. Evidence also suggests that entrepreneurship training schemes appear to have a greater impact on entrepreneurial attitudes than on business creation when delivered alone. However, when entrepreneurship training and/or coaching is offered in an integrated package with financing, evidence suggests that young entrepreneurs are most likely to create a sustainable business creation as well as stronger employment outcomes when youth-led start-ups are not successful.

Questions for discussion

- What are the different policy approaches being used to support young people in pursuing entrepreneurship?
- What are common policy challenges and/or failures that should be avoided when designing and delivering new youth entrepreneurship policy?
- What are key success factors for youth entrepreneurship policy?
- What are good principles and examples of youth entrepreneurship policy?

Further reading

Eurostat (2025), Employment and Unemployment Data Base, Labour Force Survey.

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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.

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See also information on social entrepreneurship: https://social-economy-gateway.ec.europa.eu/index_en