



YOUTH ENTREPRENEURSHIP SUPPORT IN POLAND

Rapid Policy Assessments of Inclusive
Entrepreneurship Policies
and Programmes



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FOREWORD

Entrepreneurship development is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. The impact of the global financial and economic crisis calls for giving entrepreneurship and self-employment a stronger role in economic and social development policies. This is particularly relevant for youth who face higher unemployment rates than the adult population and face increased difficulties entering the labour market to start their careers.

However, the effectiveness of national, regional and local measures and actions to promote inclusive entrepreneurship development in Europe can be hindered by a fragmentation of responsibilities, resources and strategies, and a failure to understand the goals of inclusive entrepreneurship.

This project is part of a series of rapid policy assessment projects on inclusive entrepreneurship policies and programmes that are conducted by the Local Economic and Employment Development (LEED) Programme of the Organisation for Economic Co-operation and Development (OECD) in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission. This work builds on a collaborative project between the OECD and the European Commission on inclusive entrepreneurship. For more information on this project, please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

ACKNOWLEDGEMENTS

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ABBREVIATIONS

AIP	Academic Incubators of Entrepreneurship
BGK	<i>Bank Gospodarstwa Krajowego</i>
EC	European Commission
ESF	European Social Fund
GEM	Global Entrepreneurship Monitor
JADE	Junior Enterprise
JEREMIE	Joint European Resources for Micro to Medium Enterprises
KSU	National SME Services System
LEED	Local Economic and Employment Development Programme of the OECD
LFS	Labour Force Survey
NEET	Not in employment, education or training
OECD	Organisation for Economic Co-operation and Development
PAED	Polish Agency for Enterprise Development
PARP	Polish Agency for Enterprise Development
PFRON	State Fund for the Rehabilitation of Disabled People
SME	Small- and medium-sized enterprise
YBP	Youth Business Poland

TABLE OF CONTENTS

FOREWORD	2
ACKNOWLEDGEMENTS	3
ABBREVIATIONS	4
EXECUTIVE SUMMARY	7
Key strengths of youth entrepreneurship support	7
Key areas for improvement.....	7
Key recommendations	8
INTRODUCTION.....	9
OECD-European Commission rapid policy assessments on inclusive entrepreneurship policy	9
OECD-European Commission rapid policy assessment criteria	9
Project methodology	10
THE YOUTH CONTEXT IN POLAND	11
Youth unemployment	11
Youth entrepreneurship	12
Barriers to business start-up for youth.....	13
Youth in education.....	14
POLICIES AND PROGRAMMES TO SUPPORT THE ACQUISITION OF ENTREPRENEURSHIP SKILLS	14
Entrepreneurship education in schools	14
Entrepreneurship support and promotion in higher education.....	15
Entrepreneurship training for youth outside of formal education.....	17
Coaching and mentoring.....	19
Entrepreneurial networks.....	19
Areas for improvement and policy recommendations	19
POLICIES AND PROGRAMMES TO FACILITATE ACCESS TO FINANCING	22
Information about financing	22
Grants.....	23
Repayable instruments.....	24
Equity.....	24
Areas for improvement and policy recommendations	25
REGULATORY AND INSTITUTIONAL POLICIES	26
Regulatory environment	26
Entrepreneurship culture.....	26
Information about business start-up.....	27
Availability of e-services for youth entrepreneurs.....	28
Areas for improvement and policy recommendations	28

CONCLUSIONS.....	29
REFERENCES.....	31

Tables

Table 1. SWOT analysis of youth entrepreneurship support in Poland.....	30
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Figures

Figure 1. Youth unemployment rates, 2005-2014	11
Figure 2. Youth participation rates, 2005-2014.....	12
Figure 3. Youth self-employment rates, 2005-2014	13
Figure 4. Sources of information about start-up financing, 2013	23

Boxes

Box 1. OECD-European Commission rapid policy assessment criteria.....	10
Box 2. Project “Creation of conscious entrepreneurship among young people”.....	15
Box 3. Student-led entrepreneurship initiatives in higher education	16
Box 4. Youth Entrepreneurship Foundation (<i>Fundacja Młodzieżowej Przedsiębiorczości</i>)... ..	17
Box 5. Entrepreneurship in Creative Sectors.....	18
Box 6. Inspiring international practice: Entrepreneurship education in Ireland	19
Box 7. Inspiring international practice: <i>Mentor Eget Företag</i> , Sweden.....	21

EXECUTIVE SUMMARY

This project is part of a series of “rapid policy assessments” that are undertaken by the Local Economic and Employment Development (LEED) Programme of the Organisation for Economic Co-operation and Development (OECD). This work is undertaken in partnership with the Directorate General for Employment and Social Affairs of the European Commission. This report presents a brief overview of current and planned youth entrepreneurship support in Poland and provides an assessment of the key strengths and weaknesses of current and planned offerings in the areas of entrepreneurship skills, access to finance and the regulatory and institutional environment. It also makes recommendations for improvement under each area.

Key strengths of youth entrepreneurship support

Entrepreneurship skills

- Entrepreneurship is embedded within the National Qualifications Framework for Higher Education.
- The Academic Incubators of Entrepreneurship (AIP) make up a wide-reaching network of support centres. In 2014, 73 centres provided support for pre start-up, start-up and growth phases.
- Junior Achievement leverages its international experience to implement high quality training and support for youth entrepreneurs.
- The Polish Agency for Enterprise Development (PARP) provides quality business development support for youth with innovative entrepreneurship projects.

Access to financing

- There is an established grant and micro-finance system that will be continued in the 2014-2020 EU funding programming period.
- There will be an increase in the availability of grants for start-ups available to unemployed youth (15-29 years old) within the Knowledge Education Development Operational Programme.

Institutions and regulatory environment

- The Act on Bankruptcy and Reorganisation Law provides a procedure that allows for a partial or complete write-off of debt, allowing for a “second chance” for youth entrepreneurs to move on from an unsuccessful start-up.
- New business owners pay lower social insurance contributions for two years, which is beneficial for youth and new graduates.
- A draft version of *The Tax Administration Act* (as of 1.01.2016) ensures services and support for tax-payers in meeting their tax obligations. This includes additional support for businesses that have been on the market for less than 18 months.

Key areas for improvement

Entrepreneurship skills

- There is no national framework for entrepreneurship education system in schools or in higher education. Entrepreneurship has not yet achieved the same status as other traditional academic disciplines.

- When entrepreneurship is taught (at all levels of school and higher education), passive teaching methods are used more frequently than active method and little entrepreneurship training is available for entrepreneurship teachers and trainers. Experienced entrepreneurs are rarely involved in entrepreneurship teaching and training.
- Coaching and mentoring programmes are typically delivered by trainers rather than experienced entrepreneurs.
- The quality of start-up support systems (business advisory services, coaching and mentoring) varies by region, school, institution, including within the National SME Services System (KSU).

Access to financing

- A very diverse quantity and quality of information on start-up financing is available to youth.
- Entrepreneurship and business management training is often not provided to loan recipients.
- Access to financing for youth varies across regions and depends on regional regulations, e.g. sometimes grants are available only for people older than 29 years old.

Institutions and regulatory environment

- The Polish tax system is complex and changes frequently, which poses many challenges for youth entrepreneurs who lack experience with the tax system.

Key recommendations

1. Strengthen entrepreneurship teaching and promotion at all levels of the education system.
2. Increase the use of entrepreneurship role models to inspire potential youth entrepreneurs, especially young role models that youth can identify with.
3. Use the European Social Fund to strengthen and expand coaching and mentoring. Attract more volunteer coaches and mentors by providing recognition for their contributions.
4. Phase out the relief from social security contributions rather than abruptly ending it after two years.

INTRODUCTION

OECD-European Commission rapid policy assessments on inclusive entrepreneurship policy

This project is part of an international series of policy case study reviews on inclusive entrepreneurship policy. These review studies are undertaken as part of a collaborative programme of work between the Local Economic and Employment Development (LEED) Programme of the Organisation for Economic Co-operation and Development (OECD) and the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission.

These rapid policy assessments provide a baseline analysis with focus on one of the key target groups of inclusive entrepreneurship policy (i.e. youth, seniors, women, migrants or the unemployed). The assessments examine the nature and appropriateness of existing and proposed policies and programmes with the aim of providing guidance on priorities for future activities in this area, notably activities that can be funded by the European Social Fund (ESF). The analysis identifies gaps in current and planned support, as well as areas where current and planned support can be improved. The recommendations aim to provide assistance to European Union Member States in the design and implementation of policies and programmes for business creation by youth, seniors, women, migrants or the unemployed, through:

- Tailored advice and assessments for individual national or regional administrations in the design and implementation of policies and programmes for business start-up and self-employment, including through ESF support; and
- Facilitation of mutual learning among national and regional authorities, stakeholders and practitioners concerned with ESF support from different Member States, through monitoring and comparison of policy and programme approaches, collection and dissemination of good practice examples and provision of tools to support learning networks, events and platforms.

OECD-European Commission rapid policy assessment criteria

The OECD-European Commission collaboration on inclusive entrepreneurship has produced a series of reports and policy briefs that examine the barriers faced by different under-represented and disadvantaged groups in business start-up and self-employment, as well as appropriate policy responses to address these barriers. This work has covered several social target groups, including women, youth, seniors, migrants, the unemployed and people with disabilities. Youth has been a key target group of this work programme given the political urgency for addressing labour market challenges for youth. Reports directly covering youth entrepreneurship include the “Policy Brief on Youth Entrepreneurship” (OECD/EC, 2012) and the series of Missing Entrepreneurs reports (OECD/EC, 2013; 2014; forthcoming).

Based on this work and consultation with international experts, the OECD has developed a list of principles for inclusive entrepreneurship policy (see Box 1). This list of principles is intended to give guidance to policy makers in designing and implementing a comprehensive support system for

inclusive entrepreneurship. These principles underpin the analytical framework used in this series of rapid policy assessments.

Box 1. OECD-European Commission rapid policy assessment criteria

1. Generic principles

- Policies and programmes are framed within a broader strategy.
- Outreach to the target group is targeted and sufficient.
- Use competitive selection mechanisms to target intensive support.
- Support provisions are regularly monitored and periodically evaluated for impact and effectiveness.

2. Entrepreneurship skills

- Entrepreneurship education and training for the target group is available and covers pre-start-up, start-up and growth phases.
- Coaching and mentoring programmes are available and provide one-on-one or group support using experienced entrepreneurs and/or business professionals.
- Public policy supports network development within the target group and builds linkages with mainstream entrepreneurs and services.
- Entrepreneurship skills support offerings are linked with financial supports.
- Entrepreneurship skills support offerings are resourced appropriately and those delivering the support are trained.

3. Access to finance

- Information is available about funding opportunities and lender requirements.
- Access to micro-finance is facilitated, either through schemes that are dedicated to the target groups or through enhanced access to mainstream schemes.
- Targeted credit guarantee and mutual guarantee schemes aim to support entrepreneurs from the selected target group.
- Where micro-finance is not available, small grants are available.
- Financial supports are complemented with training and advisory services to develop entrepreneurship skills.

4. Institutional environment and policy delivery

- A culture of entrepreneurship is promoted and supported.
- Information about business creation is readily available.
- Efforts to reduce the burden and complexity of business regulation at all stages of enterprise development are ongoing.
- Opportunities for e-services are pursued, including online business registration and tax filing.
- Ministries, agencies and relevant stakeholders work together.

Project methodology

The OECD-European Commission rapid policy assessments are conducted in two stages. First, desk research is conducted to uncover basic information on the quality of the environment for business start-up and self-employment policy, the levels and nature of start-up and self-employment activities, and the nature and scope of existing policy and programme activities. This report was prepared primarily through desk research that covered local published and grey literature, as well as some email and phone interviews with young business owners, policy makers, regional institutions and students.

Second, a one-day seminar was held in Warsaw, Poland on 4 December 2014. Participants represented the Ministry of Infrastructure and Development; the Ministry of Labour and Social Policy;

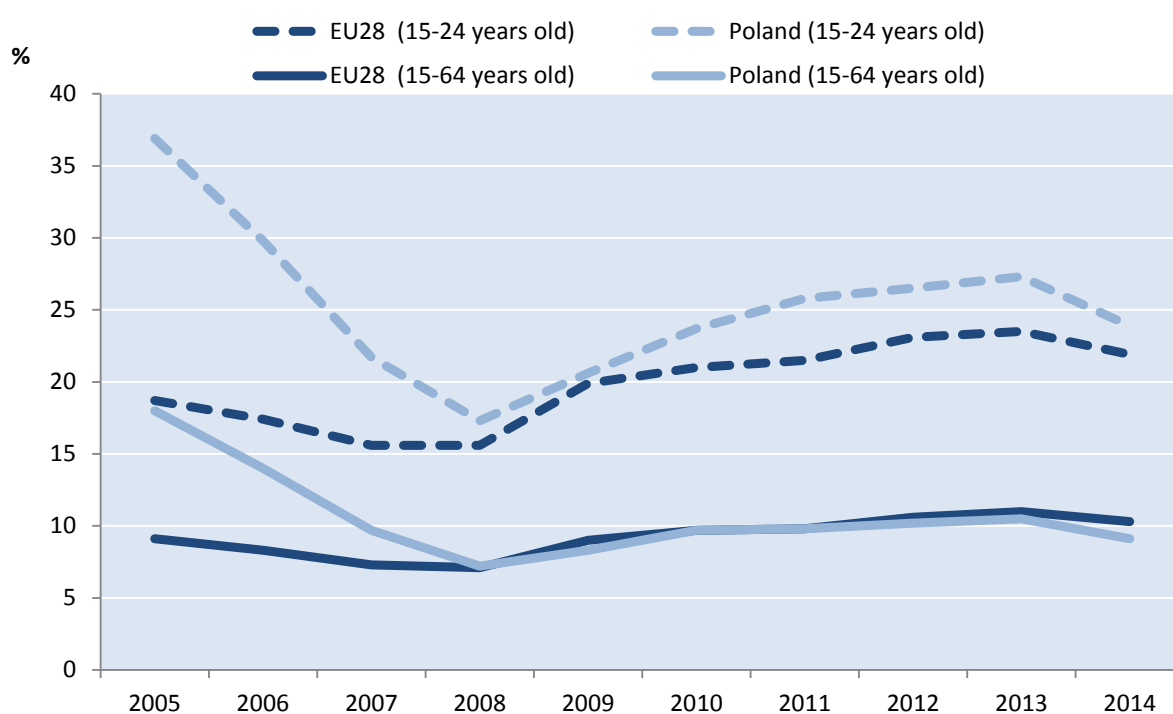
Polska Agencja Rozwoju Przedsiębiorczości (Polish Agency for Enterprise); *Bank Gospodarstwa Krajowego* (BGK – Poland’s only state-owned bank); *Forum Młodych Lewiatan* (Lewiatan Youth Forum); *Fundacja Światowego Tygodnia Przedsiębiorczości* (Global Entrepreneurship Week Foundation); *Fundacja Rozwoju Systemu Edukacji* (Foundation for the Development of the Education System); *Ministerstwo Nauki i Szkolnictwa Wyższego* (Ministry of Science and Higher Education); *Komenda Główna OHP* (Voluntary Labour Corps); and *Towarzystwo Inwestycji Społeczno – Ekonomicznych* (Social and Economic Investment Company TISE).

THE YOUTH CONTEXT IN POLAND

Youth unemployment

In 2014, the youth (15-24 years old) unemployment rate in Poland was 23.9% (Figure 1). This was slightly about the EU average youth unemployment rate of 21.9% and is more than double the adult (15-64 years old) unemployment rate in Poland (9.1%).

Figure 1. Youth unemployment rates, 2005-2014



Source: Eurostat (2015), Labour Force Survey

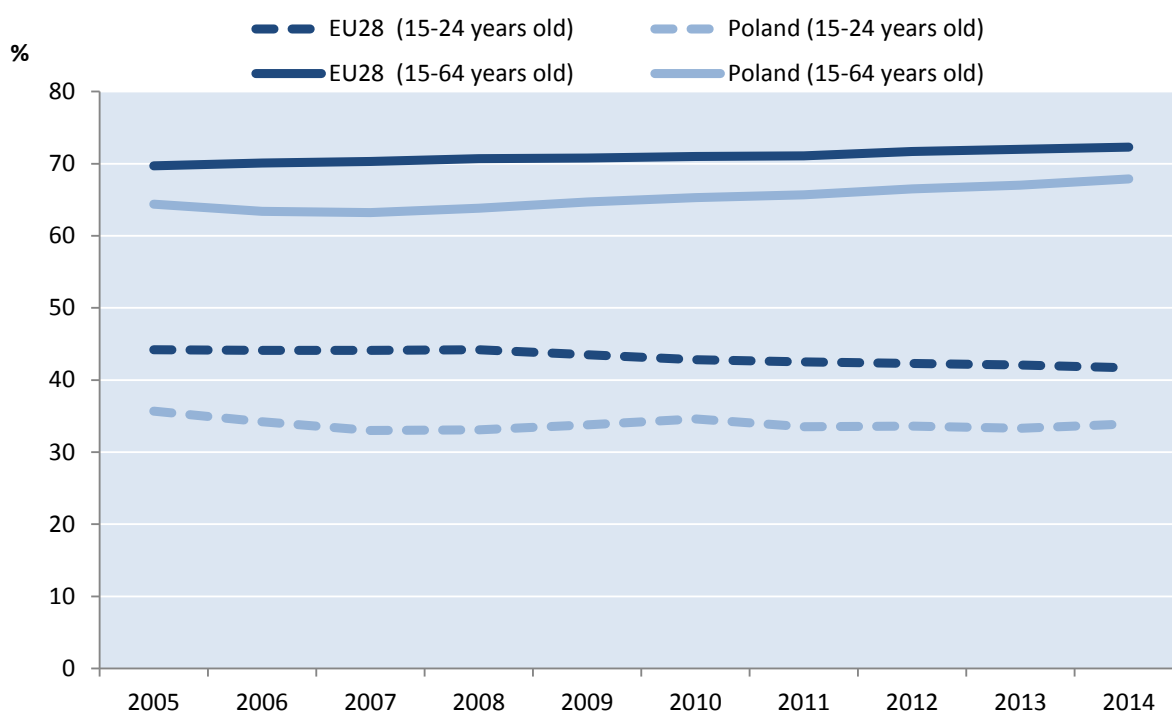
Between 2005 and 2014, changes in the youth unemployment rate in Poland mirrored the adult unemployment rate. The youth unemployment rate fell from approximately 36.9% in 2005 to 17.3% in

2008 but climbed steadily following the economic crisis to the current rate of 23.9%. The adult unemployment rate followed a similar pattern. It declined between 2005 and 2008 from 18.0% to 7.2%, before increasing to the current rate of 9.1%.

Despite the increasing unemployment rate for youth in recent years, there was an absolute decline in the number of unemployed youth in 2014. Similarly, the share of those 15 to 24 years old in the population of unemployed declined in 2014. The percentage of unemployed people with a higher education credential increased over this period; 12.0% of the unemployed at the end of 2013 had completed higher education.

Despite the increase in youth unemployment rate over the last decade, labour market participation rates for youth in Poland have been steady (Figure 2). However, the participation rates for youth in Poland are approximately 10 percentage points lower than the EU average, which can be explained by high participation rates in higher education. In 2014, 2.8 million youth (15-24 years old) were in professionally inactive.

Figure 2. Youth participation rates, 2005-2014

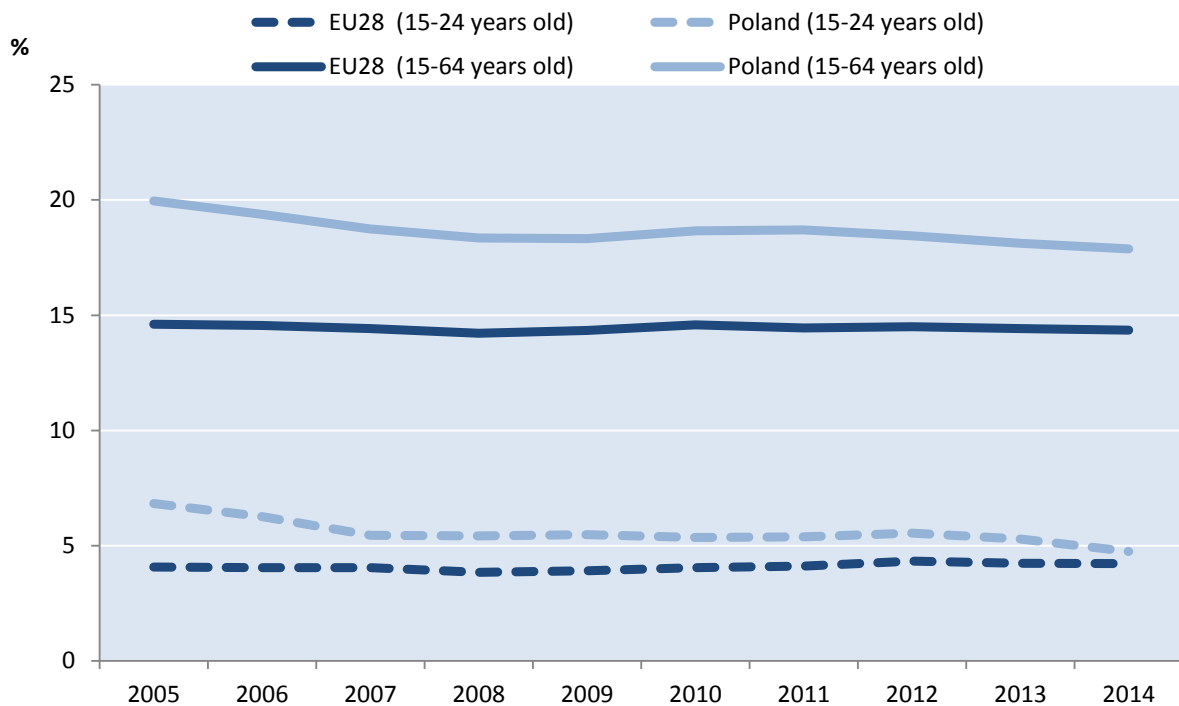


Source: Eurostat (2015), Labour Force Survey

Youth entrepreneurship

In Poland, various measures suggest that a relatively large proportion of youth are engaged in self-employment and entrepreneurship. Nearly 5% of youth in Poland who were employed in 2014 were self-employed, which is slightly higher than the EU average of 4.2% (Figure 3). Most self-employment activities by youth were in the trade and repair of motor vehicles, followed by construction, and information and communication (*Instytut Badań Strukturalnych*, 2014).

Figure 3. Youth self-employment rates, 2005-2014



Source: Eurostat (2015), Labour Force Survey

There is evidence to suggest that Polish youth have a positive view towards entrepreneurship. A recent study conducted by the Ministry of Science and Higher Education and Foundation Initium found that 78% of Polish students were willing to start their own business (PAG, 2013). 84% of Polish youth (up to 30 years old) had a positive attitude towards entrepreneurship, which was higher than the EU youth average for the study (77%) (Amway, 2013). Moreover, nearly two-thirds of Polish youth (64%) agreed that the most attractive aspect of self-employment is “independence of an employer” and also valued the ability to “implement own ideas” (47%).

Despite having a positive attitude towards entrepreneurship, the majority of youth involved in starting or operating a business are doing so because of a lack of opportunities in paid employment rather than exploiting an opportunity (*Polska Agencja Rozwoju Przedsiębiorczości*, 2013).

Barriers to business start-up for youth

The greatest barriers to starting a business in Poland have been identified as a lack loans for starting a business and education on entrepreneurship (Amway, 2013). Other obstacles identified include: unpredictable economic situation (45%), fear of failure (42%) and administrative difficulties (41%) (European Commission, 2012). These challenges are common across most EU countries.

For youth, a lack of entrepreneurship skills is often cited as one of the principal challenges in Poland. This is largely due a lack of high quality of entrepreneurship teaching at all levels of the education system. Similarly, youth entrepreneurship in Poland is hampered by a lack of encouragement for creativity and innovation.

Start-up financing is also often identified as a barrier: 67% of young entrepreneurs indicated “lack of finance”, as the main barrier to the establishment of enterprises (Amway, 2013). Young people are also considered to be unreliable borrowers – they do not have a credit history, have almost no business experience and have not yet developed a business network.

In addition, many entrepreneurship experts suggest that Polish legislation and regulations are rather complicated and often inadequate to the business reality and that support for entrepreneurship development is still unsatisfactory. Consequently 41% of youth entrepreneurs indicated that one of the main barriers is administrative difficulties (Amway, 2013). While the process of starting and registering a business is relatively easy, the challenge likely lies in understanding and applying tax law. Moreover, it is sometimes reported that youth have difficulty accessing resources and information related to business start-up and available support programmes (*Pretendent Korporacja badawcza*, 2011).

Youth in education

More than 5 million youth were in education in Poland in 2012-2013. Most attended schools at the primary level (2.2 million) but another 1.7 million youth studied at one of 453 institutes of higher education.

Very few Polish youth are early school leavers. Only 7.9% of boys aged 18 to 24 and 3.2% girls of left school early in 2013. This is well below the EU averages of 13.6% and 10.2%, respectively.

POLICIES AND PROGRAMMES TO SUPPORT THE ACQUISITION OF ENTREPRENEURSHIP SKILLS

Entrepreneurship education in schools

The primary goal of entrepreneurship education at the school level is to provide young students with an opportunity to learn about entrepreneurship as a labour market activity and develop a positive attitude towards entrepreneurship, which would be expected to increase the desirability and feasibility of entrepreneurship as a career option. Older students should also be given an opportunity to learn some basic technical skills related to business management (e.g. risk management, planning), as well as other important skills such as how to work in a team. It is also important that students have an opportunity to acquire some experience putting these skills into use through project work, business simulations or actual start-up projects. To illustrate the importance of entrepreneurship skills, the European Commission has identified enterprise (i.e. a sense of initiative and entrepreneurship) as one of eight key competences which all students should have by the end of their second level of education (European Parliament, 2006).

Currently, entrepreneurship education is not offered systemically in schools in Poland. It is not a compulsory subject and as a result, schools do not receive funding for this activity. International comparisons indicate that the availability and quality of entrepreneurship teaching in primary and secondary schools in Poland are among the lowest in the EU (PAG, 2013). Despite this, there is a small and growing number of activities to promote entrepreneurship education in schools, including

meetings with entrepreneurs, business games, limited entrepreneurship teaching, entrepreneurship workshops and festivals. One good example of these initiatives is the project “Creation of conscious entrepreneurship among young people”, which was implemented in Toruń in 2012. It serves as an example of a method of introducing entrepreneurship teaching in schools (see Box 2 for more details).

Box 2. Project “Creation of conscious entrepreneurship among young people”

This project was developed in 2012 in partnership of 3 self-government units and 2 business support institutions from Kujawsko-pomorskie and Wielkopolska region (*Powiat Toruński, Powiat poznański, Miasto Bydgoszcz, Kujawsko-Pomorski Związek Pracodawców i Przedsiębiorców w Bydgoszczy, Polska Izba Gospodarcza Importerów, Eksporterów i Kooperacji w Poznaniu*).

155 secondary school pupils and 12 entrepreneurship teachers from 25 schools participated in the project. Participating students received career counselling that increased awareness of entrepreneurship and participated in entrepreneurship workshops to learn some of the basic concepts and skills. Following the workshops, students were able to participate in a business plan competition. Teachers also received a training module called “Teacher – your guide in business”. The project also developed a good practice guide for teachers, which includes training materials and examples of student business plans. Both students and teachers were provided with an opportunity to have an internship in a company and receive mentoring from an entrepreneur.

Project evaluation shows that both students and teachers valued their participation in the project. They highlighted the practical element of learning, notably the internships, as the most valuable element of the project. However, the career counselling was also noted as an important element of the project because it introduced the idea of entrepreneurship as a potential career to the students.

For further information, please see: www.iph.torun.pl

The key challenges for strengthening entrepreneurship education in schools in Poland are a lack of adequately trained staff and a lack of resources to develop entrepreneurship teaching tools and learning materials. Furthermore, school staff such as school directors and guidance counsellors have a low level of awareness about entrepreneurship, which acts as a barrier to building a more comprehensive entrepreneurship support system in schools.

Other challenges include outdated teaching methods that do not activate students, a poor image of entrepreneurship education, insufficient techniques and tools to maximise a student’s entrepreneurial potential and a lack of access to IT tools to support teachers and students (*Pretendent Korporacja badawcza*, 2011). One way to potentially overcome these challenges is to leverage the experience of higher education institutions. For example, a promising new initiative called “Entrepreneurship sharks” is organised by universities for school students. It includes entrepreneurship lectures and workshops.

Entrepreneurship education is in the early stages of development. There are examples of some quality projects, which suggest that momentum is building. Policy makers should capitalise on this momentum at the school level, as well as momentum at the EU level, to strengthen entrepreneurship education by providing stronger mandates to schools in the area of entrepreneurship.

Entrepreneurship support and promotion in higher education

Entrepreneurship is included in the National Framework of Qualifications for higher education. This requires most students in higher education to receive a minimum level of exposure to entrepreneurship during their studies but entrepreneurship has not yet achieved the same status as other traditional academic disciplines such as science.

While there are a number of examples of higher education institutions that actively promote and support entrepreneurship to their students (e.g. *Akademia L. Koźmińskiego w Warszawie*, *Wyższa Szkoła Gospodarki w Bydgoszczy*, *Uniwersytet Ekonomiczny w Poznaniu*), most public universities only offer a very limited amount of entrepreneurship teaching that covers only the basic elements of business management. Furthermore, entrepreneurship teaching does not generally utilise current research on entrepreneurship and there is often no link between research and teaching. This is largely due to a lack of researchers in the field of entrepreneurship which contributes to the lack of recognition of entrepreneurship as an academic discipline that is on par with the sciences. Those professors and staff who do provide entrepreneurship teaching generally do not receive any training.

The primary vehicle for supporting entrepreneurship and business start-ups in higher education are the network of Academic Incubators of Entrepreneurship (AIP). This is a network of entrepreneurship support centres that are situated within universities. In 2012, there were 73 incubators. The network is operated by the Foundation of Academic Incubator of Entrepreneurship and receives financing from the universities. AIPs provide training, legal advice, accounting services, networking and premises for new start-ups, but the offerings vary from one centre to another. AIP services are open to all students and can be utilised for up to 2 years. During this period, youth entrepreneurs have the opportunity to work with other youth entrepreneurs, meet potential investors and business partners and become a part of a wider business network. AIPs belong to the broader initiative *Polska Przedsiębiorcza* (www.portal.przedsiębiorca.pl), which includes also AIP Business Link (a business development accelerator that supports the most innovative start-ups) and AIP Seed Capital (an innovative fund investing in start-ups).

While the majority of Polish university students report that their university has not prepared them to go into business (54% of negative responses) (*Fundacja Initium*, MNiSW, 2011), there are several student-led initiatives related to entrepreneurship. Many of these are innovative initiatives that have strong international linkages (see Box 3). These student initiatives suggest that there is a great under-exploited potential for entrepreneurship in higher education.

Box 3. Student-led entrepreneurship initiatives in higher education

Youth Business Poland

Youth Business Poland (YBP), part of Youth Business International, is currently the largest entrepreneurship mentoring programme in Poland for youth who are interested in setting-up and running a business. More than 500 young entrepreneurs have received entrepreneurship mentoring from volunteer mentors throughout all regions of Poland. Approximately 70% of youth who participate in the 6-month mentoring programme go on to register a company. In addition, YBP organises 12 business training sessions each year to promote entrepreneurship in Poland.

Junior Enterprise (JADE)

Junior Enterprise (JADE, www.jadepl.org) is the Polish confederation of consulting firms that is managed entirely by students. JADE Poland provides students with opportunities to apply the theoretical knowledge gained through coursework to applied projects for real businesses.

Overall, entrepreneurship support in higher education is growing. Many higher education institutions are supporting entrepreneurship, especially within the context of innovation and commercialising scientific research. For example, many universities work in close partnerships with industry on applied research projects (e.g. Poznań University of Technology). However, there is scope to support graduates in starting low-tech businesses and to provide basic entrepreneurship teaching to a broader base of students.

One of the challenges faced in increasing support for entrepreneurship in higher education is the lack of a national entrepreneurship strategy in Poland, notably a lack of a vision for entrepreneurship support in higher education. However, the strategy document “Poland 2030” contains some proposals that aim to increase the availability of public programmes that develop entrepreneurial attitudes and support entrepreneurship, focussing on innovation, creativity and teamwork. This could be supported by the introduction of classes on entrepreneurship at all levels and fields of study (including technical, vocational, agricultural and artistic) and the implementation of projects in public-private or public-social partnerships that improve students’ competences and skills to manage their own business or organisation.

Entrepreneurship training for youth outside of formal education

During the previous EU funding programming period (2007-2013), extra-curricular entrepreneurship training was delivered by the AIPs, National SME Services System (KSU), and a number of private sector companies that implemented ESF-funded projects. These entrepreneurship training projects were a part of a wider national and regional policy in Poland: Promotion of Entrepreneurship and Self-Employment, which receives funding from the ESF, Activity 6.2 of the Operational Programme Human Capital, Priority VI (ensuring that all people can access the labour market). Within this policy unemployed people, including youth (15-24 years old), were provided with opportunities to receive entrepreneurship training, as well as funding for business creation, business advisory and counselling services and coaching.

At the regional level, entrepreneurship training and consulting appears in the Regional Operational Programmes under the Priority Axes: Labour Market, Regional labour market, employment. While it is uncommon for provinces to include entrepreneurship support under this priority, those that do typically offer training in partnership with local and regional development agencies, chambers of commerce, guilds and business support centres, centres for business counselling and information, as well as business associations.

The most comprehensive entrepreneurship programme for youth is the Youth Entrepreneurship Foundation and it is situated outside of the formal education system. Youth Entrepreneurship Foundation (www.junior.org.pl) is part of Junior Achievement Worldwide and it implements projects for students, often in partnership with schools (see Box 4).

Box 4. Youth Entrepreneurship Foundation (*Fundacja Młodzieżowej Przedsiębiorczości*)

Fundacja Młodzieżowej Przedsiębiorczości is a part of Junior Achievement Worldwide, the oldest and fastest growing organisation in the world for economic education of young people. It is currently operating in 120 countries. The Foundation's programmes prepare young people to enter the labour market, teach entrepreneurship and navigate in the world of finance. The programme is built on experiential learning, where students are provided opportunities to apply what they learn and learn by doing. The programme aims to develop critical thinking skills for students and to encourage participants to be proactive. There are currently 12 programmes and projects for young people in primary, secondary and high schools in Poland. More than 5.5 million Polish students have participated to date, including more than 500 000 in 2012-2013.

The Foundation is also a patron of School Business Clubs and organises national competitions. Youth participating in these initiatives have the opportunity to represent Poland during international competitions, and to participate in youth entrepreneurship camps.

There are, however, other examples of entrepreneurship training. While they are not always directly targeted at youth, young entrepreneurs can nearly always access them. For example, the

programme Entrepreneurship in Creative Sectors is open to many target groups, including youth (see Box 5).

Box 5. Entrepreneurship in Creative Sectors

The project Entrepreneurship in Creative Sectors is aimed at several target groups (i.e. women, youth, those over 45 years old and people with disabilities) who have an interest in starting a business in creative sectors (e.g. architecture, computer games, handicraft, industrial design, fashion design, film and video, music, theatre, publishing business).

To date 100 people have participated in the nearly 3000 hours of workshops, training and individual and group business counselling within the last 18 months. 30 people are on the waiting list to participate. The training programme includes patent and tax law, finance, marketing, strategy, entrepreneurship, advertising with social media, coaching and “business self-training”.

In addition to providing supports that aim to develop entrepreneurship skills, the programme also offers grants of up to PLN 40 000 (approximately EUR 9 360). 81 participants have benefited from this grant.

One of the most significant outcomes of this programme is the establishment of the *ProKreatywni* association, which is a network for entrepreneurs in creative sectors (<https://pl-pl.facebook.com/Prokreatywni>; <http://www.krs-online.com.pl/stowarzyszenie-prokreatywni-krs-907208.html>). This network was started by participants and they have not received any financial support to launch *ProKreatywni*.

Further information: www.kozminski.edu.pl.

Recently, the *Act on Employment Promotion and Labour Market Institutions* was amended to require labour market institutions to co-operate with universities to support students and graduates in entering the labour market. In addition, the *Act* clarifies that the guidance for the unemployed includes the provision of information about self-employment. The *Act* also requires that institutions lending money for business start-up also provide borrowers with business advisory services and training. There is a commitment from state-owned *Bank Gospodarstwa Krajowego* (BGK), which provides loans for starting a business, to oblige their financial intermediaries to provide consulting and training. These are positive developments, which should result in increased co-operation between the financial sector and universities and related organisations that promote and support entrepreneurship (e.g. academic incubators, academic career offices).

There is a small body of monitoring and evaluation work that examines the impact and effectiveness of these training programmes. Recent evidence shows that Polish projects that deliver high quality training and advice (including coaching and mentoring) increase the likelihood that youth enter self-employment. For example, 75% of participants in ESF projects (2007-2014) report that they use the knowledge and skills gained during the training and most indicate that it would be beneficial to expand the scope of the training and counselling to have greater coverage of marketing and sales issues (PAG, 2012).

However, students and recent graduates indicate that training, coaching and mentoring and business advisory services offered by business development institutions are insufficient. They report that these services are not easily accessible and are not tailored to their needs. Moreover, there is little evidence to demonstrate that delivery organisations measure the effectiveness of their support provisions. For example, 45% of the 40 organisations surveyed by Initium Foundation do not have any data on their clients (PAG, 2012).

Coaching and mentoring

Coaching and mentoring support the acquisition of entrepreneurship skills. Coaching was supported under Activity 6.2 of the Operational Programme Human Capital, Priority VI during the previous programming period. This coaching was typically provided by a trainer and there are few examples where coaching was provided by an entrepreneur.

Mentoring is generally not widespread in Poland. There are a few examples of entrepreneurship mentoring within Regional Operational Programmes, such as “*Wsparcie na starcie*” which provides youth with an academic or entrepreneur mentor. Another example is the project operated by Youth Business Poland and Youth Business International. It provides youth (18-35 years old) who would like to run a business (or who currently run a business, but for less than 3 years) with access to mentoring and training support (www.ybp.org.pl). However, these supports are not widely used by youth (PARP, 2013).

Entrepreneurial networks

Entrepreneurial networks are important for youth entrepreneurs because they provide access to resources and ideas that can improve their chances of survival and success. In Poland, there are some examples of networks of youth entrepreneurs, however they tend to focus on university graduates (e.g. Youth Business Poland, Polish Chamber of Young Entrepreneurs, Forum of Youth Leviatan). Little networking support is available for youth who are unemployed or NEETs.

In general, there is a lack of co-operation between the different support networks. However, efforts are ongoing to improve relationships between networks. The National Chamber of Commerce has a project called “Young & Innovative” which attempts to facilitate collaboration between youth organisations, universities, business incubators and science and technology parks. “Young & Innovative” organises conferences, meetings with business leaders and the “Forum of Young Entrepreneurs” (www.minnowacyjni.pl).

Areas for improvement and policy recommendations

The first area where policy makers can improve the acquisition of entrepreneurship skills for youth is to further embed entrepreneurship within the education system. Inspiration may be drawn from Ireland where entrepreneurship education is well-developed at each level (see Box 6). A modular approach is used through the education system to teach students about entrepreneurship and a key strength of the Irish approach is the practical experience that can be gained through projects that are delivered in partnership with various local actors. The recognition and awards provided to students, including a presidential award, appears to be effective at inspiring students to participate.

Box 6. Inspiring international practice: Entrepreneurship education in Ireland

Objective: Entrepreneurship education is offered widely in Ireland, improving awareness of entrepreneurship among, and providing basic entrepreneurship skills to, a broad base of students.

Description: Entrepreneurship education at the primary level in Ireland is supported by initiatives of external agencies and organisations such as Junior Achievement and *Bí Gnóthach*, which is an enterprise programme provided by the Curriculum Development Unit at Mary Immaculate College, Limerick. However, key to the support in primary education are the City and County Enterprise Boards, which are non-profit organisations that deliver financial and technical support to small businesses. They were created under the *Industrial Development Act of 1995* to stimulate economic development and help create an entrepreneurship culture. Of the 31 Boards across Ireland, 26 actively support entrepreneurship education at the primary level by providing videos and resource

packs for teachings and lessons and activities for students.

At post-primary level, entrepreneurship modules have been implemented in the Transition Year Programme, the Leaving Certificate Vocational Programme and the Leaving Certificate Applied Programme. The Transition Year Programme is an optional year of schooling to help students prepare for their exams for Leaving Certificate (i.e. to graduate), and the latter two programmes are two-year optional programmes. These modules, such as “Preparation for the World of Work” and “Enterprise Education” place a strong focus on active learning, teamwork and personal development. Students also participate in work experience. Approximately one-third of students take these modules. Students in all through programmes have the opportunity to teach entrepreneurship to younger students through a project called “Kidz Buzzness”, which is a new primary-level enterprise resource developed by the South-East Regional Authority.

Transition Year students also have an opportunity to run a “Get up and Go” mini-company in a protected pedagogic environment. Mini-companies provide students with an opportunity to develop and practice a range of entrepreneurship skills by conducting market research, developing business plans, launching a business, marketing products and/or services, delivering products and/or services, basic accounting and winding down the company.

There are also several student award programmes at both the primary and post-primary levels to inspire students working on entrepreneurship projects. At the primary level, these awards include the Junior Inventor Award, which is organised by the Patent’s Office, and the Discover Science excellence in science and math award schemes for schools. At the post-primary level, the Sean Lemass Award for Student Enterprise is awarded to the top 3 winners from the County Enterprise Boards Student Enterprise Awards Competition and the “Get up and Go” mini-companies project. This award is very prestigious and is presented annually by the President of Ireland.

Relevance: The system of entrepreneurship education could serve as a model for Poland. Key features of the Irish approach are that entrepreneurship teaching is structured in a cumulative manner with higher levels of education providing more opportunities to develop practical skills. The awards system help build interest in, and enthusiasm for, entrepreneurship by providing an incentive for students and recognising their accomplishments.

To successfully embed entrepreneurship through the education, system, teachers should be prepared accordingly with training. It is important that teachers understand their role as learning facilitators rather than delivering facts to be learned. Teachers also need to be supported with teaching material and activities for students. Teaching modules should use international good practice methods that provide opportunities for active learning. These could include simulations, board games or learning through computer games. These changes will require significant changes in the way teachers themselves are educated, including initial teacher training and ongoing professional development.

More can be done to promote entrepreneurship to youth who are outside of the education system (e.g. NEETs). Standard support under the Knowledge Education Development Operational Programme (POWER) for 2014-2020 is expected to cover approximately 560 000 people, including 3 400 NEETs per year. It is important to ensure that these clients are aware of the opportunities that entrepreneurship can provide and that some support is made available to them if they are interested in pursuing it as a way back into employment.

Finally, coaching and mentoring could be used more to support youth with business ideas that would likely lead to a sustainable business. To increase coaching and mentoring offerings, these should first be integrated into existing support provisions for innovative businesses. Then coaching and mentoring could be scaled-up for a broader base of youth entrepreneurs. It is critical to build a base of qualified coaches and mentors, which will likely require some incentives. Many low-cost options may be sufficient, and could include community level awards or a celebratory banquet. An alternative approach is to offer an online service. See Box 7 for an effective approach used in Sweden.

Box 7. Inspiring international practice: *Mentor Eget Företag*, Sweden

Objective: The aim of the scheme is to increase access to mentoring support for new entrepreneurs in Sweden. Using online services can improve access for those in rural areas and increases the flexibility for mentors and mentees to communicate.

Description: The scheme provides free online access to a mentor for one year for new and aspiring entrepreneurs in Sweden. Launched in 2006, it is designed and run by *NyföretagarCentrum*, representing a nationwide chain of Enterprise Agencies in Sweden. The programme is funded by *Tillväxtverket*, the Swedish Agency for Economic and Regional Growth.

The scheme provides an induction process based on interviews to match entrepreneurs and mentors. An important step following the introduction is that each party signs a contract as a sign of commitment. Mentors and mentees agree the frequency that they will meet, but it must be at least once per month. Many choose to meet every other week for approximately 2 hours. Meetings are often face-to-face but entrepreneurs in rural areas can meet their mentors online. In addition, there are opportunities for both the mentor and mentee to participate in monthly face-to-face networking events

Mentors are often experienced entrepreneurs. Their role is to act as a sounding board by listening to the entrepreneur and by asking questions. They provide advice and share their experiences. When possible they are encouraged to help the mentee expand their entrepreneurial networks. Mentors often also assign homework. Each mentor typically has one mentee.

Other features of the programme include:

- A matching process which is completed by the local supervisor who is responsible for matching mentees and mentors after conducting interviews;
- Mentors are volunteers and no personal financial interest shall be payable for the mentor;
- A mentor should be reputable and knowledgeable in their profession; and,
- The mentee is the driving force in the relationship, calling on the mentor when advice is needed.

The programme is national and is not specifically targeted at under-represented and disadvantaged groups, but there is monitoring of the programme on:

- number of mentor / mentee pairs in the programme;
- mentee gender, age and proportion of foreign-born participants; and,
- industry (trade - services - industry / crafts).

Relevance: This programme is a low-cost option for example of providing coaching and mentoring to a large number of potential entrepreneurs in all regions of the country. Since the activities are largely online, coaches and mentors would be able to participate at their convenience. This should help make it attractive for their participation. Similarly, an online coaching and mentoring programme should be attractive for youth entrepreneurs since they have a high level of take-up for technologies that facilitate this interaction. Furthermore, youth in small cities or towns may be able to access coaches and mentors that they would not otherwise be able to meet and interact with. One of the strengths of the Swedish approach is the matching process. It is recommended that this be incorporated into a Polish model if it is pursued. This element of the programme is critical because it increases the chances of successfully developing trust quickly and fostering a productive relationship.

For more information, please refer to: *Mentor Eget Företag* (2014), <http://www.mentoregetforetag.se>.

Policy recommendations

- Create a national entrepreneurship education system at primary, secondary and post-secondary schools, co-ordinated by the Ministry of Education and for universities by the Ministry of Science and Higher Education. It is important to differentiate teaching about the economy from entrepreneurship teaching.

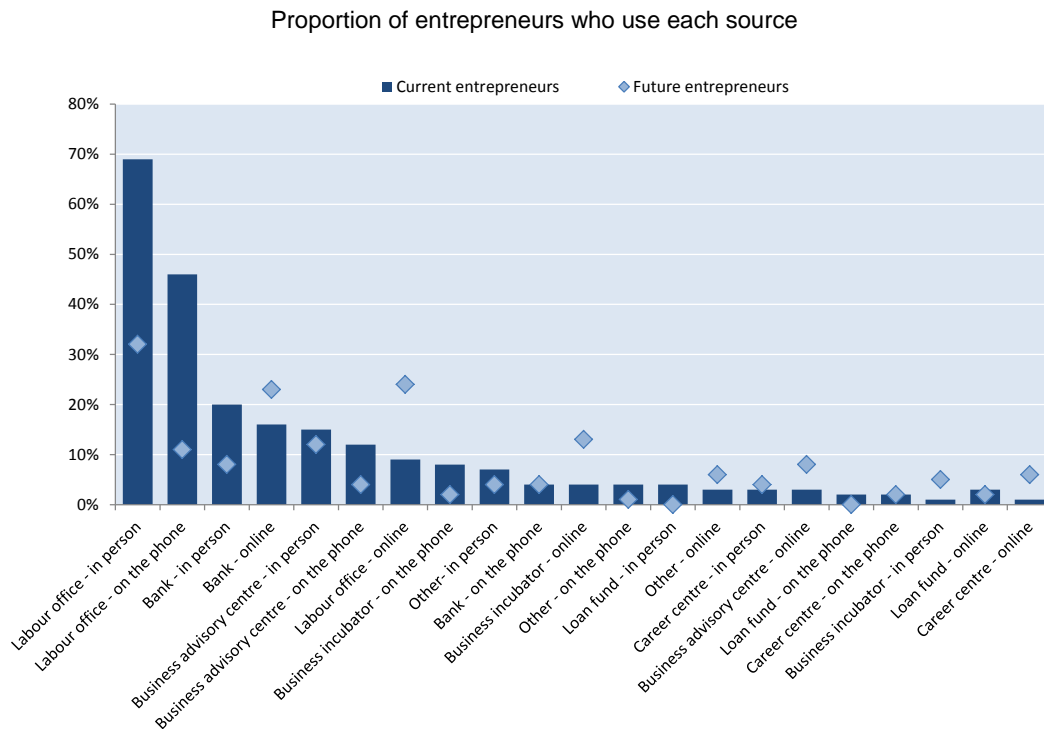
- Develop the concept of entrepreneurship education within a Polish context and make links to innovation policies.
- Develop teaching modules for entrepreneurship education in schools and higher education by partnering with institutions in other countries to learn from their experience (e.g. Coventry University in the UK, Leipzig University in Germany).
- Provide entrepreneurship training for teachers at primary and secondary schools within regular teaching studies and also as continuous professional development, including international internships. Furthermore, provide opportunities for entrepreneurship training to university professors, university staff and youth workers.
- Use active and innovative teaching methods that will bring closer the reality of the business. Involve the business community in entrepreneurship teaching as lecturers and mentors and in entrepreneurship projects for students.
- Conduct regular surveys on the outcomes of entrepreneurship education.
- Train employment officers in the district labour offices so that they understand the needs of youth entrepreneurs and so that they direct youth entrepreneurs to the support providers. Training may also permit them to provide basic business counselling.
- Use the ESF to build a network of coaches and mentors to support youth entrepreneurs. Limit this support to one year to avoid a relationship of dependency.
- Encourage NEETs to be more active in entrepreneurship through business plan competitions at the central and regional level and by promoting entrepreneurship role models.
- Promote entrepreneurship and self-employment to students through workshops, conferences and business competitions. Identify youth entrepreneurship role models and build promotion campaigns around these success stories. Use success stories of young entrepreneurs so that youth can relate to them more easily.

POLICIES AND PROGRAMMES TO FACILITATE ACCESS TO FINANCING

Information about financing

The most widely used source of information on financing sources are the labour offices, although bank websites are also used frequently by those in the process of starting a business (Figure 4). Other information sources that are used heavily by youth include career centres and business incubators.

Figure 4. Source of information about start-up financing, 2013



Source: Instytut Badań Strukturalnych, Coffey International Development, (2014), "Ocena ex-ante instrumentów finansowych w zakresie wsparcia podmiotów ekonomii społecznej i osób młodych." Raport końcowy

Polish research has identified several challenges for entrepreneurs in accessing information about potential sources of start-up financing. Key challenges include poorly disseminated information about the financial institutions and investors; low quality of staff who interact with entrepreneurs; low quality of information available on websites; and information that is too dispersed (*Instytut Badań Strukturalnych*, 2014). More specifically for youth, other research emphasises a lack of information on financial education and training opportunities for youth entrepreneurs (*Pretendent Korporacja badawcza*, 2011).

Grants

Business start-up grants for youth entrepreneurs are financed from the Labour Fund or the ESF. Grants offered from the Labour Fund are typically intended for unemployed people who are registered with the district labour office or graduates of social integration centres or social integration clubs. Entrepreneurs starting from unemployment can receive up to 600% of the national average monthly salary. The applicant is required to run the business for at least 12 months, otherwise the grant must be repaid. Youth are able to access these grants.

Regional Operational Programmes for 2014-2020 offer grants (and loans) for start-ups under the following Priority Axes: Labour Market, Regional labour market, employment. Regions target their programmes to groups who face the greatest difficulties in the labour market, which includes people with disabilities, women returning to the labour market from maternity and people over the age of 50. Youth are only eligible for such programmes in 8 regions (out of 16 regions). Regional Operational Programmes have been recently approved by the European Commission for the current programming

period (2014-2020) and need to be developed in more detail. Therefore the final requirements for subsidies and loans for the current period are not yet known, but it can be expected that it will be done under the conditions quite similar to those of the previous programming period.

Disabled people may also apply for subsidies from the State Fund for the Rehabilitation of Disabled People (PFRON). Again, although youth are not the target group for these grants, some may be eligible.

Grant beneficiaries were very positive about the usefulness of support, especially grants from the measure 6.2 PO KL (Operational Programme Human Capital). Only one in five respondents indicated that in the future the amount of the subsidy should be increased. 10% of respondents indicated that the settlement of the subsidy was very or fairly cumbersome and pointed to the need to simplify the related procedures (PARP, 2013).

Repayable instruments

There are 83 programmes, funds or schemes in Poland that offer loans for business start-up and some of these (e.g. *ROP Śląskie*) offer targeted loans for young businesses (i.e. that have been in operation for less than 24 months). Youth under the age of 25 account for one-sixth of the recipients of loans from these 83 loan funds. Most of these loans are made to businesses in retail or wholesale and nearly all of these loans are less than PLN 25 000 (approximately EUR 6 000) (PARP, 2013).

Preferential low-interest loans, such as *Wsparcie w starcie*, are also available to youth under the Regional Operational Programmes. *Wsparcie w starcie* is dedicated to two groups of youth: those who are in their last year of high education or have graduated within the last 4 years, and those who are 15-29 years old and are registered as unemployed. This programme is managed by the BGK on behalf of the Ministry of Labour and Social Policy. Youth can access a loan of up to 20 times the national average salary in the last quarter. In 2014Q4, this was PLN 78 853.40 (approximately EUR 18 900). Most of the surveyed beneficiaries consider this form of support as much-needed and many favoured low-interest loans over grants.

The European Union also supports access to finance from micro, small and medium-sized enterprises through JEREMIE. This initiative provides both loans and loan guarantees for business creation. Although not targeted to youth, these offerings can be accessed by youth entrepreneurs in Poland. These products are intended to address gaps in the financial market. Within the last 5 years, 22 641 companies in Poland have used JEREMIE products (i.e. mainly micro enterprises, not necessarily youth entrepreneurs): 54.5% were loans, 31.8% were guarantees and 13.7% were portfolio guarantees.

Repayable instruments are increasingly favoured by the government over grants. Youth entrepreneurs have various options, including targeted financing programmes for innovative businesses, as well as start-ups by disadvantaged youth (e.g. NEETs). However, the microcredit industry (i.e. the private sector) is under-developed in Poland (EMN, 2013), which is a key source of financing for youth, especially those who are seeking small sums of financing. Policy makers can support the development of the microcredit industry by developing a legal framework for the industry.

Equity

There are currently 31 venture capital funds in Poland (Operational Programme Innovative Economy, Measure 3.1) for investment in innovative business projects. These funds primarily target investments in projects related to biotechnology, medicine, renewable energy, environmental protection and chemistry. Youth entrepreneurs in Poland can access these private equity funds, but this

type of instrument is largely reserved for those entrepreneurs who are developing new products and technologies. Therefore, university graduates may be able to attract this type of investment, while lower skilled youth would likely not be targeted.

One of the current investment programmes is AIP Seed Capital Fund. It provides up to PLN 100 000 (approximately EUR 23 600) in seed capital for new companies operating within the framework of academic incubators, in exchange for a 15% stake in the company. AIP Foundation also presents young entrepreneurs to potential investors.

Areas for improvement and policy recommendations

It is positive to see a trend away from the provision of grants, towards repayable loans, since this eases the strain on public finances of supporting start-ups and provides a “push” for entrepreneurs to succeed so that they can repay their debts. However, youth lack an infrastructure to provide comprehensive information on sources of finance. Information is scattered and not easy to access at once. The AIPs can have a greater role in providing this information to youth entrepreneurs.

Evaluation and monitoring are important for policy makers so that they can measure the impact that policies and programmes have, as well as identifying areas for improvement. Evaluation and monitoring for youth entrepreneurship programmes are done well at the basic level. The Ministry of Infrastructure and Development regularly collects data on financial supports (i.e. grants, loans) and periodically evaluates for impact and effectiveness (typically 30 months after participation in the project). The grants are monitored in terms of the number and value of grants, number of participants, number of companies founded. Now that the basic metrics are systematically collected, there is room to increase the sophistication of monitoring and evaluation activities. For example, more of the non-government organisations who implement projects could be included in monitoring and evaluations. In addition, evaluations should increasingly focus on the incremental impact (i.e. the effect of the policy intervention relative to what would have happened without the intervention) and efficiency of the grants and loans. This would allow policy makers to make better-informed decisions about where public money should be utilised to support youth entrepreneurship.

Policy recommendations

- Provide more and higher quality information on acquiring financing and investments for business start-up. Focus on improving the completeness of information provided online, especially through the AIP network, and make links to other entrepreneurship support programmes such as training, coaching and mentoring and business advisory services.
- Continue to shift towards the use of repayable instruments and away from grants.
- Continue to support the development of the microfinance industry, which is traditionally one of the most important sources of financing for youth, especially for disadvantaged youth (e.g. NEETs) and those with low-tech business ideas that require small sums of start-up capital.
- Introduce some flexibility into the lending rules. There is a proposal to introduce changes in the lending rules, which should increase the “survival” of Polish companies in the economic sense (changes in the contract would be optional) (*Instytut Badań Strukturalnych, 2014*). Some of these changes might be helpful for young people that would have temporary problems in business:
 - a. The possibility to postpone payments for a certain period;

- b. The possibility of increasing the amount of the loan in the first year of operation, taking into account changes in the interest rate of the new amount.

REGULATORY AND INSTITUTIONAL POLICIES

Regulatory environment

The business regulatory environment in Poland is generally considered to be neither favourable nor unfavourable for businesses. For example, the World Bank's Doing Business 2014 report ranks Poland 19th out of the EU28 countries in terms of "friendliness" of the business environment. The main challenges identified by the World Bank included relatively high corporate tax rates, which was also noted in a 2014 survey by the Ministry of Economy (*Ministerstwo Gospodarki*, 2014), as well as frequent changes in the legal framework for businesses. It is estimated that entrepreneurs in Poland spend 286 hours per year complying with taxes and regulations, much more than the EU average time of 184 hours (*Instytut Badań Strukturalnych*, 2014). However, other reports note recent improvements in the business regulatory environment. For example, the Heritage Foundation reported that Poland improved in 6 of the 10 indicators of economic freedom in 2014 (Heritage Foundation, 2014).

Youth are even more likely to have difficulty complying with regulatory and tax requirements since they likely have lower levels of entrepreneurship skills and have less experience in the labour market (and self-employment).

To address these challenges, the government has launched the project POWER (e.g. PI 11.3.), which aims to simplify law in the area of starting and conducting business activity. It also aims to improve transparency of the legislative process and improve the quality of services related to the business environment provided by the administration.

Furthermore, a new draft version of *The Tax Administration Act* (as of 1.01.2016) includes new provisions for new support services for tax payers. This includes new support services for businesses that have operated for less than 18 months.

Entrepreneurship culture

It is often reported that there is an under-developed entrepreneurship culture in Poland. Poland tends to rank poorly relative to other EU countries in several international studies that examine entrepreneurial attitudes (PAG, 2012) and preference for self-employment (European Commission, 2012). This low level of interest in entrepreneurship and self-employment is often attributed to a society that does not value and promote creativity, innovation and risk-taking.

One of the main entities that promotes entrepreneurship in Poland is the Polish Agency for Enterprise Development (PAED), which is a governmental agency under the Ministry of the Economy. Its main goal is to support the development of SMEs. Its main offerings include entrepreneurship training and business development loans, but it also partners with universities to support graduate start-ups and university spin-out companies. PAED also helps institutions and business support organisations, including science and technology parks, incubators and technology

transfer centres, and runs promotional activities (e.g. publishes tutorials such as “How to become an entrepreneur”) for a broad audience.

The Ministry of Science and Higher Education encourages undergraduate and graduate students to start their own businesses and to commercialise research results through programmes such as Top 500 Innovators. However, in the Development Strategy of Higher Education in Poland by 2020 there are no references to the promotion of entrepreneurship. The only reference to entrepreneurship refers to the establishment of a comprehensive programme of partnership for knowledge transfer (i.e. 8.D. Strengthening partnerships between universities and enterprises and employers), which aims to promote and facilitate the flow of knowledge and innovation between universities and the economy.

At the regional level, there are several examples of efforts to build an entrepreneurship culture. For example, Start-up Poznan is a partnership between Poznan City Council, local business organisations and private companies to promote and support new technology start-ups. By doing so, the initiative aims to build an entrepreneurial culture in the local community and to develop a support entrepreneurship ecosystem. While such initiatives are positive, they often target youth with a high level of education.

The Junior Achievement Foundation is another important actor in developing an entrepreneurship culture. In addition to providing entrepreneurship training, it also runs business idea competitions and operates Entrepreneurship Days. This helps to promote a positive image of entrepreneurship and helps to engage youth in entrepreneurship activities.

The media also has an important role in promoting entrepreneurship. The Ministry of Infrastructure and Development has a series of television programmes, “My Polish Dream”, which was broadcast on MTV. It showcased 8 entrepreneurs that benefited from support under the Human Capital Programme. These programmes described the entrepreneurs’ motivations, their challenges, the support received and their achievements. This series has reached a wide audience and does a good job at not only presenting success stories, but also promoting some of the government support programmes at the same time. One of the key strengths of this approach is that it uses successful entrepreneurs who used some form of public assistance, which likely increases the likelihood that the general public, notably youth, can relate to them. Aside from the one television series, the mass media does not generally promote entrepreneurship.

Information about business start-up

The principal sources of information on business start-up for youth are regional development agencies and local chambers of commerce, guilds and business support centres, companies associated in the KSU, counselling and economic information centres, as well as business associations. However, many of these organisations do not provide comprehensive services and clients are required to seek support from several sources of information and advice.

A recent project by the Ministry of Economy created a website called “Single Point of Contact – EPK” (<https://www.biznes.gov.pl/>), which is currently being tested. It connects users (both entrepreneurs and staff who provide business development services) in a communication platform where they can obtain information on business law related to starting, suspending and closing a business. There are also interactive guides on administrative procedures and articles on business management, employing workers (i.e. basic labour law) and the recognition of professional qualifications in the EU. This project is in the early stages of development and additional content could be added once the platform testing is complete. For example, additional content on training, coaching and mentoring opportunities could be added. It is important that other ministries,

governmental agencies and local governments co-operate to ensure that information is current and comprehensive.

Another information source that is dedicated to youth is the AIPs that are active at universities. These centres are open to everybody, but they do have not many clients outside an academic community. Thus, some groups of youth such as NEETs or those still in school are unlikely to access this resource.

Availability of e-services for youth entrepreneurs

Youth in Poland extensively use the internet and mobile technologies – 99% of youth have mobile telephones and 89% use the internet daily (UKE, 2013). Therefore, e-services are an important delivery mechanism when delivering public services to youth. However, online entrepreneurship information and support in Poland lags behind other countries. The European Commission's e-Government Benchmark ranked Poland 19th out of the 27 EU Member States (Croatia was not a member at that time) (European Commission, 2011) and a recent United Nations E-Government survey ranked Poland 22nd in the EU in e-government development and 42nd in the world (United Nations, 2014).

In Poland, about 20% of services related to the establishment of the company is available online and only about 2% is fully automated (European Commission, 2014). The remaining 80% of services only push-out information through existing online platforms and cannot receive or exchange information (e.g. business registration; requesting information on a company's tax situation; submitting and correcting tax statements; submitting applications, declarations and settlements with the Social Insurance Institution).

Areas for improvement and policy recommendations

Despite several successful entrepreneurship promotion initiatives, the number and the intensity of promotional activities is quite low overall. Efforts are not systematic and more can be done within schools to promote entrepreneurship to reach potential youth entrepreneurs. One particular promotional tool that is under-utilised in Poland is entrepreneurship role models for youth. There are very few examples of the national, regional or local government promoting entrepreneurship role models to youth.

Information sources for youth interested in entrepreneurship are fragmented since there is no single authoritative comprehensive source that can guide youth through the entire start-up process and provide them with information on where to seek financing. A single point of contact or portal is one approach used to deliver information on business start-up. This would require extensive co-operation among ministries (notably the Ministry of Education, the Ministry of Higher Education, the Ministry of Economy), with participation of youth organisations and non-governmental organisations. Promotion material should be also delivered to local labour offices, tax offices, local government.

Moreover, there is a need to disseminate the information differently to different target groups within the youth population. Those who seek to start high potential businesses in innovative fields require different information than mainstream youth and disadvantaged youth. Age and regions are additional considerations when developing information and outreach strategies.

Policy recommendations

- Scale-up efforts to promote a positive image of entrepreneurs and positive attitudes towards entrepreneurship using success stories and role models. Focus efforts in education to reach a wide audience of youth. The ESF can be used to publish and promote success stories and role models. The most effective approach to inspire youth is to use examples of young entrepreneurs that youth can relate to.
- Promote entrepreneurship to youth with different information channels, including wide campaigns organised by PAED and the Ministry of Economy, as well as through schools, student events and conferences, and non-governmental organisations.
- Aim to stimulate bottom-up support for youth entrepreneurship by supporting youth entrepreneurship clubs with small amounts of financing.
- Improve awareness of existing entrepreneurship supports among youth by targeting awareness efforts for different groups within the youth population. For example, the messages delivered to NEETs will need to be different than those targeted at highly skilled university graduates.
- Continue efforts to simplify the taxation and social insurance system. Phase out the relief of social security contributions rather than ending it abruptly after 2 years of doing business to allow for young business owners to adjust to the new business conditions over a fixed period of time.
- Continue to increase a number of online services for business to assist youth entrepreneurs in meeting their legal obligations.

CONCLUSIONS

Youth unemployment has increased in recent years in Poland and youth now account for more than 20% of unemployed people. Entrepreneurship could be part of the solution to youth unemployment, especially since opportunities for business creation and self-employment are growing in Poland. This is supported by many policies and programmes related to youth entrepreneurship support at the national and regional levels in Poland. This support system has developed rather quickly and much progress has been made. Table 1 provides a summary of the strengths and weaknesses of the current support system, as well as opportunities for further development and threats that risk undermining recent efforts.

Table 1. SWOT analysis of youth entrepreneurship support in Poland

Strengths	Weaknesses
<ul style="list-style-type: none"> • Entrepreneurship is embedded within the National Qualifications Framework for higher education for most areas of study. • Academic Incubators of Entrepreneurship provide support to students in higher education across all regions. • Junior Achievement implements international good practices in its entrepreneurship training projects. • The Polish Agency for Enterprise Development (PARP) offers high quality business development for youth with innovative entrepreneurship projects. • Grants and micro-finance are available to youth and an increase in loans for unemployed youth is planned at the regional level. • Recent changes to bankruptcy law allow for a second chance for youth entrepreneurs. 	<ul style="list-style-type: none"> • Entrepreneurship is not yet embedded throughout the formal education system. • Entrepreneurship teaching often relies on outdated and passive teaching methods. There is no entrepreneurship training for teachers in place. • The quality of business development services (business advisory services, coaching and mentoring) is highly variable across the regions. • Little training or business development support is provided with grants or loans. • The business regulatory environment is complex and changes frequently.
Opportunities	Threats
<ul style="list-style-type: none"> • The National Qualifications Framework provides a mandate for higher education institutions to increase support for entrepreneurship. This also creates an opportunity for schools to introduce basic entrepreneurship education. • The network of Academic Incubators of Entrepreneurship could be leveraged to disseminate information about entrepreneurship and direct students to (or deliver directly) high quality start-up support services. • European Structural funds, notably the ESF, can support the creation of a network of entrepreneurship role models, coaches and mentors. 	<ul style="list-style-type: none"> • Entrepreneurship promotion efforts are not systematic and a lack of interest in entrepreneurship by youth may undermine recent and ongoing support actions. • A focus on innovative and high potential entrepreneurship by support offerings excludes many potential youth entrepreneurs, including disadvantaged youth (e.g. NEETs) who could use self-employment as a way of remaining active in the labour market and society. • The lack of a legal framework for microcredit is a hindrance for the development of the industry.

The single greatest area where Polish policy makers can have an impact for improving support for youth entrepreneurship is through the education system. Embedding entrepreneurship education at all levels of the school system will increase awareness about the potential of entrepreneurship and will deliver basic entrepreneurship skills to students. Poland has already started this process by including entrepreneurship skills in the National Qualifications Framework for Higher Education. This provides a mandate for higher education institutions to provide entrepreneurship training and experience to students. The next step is to give a similar mandate to lower levels of the school system.

Entrepreneurship teaching should begin in primary schools or even earlier and be inserted in Polish education system. Teachers should be supported by entrepreneurs, who would contribute to

programme development and also participate in training and offer traineeships for teachers and pupils. Furthermore, entrepreneurship teaching in organisations working with youth should be more developed. Entrepreneurship teaching also requires the usage of active and innovative teaching methods. Introduction of such changes in entrepreneurship teaching requires a legal mandate that is supported by funding. The ESF and other EU structural funds can be used for these purposes and Poland can accelerate their development in this area by developing partnerships with international ministries and agencies that have already been through this process. There is much to be learned from the experiences of others. One such example could be Ireland, which was provided as an inspiring international example in this report.

Another key area where youth entrepreneurship support could be improved is to develop a more systematic approach to promoting entrepreneurship to youth. Current efforts are generally short-term activities that are uncoordinated. Embedding entrepreneurship further in schools will lead to a significant improvement, but there are other options as well. The national government could use the ESF to support youth organisations and events (e.g. conferences) that promote youth entrepreneurship. The ESF can also be used to develop and promote success stories and role models.

Finally, business start-up support varies in quantity and quality across the regions of Poland. Transferring good practices within Poland and making better use of some of the existing support structures (e.g. AIPs) can quickly lead to a higher quality of support in most regions.

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