

Young leaders, cooperative entrepreneurs

CoopStarter 2.0 Intellectual Output 2

A preliminary case study research for a conceptual framework of "youth entrepreneurship", connecting young co-operators and leaders of youth organisations.

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Introduction

Promotion of entrepreneurship is under the spotlight of national and European policies. Public programmes have multiplied initiatives to diffuse an entrepreneurial mind-set among younger generations, encourage young people to set up their businesses, upskill young entrepreneurs, promote outstanding start-ups, and build bridges between young entrepreneurs, large-scale companies and public bodies. Entrepreneurial approaches are also promoted among established private and public organisations, fostering *intrapreneurship*¹ behaviours from staff members.

A two-fold perspective may be identified as rationale around which such public programmes are established and implemented.

- An economic perspective: entrepreneurship is a key component of economic growth and jobs creation in Europe, contributing to opening new markets and nurturing new skills. In this respect, training a generation of young entrepreneurs is expected to sustain economic growth in Europe, in contributing to make the market more innovative, dynamic and competitive.
- A societal perspective: together with the reduction of public actors' roles, communities are encouraged, or constrained, to address autonomously their members' needs and aspirations leading to new forms of community-driven entrepreneurial initiatives. Developing an entrepreneurial mind-set may thus be perceived as a strong component of individuals' personal development, enabling them to become leaders and gain recognition from their communities.

A comprehensive approach for the promotion of youth entrepreneurship may thus integrate two components, namely fostering entrepreneurial behaviours on the one hand, and supporting the actual setting up of enterprises on the other hand. CoopStarter 2.0 project aims at bridging those two components, around a strategic partnership engaging two types of vocational and educational training (VET) actors: youth workers for their expertise in the field of non-formal and informal education, and cooperative mentors for their expertise in setting up enterprises.

This Intellectual Output (IO) 2 "Young leaders, cooperative entrepreneurs", seeks to provide a conceptual framework behind the notion of "youth entrepreneurship" which would be common to both cooperatives and youth organisations. It aims at:

- Showcasing the diversity, dynamism and innovative initiatives developed by young leaders and young cooperative entrepreneurs across Europe;

¹ "Intrapreneurship is the act of behaving like an entrepreneur while working within a large organisation." (Wikipedia, "Intrapreneurship", accessed on 28 March 2018. <u>https://en.wikipedia.org/wiki/Intrapreneurship</u>).



- Identifying the dynamics behind the creation and development of a youth organisation and a cooperative business by young people, and highlighting similarities and complementarities about both organisational forms.

This present IO is part of the preparation phase of CoopStarter 2.0 and anticipates the creation of educational resources for ambassadors (IO 3, 4 and 10) and mentors (IO 7 and 8). It is primarily intended for mentors (trainers and youth workers supporting young entrepreneurs), providing them with a better understanding over existing entrepreneurial initiatives, highlighting their similarities and differences. It also seeks to offer policy makers and stakeholders (representatives of cooperative organisations and youth organisations) with a comprehensive vision of "youth entrepreneurship" at the crossroads between youth activism and business initiatives. Finally, this IO intends to provide useful content to CoopStarter 2.0 entrepreneurs and ambassadors, by showcasing inspiring entrepreneurial stories.

IO2 is based on both primary and secondary research. It involved literature review, to identify political approaches aimed at supporting youth entrepreneurship in Europe. It was complemented with case studies, compiled from structured interviews of 28 young entrepreneurs conducted by project partners across 8 countries. Detailed case studies will be made available through the project website,² as a result of IO4 Guide for cooperative ambassadors.

The paper is divided into two main sections:

- Section I explores the concept of youth entrepreneurship, from an analysis of European policy documents.
- Section II provides an overview of the case studies compiled from structured interviews and intends to highlight existing bridges between youth leadership and youth cooperative entrepreneurship.

² CoopStarter website, <u>www.starter.coop</u>



1. Which entrepreneurship for young Europeans?

In this section, we will explore the concept of "youth entrepreneurship" as understood by European policy makers (1). After highlighting some key challenges met by entrepreneurs (2), this section will showcase some responses from policy-makers and supporting organisations (3).

(1) Debating and shaping the understanding of "entrepreneurship"

(A) A socio-political context marked by high youth unemployment

Despite a general economic growth within the European Union (EU), youth unemployment remains high throughout Europe. According to Eurostat, 6.5 million young Europeans were unemployed in 2008 before the impact of the economic crisis. This number increased by more than 40 % in the following years and in October 2017, 3.722 million young persons (under 25) were unemployed in the EU28 (see Table 1 below).³

At a macroeconomic level, long-term youth unemployment results in a loss of production and skill depreciation, decreasing of consumer demand and consumer confidence, and eventually affecting negatively the growth of gross domestic product (GDP). Another direct consequence of systemic youth unemployment is its fiscal cost, comprising both increased welfare payments and loss of tax revenues.⁴

https://publications.europa.eu/en/publication-detail/-/publication/8f5910d8-6b64-11e7-b2f2-01aa75ed71a1/language-en



³ Eurostat, Euro area unemployment at 8.8%, 30 November 2017.

http://ec.europa.eu/eurostat/documents/2995521/8491608/3-30112017-BP-EN.pdf/5206b358-348f-416b-877e-74-75458f1ef

⁴ European Commission (DG Education, Youth, Sport and Culture – Dir. B and Unit B3), Taking the future into their own hands – Youth work and entrepreneurial learning, Luxembourg, 2017.

	Rates (%)				
	Oct 16	Jul 17	Aug 17	Sep 17	Oct 17
EA19	20.3	18.9	18.8	18.7	18.6
EU28	18.2	16.8	16.7	16.6	16.5
Belgium	:	22.7	22.7	22.7	:
Bulgaria	16.9	13.5	12.9	12.1	11.5
Czech Republic	10.6	8.5	7.8	7.3	7.2
Denmark	12.8	11.6	11.4	10.5	10.2
Germany	6.9	6.7	6.6	6.6	6.6
Estonia	11.5	10.9	11.4	12.0	:
Ireland	16.7	15.7	15.2	14.7	14.0
Greece	44.3	41.4	40.2	:	:
Spain	42.8	38.1	37.7	37.6	38.2
France	24.2	22.6	22.3	22.1	22.0
Croatia	30.4	25.2	25.2	25.2	:
Italy	37.2	35.3	35.4	35.4	34.7
Cyprus	29.4	24.9	24.9	24.9	:
Latvia	16.7	16.4	15.7	15.1	14.7
Lithuania	14.1	11.7	12.0	12.9	13.2
Luxembourg	18.5	17.9	17.3	17.1	16.2
Hungary	12.0	11.1	11.0	10.8	:
Malta	12.8	9.7	10.1	10.1	9.5
Netherlands	10.5	8.8	8.9	8.5	7.9
Austria	11.0	9.4	10.0	9.4	9.3
Poland	16.7	14.6	14.4	14.3	14.4
Portugal	27.4	23.1	24.8	24.6	25.6
Romania	20.4	16.8*	:	:	:
Slovenia	14.3	9.1	9.1	9.1	:
Slovakia	20.9	16.6	15.5	14.8	14.0
Finland	20.2	20.5	20.4	20.4	20.4
Sweden	18.3	18.0	17.5	17.5	17.2
United Kingdom	12.6	11.7	11.7	:	:
Iceland	6.5	7.3	7.5	7.5	7.5
Norway	10.7	10.5	10.4	10.3	:

Table 1: Seasonally adjusted youth (under 25 years old) unemployment. Extracted from: Eurostat, "Euro area unemployment at 8.8%", 30 November 2017.

The promotion of youth entrepreneurship has emerged as one response to such challenges, with the hope that if young people can take charge of their own (economic) lives, they could better contribute to improve the overall situation of EU labour markets.⁵ As a result,

⁵ A. Curth, Entrepreneurship education: A road to success. A compilation of evidence on the impact of entrepreneurship education strategies and measures, Luxembourg, 2015.



measures have been implemented by governments and EU institutions to boost youth entrepreneurship. In particular, reforms of formal education systems have aimed at providing students and pupils with hard and soft entrepreneurial skills.^{6,7}

(B) Defining "youth entrepreneurship", "cooperatives" and "youth organisations"

Both "youth" and "entrepreneurship" are notions meeting a diversity of definitions.

- Entrepreneurship

From secondary research conducted at European level (analysis of policy papers), two approaches to the notion of entrepreneurship are distinguishable: a "narrow" approach and a "broader" approach. "The narrow approach associates entrepreneurship with the *ability to start and run one's own enterprise*, be it a commercial or social enterprise. The broad approach associates entrepreneurship with abilities and attitudes that apply to a much broader context and emphasizes the *ability to turn ideas into action*."⁸

The above-mentioned approaches shall not be considered as incompatible: they actually feed and complement each other. Entrepreneurial skills and behaviours are prerequisites to the creation and running of an enterprise. On the other hand, stories of successes and failures from entrepreneurs are a strong component to disseminate and develop an "entrepreneurial mind-set" among the general public.

This present paper adopts a broad approach of "entrepreneurship". It showcases stories of start-up enterprises on the one hand, and analyses behaviours and personal experiences on the other hand.

- Youth

In Europe, the understanding of which age groups are considered to be "young people" varies from one Member State to another, and from one period in time and one socioeconomic context to the other. Various instruments and initiatives implemented at EU level and targeting young people (EU youth strategy, the Erasmus+ programme, Eurostat, etc.) consider as young people, persons in the age range 15-30.⁹

When it comes to *youth entrepreneurship* though, the age range appears to be extended, including people between the ages of 18 and 40. It is the case for youth business networks

 ⁸ European Commission (DG Education, Youth, Sport and Culture – Dir. B and Unit B3), Ibid., p. 8.
 ⁹ Idem.



⁶ European Commission (DG Education, Youth, Sport and Culture – Dir. B and Unit B3), Ibid.

⁷ "Soft skills are a combination of interpersonal people skills, social skills, communication skills, character traits, attitudes, career attributes and emotional intelligence quotient (EQ) among others. [...] Hard skills are any skills relating to a specific task or situation. These skills are easily quantifiable unlike soft skills which are related to one's personality" (Wikipedia, "Skill", accessed on 28 March 2018. <u>https://en.wikipedia.org/wiki/Skill</u>).

(such as the Young European Co-operators' Network,¹⁰ the Junior Chamber International¹¹ and the European Confederation of Young Entrepreneurs¹²), but also for national and intergovernmental institutions (see for instance: start-up funding for young entrepreneurs established by the Czech Republic,¹³ and OECD "Policy Brief on Youth Entrepreneurship"¹⁴). As for Erasmus for Young Entrepreneurs, although no age limit was set, a clear majority of its beneficiaries are *de facto* below the age of 40.¹⁵

This present paper retains the latter definition of youth, i.e. people up to 40 years old.

- Cooperative

The International Cooperative Alliance (ICA) defines cooperatives as follows:¹⁶

Cooperatives are people-centred enterprises owned and run by and for their members to realise their common dreams. Profits generated are either reinvested in the enterprise or returned to the members. Cooperatives bring people together in a democratic and equal way. Whether the members are the customers, employees, users or residents, cooperatives are democratically managed by the "one member, one vote" rule. Members share equal voting rights regardless of the amount of capital they put into the enterprise. They allow people to take control of their economic future and, because they are not owned by shareholders, the economic and social benefits of their activity stay in the communities where they are established.

In this paper, the term "cooperative" refers to businesses legally registered as such under their respective national legislation.

- Youth organisation

Our understanding of "youth organisation" as used in this paper follows criteria set by the European Youth Forum (EYF) in their statutes, i.e.: non-governmental and not for profit organisations, which work with young people and have a decision-making body controlled by young people.¹⁷

¹⁷ European Youth Forum, "Statutes" adopted at the General Assembly, Brussels, Belgium, 26 April 2015. <u>http://www.youthforum.org/sites/default/files/page-pdfs/0010-</u> 14_European_Youth_Forum_statutes_ENG_FINAL_APRIL2014.pdf



¹⁰ Cooperatives Europe website, "Youth", accessed on 24 April 2018. <u>https://coopseurope.coop/policy-topic/youth</u>

¹¹ JCI website, "Who we are", accessed on 24 April 2018. <u>https://jci.cc/en/about</u>

¹² European Confederation of Young Entrepreneurs website, "About Us", accessed on 24 April 2018. <u>http://www.yesforeurope.eu/about-us</u>/

¹³ European Commission website, "Czech Republic: 3.9 Start-up funding for young entrepreneurs", accessed on 24 April 2018. <u>https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/39-start-funding-young-entrepreneurs-czech-republic</u>

¹⁴ OECD, "Policy Brief on Youth Entrepreneurship: Entrepreneurial Activities in Europe", Luxembourg, 2012. <u>https://www.oecd.org/cfe/leed/Youth entrepreneurship policy brief EN_FINAL.pdf</u> <u>15</u> Extension State Sta

¹⁵ Erasmus for Young Entrepreneurs, "Latest statistics – January 2017", 6 February 2017. <u>https://www.erasmus-entrepreneurs.eu/press/EYE_Programme_statistics_(January_2017)_58a61ff0b9417.pdf</u>

¹⁶ International Co-operative Alliance website, "What is a cooperative", accessed on 24 April 2018. <u>https://ica.coop/what-cooperative-0</u>

(2) Promoting and encouraging youth entrepreneurship: Europe's growing concern

This section intends to provide an overview about existing barriers met by young entrepreneurs (A), and answers developed by EU policy-makers (B) and cooperatives (C) to tackle them.

(A) Being an entrepreneur, but at what cost?

Entering the field of entrepreneurship for a young adult presents significant advantages, both economically and socially. Entrepreneurship is not only a driving force for job creation, competitiveness and growth, it also contributes to personal fulfilment and to the achievement of social objectives: a young person setting up a new business may provide incentives in such a way they may act as a role model for other young people.¹⁸

Despite the many advantages entrepreneurship has, there are still some challenges to overcome in order to foster and push young people to jump into the entrepreneurial world. Main difficulties are notably related to funding, awareness and security. As for funding, lack of adequate start-up finance is one of the most significant barriers. Finance is dominated by banking intermediaries who are neither patient investors nor business angels. Besides, the crisis did not improve economic conditions for young people willing to start a business venture.¹⁹ Thus, alternative sources of funding are developing, such as crowdfunding which enable the funding of a project or venture by raising money from a large number of people via the Internet.

In addition, it appears that educational systems across Europe do not provide learners with enough relevant tools nor necessary background needed by young entrepreneurs. Consequently, young Europeans suffer from a lack of awareness on the existing various business structures, especially on cooperatives. Entrepreneurship education would not only be a way to foster youth entrepreneurship, but it would also be a way for young people to acquire attitudes (e.g. responsibility) and skills (e.g. flexibility and creativity) necessary to cope with the reality to start a business.²⁰

Lastly, feelings of insecurity also negatively affect youth entrepreneurial initiatives. The need for young people to feel stable and secure with respect to their income, social protection and health insurance should not be underestimated. Information about existing welfare and insurance systems are still lacking visibility and clarity, and most of them do not ensure minimum protection to people who are entrepreneurs. Moreover, social taboo regarding

²⁰ R. Weber, Evaluating Entrepreneurship Education, Springer Science & Business Media, 2012, p. 324.



¹⁸ OECD, OECD Skills Outlook 2015: Youth, Skills and Employability, 2015, p. 145. <u>http://www.oecd.org/education/oecd-skills-outlook-2015-9789264234178-en.htm</u>

¹⁹ M. Ciccarelli and A. Maddaloni, "Heterogeneous transmission mechanism and the credit channel in the euro area", BCE, Research bulletin n°18, Spring 2013.

http://www.ecb.europa.eu/pub/pdf/other/researchbulletin18en.pdf

failure and bankruptcy further alienates young people from choosing entrepreneurship, whereas mechanisms exist to allow entrepreneurs a second chance.²¹

(B) A set of European policies in favour of youth entrepreneurship

From 1999 with the Bologna process to nowadays, the interest towards youth employment and entrepreneurship has been continuously increasing among the EU institutions, as illustrated by several initiatives:

- a. The EU Council adopted on 20 May 2014 its conclusions on promoting youth entrepreneurship to foster social inclusion of young people. Within it, the Council affirms that (social) entrepreneurship is an important driver for job creation and social innovation as it increases young people's employability, calls on EU countries to help business start-ups and social enterprises cross barriers to access support services and finance, including by means of the European Social Fund and the employment and social innovation programme, and invites the European Commission to improve the visibility of social entrepreneurship.²² It enters in complementarity with the Youth Guarantee initiative (2013),²³ through which all Member States committed to ensure that all young people receive a good quality offer of employment, continued education, apprenticeship and traineeship.
- b. As for the European Commission (EC), its 10-year EU 2020 Strategy aims to establish conditions for smart, sustainable and inclusive growth, and entails initiatives to reduce youth unemployment and to facilitate access to entrepreneurship support mechanisms.^{24, 25} The Small Business Act for Europe (SBA) (2008) reflects the EC's political will to recognize the central role of small and medium enterprises (SMEs) within the EU economy; SBA priorities are related to regulatory burden, access to finance, access to markets and internationalisation, and promotion of entrepreneurship (cf. Action Pillar 3),²⁶ targeting specifically certain categories such as social economy and cooperative enterprises. More recent, the Youth Employment

http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1524671314431&uri=CELEX:52011DC0078



²¹ European Youth Forum, "Position Paper on Youth Entrepreneurship" adopted at the Council of Members / Extraordinary General Assembly, Braga (Portugal), 17-20 November 2011.

http://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-

brussels/documents/genericdocument/wcms_175771.pdf

²² Council of the European Union, "Council conclusions of 20 May 2014 on promoting youth entrepreneurship to foster social inclusion of young people", 2014/C 183/04.

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52014XG0614(04)

²³ European Council, "Recommendation on establishing a Youth Guarantee", 2013/C 120/01, 22 April 2013. <u>http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013H0426(01)&from=EN</u>

²⁴ See for instance: European Commission, Communication: "Youth on the Move. An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union", COM(2010) 477 final, Brussels (Belgium), 15 September 2010. <u>http://europa.eu/youthonthemove/docs/communication/youth-on-the-move_EN.pdf</u>

²⁵ See for instance: European Commission website, "Youth employment: Commission proposes package of measures", accessed on 25 April 2018. <u>http://ec.europa.eu/social/main.jsp?langld=en&catld=89&newsld=1731</u>

²⁶ European Commission, Communication: "Review of the 'Small Business Act' for Europe", COM(2011) 0078 final, Brussels (Belgium), 23 February 2011.

Initiative (2013)²⁷ intends to support integration of young people not in education, employment or training, into the labour market. Also worth noting, through the creation of a European Solidarity Corps (ESC), the EC commended international volunteering experience as a lever to increase youth entrepreneurial skills,²⁸ and opened the possibility of ESC volunteers to conduct an entrepreneurial activity as part of their volunteering experience.²⁹

c. The European Parliament (EP) has also taken steps in favour of youth entrepreneurship, for instance through its report "Promoting youth entrepreneurship through education and training" (2015).³⁰ The report's objective is twofold: (i) to put in the spotlight youth entrepreneurship and entrepreneurship education issues, and (ii) to contribute to the achievement of common European objectives in this field. The report proposes recommendations for the further development of entrepreneurship education: in particular, the EC was invited to underline the importance and role of different forms of social entrepreneurship, including cooperatives. In this way, the EP does not only point out the importance of entrepreneurial education, but also stresses that cooperatives deserve full recognition as being integrally part of the European social model and the Single Market.

Looking across Europe, the last decade has seen increasing policy focus on providing citizens, in particular younger ones, with learning opportunities supporting their acquisition of entrepreneurial competences.³¹ In this respect, and in relation with the definitions of entrepreneurship exposed above (see sub-section (1)(B)), European educational and training policies generally opt for a broad approach of entrepreneurship, as illustrated by the European Key Competence Framework.^{32, 33}

Such a focus consequently calls for a multi-sectoral approach, as youth entrepreneurship does not depend on a single policy field, but involves a diversity of actors in the fields of education, innovation, economy, social and regulation.³⁴

https://ec.europa.eu/education/sites/education/files/recommendation-key-competences-lifelong-learning.pdf ³⁴ European Youth Forum, "Position Paper on Youth Entrepreneurship", ibid.



²⁷ European Commission website, "Commission proposes rules to make Youth Employment Initiative a reality", accessed on 25 April 2018.

http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1829&furtherNews=yes

²⁸ European Commission, Communication: "A European Solidarity Corps", COM(2016) 942 final, Brussels (Belgium), 7 December 2016.

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0942&from=EN

²⁹ European Commission, Fact Sheet "Questions and Answers on the European Solidarity Corps", Brussels (Belgium), 7 December 2016. <u>http://europa.eu/rapid/press-release_MEMO-16-4168_en.pdf</u>

³⁰ European Parliament, "Report on promoting youth entrepreneurship through education and training", 2015/2006(INI), 22 July 2015. <u>http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2015-0239+0+DOC+XML+V0//EN</u>

³¹ European Commission (DG Education, Youth, Sport and Culture – Dir. B and Unit B3), Ibid., p. 14.

³² European Parliament and Council, Recommendation on key competences for lifelong learning, 18 December 2006. <u>http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006H0962</u>

³³ European Commission, proposal for a Council Recommendation on Key Competences for Lifelong Learning, COM(2018) 24 final, Brussels (Belgium), 17 January 2018.

(C) Cooperative entrepreneurship: the missing giant?

Among policies oriented at promoting and fostering youth entrepreneurship, the cooperative model remains poorly mentioned. Nonetheless, some initiatives are noteworthy:

- **EC communication on the promotion of cooperative societies in Europe** (2004).³⁵ The communication's main purpose was to address difficulties faced by cooperative enterprises, covering diverse topics such as regulatory frameworks, integration into existing policies, and promotion towards policy-makers and European citizens. The EC also encourages the integration of cooperative models into educational programmes, to provide young people with a comprehensive panel of the different business structures.
- **EP**, **report on the "Contribution of cooperatives to overcoming the crisis"**, rapporteur MEP Toia (2013).³⁶ It insisted on the cooperative model's resilience in the wake of the economic crisis, and outlined a need to ensure effective respect of the principle of entrepreneurial freedom. This requires equal treatment (notably by the law) of the various forms of entrepreneurship.
- Report from Cooperative Working Group, launched by Commissioner Tajani (2015). It contains ideas and proposals for action, including some recommendations on educating young people on cooperatives through educational curricula and training programmes.³⁷

Confronted with insufficient recognition about their needs and demands, European young co-operators, with the support of Cooperatives Europe, organized and launched in 2015 the European Young Co-operators' Network (YECN). Among the aims pursued by the informal network, two are directly aimed at stimulating and supporting youth entrepreneurship in Europe:

- Promoting the cooperative model and cooperative entrepreneurship towards young Europeans, through transnational and cross-sectoral European projects;
- Raising policy-makers' and cooperative movement representatives' about needs and challenges met by young co-operators, in order to encourage the development and implementation of policies aimed at fostering youth cooperative entrepreneurship.

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52004DC0018&qid=1524672166238

³⁶ European Parliament, Resolution on the contribution of cooperatives to overcoming the crisis, 2012/2321(INI), 2 July 2013. <u>http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2013-0301&language=EN&ring=A7-2013-0222</u>

http://ec.europa.eu/DocsRoom/documents/10450/attachments/1/translations/en/renditions/native



³⁵ European Commission, Communication On the promotion of cooperative societies in Europe, COM(2004) 18 final, Brussels (Belgium), 23 February 2004.

³⁷ Cooperative working group, Report of the discussions: "Fostering cooperatives" potential to generate smart growth and jobs", March 2015.

The present project, CoopStarter 2.0, is an initiative resulting partly from YECN dynamics.

(3) Exploring synergies between youth leadership and cooperative entrepreneurship

Two types of synergies between youth leadership and cooperative entrepreneurship are explored in this section: firstly, a growing interest from young people in general towards more inclusive, sustainable and democratic businesses (A); secondly, shared values and principles between cooperatives and youth organisations, as social and solidarity-based organisations (B).

(A) Cooperatives: a model appealing to young people?

Although EU-wide data about cooperative entrepreneurship is still missing, evidence shows that the cooperative movement in Europe is benefitting from a fresh dynamic from younger generations. In Belgium, the number of cooperatives approved by the National Cooperative Council increased by 20% in 2017 only; the number of workers employed by such cooperatives rocketed by 70% between 2005 and 2015.³⁸ In France, the mushrooming of *Coopératives Jeunesses de Services* (youth service cooperatives) has illustrated a growing interest from both students and teachers to embed experimentations of this model into educational curricula.³⁹

Such a dynamic is also reflected at international level. Stories of young co-operators are gaining coverage from digital medias such as Shareable.⁴⁰ Large-scale movements of cooperative entrepreneurs are emerging on topics related to the digital society, data ownership and future of work: Platform Cooperativism⁴¹ and Open Cooperativism⁴² are gathering each year hundreds of (young) entrepreneurs from around the world, during events aimed at showcasing and creating synergies among people experimenting innovative governance and business models applied to the digital economy.

As people-centred, cooperative enterprises are driven by values and principles, rather than profit. The cooperative enterprise's democratic nature encourages participation, broadens ownership and fosters youth empowerment. It echoes younger generations' aspirations for

⁴⁰ Shareable, "Why Are Young People Joining Cooperatives? 3 Youth Leaders Share Their Views", 18 December 2017. <u>https://www.shareable.net/blog/why-young-people-are-joining-cooperatives</u>

⁴² See for instance: Open platform cooperatives event 2018 website, at <u>https://2018.open.coop/</u>



³⁸ Febecoop website, "25 400 sociétés coopératives belges réalisent 5,5 % de notre PIB – nombre de coopératives agréées en hausse", accessed on 25 April 2018. <u>http://febecoop.be/fr/cases/25-400-societes-cooperatives-belges-realisent-55-notre-pib-nombre-cooperatives-agreees-en-hausse/</u> <u>notre-pib-nombre-cooperatives-agreees-en-hausse/</u> ³⁹ Ouest France, "I / arter are substances of the second se

³⁹ Ouest France, "L'entrepreneuriat coopératif, l'aventure des jeunes", 16 January 2018. <u>https://www.ouest-france.fr/pays-</u> <u>de-la-loire/saint-herblain-44800/l-entrepreneuriat-cooperatif-l-aventure-des-jeunes-5488338</u>

⁴¹ See for instance: Platform co-op website, at <u>https://platform.coop/</u>

more transparent and participative organisations, offering viable economic models respectful of their local environments and communities.

The cooperative model seems also appealing for young people with respect to work, including both employment and entrepreneurship. Systemic youth unemployment combined with growing aspirations for more "freedom and happiness at work" leads more and more young people to explore work opportunities more sustainable and emancipating than traditional hierarchical businesses.⁴³ The contribution of cooperatives to provide decent jobs has already been widely recognized by the civil society and EU institutions.⁴⁴ As for young people willing to set up their own businesses, the cooperative form enables them to pool often limited financial resources with knowledge in an enterprise ensuring equality among its founders, offering limited liability and distribution of risks, and in cases where members are also employees, the flexibility of self-employment.

⁴⁴ Cooperatives Europe website, "Cooperatives provide decent jobs, sustainable livelihoods and inclusive solutions to social problems", 13 May 2014. <u>https://coopseurope.coop/resources/news/cooperatives-provide-decent-jobs-sustainable-livelihoods-and-inclusive-solutions</u>



⁴³ Le Monde, "Les jeunes en entreprise aspirent à la « liberté et au bonheur au travail »", 24 November 2015. <u>http://www.lemonde.fr/emploi/article/2015/11/24/les-jeunes-en-entreprise-liberte-et-bonheur-au-travail_4816195_1698637.html</u>

(B) Youth activism and cooperative entrepreneurship: some (theoretical) common ground

The theoretical overview below was based on literature review of ICA principles⁴⁵ compared with European youth organisations' internal governing documents and communications, complemented with phone interviews.⁴⁶ This analysis takes as its main reference the EYF: as the European platform of youth organisations in Europe, its internal rules may be considered as reflective of practices from a wide diversity of youth organisations (104 member organisations, themselves representing millions of young Europeans).⁴⁷ Examples from other European organisations were also integrated in an aim to broaden our scope.

Importantly, the reader should have in mind that this analysis does not intend to give a full picture about all youth organisations, which are very diverse in terms of aims and internal structures. The aim here is to highlight existing bridges between cooperative values on the one hand, and some main trends identified among European youth organisations on the other hand.

Voluntary and open membership. "Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination." This principle is echoed by membership rules of European youth organisations studied, which open their memberships whether to organisations (national and local) or individuals, on the basis of transparent criteria (e.g. youth-led organisations, individuals registered as students...) and admission processes.⁴⁸

Democracy: "Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions". Democratic control appears to be a core component of European youth organisations, which usually impose it as a prerequisite for their own members.⁴⁹ They usually complement this democratic principle with active engagement of members inside their governance bodies, and through open public activities. In its work plan 2017-2019, the EYF puts youth participation as one

⁴⁹ See for instance: European Youth Forum website, "Become our member!", accessed on 27 April 2018. <u>http://www.youthforum.org/become-our-member</u>



⁴⁵ International Co-operative Alliance website, "Co-operative identity, values & principles", accessed on 26 April 2018. <u>https://ica.coop/en/whats-co-op/cooperative-identity-values-principles</u>

⁴⁶ In parallel of the present research, YECN-CJDES and Cooperatives Europe conducted a research aimed at understanding European youth organisations' governance, internal arrangements and economic models. Although the research was still ongoing, some content from interviews was used to feed the present paper. Namely, interviews of the following organisations are used here: Erasmus Student Network, JADE, AEGEE-Europe, ACP Young Professionals Network, Rural Youth Europe.

 ⁴⁷ European Youth Forum website, "Our Members", accessed on 26 April 2018. <u>http://www.youthforum.org/our-members</u>
 ⁴⁸ See for instance: European Youth Forum, "Guidelines for Membership Applications", available at http://www.youthforum.org/our-members
 ⁴⁸ See for instance: European Youth Forum, "Guidelines for Membership Applications", available at http://www.youthforum.org/sites/default/files/page-pdfs/Membership%20Application%20Guidelines.pdf; Rural Youth Europe, "Membership Guidelines 2016", available at https://www.ruralyoutheurope.com/wp-content/uploads/2017/09/ryeurope_membership_guidelines.pdf

of its strategic priorities, and dedicates one cluster to the specific question of "participation".⁵⁰

Member economic participation: "Members contribute equitably to, and democratically control, the capital of their cooperative." Youth organisations reviewed in this analysis being non-profit organisations, their capital remain generally low and aimed at remaining balanced. Members' economic participation usually takes the form of an annual membership fee, as a fixed amount for individual members, ⁵¹ or calculated proportionally to the size of member organisations.⁵² In addition, democratic control is ensured by the principle of democracy stated above. Finally, national laws of European countries such as Belgium, impose that the capital of legally registered "association" be indivisible.⁵³

Autonomy and independence: "Cooperatives are autonomous, self-help organisations controlled by their members." This principle is explicitly mentioned by EYF membership criteria, requesting their member organisations to "have a decision-making body controlled by young people" and "not to be subject to direction in their decisions by any external authority".⁵⁴

Education, training and information: "Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives." Members' training appears to be a central activity of European youth organisations: "right to education" is one of the key claims of the EYF, calling for "youth organisations to be recognised as quality education providers".⁵⁵ As few among many examples of training opportunities offered by European youth organisations, we can mention AEGEE-Europe's Summer Universities which offer young Europeans members to taste the diversity of European Integrity,⁵⁶ and JADE's Confederation Development Programme ensuring the improvement of their members through a knowledge-transfer platform.⁵⁷ Youth organisations can be an important lever to promote and support the development of entrepreneurial initiatives among young people, but also to assist them in any capacities to establish their own entrepreneurial project – as illustrated by the publication *Money Grows on Trees*.⁵⁸

⁵⁴ See for instance: European Youth Forum website, "Become our member!", ibid.

⁵⁸ A. Aliberti et al., Money Grows on Trees, European Youth Forum, 2014. Available at: <u>http://www.youthforum.org/money-</u> <u>grows-trees</u>



⁵⁰ European Youth Forum, "Work Plan 2017-2019 adopted by the General Assembly of the European Youth Forum", Varna (Bulgaria), November 2016. <u>http://www.youthforum.org/work-plan-2017-2019</u>

⁵¹ Some examples of individual membership fees: AEGEE-Europe: 2,5€; LieU'topie, 3€; Erasmus Student Network: 5€; ACP Young Professionals Network: 20€.

⁵² European youth umbrella organisations such as JADE implement a differentiated annual membership fee system, based on objective criteria considering the financial capacity and membership of the member organisation.

⁵³ Financité, "Les réserves impartageables", accessed on 27 April 2018. Available at: <u>https://www.financite.be/sites/default/files/references/files/bb_les_reserves_impartageables.pdf</u> ⁵⁴ See for instance: European Youth Forum website "Become our member!", ibid.

⁵⁵ European Youth Forum website, "Education", accessed on 27 April 2018. <u>http://www.youthforum.org/education</u>

⁵⁶ AEGEE-Europe website, "Summer University", accessed on 27 April 2018. <u>http://www.projects.aegee.org/suct/su2018/index.php</u>

⁵⁷ JADE website, "Confederations Development Programme", accessed on 27 April 2018. <u>http://old.jadenet.org/about/activities/confederations-development-programme/</u>

Inter-cooperation: "Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures." The number and diversity of youth organisations members of the EYF illustrates a strong and dynamic spirit of cooperation among youth organisations at European level.⁵⁹ Frameworks of inter-cooperation are implemented in a field-specific approach by organisations such as AEGEE-Europe, Erasmus Students Network (ESN) and JADE, which coordinate multi-layered bodies from the local to the European levels. As an example, individual members of ESN will join a local ESN section, which itself will interact with other local sections through a national confederation; the latter will eventually cooperate (exchange of practices and tools) with other national confederations through the European platform of ESN. Finally, some organisations implement some active transnational solidarity frameworks: through its European task force, the YECN supports the creation of new national organisations of young co-operators; similarly, JADE implements an auditing process for newly established Junior Enterprises, enabling them to consolidate and improve their internal bodies.

Concern for the community: "Cooperatives work for the sustainable development of their communities through policies approved by their members." Sustainable development is integrated as a core concern of European youth organisations. One example is the EYF 2017-2019 work plan, which allocates one of its five clusters to this topic.⁶⁰ Another example is Rural Youth Europe's membership guidelines, requiring its members to "respect a cooperative approach to work and the environment which is both aesthetically and ecologically sound".⁶¹

Generally speaking, youth organisations empower their members, just as cooperatives. They promote and enable youth participation and active citizenship, and therefore are an important resource for the inclusion of young people in general.⁶² Their DNAs echo the ICA cooperative values "of **self-help**, **self-responsibility**, **democracy**, **equality**, **equity** and **solidarity**. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others."⁶³ Such bridges actually reflect a conception of social and solidarity economy, which would encompass those two models of collective organisation.

Those considerations may also provide fertile ground for better awareness from youth organisations (compared to other organisations and institutions) about the broad panel of business models – including the cooperative one. However such synergies are yet to be fully explored and exploited – which explains the need for projects such as CoopStarter 2.0. In this respect, a theoretical reflection should be complemented by an analysis of actual

⁶³ International Co-operative Alliance website, "Co-operative identity, values & principles", ibid.



 ⁵⁹ European Youth Forum website, "Member Organisations", accessed on 27 April 2018. <u>http://tools.youthforum.org/member-organisations/</u>
 ⁶⁰ European Youth Forum, "Work Plan 2017-2019", Ibid.

⁶¹ Rural Youth Europe website, "Become a member", accessed on 27 April 2018. https://www.ruralyoutheurope.com/members/become-a-member/

⁶² European Youth Forum, "Position Paper on Youth Entrepreneurship", ibid.

bridges existing between activists of youth organisations on the one hand, and cooperative entrepreneurs on the other hand. Section II below aims at exploring such bridges through entrepreneurial stories, both from youth organisations and cooperative enterprises.



2. Youth leaders and cooperative entrepreneurs: common experiences, but missing bridges

This section showcases outstanding examples of cooperative enterprises and youth organisations, with an aim to highlight and illustrate similarities and differences between cooperative entrepreneurship on the one hand, and youth activism on the other hand. After an overview of the case studies analysed (1), the section investigates their aims (2), their economic activities (3), and finally some lessons learned by the young entrepreneurs interviewed.

(1) Beyond theoretical thinking: stories from European young entrepreneurs

Examples were selected by project partners, in accordance with the following criteria: entrepreneurial initiatives in the broad sense (see definition in section 1. (1) (b) above), conducted by young persons through member-based organisations implementing the cooperative principles. Interviews were conducted in 8 European countries (i.e. Belgium, Denmark, France, Greece, Italy, Portugal, Switzerland, and the United Kingdom). A total of 28 case studies were gathered, as detailed in tables 2 and 3 below. Each case study will be made available on the project website.⁶⁴

	Youth Organisations	Cooperatives	Other	Total
Belgium	2	1	5	8
Denmark	2	1	0	3
France	2	2	0	4
Greece	0	3	0	3
Italy	1	2	1	4
Portugal	0	1	0	1
Switzerland	0	1	0	1
UK	1	3	0	4
Total	8	14	6	28

Table 2: Overview of case studies per country and per type of organisation.

The terms "Youth organisations" and "Cooperatives" found in both tables refer to the definitions presented above (see section 1.(1)(B)). The mention "other" refers to

⁶⁴ CoopStarter website, www.starter.coop.



entrepreneurial initiatives which are not registered as cooperatives, and which cannot be considered as youth organisations due whether to their official registration statute (e.g. non-registered informal groups), or to economic activities attached to an entrepreneur rather than a collective organisation (e.g. freelancers). In the latter case though, entrepreneurs demonstrated a clear ambition to transform their activity as formal member-based organisations, should they be cooperatives or youth organisations.

Ref.	Country	Name	Organisation type
1	UK	Greater Manchester Youth Network (GMYN)	Youth Organisation
2	UK	Unicorn Grocery	Cooperative
3	UK	Woodcraft Folk	Cooperative
4	UK	Shared Interest	Cooperative
5	Belgium	Les Evadés	Cooperative
6	Belgium	Terroirist	Other
7	Switzerland	Village Office	Cooperative
8	Portugal	Link Co-operatives	Cooperative
9	Greece	Βίος Coop	Cooperative
10	Greece	Commons Lab	Cooperative
11	Greece	Thes Gi	Cooperative
12	Denmark	Journalistkooperativets	Cooperative
13	Denmark	Danish Youth Council	Youth Organisation
14	Denmark	Student and Innovation House	Youth Organisation
15	Italy	Generazioni Liguria	Youth Organisation
16	Italy	Life Lab	Other
17	Italy	Tatabox	Cooperative
18	Italy	Ziguele	Cooperative
19	Belgium	Beatchronic	Other
20	Belgium	Déclic en Perspectives	Youth Organisation
21	Belgium	Frida	Other
22	Belgium	Rhizome	Other
23	Belgium	We'CO	Other
24	France	SCOPIT	Cooperative
25	France	SEVE	Youth Organisation
26	France	Scity.coop	Cooperative
27	France	LieU'topie	Youth Organisation
28	Belgium	AEGEE-Europe	Youth Organisation

Table 3: Origin, name and type of case studies.



(2) Entrepreneurial initiatives aimed at changing young people's lives

When analysing the motives behind entrepreneurial projects undertaken by young people from our pool of case studies, two main trends emerge: (A) empowering young people, and (B) expanding services and opportunities to young people.

(A) Empowering young people

All interviewed youth organisations share the following common feature: they aim at empowering young people, whether in Europe (AEGEE-Europe) or within their own country (national and local youth organisations). In practice, entrepreneurial projects pursue this aim in two ways: (a) by improving the recognition of young people's voice on the one hand, and (b) by developing tools and frameworks enabling them to transform their environment in accordance with their aspirations. As we will see below, projects implemented by young co-operators do share this aim, at least to some extent.

a. Promoting a youth voice in the political sphere

As from our interviews, promotion of youth voice seems to be primarily exploited by youth organisations – but rarely by cooperative enterprises. At a European level, AEGEE-Europe⁶⁵ creates space for dialogue and learning opportunities and advocates towards decision-makers; the organisation also fosters mutual understanding among young Europeans, and encourages students to take an active role in society. At a national level, the Danish Youth Council (DUF) promotes the participation of youth in organisations and in democratic processes at local, national and international levels, and offers professional consultation to ensure that their member organisations constantly improve their relevance towards societal debates and needs. Similarly, at a regional level, Generazioni Liguria empowers its members in taking an active role inside the cooperative movement, by creating connexions among their peers and with senior representatives.

b. Enabling younger generations to shape their environments

Another way for youth organisations to "empower young people", is to provide them with the tools to take an active role in their respective communities, so as to shape an environment matching their views and aspirations. In practice, entrepreneurial projects implemented by leaders of youth organisations offer platforms and guidance to help their peers in starting up their own (entrepreneurial) projects. In Clermont-Ferrand (France), 5 students created LieU'topie to incubate and develop projects within the social and solidarity economy: it includes a platform of discussion together with cultural activities for students. In Grenoble (France), SEVE gathering students around collective projects and shared values. Looking at Denmark, the Student and Innovation House ambitions to offer a safe

⁶⁵ AEGEE-Europe website, "What is AEGEE?", accessed on 27 April 2018. <u>http://www.aegee.org/about-aegee/</u>



environment for sharing ideas, innovative thinking and application of academic skills for the students. Déclic en Perspectives in Belgium incubates social and solidarity-based entrepreneurial projects led by young people (up to 35 years old).

Although the first angle of youth empowerment (i.e. promoting a youth voice in the political sphere, see (1) above) did not appear as a key argument in the setting up of cooperative projects, this second angle (enabling younger to shape their environment) was mentioned by several cooperative entrepreneurs interviewed. In Greece, analysed cooperatives⁶⁶ are social cooperatives that not only serve their members' needs in various sectors of activity (consumer, agriculture and innovation/technology), but they also concretize innovative idea in a challenging socio-economic context: due to the specific difficult economic conditions, young people gathered together to establish cooperatives that are people-centred, generating added social value to their local areas. As for Belgium, through its bar/restaurant ("La Contrebande") and organic grocery store ("Le Stock"), cooperative "Les Evadés" develops an economic system promoting sustainable and high-quality food, as a practical path towards a safer and more sustainable world for existing and future generations.

The ambition to enable young people to change their environment through the cooperative model can also be found among projects not yet registered as cooperatives. Frida aims at promoting fair trade, sustainable consumption and circular economy through a cooperative selling coffee. Rhizome is a co-working space being set up under a cooperative form, aimed at supporting and promoting social women-led entrepreneurial projects.

(B) Expanding services and opportunities for young people

As demonstrated by interviews, the provision of services to members is a trend found among entrepreneurial projects from both youth organisations and cooperatives. Each of the studied youth organisations developed its own approach towards specific needs met by young people in general (DUF and GMYN) and/or specifically by students (AEGEE-Europe, National Union of Students, Student and Innovation House, SEVE and LieU'topie). On the side of cooperatives, the provision of services to members is a key element of their DNA, as formulated by ICA principles ("Cooperatives are voluntary organisations, open to all persons able to use their services")⁶⁷ and reminded by entrepreneurs interviewed. In the youth field thus, entrepreneurial projects from both types of organisations aim at expanding services and opportunities available to young people. Interviews especially showcase examples of (a) social-related opportunities (i.e. learn and participate), and (b) economic-related opportunities (i.e. work and access to services).

⁶⁶ Βίος Coop and Thes Gi.
⁶⁷ International Co-operative Alliance website, "Co-operative identity, values & principles", ibid.



a. Social opportunities: learn and participate

Outstanding cooperative entrepreneurial projects are aimed at providing education to younger people. Woodcraft Folk is a UK-based cooperative movement for children and young people, running hundreds of grassroots education groups in towns and cities across the UK where young people of all ages meet to play games, make friends and learn about big ideas from climate change to social justice through activities. In Italy, Ziguele offers learning experiences around the topic of sea and its ecosystem.

The GMYN constitutes an outstanding youth organisations counterpart project. As a registered charity founded in 2007 in Manchester (UK), it offers a variety of activities for disadvantaged young people (who are vulnerable and/or with various disabilities), by proving them with opportunities (social actions and volunteering) and supports youth organisations that work within the GMYN.

At the crossroads between cooperative ecosystem and youth communities stands the youth organisation Generazioni Liguria (IT). It deals with a year-long vocational training programme for young co-operators, which includes exchanges with senior co-operators, seminars with inspirational teachers, and training sessions on technical topics (human resources management, liabilities of members/executive council, etc.).

b. Economic opportunities: work and access to services

When it comes to effective provision of work and services to young people, it seems that the cooperative option is often preferred by young entrepreneurs. However, some other non-profit statutes are also mobilized, as described below.

Among the best practices identified, some cooperatives specifically aim at addressing the needs of youth communities. It is the case of Shared Interest (UK), a Fair Trade financial cooperative, provides financial services and business support to people in remote and disadvantaged communities enabling them to trade competitively and access capital. In Italy, Life Lab ambitions to provide, through a social housing cooperative, services to students in Savona including housing, welcoming of newcomers, jobs and internships, social and sport activities. Similarly, Tatabox offers space and services to improve students' living in Genova.

Our case studies also reveal cooperatives which, although they do not target specifically young people in their economic activities, were established by young people to create their own jobs tailored for their skills and interests. Link Co-operatives (Portugal) was set up at the initiative of a young entrepreneur willing to combine her passions of travelling, studying and creating, into a project aimed at enabling inter-cooperation among cooperatives at national and international levels. Unicorn Grocery (UK), a worker food cooperative in Chorlton (UK) selling vegetarian and ethical produce, was established by a small group of young people; although their activities target the general public at large, they also offer



specific initiatives for pupils ("school visits"). As for Denmark, the Journalistkooperativets IVS is a cooperative gathering three newly graduated and young journalists based in Copenhagen sharing all income and network, dividing tasks and supporting each other in the journalistic processes. In France, SCOPIT and Scity.coop are two workers-owned cooperatives set up by young people: one is operating in the field of IT, and the other one offers a car-pooling service to develop ridesharing for commuting and to help unemployed people in accessing mobility services.

In some instances, activities implemented by youth organisations are developed and consolidated, eventually leading to generate job opportunities for young people. The founders of Beatchronic (Belgium) valorised activities experimented as volunteer young leaders, into profit-making economic activities enabling them to become freelancers.

In conclusion, the comparison proposed above, highlights two main youth-related rationale characterizing entrepreneurial projects analysed from both types of organisations: empowering the youth, and expanding opportunities to young people. A closer look at the means implemented to reach such aims leads us to a two-fold conclusion. On the one hand, some means of action seem to be characterized by an over-representation of whether cooperatives (e.g. generating economic opportunities) or youth organisations (e.g. promoting a youth voice in the political sphere), while others offer a ground for common actions (e.g. enabling younger generations to shape their environments). On the other hand, when taken together and even from such a small pool of examples, all these projects appear to act in complementarity, contributing globally to shape a youth-friendly environment, characterized by common values such as youth participation and social justice. This complementarity take a tangible form on the field, through projects mixing different organisational forms across their development paths.

(3) Economic activities putting people first: a diversity of models

As developed above, business models are fundamentally different between the two types of organisations explored by this paper: (A) on the one hand, cooperatives as enterprises which generate profits; (B) on the other hand, youth organisations established as non-profits. However, (C) young entrepreneurs also play with statutes, developing projects at the crossroads between enterprises and non-profits.

(A) Cooperatives: enterprises generating profits

Through the cooperative model, young entrepreneurs establish and provide services, generating profits. The way these profits are allocated may however differ. Some cooperatives have integrated into their very governing documents a non-profit making objective: all profits are re-invested into the cooperative, to sustain and develop the



business. Greek cooperative Bloc Coop is illustrative of this approach. Other cooperatives are aimed at re-distributing profits to their members, in accordance with the limits of national legislations. Still in Greece, Thes Gi intends to do so by buying its members' products at a favourable price.

In practice, most of the time, the allocation of profits is simply not foreseen by the interviewed entrepreneurs. During their start-up phase, cooperatives hardly make any profit and direct most of their capital to consolidating their business model. In Italy, the law imposes to allocate 30% of profits to the cooperative's reserve, and 3% to a national mutualistic fund; the cooperative Tatabox also accumulates the remaining 67% in its reserves to compensate the lack of equity and strengthen up company's assets.

(B) Youth organisations: non-profit bodies

Youth organisations from our case studies are legally registered as non-profits. Some of them rely exclusively on membership, donations and sponsorship, which are aimed at covering daily expenses and activities. As for GMYN (UK), all incomes are used to implement programmes for disadvantaged young people. Regarding the umbrella organisation AEGEE-Europe, most of the economic activities consist in the reimbursement of costs related to voluntary actions. In the case of Generazioni Liguria, the (informal) youth organisation relies on a very loose economic model, based on sponsorship from its mother cooperative association.

Others, such as SEVE and LieU'topie (France), generate incomes from an economic activity; governing documents however specify that that all profits should be used for self-financing the associations. The non-profit aim of youth organisations may also evolve. Beatchronic was a youth organisation, offering a student collaborative musical media and organizing on-campus events; it progressively evolved into a booking and management agency for beatmakers and DJs, leaving its "youth" aim to focus on consolidating and developing its economic activity – while keeping its non-profit legal form (ASBL). Similarly, Déclic en Perspectives was set up by two young people to provide support services to young entrepreneurs; reflexions are however being conducted to target a larger audience, remove the age barrier and open it up to all entrepreneurs – and diversify the membership and leadership of this organisation.

(C) Beyond the boxes: playing with statutes

A closer look at case studies reveals that young entrepreneurs play with legal statutes, jumping from one to another depending on the needs to be tackled and their project's stage of development. Several illustrative examples of businesses established through a combination of different statutes come from Belgium.



Cooperative "Les Evadés", benefiting from a flexible Belgian law on cooperatives, opted for statutes granting voting rights proportionally to the capital invested into the cooperative – with an ambition to progressively transit towards a "one member = one vote" model. In addition, its leaders already envision to set up a non-profit association which would work in parallel of the cooperative, and which would implement activities not aimed at generating profits (such as awareness-raising activities on food sustainability and short circuits).

Also in Belgium, Terroirist is developing a new wholesaler service connecting small, local and organic producers with professionals of the food sector (especially restaurants and shops), has been set up and developed by one young entrepreneur (freelancer), who is currently looking for an associate – with the eventual aspiration to transform this activity into a multi-stakeholder cooperative involving both workers and customers into its governance.

(4) Learning from entrepreneurs' experiences: mobilising people, leading democratic organisations

Exchanges with entrepreneurs included a sharing of experiences and lessons learned, to identify common features characterizing entrepreneurs' profiles, and in particular to better understand benefits (A) and challenges (B) related to the establishment of a collective economic activity.

(A) Which skills for young entrepreneurs?

Entrepreneurs from both youth organisations and cooperatives learned a lot through their experience, acquiring and putting into practice a set of soft and hard skills. Interestingly, identified skills are common to both types of organisations – validating the approach taken by CoopStarter 2.0.

a. Acquisition and mobilization of soft skills

Entrepreneurs have acquired or further developed soft skills through the running of their activities, including transforming their empathy towards needs from partners and local communities into viable projects, and working as part of a self-managed team.

Some entrepreneurs (e.g. Terroirist) insisted especially on the importance to develop abilities to establish partnerships with other organisations: preferring collaboration instead of competition creates a friendly ecosystem, opens markets and tightens relations with providers and customers. However, such an approach also entails overcoming and transforming business-related behaviours marked by competition and mistrust. In this respect, the cooperative form offers tools for high transparency and trust towards



stakeholders, who find the space for accessing information and express their voice regarding the business strategy.

Valorisation of soft skills acquired by youth leaders, into a context of cooperative start up, is illustrated by Village Office. The founder capitalized on his capacity to mobilize and engage a community of people into a structured project, through a horizontal governance model involving consent-based decision-making rules.

b. Acquisition and mobilization of hard skills

Entrepreneurs also develop a range of hard skills and experience related to the setting up of a business, among which: project and organisational management, accounting, marketing, communication, facilitation of collective thinking and web design (when relevant with the sector addressed).

Some hard skills acquired by entrepreneurs are specific to social and solidarity-based organisations. As for cooperatives, one important aspect affecting their business model is the relation with their members: strategies to market access, services and costs to internal governance may be affected by the type of economic interaction established between the company and its stakeholders. Entrepreneurs also insisted on the importance to be able to develop sound partnership strategies at a very early stage, in relation with the necessity to foresee a development of the organisation as embedded into its ecosystem (see above, soft skills). In addition, some entrepreneurs must set up teams combining professionals and volunteers (e.g. see Déclic en Perspectives), which entails differentiated and more complex human management schemes – a situation which may be more frequent in social and solidarity-based organisations than for capitalistic profit-making businesses.

Finally, playing with different statutes (namely associations, charities and cooperatives) requires and generates an in-depth knowledge about each of these models, their specificities and differences, and finally their assets or challenges with respect to the entrepreneurial project (e.g. see Life Lab).

(B) Identifying (and overcoming) barriers to youth entrepreneurship

Identified barriers are also common to entrepreneurs from both types of organisations. They are mainly related to administrative issues (bureaucracy, red tape, etc.), access to funding, and access to skills. Indeed, young leaders of entrepreneurial projects either in youth organisations and cooperatives, are at a clear majority not professionals nor experts of the market field they are entering in: related administrative and financial constraints are thus reported to be very time-consuming, especially in the start-up phase where time is a key resource. Lack of time may generate lack of knowledge about the cooperative model, leading entrepreneurs to choose alternative models which appear more accessible and less constraining (e.g. Terroirist and We'CO).



It is worth noting that few barriers related to legal frameworks and access to markets were notified through such interviews. Yet, a Belgian entrepreneur reported that he hadn't yet registered his business as a cooperative, partly because of uncertainties stemming from ongoing reforms of business and cooperative law.

To wrap up, entrepreneurs shared some hints and tips addressed to future entrepreneurs. Those include: adapting the goals to the real needs of the business, investing into attractive promotion, and ensuring to develop an activity which would be fully aligned with personal motivations. Entrepreneurs also draw attention on the need to set realistic goals, staying humble and open-minded, as well as putting aside or balancing self-profit-driven motivations.



Conclusion

"Youth entrepreneurship" is spreading everywhere, as public and private priorities, as a source of open debates and individual concerns, as a hope for innovation and fear of insecurity. This paper tests and develops the rationale upon which is elaborated CoopStarter 2.0 project: it proposes to opt for a comprehensive approach towards *youth entrepreneurship*, envisioning it as implemented by young leaders through their projects – should they be aware of it or not.

Starting from a clarification of key concepts such as *young entrepreneur, youth organisation* and *cooperative*, it introduces the reader with policy work carried out at European level by institutions, representatives of the cooperative movement and youth platforms, highlighting existing approaches and – above all – the evident lack of bridges connecting youth leadership with cooperative entrepreneurship. In a second part, it brings the reader through 27 stories of young entrepreneurs, should they be leaders of youth organisations, founders of cooperative businesses, or even freelancers starting up new projects. Operating and growing across 8 European countries, these projects illustrate the diversity of aims, scopes, sectors, organisational forms that are being tackled and experimented by younger generations. Beyond such a diversity though, a common voice seems to emerge: European young leaders do not have only dreams and ideals for a better world – they also mobilize tools, creativity and energy to make their aspirations become a reality, in a democratic and inclusive way. In this respect, they choose and play among organisational structures recognized by legal frameworks, should they be non-profit organisations, cooperative businesses, or even freelancer statutes.

The paper concludes on lessons learned by these young leaders. By showcasing soft and hard skills needed and acquired by these entrepreneurs, it offers a basis of reflexion for CoopStarter 2.0 consortium, but also any interested stakeholder, to develop their approaches and training activities in a way which effectively contributes to bridge youth leadership and cooperative entrepreneurship. This preliminary research will be followed by relevant pedagogical material and supporting online tools aimed at providing actors with practical resources in this respect.

