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**ENTREPRENEURSHIP AND INNOVATION:  
ANTIDOTES FOR YOUTH UNEMPLOYMENT**

Ladies and gentlemen,

Colleagues,

I think we all agree that unemployment is the most painful and dangerous symptom of the economic crisis, which does not only affect the European but also the world economy. Because, if unemployment is tolerable and manageable at certain levels, it requires alarming mobilisation at high rates such as those witnessed today.

According to the latest figures provided by Eurostat, there are more than 26 million unemployed people at European level while the unemployment rate in Greece is over 27% (27.1% in the second quarter of 2013). At such rates unemployment seriously puts social cohesion to the test and gives rise to marginalisation and isolation. Particularly youth unemployment, which concerns the most creative and specialized part of the labour force, has multiple repercussions. The financial losses stemming from the inadequate integration of young people into the economy amount to over 150 billion a year (a sum corresponding to 1.2% of the European Union GDP). Relevant losses for Greece amount to app. 2% of the GDP.

Let me also highlight that the difficulty of inclusion and the entrapment of young people in long periods of unemployment or underemployment undermines their professional development in the long term. Available data at European level show that the likelihood for a young unemployed person to find a stable job is low: only 29.7% of young people aged 15 to 24 years who were unemployed in 2010 found a job in 2011. Actually in 2012, 42% of the young employed persons worked on a temporary work contract (the rate is four times higher for adults) and 32% worked on part-time work contracts (twice as much as in the case of adults).

Prompted by warnings by the International Labour Organisation (ILO) concerning the on-going increase in unemployment in Europe, the European Commissioner for Employment stated "...economic recovery must last and be robust to absorb unemployment". Specifically speaking, according to the agenda established in the work package of April 2012 the actions for employment undertaken by the European Commission also focus on the creation of jobs in sectors with considerable development prospects and the improvement of human resources on the job market. On the basis of the "youth guarantee" programme known as "Barroso initiative" concerning the employment of young people and their inclusion in the economy, member-states shape their plans on how to tackle their extremely high youth unemployment rate. For a great number of member-states this requires structural reforms including the development of professional training and education.

As a support to the "Youth Guarantee" programme the European Commission agreed on a new initiative, i.e. the Youth Employment Initiative in February 2013, with resources amounting to 3 billion Euros from the European Social Fund and 3 billion Euros from the community budget. This initiative exclusively focuses on areas with youth unemployment rates over 25 % and concerns young people aged between 15 and 24 and as highlighted all actions included must stem from the close cooperation of governments with both sides of industry and the parties involved.

This has also repeatedly been stressed by the Economic and Social Committee of Greece in its opinions concerning growth, entrepreneurship and the labour market. In a recent study submitted to the Ministry of Labour with proposals on the promotion of employment, and mainly that of young people, we highlighted that to remove structural weaknesses distorting entrepreneurship and obstructing the increase in employment a continuous effort on the part of the State is called for in close cooperation with both sides of industry to shape a single intervention package.

Specifically I consider that the first aspect we must focus on is whether there are the necessary structures or frameworks that will contribute to the smooth approach of the labour market by the young. Whether young people namely have the qualifications and specialisations businesses need. As to Greece, structural issues of its economy have given rise to serious difficulties for the education and the labour market to adjust to the modern economic reality. A particularly high rate of unemployed young people is represented by university graduates, who cannot be absorbed by the labour market,

because their studies and qualifications do not match the job offered. With regard to the entrepreneurship of young people both the safety and stability of the entrepreneurial world and the level of entrepreneurial culture must be considered. Once again, having my country as reference, let me highlight that unfortunately the notion of entrepreneurship in Greece is not developed. And, in this, great part of the responsibility lies with the state, as it did not ensure its citizens the mechanisms that would promote entrepreneurship, which would in turn come to fruition in a steady and safe business environment.

The study of the Greek crisis has shown that one of the basic priorities in tackling the crisis at national level is the support of youth entrepreneurship and the creation of new enterprises, with emphasis on the promotion of innovation, technology, specialisation and openness. I think that what is mentioned above must also be a priority at European level.

The answer to the question what could become the driving force that would push the economy towards growth is understandable: it is the "cultivation" and support of entrepreneurship, as only thus jobs can be created, flexibly utilizing qualifications and skills, and only thus the huge problem of unemployment and the modern migration flow of young people created by unemployment can finally be contained. By means of the technology chosen and their specialization young businessmen can regain the lost ground and balance the situation. The future of Europe is in the hands of young businessmen and innovative enterprises (Start Ups) and investments must be made in this sector.

Therefore interventions are required to help the basic poles of growth, young people, both sides of industry and entrepreneurs to cooperate better. Because the objective must not only be equipping young people with knowledge and scientific training to be able to find work but also with the relevant culture and suitable conditions to create their own innovative enterprise, their own business.

In this context the proposals of the Economic and Social Committee of Greece for the development of youth entrepreneurship and the guarantee of employment for young people focus on:

- ☐ increasing and better utilising European funds for the youth.
- ☐ tax reliefs for young entrepreneurs aged up to 35.

☐ creating a safety net for young entrepreneurs (starts-ups) and providing full support (of financial, consultative and technical nature) at every stage of their entrepreneurial activity.

☐ targeted actions for the connection of educational programmes with the current needs of the labour market.

☐ connecting education to the idea of entrepreneurship.

☐ enlarging the participation of young people in the social dialogue.

☐ intensifying actions in the sector of new technologies and social media with the objective of better informing them and exchanging views.

I believe these proposals do not only concern my country. They concern a great number of other European countries as well. Because only in this way we will be able to look forward with optimism. The «opening» of Europe beyond its borders and its expansion to international markets with the development of innovation and youth entrepreneurship is the only antidote to the crisis and unemployment.

Thank you.

