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MAPPING AND EXTRAPOLATING SOLO-ENTREPRENEURSHIP TRENDS & FEATURES

Executive Summary

Developed by:
EDUCatt

WP2

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Introduction

According to the European Commission and the rationale of the European Entrepreneurship Competence Framework "EntreComp", in the changing society in which we currently live, it is essential that everyone can act on their ideas and the opportunities in their environment by adopting an entrepreneurial mindset. The setting up of a business for young and fresh graduates can be a challenging and daunting task, especially if students are not endowed with the right opportunities and resources.

The needs analysis consolidated in preparation of the application of the SELF project offers already robust data and evidence on the phenomenon of solo-entrepreneurship, especially in the sense of gaps and untapped opportunities. Thanks to the findings emerging from this analysis, partners can set and build the pedagogical base of reference of the project, and structure in the following Work Packages the education and training offer accordingly, taking into consideration data extrapolated from available literature related to:

- Concrete training needs and following learning outcomes that should be addressed to foster solo-entrepreneurial attitudes and sense of initiative among HE students
- Specific business disciplines and training areas that are instrumental in supporting the career development pathways of aspiring solo entrepreneurs

Evidence and key points gathered and collected by partners through the Research Phase of this WP contribute to shaping the content and structure of the curriculum, training areas of interest, and specific competencies addressed and valorized by the education offer of the project and to enhancing the learning objectives of the training curriculum that will be developed at a later stage of implementation.

This executive summary also provides the assessment and evaluation of consolidated good practices and/or case studies at the national and transnational levels, with the



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aim of promoting up-to-date, innovative, and impactful solo-entrepreneurship training programs among HEIs and HE students.

This executive summary includes available key evidence and insights on the general key features of self-entrepreneurship and self-employment at the national and transnational levels with a focus on:

- Trends and dynamics of the solo-entrepreneurship phenomenon;
- Opportunities, trends, and challenges faced by young and aspiring solo entrepreneurs;
- Training areas of interest for the development of their sense of initiative, entrepreneurial attitudes, and business and management literacy.

This report highlights both the qualitative and the quantitative data that are going to simplify the understanding of the main topic and give both analytical and statistical looks at the self-entrepreneurship and self-employment situation in 2024.

The desk research has been conducted by each partner on the following countries:

- Spain by UMA and IWS;
- Italy by EDUCatt and IDP;
- Slovakia by Comenius University Bratislava;
- Portugal by University of Aveiro;
- Europe by IHF asbl at the transnational level



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Trends and features of the solo-entrepreneurship phenomenon in the analysed countries/region

The phenomenon of self-entrepreneurship and self-employment has been rapidly changing, especially during the period of the COVID-19 pandemic which gave hard times to most of the entrepreneurs in the world.

Based on the results from the Eurobarometer (2023)¹, 46% of young people aged 15-30 in the EU would consider setting up their own business, but only a few have taken active steps to do so. Lack of capital or resources, financial risks, and insufficient knowledge and entrepreneurship skills were found as the main barriers to young people becoming entrepreneurs.

According to CEDEFOP, the share of self-employment in Europe has been lowering from 2011 up until 2022, where the share is estimated at 13,9%, while in 2011, it was 14,6%. The decrease in the number of self-employed people in the EU happened much earlier than in 2020. Obviously, the pandemic helped for the worst the shrinking of this percentage, with 2021 marking the worst year for self-employment (13,1%), after 3 years of complete stale from 2019 to 2020 (13,4%).

Without any doubt, there are other factors that need to be highlighted when studying the solo-entrepreneurship phenomenon in the analysed countries and, in general, in Europe.

The percentages of self-employment vary from country to country within the EU, however, according to Eurostat, there is a similar trend in terms of the educational level of self-employed individuals. Indeed, since most of them work in the primary sectors such as farming and breeding, many of those choose to leave formal education early to focus on self-entrepreneurship and self-employment, leaving behind their educational careers².

¹European Commission, Social entrepreneurship and youth, March 2023, <https://shorturl.at/Y3FOY>.

²CEDEFOP - The European Centre for the Development of Vocational Training, Guidance Supporting Europe's aspiring entrepreneurs: Share of self-employed people (in %) by educational level in EU in 2022. <https://shorturl.at/2ITSj>.



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Overall, it can be said that the rate of self-employment has declined over the past years, and that could be due to a lack of interest or a lack of strong motivation, a potential shortage of adequate training and opportunities, especially for young people and aspiring entrepreneurs. The willingness and attractiveness to become solo-entrepreneurs is there, especially among the young generations, but there are some factors that hinder the phenomenon. Self-employment in Europe has always had to face multiple challenges, both endogenous and structural, depending on the country. Financial uncertainty, taxation complexities and frequent legislative changes, high tax burden, strong competition, unlimited liability associated with self-employment, difficult work-life balance, and lack of tailored coaching and mentoring opportunities are just some of the main challenges that young entrepreneurs may endure.

The main difficulties are not only faced by young people, but also by women. In Europe, in fact, despite strides toward gender equality, there is still a gender gap between men and women in the solo-entrepreneurship world. Indeed, there is still registered an increase in self-employment among males compared to their female counterparts. Women continue to face greater barriers to accessing entrepreneurial opportunities and resources than men. Addressing the gender disparity is crucial and requires targeted initiatives and training programs aimed at empowering women entrepreneurs and creating more inclusive entrepreneurial ecosystems.

What was highlighted in the country reports analysed in Work Package 2 is that despite the overall growing interest in freelancing, gig economy opportunities and the solo-entrepreneurship field, the opportunities for certain categories, especially young and women are still very limited. There are some attempts from governments and, in general, from the European Union to increase access to support and assistance, but there is still more that should be done. The level of competitiveness, economic growth and innovation of Europe depends on being able to grow future capable leaders with the right set of skills, behaviour and attitude to be entrepreneurial and simultaneously act in a socially responsible manner.



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Hence, it is relevant to highlight the importance of education and training for the younger generations and aspiring entrepreneurs, because identifying their competence gaps and addressing them through targeted tools and instruments is paramount. There are numerous benefits, for instance, students engaged in such activities and programs are more inclined to launch their own businesses with confidence and a better sense of adaptability, and they have improved their spirit of innovation and creativity. Specific programs and training focusing on entrepreneurial skills like confidence, adaptability, risk management and raising awareness about solo entrepreneurship benefits and challenges, among others, are essential, being tailored for solo entrepreneurs, and would better prepare aspiring entrepreneurs for success. Indeed, while there are entrepreneurship training programs available such as it is in Spain, they may not always be specifically tailored to solo entrepreneurship. Many of these programs focus on general entrepreneurial skills and may not address the unique challenges faced by solo entrepreneurs. Therefore, there is a great need to tailor those programs and courses according to peculiar competence gaps and therefore, to simplify the transition from young aspiring (self) entrepreneurs from the world of education into the world of practice.

The main gaps and specific needs of the solo-entrepreneurial ecosystem arisen from the country reports are listed in the document called 'Learning Outcomes Matrix', that will be used as a basis for the development of the tailored modules and training programs developed in the following Work Packages of the project.