

ENTREPRENEURSHIP IS THE KEY TO SUCCESS

Desk and Field Research
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Introduction

This report aims to conduct a collection of recent data regarding the young people in Denmark, who are not in education, employment nor training - so-called NEET. The research is part of the European project "Entrepreneurship is the key to success" (EKS), led by BrainLog – Denmark.

EKS aims at developing relevant and high-quality skills and supporting young adults in acquiring entrepreneurial competencies to build entrepreneurial mind-set with a special focus on developing skills needed for future entrepreneurs. The final product of the project will be a software game that can reproduce virtual, plausible or hypothetical situations in which players can use and improve their entrepreneurial skills. The game's environment will ensure that the player does not feel pressured or judged but will rather feel free to act and put into practice his / her abilities.

The purpose of this research is to find out the specific aspects of the skills that the game should focus on, at what level should the basic knowledge be established and how detailed should the scenarios be and how advanced should the pieces of theoretical information be provided.

The methodology addressed in this report is desk-based research by reviewing the literature, practices and conditions existing in Denmark, and the field-based research consisting of a questionnaire.

Desk-based research involves a thorough analysis of data and resources in literature, reports, policy documents, previous surveys and research studies. Through this, it was intended to collect the necessary information regarding disadvantaged adults and NEETs and at the same time the development of entrepreneurial competences for integration in the labour market.

The field-based research consists of an online questionnaire with the target group of the project - disadvantaged young adults (especially low-level NEETs, aged between 20 and 24) or motivated young adults interested in becoming entrepreneurs.

Also, the report focuses on existing good practices that may prove crucial in conceptualizing new innovative solutions for creating an entrepreneurial mindset among disadvantaged youth.

Executive Summary

The national report consists of a collection of recent data regarding the young people in Denmark, who are Not in Education, Employment nor Training - so-called NEET. The research is part of the European project "Entrepreneurship is the key to success" (EKS).

The methodology addressed in the report is desk-based research by reviewing the literature, practices and conditions existing in Denmark, and the field-based research consisting of a questionnaire.

The rate of unemployment, among the young people, has declined to 5.7% in 2017 being the lowest level recorded since 2008. At the same time, there has been an increase in the rate of NEETs among the age group of 15-24, from 5.8% in 2016 to 7% in 2017. A drastic impact on the increased rate in NEETs was the rate of the school dropout in the same period, 7,2% to 8.8%.

Some of the risk factors that contribute to young people leaving the school in Denmark include socially disadvantaged background, disengagement from school, migrant background, parental income and educational attainment.

Other factors that affect the increase of the NEET rate are flexicurity and migrant background. Flexicurity (easily hired-easily fired) can lead to alienation and works against labour market inclusion for the vulnerable groups who are already on the margins. Regarding the migrant background, statistics show that both young men and woman with a migrant background from non-Western countries face a greatly lower rate of employment than the native Danes

The youth in Denmark is well protected by the system through frequent career guidance and income support. Approximately one year of work experience brings them an extra 2 years of unemployment benefit, the second-longest entitlement period in the OECD after Iceland.

The Danish active labour market policy (ALMP) has a great focus on integrating young people into the labour market and offering them a basic education. ALMP is by far the reason for relatively low levels of youth unemployment and NEET.

The most important programs are the following: reorientation courses, vocational guidance/career counselling, training with certificates, training without certificates, employment incentives, subsidies for employer and direct job creation.

For the past two decades the Entrepreneurship education has been high on the policy agenda of Denmark. Due to the education system that has a traditionally student-centred, the implementation of entrepreneurship in education was a smooth transition.

Young entrepreneurs have access to information from a large range of actors: Student incubators in connection with education institutions, municipal business service: regional incubators, website Begingrowth (information regarding legal regulations when starting a new business), Innovation Fund Denmark, Danish Growth Fund, and the Danish Foundation for Entrepreneurship (guidance on programmes, funding, and applications).

In the conducted questionnaire, 64% of the answers were given by participants living in Denmark but with a migrant background while 36% were given by the native Danes.

A very important fact was deduced from analysing both the obstacles participants face in their daily life and the obstacle that interferes with finding a job. From those who answered that they face an economical problem 82% of them have a migrant background while the rest are native Danes. When asked to write down the obstacles towards finding a job, all 82% with a higher education stated that they are facing a language barrier while the Danes with the same level of education stated that they face a lack of experience. Another predominant obstacle was the cultural differences.

Further, the question related to the interest of becoming an entrepreneur, 64% of the answers were affirmative.

Regarding the training activity, 62% of the participants have taken a course or were part of an event in the past 1 year.

Executive Summary

Den nationale rapport består af en samling af ny data omkring de unge i Danmark, der hverken er i uddannelse, beskæftiget eller i træning - Den såkaldte NEET (Not in Education, Employment nor Training). Forskningen er en del af det europæiske projekt "Entrepreneurskab er nøglen til succes" (EKS - Entrepreneurship is the Key to Success).

Metodologien, der er behandlet i denne rapport, er baseret på en skrivebordsanalyse af litteratur og forhold der eksisterer i Danmark, samt en feltbaseret undersøgelse bestående af et spørgeskema.

Arbejdsløsheden blandt de unge er faldet til 5,7% i 2017, hvilket er det laveste niveau registreret siden 2008. På samme tid har der været en stigning i antallet af NEET'er i aldersgruppen 15-24 år, fra 5,8% i 2016 til 7% i 2017. En stor indvirkning på den øgede sats i NEET'er var antallet af uddannelsesfrafald, der i samme periode, gik fra 7,2% til 8,8%.

Nogle af risikofaktorerne, der bidrager til, at unge forlader skolen i Danmark inkluderer social baggrund, engagement, indvandrerbaggrund, forældreindkomst og uddannelsesmæssig opnåelse.

Nogle andre faktorer, der påvirker stigningen i NEET-frekvensen er flexicurity og indvandrerbaggrund. Flexicurity (nem at hyre, nem at fyre) kan lede til fremmedgørrelse og gå imod arbejdsmarkedsinklusion af de sårbare grupper der allerede befinder sig på grænsen. Med hensyn til migrantbaggrund viser statistikker at både unge mænd og kvinder med en indvandrerbaggrund fra ikke-vestlige lande står over for en meget lavere beskæftigelsesprocent end de indfødte danskere.

Ungdommen i Danmark er godt beskyttet af systemet gennem hyppig karrierevejledning og indkomststøtte. Cirka et års arbejds erfaring giver dem yderligere 2 års arbejdsløshedstøtte, den næstlængste berettigelsesperiode i OECD efter Island.

Den danske aktive arbejdsmarkedspolitik (ALMP - Active Labour Market Policy) har et stort fokus på at integrere unge ind på arbejdsmarkedet og tilbyde dem en grunduddannelse. ALMP er den største årsag til de relativt lave niveauer af ungdomsarbejdsløshed og NEET.

De vigtigste programmer er følgende: orienteringskurser, erhvervsvejledning / karriererådgivning, uddannelse med certifikater, uddannelse uden certifikater, ansættelsesincitamenter, tilskud til arbejdsgivere og direkte jobskabelse.

I de sidste to årtier har iværksætteruddannelser vejet tungt på Danmarks politiske dagsorden. På grund af det uddannelsessystem, der traditionelt er centreret på de studerende, var implementeringen af iværksætteri i uddannelsen gnidningsfrit.

Unge iværksættere har adgang til information fra en lang række aktører: Studenterinkubatorer i forbindelse med uddannelsesinstitutioner, kommunal forretningstjeneste: regionale inkubatorer, hjemmeside Begingrowth (information om lovbestemmelser ved start af en ny virksomhed), Danmarks Innovationsfond, Dansk Vækstfond og Dansk Institut for Entreprenørskab (vejledning om programmer, finansiering og ansøgninger).

I det gennemførte spørgeskema blev 64% af svarene givet af deltagere med en migrantbaggrund, mens 36% blev givet af indfødte danskere.

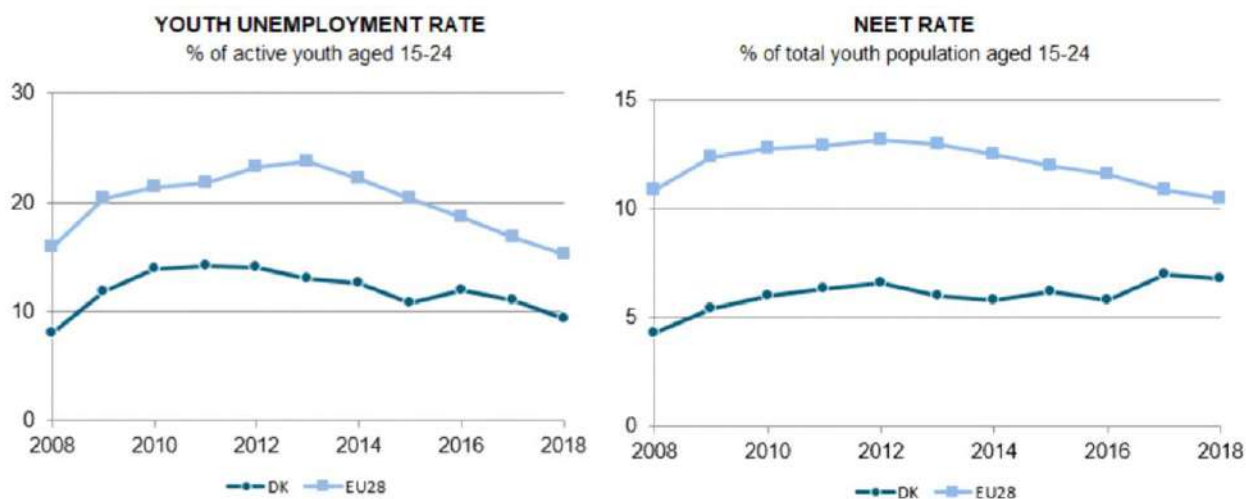
En meget vigtig kendsgerning stod klart i analysen af både de udfordringer, som deltagerne står overfor i deres daglige liv, og den udfordring, der opstår i jobsøgningen. Fra dem, der svarede, at de står overfor økonomiske udfordringer, har 82% af dem indvandrerbaggrund, mens resten er indfødte danskere. Da de blev bedt om at nedskrive udfordringerne ved at finde et arbejde, svarede alle 82% med en videregående uddannelse, at de står over for en sprogbarriere, mens danskerne med samme uddannelsesniveau sagde, at de lider af manglende erfaring. En anden stor faktor var de kulturelle forskelle.

Ydermere viste spørgsmålet omhandlende interessen for at blive iværksætter, 64% af svarene var bekræftende. Hvad angår uddannelsesaktiviteter, har 62% af deltagerne taget et kursus eller have været en del af et event i det sidste år.

Key findings from Desk Review

Youth Unemployment and NEET

According to the country report of Denmark from 2019, the rate of unemployment, including among the young people, has declined to 5.7% in 2017 being the lowest level recorded since 2008. At the same time, there has been an increase in the rate of NEET among the age group of 15-24, from 5.8% in 2016 to 7% in 2017. It is highly likely that it is due to the increasing rate of people dropping out of education or training from 7,2% to 8.8% in the same period. (Country Report Denmark, 2019)



Source: Eurostat, LFS (une_rt_a, lfsi_neet_a)

Population (16-24 years)

Region: All Denmark | Unit: number

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Men									
Active	270 671	279 726	288 903	294 003	298 529	301 492	301 781	306 362	305 669
Not active (NEET)	37 964	36 847	35 591	36 513	36 551	36 961	40 044	37 963	37 397
Women									
Active	264 685	271 649	279 035	284 182	288 655	291 036	291 303	295 349	295 446
Not active (NEET)	30 570	31 601	31 921	32 463	32 574	32 739	35 428	33 700	32 959

Source: Statistics Denmark, 2019/

There is an undeniable link between the education level and employment. According to the data presented in Labour Force Surveys in 2013, 15.5 % of people between the ages of 25 - 29 and only with lower secondary education were unemployed, while medium educated people from the same age group have reported unemployment rate of 8.0%. Highly educated people had a slightly higher rate of unemployment that can be attributed to the crisis.

Some of the risk factors that contribute to young people leaving the school include socially disadvantaged background, disengagement from school, and migrant background.

Besides, two important factors that have a great impact on early school-leaving are parental income and educational attainment. The figure below shows the educational attainment of Danes aged 18–25 according to parental income level. (Nordregio Report, 2019)

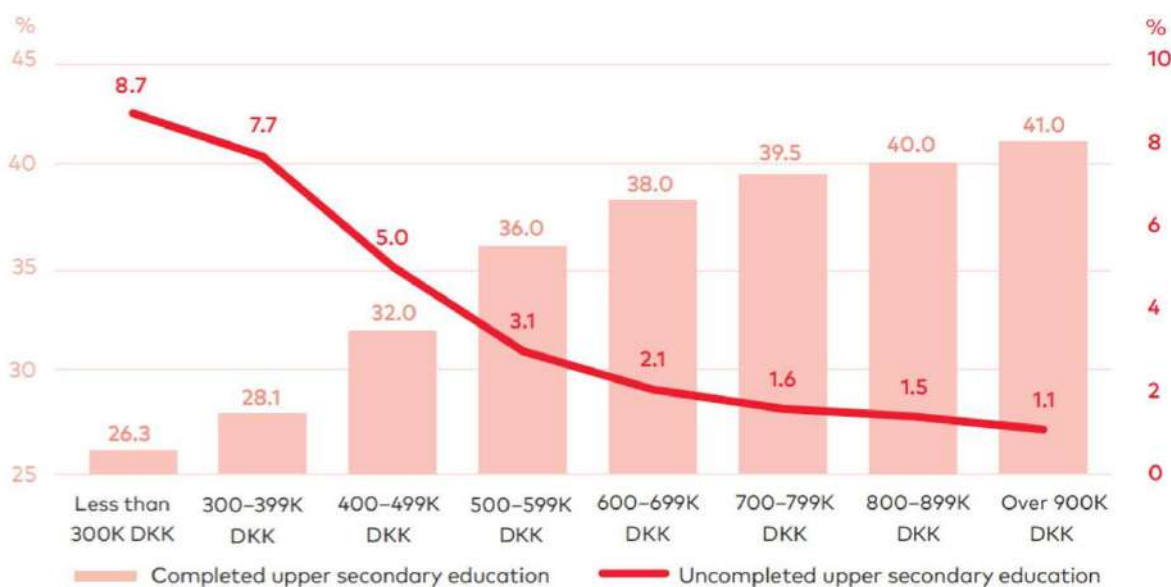


Figure 1. Educational attainment by parental income, Denmark 2017.
Source: Statistics Denmark [STATUS14]

Two other characteristics of youth unemployment besides the educational level are the flexicurity and the migrant background.

Flexicurity means that a young person can be easily hired but at the same time easily fired. This factor can lead to alienation and works against labour market inclusion for the vulnerable groups who are already on the margins. (Nordregio Report, 2019)

The final characteristic, migrant background is a difficult situation among young people. Both young men and woman with an immigrant background from non-Western countries face a greatly lower rate of employment than the native Danes. (Country Report Denmark, 2019)

According to the country report, the national 2025 target was to increase the number of participants in vocational education programmes to 30% though, in 2018 the rate reached only 19.4% which is significantly below their objective. Also, the vocational education and training reform has strengthened the entry requirements in 2014 but there was no increase in the participation rate as intended.

Further in 2016, due to the lack of apprenticeship places and through the tripartite agreement, firms devote to establish an additional of 8000-10000 more places by 2025. Until 2019, around 2100 have been established. In 2018 a 2.3 billion DKK has been allocated by the government for the period 2019-2023 to the investment of the vocational education and training system.

So far, 9% of Danish young people are in apprenticeship, a good percentage in comparison with an average of 4% in other countries. The youth in Denmark is well protected by the system through frequent career guidance and also income support. Approximately one year of work experience brings them an extra 2 years of unemployment benefit, the second-longest entitlement period in the OECD after Iceland. (Country Report Denmark, 2019)

The Danish active labour market policy (ALMP) has a great focus on integrating young people into the labour market and offering them a basic education. ALMP is by far the reason for relatively low levels of youth unemployment and NEET. The most important programs are the ones described below. (Thomas Bredgaard, 2018)

The following text is extracted from Youth employment policies in Denmark, June 2018.

“Ad 1. Reorientation courses: “Uddannelseshjælp” (2014). The program has implemented by local Jobcenter from 2014 to target NEET by reducing social assistance to a level equivalent to education support (SU) and by a new obligation to join ordinary education programs (quid pro quo). The young recipients of “education support” (uddannelsesyndelse) are classified in three groups depending on their prior educational background and personal characteristics: (1) Obviously education-ready (begin on ordinary education as soon as possible), (2) Education-ready (assistance to get ready for ordinary education, e.g. courses in basic reading, writing and math, mentor assistance) (3) Activity-ready (participate in activation programs, i.e. “Nytteindsats”, see below). Bredgaard 9

Ad 2. Vocational guidance/Career counselling: “Ungdommens uddannelsesvejledning” (UU-Centers). Municipal centres for the guidance of young people concerning education and employment. The target group is both young people in public schools as well as NEETs (18-24/30 years).

Ad 3. Training with certificates: Vocational apprenticeships in a dual training system (“Lærlinge”)

Ad 4. Training without certificates: Municipal employment programs implemented "inhouse" (municipal guidance and training courses for vulnerable young unemployed) or "in-company" training (work experience programs and enterprise training programs in local workplaces).

Ad 5. Employment incentives, subsidies for employer: Wage subsidies in the public and private sector ("Løntilskud").

Ad 6. Direct job creation: Additional and "socially useful" job in municipal institutions ("Nyttejobs")."

Across Denmark there are 45 municipal Youth Guidance Centres with more than 100 counsellors. Their main target group are the young people, up to the age of 25, who are not involved in education, employment and training (NEET). YGC's obligation is to reach out to NEETs and help them get back to education and training or employment. The NEET's obligation is to co-operate closely with both educational institutions and the municipal job centre. Since the vocational schools have a mandatory work component the school-to-work transition is way quicker for young Danes than it is for young people in other OECD – around 6 months. In addition, through funding, a database is being developed that will ensure a full overview of each person's education and training and will enable a quicker identification of vulnerable youth. (OECD 2013)

Entrepreneurship Education and Training

According to The Ministry of Higher Education and Science the Danish government views its education system as a central tool to "stimulate the ability of students to innovate, see opportunities and convert ideas into value, in other words to be entrepreneurial" (Danish Ministry of Higher Education and Science 2015).

For the past two decades the Entrepreneurship education has been high on the policy agenda of Denmark. Due to the education system that has a traditionally student-centered, the implementation of entrepreneurship in education was a smooth transition.

Young entrepreneurs have access to information from a large range of actors:

- Student incubators in connection with education institutions (Studentervæksthuse)
- Municipal business service: The municipal business service is the main entrance to the

promotion of business. The service covers information and counselling of entrepreneurs and enterprises

- Regional incubators (Væksthus): Offers specialised counselling and feedback
- The website Begingrowth (startvækst) offers information regarding legal regulations when starting a new business
- Innovation Fund Denmark has launched an entrepreneurial guideline with information on funding, application process, etc.
- Innovation Fund Denmark, the Danish Growth Fund, and the Danish Foundation for Entrepreneurship offer guidance on programmes, funding, and applications

Research results: Good Practices

SUME - Særlig ungeindsats med effect

SUME - 'Særlig ungeindsats med effect' (special youth emphasis with effect) is a project that aims to educate unemployed and marginalized young people so that they can start - and be kept in a vocational or other qualification course or of higher education. SUME came from the desire of Jobcenters to make a special effort for the group of young people who lack resources and are on the edge of the labour market. The project is run by the municipalities of Slagelse and Kalundborg in cooperation with EUC Nordvestsjælland (business development center).

Most participants in this program are young people struggling with poverty, young people with substance abuse or young people with mental illness.

Considering the different problems of these young people, as well as the background from which they come, the municipalities have developed their own strategies to interact with them.

A good example is the strategy approached by the municipality of Slagelse - their focus is not entirely on education but rather on the personal conditions of the participants, especially those with mental problems. In a sort of gym, the participants are engaged in physical exercises or relaxation. This strategy is an efficient means for those young disadvantaged people because the conversation between

them and the Employment Services is done in a less formal environment. The time allowed to the program may differ from 2 to 6 months, depending on how quickly the participants are willing to open, avoiding putting pressure on them.

SUME is highlighted by 3 important elements: the emphasis placed on the personal conditions of the participants, time and support and the individualized approach of each participant in the project.

Educational track to work

The Sjælland region of Denmark was registered with the largest rate of unemployed young people, with the ages between 18 and 24 years old, the reason why the project "Educational track to work" was born in the first place.

The reason why the high number of unemployed among young people was registered is due to the competences that did not respond to the needs of companies in the region.

The strength of the project is the coordination of the partners from education or vocational training and on the labour market who must follow the scheme that the project supports - remuneration of companies by the municipalities that offer internships to young people and satisfies their incentives through remuneration during the training period. In order to ensure a secure and extended network, the coalition of trade unions deals with the mediation of contacts between programme managers.

TAMU

Tamu is an independent organization, 75% financed by the state and 25% of the revenues that includes the sale of products and services in which the students are involved. Tamu's main target group are young people between 18 and 30 years old who have a low or no education level. The main purpose of the organization is to find a link between the labour shortage and the unemployed.

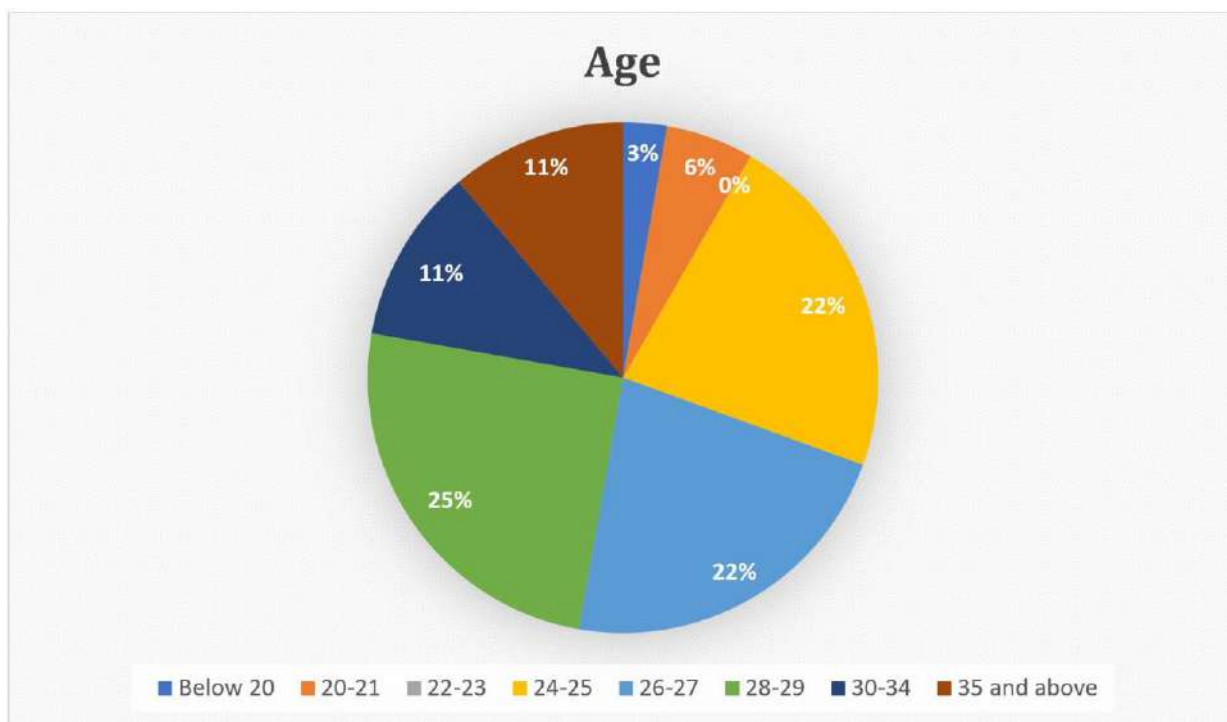
Tamu offers a 1-year course consisting of practical learning and social learning through work. The course consists of 5 steps: the evaluation of the competence at the entrance, the trial period, the first industrial period, the second industrial period, and the placement in the workplace or education.

After finishing the course, the job or education is a guarantee.

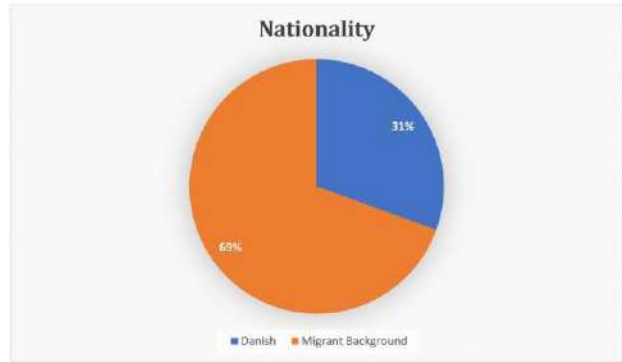
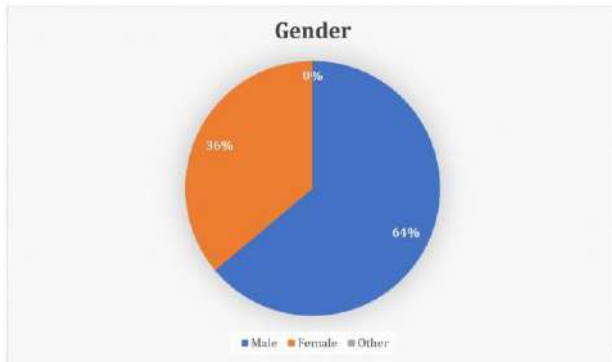
The training offers different branches including cleaning services, furniture production, catering, logistics, construction and servicing, etc.

Research Results: Questionnaires with the target group

The field-based research consists of online questionnaires conducted with 36 participants who represent the target group of the project. The questionnaire was made to get a deeper understanding towards the participants competences, the problems they face in finding a job, the obstacles encountered in their daily lives, their interest in entrepreneurship and so on. The results of the questionnaire are meant to further help with the development of the game within the EKS project.

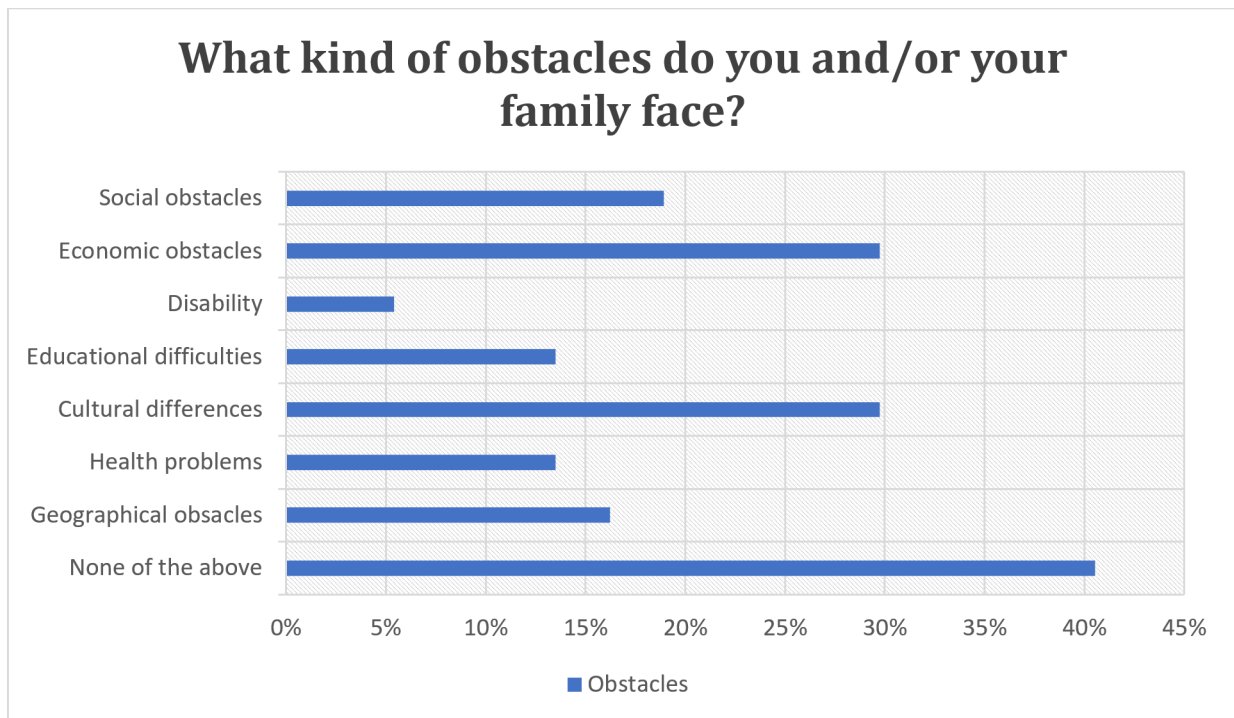


The predominant ages who answered the questionnaire are those between 24 and 29, that makes a total of 69% of all the participants. 22% represent the participants with the age of 30 and above and the rest of 9% are those under the age of 21.



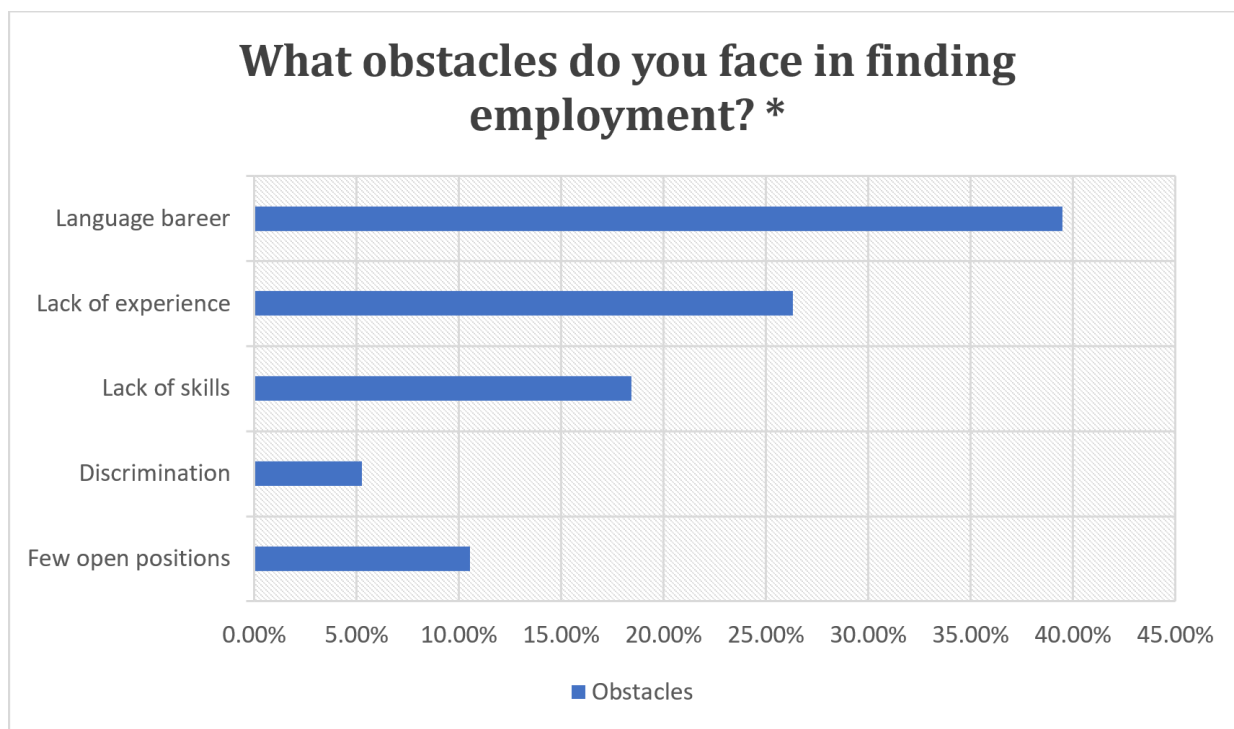
The predominant gender is the male with almost a double percentage than the one for the female.

According to Denmark statistics around 11% of the total population of Denmark is represented by the immigrants from western and non-western countries (without their descendants). As seen above 64% of the answers were given by participants living in Denmark but with a migrant background while 36% were given by the native Danes.



The highest number of participants - 41% has answered that they or/and their families don't face any of the obstacles listed above. Among the participants who face obstacles, economic and cultural differences are the most popular both with 29.73%.

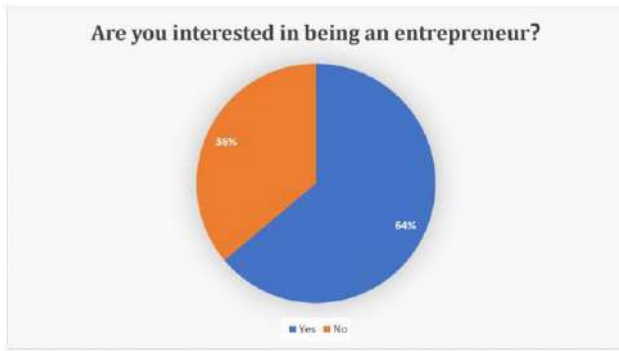
The following graph represents the most common obstacles the person faces while searching for a job.



A very important fact can be seen from analysing both the obstacles participants and/or their family face in daily life and the obstacle that interferes with finding a job. From those who answered that they face an economical problem 82% of the participants have a migrant background while the rest are native Danes. When asked to write down the obstacles towards finding a job, all 82% with a higher education stated that they are facing a language barrier while the Danes with the same level of education stated that they face a lack of experience.

Further, the question related to the interest of becoming an entrepreneur, 64% of the answers were affirmative. Looking at the group age, the affirmative answer was 100% for the participants with the age of 30 and above, around 64% for those with the age of 25 and below and around 53% of those with the age between 26 and 29.

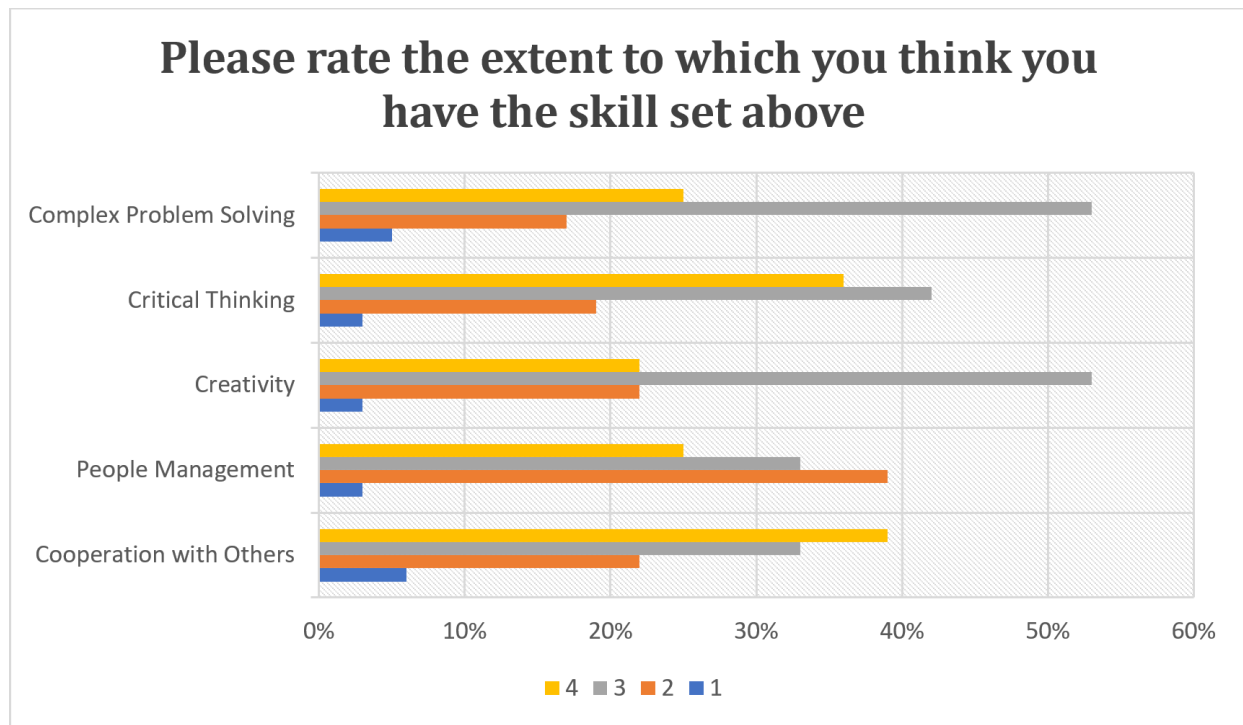
Regarding the training activity, 62% of the participants have taken a course or were part of an event in the past 1 year. Some of the topics were: product development, webinar, leadership event, entrepreneurship event, sales and drivers' licence.



The average of participants beliefs towards their skills was around 3 ((from 0 = lacking the skill to 4 = meaning that the skill has been mastered)

The percentages below are the highest recorded:

- 39% rated the cooperation skills to 4
- 33% rated the people management to 3
- 53% rated creativity to 3
- 42% rated critical thinking to 3
- 53% rated complex problem solving to 3



Regarding the importance of the mentioned skills, 89 of the participants believe that they are adequately to extremely important, 8% where hesitant while 3% did not find them important at all.

Finally, 70% of the participants were affirmative to the questions regarding their interest in enhancing those skills while the others were negative or hesitant.

Conclusion

Based on the data collected, Denmark seems to be tackling the youth unemployment and NEET problem in a serious manner by protecting them with frequent career guidance, vocational schools and income support. Though, there are plenty of risk factors that lead young people in becoming NEETs (early school dropout, migrant background), the Danish system continues to work on mitigating the factors and reduce the rate of NEETs and unemployment among young people.

In general Denmark has a big focus on the youth. The government offers free studies starting from the primary to secondary and tertiary education. As a plus, the entrepreneurship was implemented into the Danish education in order to stimulate the ability of students to innovate, see opportunities and convert ideas into values. For the past years Denmark had a significant growth in the entrepreneur field, a lot of information being accessible to the young entrepreneurs.

The entrepreneurship is offered as an education, meaning that the students have already had an interest into this field. There are a large range of actors (student incubators, municipal business service, regional incubators) that offer information to the young entrepreneurs but they are mostly meant to help them with counselling and feedback , offer them information regarding legal regulations when starting a new business as well as information on funding and application process.

So far, there are no projects in the field of entrepreneurship that target the NEETs only, projects that help them build an entrepreneurial mind and lead them onto the entrepreneurial path. With that said, the objectives of the EKS project might have a great impact on the NEETs in Denmark.

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