

## The Roles and Problems of NGOs in Development of Youth Entrepreneurship

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**Abstract:** The role of Non-Governmental Organizations (NGOs), as a stakeholder of the entrepreneurship ecosystem, is gaining more and more importance in the development and dissemination of youth entrepreneurship. However, there is a lack of research in both national and international literature on the role of NGOs in entrepreneurship in general and youth entrepreneurship in particular. In this direction, this study has been prepared to determine the roles and problems of various institutions, especially NGOs, working in support and dissemination of young entrepreneurship. A quantitative research method was adopted in the study and a questionnaire form was developed using the literature. The questionnaire form was applied to the representatives of different institutions working on youth entrepreneurship in Turkey. For this, snowball sampling method was used and a sample group of 100 people was reached. The results of the study confirm the problems both in the execution of activities and in cooperation. However, it has been determined that the willingness and ability to offer suggestions for solving these problems is high. In particular, the need for platforms to harmonize the young entrepreneurship activities of institutions and to act as an umbrella/roof on this issue was particularly emphasized.

**Keywords:** NGOs, Youth Entrepreneurship, Entrepreneurship Ecosystem

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### Introduction

Entrepreneurship can be defined as a process in which opportunities are explored, analyzed and implemented to create new products and services (Shane, 2000). Entrepreneurship allows people to do what they want, to follow their passions and allow self-actualization. Entrepreneurship is not just important to the business itself. It plays a major role in a country's economy by supporting economic growth. First, it creates new business opportunities. Second it creates employment. And one of the most important aspects is undoubtedly that entrepreneurship helps bring new products and ideas to the market. Without the creative ideas of entrepreneurs, our world would not be as advanced in culture, science and technology as it is today.

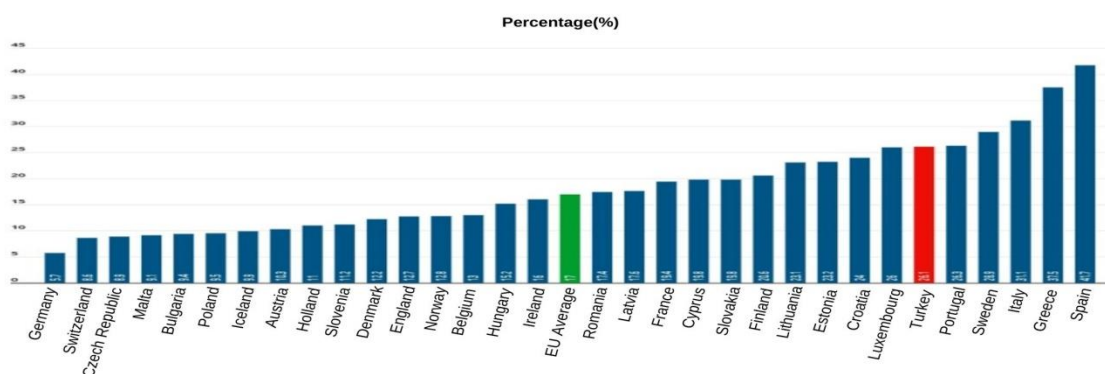
On the other hand, young people are the future of the society they live in and they are the heirs of the future of the world. The more educated, productive, creative and innovative the young population in a country is, the more potential the country has for development and progress. Entrepreneurship is an indicator of progress in any society. Today's need is to provide opportunities for young people to think and dream big and to support their entrepreneurial intentions. In some countries, youth entrepreneurship is recognized as a promising solution to the unemployment problem and is actively encouraged by various institutions, especially the governments (Chigunta, 2017). With such an approach, youth entrepreneurship will contribute to the sustainability of growing economies and enable the integration of young people into the workforce.

The role of Non-Governmental Organizations (NGOs), as a stakeholder of the entrepreneurship ecosystem, is gaining more and more importance in the development and dissemination of entrepreneurship (Nandan & Kushwaha, 2017). However, there is a lack of research in both national and international literature on the role of NGOs in entrepreneurship in general and youth entrepreneurship in particular. To address this gap, this study aims to identify the roles and problems of NGOs and various insitutions that work for supporting and disseminating young entrepreneurship.

## Youth Unemployment

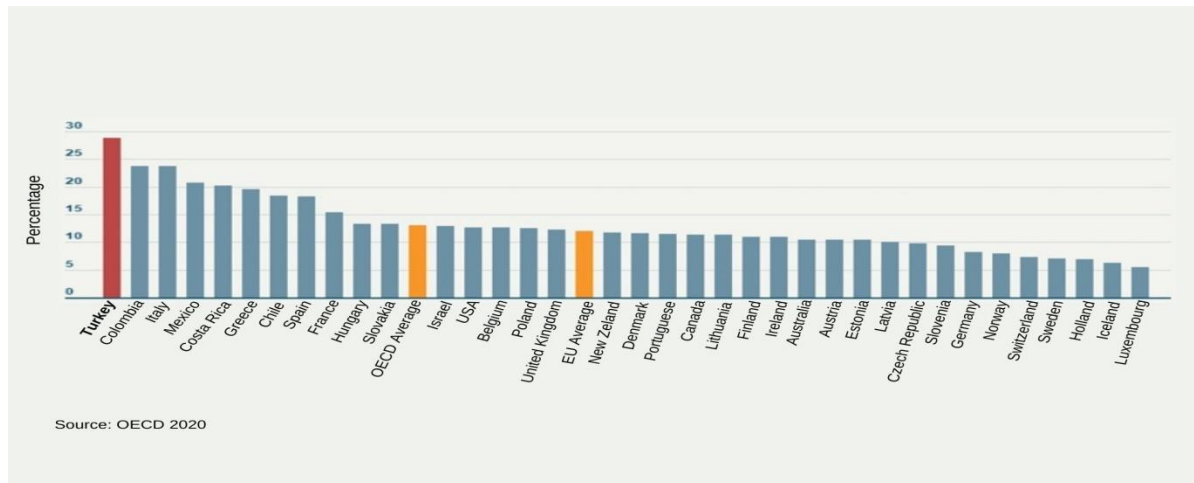
Today, the global youth population has reached the highest level in history. The share of youth not in employment, education or training (NEET) in 2020 rose to 23.3 per cent, an increase of 1.5 percentage points from the previous year and a level not seen in at least 15 years. The total global number of unemployed youths is estimated to reach 73 million in 2022 (ILO, 2022). With the COVID 19 pandemic, the young population has an important place in the recently increasing unemployment rates in Europe and Turkey as well (ILO, 2022).

Eurostat (2020) data shows that while the general unemployment rate in the European Union is 7.2%, this rate rises to 17% for the people under 25 years old group. In Turkey, according to TUIK (2020) data, the general unemployment rate is 13.4%, while it is 26.1% for young people under the age of 25. In other words, youth unemployment rates in Turkey are above the EU average.



Source: Eurostat-July-June  
figures TUIK 2020

The OECD's "Education at a Glance 2020" report points to a similar picture. According to the report, the rate of young people between the ages of 15-29 who neither go to school nor work is 28.8%. The EU average is 12% and the OECD average is 13%.



## Youth Entrepreneurship

Youth unemployment data shows the need for solutions to eliminate youth unemployment. From this point of view, the importance of entrepreneurial activities also emerges spontaneously. There are many definitions of entrepreneurship in the literature. For the purposes of this report on youth entrepreneurship, the definition of Chigunta (2017) as "the practical application of entrepreneurial characteristics such as initiative, innovation, creativity, risk-taking and the use of appropriate skills necessary for success in the ecosystem in entrepreneurial activities of young people between the ages of 15-29 has been adopted".

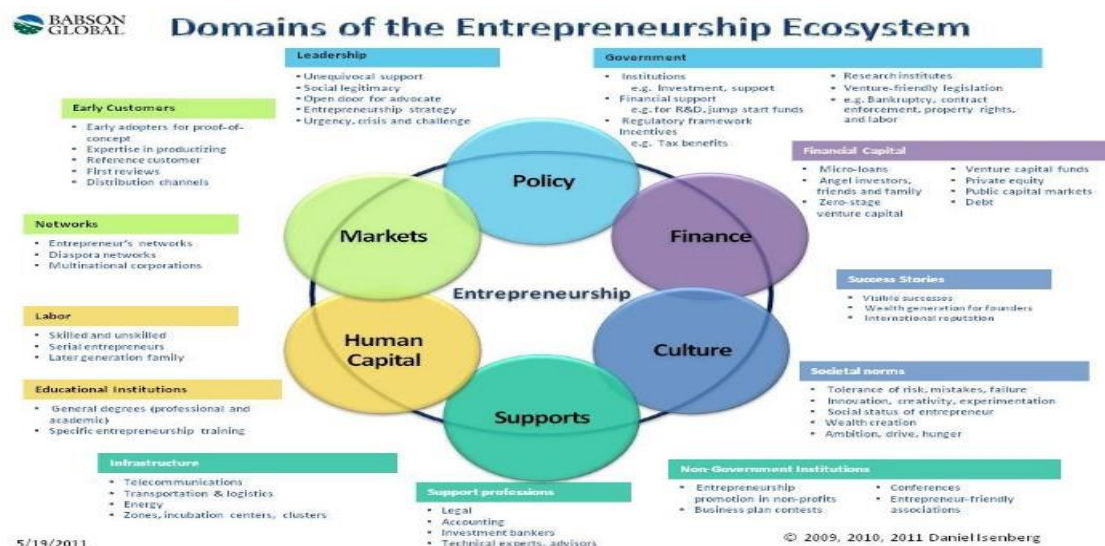
In recent years, entrepreneurship and specifically youth entrepreneurship have been identified as strategic areas in economic and social development in the world (Xheneti, 2006). Entrepreneurship is increasingly becoming an important tool and useful alternative for generating income for young people. As barriers to traditional career paths increase, youth entrepreneurship has begun to be seen as an additional way to integrate young people into the labor market and fight poverty (Lafuente & Gomez Araujo, 2016). Given the global demographic trends, it has become important to recognize the social and economic contributions of my young entrepreneurs. Entrepreneurship can unlock the economic potential of young people. Moreover, the natural tendency of young people towards innovation and change makes the entrepreneurship a very suitable career path for young people and it is important to give the right support to the society in order to remove the obstacles in front of them.

In the "Youth Strategy" of the European Union, which was adopted in 2009 and valid between 2010-2018, youth entrepreneurship has been accepted as one of the eight main action areas along with youth employment (COM, 2009). The strategy outlines the European cooperation in the youth field and is outlined around the main

objectives of providing opportunities for young people in education and the labor market and supporting the active participation of young people in society. There are many European Union programs and entrepreneurship network projects that provide resources and opportunities by encouraging young people to entrepreneurship. For example, European Confederation of Junior Enterprises-JADE) and the European Confederation of Young Entrepreneurs are the two main organizations that aim to encourage young people to participate in economic and political life (Alan, 2020). Moreover, Erasmus for Young Entrepreneurs program which is a cross-border programme facilitating the exchange of entrepreneurial and management experience aims at developing the capacity of young entrepreneurs. On the other hand, youth entrepreneurship has taken its place as one of the strategic priorities in Turkey's entrepreneurship strategy and action plan (2015-2018).

## The Role of Non-Governmental Organizations (NGOs) in the Entrepreneurship Ecosystem

The issue of supporting entrepreneurship is accepted as the basic element of economic development of both countries and cities and regions all over the world. For this reason, the discourses of "entrepreneurship" and "entrepreneurship ecosystem" have become a buzzword in the language of everyone who has an entrepreneurship problem in recent years. The concept of ecosystem, as a concept from biology, refers to the interactions of living organisms with the physical environment. Ecosystem, as used in the economic context, tells that entrepreneurship does not exist alone in a vacuum and cannot be considered separately from environmental conditions.



Source: Isenberg, 2010

Entrepreneurs exist in an environment with many interacting elements. Working in the field of entrepreneurship at Babson University in the USA and analyzing the entrepreneurial ecosystem in his article titled "How to Start the Entrepreneurship Revolution" published in Harvard Business Review in 2010, Prof. Daniel Isenberg identified the social and economic environmental factors that affect entrepreneurship as Culture, Human Capital,

Markets, Legal Framework and Policies, Finance, Supporting Institutions. The individuals and organizations that represent these elements are entrepreneurship stakeholders. For example, the state, universities, entrepreneurs, large enterprises, investors, banks, social leaders, non-governmental organizations, public institutions, local media are among the stakeholders that play a role in the emergence of new ventures. The strength of each of these stakeholders and the cooperation between them provide the facilitating ground needed for successful entrepreneurship to occur.

One of the important stakeholders of the entrepreneurship ecosystem is Non-Governmental Organizations. In the last decade, the role of Non-Governmental Organizations (NGOs) in development has been widely recognized (Auplat 2006). NGOs play a catalytic role in mobilizing local human and physical resources, creating a favorable entrepreneurial environment and generating new opportunities. This contribution to the micro business sector has prompted states to seek the support of NGOs to accelerate the economic development process (Mukherjee, 2009). The role of NGOs in the field of Development of Youth Entrepreneurship is also gaining more and more importance. NGOs have a greater role in promoting and nurturing the entrepreneurial spirit among young people. A holistic approach is required to make the youth entrepreneurship movement successful.

Non-Governmental Organizations (NGOs) act as a bridge in the implementation of various development programs of governments (Lindberg et al., 2012). They can support unprepared entrepreneurs in developing their business by training and helping them. In addition, NGOs have an important role as collaborative platforms for young people as entrepreneurs. They can be arenas for non-hierarchical networking and business collaborations between individuals, projects, and firms. The main functions of NGOs are; complementarity, knowledge transfer, preparing and realizing projects that will ensure the survival of young entrepreneurs.

## **Research Methodology**

In this study, it is aimed to identify the roles of various institutions, especially NGOs, in developing and disseminating youth entrepreneurship, the needs and the problems they experience in cooperation. In this direction, answers to two research questions were sought. These are;

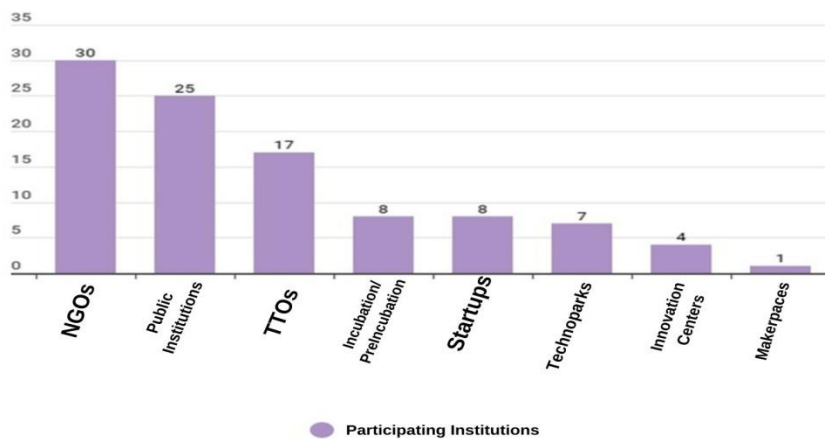
1. What are the roles and problems of NGOs and other relevant institutions in the development and dissemination of young entrepreneurship?
2. How can inter-institutional cooperation be developed?

A quantitative research method was adopted in the study and a questionnaire form was developed using the literature. The questionnaire form consists of two parts. Demographic questions were included in the first part, and multiple-choice and open-ended questions were included in the second part.

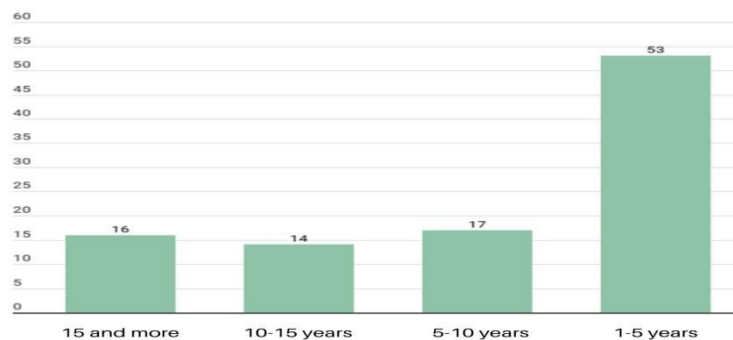
The questionnaire form was applied to the representatives of different institutions working on youth entrepreneurship in our country. For this, snowball sampling method was used and a sample group of 100 people was reached.

## Findings

Of all the participants 30 of them are NGOs, 25 are public institutions, 17 are technology transfer offices (TTOs), 8 are incubators and pre-incubations, 7 are technoparks and the rest of the other centers operating in the field of entrepreneurship.



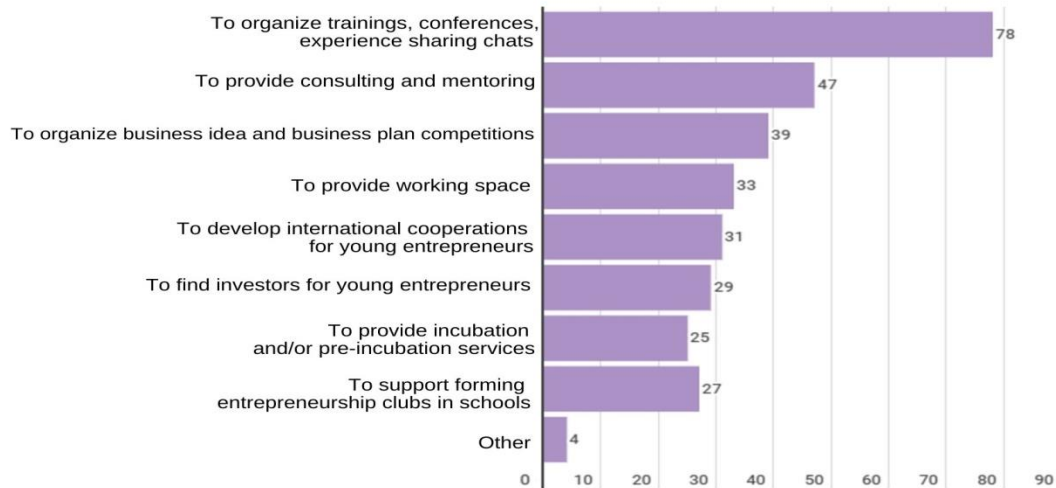
When the activity periods of the participating institutions are examined, it has been determined that 16 institutions have been operating for 15 years or more, 14 institutions have been operating between 10 and 15 years, 17 institutions have been operating between 5 and 10 years, and 53 institutions have been operating for more than 1 year and less than 5 years. As of establishment, 54% of these institutions carry out their activities on a national basis, 32% on an international basis and 12% on a local basis.



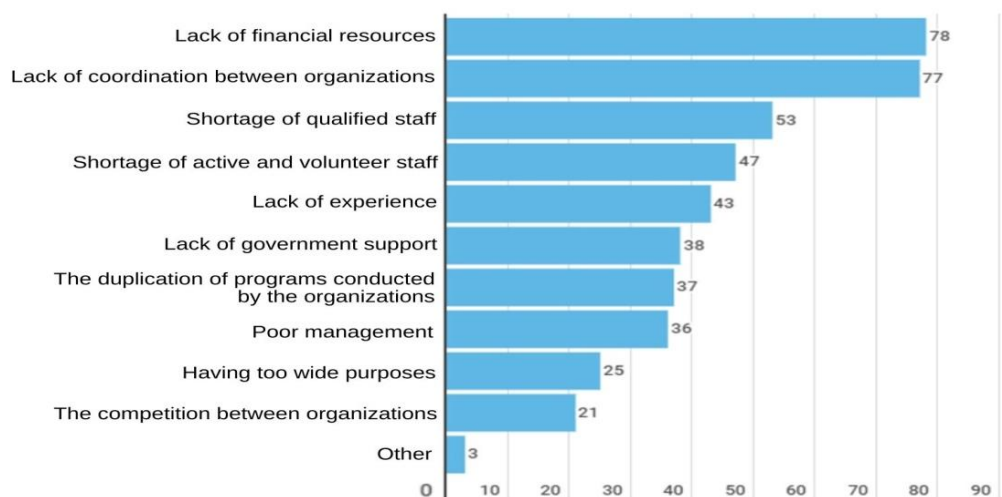
Considering the answers given to the question of what kind of activities do you carry out? 78% of the institutions organize trainings, experience sharing meetings and conferences to improve entrepreneurship skills of young



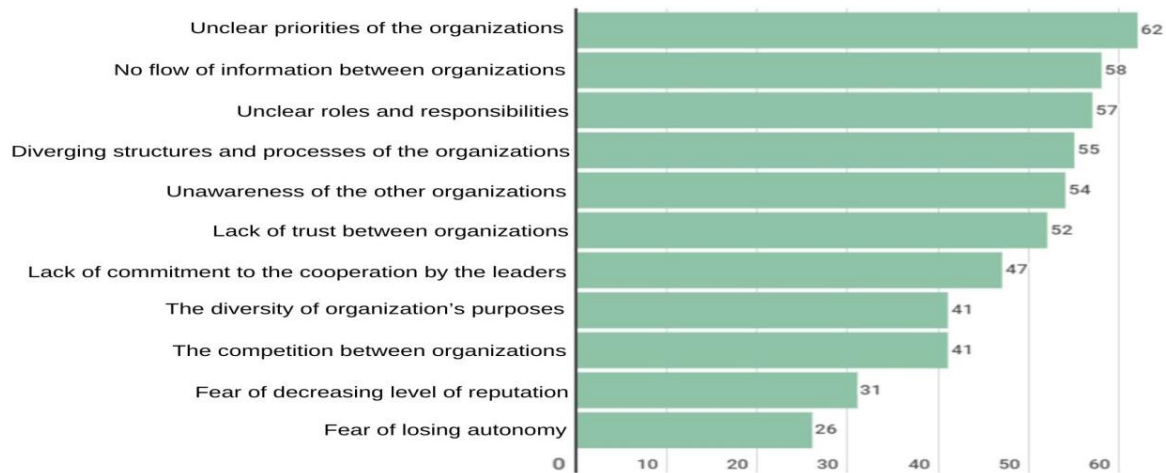
people, 47% provide mentoring services, and 37% have business idea/business plan competitions, 33% provide working area, 31% establish international cooperation, and 29% help to find investors, 27% establish entrepreneurship clubs in schools and provide support, 25% provide incubation and preincubation services.



The institutions participating in the research ranked the problems and difficulties they experienced within the scope of their work on youth entrepreneurship from the highest level of importance to the lowest. Among the problems experienced, the inadequacy of financial resources took the first place with a rate of 78%. They agreed on the lack of coordination among institutions with a rate of 77% in the second place and the lack of qualified personnel trained in the field of entrepreneurship with a rate of 53% in the third place. In addition to these, the inadequacy of the number of active and volunteer employees (47%), lack of experience (43%) and lack of government support (38%) are other remarkable problems. In addition, it has been determined that there are problems such as administrative problems, repetition of the same programs, having broad goals and competition between institutions.



On the other hand, the participants were also asked what kind of problems could be experienced in terms of cooperation of institutions operating to develop and disseminate youth entrepreneurship.



The opinions of the participants can be summarized as follows: “Uncertainty of the priorities of institutions” with 62%, “lack of information flow between institutions” with 58% and “unclear roles and responsibilities between institutions in case of cooperation” with a rate of 57%, “diverging structures and processes” with 55%, “unawareness of each other” with 54%, “lack of trust” with 52%, “lack of commitment by the leaders” with 47%, “the diversity of purposes and the competition issues” with %41. Other problems that are reported to be slightly less common are “fear of losing reputation (31%) and “fea of losing autonomy (26%).

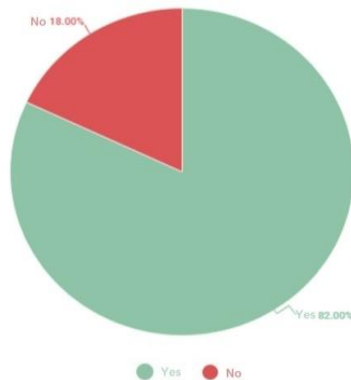
One of the open-ended questions of the study was about how cooperation between institutions could be improved. Three basic patterns of answers to this question are:

- The need for inter-agency coordination mechanisms
- The need for multi-stakeholder common intelligence platforms
- The need for continuous communication, joint meetings and networking activities.

It shows that institutions emphasize the need to come together and carry out more comprehensive multi-stakeholder activities instead of individual activities.

Another question directed to the representatives of the institutions participating in the research was “Is there a Collaboration with Public and Private Institutions in the European Union”. 22 institutions answered “yes” to this question and stated that they had cooperation, while 78 institutions answered “no” and stated that they did not have any cooperation. It seems that the cooperation with institutions in the European Union has remained relatively low for the field of cooperation, which has a high degree of importance in creating the activities and opportunities provided for entrepreneurs.





Institutions that develop cooperation with public and private institutions in the European Union stated that they mostly cooperate in the form of partnerships in EU projects, organizing conversations, conferences and training programs, technology transfer, finding investors and funds, partnering with the Erasmus+ project, organizing incubation programs and bootcamps and providing commercial services. Institutions that stated that they could not develop cooperation stated that the most common reasons for this were the lack of information, communication and funds, the lack of experience due to the newness of their institutions, the inadequacy of human resources in terms of both number and quality, and the fact that international cooperation is not among the objectives of their institutions. Most of them stated that they have to develop the competence of international cooperation.

## Conclusion

This study focuses on the roles and problems of various institutions, especially NGOs, working towards the support and dissemination of young entrepreneurship. According to the findings of the study, it is seen that the most common activity among institutions is to organize trainings, experience sharing meeting and conferences to improve entrepreneurship skills of young people. The results of the study confirm the, problems both in the execution of activities and in cooperation. However, it has been determined that the willingness and ability to offer suggestions for solving these problems is high. In particular, the need for platforms to harmonize the young entrepreneurship activities of institutions and to act as an umbrella/roof on this issue was particularly emphasized. In addition, since this study is one of the first quantitative studies on the subject, it is hoped that with the publication of its results, it will contribute to both the literature and the practitioners in the field.

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