

YouthProAktiv

Declaration of Young Europeans on the 'Second Chance' Policy

YouthProAktiv is a coalition of young people promoting a culture of proactivity and entrepreneurship in education and policy.

Europe is becoming increasingly in need of a strong entrepreneurial spirit both to create new jobs and help the economy recover from the past financial difficulties. Over 50% of new enterprises do not survive the first five years of their existence, and the consequences of this phenomenon are deeply problematic.

The failure of an enterprise is an intrinsic step on the path of learning and development. Such failures are rarely due to mistakes made within the company but by external factors. Nevertheless, the general public's perception of failure has negative connotations. In some regions of the world, such as in the United States, failure in the world of entrepreneurship is indeed viewed as a necessary experience for the successful result of a future project. Failure is tolerated and understood as a form of learning and development experience. The social stigma that surrounds entrepreneurial failure in Europe is in need of a re-think as it can discourage future endeavours as well as disrupt the trust of potential investors.

Representing young European entrepreneurs, social doers, NGO builders, young innovators, we, at YouthProAktiv, believe that the policy of 'Second Chance' needs to move forward from a vague notion to a concrete political act with some key changes to be put into place:

- A major paradigm shift in the general public opinion needs to occur in order to remove the existing deterrents to entrepreneurship and demonstrate that failure is a step-forward rather than a dead-end. By changing how the public views and understands a business failure, entrepreneurs will not feel socially excluded. Such a change has to be promoted by institutions, government bodies, banks and businesses. The public debate should not remain oblivious to such a change.
- Such a change and a better tolerance for failure can be established through educational programmes, at least from high school level. The adoption of more entrepreneurship-focused curricula and learning-by-doing methodologies in education will enable youths to engage in entrepreneurial projects from a young age and understand the entrepreneurial mindset, with intention to be able to apply it in their professional direction.
- We call for the creation of a database of case reviews – such as failed businesses/companies/start-ups – with professional advisors and experts so future negative consequences could be avoided.

- We call for a legal framework that supports and encourages young entrepreneurs who have not succeeded with their idea by lowering the costs for restarting. This must lead to a facilitation for entrepreneurs of successfully getting back on track and restarting a business.
- Related to the issue of costs, we believe that SMEs and start-ups should be protected from the high employment related costs expressed in costly legal obstacles, severance packages and other fees. We encourage a review of these costs so that entrepreneurs may hire more freely, maintain low expenses and not be punished by the elevated repayment of severance money for example, whilst still protecting the rights of employees and ensuring a productive and decently paid workforce.
- We furthermore strongly encourage the introduction of a 'Second-Chance Allowance' that would enable entrepreneurs who suffered a bankruptcy to start again and ensure their continued presence within the entrepreneurial arena, after a period of personal reflection and business to ensure a sustainable second chance. We encourage the creation of a knowledge hub of entrepreneurs to exchange good practices and experience.
- We endorse on a Europe-wide scale the adoption of a legal framework that more easily allows young entrepreneurs to overcome the consequences of a bankruptcy over a short time. Policy should take into account differences of company profits to better accommodate the needs of start-ups in accordance to the principle of progressiveness. This would allow enterprises in financial trouble of continuing to operate whilst trying to restructure debt.
- In several European countries there exist a legal restriction that refuses failed funders to re-enter the same sector or industry. We propose to fully abolish these restrictions, as entering an industry without prior knowledge is harder than re-enter an area of already proven experience.
- We demand actions aimed at the simplification of the bureaucratic system;

We, all the members and contributors of YouthProAktiv, are asking and encouraging all the representatives of the countries to implement the Second Chance Policy on the national level, to take further steps to change public perception.

We strongly believe that there still exist too many barriers to a successful entrepreneurial-friendly situation in Europe. Only through a general strict and structured response by governing bodies and institutions can a positive change occur. The establishment of an entrepreneurial mindset in Europe, although developing, still requires a major shift both on the public level but also within the establishment that can enable entrepreneurship to expand.