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Student Entrepreneurs: Drivers of Sustainable and Innovative Ventures?

EWI - ECOOM Day: Duurzaam ondernemen en innoveren
Brussels, 25 October 2024

DEPARTEMENT ECONOMIE WETENSCHAP & INNOVATIE

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Setting the scene: Youth in Business

Youth in Business; Student-Entrepreneurship in Flanders

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Youth in Business: Participation

- The **highest rate of entrepreneurial activity** is among 25-34 year-olds, with 18-24 year-olds showing the most rapid increase in recent years.

(GEM, 2021)

- In the European Union, about **40% of new entrepreneurs are under 35 years old and 11% of university students** were involved in early-stage entrepreneurial activities

(Eurostat, 2022; European Commission, 2022)

- According to the GUESSS (Global University Entrepreneurial Spirit Students' Survey) 2021 report:
  - 9% of students were **active entrepreneurs** (running their own business)
  - 35% of students **intended to start a business** within 5 years after graduation



Youth in Business: Innovation and Sustainability

- **Young entrepreneurs** (18-34 years old) show a higher propensity for **innovative business ideas** compared to older age groups.

- **Younger entrepreneurs** (aged 18–34) are more likely to agree with the aspirational motive **"to make a difference in the world"**, while older entrepreneurs favour "Earning a living because jobs are scarce".

(GEM, 2021)

- **Climate change and environmental protection** are top priorities for young people, influencing their career and business decisions.

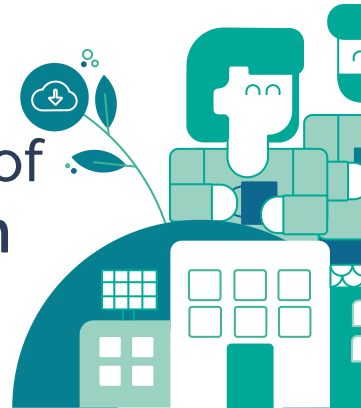
(United Nations, World Youth Report 2020)

- Recent research shows that young entrepreneurs increasingly view **sustainability as a core part of their business strategy**, integrating social and environmental concerns into their ventures from the outset.

(Sharma & Vohra, 2022)

GUESSS Project

- Focuses on measuring students' entrepreneurial intention and behaviour (entrepreneurial spirit, for short) of students on a global scale
- Target group: all students, regardless of their entrepreneurship status
- Survey distribution began on 20th October 2023 and closed on 22nd December 2023.
- The survey was distributed with the support of the Flemish higher education institutions through both central and targeted distribution activities.
- We gathered a total of 4,304 responses from universities and 616 responses from university colleges, which after thorough data cleaning yielded a total of **3,788 valid responses from university students** and **540 valid responses from university college students**.





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Background info:
Active & Nascent Entrepreneurs in GUESSS

Sample description of Active & Nascent Entrepreneurs

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Student-Entrepreneurship in Flanders: Entrepreneurial Status of University Students

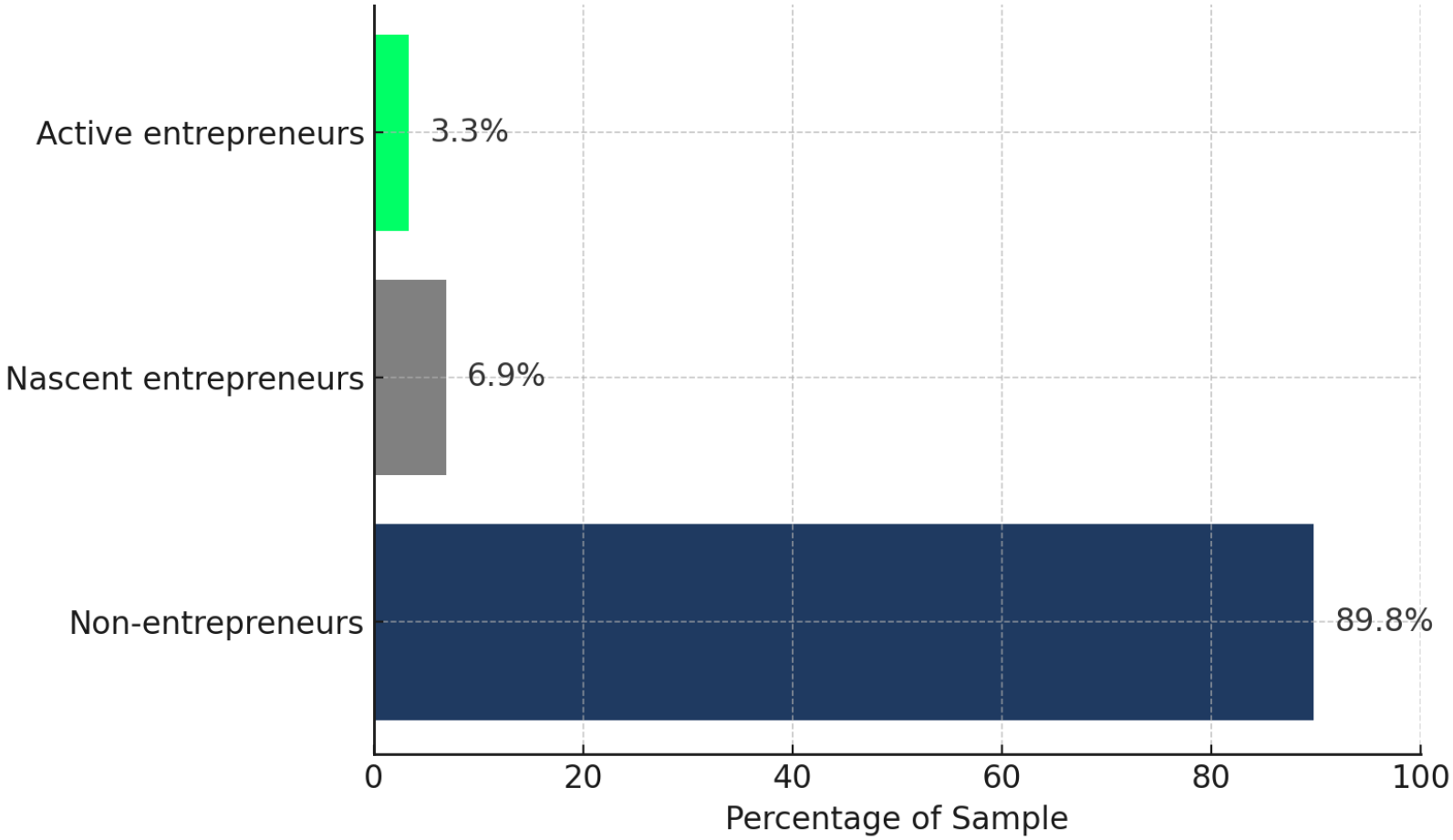


Figure 1: Sample distribution of University Students by Entrepreneurial Status, GUESSS 2023

Student-Entrepreneurship in Flanders: University Students' Career Choice Intention

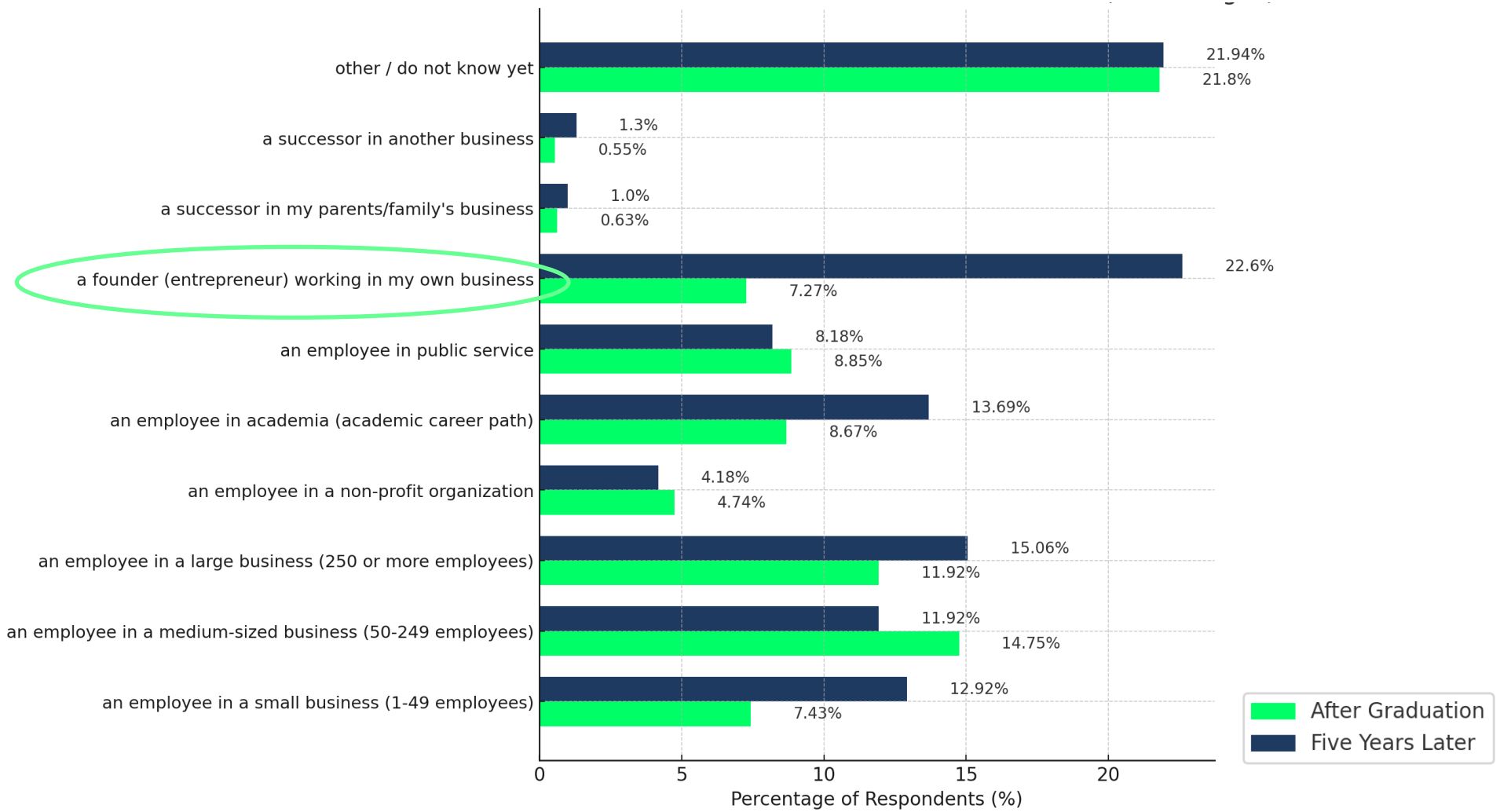


Figure 2: University Students' Career Choice Intention: after graduation, five years later, GUESSS 2023

Sub-sample description: nascent entrepreneurs

According to GUESSS classification, students were categorized as nascent entrepreneurs if they were in the process of creating a business.

260 responses from nascent entrepreneurs, including:

- 142 male students and 113 female students;
- 95 STEM students, 67 SSH students, 62 from Business & Economics & 35 students from Health & Medicine;
- 121 bachelor students, 89 master's students & 24 PhD students
- Family background: 42.88% had at least one self-employed parent

- Entrepreneurship education:
  - 26.40% had attended at least one entrepreneurship course as elective
  - 21.90% had attended at least one compulsory entrepreneurship course

Sub-sample description: active entrepreneurs

- According to GUESSS classification, students were categorized as active entrepreneurs if they already own and run their own business.

125 responses from active entrepreneurs:

- 60 male students and 64 female students;
- 54 SSH students, 24 STEM students, 24 from Health & Medicine & 22 students from Business & Economics;
- 40 bachelor students, 59 master's students & 15 PhD students
- Family background: 37.32% had at least one self-employed parent

- Entrepreneurship education:
  - 26% had attended at least one entrepreneurship course as elective
  - 8.80% had attended at least one compulsory entrepreneurship course



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Insights from GUESSS

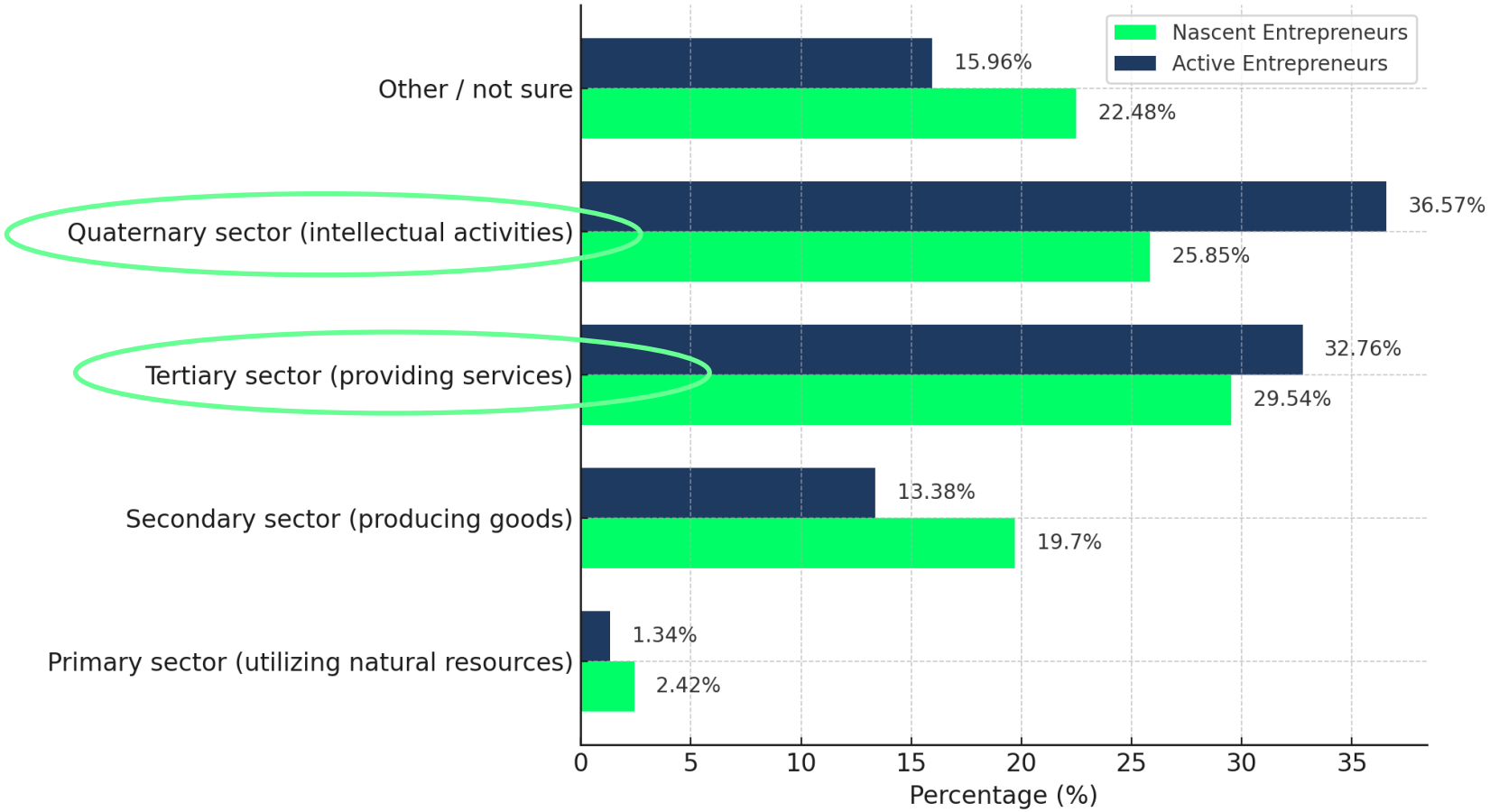
Economic sector; External enablers; Social & Environmental Performance

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Sector Distribution: Active and Nascent Entrepreneurs



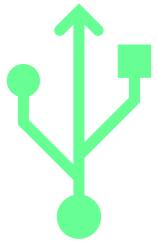
- The focus on the **tertiary (services) and quaternary (knowledge-based)** sectors among student-entrepreneurs reflects the growing importance of **intellectual capital and innovation**, especially in sectors like technology, education, and IT.

Nascent Entrepreneurs: External enablers

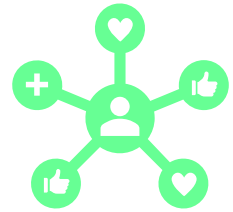
- The survey also aimed to assess whether the business ideas of nascent entrepreneurs were driven by specific **external enablers**.

- External enablers correspond to environmental circumstances, such as technological breakthroughs or regulatory changes, which may affect venture creation insofar as they create space for novel economic activities, i.e. entrepreneurial opportunities (Davidsson, 2015).

- **New technologies, climate change/the quest for sustainability & socio-cultural trends** were observed to be the most relevant drivers of the idea behind their planned business.







Nascent Entrepreneurs: External enablers

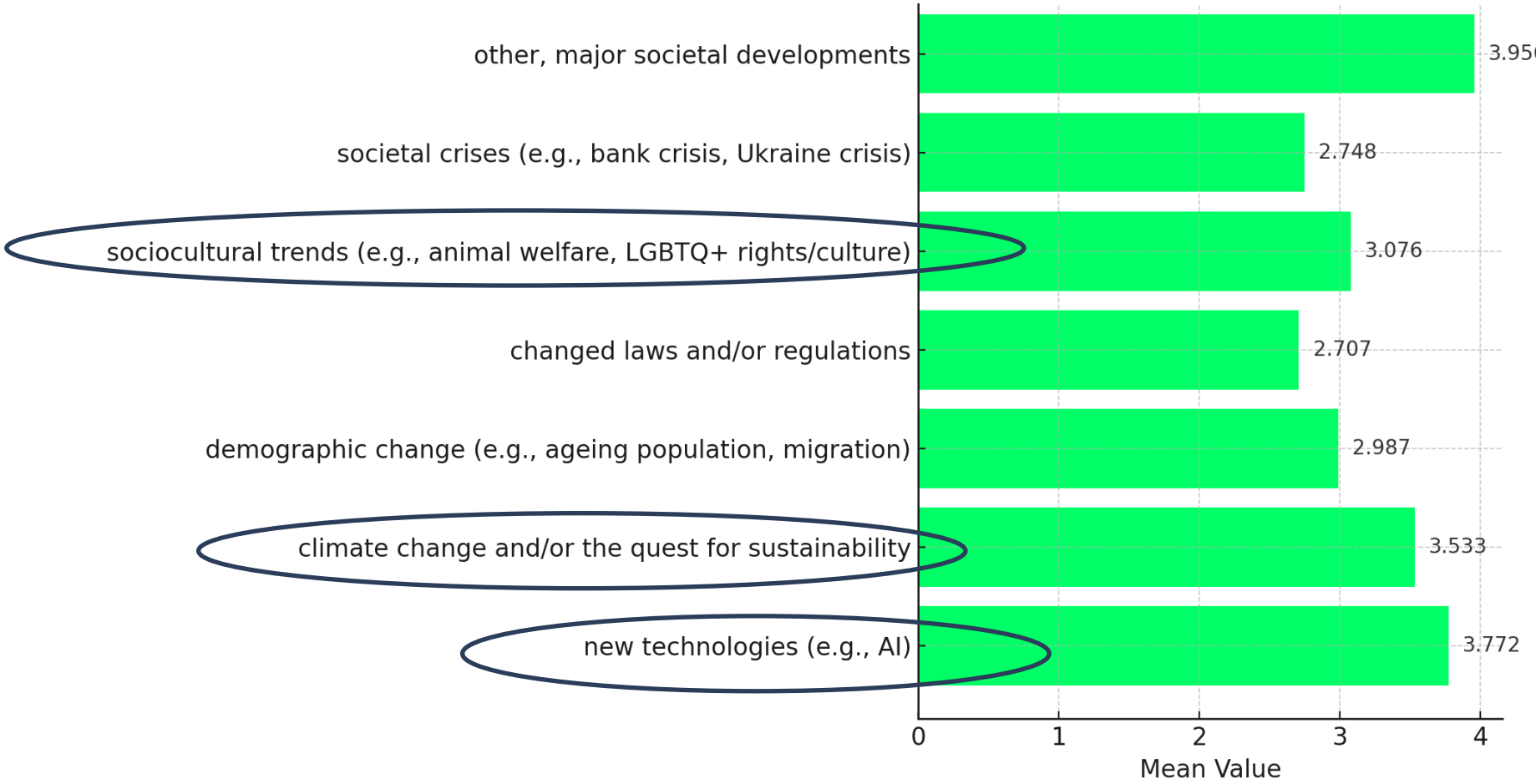


Figure 4: Nascent Entrepreneurs' External Enablers, GUESSS 2023

Active Entrepreneurs: Social & environmental performance

The survey questions specifically ask students about their business's contribution to:
societal well-being, social responsibility, environmental protection, and sustainable growth.

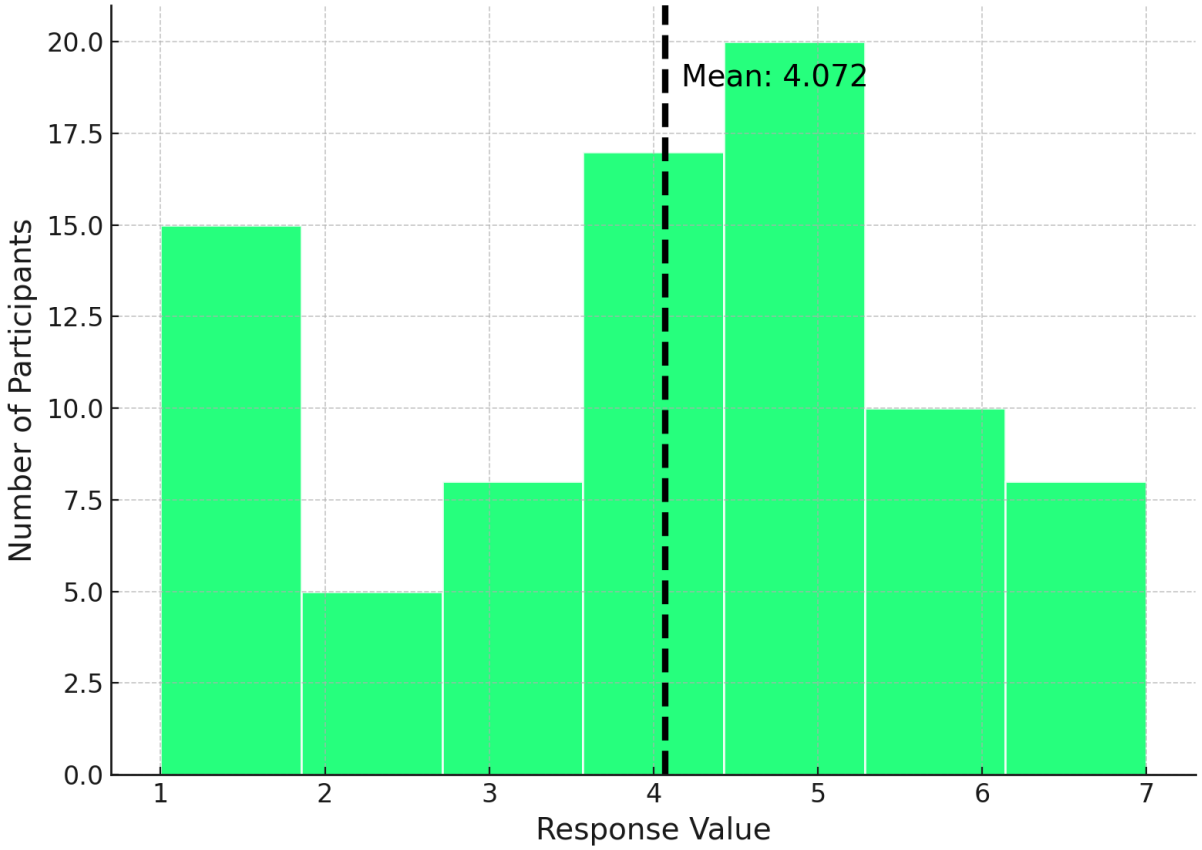
- **Social Well-being:** Contributing to societal well-being suggests that student entrepreneurs are embedding social impact into the core mission of their businesses, **going beyond profit to also contribute to societal issues such as health, education, and equality.**

- **Social Responsibility**: Emphasizing social responsibilities highlights an awareness of the need for ethical governance and corporate citizenship, which are increasingly important in today's business environment.

- **Environmental Protection** The focus on environmental **activities** signals that many student ventures are not only aware of but **actively addressing** environmental challenges.

- **Sustainable Growth**: Prioritizing sustainable growth shows an understanding that businesses must operate in ways that are not only financially viable but also environmentally and socially responsible for **the long term**.

Active Entrepreneurs: Perceived social & environmental performance



The graph shows a **fragmented view of performance**, with a significant number of student entrepreneurs selecting either 1 or 5. This suggests that while some students perceive their ventures as making little to no impact, others believe they are performing strongly in terms of social and environmental contributions.

- The fragmented nature of these responses points to **varying levels of understanding and implementation of social and environmental strategies** across student ventures.

Figure 5: Active Entrepreneurs' Social and Environmental Performance, GUESSS 2023

Conclusion: Are Student Drivers of Sustainable and Innovative Ventures?

Commitment to Sustainability:

The survey data shows that student entrepreneurs are increasingly integrating social and environmental goals into their business models, indicating their businesses actively contribute to societal well-being, environmental protection, and sustainable growth.

Leveraging External Enablers:

Student entrepreneurs are not only reacting to but are also actively leveraging external enablers such as technological advancements, climate change, and socio-cultural trends. These enablers create opportunities for innovation and sustainability, further underscoring the role of student-led ventures in addressing global challenges through innovative solutions.

Sectoral Focus:

The survey reveals that many student entrepreneurs are concentrating their efforts in the tertiary and quaternary sectors, areas with significant potential for innovation. These sectors, often service-based or knowledge-driven, offer fertile ground for creating sustainable and innovative business models that prioritize intellectual capital and minimize environmental impact.



Contact details of project members:

If you have any questions, please feel free to contact one of the ECOOM team members listed below:

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