

*Youth Entrepreneurship and Local Development  
in Central and Eastern Europe*

Edited by Paul Blocker and Bruno Dallago

*Aldershot: Ashagate, 2008, pp. 237*

reviewed by Anastassios D. Karayiannis\*

The majority of the papers collected in this book analyse the emergence of youth entrepreneurship in the former socialist economies of Central and Eastern Europe. The book examines, both by literature review and empirically, in its introduction and nine chapters (papers), under what socioeconomic conditions such a phenomenon is generated, as well as what its effects may be.

The introduction by Paul Blocker and Bruno Dallago describes the various circumstances and incentives, such as unemployment, which encourage young people to follow an entrepreneurial career, and also analyses various ways in which European economic policy can contribute to fostering youth enterprise. The next chapter by Sergio Arzeni and Jay Mitra deals with the “necessity entrepreneurs” of Central and Eastern Europe (CEE). After analyzing the nature and causes of youth unemployment in these economies, they describe the profile of such entrepreneurs in the economic environment where they flourish. Also discussed are various policies for promoting entrepreneurship through a SWOT analysis applied to CEE countries.

Klaus Haftendor’s chapter first presents various socioeconomic indexes such as unemployment, growth rate, etc. of the new EU member states and other Eastern European economies. He then analyses the level and specificities of youth unemployment and self-employment, as well as the various strategies designed to promote youth entrepreneurship. He concludes that the push factor is the prevalent incentive for entrepreneurship in such countries. It would be useful if he had analysed some other entrepreneurial incentives such as autonomy and independence, as well as purely economic ones such as profit, which may be a strong influence on youth entrepreneurial incentives. The next study by Ken Roberts examines the same issue in order to permit an assessment of means of solving the main problem of youth unemployment, mainly in former socialist countries. It also discusses the various policies that

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\* University of Piraeus, Department of Economics, Piraeus, Greece

may be adopted for encouraging innovative and prosperous entrepreneurship, and not only those which are based on replacing public sector business.

The chapter by Péter Szirmai examines the circumstances of emerging youth employment opportunities through the assistance of the LiveWire (LW) foundation in Hungary. After giving some descriptions of the most acute problems in this country and its stratification of income groups, Szirmai presents the various tasks of LW and its achievements and weaknesses in helping young men and women to establish their own business. In the next paper Mihaly Laki examines, for the same country, the chances and the feasibility of successful entrepreneurship in various sectors of the economy, and under state promotion programs. In other words, the paper gives an overview of the businesses in post-socialist Hungary which have succeeded in passing through the levels of start up and growth.

Aleksander Surdej, using data from the Polish economy, analyses the profile of the young unemployed, and the impact of the shadow economy on both generating employment and offering entrepreneurship opportunities to young men and women. Surdej also sets out the panoply of services offered by the Polish state to support business institutions and to promote entrepreneurship. The next chapter, by Miroslav Glas and Blaz Zupan, justifies the way that Slovenia managed quite efficiently its transition to the free market, and to encourage entrepreneurship among young unemployed persons, despite the fact that its policy measures were rather inconsistent and diversified in their targets. Rossita Rangelova examines the development of youth entrepreneurship in Bulgaria. She analyses first the macroeconomic environment in Bulgaria and some socioeconomic indexes influencing the emergence of youth entrepreneurship. Then she shows to what extent these socioeconomic policies proved to be neither very efficient, nor very well organized in encouraging and promoting entrepreneurship among the young unemployed. She argues that the stabilization policy and institutional settings of a proper free market economy environment in Bulgaria would be the driving force in promoting entrepreneurship.

The next paper, by Ivo Bicanic and Marina Lang-Perica, is a case study analysis of a range of measures and policies taken to promote youth entrepreneurship in Croatia. After a description of the entrepreneurial deficit in Croatia the authors proceed to a discussion of the demographic characteristics of youth entrepreneurship and the institutional and policy framework in that country. They also study policy measures for its promotion and future development.

This is a very useful study of the relatively “unknown” issue of youth entrepreneurship in CEE and gives the opportunity for a comparison with the emergence of entrepreneurship in free market economies of the “old” members of the EC, in which there is evidence that youth entrepreneurship is a major solution to the problem of unemployment and economic development.