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FIRST REGIONAL FORUM ON YOUTH:
“SECURITY, OPPORTUNITY AND PROSPERITY”

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**SECURITY, OPPORTUNITY, PROSPERITY
and
ENTREPRENEURSHIP**

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Security, opportunity and prosperity could be achieved if maximizing SMEs' full potential for employment, growth and competitiveness.

There are 5 priority objectives to achieve the goal:

1. simplify and improve the administrative and regulatory business environment
2. improve the financial environment for enterprises
3. help SMEs in internationalisation through better information services
4. enhance SMEs' competitiveness and improve their access to research, innovation and training
5. promote entrepreneurship and support special target groups.

One of the special target groups is **youth**. Youth brings creativity, new fresh ideas and solutions.

Also **innovation** is a major factor in growth, to which SME have traditionally made an important contribution. New **technology** opens new areas for **growth and job creation**.

There is strong need to promote entrepreneurship at all levels. The primary goal must be to stimulate a truly entrepreneurial culture, based on **values as self-confidence, risk - taking and sense of personal commitment**.

Other key factors in safeguarding the competitiveness and long-term employment potential of SMEs are the **improvement of training** provisions and the stimulation of their managerial skills, in particular to increase their capacity to adopt to new challenges.

The globalisation of the markets has a strong impact on the competitive situation of SMEs.

Crucial is to facilitate access to market information, improve business co-operation networks and partnership programmes and develop pilot actions.

To have a job for each human being, to be able to work is the main task to achieve. **Human dignity is possible only if one can work.**

So, the main emphasis in EU (which Croatia will join) countries' social policies include increasing demand for labor by improving the **flexibility of the labor market**, by reducing costs of recruitment, by incentives to recruit unemployed people and by improving the skills of those seeking work, improving the supply of labor by facilitating access to qualified people and by making recruitment easier.

Measure to be adopted by institutions involved in SME support development aim to promote **creation, development and transfer** of SMEs through:

1. **Support for the development of employment in SME**
 - social measures
 - fiscal measures
2. **facilitating the creation and development of SMEs by reducing administrative, fiscal, social or other constrains**

- reduction of administrative of legislative constrains
- improvement of the fiscal environment for SMEs
- reduction of constrains resulting from social legislation
- 3. improving management quality in SMEs**
 - facilitating SME access to training programmes
 - improving information for SMEs
 - improving advice to SMEs
- 4. support for R + D efforts of SMEs**
 - facilitating the participation of SMEs in research programmes
 - encouraging the distribution of results of R+D to SMEs
- 5. improving SME access to finance**
 - financing business creation
 - financing business development
 - financing business transfer
- 6. helping SMEs to integrate better into the internal market and to internationalise**
 - integration of SMEs into the internal market
 - SMEs ' exports to third countries
- 7. other measures**
 - promoting SME access to the information society
 - facilitating SME access to public markets
 - development of an enterprise culture

USAID also recognizes the **importance of youth** in making and sustaining the transition to democracy and open markets.

The grant, planned for Balkan region, will help young people who face challenges as they struggle to overcome decades of ethnic strife and political and social upheaval.

New partnership with the emphasis on engaging the public, private and civil society sectors is an approach which is the only way to generate lasting results.

Education is a crucial factor determining economic and social progress and equality of opportunity in our societies. It becomes of utmost importance in the digital age to ensure life-long-learning and the emergence of new generations of creators, researches, entrepreneurs and to empower all citizens to play an active role in the information society. This process starts in schools. So the step forward should be to further accelerate this process and turn digital literacy into a basic competence for all young people.

Three areas are concerned:

- 1. mastering of the internet and multimedia resources**
- 2. using new resources to learn and acquire new skills**
- 3. acquiring key skills**
 - collaborative working
 - creativity
 - multidisciplinary
 - adaptiveness
 - intercultural communication
 - problem-solving

In countries in transition, educational system must create favorable environment for pupils and teachers at the same time to fully benefit from new technologies including equipment, access, contents, services and on the way it is used. Educational contents could draw strengths from cultural and linguistic diversity. The success will depend on the involvement of teachers, school managers and the willingness of industry to work together with the education sector mainly through private-public partnership to supply high-quality, tailor -made products and services and contents.

"eEurope is a roadmap to modernize our economy. At the same time, through its eLearning component, it offers everyone, but particularly young people, the skills and tools they need to succeed in the new knowledge based economy" Romano Prodi, President of the European Commission, said on behalf of the eLearning initiative of the European Commission which seeks to mobilize the educational and cultural communities, as well as the economic and social players in Europe, in order to speed up changes in the education and training systems towards knowledge-based economy.

This is why the young people are to be supported in their efforts to be involved in the processes of change.

So, as well as providing all levels of skills training, government and industry should have a joint commitment to providing training to underrepresented sectors of the population and other potential knowledge pools like women, the long term unemployed and young people.

Why youth?

Because youth make more than 40 % of the world's total unemployed. There are 66 mill. unemployed young people in the world today.

"Young people are turning to the informal sector for their livelihood, with little or no job protection, benefits, or prospects for the future" Kofi Anan, UN Secretary - General.

Dear Ladies and Gentlemen,

What are your ideas, suggestions, projects which could benefit to the young people employment?

Only job gives decency to the human being. Job opportunity secures prosperity and security.

The guidelines set up by the ILO, UN Secretariat and the World bank task force focused themselves on **five policy areas**:

1. incorporating youth employment into development strategies, including major UN system initiatives
2. promoting youth employment in poverty reduction programmes at the country level
3. improving the impact of education and training on youth employment

4. generating opportunities for young people through information and communication technologies
5. bridging the gap between the informal sector and the knowledge economy

Let us now have a look at Croatia.

TABLE 1. EMPLOYMENT IN COMPANIES IN 2000

no. of employees	no of SMEs	%	no. of employees in SME	%	total income in %	profit in %
0-9 micro	49.540	86,61	113.305	15,44	18,84	25,72
10-49 small	5.735	10,03	114.355	15,58	21,06	17,93
50-249 medium	1.516	2,65	166.649	22,71	19,92	14,01
250 - big	411	0,72	349.452	46,26	40,18	42,34
TOTAL	57.202	100	743.761	100	100	100
SMALL BUSINESS	56.791	99,28	394.309	53,73	59,82	57,66

TABLE. 2. NUMBER OF COMPANIES (Jan. - Sept. 2001)

description	number of	%	No. of employees	%
big	521	0,9	307.173	42,8
medium	1.696	3,1	160.553	22,4
small	53.370	96,0	250.084	34,8
TOTAL	55.587	100	717.810	100

TABLE 3. NUMBER OF COMPANIES (1996-2001, Jan.-Sept.)

year	1996	1997	1998	1999	2000	2001
big	528	558	548	574	556	521
medium	1.500	1.730	1.784	2.075	2.044	1.696
small	60.081	62.501	59.718	57.323	56.173	53.370
TOTAL	62.109	64.789	62.050	59.972	58.773	55.587
SMALL BUSINESS	61.581	64.231	61.502	59.398	58.217	55.066

TABLE 4. NUMBER OF EMPLOYEES IN COMPANIES (1996-2001, Jan.-Sept.)

year	1996	1997	1998	1999	2000	2001
big	353.753	346.248	331.865	316.410	312.529	307.173
medium	170.313	172.996	172.460	158.748	158.087	160.553
small	212.443	223.151	231.596	241.037	271.240	250.084
TOTAL	736.509	742.395.	735.921	716.195	741.856	717.810
SMALL BUSINESS	382.756	396.147	404.056	399.785	429.327	410.637

CONCLUSION

The small business sector is the only sector in the Croatian economy which has recorded positive business results. The number of employees has shown an increase only in the small business segment.

Unemployment rate in Croatia is +/- 420.000 unemployed persons.

It is also estimated (in the first Study of poverty and income distribution in Croatia), that the level of total households expenditures-after paying for essential non-food expenditures, just attain minimal nutritional needs, and it is this level which therefore represent an absolute poverty line.

Less than 10 % of Croatia's population fall below this national specific poverty line, and the report shows it would be affordable for the country to eliminate absolute poverty. It presents the historical and political context for understanding poverty, which examines Croatia's independence conditions, war consequences and post-war economic policies, to determine the poverty scale and profile, and economic causes of poverty, to form the basis for a social assessment.

Macroeconomic, and structural policies were key determinants of weak employment growth and labor market policies have worsened the negative impact of macro-policies on income distribution.

Policies to foster opportunities should include a sustained macroeconomic stability, creation of an enabling environment for private businesses, an increased flexibility of the labor market, and increased investment in human capital.

SMEs play a major role in providing young people with first job.
SMEs are the most important source of employment growth.
SMEs generate between 65 and 85 % of value added in EU countries.
SMEs generate 75 % of the turnover in the EU.
SMEs will provide the largest number of jobs in the services sector in the future.

Effective vocational training for SMEs requires strong market influence on supply.

Technological development is not end in itself. One cannot speak of technical or scientific "progress" if it is not directly beneficial to the population.

In our societies many needs are poorly satisfied, for instance in assistance to people, protection of the environment, and improvement of the quality of life.

By targeting these needs new activities will be generated which could lead to the creation of as many as 3 mill. jobs in Europe.

Research and technological innovation also have a crucial role to play.

In Europe one in two people out of work is long-term unemployed as against one in ten in USA and one in six in Japan.

There is a danger that the gap between people with jobs and those without will become wider, posing a threat to social cohesion in Europe.

It is therefore absolutely essential to give a second chance to men and women - young persons as well, who are at risk of social exclusion.

Wherever technology is placed at the service of employment, attention must therefore also be given to social renewal.

Youth is the key actor in security building by opening the front line of new opportunities, which finally benefits overall prosperity of one nation. All our youth is the safeguard of our future.

I wish you all very successful participation in this First Regional Forum on Youth.