

Youth Entrepreneurship Policies and Programmes in the UNECE Member States *

I. Perceptions about Youth Entrepreneurship

Many young people believe that once they are given enough resources, they could easily establish and successfully run a business enterprise. So, they perceive that the major obstacle to their entrepreneurial activity is the lack of funding. Although the lack of collateral prevents many young people from starting- up their own businesses, the experience, however, shows that this is only a part of the problem. The potential of the business idea, in terms of the existing and future demand for products or services, is of great importance as well.

The idea itself does matter. Opinions, however, with regards to which of the ideas embodies that true one business idea widely vary. Some young people think that it should represent a high-tech innovation. Some other suggests that it should be a kind of strategic vision, while others believe that it should be very unique. In reality, many successful business ideas, which brought a fortune to their holders, were very simple, but they have one thing in common - these ideas provided a solution to a community's need or problem by producing a new service or product.

Similar diversity of opinions exists on the issue of which characteristics are attributable to the true entrepreneur. The interesting side of this issue is that no single characteristic or description explains an entrepreneur. There are many different kinds of entrepreneurs. Some types could be distinguished as follows:

Technical entrepreneurs

These individuals have a strong technical orientation. They love inventing things and developing ideas for new products. Developing new markets and even new industries are generally the goal of those with technical orientation. The creation of an enterprise is merely a means to achieving their goals, not an end in itself. These are people like Henry Ford or Herbert Edwin Land, the inventor of anti- glare plastic sheets and camera filters, and the founder of Polaroid Company.

Organization builders

Some entrepreneurs start their own businesses because they like to build organizations. These organization builders have skills in developing people, systems and structures. These are people like Lee Iacocca, who saved the Chrysler Corporation from collapse during the 1980s, or Ray Croc, who build the McDonalds franchise chain, the largest in the World.

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Deal makers

Deal makers enjoy making the initial deal to start a new venture and often enjoy some start-up activities. However, unlike the organization builders, they dislike having to manage and commit themselves to an organization over the long run. These are people, who are usually involved in financial or trade transactions.

Apart from the business idea, an entrepreneur needs specific skills and knowledge to be able to operate his or her enterprise on daily basis. This aspect of entrepreneurial activity tends to be ignored by young people. Entrepreneurship is a dynamic process, which requires certain skills and knowledge. It is both a science and an art. Science must be learned through training, but managing an enterprise is an art, which could be learned, at least partially, by doing. Young people, aspiring to become entrepreneurs, need to be trained in business 4 management, marketing, financing and accounting, human resources management and informational technologies. They also need to learn legal and fiscal aspects of business.

Finally, it is important that would-be-entrepreneurs become familiar not only with the potential benefits, but also with possible risks entrepreneurs have to face and about the tradeoffs they have to make. Apparently, the biggest risk entrepreneurs usually face not at the initial stage of starting up their businesses, but rather later, after the business established itself and has to be developed further. This aspect needs to be taken into consideration not only by would-be-entrepreneurs, but also by organizations, which provide services for young entrepreneurs. The UNECE has developed a guide to help start-ups and advanced entrepreneurs to understand and cope with business risks (see UNECE documentation: <http://www.unece.org/indust/sme/ece-sme.htm>).

II. Policies and Programmes

Over the last decade, policies and programmes promoting youth entrepreneurship have become rather widespread. To some extent, this was a response to persistently high youth unemployment in all the countries of the UNECE region with the exception of a few. This was also a response to a number of developmental trends, which were causing a concern about the future supply of jobs.

One of such trends has been a shift in the allocation of labour away from the large-scale, heavily concentrated industrial production towards the service and small-scale production sectors. Another relevant trend has been a gradual re-arrangement of labour relations from relatively secure forms to more precarious ones with prevalingly short- or fixed-term contractual arrangements often without the provision of medical insurance, pension or other social benefits. Finally, the downsizing and streamlining of large enterprises or their re-allocation to countries with abundant and cheap labour have lead to a significant decline in the supply of jobs by this segment of the corporate sector.

The above trends have been accompanied by the proliferation of sole proprietors and small- and medium-sized enterprises, which, in France or the United States, for example, have become a real engine of growth and/or employment-generation. However, in some other countries, SMEs have emerged in response to unemployment and the shortage of the supply of new jobs, mainly as a survival strategy of households. In this group of countries, SMEs have

been functioning as an absorbent of labour force released from re-structuring enterprises without making any significant contribution to the GDP formation.

In most of the Commonwealth of Independent States, a relatively large proportion of the released labour has moved into the informal sector (the grey or black economies), where the working conditions are even more insecure than in those labour market segments with the short- and fixed-term work arrangements.

It is important to note, that the problem of sustainability of SMEs is very acute in many countries of the region, and the death rate (or the exit rate) among such enterprises has been relatively high. Disparities in the entry rate throughout the countries, on the other hand, point to another problem characteristic to the SME sector - the presence of significant barriers to establishing new enterprises and difficulties, which have been faced by aspiring entrepreneurs in mobilizing initial capital, representing, in most instances, administrative obstacles and the reluctance of the banking sector to provide loans to small entrepreneurs.

Furthermore, the opportunity set for entrepreneurial activities differs from country to country, depending on the structure of local demand. At the same time, the mix of 5 opportunities available to would-be entrepreneurs at the local level may change very quickly, as some countries become more deeply integrated into the European Union or in the global economy. It is important for policy-makers of these countries to develop such youth entrepreneurship policies, which would take these perspectives into account and would promote entrepreneurial activities that could benefit from enlarged markets.

In the light of the above, the potential and possibilities of youth entrepreneurship should be considered in the context of the economic realities of the countries in question to avoid unrealistic expectations or wrong choices. The exchange of national experiences could provide some clues, but in the end, policies and programmes should be suited to local conditions and countries' circumstances. The lessons from the experiences of many countries imply that:

- Youth entrepreneurship should not be seen as a magic cure of youth unemployment;
- Youth entrepreneurship policies and programmes should complement broader youth employment strategies and policies;
- Only a small proportion of young adults could become real entrepreneurs;
- The age and, consequently, life and work experience do matter. Youth entrepreneurship programmes and schemes tailored to the specific characteristics of each age category of youth (teenagers and/or young adults) have proved to be more effective.

So, it is of paramount importance to develop policies and policy instruments, which would be flexible and selective enough to ensure that the majority of young people would be provided with an appropriate set of skills and relevant experience prior to their entry to the real world of business.

Considering the growing flexibility of economies, the rapid pace of technological change and the pressure of competition generated by globalization, it is increasingly acknowledge that to avoid the risk of large-scale marginalization, societies should encourage the development of entrepreneurial skills among their younger members. In many countries of the region, various

courses in business administration and management, problem-solving, Economics and etc. were introduced into the school curriculum to promote a culture of enterprise and the idea of self-employment as a career option. Attempts have been undertaken to make professional education in business management, at the college and university levels, less academic and more linked to the needs of the business sector and local communities. Similar efforts were made to expose secondary school students to the realities of business.

Many countries have been making a special effort to integrate marginalized and disadvantaged youth groups into the mainstream economic activities through targeted youth entrepreneurship programmes and schemes. The scope and the scale of such programmes vary, ranging from the provision of training, counselling, mentoring, start-up loans to a more comprehensive integrated approach (Italy, Canada, USA, Ireland and United Kingdom).

Despite of national specifics, some common approaches and practices seem settled throughout the UNECE region on the following patterns:

- Promoting and introducing the self-employment option;
- Training in necessary skills for self-employment;
- Mentor support;
- Access to finance;
- Access to work space;
- Business expansion support;
- Access to support networks.¹

These practices and approaches appeared to be most effective, when certain conditions are present. To what extent they are as effective under the conditions of transition will be seen from the results of the efforts to replicate them (e.g. in Slovenia, Hungary, Macedonia).

III. Learning Entrepreneurial Skills at School

Among the most successful stories at the school level are: the YES Programme (Youth Enterprise Society Programme) and the REAL (Rural Entrepreneurship through Action Learning) Enterprise Programme developed in the USA. The YES Programme, created by Ohio State University, has been targeting youth at school with the goal to equip them with the skills, which would be appropriate for the world of work and self-employment. It operates throughout the school years as an extra-mural activity. Students join the programme at Standard 7 and proceed through Standard 8 and 9. They graduate in Standard 10 or after school. While in the programme, students acquire business competencies through a set of special learning and experimental activities. Teachers, after receiving a special training, serve as facilitators. The programme has been provided with support from local businesses, municipalities, parents and NGOs through Local Enterprise Councils. This support, apart from voluntary monetary contributions, has included internships in local enterprises, provision of instructors, study tours and etc.

¹ O'Higgins, Niall. Youth Unemployment and Employment Policy: A Global Perspective. International Labour Office, Geneva, 2001, p. 125.

The REAL Enterprise Programme targets the high school students in the rural areas of the USA by linking education with rural economic development and by assisting young people to identify a business opportunity, to prepare a business-plan and initiate their businesses, while they are still at school, which later on would be converted into real enterprises, owned by the former students (see box 1).

Since 1990, more than 5,000 youth and young adults have received intensive entrepreneurial training within REAL programme. A survey of 400 REAL graduates (from 1992-1998), conducted in 1998, showed that these businesses had not only survived, but also expanded, reaching total volume of sales of \$6 million and creating 686 new jobs. Another study found that the survival rate of the REAL enterprises after 7 years since their establishment was 91-92 per cent. In 1999-2000 academic year, NC REAL was serving 64 of North Carolina's 100 counties through their local schools and community colleges.²

Box 1. REAL Enterprise, Inc., USA

Entrepreneurship education programmes in the USA, initiated by both business and educational establishment, are being developed to re-establish a traditionally important resource for rural communities: local schools and colleges. School-based enterprise programmes represent an example of how rural school can play a significant role in community economic development.

One of the mostly highly developed school-based enterprise programme is REAL Enterprise, Inc. REAL has originated in North Carolina in response to the sobering realities of poor local educational and work opportunities for rural youth. Without alternatives, rural communities are at risk of lacking qualified individuals for vital roles in local communities and economic activities.

North Carolina REAL Enterprise is a non-profit organization that partners with community colleges and high schools to implement experimental, "hand-on" courses in entrepreneurship education.

REAL Enterprise, Inc. has four primarily goals:

- Institutional goals: to help rural schools become effective small business incubators;
- Educational goals: to help students and teachers develop understanding of, interest in, and competence around entrepreneurship and small business management/ownership;
- Economic goals: to help create good new local jobs through identifying and utilizing untapped opportunities in the local economy;
- Individual goals: to help foster a sense of empowerment and heighten the capacity to be successful productive community members.

REAL Enterprise process - based on the premise that action learning enhanced skills - depends on active student participation and decision-making. Students conduct a community survey to identify needs that could lead to entrepreneurial ventures. Once these are identified, business plans are developed, funds are secured and a business site is established, thus providing students the opportunity to learn the concepts and responsibilities of managing/owning a business. REAL businesses then "spin off" from the school and are independently owned and managed by students who have participated in the REAL Enterprise Programme and have graduated from school. Examples of REAL Enterprise student ventures initiated range from a day care centre to a training booth/exercise centre.

[\(http://www.ncreal.org/REALInfo/\)](http://www.ncreal.org/REALInfo/)

² NC REAL Enterprises: Developing "Homegrown" Economies in Rural North Carolina. By Mark Sorrells (source: <http://www.ncreal.org/Publicity/>)

The successful experience of the REAL programme was replicated in other rural areas of America, and its business- incubator approach has been tried in urban areas as well. The attractiveness of this approach lies in its effectiveness to match the local supply of skills with the local demand for skills as close as possible, but also to provide young people with appropriate skills for self-employment. In the urban settings, the focus has been on youth in- and outside school, dropouts and other disadvantaged youth. One of the most recent examples is the Entrepreneurial Training and Merchandising Programme in the Upper Manhattan of New York for young people between the ages of 12 and 18, developed by a non-profit organization, the Institute for Youth Entrepreneurship. The programme includes an educational component that comprises of six semesters of entrepreneurship and elective courses. In addition, the programme provides hands-on experience through the "living businesses" created and run by students. These businesses are focused on developing products attractive to tourists: T-shirts, baseball caps and coffee mugs. Students manage all product design, manufacturing, marketing strategy development and sales.

In Ireland, the Golden Vale Young Entrepreneurs Scheme, aiming to stimulate enterprise and innovative activity amongst young people, has been encouraging and assisting the organization of Young Entrepreneurs Schemes (YES) within schools. They are opened to all second-level students. Through YES students, either individually or in groups (up to 5 students), create and operate their own real mini-businesses. These businesses sell products or services to students, or outside the school. The objectives of YES are:

- to assist the development of entrepreneurial skills, self-confidence and self-reliance;
- to help create an enterprise culture and stimulate entrepreneurial activity; and
- to help young people respond to the changing employment situation by encouraging initiative.

YES is organized by the Young Entrepreneurs Association, which is an informal group of parents and teachers, working on a voluntary basis. It coordinates the overall Programme; provides extensive support to local organizers; and arranges Regional and National Competitions. The first YES was established in 1991. Since then, it has expanded very rapidly throughout Ireland. Since its foundation, over 50,000 students have participated in YES. In 2000, 8,000 from 271 schools took part in the programme.

Concerned with the increased unemployment among college graduates, many UNECE countries have been making an effort to widen the career choices of college graduates by exposing them to the realities of small businesses and allowing them to explore their own potential for self-employment. The Graduate Programme of the United Kingdom, for example, is a national programme, targeting the final-year undergraduates of any discipline for a range of training workshops and placement opportunities within local businesses.

In many countries in transition, there has been a dramatic increase in the provision of various training options in business management, finance, accounting and etc. to meet the demand of the growing enterprise sector. Educational reforms have attempted to remedy the lack of training in problem-solving skills and cost-benefit analysis in some fields of study, while improving or restoring the linkages between the educational establishments and the enterprise sector under the new conditions.

It is interesting to note, that in many of these countries, the businessmen are younger on the average than in the countries of the European Union. According to one study, over half of businesses in Poland and Estonia are run by the entrepreneurs under 40 years of age, while in United Kingdom, Germany and Greece, less than 36 per cent.³ However, this fact should not be misleading. Such a difference is mainly a result of transition, and the novelty of business activity for the former socialist countries. Other facts speak of the difficulties faced by young people in finding a decent job and income-generating opportunity. Youth unemployment rates in most of the UNECE economies in transition are higher, on the average, than those in the EU countries, and there are 18 million of young people between 15 and 25 years of age, who are neither at school nor in the labour market. Many countries in transition have begun to address these problems by promoting, amongst other means, youth entrepreneurship.

IV. Integrating Marginalized and Disadvantaged Youth

One of the biggest challenges faced by countries of the UNECE region is the integration of marginalized and disadvantaged youth groups into the mainstream economic activities. These groups, as well as the primary causes of their disadvantaged position, are very diverse. Depending on a concrete situation and country, these could be the children of immigrants, ethnic minorities, indigenous population, youth in remote areas or declining regions, and youth, whose lives have been affected by the broken family, loss of parents, conflict and displacement, or who have experienced abuse and violence, or have been suffering from disabilities.

In some countries of the UNECE region, the total number of such young people has been on rise due to ethnic conflicts and civil wars, on the one hand, but also as a result of the collapse of families under economic hardship, loss of jobs and impoverishment. While youth from some ethnic minorities and indigenous peoples have been disadvantaged by lingering effects of the past discriminatory practices, youth from some other ethnic groups was affected by a recent breakdown of special arrangements, which function was to equalize the opportunity sets of various ethnic groups, at least to some degree.

In some countries of the region, the total number of marginalized youth has recently increased also as a result of the erosion of social mechanisms/channels, which were in charge of ensuring a smooth transition of young people from school-to-work. The development of alternative mechanisms has been slow, leading to the loss of contact with many young people. In this respect, the experience of some market economies to reduce social marginality, especially, of Canada, USA and some Nordic countries, could be of great value to some countries in transition facing similar challenges.

It is important, however, to differentiate among the marginalized youth sub-groups. While the forms of manifestation of social marginality among different marginalized youth sub-groups could be the same (e.g. high rates of drug-addiction, other substance abuse, crime, suicide, unemployment, school dropout, and etc.), the primary reasons, as well as the circumstances and conditions of their existence, significantly vary. Furthermore, some ethnic sub-groups are static, others, like the Roma or some peoples of the Extreme North, on the contrary, highly mobile. The differences between the youth marginalized groups are a result of

³ Young Entrepreneurs, Women Entrepreneurs, Ethnic Minority Entrepreneurs and Co-entrepreneurs in the European Union and Central and Eastern Europe. Final Report to the European Commission, DG Enterprise, July 2000, p. 18.

the complex interplay of various factors (geography, way of living, historic factors and etc.), and should be well understood to ensure the success of an entrepreneurship policy and programme.

Differences are present among the urban marginalized youth sub-groups as well. In some countries, where segregation patterns by income or ethnicity have been persisting, such marginalized youth sub-groups are easily identifiable. In countries in transition, however, marginalized youth sub-groups have emerged as a result of recent changes. Some of them are relatively large and diverse, and represent a by-product of economic decline of whole regions. In the metropolitan urban areas, marginalized youth sub-groups are, in most instances, formed by runaways, drug-abusers, school dropouts, but also by those from the poor households and by discouraged unemployed youth.

The experience of countries with integrating marginalized youth through entrepreneurial schemes has been mixed. The situation has been further complicated by the competition from the organized crime, trying to recruit new members from such youth groups. The costs of such schemes (USA, apparently, has spent billions of dollars on funding programmes targeting marginalized youth) are usually high, while the results are not properly evaluated. Phare/Hungarian project for integrating the Roma youth, for example, will cost more than EUR 14 million (see box 2). Such high costs of programmes are one of the reasons, why many countries in transition shy away from the problem of youth marginality. However, there are some effective approaches, which allow to reduce the public share of the financial burden, particularly, through partnerships with communities, NGOs and the private sector.

Box 2. "Social Integration of Disadvantaged Youth with Particular
Emphasis on the Roma Minority", Phare/Hungary

The European Union supports Hungary in its preparation process for accession with the Phare program. As the Roma issue in Hungary is as much a social as an ethnic issue, the approach chosen, with the agreement of representatives of the Roma Minority, is of a social nature, aiming at the social integration of disadvantaged youth. The programme is centred on the concepts of prevention, correction and promotion. Preventive measures serve to reduce primary school dropout rate among socially disadvantaged, especially among the Roma. Focus on the secondary education with supportive schooling (catching up and vocational training) aims at correction, while support for talented young Roma and their resulting increased number in higher education will contribute to their social promotion.

The programme is implemented under the responsibility of the Ministry of Education in cooperation with the Ministry of Social and Family Affairs. A Steering Committee has been set up comprising of, among others, the representatives of both ministries, representatives of the Office of National and Ethnic Minorities and of the National Roma Minority Self-government, and the Delegation of the European Commission has the status of permanent observer.

The wider objective of the project is to provide for the social integration of disadvantaged youth, especially the Roma, in line with the medium-term priorities of the Accession Partnership political criteria while the immediate objectives are as specified in the following: improvement of the standard of primary education among the members of socially disadvantaged groups, especially among the Roma minority; prevention of the exclusion of socially disadvantaged youth, especially of the Roma community. In the frame of the project, among other things, new dormitory space for Roma students is created; and the number of socially disadvantaged youth obtaining secondary vocational qualification should be increased.

The project activity commenced in May 2000 and ends in December 2002. The total budget of the program amounts to EUR 9.6 million from which the Hungarian government institutions contribute about 48 per cent, about EUR 5 million.

Canada, for example, has been implementing a comprehensive strategy to promote entrepreneurial activities among indigenous youth, involving the entire tribal community, local, provincial and federal governmental structures and their resources. The USA has been pursuing the whole set of entrepreneurship programmes in attempt to diffuse the pockets of marginality. This has been done through a variety of instruments, including the Small Business Administration (SBA). The USA approach also envisages the involvement of various social actors at all levels of execution, including private financial intermediaries for distributing loans. Such an approach allows to reduce the cost of programmes, while reaching all those in need:

1. *Disabled Assistance*: SBA conducts special study to help the disabled veterans succeed in business. The SBA has not been provided funding for direct assistance loans, but such individuals are eligible for all SBA loan guaranty programs;
2. *Disasters*: The purpose of the SBA's Disaster Loan Program is to offer financial assistance to those who are trying to rebuild their homes and businesses in the aftermath of a disaster. By offering low-interest loans, SBA is committed to long-term recovery efforts. The agency will do everything possible to meet the needs of those otherwise unable to put their lives back together;
3. *Historically Under-utilized Business Zones (Hub Zones)*: The HUB Zone Empowerment Contracting program provides federal contracting opportunities for qualified small businesses located in distressed areas (see box 3);
4. *Minorities*: The most well-known element of the Minority Enterprise Development (MED) program is the 8(a) Program, named from Section 8(a) of the Small Business Act. The 8(a) Program is a business development program that provides its participants access to a variety of business development services, including the opportunity to receive federal contracts on a sole-source or limited competition basis. Under the 8(a) Program, SBA enters into prime contracts with federal departments and agencies and subcontracts the performance of work to disadvantaged small businesses that are certified participants in the program. Pre-qualification: A program that uses intermediaries to assist prospective borrowers in developing viable loan application packages and securing loans. Natural Resources Sales Assistance Program is intended to (a) ensure small business concerns obtain a fair share of government property sales/leases to include, where necessary, small business set-asides, and (b) provide counselling, and other assistance to small business concerns on all matters pertaining to Government sales/leases.

All the SBA programmes listed above, while do not target specifically disadvantaged youth, have been extended to young adults, seeking funding to start up their own businesses. The entrepreneurship programme for historically under-utilised business zones has been used, for example, to provide a support for the Harlem youth entrepreneurship scheme, mentioned in the previous section.

It should be noted that, in most instances, those youth entrepreneurship programmes, which were preceded with a thorough research of a target group (see box 4), applied an integrated approach, containing all the remedial components (each addressing a particular set of disadvantages), have appeared being more effective than others. The referred components usually included: promotion of self-employment option; training in the skills needed for self-employment; support services, including mentoring; access to finance, work space and networks; and business expansion support. Best youth entrepreneurship programmes had them all.

Box 3. Historically Under-Utilised Business Zones,
USA Small Business Administration

Program History. The HUB Zone Empowerment Contracting program was enacted into law as part of the Small Business Reauthorization Act of 1997. The program falls under the auspices of the US Small Business Administration. The program encourages economic development in historically underutilised business zones - "HUB Zones" - through the establishment of preferences.

Types of HUB Zone Contracts. A competitive HUB Zone contract can be awarded if the contracting officer has a reasonable expectation that at least two qualified HUB Zone small businesses will submit offers and that the contract can be awarded at a fair market price. A sole source HUB Zone contract can be awarded if the contracting officer does not have a reasonable expectation that two or more qualified HUB Zone small businesses will submit offers, determines that the qualified HUB Zone small business is responsible, and determines that the contract can be awarded at a fair price. The government estimate cannot exceed \$5 million for manufacturing requirements or \$3 million for all other requirements.

A full and open competition contract can be awarded with a price evaluation preference. The offer of the HUBZ one small business will be considered lower than the offer of a non-HUBZ one/non-small business-providing that the offer of the HUB Zone small business is not more than 10 per cent higher.

A full and open competition contract can be awarded with a price evaluation preference. The offer of the HUBZ one small business will be considered lower than the offer of a non-HUBZ one/non-small business-providing that the offer of the HUB Zone small business is not more than 10 per cent higher. The HUB Zone Empowerment Contracting program provides federal contracting opportunities for qualified small businesses located in distressed areas. Fostering the growth of these federal contractors as viable businesses, for the long term, helps to empower communities, create jobs, and attract private investment.

How the HUB Zone Programme Works. The US Small Business Administration (SBA) regulates and implements the program and determines which businesses are eligible to receive HUB Zone contracts, maintains a listing of qualified HUB Zone small businesses that Federal agencies can use to locate vendors, adjudicates protests of eligibility to receive HUB Zone contracts, and reports to the Congress on the program's impact on employment and investment in HUB Zone areas.

Eligibility. A small business must meet all of the following criteria to qualify for the HUB Zone program:

- It must be located in a "historically under-utilised business zone" or HUB Zone;
- It must be owned and controlled by one or more US Citizens, and At least 35 per cent of its employees must reside in a HUB Zone.

Historically Underutilized Business Zone. A "HUB Zone" is an area that is located in one or more of the following:

- A qualified census tract (as defined in section 42(d)(5)(C)(i)(I) of the Internal Revenue Code of 1986);
- A qualified "non-metropolitan county" (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986) with a median household income of less than 80 per cent of the State median household income or with an unemployment rate of not less than 140 per cent of the state-wide average, based on US Department of Labour recent data; or
- Land within the boundaries of federally recognized Indian reservations.

All the SBA programmes listed above, while do not target specifically disadvantaged youth, have been extended to young adults, seeking funding to start up their own businesses. The entrepreneurship programme for historically under-utilised business zones has been used, for example, to provide a support for the Harlem youth entrepreneurship scheme, mentioned in the previous section.

Box 4. Disadvantaged Youth, Public Welfare Foundation (USA)

Employment, Training and Alternative Education - Programs that provide quality education, employment readiness services with job placement and other assistance for young people who have dropped out of school, experience chronic unemployment, and have minimal or no job skills, so that they may achieve independent living for themselves and their families.

Early Intervention - Programs that promote positive youth development through services designed to prevent educational failure, delinquency, developmental delays, adverse health, or neglect. Services also include assistance to children whose parents are adolescents, affected by HIV/AIDS, involved in substance abuse, or incarcerated.

Youth Empowerment and Leadership Development - Programs that provide opportunities for youth leadership development in conjunction with their community's economic and civic development.

Violence Prevention - Primary prevention services to reduce violence in neighbourhoods and families, especially violence caused by the availability of guns and other weapons.

Advocacy and Policy Development - Programs that promote systemic responsiveness to the needs of low-income young people within federal, state and local policies and practices.

A very special marginalized youth group, which disadvantages need to be addressed in a comprehensive manner, is the youth with disabilities. In some countries of the UNECE region, their number has increased as a result of armed conflicts (Tajikistan, Russian Federation, some of the south-eastern European countries, Azerbaijan, Georgia and Armenia). One of the examples of the comprehensive idea to better integrate this disadvantaged group is a recent American "New Freedom Initiative", launched in 2001. The "New Freedom Initiative" is composed of the following key components:

Increasing Access to Assistive and Universally Designed Technologies:

1. Federal Investment in Assistive Technology Research and Development. The Administration will provide a major increase in the Rehabilitative Engineering Research Centres' budget for assistive technologies, create a new fund to help bring assistive technologies to market, and better coordinate the Federal effort in prioritising immediate assistive and universally designed technology needs in the disability community.

2. Access to Assistive Technology. Assistive technology is often prohibitively expensive. In order to increase access, funding for low- interest loan programs to purchase assistive technologies will increase significantly.

Expanding Educational Opportunities for Americans with Disabilities:

1. Increase Funding for the Individuals with Disabilities Education Act (IDEA). In return for participating in a new system of flexibility and accountability in the use of Federal education funds, states will receive an increase in IDEA funds for education at the local level and help in meeting the special needs of students with disabilities.

2. Focus on Reading in Early Grades. States that establish a comprehensive reading program for students, including those with disabilities, from preschool through second grade will be eligible for grants under President Bush's Reading First and Early Reading First Initiatives.

Integrating Americans with Disabilities into the Workforce:

1. Expanding Telecommuting. The Administration will provide Federal matching funds to states to guarantee low- interest loans for individuals with disabilities to

purchase computers and other equipment necessary to telework from home. In addition, legislation will be proposed to make a company's contribution of computer and Internet access for home use by employees with disabilities a tax-free benefit.

2. Swift Implementation of "Ticket to Work." President Bush has committed to sign an order that directs the federal agency to swiftly implement the law giving Americans with disabilities the ability to choose their own support services and maintain their health benefits when they return to work.

3. Full Enforcement of the Americans with Disabilities Act (ADA). Technical assistance will be provided to promote ADA compliance and to help small businesses hire more people with disabilities.

4. The Administration will also promote the Disabled Access Credit, an incentive program created in 1990 to assist small businesses comply with the Act.

Innovative Transportation Solutions.

Accessible transportation can be a particularly difficult barrier for Americans with disabilities entering the workforce. Funding will be provided for 10 pilot programs that use innovative approaches to developing transportation plans that serve people with disabilities. The Administration will also establish a competitive matching grant program to promote access to alternative methods of transportation through community-based and other providers.

Promoting Full Access to Community Life:

1. Promote Homeownership for People with Disabilities. Congress recently passed the "American Homeownership and Economic Opportunity Act of 2000," which will permit recipients with disabilities to use up to a year's worth of vouchers to finance the down payment on a home. The Administration will work to swiftly implement the recently enacted law.

2. Swift Implementation of the Olmstead Decision. President Bush has committed to sign an order supporting the most integrated community-based settings for individuals with disabilities, in accordance with the Olmstead decision.

National Commission on Mental Health.

President Bush has committed to create a National Commission on Mental Health, which will study and make recommendations for improving America's mental health service delivery system, including making recommendations on the availability and delivery of new treatments and technologies for individuals with severe mental illness.⁴

The execution of youth entrepreneurship programmes has differed from country to country in terms of organizational arrangements and executing agent. In some countries, such as USA and Canada, they have been delivered through various arrangements: business incubators, youth councils, youth information centres, special young people facilities and funds, by NGOs, governmental institutions (such Department/Ministry of Education, Human Resources, Industry, Commerce and etc.), joint boards, special structures (SBA in USA or Aboriginal Entrepreneurship Foundation in Canada) and etc. This unavoidably creates a coordination problem and complicates the monitoring and evaluation of the programmes. As a result, the

⁴ U.S. Department of Health and Human Services. Delivering on the Promise. Preliminary Report of Federal Agencies' Actions to Eliminate Barriers and Promote Community Integration. Presentation to the President of the United States, December 21, 2001.

number of studies on youth entrepreneurship programmes is very limited. Further studies and impact assessments are needed in order to establish, which approaches have been working and which failed and why.

V. Partnerships in Promoting Youth Entrepreneurship

Partnership approach is becoming very popular nowadays, including in promoting youth entrepreneurship. To some extent, this reflects the maturity of civil societies in the UNECE countries, where various coalitions, uniting representatives of different social groups around common interests or goals, have become an instrument of social interaction. But this also reflects the degree of societies' understanding, that youth problems, if not addressed today, may result in much higher social costs of tomorrow.

Each social agent has his own stake in supporting entrepreneurial activities among youth. For the private sector, the main reason of being involved is that its support for youth entrepreneurship and other youth programmes would bring a more secure future, but also healthier, more skilful and entrepreneurial labour force. For Governments, the benefits of youth entrepreneurship programmes are: (i) broadening of revenue base, (ii) cutting public expenditure on welfare benefits and law enforcement, (iii) ensuring cooperative and constructive behaviour patterns among youth, and etc. For many other civil groups, their involvement in youth affairs brings moral satisfaction, but also a guarantee of a better and safer future. For the international community at large, promoting youth entrepreneurship and youth employment means mitigating risks of conflict, which are often rooted in social marginality and the frustration of the marginalized.

Box 5. DO-IT Programs, USA

DO-IT hosts program for pre-college and college students with disabilities and their advocates, educators, and administrators.

DO-IT Scholars - high school students with disabilities pursuing academics and careers.

DO-IT Ambassadors - when they transition from high school to post-secondary studies, DO-IT Scholars become Ambassadors and mentor younger Scholars.

DO-IT Pals - an electronic community of students with disabilities planning for college and careers.

DO-IT Campers - Internet training at camps for children and youth with disabilities.

DO-IT Mentors and Volunteers - supporting the DO-IT Scholars, Pals, and Campers.

DO-IT CAREERS - students with disabilities participate in work-based learning opportunities.

DO-IT 2-4 - students with disabilities learn to successfully transition from a 2-year to a 4-year post-secondary institution.

DO-IT Show and Tell - college students with disabilities demonstrate technology, information access and independent living skills to first grade students.

DO-IT Prof - helping post-secondary faculty and administrators to work successfully with students with disabilities.

Access IT - a national centre to increase the use of accessible information technology in educational institutions.

There are diverse partnership schemes in operation throughout the UNECE region. Examples range from small firms, such as bakeries, teaching disadvantaged youth the secrets of their business, to large-scale renowned programmes that have been extending their helpful hand to countries in transition. The latter include, for example, Junior Chamber International, Rotary International (UK), Livewire (UK), Achievers International (USA) and the REAL Enterprise Programme (USA). Corporate and private foundations have also been active in this field, including Soros, Ford, Mott and Microsoft Foundations, but also large companies, such as Lotus, Hewlett-Packard, IKEA and many others.

In countries in transition, the local private sector has not yet been active in public affairs and needs an encouragement and a framework for its involvement. The obstacles for building such partnerships have to be removed. As for other social actors, there are some constraints, which need to be tackled jointly in order to build a social consensus. In some countries, the major constraints are: lack of resources, organizational capacities, and lack of leadership. In some other countries, however, these are further aggravated by more profound and fundamental problems, such as: the lack of compassion and solidarity; and public apathy. In the light of these, it is crucial for the international community to provide a support for those few in these countries, who dare to speak on behalf of young people about their needs, and who express the readiness to mobilize a social action aiming to improve the opportunity sets and future perspectives of the youth in their countries. It is even more urgent in view of some recent in the youth situation of some countries: growing hate and militant movements, criminalization, proliferation of drug-abuse and HIV/AIDS infection.

Furthermore, the resource base of most countries in transition is very limited, and there are conflicting priorities. Nonetheless, the problems of youth cannot be put on a waiting list until the economic situation becomes better. It should be understood that youth entrepreneurship programmes is a means to release the pressure on the labour market and to give a rise to new clusters of economic activities, and, therefore, to help recover economic growth. The design of such programmes should be based on a serious assessment of the skills of young people and the local demand for products and services. Business incubators or techno-parks could serve as instruments of promotion of youth entrepreneurship, but they also could serve as providers of training, workspace, funding, mentoring and other business services. To ensure that business incubators and techno-parks are able to meet the expectations and demand, they should be provided with enough capital.

Funding of start-ups is extremely important, and various options could be considered. For more static groups, living in closely tied rural or ethnic communities with a relatively strong social control, a group/communal collateral could be used for mitigating financial risks. For urban, more dynamic groups, the involvement of financial intermediaries, following the example of the USA SBA, could be tried.

It is also important not to restrict and downgrade youth initiatives. With this regard, an appropriate body should be established, on the volunteer basis, for example, by mobilizing local scientists, entrepreneurs and economists, to conduct a qualified testing of the business ideas generated by young people. To stimulate the creativity of youth, local, regional and national awards for the best business idea could be established.

In some countries in transition, there are specific youth groups, which are at highest risk of marginalization. They have to be on the Government's priority list. In Romania, for example, these are thousands of orphans, placed in public care. In some other countries (Azerbaijan, Georgia, Armenia, and some of the south-eastern European countries), youth in refuge should be a priority. While younger children could be trained in entrepreneurship skills at school, the older young people, 19-25 year old, should be motivated to join youth entrepreneurship schemes and provided with all necessary support to start their own businesses, if they wish so. Entrepreneurship, however, should not be the only one career option available to youth. If countries in transition would like to be competitive on both the European and global markets, the majority of young people should be educated in the best possible way.

Finally, the role models have a powerful impact on the choice of future career orientation of young people. It is important that the local and national mass media capture the attention of young audience by highlighting success stories, especially, when these stories are about young local entrepreneurs.

To involve local businesses in youth entrepreneurship programmes, Governments could consider fiscal incentives, as in the case of the USA. The resources contributed to such youth programmes could be relieved of taxation, at least, partially. Internships and training in local businesses could be also rewarded by deducting appropriate amounts from the companies' expenditure.