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Inspiring entrepreneurship.

#### Issue 12

Editorial, by Fiorina Mugione

The state of youth unemployment

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Dominican Republic opens Empretec Centre

#### International events

15–20 March 2010 Empretec Training Workshop organized in collaboration with the United Republic of Tanzania Private Sector (TPSF) United Republic of Tanzania– Dar Es-Salaam

19–24 April 2010 Empretec Training Workshop organized in collaboration with the United Republic of Tanzania Investment Center United Republic of Tanzania– Dar Es-Salaam

19–24 April 2010 Empretec Training Workshop organized in collaboration with the Zambia Development Agency and ILO Zambia – Lusaka

19–25 April 2010 Millennium Development Goals: Planning mission Viet Nam – Hanoi

22–27 March 2010 Empretec Training Workshop organized in collaboration by the Empretec Centre and the

### **Editorial**

This issue of the newsletter focuses on youth entrepreneurship. Entrepreneurial spirit needs to come at an early age. Reforming education can be a polarizing topic. Entrepreneurship programmes at all levels of education give wide scope to student creativity and energy, and offer a positive way for students to channel their talents. Other reforms of the policy environment are also critical in supporting youth entrepreneurship. The United Nations has designated 2010 as the International Year of Youth, commencing on 12 August. This special year is about ensuring the effective participation and advancement of youth in every aspect of society. We encourage the Empretec network to celebrate the Year of Youth by organizing activities that promote youth entrepreneurship.

Best wishes, **Fiorina Mugione** Chief Entrepreneurship Section, Enterprise Branch, Investment & Enterprise Division



The state of youth unemployment

Institute for Foreign Trade and Business Innovation Dominican Republic – Santo Domingo

22-28 March 2010

Business Linkages awareness workshop with transnational corporations and regional governments organized in collaboration with Proinversión – the investment promotion agency **Peru – Lima** 

#### 25-30 April 2010

Empretec Training Workshop organized in collaboration with IPAE– Peruvian Institute for Entrepreneurial Action Peru – Arequipa

#### 30 March 2010

Business Linkages awareness workshop organized by the Zambia Development Agency Zambia – Lusaka

#### **Regional events**

#### 16-21 March

Regional Business Linkages Policy workshop organized by UNCTAD and Enterprise Uganda Uganda – Kampala

24–26 March Workshop on Global Value Chains organized by the Centre for Social Science Research, University of Cape Town

South Africa – Cape Town

#### Networking

Facebook group for Latin American Trainers EMPRETEC - Instructores Latino America

View our photos UNCTAD's new global Flickr account

#### UNCTAD Empretec Channel on YouTube

Check out the finalists for the Empretec Women in Business Award 2010.

In times of economic downturn, historically the most affected group which suffers very high unemployment rates is the youth. According to the International Labor Organization (ILO), even before the current economic crisis, youth were on average 2.8 times likelier to be unemployed than adults at the global level. Current estimates show that this figure has risen by 1.3 per cent, from 12.1 per cent in 2008 to 13.4 per cent in 2009. The number of unemployed youth increased by 8.5 million between 2008 and 2009, the largest year-on-year increase in at least 10 years, and by more than 10 million since 2007.

As the global economic crisis grinds on, these depressing figures are rising exponentially, as more and more youth find themselves unable to reach the first rung of the employment ladder even after obtaining degrees in higher education.

The more sinister but often overlooked statistic is that the majority of youth in developing countries are chronically under-employed. Young people are more likely to work longer hours under informal, intermittent and insecure work arrangements, characterized by low productivity, meager earnings and reduced labour protection.

Becoming an owner of a micro or small enterprise could be an alternative for a young person who has an entrepreneurial mindset and has also acquired some skills to start up. However, awareness of this career option on the one hand, and an enabling environment for enterprise creation on the other, play a crucial role for a successful start into selfemployment or creation of a small enterprise.

According to an important recent <u>report by the</u> <u>World Economic Forum</u> schools and universities have traditionally been focused on ensuring students can secure future employment. By contrast, the current economic crisis and the rapidly changing global environment of the twentyfirst century highlight the importance of entrepreneurship education for developing the skills, attitudes and behaviours necessary to create jobs, generate economic growth, and advance

## What's coming up in 2010

Financial services

*Green businesses in developing countries* 

Intrapreneurship: Aiding government services to run more effectively

South - South cooperation

human welfare.

The ultimate effectiveness of youth entrepreneurial training should not only be measured in terms of opening businesses and turning a profit but also in terms of communities' well-being, poverty reduction and sustainable development.

# Experts highlight the importance of entrepreneurship education

The second session of the UNCTAD <u>Multi-year</u> <u>Expert Meeting on Enterprise Development Policies</u> and Capacity-building in Science, Technology and <u>Innovation (STI)</u>, held at the Palais des Nations, Geneva, from 20 to 22 January 2010, reviewed the development of an entrepreneurship policy framework to guide policymakers in promoting entrepreneurship. One of the key areas of the framework is focused on entrepreneurship education and skills.

Policies to improve entrepreneurship skills should encourage the integration of entrepreneurship training at all levels (primary, secondary and tertiary) of the education system. There also is a need to provide entrepreneurship training outside of formal education systems, in rural and community programmes. The ultimate objective of entrepreneurship education policies should be to create a more entrepreneurial society and culture by changing the mindsets of young people about entrepreneurship and encouraging them to consider it as a possible path for themselves in the future. As stated in the <u>report</u> of the meeting:

"Entrepreneurship education and training were considered key elements in any entrepreneurship policy framework, allowing entrepreneurs to develop the necessary behavioural competencies and technical skills required to start up and sustain a growing business. The benefits of UNCTAD'sEmpretec programme were described through the positive examples of Jordan, Uganda and Chile."



A young Ugandan woman entrepreneur, Ms. Judith Barbara Ineku, Managing Director of IJB Real Estate company, demonstrated the benefit of entrepreneurship training and the support of Empretec. She gave inspiring testimony on how she was able to create her own real estate business even before graduating from university, by changing her mindset and above all being persistent and resourceful.

The experts also recommended that the theme for next year's Multi-year Expert Meeting should focus on entrepreneurship education.

# Innovation in job creation in partnership with government

UNCTAD Empretec supports the development of curricula in formal education programmes. Empretec centres in Chile, Guatemala and Uganda have been expressly requested by their Governments to tackle the endemic problems of youth under and unemployment.

Enterprise Uganda



In Uganda, according to available statistics, approximately 9,000 new jobs are created annually against an output of 35,000 graduates representing an unemployment rate of 70 per cent. Enterprise Uganda, supported by the Government of Uganda launched the <u>Graduates'</u> <u>Empowerment Programme (GEP)</u> in March 2007 to help graduates from Universities and Tertiary Institutions to create employment rather than compete for too few jobs.

The programme is supplementing the ongoing efforts by Government to address rising unemployment and reduce vulnerability of the youth to criminal activities.



The overall objective

of the programme is to build the capacity of young people to participate in employment creation. Under the programme, graduates from different disciplines get equipped with entrepreneurship and business skills to enable them start their own businesses.



The Graduates

Empowerment Programme is therefore an important vehicle for providing self-employment, bridging the unemployment gap and enhancing economic growth through self-determination.

#### **Empretec Chile**



Empretec Chile

has been selected by the Government to develop curricula for primary and secondary schools on the strength of its excellent, decade-spanning track record. A recent evaluation confirmed that over 50 per cent of participants in Empretec's Chile programme have managed to increase their firms' product quality and profitability.

#### **Empretec Guatemala**

Emprendedor Juvenil, an innovative programme launched in 2007 in Guatemala, has helped to train 560 students. The Director of the Empretec Centre in Guatemala explains that lack of employment opportunities causes many young people to leave the country or join gangs. Many fall into other bad habits. The programme is intended to prevent this by showing young people how to create their own small businesses. "When we launched the programme, we were expecting around 200 students and only a handful of parents. In fact, 560 students and 500 parents showed up," said Alvaro Urruela Aycinena, Director of the Empretec Centre in Guatemala.

### Dominican Republic opens Empretec Centre

The Dominican Republic officially opened on 23

February an UNCTAD-affiliated Empretec Centre for the training and support of entrepreneurs, bringing the number of Empretec Centres worldwide to 32.

More than 100 representatives from the Dominican Government, the country's business community and civic institutions attended the official opening ceremony at the ICEI-RD (Instituto del Comercio Exterior y la Innovación Empresarial), where the centre is based. It was noted at the ceremony that the Dominican Republic's National Plan for Systemic Competitiveness of 2007 calls for efforts to establish an entrepreneurial culture and for greater numbers of small and medium-sized enterprises (SMEs).

"Empretec provides practical tools to manage resources efficiently, enhance marketing efforts, and promote innovation in business," said Acelis Ángeles, Technical Deputy Director of CEI-RD, the investment and exports promotion agency of the Dominican Republic, during a speech at the event.



Tatiana

Krylova, Head of the Enterprise Development Branch of UNCTAD, welcomed the new centre to the Empretec family. Mrs. Krylova said the centre will be a milestone for promoting entrepreneurial culture in the Dominican Republic and will assist Dominican entrepreneurs in developing their abilities to create and expand businesses. She added that the centre will also support entrepreneurs in establishing business linkages with larger national and foreign companies, thus helping domestic SMEs to link into international value chains.

One of the keys to Empretec's success is its

"training of trainers," which multiplies entrepreneurship capacity in countries and increases the impact of the programme. During the ceremony, Ms. Krylova presented UNCTAD certificates to Xiomara Frias, Tamara Mera, and Roberto Perez, recognizing them as National Empretec Trainers, who will work through the centre. They were instructed with the cooperation of trainers from Empretec Uruguay, which assisted in seven Entrepreneurship Training Workshops delivered to about 200 Dominican entrepreneurs.

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