ENTERPRISE CREATION AND GROWTH
sustainable solutions for youth employment

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Country level actions for job creation

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Situation analysis

- 1.8 billion youth (record high)
- 500 millions live with less 2$
- We need today 74 millions jobs
Where are these jobs created?

- SMEs account for 90% of global businesses
- 63% of the employment globally (public sector, informal economy and MNE)
- 50% of new jobs are created by young firms (5 yr or younger) – employer enterprises
- Nexus between HDI and industrialization as well as industrialization and job creation (employment + self-employment)
- Manufacturing sector accounts for half a billion jobs in 2013; in developing countries/emerging economies new jobs will be created in the service related to manufacturing and industrial goods
What are the issues/solutions?

- Industries, SMEs can’t find the right profiles (skills mismatch – employability)
- Pragmatic approach: skills required by the industry -> training centre -> exponential increase in employment

**UNIDO – Scania – Sweden – Iraq training academy in Erbil**

- Iraq growing economy and demand for skilled labour in heavy duty machinery
- Scania market leader and maintenance centre
- High level of youth unemployment

**Result:**
Technical training academy supported by Sweden (funding), Scania (training machinery, trainers and curricula), UNIDO and Iraqi Gov. (management, curricula, sustainability, M&E)

→ Immediate increase 60% of employment for trained youth, and 15% within 12 months
What are the issues/solutions?

- Entrepreneurial culture and entrepreneurial training (ILO report and ECP programmes in Mozambique/Angola)

  UNIDO – HP Learning Initiative for Entrepreneurs: training curricula for aspiring entrepreneurs resulted in business established, increase in efficiency and growth and job creation (only with training)
What are the issues/solutions?

- Lack of affordable financial mechanisms and non-financial assistance

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**Souq At-tanmia (Tunisia)**

Joint programme developed with an ensemble of 14 partners in post-revolutionary Tunisia to address the high unemployment rate and low SMEs development among youth:

- **Financial Institutions** (African Development Bank, Tunisian Bank for SMEs) for provision and management of financial resources
- **UN entities** providing non-financial assistance and coaching (UNIDO on access to markets and business linkages; FAO on extension services; ILO on cooperatives and decent job)
- **Other partners** developed web-portal, M&E, mobile apps, etc.
- **Donors**: AfDB, USAID, UK, etc. provided funding for the operationalization of the fund

→ 85% repayment, over 1000 jobs created in 12 months
What are the issues/solutions?

➢ To create employment, SMEs have to be supported to reach a sustainable growth

Investment promotion (national and international)

Linkages with supply chains of market-leading corporations

UNIDO Metro-group joint project in Egypt, India and Russia: support local suppliers (SMEs) to comply with food safety standards resulted in notable increase performances and 90% of SMEs joined new supply chains (Metro and others) with evident increase in job created within 12 months
What are the solutions?

- Innovative
- Result-oriented -> job creation
- Multi-stakeholders engagement
- Solutions that benefit all parties and are sustainable in all three dimensions (social, economic, environmental)
THANK YOU