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THE CP'AC, AN ALTERNATIVE TO YOUTH UNEMPLOYMENT

SELF-EMPLOYMENT FIRMS, IN WHICH THE PROMOTERS ARE YOUNG PEOPLE, ARE TODAY BECOMING A REAL ALTERNATIVE TO UNEMPLOYMENT.

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Unemployment is one of the most serious challenges of the end of millennium. A lot of companies are reducing their workforces and prefer to make mercantile agreements rather than hire workers. At the same time, large companies tend to get rid of part of their productive processes and subcontract smaller ones. Guaranteed lifelong jobs are in danger of becoming extinct. A lot of young people are out of work, not for want of training or professional capacity, but because the work offer exceeds the demands of industry. At present, it can be easier and quicker for someone out of work to set up a dynamic, versatile business of



their own than to wait for someone else to come up with a tailor-made job for them. Self-employment firms, those in which the promoters—usually young people—, as well as providing the capital, become fully involved in the day-to-day running and operations, are becoming a real alternative to unemployment. The small size of these firms can be a decisive advantage; their flexible structure means they can adapt to changes in the market and quickly change activity. At the same time, they do not require large investments, not only because of their small size, but also because they tend to be located in the service sector.



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But good ideas aren't enough when it comes to setting up a viable business; technical, business, financial and other skills are needed. Experience shows that not a few firms come up against serious practical problems: they begin production or their offer of services without the least planning, they stumble over red tape, etc. In Catalonia, a country with a long tradition in business and commerce, companies with less than 25 employees give work to 45% of the active population. In view of the need for advice to young people with ideas for creating businesses, the Centre for the Promotion and Administration of Youth Self-Employment Initiatives in Catalonia (CP'AC) was set up in 1987. In less than ten years, this non-profit association has helped create some 300 businesses, most of them civil and limited societies, cooperatives and autonomous businesses.

The CP'AC has specialized in the creation of microbusinesses, that is companies with less than ten employees. No specialized knowledge is required of the company promoter. Generally speaking, the promoters' skills are centred more in the activity they want to carry out than in company administration. They usually have no financial backing and very often their original, rather primitive ideas have to be filled out. Thanks to the collaboration of private organisations and public institutions, this service is free to the promoter.

The CP'AC offers technical support perfected through practice in similar cases, user-tailored business training and a personalized follow-up in the viability study. On the basis of its experience, the Centre has designed a method of its own which takes as its starting point the need to personalize operations so as to ensure effective interventions: initial contact, data gathering, project analysis, initial diagnosis, working plan, business training, business plan, support in the search for funds, follow-up of the early stages and, if necessary, continued follow-up until the company becomes consolidated. Although the number of phases depends on each project, there are two that are definitive. One is the initial diagnosis, which highlights the strengths and weaknesses in four main areas of business: commercial, technical, manpower and financial. The other important phase consists in the elaboration of a business plan including the necessary data to guarantee that there are no mistakes in the original definition.

After years of work as business consultants, the staff at CP'AC are perfectly acquainted with the most frequent requests for information from business promoters. They have even felt competent enough to publish a book, now in its fourth edition, called *Passos i costos per a la posada en marxa d'un projecte d'autoocupació* (Steps and expenses in starting up a self-employment project). This book, which

contains an appendix laying out the official documents necessary for carrying out the steps described, answers questions such as: Where do I start? How much will it cost me? What help can I get from the public administration? How do I know if my project is viable? What tax obligations will I have?

Another product designed and produced by CP'AC is the simulation game *Com crear una empresa* (How to set up in business), in which players can learn how to develop a business project from the original idea to its legal constitution. The game simulates the process of creation of a small business and stresses the concepts of initiative, obtaining backing, collaboration and relation between promoters and risk taking.

A large part of the success of the economic recovery depends on the correct functioning of self-employment companies and on the capacity for planning and administration of its businessmen in an increasingly complex and ever changing context. The technical support given to people who have more ideas for business creation than skill and experience in administration can be decisive in shaping a solid and competitive business fabric.

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