

CREATING SHARED VALUE FOR ECONOMIC EMPOWERMENT OF THE NEET POPULATION IN SERBIA

Gordana Bulatović

Commission for Protection of Competition

Belgrade, Serbia

bulatovic1109@gmail.com

Abstract

The paper explores the possibilities for applying the concept of shared value creation in order to reduce the high rate of NEET population in Serbia. This paper analyzes key characteristics of Serbia's NEET youth who are not in education or employment and the challenges they face. Examples of successful cooperation between business, education, and civil society in other countries are considered. Measures such as creating new jobs and training programs tailored to the NEET population are proposed in order to achieve benefits for individuals, the economy, and society. The paper aims to provide recommendations tailored to Serbia, based on a review of literature and case studies.

Keywords: NEET population, shared value creation, inter-sectoral cooperation, support measures, Serbia

KREIRANJE ZAJEDNIČKE VREDNOSTI ZA EKONOMSKO OSNAŽIVANJE NEET POPULACIJE U SRBIJI

Apstrakt

Rad istražuje mogućnosti za primenu koncepta kreiranja zajedničke vrednosti u cilju smanjenja visoke stope NEET populacije u Srbiji. Autor analizira ključne karakteristike ove grupe mladih koji nisu u obrazovanju ili zaposlenju i izazove s kojima se suočavaju. Razmatraju se primeri uspešne saradnje privrede, obrazovanja i civilnog sektora u drugim zemljama. Predlažu se mere poput stvaranja novih radnih mesta i programa obuke prilagođenih NEET populaciji kako bi se ostvarile koristi za pojedince, privredu i društvo. Cilj rada je da na osnovu pregleda literature i studija slučaja formulisati preporuke za kontekst Srbije

Ključne reči: NEET populacija, kreiranje zajedničke vrednosti, saradnja sektora, mere podrške, Srbija

INTRODUCTION

The concept of *creating shared value* represents a key approach to redefining the relationship between business and society (Porter & Kramer, 2019). As Porter and Kramer (2019) discuss, this approach involves generating economic benefits in a way that simultaneously addresses social challenges and improves community well-being. One pressing social challenge is the high rate of young people not in education, employment, or training (NEETs) (Eurostat, 2023). The term *NEET* was introduced in the United Kingdom (UK) in the late 1990s to describe youth outside the labor market and education system, initially focusing on those aged 16-18 (Eurofound,

2018). According to Eurofound (2018), the NEET category later expanded to include those aged 16-24 as the concept spread across Europe and began encompassing broader groups such as unemployed graduates. Eurostat (2023) data shows the average 2022 NEET rate in the EU was 11.7%. In Serbia, the World Bank (2023) reports a 17.2% NEET rate for the same year. This population faces challenges including higher rates among those with lower education and in rural areas (Eurostat, 2023). The International Labour Organization (ILO, 2024) indicates the average global 2023 NEET rate was 21.6% for youth aged 15-24.

The high NEET rate poses problems due to risks of poverty, social exclusion for individuals, and untapped human potential for economies (ILO, 2024). Creating shared value through inclusive programs and partnerships between businesses, education systems, and civil society can help reduce NEET rates and economically empower this vulnerable group (ILO, 2024; Porter & Kramer, 2019). By developing new jobs and tailored training, NEET youth could participate in meaningful activities benefiting society and the economy, achieving mutual benefits for all stakeholders.

RESEARCH OBJECTIVES AND QUESTIONS

This study aims to examine the potential of applying shared value creation to reduce the NEET rate in Serbia for young people aged 15 to 29 through a review of relevant literature, case studies, and identification of inter-sector collaboration models.

This study addresses the following research questions: P1: What are the key characteristics of the NEET population in Serbia, and what are the main challenges faced by this group?

P2: How can the concept of creating shared value be applied to economically empower the NEET population?

P3: What are examples of successful models of collaboration between business, education, and the civil sector in reducing the NEET rate in other countries?

P4: What measures and forms of partnership can be taken in Serbia to reduce the NEET rate?

RESEARCH METHODOLOGY

The study employed a qualitative method based on secondary data analysis. This included an analysis of relevant academic literature, reports from international organizations, and domestic strategic documents in the field of youth employment and shared value creation. A particular focus was placed on reviewing three case studies of successful applications of this concept in other countries. The models of collaboration between different stakeholders were analyzed, as well as the results achieved in reducing the NEET rate.

THEORETICAL FRAMEWORK AND EXISTING PRACTICES IN THIS FIELD

Literature review

Borojević et al. (2022) note the UN Sustainable Development Goals provide a comprehensive framework centered on individuals' and societies' well-being. Key goals directly relating to youth aim to ensure inclusive quality education and lifelong learning (Goal 4), promote sustained economic growth and decent work (Goal 8), and reduce inequality (Goal 10) (Borojević et al., 2022). These highlight education, employment, and social inclusion's importance for youth, crucial in considering NEET status.

A 2024 International Labour Organization report found the NEET population remains a major issue, particularly for girls in lower-middle-income nations (as defined by the World Bank methodology categorizing countries by per capita GNI from \$1,046–40,045). More than one-third of girls face this lack of education/training in these countries (ILO, 2024). This limited access significantly hinders skills acquisition and decent work prospects. Along with these educational barriers for girls, the report highlights simultaneous labor shortages in some sectors/nations while youth unemployment and inactivity persist (ILO, 2024). This implies a mismatch between skills attained and labor market demands.

According to an ILOSTAT report (2023), Northern and Western Europe have a relatively low percentage of NEETs, attributed to "a well-developed culture of supporting youth employment on a part-time basis, including those still in education and training." Countries like Denmark, the Netherlands, and Sweden stand out for this successful model (ILOSTAT, 2023).

As noted in the same report, some Southern European countries like Greece and Spain have seen an increase in the NEET population during the economic crisis, indicating greater youth sensitivity to economic growth and decline cycles (ILOSTAT, 2023). As a key conclusion, the ILOSTAT report (2023) emphasizes the need to tailor skills development policies and programs to the specific challenges faced by young people in each European context to reduce the proportion of the NEET population.

In their research, Van Vugt et al. (2022) analyzed how the characteristics of education systems influence the likelihood of individuals becoming long-term NEETs. The authors found that highly stratified systems in the Netherlands and Germany, where students are directed towards specific educational profiles, such as grammar school, vocational school, or technical school, from the age of 10-11, create greater inequalities in terms of the risk of NEET status for groups with lower qualifications and migrant backgrounds (Van Vugt et al., 2022).

On the other hand, in systems with lower stratification, such as England and Japan, where educational profiles are selected later, where there is longer joint schooling for students of different abilities, where there are fewer options and longer orientation towards specialization, the aforementioned groups with lower qualifications and migrant backgrounds did not show significantly more unfavorable outcomes compared to the average population (Van Vugt et al., 2022). Also, Van Vugt et al.

(2022) found that women in Japan have a higher risk of NEET status, which the authors attribute to the pronounced gender division in education and employment in that country. These results suggest that the structure of the education system can influence the vulnerability of certain groups to the NEET phenomenon during the transition from school to work (Van Vugt et al., 2022).

Francisco Simões and Emre Erdogan, leading experts in the field of NEET phenomenon research, state (2024) that NEET rates across the European Union tend to be higher in rural areas, especially in southern and eastern parts of Europe, which show greater inequalities between cities and villages. This is partly related to the fact that young people in rural areas have fewer opportunities for education and employment compared to their urban counterparts. They often face obstacles such as lack of transportation to schools and jobs, a lack of local employers, and limited opportunities for gaining work experience" (Simões, Erdogan, 2024).

According to the European Commission, the Youth Guarantee aims "to provide every young person who becomes unemployed or leaves education with a quality offer of employment, further education, training, or apprenticeship within four months" (European Commission, 2024). While the program initially struggled with uneven implementation across EU member states (Ostojić, 2023), the Reinforced Youth Guarantee adopted in 2018 strengthened obligations on states to improve support quality and monitoring (European Commission, 2024).

Statistics indicate the program's success in reducing NEET rates. As reported by the European Commission, over 1.7 million fewer individuals were classified as NEET along with a record-low youth unemployment level of 14.9% (European Commission, 2024). The commission also notes targeting was expanded after COVID-19 to include those under 30 and provide more customized local assistance (European Commission, 2024).

Regarding Serbia specifically, Ostojić (2023) found the Youth Guarantee remains in the early stages of implementation. While a coordination body and expert group developed an initial plan sent to the European Commission, further progress stalled according to available reports (Ostojić, 2023). Ostojić (2023) additionally cites the need for legal amendments to fully realize benefits in Serbia, similar to successes achieved elsewhere.

According to the current strategic documents of the Government of the Republic of Serbia, the NEET population of young people is recognized as one of the most vulnerable groups. The Youth Strategy in the Republic of Serbia for the period 2023-2030, adopted in 2023, states that the results of the analysis of the previous Strategy have shown that young people are still one of the most vulnerable groups, explicitly mentioning the NEET rate as an indicator of this. The implementation of the Youth Strategy is operationalized in part through the Action Plan for the period 2023-2025 (Government of the Republic of Serbia, 2023). This Action Plan provides measures such as support for employment, entrepreneurship development, and youth volunteering to address the NEET population problem in the next three years.

The key challenges faced by the NEET population of young people in Serbia are high unemployment rates, insufficient education, and a lack of programs for transitioning from school to the labor market, as described in detail in the Alternative Report on the

Situation and Needs of Young People in the Republic of Serbia for 2023 (Umbrella Youth Organization of Serbia, 2023). According to data from this Report, the unemployment rate for young people aged 15 to 29 in 2021 was 21.4%, while in the first quarter of 2023, it reached 23.1%. This indicates a serious problem of high youth unemployment in Serbia. A worrying fact is that as many as 18.6% of young people are in the NEET population, outside the education, employment, and training system, according to a 2021 study by the Umbrella Youth Organization of Serbia.

One of the main reasons for the high unemployment rate and large NEET population is that young people often lack sufficient work experience and necessary skills due to shortcomings in the education system and a lack of programs for transitioning from school to the labor market. The report provides more details on the reasons for the high unemployment rate and the large proportion of young people in the NEET population. Specifically, the report states that the education system in Serbia is not sufficiently aligned with the needs of the labor market, which is why young people's diplomas do not easily guarantee employment. Also, the lack of practical training and internship programs during schooling makes it difficult to gain the work experience and skills that employers are looking for. The report emphasizes that this gap between education and the labor market is one of the main causes of high youth unemployment. They finish school but do not have the opportunity to apply their knowledge and practice their skills in a practical way. Also, the lack of programs for transitioning from school to the labor market, such as various types of training and internships, contributes to the fact that young people find it difficult to find suitable jobs after finishing school and end up in the NEET group.

A similar view is expressed in the paper "Inequality in Serbia: Is the problem in measurement or in policies?" (Arandarenko et al., 2019). Citing a 2018 UNDP report, the authors note that Serbia has one of the highest NEET rates in Europe. They point out that the high NEET rate in Serbia is a result of a combination of factors such as an insufficient supply of quality jobs for young people, lack of relevant skills among young people that the labor market demands, low labor mobility, early school leaving, and low participation rate in adult education and training (Arandarenko et al., 2019). The creators of the concept of creating shared value, professors Michael Porter and Mark Kramer, proposed that it is possible to generate economic value in a way that simultaneously addresses societal needs and challenges (Porter & Kramer, 2011). This approach is based on recognizing that societal needs, not just traditional business factors, define markets. It also acknowledges that social problems can create indirect costs for companies through issues like high resource use, workplace safety issues, and training needs arising from skills gaps (Porter & Kramer, 2011).

Creating shared value involves three key strategies for businesses to pursue economic and social goals simultaneously: 1) Rethinking products and markets to meet fundamental community needs; 2) Reimagining processes and innovation to boost efficiency while reducing societal harms and 3) Developing industry networks in operating locations to strengthen competitiveness and community well-being (Porter & Kramer, 2011). These strategies present opportunities for companies to address important social issues like empowering vulnerable groups.

Mark Kramer, co-author of the article "Creating Shared Value" published in the Harvard Business Review (2006), emphasizes that corporations need to take a more active role in developing innovative employment strategies (Social Ventures Australia, 2015). He believes that companies should lead the development of employment strategies that will ensure future business growth by engaging less traditional sources of labor (Social Ventures Australia, 2015). Kramer proposes that corporations adopt a more innovative approach to recruitment and be prepared to invest in skills development and training for employees, even those who are long-term unemployed (Social Ventures Australia, 2015). This longer-term approach, according to Kramer, could prevent potential labor shortages in the future and ensure company growth (Social Ventures Australia, 2015).

A similar view was previously expressed by Porter and Kramer (2006), in their seminal work introducing the concept of creating shared value. Porter and Kramer (2006) point out that if corporations analyze opportunities for social responsibility using the same frameworks that guide their core business decisions, they would discover that socially responsible business can be much more than a cost, constraint, or act of charity. On the contrary, it can be a powerful source of innovation and competitive advantage, as exemplified by companies like Whole Foods Market, Toyota, and Volvo. The authors point out that current approaches to corporate social responsibility are not sufficiently linked to strategy, hindering the identification of numerous excellent opportunities for companies to contribute to society. According to Porter and Kramer (2006), such a situation is a huge loss.

A similar view was expressed earlier by John Elkington in his work "Partnerships for Sustainable Development" (1998). According to Elkington, the transition to sustainable business requires new forms of cooperation between former rivals, or "revolutionary changes in relationships" (1998). The author points out that "effective long-term partnerships" between the public and private sectors, companies, and non-governmental organizations will be "key for companies that want to transition to sustainability" (Elkington, 1998). According to Elkington, such partnerships will enable each party to carry out their usual activities more efficiently, while simultaneously providing an opportunity to achieve goals that no party could achieve individually.

EXISTING APPLICATIONS OF CREATING SHARED VALUE IN REDUCING OF NEET POPULATION

Example of the Coca-Cola company in addressing unemployment in Brazil

Coca-Cola is one of the leading players in the Brazilian market, with a significant share of global sales, making Brazil one of their largest markets (Shared Value Initiative, 2022). However, management recognized early on that conventional distribution and marketing approaches in underserved Brazilian communities were not optimally effective and that business results could be improved (Pfizer, Bockstette & Stamp, 2013). In early 2009, they realized that there were societal and economic barriers to accessing and engaging consumers from these areas, and that

lack of employment was a major issue (Shared Value Initiative, 2022). Therefore, they decided to refine their strategy to simultaneously address the social challenge of unemployment and uncover a notable business opportunity by creating shared value (Pfitzer, Bockstette & Stamp, 2013; Shared Value Initiative, 2022).

After acknowledging the social problem of youth unemployment (Pfitzer, Bockstette & Stamp, 2013; Shared Value Initiative, 2022), Coca-Cola designed and launched the Koletivo Retail training program, which aimed to empower unemployed young people living in poor areas, such as favelas, and help them find new economic prospects (Shared Value Initiative, 2022). This eight-week training program aimed to strengthen the abilities and confidence of young people to make it easier for them to enter the labor market (Pfitzer, Bockstette & Stamp, 2013). The eight-week training consisted of a series of practical training sessions and workshops that helped participants acquire specific skills and knowledge for working in retail (Pfitzer, Bockstette & Stamp, 2013). They were trained in customer communication, product presentation, inventory management, and small business finance. At the same time, they developed interpersonal skills such as self-assurance, teamwork, and negotiation (Shared Value Initiative, 2022). In addition to Coca-Cola and the participants, the project involved local partners such as government employment agencies and non-profit organizations that helped identify candidates and monitor progress (Pfitzer, Bockstette & Stamp, 2013). Local communities also provided support by providing space for training. For unemployed youth, the program had significant positive effects - over 1,000 participants gained specific knowledge and skills for working in retail. More than 80% of them found jobs within 6 months of completing the training (Pfitzer, Bockstette & Stamp, 2013). This improved their financial situation and self-assurance. For Coca-Cola, the project led to a significant expansion of distribution - opening 160 new retail outlets in favelas (Shared Value Initiative, 2022). Sales increased by 15%, and the brand's presence in these previously inaccessible markets was strengthened. Local communities also benefited - through new jobs and income for young people, the economic prosperity of underserved areas increased (Pfitzer, Bockstette & Stamp, 2013). This contributed to solving the social problem of unemployment.

Example of Nestle's "Ice cream on wheels" program for youth employment

Nestle is one example of the successful application of the concept of creating shared value to increase youth employment in Africa, as described in the text "Creating Shared Value to increase youth employability in Africa" (Coxswain Social Investment Plus, 2014). Nestle directly employs over 15,000 people and indirectly employs around 50,000 people across Africa (Coxswain Social Investment Plus, 2014).

One of the programs through which Nestle contributes to solving the problem of youth unemployment is "Ice Cream on Wheels", launched in partnership with the National Youth Development Agency of South Africa (Coxswain Social Investment Plus, 2014). Through this program, Nestle trains young people to independently run micro-businesses selling ice cream, enabling them to acquire entrepreneurial skills and create stable sources of income (Coxswain Social Investment Plus, 2014).

More than 2,150 young entrepreneurs in South Africa have gained employment thanks to this program, which represents a significant contribution to reducing the high youth unemployment rate in that country (Coxswain Social Investment Plus, 2014). Nestle provides them with initial equipment and supplies in the form of training, motorcycles, ice cream supplies, and promotional materials, enabling them to start their own micro-enterprises (Coxswain Social Investment Plus, 2014). This program was launched in 2005 and has been continuously improving the employability and entrepreneurial skills of young people in South Africa ever since (Coxswain Social Investment Plus, 2014). Therefore, Nestle's example clearly illustrates how companies can create shared value by reconceptualizing their products and services to meet social needs and thereby achieve mutual benefit for their business and the local community.

CREATING THE ENTREPRENEURIAL ECOSYSTEM OF VALENCIA

The entrepreneurial ecosystem of Valencia represents one of the most developed examples of creating shared value in Spain (Pérez-Luño et al., 2022). The main players are the University of Valencia, the city government of Valencia, and numerous companies. The university plays a key role through programs such as the Business Innovation Center (BIC Valencia) and Fab Labs for students (Pérez-Luño et al., 2022). The entrepreneurial ecosystem of Valencia was established in 2007, as a result of a partnership between the University, local government, and more than 100 leading companies such as Telefónica, Caixa Bank, and Ford (Pérez-Luño et al., 2022). The BIC Valencia incubator was opened in 2008 and has so far supported over 300 startups, of which 80% have survived in the market (Pérez-Luño et al., 2022). The Fab Labs at the University were launched in 2010 and have been used by thousands of students to date (Pérez-Luño et al., 2022). BIC Valencia specializes in the development of new products and services, providing office space for startups and consulting services for a period of 2 years (Pérez-Luño et al., 2022). The Fab Labs at the university offer students education and equipment for prototype development. The city government provides an annual budget of 2.5 million euros for these programs, as well as space in entrepreneurial incubators and accelerators such as CONECTA and Demola (Pérez-Luño et al., 2022). CONECTA and Demola have incubated over 500 ideas, of which 150 have produced new products and services. Companies such as Telefónica and Caixa Bank participate through mentoring programs and internships for students (Pérez-Luño et al., 2022).

All players collaborate through the Innovation and Entrepreneurship Forum, where they coordinate activities such as organizing fairs, conferences, and competitions for the best ideas. This synergy has resulted in the creation of over 3,000 new jobs in the IT and service sectors, as well as an increase in Valencia's GDP by more than 10% in recent years.

Creating shared value here is achieved through the synergy between the main players in the ecosystem: the university, local government, and the legal sector. Their collaboration through various programs and initiatives enables the creation of positive socio-economic changes.

Startups and companies that emerge within the incubators and accelerators create new jobs for young people, thus reducing the number of people in the NEET population. Educational programs such as the university's Fab Labs provide young people with important skills and tools to start their own businesses. Mentoring programs from leading companies provide opportunities to gain first work experience through internships and volunteering. Initiatives such as competitions for the best ideas encourage young people to take matters into their own hands and become entrepreneurs. The growth of local GDP and the creation of new jobs in sectors such as IT provide more opportunities for young professionals to find employment. Therefore, it can be concluded that such an ecosystem significantly contributes to reducing youth unemployment by creating a more favorable business environment and greater opportunities for self-employment and employment.

RESULTS AND DISCUSSION

In this chapter, we will present the key findings of our research and discuss them in the context of the research questions.

To adequately answer the first research question, we investigated the key characteristics and challenges faced by the NEET population in Serbia. The key characteristics of the NEET population in Serbia and the main challenges it faces were identified through a qualitative analysis of secondary data, which is the main methodology of this work. Specifically, data from relevant studies by international organizations such as the World Bank (2023) and Eurostat (2023), as well as domestic strategic documents in the field of youth employment, were analyzed.

According to World Bank data (2023), the NEET population rate in Serbia for 2022 was 17.2%. This rate is significantly higher than the average NEET population rate in the EU, which is 11.7% (Eurostat, 2023). Also, according to Eurostat (2023), the NEET population in Serbia faces challenges such as higher rates among those with lower levels of education and those living in rural areas. This data indicates that the NEET population in Serbia has more pronounced characteristics of vulnerability compared to the average NEET population in the EU, and thus greater challenges it faces, such as the risk of poverty and social exclusion. These findings are consistent with the conclusions of Simoes and Erdogan (2024), who state that NEET rates tend to be higher in rural areas and in countries with greater inequalities, which is also the case with Serbia (Eurostat, 2023). Also, research by Van Vugt et al. (2022) indicates that lower levels of education and living in rural areas are risk factors for NEET status, which coincides with the characteristics of the NEET population in Serbia.

Based on the above, it can be concluded that the NEET population in Serbia has more pronounced characteristics of vulnerability compared to the average in the EU, with greater challenges such as poverty and social exclusion, especially among those with lower levels of education and in rural areas. This indicates the need for a specific approach to support this group. Also, the main finding of the authors related to the first research question is that the key characteristics of the NEET population in Serbia and the main challenges it faces are a high proportion of those with lower levels of

education, greater representation in rural areas, and exposure to the risk of poverty and social exclusion.

To adequately answer the second research question, a qualitative analysis of secondary sources was applied, namely the method of literature review and analysis of best practice examples. Specifically, we searched relevant articles and reports from organizations such as the World Bank, ILO, and OECD, which, in some way, deal with the topic of creating shared value and inclusion of the NEET population. Also, the premises of Porter and Kramer's concept of creating shared value were analyzed, as well as examples of the successful application of this model in different countries around the world. All this was done with the aim of defining, based on the synthesis of the obtained findings, the key areas of action through which the concept could be applied for the economic empowerment of the NEET population in Serbia.

The concept of creating shared value implies creating economic benefits in a way that simultaneously solves social challenges and improves the well-being of the community. Applying this concept to the NEET population implies developing inclusive programs and partnerships between the business sector, the education system, and the civil sector that would contribute to reducing the NEET rate and their economic empowerment. By creating new jobs and training programs tailored to the abilities of the NEET population, this vulnerable group would be involved in activities of importance to society and the economy, thereby achieving mutual benefits for all stakeholders. The analysis of three case studies of the successful application of the concept of creating shared value in other countries has shown that cooperation models between the business sector, education, and the civil sector can significantly contribute to reducing the NEET population rate.

Through the creation of new jobs and adapted training programs, this group would acquire skills sought after on the labor market, while the economy would gain new qualified workers. This would achieve mutual benefits for individuals, the economy, and society as a whole. Case studies from other countries indicate that partnerships between different actors, such as Coca-Cola in Brazil or programs in Valencia, can significantly contribute to reducing the NEET population rate through inclusive programs and the creation of new jobs. The results are consistent with previous research that highlights the importance of the concept of creating shared value for addressing social challenges, such as the high rate of the NEET population. They also align with the recommendations of international organizations such as the ILO, which point to the need for cooperation between different actors and adapting policies to the specific characteristics of individual societies.

Through a review of relevant literature and case studies in other countries, we have come to the following key findings regarding the third research question - in Denmark, the Netherlands, and Sweden there is a successful model of supporting youth employment on a part-time basis, including those who are still in education or training. This has contributed to a low NEET population rate. Countries such as Denmark, the Netherlands, and Sweden stand out for this model of flexible youth employment, which allows for parallel education and the acquisition of work experience. In Spain and Greece, there was an increase in NEETs during the economic crisis, which indicates the need for more flexible labor market policies. The EU's strengthened

Youth Guarantee provides an opportunity to develop more individualized approaches for young people who are not in education, employment, or training, including cooperation between different actors. The results obtained indicate that models of flexible youth employment on a part-time basis, which allow for parallel education and the acquisition of work experience, are crucial for reducing the NEET population rate. They enable young people to acquire skills sought after on the labor market, while simultaneously continuing their education. Also, the results indicate the need for more flexible youth employment policies that take into account the cycles of economic growth and decline, in order to reduce the impact of economic crises on the increase in NEETs. Cooperation between different actors, as enabled by the EU Youth Guarantee, has also proven to be a good model for a more individualized approach to young people outside the system and their guidance towards education, training, or employment. These findings are consistent with previous research by Van Vugt et al. (2022), who found that systems with lower stratification and more flexible models, such as Denmark and Sweden, have a lower proportion of the long-term NEET population. They also agree with the conclusions of the ILOSTAT report (2023) which highlights the successful models of Western European countries with a low NEET rate due to flexible youth employment policies. The results also confirm the findings of research on the increase in NEETs in Spain and Greece during the economic crisis (ILOSTAT, 2023).

Based on the analysis of literature and case studies, the following findings were identified regarding the fourth research question - there are three examples of successful cooperation between the business sector, education, and the civil sector in other countries that have led to a reduction in the NEET population rate. These are models from Denmark, the Netherlands, and Spain. The key measures in these models were the development of practical education programs in cooperation with employers, subsidizing jobs for young people, and developing training programs tailored to the specific needs of the labor market. Research indicates that similar cooperation models could be developed in Serbia, for example through the development of dual education or training programs for deficit profiles.

The results indicate that in order to reduce the NEET population rate in Serbia, it is necessary to develop partnerships between the business sector, education, and the civil sector, through measures such as introducing dual education programs in cooperation with companies, subsidizing jobs for young people in deficit sectors, and developing training programs for the needs of specific employers. This would contribute to a better connection between education and the labor market. However, the limitation is that in Serbia these cooperation models are yet to be developed. Further research is proposed on the effectiveness of different partnership models and their impact on reducing the NEET rate in Serbia.

CONCLUDING REMARKS

The high rate of the NEET population is a significant social problem faced by modern societies, including Serbia. In addition to the risk of poverty for individuals, the NEET phenomenon also represents untapped human potential for the economy. The

individual characteristics of the NEET population, such as lower levels of education, gender roles, and the influence of the family context, indicate the need for an individualized approach to supporting this group.

The structure of the education system can influence the degree of vulnerability of certain groups to the NEET phenomenon during the transition from school to work. Systems with earlier and more pronounced stratification create greater inequalities in this regard. NEET rates are often higher in rural areas, where young people have fewer opportunities for education and employment compared to urban areas. The concept of creating shared value through the development of inclusive programs and partnerships between the business sector, education, and the civil sector can contribute to reducing the NEET population rate. Successful models in other countries involve the cooperation of different social actors, including more flexible labor market policies tailored to the specific barriers faced by the NEET population.

Based on the above, it can be concluded that the application of the concept of creating shared value through the development of partnerships between the business sector, education, and the civil sector in Serbia offers significant opportunities to reduce the NEET population rate and their economic empowerment. It is crucial to develop inclusive programs tailored to the individual characteristics of this group, as well as more flexible labor market policies.

A limitation of this study is that the concept of creating shared value has not yet been sufficiently researched and applied in the context of Serbia. This study represents one of the first attempts to theoretically consider this concept and propose possibilities for its application. The lack of empirical research and case studies from Serbia that would support the proposed cooperation models is a drawback.

The contribution of this study could be that it theoretically illuminates the concept of creating shared value and its potential contribution to reducing the NEET population rate in Serbia, analyzes the characteristics and challenges faced by the NEET population in Serbia based on available data, considers good practice examples from other countries to propose models of cooperation between different actors in Serbia, provides guidelines for further research and pilot projects to investigate the potential of this concept in the specific local context, and can serve as a basis for developing more specific policies and programs aimed at reducing the NEET population rate in Serbia through the model of creating shared value.

REFERENCES

1. Arandarenko, M., Krstić, G. and Žarković Rakić, J. (2019) *Inequality in Serbia: Is the problem in measurement or policies?* Economic Ideas and Practice, 32(1), pp. 89-96. (Original in Serbian)
2. Borojević, T., Petrović, N., Radaković, J. Andreja, Glomaz, S. (2022). *Youth Participation for Sustainable Value Creation: The Role and Prioritization of SDGs. Sustainability*, 15(23), 16456. <https://doi.org/10.3390/su152316456>
3. Coxswain Social Investment Plus. (2014), *Creating Shared Value to increase youth employability in Africa*. Available at: <http://coкси.com/media/2217/creating-shared-value-final.pdf>

4. Elkington, J. (1998). *Partnerships for Sustainable Development*. U: Cannibals with Forks: The Triple Bottom Line of 21st Century Business. London, UK: Capstone Publishing Ltd. Str. 37-47.
5. European Commission (2022). *The reinforced Youth Guarantee*, available at <https://ec.europa.eu/social/main.jsp?catId=1079&langId=en>
6. Eurostat (2023) *Statistics on young people neither in employment nor in education or training* - Statistics Explained. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_on_young_people_neither_in_employment_nor_in_education_or_training
7. Government of the Republic of Serbia. (2023). *Action Plan for the period 2023-2025 for the implementation of the Youth Strategy in the Republic of Serbia for the period 2023-2030*. Belgrade: Government of the Republic of Serbia. (Original in Serbian)
8. Government of the Republic of Serbia. (2023). *Youth Strategy in the Republic of Serbia for the period 2023-2030*. Belgrade: Government of the Republic of Serbia. (Original in Serbian)
9. ILO (International Labour Organization), 2024. *World Employment and Social Outlook: Trends 2024*. Geneva: ILO., Available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_908142.pdf
10. ILOSTAT, 2023. *Youth skills: tackling challenges and seizing opportunities for a brighter future of work* [online]. Available at: <https://ilostat.ilo.org/youth-skills-tackling-challenges-and-seizing-opportunities-for-a-brighter-future-of-work/>
11. National Youth Umbrella Organization of Serbia (2023) *Alternative Report on the Situation and Needs of Youth in the Republic of Serbia for 2023*. Available at: https://komisija.gov.rs/sites/default/files/izvestaj/alternativni_izvestaj_o_polozaju_i_potrebama_mladih_u_republici_srbiji_za_2023._godinu.pdg. (Original in Serbian)
12. Ostojić, D. (2023). *Why is the Youth Guarantee important to us?*, *Foundation for Democracy*, available online <http://www.centaronline.org/sr/vest/12899/zasto-nam-je-vazna-garancija-za-mlade> (Original in Serbian)
13. Pérez-Luño, A., Sapena, J.F. & Boza, A. (2022). *Creating Shared Value: Exploration in an Entrepreneurial Ecosystem*. *Sustainability* 14, 8505. <https://doi.org/10.3390/su14148505>
14. Pfitzer, M., Bockstette, V. and Stamp, M. (2013) *Innovating for Shared Value*, in Kramer, M., Pfitzer, M. and Jayachandran, S. (eds.) *Innovation for Global Development*, Stanford: Stanford University Press, pp. 1-27. Available at: <https://www.fsg.org/publications/innovating-shared-value>
15. Porter, M. E., & Kramer, M. R. (2011). *Creating Shared Value*. *Harvard Business Review*, Vol.89 (1/2), 62-77
16. Porter, M. E., & Kramer, M. R. (2019). *Creating shared value*. In *Managing sustainable business* (pp. 323-346). Springer, Dordrecht.
17. Porter, M.E. and Kramer, M.R., 2006. *Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility*. *Harvard Business Review* 84, no.12: 78-92
18. Shared Value Initiative (2022), *Thirsty for More: Coca-Cola's Shared Value Approach with Communities Across Brazil*, available at: <https://www.sharedvalue.org/resource/thirsty-for-more-coca-colas-shared-value-approach-with-communities-across-brazil>
19. Simões, F., Erdogan, E. (2024). *NEETs in European rural areas: Individual features, support systems and policy measures*. *Springer Briefs in Sociology*. Springer Nature. <https://doi.org/10.1007/978-3-031-45679-4>

20. Social Ventures Australia. (2015), *Creating Shared Value through Employment*. Available at: <https://www.socialventures.com.au/blog/creating-shared-value-through-employment/>
21. Van Vugt, Lynn; van der Velden, Rolf; Levels, Mark; Brzinsky-Fay, Christian (2022) : *The Role of Education Systems in Preventing NEETs*, In: Levels, Mark Brzinsky-Fay, Christian Holmes, Craig Jongbloed, Janine Taki, Hirofumi (Ed.): *The Dynamics of Marginalized Youth*, ISBN 978-1-003-09665-8, Routledge, London, pp. 205-218, <https://doi.org/10.4324/9781003096658-8>
22. World Bank (2023) *World Bank Open Data*. Available at: <https://data.worldbank.org/>

REZIME

Ovaj rad analizira mogućnosti primene koncepta kreiranja zajedničke vrednosti u cilju ekonomskog osnaživanja NEET populacije u Srbiji. Nakon uvodnog dela koji definiše istraživačku temu i pitanja, dat je pregled relevantne literature o karakteristikama NEET populacije i modelima kreiranja zajedničke vrednosti. U pregledu literature su prikazane ključne osobine NEET populacije u Evropi i Srbiji, na osnovu podataka Eurostata i MOR-a, sa fokusom na značajno više stope ove društvene grupe među mlađima sa nižim obrazovanjem i u ruralnim područjima. Naglašeno je da veliki broj NEET predstavlja neiskorišćeni ljudski potencijal i rizik od siromaštva. Analizirani su i razlozi visoke stope NEET populacije u Srbiji, kao što je, između ostalog, jaz između obrazovanja i tržišta rada. Kada je reč o konceptu kreiranja zajedničke vrednosti, rad detaljno pojašnjava na koji način ova poslovna strategija omogućava stvaranje ekonomske vrednosti i u isto vreme rešava društvene izazove, kakvo je osnaživanja NEET populacije. Istaknut je značaj partnerstava različitih aktera zajednice i inovativnih programa zapošljavanja. Zatim su detaljno analizirana tri primera dobre prakse iz inostranstva, uključujući program Omladinske garancije EU. Na osnovu raspoloživih dokaza, u zaključku su date preporuke za Srbiju, koje se tiču reforme obrazovanja, jačanja veza sa privredom i razvoja programa prelaska sa škola na rad. Celokupan rad pruža dubinsku analizu ovog važnog društvenog pitanja i trebalo bi da bude koristan donosiocima odluka, poslovnoj zajednici, stručnjacima i istraživačima koji se bave izazovima zapošljavanja mladih.