

Youth Employment

Friday April 21 2017

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A crowded jobs market is braced for 1bn more workers

Anti-poverty targets will be missed unless future generations can find work, writes *Sarah Murray*

For those working in development, the figures look daunting. About 40m jobs a year must be created until 2030 to keep pace with the growth of the world's working-age population, according to the International Labour Organisation (ILO). The World Bank also warns of a large jobs shortfall. "Between 600m and 1bn people are entering the labour market between now and 2030, and the pace of job creation isn't nearly as fast," says Mattias Lundberg, senior employment economist and director of the bank's youth employment global partnership. In 2015, 193 countries signed up to the United Nations' sustainable development goals (SDGs), including goal eight, which promises to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". The stakes could hardly be higher. Economic

growth underpins many of the 17 SDGs, from eliminating hunger to improving healthcare and access to education. "The overall goal of ending poverty by 2030 will not happen unless young people are earning their way into a livelihood," says William Reese, president and chief executive of the Baltimore-based International Youth Foundation. A large proportion of the world's unemployed are young and the situation is often worse for women. In northern Africa, for example, 30 per cent of the total youth population is out of work, while among young women the rate is 45 per cent, according to the ILO. Development experts are questioning the extent to which goal eight can alone be the catalyst for change. Mr Lundberg says it is difficult "to attribute any observed changes" to the SDGs. But others say goal eight provides an important framework for governments. "There will be a process," says Felix Dodds, a



Burst dreams: a young man selling self-made bubble blowers in Mumbai
Indranil Mukherjee/Getty Images

fellow at the University of North Carolina's Global Research Institute and co-author of *Negotiating the Sustainable Development Goals*. "[States] will know if they're moving in the right direction." While goal eight may seem utopian in its reach, Jasmine Nahhas di Florio, senior vice-president for strategy and partnerships at Education for Employment (EFE), says it helps non-profit organisations to work with governments and large development agencies. EFE, a US-based social enterprise, aims to create tens of thousands of jobs for young people in the Middle East and north Africa. "The only way we can do that is by co-ordinating with government and multilateral agencies," says Ms di Florio. "Goal eight is now on their agenda and when we can align with national policies we are more effective." William Savedoff, a senior fellow at the Washington-based Center for Global Development, agrees: "These goals

The goal of ending poverty by 2030 will not happen unless young people are earning'

become tools and governments use them to mobilise support and focus attention." Mr Savedoff argues that there can be no expansion in the number of jobs without economic growth. "So the best programmes are those that set the context for economic growth," he says. However, previous attempts to create work have not always been successful. The UK charity Peace Child International has highlighted some of the potential pitfalls in its Youth Job Creation policy primer, prepared for the Parliamentary Network on the World Bank and the International Monetary Fund. Jobs created through wage subsidies, for example, may disappear when those subsidies end. Efforts can also backfire if employers shed existing workers and hire subsidised ones. Job guarantees, a policy tool wherein the state promises to hire unemployed

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Solutions for Youth Employment

The Youth Employment Crisis

There are 1.8 billion young people in the world today, most of whom live in developing countries. Nearly half of young people aged 15 to 24—who make up 25 percent of the working age population worldwide—are jobless and face great challenges in finding employment. Many of them are impacted by poverty, conflict or violence and are forced to look for jobs, and often survival, outside their home countries. We need to create 600 million jobs by 2030 to accommodate young people entering the workforce and maintain current employment levels. Even if they find work, they are often engaged in low-quality jobs. Young women are particularly vulnerable, as they are often segregated in informal and low-productivity jobs.

The Mission of S4YE

Solutions for Youth Employment (S4YE), a multi-stakeholder coalition among public sector, private sector, and civil society actors was launched to positively disrupt the youth employment landscape and help increase the number of young people engaged in productive work. The S4YE coalition was founded, in partnership with the World Bank, Accenture, Plan International, International Labor Organization (ILO), International Youth Foundation (IYF), RAND Corporation, and Youth Business International (YBI). Following its launch, several other partners joined like the Master card Foundation, Rockefeller Foundation, Microsoft and the Governments of Norway and Germany. S4YE is in the process of reaching out to additional partners who have a shared commitment to shaping the youth employment agenda.

Finding New Solutions

S4YE's focus is on innovation—i.e. developing and delivering innovative second generation of Youth Employment programs.

Traditional programs have primarily focused on interventions that increase youth *employability* (e.g., training, counseling, job search assistance), but these programs often have limited impact on *employment*. In fact, a recent study found that only a third of more than 100 youth employment programs had a clear positive impact on employment outcomes and earnings. Even those with positive outcomes had limited impact.

Such interventions alone are not enough to overcome the youth employment challenge, because they do not help increase the number of available jobs. To tackle this challenge, we need an integrated approach that helps youth gain the right skills to find jobs, and helps the private sector create more, better, and inclusive jobs for young people.

S4YE is designing a series of blueprints of such integrated, second-generation youth employment programs. These will be piloted in select countries, along with evaluations, with the intention to refine and scale over time.

Connecting young people, especially girls, to digital jobs is an important area of focus for S4YE. Digital jobs allow for online and remote work, thus providing people—especially women with mobility constraints and family responsibilities—access to better opportunities and jobs.

Strong engagement with young people and the private sector is key to program success.

Join us in finding new solutions for youth employment.



Website: www.s4ye.org Email: info@s4Ye.org Twitter: [S4YE_Coalition](https://twitter.com/S4YE_Coalition)

Advertisement

If asked “What’s the most valuable resource on the planet today?”

I’d say, “Young talent.”



The one resource we need most, we already have.

A resource endowed with versatility, imagination, and the capacity to create abundant value and wealth. An ideal resource for any company, community, market, or country. I’m talking about YOUTH.

Young women and young men everywhere want the same thing. We are united by our drive to be vital to our own future. Young people bring the single most effective solution to any challenge — global or local — a readiness.

As entrepreneurs, executives, legislators, and policy makers — we all need to Think Youth. To give the ‘young and willing’ the chance to invent answers. To anticipate. Young minds are eager to solve our most urgent challenges.

Business leaders and policy makers often forget that the best salary for a young person is the chance to make a difference. To invest in youth is our best insurance policy; it is thinking ahead of the curve. Young people are the guardians of economic and social perpetuity.

More powerful than our cash is our willingness to entrust a young person with the responsibility to perform. That is a stronger incentive than any bonus. Pay first with trust. As a CEO, that’s my message to fellow business leaders.

To fellow young people, I say — don’t wait. Ask for the chance, and then prove what you can do. Or even better — give yourself the chance you’d love to be offered by someone else. Be that someone else. Surpass that someone else. Decide to either work with entrepreneurs or to become one. Those are today’s choices. The days of taking a lifetime to climb a ladder have changed. 1) There may be no ladder or it may not lead to the heights you imagine 2) The speed of time has changed. Now is barely fast enough.

I’ve learned by doing. At 29, I’m already a second-generation CEO and a second-generation youth. I started my first company at 20 in Bucharest, Romania and now I run a UK-based fintech company which is helping to empower millennials and others in 130 countries. It was a simple dream, help people send and receive small, quick, and safe payments, make donations, and support projects and products with nothing but a smartphone, a network of friends, and the desire to make a difference. I called it Moneymailme. It’s a social money app that invites you to video-chat while sending and receiving cash that helps you live, that makes you happy. Money, I realized, is not about business. It is the food we eat, the classes we take, the gestures of kindness and love we make.

Try doing your homework in a room without a light. Try sending the person you love a dozen roses without being able to pay the florist. Try fulfilling your prescription in a pharmacy without cash. Try concentrating on your job without a good meal in your belly.

I only love money because of what it can do, not what it is. Surrounded by fellow MBA students who talk about making a fortune, it struck me that what I wanted to make was “happiness.” My fortune will be the consequence, not the goal of my company.

There are millions of kids in the world who are eager to learn, ready to work, passionate about creating. Heads filled with ideas. Hearts filled with hope. We talk about the unemployed but we need to talk about those who have never worked. There are millions of kids around the world who still believe in jobs that may never be there.

There are not enough old-fashioned jobs to go around, and global statistics and world news flashes on joblessness and social unrest are alarming. Fifty per cent youth unemployment in South Africa. 45% in Greece. 25% in France. 16% in Chile. Violence and rage over joblessness. And yet, paradoxically, there is also a flood of real and urgent things that need to be done in every town and neighborhood, an abundance of meaningful tasks, and limitless quantities of what we need for good living.

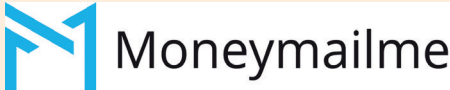
Could it be that our most dire form of poverty is the lethargy we tolerate in not designing the strategies, tools, and services that are screaming to be created by young people?

When we design a fresh path between what we need and who can do it, young people will start creating new wealth — everywhere. Youth is about the future, and our future comes down to our intentions.

Like most CEOs, I’m really busy, and admittedly, I don’t get enough sleep, but I’m never too busy to respond to an interesting email. If you’re ‘thinking young’ and want to talk about how to transform an idea into an opportunity, let’s chat. Preferably using my app — it’s free, and it’s powered by youth!

Mihai Ivascu

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Scan to download the app



Youth Employment

Rise of populism increases pressure on overseas aid

Politics

Development spending is in the spotlight in the US and Europe, says *Henry Mance*

The wheel has turned. In the early 2000s, campaigners argued that globalisation was not working for poor countries. Now, populist politicians are making the opposite claim: it is not working for rich countries. This argument has cast doubt on whether the developed world can maintain the impetus of its overseas aid agenda. Will the US, UK and others continue to spend on reducing poverty in poor countries, or will they divert funds back to their own populations? President Donald Trump has signalled that he wants to see sizeable cuts in US overseas aid spending, although such proposals would require approval from Congress. The Netherlands has cut its aid

budget and other European countries have directed more of their development spending towards resettling refugees, which counts as overseas development assistance for the first year. In the UK, Priti Patel, who took over as international development secretary after the vote to leave the EU, has promised to “improve the way the whole world does development” by cutting down on alleged waste. “At the top level, we are seeing fundamental questions being asked about the whole utility of the development agenda,” says Gayle Smith, chief executive of One, the anti-poverty campaign group. “That’s a really big deal, and I think it’s a huge mistake.” The trend could have significant implications for projects to promote economic development and reduce youth employment – two of the most pressing issues facing the developing world. Yet there are differences between proposals in the UK and the US. The UK government has promised not to dilute Britain’s

commitment to spend 0.7 per cent of gross national income on aid, which is enshrined in domestic law. While Mr Trump pledged to “put America first”, the UK is striving to counter perceptions that Brexit signals an isolationist shift. In a strategy document this year, Ms Patel wrote that “international leadership on economic development is a vital part of Global Britain”. Similar logic has been espoused since at least the 1940s – that western agencies have the money and expertise to create jobs in the world’s poorest regions. The Millennium Development Goals, global targets devised by the UN in 2000, were succeeded by the Sustainable Development Goals (SDGs) in 2015. These mention the need to create decent work and economic growth by 2030. “We’re focusing much more on productive employment, that’s a good way out of poverty,” says Dirk Willem te Velde, a research fellow at the Overseas Development Institute. “Then the discussion becomes, how to do it.”

He says there are two approaches to creating high-quality jobs: training for workers, and increasing opportunities for trade. The latter is more complex because it involves building anything from roads to electricity networks and tax incentives. One favoured approach has been to invest directly: under legislation pushed

Priti Patel: The UK’s international development secretary promised to cut down on ‘wasted’ aid



through by Ms Patel, the UK’s department for international development (DfID) will be able to quadruple the amount of funding given to CDC, its finance arm, to £6bn. CDC measures the impact of its investments by how many jobs are created by recipient businesses, such as

microfinance institutions and electricity companies. But this is inevitably a blunt measure and does not account for the quality of jobs created. Critics say CDC has invested in low-risk projects, rather than taking chances that private investors would not. Stephen Doughty, an MP in the opposition Labour party, says the question should be: “Are you providing capital that wouldn’t otherwise be made available?” Job creation schemes have been justified in terms of the benefits they might bring to rich countries, such as reducing the flow of migrants to Europe. Academic research does not necessarily back this up: a 2014 survey found a correlation, over the 20th century, between a country’s greater wealth and its flow of emigrants. “The data offer no sign that among low-income or lower-middle-income countries, rising incomes are associated with lower net emigration rates. To the contrary, typical countries in this group . . . show a positive, significant

association between average incomes and emigration,” wrote the survey’s author, Michael Clemens, a senior fellow at the Center for Global Development. Other studies argue that emigration may increase in the short term, as incomes rise, but fall in the long term. Still, creating jobs is ultimately “the means by which a country reduces its dependence on foreign aid”, says One’s Ms Smith. Mr te Velde co-authored a report suggesting that the EU’s €11bn annual aid budget would effectively pay for itself in economic benefits. Ms Patel has argued that investing in economic development will provide trading opportunities – making London the “development finance hub of choice”. The UK Independence party disagrees. It would knock 80 per cent off Britain’s aid budget from 2020 by limiting spending to emergency relief. Ultimately, the sustainability of support for economic development may depend on whether campaigners can push back against such populist calls.

Joblessness is an ‘existential threat’ to Kenya’s future

Education Many degree-level graduates lack the skills employers require, reports *John Aglionby*

When Oliver Kigalu enrolled for his engineering degree seven years ago, he never thought he would end up working as a construction labourer. But that is how the 26-year-old now makes his living. “When you leave college so many people are looking for jobs but it’s very hard to get a decent one,” he says, as he queues for work outside a half-built factory in Ruaraka in northern Nairobi. “I’m not using my qualification at all, but the important thing is to make money and get food.” Mr Kigalu’s plight is becoming increasingly common in a country where formal education has been prized. The government estimates university enrolment more than doubled between 2012 and 2016 – to 540,000. But youth unemployment was 17.4 per cent in 2014, according to the latest data available from the World Bank – one of the highest rates in east Africa. Siddharth Chatterjee, the resident UN co-ordinator in Kenya, says youth unemployment poses “an existential

threat” to the region’s largest economy. The agriculture sector, in which he says some three-quarters of Kenyans earn their living, exemplifies the crisis. “The median age of Kenyan farmers is 61, but the median age of the population is 18,” he says. “We need to make that sector tech-savvy and sexy for young people. It is part of the greater challenge of preventing young people leaving remote areas and moving to the cities.” Uhuru Kenyatta, Kenya’s president, has publicly recognised the extent of the problem. In a speech delivered by his deputy at an education forum in Nairobi earlier this month, Mr Kenyatta admitted that “the market is saturated with degree-level graduates, at the expense of middle-level [workers with the] relevant skills and competencies”. In 2013, the government relaunched the lapsed National Youth Service, first created in 1964 to provide education and voluntary work for young people. It has also established the Youth Enterprise Development Fund, a state corporation that provides financial and business support to youth-owned businesses. Last month, Mr Kenyatta said



Bridging the gap: participants of Generation Kenya’s employment programme

that almost 1m young Kenyans had used Ks11bn (\$106m) from the fund to start and expand businesses. Those working on youth employment, however, say these attempts barely scratch the surface. Rob Burnet, chief executive of Well Told Story, a Kenya-based organisation that uses media and research to boost livelihoods, especially those of the young, says the vast majority of Kenya’s youth don’t “The market is saturated with degree-level graduates, at the expense of those with relevant skills’ want anything to do with the authorities. “Government is at best a distraction and at worst a hindrance,” he says. “Most are young people just trying to hustle their way through life.” The problem is worsening as Kenya’s youth bulge adds to the number of people entering the labour market. “Last week I heard someone say for the first

time ‘I wish I’d never been to college,’” Mr Burnet says. “A growing view now is that college just leads to debt and hopelessness.” Still, he insists, the situation is not all doom and gloom. “There are plenty of areas where many people are working without formal employment and so they’re not captured by the official statistics,” he says. “They’re surviving because they’re entrepreneurial.” Kenya’s challenge is not just to help young people find jobs; employers also need assistance finding staff. Mehdi Sinaceur, the programme director for Generation Kenya, a scheme run by the non-profit organisation McKinsey Social Initiative, says Kenya’s youth has great ability and enthusiasm. “What’s missing is the link between employers’ needs in the first few months of employment and what the young people know,” Mr Sinaceur says. For the past two years, Generation Kenya has been running six- to eight week-long courses for anyone who has at least finished secondary school to help bridge this gap. Courses have included teaching technical skills for a

specific sector, appropriate behaviour and professional mentoring. In the first year 4,500 people attended the courses, of whom 90 per cent found work that Mr Sinaceur says provides a decent living. The goal is to help 50,000 people find work in five years. Some 140 employers have joined the programme so far and Mr Sinaceur’s team is extending it so that non-governmental organisations and government departments can adapt the training to meet their particular needs. “Once you provide everyone with the right tools, the potential of these young Kenyans is massive,” he says. Mr Chatterjee, while praising such schemes – and Mr Kenyatta’s commitment to tackling youth unemployment – believes they do not go far enough. “We need a Marshall Plan,” he says, referring to the US scheme that helped Europe rebuild after the second world war. “The government has to take responsibility in the way the Asian tigers did last century. We need to see how to make the informal sector integrated into the broader economy. If that can be done then the sky’s the limit.”

Crowded jobs market is braced for 1bn workers

Continued from page 1 workers, are expensive for governments and do not address the structural causes of unemployment.

Even seemingly promising schemes can go awry if they are not well targeted. In a recent review of UK apprenticeships, for example, a parliamentary select committee found such efforts lacked focus and would not fill skills gaps “unless they concentrate on sectors and regions where training is most needed”. Some argue that governments must look beyond technical training for young people and focus on fostering skills such as effective communication and teamwork. Mr Lundberg of the World Bank says that technical and vocational training can often be “very much 19th century, and we are no longer in a 19th century labour market”. Persistent mismatches of supply and demand also mean young people are unable to find jobs while companies are unable to fill posts. Instead, some suggest changing expectations of both bosses and potential workers. Ms di Florio cites the hospitality industry’s difficulties in hiring young people, as hoteliers want English-speaking graduates while the entry-level jobs on offer do not always appeal to them. “A young person who fits that profile is not going to want that job and the person who wants that job isn’t going to have that profile,” she says. But demonstrating to graduates that an entry-level job can lead to a career in management might attract them, she says. Another approach is to start with the employers first. The Rockefeller Foundation, when researching ways to tackle youth unemployment, assessed labour demand rather than supply and the processes that companies used to hire employees. It found CVs and other traditional recruitment techniques did not always identify applicants’ potential, particularly for entry-level jobs.

The foundation applied the results of its research to its work with companies such as Starbucks, Walmart and JPMorgan Chase on the 100,000 Opportunities Initiative, a coalition of US employers focused on youth job creation. The foundation uses what it calls “impact hiring”, which includes using data and analytics to assess workers’ potential and recruit from diverse talent pools. But even as governments strive to work towards SDG eight, another challenge is looming – the prospect of technologies such as artificial intelligence and robotics wiping out millions of jobs. Governments have begun looking to the future as they think about job creation. For example, one of the areas being examined by Policy Horizons Canada, a government research service, is how evolution in the digital economy might change the nature of work over the next 10 to 15 years. Mr Dodds of UNC sees this type of analysis as critical. However, it is the exception rather than the rule, he says: “Governments aren’t thinking enough about the future. This will be on our doorstep extremely quickly.”



Apprenticeship scheme success may be hard to replicate abroad

Germany

Other countries look to copy a training model that keeps jobless rates low for the young, reports *Rose Jacobs*

Mariusus Körlin, a 20-year-old BMW apprentice, spent a recent Friday morning taking visitors round the apprenticeship training centre at the automaker’s campus in Munich. He showed off the classroom for first-year participants in BMW’s work-study programme; the practice workstations, abandoned during a coffee break; and the retail end of the operation, staffed by apprentices, which markets and sells products created by other trainees – from USB sticks to a concept for a levitating motorbike. Mr Körlin has wanted to work with cars since his early teens and saw BMW as the obvious place to pursue his aim: “It’s the ne plus ultra of employers.” Although he could have gone to university, having passed higher-level exams at school, he entered Germany’s vaunted vocational training programme, an alternative to higher education that caters for about 60 per cent of the country’s young people.

Most of them join three-year programmes that either mix company-based and in-school training, or consist solely of school-based training with work placements. In the first version, companies pay for most of the training and the apprentice wages; in the second, state governments pay for the training in schools. Both culminate in nationally recognised qualifications. In December 2016, the unemployment rate for 15-24-year olds was 6.7 per cent, compared with 17.3 per cent across EU member states. Mr Körlin’s career is an example of the benefits of a national apprenticeship system that – aided by factors such as the lack of a minimum wage – helps keep youth joblessness low. But his case also demonstrates why replicating the scheme abroad might prove difficult, despite interest from countries such as the US, China and India. First, both Mr Körlin’s father and grandfather took the same path. The fact that Germans are accustomed to the work-study model masks some of the challenges others might face in adopting it, such as doubts about the value of vocational training. Another impediment is that, outside Germany, politicians tend to aim apprenticeship schemes at less academically successful students. “If apprenticeships are only a system for lower achievers, I’d guess

they will not work,” says Professor Heike Solga, director of the skill formation and labour markets research unit at the WZB Berlin Social Science Center. Germany’s labour market values workers trained for specific occupations. Most positions, from electricians to nursery-school teachers, require standard training and certification. This is not the case in many of the countries eager to copy Germany’s dual-education success. While the relative lack of dependence on qualifications in other countries makes mid-career moves easier, argues Prof Solga, that fluidity could undermine the status and usefulness of youth apprenticeship schemes. The German system is not without its own flaws, however. About a quarter of those who enter training courses only qualify for “pre-vocational” training, a fallback that leaves many unprepared for anything other than unskilled, unstable, poorly paid jobs. The portion of young people opting for university rather than vocational training is rising – in part because some of the jobs formerly within reach of people without degrees, such as back-office operations at banks, are now dominated by graduates. Prof Solga says: “Parents see that even if you just want your kid to do the [same kind of] job you had, today they need a [degree].”



Next generation: Marcus Körlin at BMW’s Munich training centre — Rose Jacobs

The German government is currently helping 18 countries around the world set up apprenticeship schemes, and some companies export and adapt the model themselves. BMW’s foreign apprenticeship projects include the *ZTe gusta aprender?* (“Do you like to learn?”) programme in Spain, as well as partnerships with US vocational colleges. Susanne Burger, deputy head of international co-operation at Germany’s ministry of education and research, says other countries need not replicate every detail of the German system. She is agnostic, for example, about whether private companies or the state should pay salaries so long as certain conditions are met, such as ensuring national standards are maintained and can be revisited as industry needs change. “There must be strong co-operation between government, the business

community and social partners,” she says. “The government must be willing to give away responsibility.” Germany is also encouraging more migrant-owned companies to take part in the schemes as well as introducing training for 25-35 year olds in an attempt to make them more inclusive. Here, other European countries might offer better models. In 2013, Austria passed a law giving young people the right to an apprenticeship, and in Switzerland underachieving students are entered into short, first-stage vocational schemes with bridge courses to traditional apprenticeships. Experience suggests such schemes could pay off, whatever participants’ academic level. “We find that even those with very bad school marks prove to be very good and responsible when doing practical things,” Ms Burger says.

Youth Employment

Job insecurity is a fact of life for young people

COMMENT

Kristalina Georgieva

Shortly after graduating from university in Sofia, Bulgaria, at the age of 23, I was hired as an assistant professor. It was everything I had hoped for – intellectually challenging with a predictable career path all the way through retirement. Such were the certainties of the 1970s.

I wish it were as easy for today’s 23-year-olds. But, sadly, it is not.

One of the ironies of our times is that the world has never been wealthier – global GDP topped \$75tn in 2016 – and yet there has never been so much anxiety over the future of work. It is particularly tough for the under-25s; they are about four times as likely to be unemployed as their elders. As life expectancy rises, so does the need for people of my generation to keep working, which is a further block to younger job seekers.

With the nature of work changing continuously, job insecurity is now a fact of life. Artificial intelligence and automation are eliminating a range of blue and white-collar jobs, from trucking to banking, affecting people in both rich and poor countries.

Achieving the UN’s sustainable development goal of full and productive employment and decent work for all by 2030 will be a tall order. We need to create at least 600m more jobs before that deadline to keep up with new entrants joining the market – and at least two-thirds of these jobs need to be in the developing world, where the youth population is growing fastest. If we fail, we will squander what ought to be a demographic dividend for developing economies.

It is important to note that jobs not only provide income, they also help workers connect to the society around them. This is especially important for

young people in poorer countries and in regions torn by conflict.

At the World Bank Group we have invested in understanding country employment dynamics and how they affect youth. We know from our analysis that to tackle youth unemployment we have to create the right kinds of jobs in the right places, through investments that are both economically and socially profitable.

For example, while manufacturing and services were once routes out of poverty for millions of young workers, technological innovation is making those paths more difficult to take. Likewise, investment that is concentrated in capital-intensive industries that generate few jobs, like oil and gas, leaves workers trapped in temporary or informal labour.

In the parts of the world where youth unemployment is highest, agriculture is still the biggest employer. Two-thirds of Sub-Saharan African workers work in the agricultural sector, where productivity is low and earnings stagnant. They might improve their job prospects by moving to the city but

‘The world has never been wealthier, yet there’s never been so much anxiety over the future of work’

without education and access to technology they have little hope of advancement.

What can we do to help?

The starting point should be education. All children need to go to – and stay in – school. Research shows the ability to learn throughout life, to adapt and to work flexibly, will be vital, as will technical, social, and critical thinking skills. Education has to adapt to help people become life-long learners.

To enhance the employment prospects of the young – and meet the wants of the local market – we also need to improve the design of training

programmes. In Argentina, the World Bank is helping the government strengthen and expand training for disadvantaged young adults. A programme we are supporting in Ivory Coast matches first-time workers to internship schemes that lead to permanent jobs with full benefits.

Second, governments need policies that encourage the private sector to generate more jobs. This includes investing in transport and digital infrastructure. We find that young companies are normally the most dynamic in creating good-quality jobs, but they also need the most help to get going. Governments should help young people start their own enterprises and link small businesses and farmers to larger markets.

Third, because it will take time to bring all businesses into the formal sector, for the foreseeable future many jobs for young people in developing countries will remain informal.

The challenge is to help informal workers and enterprises diversify and increase their productivity, and to connect them to marketing expertise and innovation to help their businesses grow. Universal social safety nets will also be critical so that benefits are not limited to workers in the formal sector.

There are clear steps we can take, but we have to work together – governments, the private sector, academia and civil society. As former UK prime minister Gordon Brown’s 2016 education commission report on financing global education noted: “Economies will rise or fall depending more on their intellectual resources than their physical resources.”

Preparing for the jobs of the future depends on the actions we take today, so that the defining technological, economic and demographic trends of this century will create opportunity rather than entrench inequality.

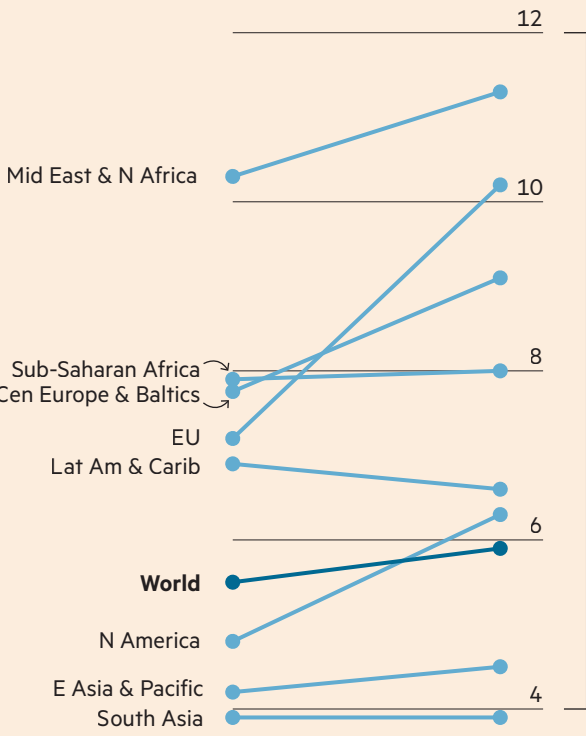
I want the 23-year-olds of tomorrow to feel the same hope for their future as I did when I left university.

Kristalina Georgieva is chief executive of the World Bank

Out of work

Unemployment rose after the financial crisis ...

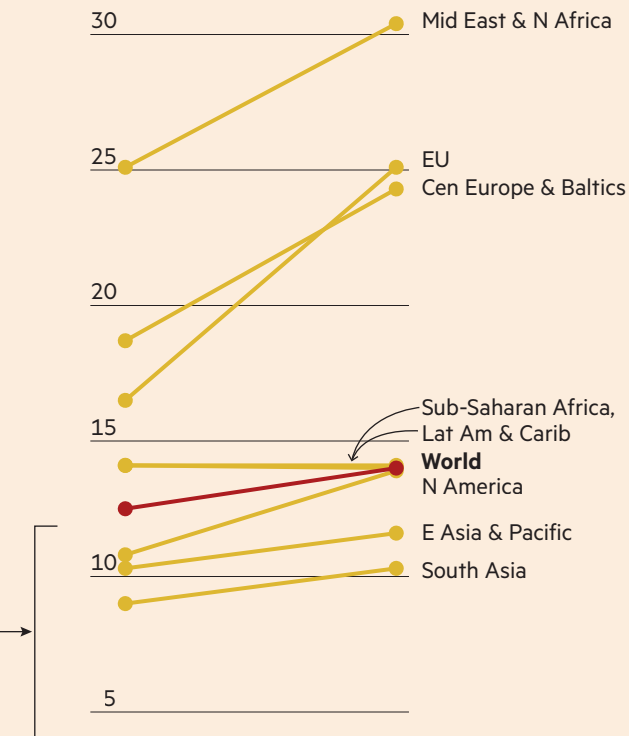
Unemployment rates, 2007 v 2014 (%)



Sources: World Bank

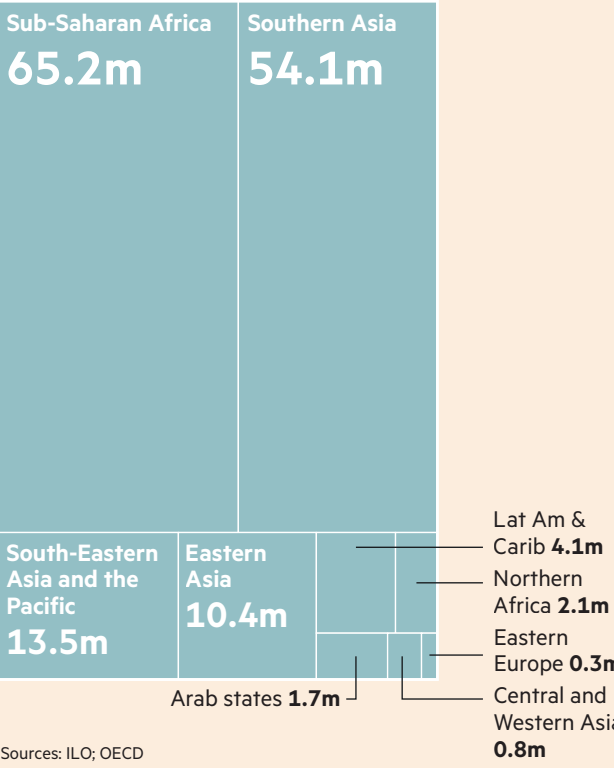
... particularly among young people

Unemployment rates of 15–24 year olds, 2007 v 2014 (%)



In emerging countries, over 150m young people are working and living in poverty ...

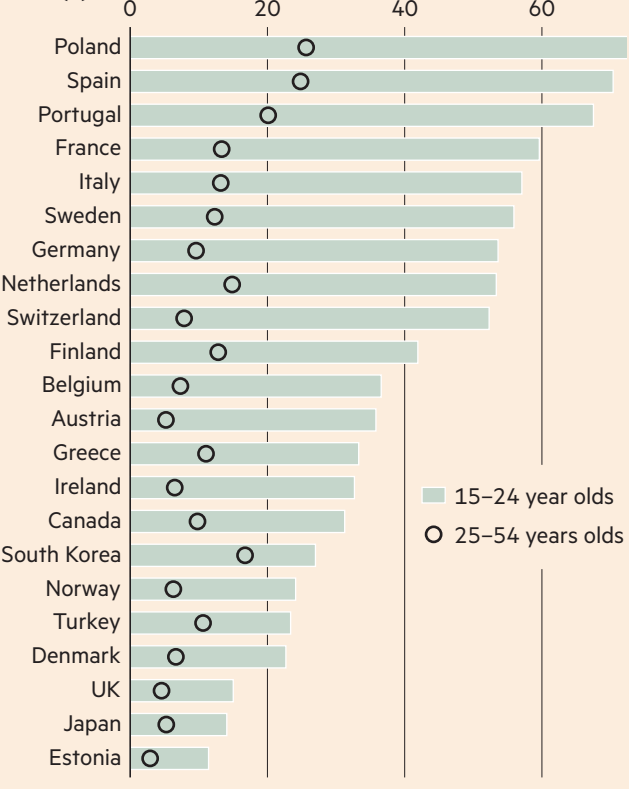
Young workers (aged 15-24) in extreme and moderate poverty (less than \$3.10/day PPP)



Sources: ILO; OECD

... while in many developed countries the majority of young employees are on temporary contracts

Share of workers in each age group in temporary employment, 2015 (%)



Casual contracts keep Spaniards looking for permanent work

Part-time labour

Only a minority enjoy the benefits and security of permanent employment, reports *Stephen Burgen*

Alex Angosto left school four years ago but the only work he has been able to find since then has been temporary – usually between a week and three months in duration – and paid in cash. The alternatives are “rubbish contracts where you only got paid on commission”, the 21-year-old says. “Now I’ve got a one-year contract in an ice cream factory. In theory it’s a year’s apprenticeship and then they renew the contract.”

Mr Angosto’s experience is not unusual. Spain’s unemployment rate is among the worst in the EU. In December 2016 it was 19.6 per cent, down from its 27 per cent high in 2013 when more than 6.2m Spaniards were looking for work, but still second only to Greece. And for younger people the rate is much higher – 44.4 per cent among 15-24-year-olds.

The country also has a very high rate of young workers – 70 per cent – on part-time contracts. One result is that nearly 80 per cent of those aged between 16 and 29 years old live with their parents, according to a report by Spain’s Youth Council, a body of youth organisations. Last year, nearly a quarter were neither in work nor education.

“What is the Spanish government doing about unemployment? Frankly, not much,” says Alfredo Pastor, emeritus professor of economics at Iese Business School in Barcelona. He points out that 95 per cent of contracts signed since a new employment act was passed in 2012 are temporary or part-time. In some regions, a quarter of these last only seven days. Fernando Prieto, director of Spain’s Sustainability Observatory think-tank, agrees: “The jobless rate has fallen but only by creating precarious, low quality jobs.”

Eighteen months after the country signed up to Agenda 2030, the UN’s sustainable development goals, which include a target for the creation of sustainable employment, Spain is falling behind. The government is yet to appoint an individual or team tasked with meeting the goals.



Labour day: young women in Madrid demand better working conditions

Marcos del Mazo/LightRocket via Getty Images

“There is, as yet, no institutional architecture in place for realising the Agenda 2030,” says María Larrea Lorient, assistant deputy director for development policies at the foreign ministry, which is in charge of implementing the agenda. “It is still in the analysis phase.”

Creating formal and sustainable employment is particularly difficult in Spain. A minority – among them the nation’s 3.3m public sector workers – have full-time permanent jobs with entitlement to sick pay, maternity leave and other benefits. But the majority of those in cyclical industries, such as tourism or construction, have little or no security.

The problems begin early. Spain has the EU’s highest dropout rate from education and training at almost a fifth of the youth population.

“The situation is the reverse of other countries with high unemployment, in that we have a high percentage of university-qualified people and a high percentage of young people with no qualifications,” says Nacho Sequeira, director-general of the Fundación Exit, one initiative striving to get young people at risk of exclusion into the labour force.

“We go to companies and look for opportunities for the young people we have on our books,” says Mr Sequeira. “Our view is: forget about qualifications, let’s look at abilities first and then see what qualifications they might need. That way they can work and train for the job at the same time.”

There have been some efforts to move more people into full-time work. Last month, the government and unions reached an accord under which 250,000

public sector workers on short-term contracts, primarily in health and education, will be given permanent jobs over the next three years.

The Caixa Foundation’s youth employment scheme offers to pay up to €9,600 per annum to employers who offer young people permanent contracts. The foundation started a century ago as the social arm of what is now Caixabank and its youth employment scheme is funded by €20m from the EU Social Fund plus €1.7m of its own cash. In 2016, another of its schemes found jobs for around 28,000 vulnerable people, including the disabled and those unemployed for more than a year.

“The youth programme is designed to get people into work, says Marc Simón, social area corporate director at the foundation. “Because so many people are unemployed, those with the most difficulties are marginalised ever further. The poorest areas are the ones with the highest school dropout rates.”

Salah Eddine Rghoui, aged 25, arrived in Barcelona from Morocco on his own aged 15 and spent a year in a reception centre. By the age of 21, he had completed his high-level vocational training, but finding a job has proved much more difficult.

“Here they gave me residency but not a work permit and you can’t get a work permit unless you can show you’ve got a one-year contract, which no one is going to give you,” he says.

“I had work but it was all [paid cash in hand]. When you’re all alone with no family and you work all day and still can’t pay your rent, it’s not worth bothering. But I’m getting more experience and you have to be optimistic.”

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Youth Employment

The ‘long, hard slog’ to reduce entrenched inequality

Policy New training schemes in the UK aim to remedy decades of prejudice, writes *Miranda Green*

Inequality is often said to define the British education system: academically outstanding selective schools cream off a cohort that then heads for world-renowned universities and well-paid careers. Opportunities for other young people meanwhile, although excellent in some institutions, are more often blighted by dramatic regional variation and socio-economic disadvantages. Being born into a family in the lowest-earning groups affects educational underachievement even before formal schooling starts at age five. So the UK has specific challenges to tackle if it is to improve job prospects for those with the least opportunity. But improvements in recent years – and ambitious plans for a new system of vocational training – show how education policy can tackle problems thrown up by rising global rates of youth unemployment. The UK’s under-25s have escaped the very high jobless rates that have blighted some other EU nations since the 2008 financial crash and subsequent recession. At 12.1 per cent in December 2016, the UK rate was lower than a member state average of 17.3 – and much less than Greece’s 44.7 per cent. But this age group has still suffered more than others in the UK. Some improved opportunities for the

youngest have come through raising the compulsory education and training age in England from 16 to 18. This has brought down the rate of those 16-24-year-olds classified as Neets (not in education, employment or training) from 16.4 per cent at the start of the decade to about 11.5 per cent at the end of 2016. Ministers have now promised a shake-up of the long-neglected technical training sector, with the introduction of a system of technical courses, known as T-levels. There will be better access to loans for students of college age studying technical subjects, more money for specialist institutes that teach applied skills, and 15 new educational “pathways”. Jobs from journalist, hairdresser and web designer to HGV truckdriver are grouped by industry or service sector, and courses will now be rationalised to make them easier to navigate by students and employers. These moves are designed to address two problems: a dearth of alternatives to the academic route for British pupils and a shortage of skilled workers to fill available jobs in expanding sectors of the economy. The latest research by Oxford Economics, for the recruitment company Hays, revealed that one in four job vacancies was left unfilled and that the skills gap is becoming what Hays chief



New skills: students in London take a class in cyber security — Charlie Bibby

executive Alistair Cox called “a skills chasm”. The shortage of workers is most acute in specialist technical jobs. Another recent report, from the Baker Dearing educational trust, which runs a network of technical colleges across England, found that even among students who specialised in science, technology, engineering and maths (so-called Stem subjects), it was becoming harder to land a first job. Forty-five per cent of respondents in a survey of Stem workers under the age of 35 believed the subjects they had learned at school were of no use in the world of work. “Perhaps the problem is treating careers education and employability as a bolt-on, rather than a thread that should run throughout schooling?” the authors suggest. After decades during which a non-academic route through education was largely ignored by policymakers, it is perhaps unsurprising that this same survey found young workers assuming that qualifications in traditional academic subjects were valued more highly by employers than vocational training. The new proposals have been welcomed both by employers and education experts. But it will take many years to correct the assumptions that give an academic route the edge in terms of prestige and earnings. Since the 1990s, the impetus has been on expanding

undergraduate university courses to the point that they are now taken by around half of all British young people. It is only once young people enter the workforce that deficiencies in how schools and colleges have prepared some of them for employment become apparent. According to the charity Education and Employers Taskforce, too few pupils from deprived backgrounds are given experience of workplaces, nor do they meet employers in sufficient numbers to make good career decisions. And careers advice and initiatives seem to have lasting benefits. In a survey, the charity found that young adults who considered activities their schools had organised for them to engage with employers “helpful in getting a job”, earned up to 16.4 per cent more than their peers who did not take part in any activities. Most contact with employers, and most high-quality, useful experiences, tended to be reported by under-25s at private schools, academically-selective state schools or in prosperous geographical areas with better employment, according to the charity. Justine Greening, UK education secretary, has described the battle against such entrenched advantage as “a really hard, long slog”. Despite the progress, matching schooling to employment opportunities and spreading them fairly will remain tough challenges.

UK Employers prepare for apprenticeship levy

Until recently, the UK had an indifferent record on helping young people find work. But it is making headway in tackling the problem — so much so that international delegations are visiting the country to learn from its experiences. One of those was from the Center on Education and Skills, part of US-based think-tank New America. The UK’s progress caught the attention of that organisation’s director, Mary Alice McCarthy, back in June 2015, when the government announced the UK had created 2.2m apprenticeships since 2010. It also adopted a target to create 3m more by 2020. “We noticed that figure of 2m, and we wanted to know: how do you do that?” Ms McCarthy says. Kirstie Donnelly, managing director of City & Guilds, a UK body that works with employers and government to provide vocational education and training, says that as well as advising groups from the US, C & G has been talking to representatives from Finland about the UK initiatives.

While there has been a sharp rise in the number of people starting apprenticeships in the UK, the country has not adopted the kind of dual vocational education system that exists in Germany, Austria and Switzerland. Those countries separate students into academic or vocational streams and came through the 2008 financial crisis with higher levels of youth employment than other developed nations, according to the OECD. Still, the UK’s efforts are ambitious. An apprenticeship levy of 0.5 per cent of payroll became payable for large employers (those with an annual payroll of at least £3m) at the beginning of April. They can then receive vouchers in return for the tax they pay, which they can only spend on approved apprenticeship training courses. An employer-led Institute for Apprenticeships also started operating this month and a new system of technical courses for 16-19-year-olds will be phased in over the coming years. Some employers say it is too soon to know how successful the measures will

be and warn that some of the apprenticeship schemes are not satisfactory. While the targets look impressive, Neil Carberry, director for people and skills at CBI, an industry body representing British employers, says: “We want [the schemes] to lead to 3m good-quality jobs. It’s not clear [they are] going to lead to that.” For organisations such as the National Health Service, Britain’s largest employer and one of the biggest in the world, the levy will have to be well spent because the bill is going to be so large. Sam Donohue, senior nursing policy officer for Health Education England, which oversees training and workforce planning for the NHS, says that the health service will be paying about £200m a year. The number of apprentice “starts” in the NHS has

‘We want the schemes to lead to 3m good-quality jobs. It’s not clear they are going to lead to that’

jumped from 9,640 in 2012-13 to 19,820 in 2015-16, she says, and the target is about 28,000 starts by 2017-18. Even if the NHS meets its targets in terms of numbers, it is unclear if it will be able to claim all of that levy back. The government has yet to publish a list of approved training providers or finalise what kind of training will qualify for repayments. Some suspect that, under pressure, employers might end up rebadging the training they already provide to their staff as “apprenticeships”. While he has some misgivings about the measures being introduced, Hugh Milward, director of corporate external and legal affairs for technology company Microsoft UK, says he understands why the UK has become an example for other countries seeking to expand their youth training provision. “This is a great opportunity,” he says. “We urge the government to stick with it.” **Emma Boyde**

Egypt’s nascent tech scene could rescue a generation

Start-ups

The country needs the right conditions for the sector to grow, reports *Heba Saleh*

Thirty Egyptian students, all young men, race around a classroom at Cairo’s al-Azhar University, leaping over desks or huddling in corners as they complete a role-playing exercise set by instructor Ahmed Ramzy al-Shazly. After several minutes of boisterous bustle, the students receive Mr Shazly’s evaluation: “Each of you was thinking only of himself. Leadership is not a matter of force.” The extracurricular course is backed by Injaz Egypt, a non-profit group that offers students at school and university training in entrepreneurship and work skills sought by the private sector. It is one of several initiatives that aim to introduce students to start-up culture – and to change mindsets forged by an educational system that has long relied on rote memorisation at the expense of creativity and initiative. The encouragement of entrepreneurship is increasingly seen as a solution to the country’s unemployment problem. Some 42 per cent of people between the ages of 15 and 24 were without work in 2014, according to the latest data from the World Bank. The general jobless rate now hovers at around 12.5 per cent. In a country of 90m – where about one-third of the population are between the ages of 15 and 29 and poverty is widespread – job creation is considered crucial for improving living standards and maintaining political stability. Maged Osman, a former minister of

communications and information technology who now heads Baseera, a polling institution, says that cutting unemployment to 5 per cent by 2030 to meet the UN’s sustainable development goal eight is “mission impossible”. But, he adds, entrepreneurship is set to expand because of improvements in infrastructure such as the rollout of 4G and other technology upgrades that are under way. “4G will open up new areas and speed up the internet,” he says. “The benefits will not be restricted to Cairo. This will give an opportunity to [rural] areas to grow.” Mr Osman also hopes that online learning will take pressure off an overstretched education system in a country where 2.5m are born each year. “It can help shorten the route so we can catch up with other countries,” he says. Ahmed el Alfi, a venture capitalist and founder of Flat6Labs, a start-up accelerator, believes in the potential of tech businesses to create growth and employment in Egypt. “I have seen enough [progress] in the

port system around new companies is improving.” Beyond investing in online education, Mr Alfi argues the government needs to create the right conditions for the technology and science sectors to grow: “The knowledge economy is the only answer for Egypt. What we need here is a 10-year solution that is education, education, education. Our assets are humans.” Incentives are also needed for the private sector to invest in start-ups, adds Mr Alfi. Bank loans are not suitable for companies that either have a high failure rate or grow so fast that their financial statements are an unreliable guide for the amount of funding they might need, he says. But, according to former minister Mr Osman, the government has yet to find the “win-win formula” that would unleash the private sector’s ability to expand and create jobs. “That’s why they go for the low-hanging fruit . . . big national projects [mostly in building infrastructure] that create jobs,” he says. “But these are unsustainable and costly.” Removing bureaucratic and structural hurdles that make doing business difficult would be another boost, he adds. Khaled Ismail is an angel investor who made his money by selling his tech company to Intel in 2011. Since then, he has focused on mentoring and providing seed money to start-ups. He argues that if the government simplified the process of setting up and winding down a company, making it as easy as filling an online form, it would lead to a “boom” in start-ups. “This is a decision the government can enact tomorrow,” he says. “If they just do that, we will find 10 times as many start-ups over the next five years.”

Entrepreneur **Ahmed el Alfi** has turned a derelict campus near Tahrir Square into office space for start-ups

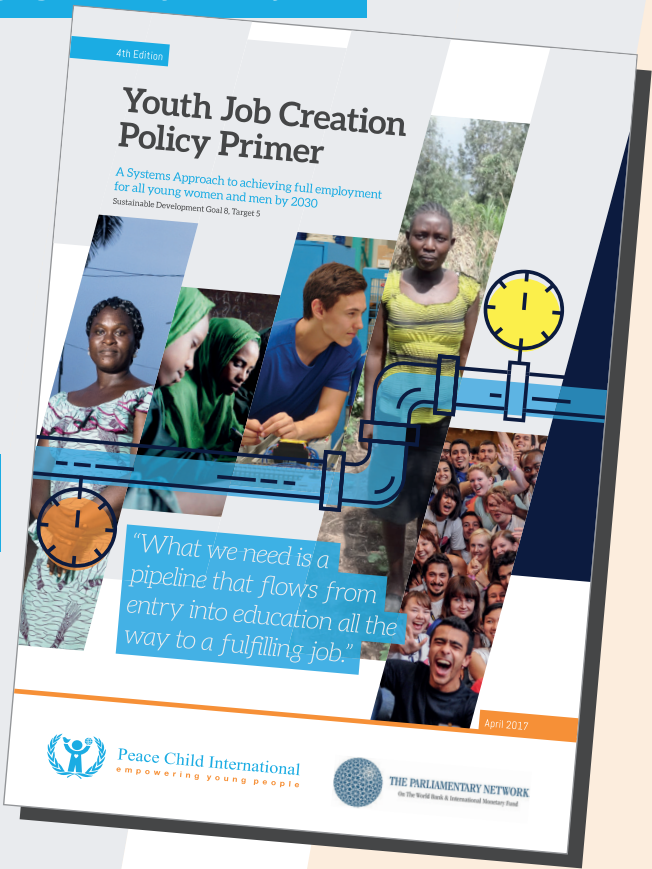
last seven to eight years that I am investing my own money,” says Mr Alfi, who has also taken over an empty university campus in downtown Cairo and turned it into office space for start-ups. “People with corporate experience are leaving careers to start companies,” he adds. “They are coming to us for funding at a more mature stage. Definitely, quality is improving and the sup-

“I believe the UK must significantly increase its support for, and investment in, creating good jobs for young people.”

Rt Hon Priti Patel MP, Secretary of State, UK Department for International Development in her Forward to the Youth Job Creation Policy Primer

“Young people in jobs grow economies; young people without jobs deplete them. I hope you will join me in working to implement policies that create more of the former, and less of the latter.”

Jeremy Lefroy MP, Chairman, Parliamentary Network for the World Bank & International Monetary Fund in his Introduction to the Youth Job Creation Policy Primer



The Youth Job Creation Policy Primer introduces the policies and practice that have proved effective for governments, business, youth and NGOs in creating jobs for the tens of millions of youth coming on to the job market every year. It was prepared for the Parliamentary Network for the World Bank & International Monetary Fund by David Woollcombe, with editorial guidance and contributions from:

Aldridge Foundation; Business and Sustainable Development Commission; Cambridge Development Initiative; Commonwealth Youth Division; Department for International Development; International Labour Organisation; Hand in Hand International; International Youth Foundation; Peace Child International; Plan International UK; Raleigh International; Rockstar Mentors; Teach A Man To Fish; World Bank; Youth Business International

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