

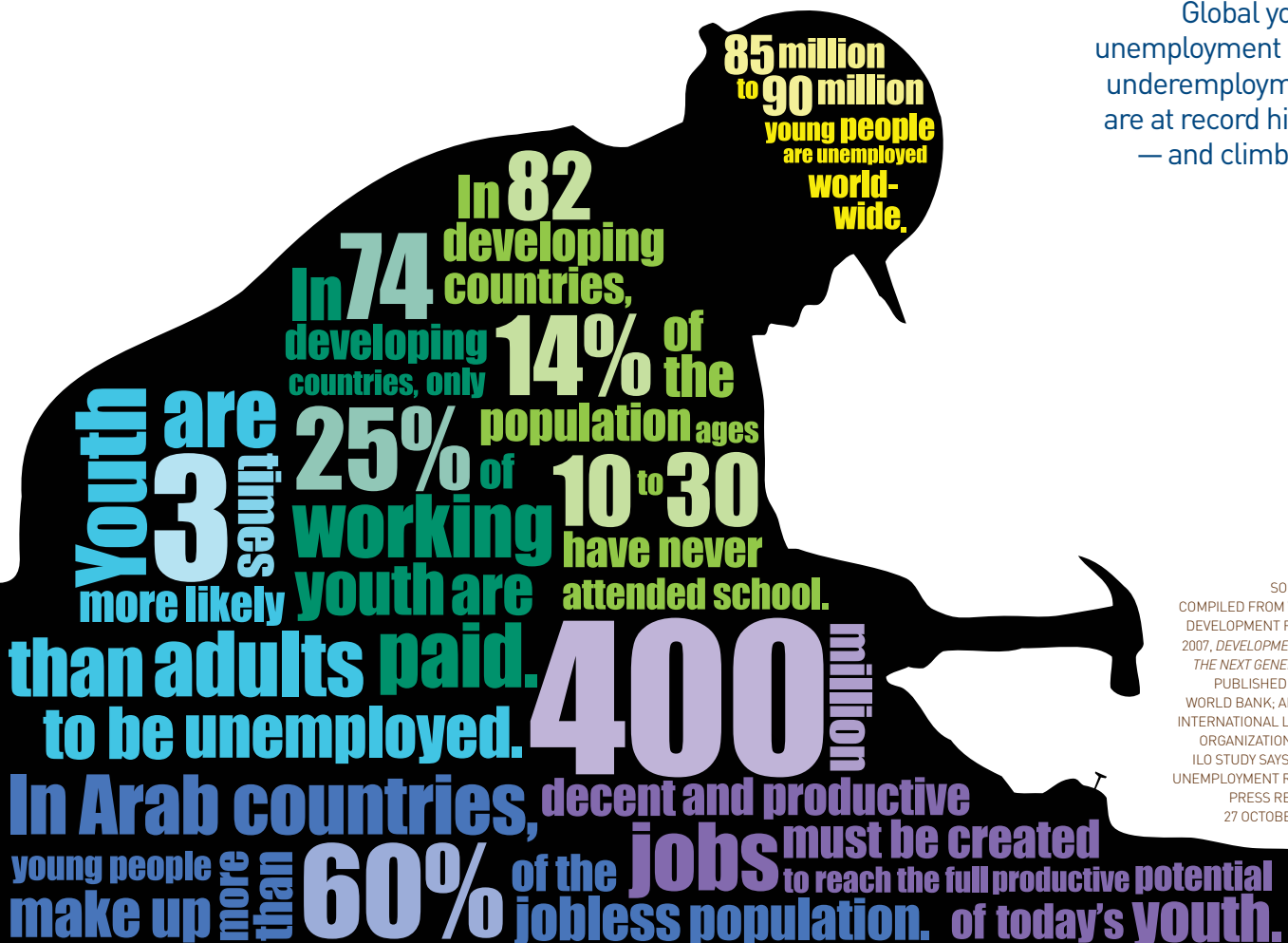
# WORKABLE

## Tackling the Youth Unemployment Crisis

By **CHRISTY MACY** Sounds of construction work reverberate through the town of Nalapaan as 21-year-old Rahib Alagasi hammers down planks for a new roof. The houses he helps build will go to families displaced by the ongoing violence in this region of Mindanao, a war-torn island in the Philippines. The construction job has enabled Alagasi and his friends to make a remarkable turnabout. Just a year ago, Alagasi was one of many local young people who quit school and couldn't find a job. The child of a combatant in the armed insurgency, he faced additional hurdles to employment. "We used to hold and play with guns," he recalls. "Now we're holding hammers."

### Youth Unemployment by the Numbers

Global youth unemployment and underemployment are at record highs — and climbing.



SOURCES:  
COMPILED FROM WORLD  
DEVELOPMENT REPORT  
2007, DEVELOPMENT AND  
THE NEXT GENERATION,  
PUBLISHED BY THE  
WORLD BANK; AND THE  
INTERNATIONAL LABOUR  
ORGANIZATION, "NEW  
ILO STUDY SAYS YOUTH  
UNEMPLOYMENT RISING,"  
PRESS RELEASE,  
27 OCTOBER 2006.

# SOLUTIONS

**ALAGASI'S JOB TRAINING PROGRAM IS PART OF** a larger initiative helping at-risk young people across Mindanao become productive members of their communities. As a result, 2,600 youth know how to build houses, engage in organic farming, work in seaweed production or repair cars. More than 1,700 of them are now employed. Broad local and international support for the initiative includes Habitat for Humanity, the United Nations Development Programme (UNDP), Chevron, the International Labour Organization (ILO), the World Food Programme and the International Youth Foundation.

While similarly successful efforts are underway in communities worldwide, the number of jobless youth has escalated to crisis proportions. In announcing a dramatic increase in youth unemployment between 1995 and 2005, ILO Director General Juan Somavia warned: "Not only are we seeing a growing deficit of decent work opportunities and high levels of economic uncertainty, but this worrying trend threatens to damage the future economic prospects of one of our world's greatest assets—our young men and women."

Why does youth employment remain such an acute global problem? Which programs and strategies are effectively addressing it? What do emerging trends reveal about how to move forward? And, most important, what historic opportunities lie within reach by making the right investments?

## Bulging Population







Demographics tell a dramatic story. Today, the world's youth cohort—1.1 billion young people ages 15 to 25—is the largest in human history [see map on next page]. Of this group, some 85 million to 90 million can't find a job. A staggering 300 million are working but earning US\$2 a day or less.

This "youth bulge" wraps itself around the center of the globe, with nearly 90 percent of today's young people growing up in developing countries where barriers to opportunity remain high. Significant strides have been made in basic education, but less progress has taken hold in secondary and vocational schools. The result: More youth drop out of school and society—and fewer graduate ready to join the workforce. Overall, young people are three times more likely to face unemployment than adults, with

the highest jobless rate (25 percent) among youth in the Middle East and North Africa.

Yet today's historic youth cohort also offers a rare opportunity to make meaningful headway in such critical areas as economic growth, political stability and global citizenship. Significant investments in job training and job creation would result in more young people employed or able to start their own businesses; more taxpayers paying into the system; more consumers helping to boost the economy and expand trade; and more young people positively engaged in their communities and having a voice in the future. These opportunities would also help reverse the downward spiral of hopelessness and anger that ignites conflict worldwide.

"Now, at least, the topic is high on the agenda of governments, donors and the private sector," says Markus Pilgrim, Manager of the Youth Employment Network (YEN), a coalition of the UN, ILO and the World Bank. "Companies recognize that if nothing happens, the current situation is a threat to the business environment." Pilgrim recalls attending a recent annual meeting of industrial leaders in Africa where attendees were asked to choose the most critical topic for discussion. The overwhelming response: youth employment.

<b>Unemployed: Youth Outnumber Adults</b>	
ARGENTINA	
INDONESIA	
SRI LANKA	
TURKEY	
UNITED KINGDOM	
USA	

*Ratio of unemployed youth to one unemployed adult.*

SOURCE: WORLD DEVELOPMENT REPORT 2007, DEVELOPMENT AND THE NEXT GENERATION, PUBLISHED BY THE WORLD BANK, TABLE A3, PP. 274-275.

# Bulging Youth Populations

## Median Age by Region

Population Ages 15–25	
WORLD TOTAL	1,176,550,000
AUSTRALIA	2,815,000
BRAZIL	35,343,000
CHINA	224,630,000
EGYPT	16,951,000
INDIA	218,813,000
INDONESIA	41,545,000
NIGERIA	28,590,000
RUSSIA	24,426,000
TURKEY	13,393,000
USA	42,935,000

SOURCE FOR LIST AND MAP: WORLD POPULATION PROSPECTS, 2006, POPULATION DATABASE, UNITED NATIONS POPULATION DIVISION

### Sizing Up Success

A growing number of youth employment initiatives are making significant progress on the ground. The most effective strategies address the core issues of job training and placement, market analysis, entrepreneurship and measurable results.

**Integrated training.** Clear evidence—including a recent World Bank survey of youth programs—confirms the effectiveness of integrated employability training programs that utilize internships and job placement services. Also evident is a significant shift toward teaching “life skills”—interpersonal and communications skills such as teamwork, conflict resolution, decision making and time management—in addition to specific vocational competencies. “In our country,” says a corporate executive in the Middle East, “we still use archaic methods of instruction that discourage young people from asking questions or making independent decisions. Life skills training is filling that crucial gap.”

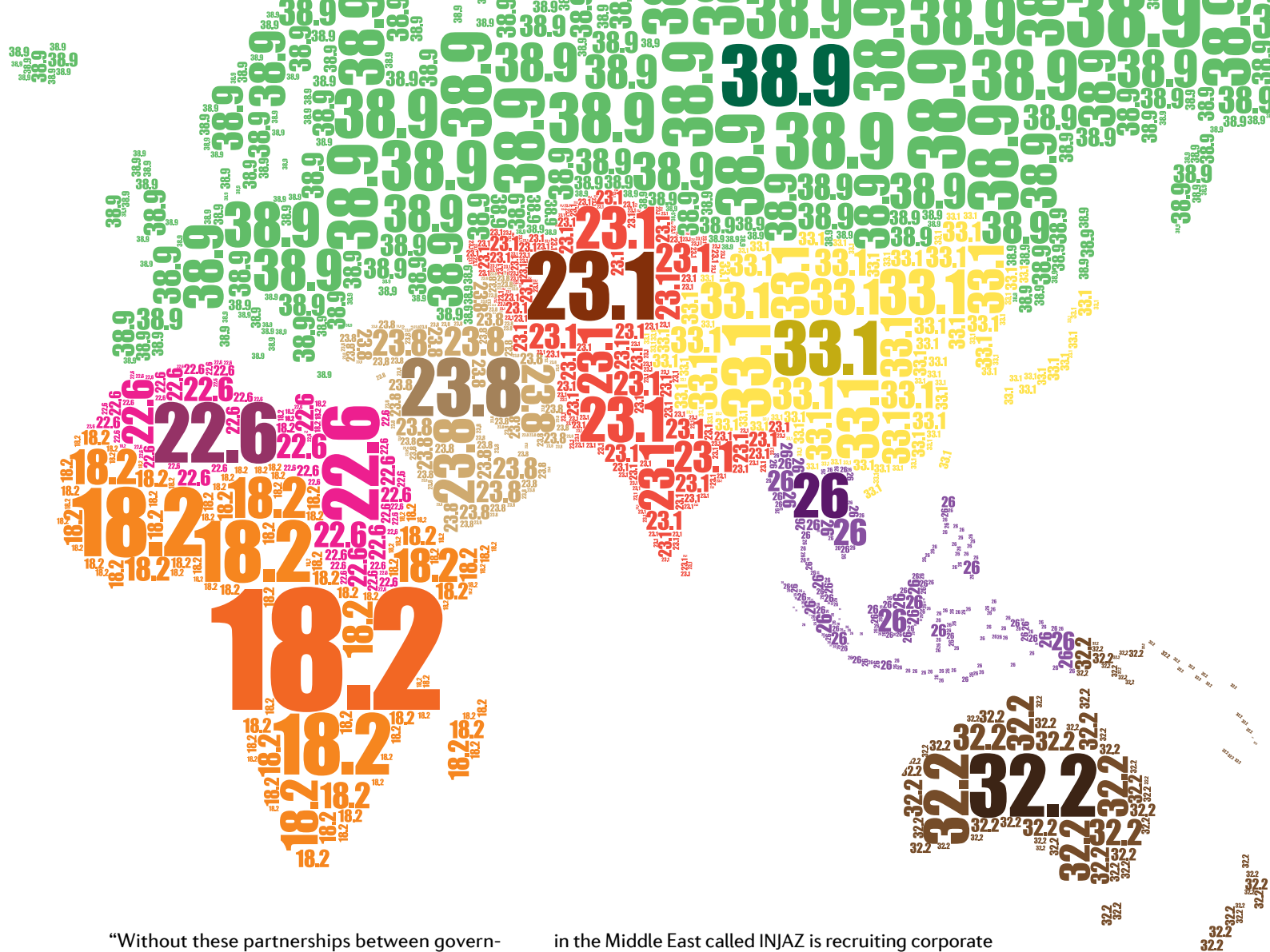
Susan Pezzullo, IYF’s Director of Learning, notes that the success of IYF’s job training and placement program for Latin American and Caribbean youth, called *entra21*, builds in part on the integration of life skills into job training initiatives. “Companies are looking for qualified employees who can learn on the job, come to work on time, have a positive attitude and communicate effectively with customers,” she says. “Youth need to know more than how to repair a computer to succeed.” IYF’s *entra21* program has grown steadily since 2001—with total investments to date of US\$78 million in nearly 50 projects across Latin America and the Caribbean. Approximately 62,000 underserved youth in 18 countries will have benefitted from a comprehensive

package of IT and life skills, employability training and job placement services.

**Local connections.** Market-based studies conducted before employability initiatives are launched help make sure job training programs satisfy the needs of local companies. This “dual customer” approach must meet the needs of both the young person being trained to find work and the employer seeking new workers with specific skills.

“One of the biggest challenges we face is building the bridge between what we teach and what industry requires,” says Jamal Haider, Senior Program Officer of the Rural Support Programmes Network in Pakistan. Aleksandra Vidanovic, recently the Executive Director of the Balkan Children and Youth Foundation, echoes the training gap concern. “Our young people, even university graduates, are trained in jobs where there is little or no demand,” she says. “There are thousands of craftsmen and lawyers in countries like Macedonia but not enough web designers or mechanical engineers.”

The emphasis on market demand has also prompted the private sector to assume a more prominent role in funding and co-creating youth job training programs. The list of global companies that have joined IYF’s workforce development initiatives—Caterpillar, Gap, GE, Merrill Lynch, Microsoft, Nike, Nokia, Oracle, Telefonica, Wrigley and most recently Samsung—continues to grow.



“Without these partnerships between government agencies, NGOs and small and big companies, we are not going to make real change,” says Akhtar Badshah, Senior Director, Global Community Affairs, Microsoft Corporation. Microsoft is working with IYF to boost employment prospects among underserved youth in Africa, including Kenya, Senegal, Tanzania and Nigeria, as well as in India, Morocco, Pakistan, Chile and soon Jordan.

**Entrepreneurial spirit.** Only 10 to 15 percent of young people have the skills and temperament to start and run their own businesses. Still, with so many local economies based in the informal sector, entrepreneurship can be an effective strategy to expand jobs among the younger generation. In Latin America, for example, small businesses make up about 95 percent of the region’s enterprises—with the informal economy representing up to 50 percent of the gross domestic product.

In response, investments in youth entrepreneurship are growing. Youth Business International (YBI) offers potential young entrepreneurs access to mentors, training and small loans. YBI plans to support 100,000 new youth-led businesses in the next few years that would create more than 1 million jobs.

Training and supporting young entrepreneurs is part of an IYF/Nokia initiative to enable victims of the 2004 tsunami in four countries to rebuild their lives and the local economy. And a business-led initiative

in the Middle East called INJAZ is recruiting corporate leaders to get more involved in mentoring and supporting Arab youth as entrepreneurs.

Though such initiatives are important and needed, more research is required to identify successful strategies in this relatively new field.

**Meaningful measurement.** With fewer resources and a brighter spotlight on efficiency, many donors, including the World Bank, USAID and global companies, are demanding tougher standards to measure the effectiveness of job development programs. A World Bank study claims that only a quarter of the programs studied worldwide had been evaluated for impact.

Numerous NGOs are taking heed. Mercy Corps, for example, measures access to employment or increased income. It’s also designing a Soft Skills Index (SSI) to size up programmatic impact on youth attitudes in terms of increased responsibility and attitude changes after training. To more clearly establish the effect its *entra21* program [funded through the Multilateral Investment Fund (MIF)] is having on youth employment in Latin America, IYF is financing impact evaluations that compare the results for youth who participate in the program with those who do not.

While these more rigorous evaluations will, in the long run, help expand resources for programs that really work, such monitoring and evaluation studies are time-consuming and costly.

# “This worrying trend threatens our world’s greatest assets”

## Targeting Investments

Emerging trends around youth employment—multi-sector alliances, scalable startups and knowledge sharing—suggest where future targeted investments can make the most difference.

**Joining forces.** Multi-sector alliances bring new partners and funding to the table—and maximize the impact of development programs. K. David Boyer, recently the Senior Advisor to the Administrator on Public-Private Partnerships at USAID, believes such strategies are the best way to address tough challenges. USAID’s Global Development Alliance (GDA), for example, has supported 680 multi-sector alliances over the past few years—involving 1,700 individual partners in the private sector. As a result, GDA has leveraged more than US\$9 billion in combined private and public resources to implement development projects worldwide. “At USAID, investing in youth is one of our major priorities,” Boyer says, “but we recognize that we cannot begin to tackle the job of educating, training and empowering the youth of the world without the contributions of other development partners.”

An example of the power of partnership is the Education and Employment Alliance (EEA)—an IYF initiative in the Middle East, North Africa and Asia supported through a USAID grant—that has generated more than US\$11 million in additional funds for youth employability programs in six countries. Those funds are the result of a strong multi-sector regional alliance that includes over 100 local and global companies and over 70 NGOs.

**Starting small.** Another interesting shift is the growing reliance on community-based organizations to develop innovative and tested strategies that governments or larger institutions can scale up. The World Bank and the private sector in general often look to NGOs for models that can expand to different regions of the world.

Explains Faiysal AliKhan, a Senior Advisor for Public Policy at DHL in Pakistan: “In my country, people in the development sector have better communications skills, better monitoring and evaluation strategies, closer ties to the community and often more exposure to international best practices than does the private sector.” He supports IYF’s work in Pakistan to strengthen ties between civil society organizations and the private sector—and maintains that greater collaboration would lead to more sustainable and effective youth employment programs in his country.

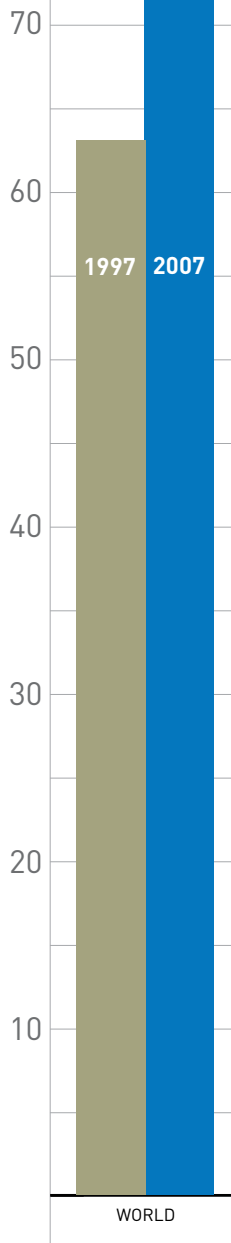
While not always easy, civil society organizations can also influence public policies. Alberto Croce, the Executive Director of *Fundación Sustentabilidad, Educación, Solidaridad* (SES), a youth-serving organization in Argentina, is working to persuade the country’s employment offices to designate a youth employment section. “We are finally making headway, and many of the employment offices have created youth sections,” Croce says. “But it took years and countless meetings to accomplish.”

**Sharing knowledge.** With the prevalence of global networks [see “Partners in Progress” article, page 18] comes increased opportunities to share best practices and lessons learned to benefit practitioners and policy makers alike. Explains YEN’s Pilgrim: “We do a lot of work to facilitate knowledge sharing so those who are doing similar work on the ground have the information and knowledge to have an impact.”

Communities across Africa, Asia and Europe have customized successful employability and life skills training programs, such as IYF’s “Passport to Success,” developed with GE, to meet their own needs. Ever-expanding communities of learning promote sound strategies and the replication of model programs.

Millions of unemployed youth

+13.6%



## Change in Youth Unemployment 1997–2007

SOURCE: GLOBAL EMPLOYMENT TRENDS FOR YOUTH, 2008, INTERNATIONAL LABOUR OFFICE



# ns to damage the future of one —our young men and women.”

—ILO Director General Juan Somavia

## Looking Ahead

The barriers to long-term development are many: inadequate funding; insufficient education and training opportunities; and civil strife and political instability, to name a few. Add the current financial crisis, and the outlook appears bleak. “Looking ahead to 2015 and beyond,” says UN Secretary-General Ban Ki-moon, “there is no question that we can achieve the overarching goal [of poverty reduction] ... but it requires an unswerving, collective, long-term effort.”

For example, efforts to improve youth employment must include greater funding for schools and training, more investments to create small- and medium-sized companies and stronger bridges between school and work. More wage subsidies are needed, and particularly in developing countries, public works projects would begin to move the vast numbers of unskilled workers into jobs.

While hit hard by the recent economic crisis, the corporate sector understands the need to support job training and placement initiatives worldwide. The U.S. government also shows signs of a new urgency to facilitate progress. For example, a new assistance

mechanism within USAID, called Youth:Work [see sidebar below], is structured to allow USAID missions and bureaus to directly—and more rapidly—access IYF youth employability programs and services.

**The bottom line.** Preparing young people for employment and helping them join the job market requires all sectors of society to support a comprehensive approach to development that includes education, health and citizenship.

In a recent speech to university students in Washington, DC, Bill Gates offered an upbeat scenario even in the face of the global financial downturn. “We can keep moving toward a world where every child grows up in good health, goes to a good school and has opportunities waiting—as long as we stay confident about the future and keep investing in it.” Arguing for expanded resources in these key areas, he concludes: “When you begin to solve inequity, you decrease the number of problems and increase the number of problem solvers.” A more compelling case to reinvest in today’s youth cannot be made. **Y**

Christy Macy is Director of Publications at the International Youth Foundation.

## Building on Success Through Youth:Work

**Youth:Work** is a five-year youth employability program that is implemented by IYF and funded by the U.S. Agency for International Development (USAID) through its Office of Urban Programs.

A “pre-competed” Leader with Associates (LWA) award, Youth:Work enables USAID bureaus and missions to easily access IYF’s proven youth employability programs, services and expertise.

**Goal:** to improve livelihood opportunities for disadvantaged youth worldwide by supporting

- Improved access to high quality, integrated training to increase youth employability
- Greater youth employability and entrepreneurship support services and networks
- Improved environment for youth employability (e.g., models, policies, practices)

### Initial Progress Around the Globe

**Jordan.** A five-year US\$30 million initiative to improve youth employment and civic engagement among youth ages 15 to 24, in collaboration with Jordan’s Ministry of Social Development and other local multi-sector partners.

**Caribbean.** A two-year, US\$1.5 million program to provide 700 young people in Jamaica, Grenada and Antigua and Barbuda, with technical/vocational skills and complementary life skills to sustain their livelihoods.

**Morocco.** A six-month US\$100,000 pilot project to equip 100 youth with life skills and IT training that builds on tested models.

For more information, contact Awais Sufi, Vice President for Employability, at [asufi@iyfnet.org](mailto:asufi@iyfnet.org).

**YOUTH:WORK**  
Jordan

**CARIBBEAN  
YOUTH  
EMPOWERMENT**  
A YOUTH:WORK PROJECT

**EMPLOI  
Habileté**  
A YOUTH:WORK PROJECT



IYF PHOTOS