

A Full-Scale Approach to Youth Employment

by Luis Alberto Moreno, President of the Inter-American Development Bank



Latin America and the Caribbean face formidable challenges in ensuring economic inclusion of its growing youth population. Some 32 million young people ages 15 to 29 are neither working nor studying. Over half of those who do work are in the unregulated informal sector earning less than minimum wage. Moreover, most schools are not prepared to train youth for 21st Century jobs. Only about half of high school students graduate, and of those who do, up to 50 percent lack the basic competencies that jobs require.

Addressing this complex challenge has been a major priority for the Inter-American Development Bank Group (IDB). Through our Multilateral Investment Fund (MIF), we have funded over 120 youth employment and entrepreneurship projects since 1994, training approximately 235,000 poor and low-income youth in 24 countries. That's a total investment of over US\$77 million, plus an additional US\$125 million leveraged through our partners.

The IDB is a longstanding partner of the International Youth Foundation (IYF). For example, with the flagship *entra21* youth employability program, the Bank and IYF developed a comprehensive youth job training model that combines ICT skills training, life skills, sector-specific technical training, internships, job placement services, and counseling. This model has been adapted and replicated by over 50 organizations across the region, reaching 136,000 youth. But, in order to reach youth in the numbers needed to really make a difference, we need to dramatically scale up successful models with public-private efforts.

To illustrate how scale can be achieved through multi-sector collaborations, let's look to Brazil. The *entra21* program, with its partner *Instituto Aliança* and additional funding support from the Walmart Institute, has focused on incorporating their life skills methodology, which combines technology with the development of life plans and hands-on team activities, into state public education systems. The model has been integrated into the curricula of 31 public schools in the states of Pernambuco and Ceará with the potential to be incorporated throughout their respective public school systems. Based on this experience, the Walmart Institute has also integrated this life skills methodology into

its *Escola Social do Varejo* (Social School for Retail) program, which trains poor and low-income youth for jobs in the country's growing retail industry. Walmart is expanding the program within Brazil, looking to train 14,500 youth by 2016.

Experiences like this have led to the next logical step in our scale efforts: the *New Employment Opportunities for Youth* (NEO) initiative, which seeks to build a network of multi-sector partnerships throughout the region, with the goal of providing high-impact job training and placement programs to at least one million youth over the next ten years. Executives from five companies with significant presence in the region—Arcos Dorados-McDonalds, Caterpillar, CEMEX, Microsoft, and Walmart—joined me during last year's Summit of the Americas in Cartagena to launch this innovative partnership, in which Manpower Group has joined as an advisor. What is unique about NEO is that these companies are playing a leading role in both defining the problem and the solutions needed to address serious labor market challenges. They do this not only to address their own hiring needs, but also to contribute to solving this collective problem that threatens the region's economic growth and security.

One of the first NEO public-private partnerships is currently taking shape in Nuevo Leon, Mexico, where there is a great need for solutions to tackle the youth employment challenge. In August 2012, representatives from the IDB and IYF went to Monterrey and Mexico City to meet with key public, private, and civil society actors to begin defining the critical path for NEO development. Stakeholders are now working to determine the partnership's structure, target youth populations, goals, and financing and scale strategy. The planning phase will be completed in the first quarter of 2013 and the NEO-Mexico partnership will get underway soon thereafter.

We're looking forward to sharing more about NEO's progress in Mexico and other countries and welcome others to contribute to its success, especially employers or service providers that could provide jobs, internships, training models or job placement services in the region. If we can train one million young people in this decade, at least half of whom get jobs, and we believe we can, NEO will serve as a model for other regions and contexts to reach even greater scale. **Y**